**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

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| **IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF NEW MEXICO FOR REVISION OF ITS RETAIL ELECTRIC RATES PURSUANT TO ADVICE NOTICE NO. 595** | ) | |
| | ) | **Case No. 20-00270-UT** |
| **PUBLIC SERVICE COMPANY OF NEW MEXICO,** | ) | |
| **Applicant** | ) | |

**DIRECT TESTIMONY**

**OF**

**R. BRENT HEFFINGTON**

**December 5, 2022**

**NMPRC CASE NO. 22-00270-UT**
**INDEX TO THE DIRECT TESTIMONY OF BRENT HEFFINGTON**
**WITNESS FOR**
**PUBLIC SERVICE COMPANY OF NEW MEXICO**

**DIRECT TESTIMONY OF**
**BRENT HEFFINGTON**
**NMPRC CASE NO. 22-00270-UT**

## I. INTRODUCTION AND PURPOSE

**Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

**A.** My name is R. Brent Heffington. I am the Managing Director of Generation for Public Service Company of New Mexico ("PNM" or "Company"). My business address is 2401 Aztec Road NE, Albuquerque, NM 87107.

**Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

**A.** I detail and support the generation-related cost elements of PNM's revenue requirements in this case. First, I provide an overview of PNM's generation resources and their role in PNM's generation portfolio as needed to serve customers. Second, I discuss PNM's generation capital budgeting processes, including how priorities are established and how capital budgets are monitored and controlled. Third, I summarize PNM's capital investments in generation facilities for the period from July 1, 2022, through the end of the Test Period December 31, 2024, known as the Capital Investment Period. Fourth, I describe the major capital investments required for the safe, reliable and efficient operation of PNM's electric generating facilities while complying with all federal, state and local regulations. Fifth, I discuss the sale of certain PNM-owned assets related to Palo Verde Nuclear Generating Station ("Palo Verde" or "PVNGS") to the Salt River Project Agricultural Improvement and Power District ("SRP"). Sixth, I address the budgeting and oversight of generation operations and maintenance ("O&M") expenditures. Seventh, I address the necessary non-fuel O&M expenditures

relating to PNM's generation fleet utilized in developing the Base Period expenses and the appropriate Base Period adjustments for generation O&M expenditures. Eight, I address PNM's nuclear fuel costs for Palo Verde. Ninth, I address the necessity and the prudence of PNM's continued investments in the Four Corners Power Plant ("Four Corners" or "FCPP"). Finally, pursuant to, the Modified Revised Stipulation in NMPRC Case No. 16-00276-UT, I address the prudence of three specific projects related to the San Juan Generating Station ("San Juan" or "SJGS"), and certain one-time costs associated with the shutdown of San Juan earlier in 2022.

**Q. WHAT ARE YOUR KEY CONCLUSIONS?**

**A.** Overall, I conclude that:

- PNM uses a thorough capital budgeting process to prioritize generation capital projects, and projects are carefully monitored to control expenditures. The generation capital investments during the Capital Investment Period are the result of this process and are reasonable and necessary for PNM to continue meeting its customers' energy needs in a safe, reliable and cost-effective manner. These investments are critical as we transition from our baseload coal generation to carbon-free renewables.
- PNM's generation O&M costs are the product of reasoned planning and vigilant cost controls. The Test Period O&M expenses represent the necessary costs for PNM to continue to safely and reliably operate PNM's generation facilities.

- PNM's scheduled plant maintenance is necessary for reliable, cost-effective operation. Plant maintenance expenses vary considerably from year-to-year because some maintenance intervals are based on plant unit run hours and plant unit starts instead of time-based intervals. As such, historical O&M expenses incurred in a single year do not accurately represent the level of scheduled maintenance costs that will be incurred during the Test Period. Therefore, it is necessary to use a normalized approach to determine the appropriate amount of scheduled maintenance costs to include in the Test Period.
- With the retirement of San Juan and the expiration of 114 MW of Palo Verde leased capacity, carbon-free replacement resources are and will continue to come on-line to meet customer needs. However, these replacement resources are not dispatchable 24/7, so our transition to cleaner energy will require our gas plant fleet to be dispatched up to full nameplate capacity on a 24/7 basis. This ability to be dispatched up to full load on a 24/7 basis is a critical and the gas fleet will play a vital role in maintaining resource adequacy as more and more non-dispatchable renewables are added to our system. Therefore, continued capital investments and O&M expenses are critical to maintaining our gas generation fleet until such time as the gas units are removed from service at or near 2040.
- PNM's nuclear fuel costs associated with Palo Verde are necessary and reasonable to provide PNM customers with reliable, carbon-free energy.
- Four Corners remains an important resource in PNM's generation fleet in providing reliable energy to customers. Until such time as PNM is authorized

to abandon Four Corners and to replace it with carbon-free or lower carbon resources, PNM must continue making necessary capital investments and incur operating costs in order to serve customer needs. PNM's past and anticipated capital investments in Four Corners through the Test Period are both reasonable and prudent.

- Because of the retirement of San Juan Units 2 and 3 in 2018, the San Juan owners were required to make capital investments to reconfigure San Juan to continue operation with Units 1 and 4 in a safe and reliable manner. PNM's share of these costs, which were addressed in the Modified Stipulation in Case No. 16-00276-UT, were both necessary and prudent. These costs are included in the amounts to be securitized under the San Juan energy transition bonds and PNM is not seeking any recovery for these costs in this case.

**Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS MANAGING DIRECTOR OF GENERATION.**

**A.** I am responsible for the strategic direction and operation of PNM' s generating resources to ensure that they continue to provide safe, reliable and cost-effective electricity generation to customers within PNM's service territory. The functions I oversee include generation operations, maintenance, engineering, construction, fuel and power procurement, wholesale power marketing and other services related to PNM' s generation fleet. I have oversight responsibility with respect to PNM's ownership interests in generation resources where PNM is not the operator,

specifically, Four Corners and Palo Verde. Previously, I had direct oversight responsibility for the operation of San Juan.

**Q. HAVE YOU PREPARED A STATEMENT OF YOUR EXPERIENCE AND QUALIFICATIONS?**

**A.** Yes. My educational background and professional experience are outlined in PNM Exhibit RBH-1.

**Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY ADMINISTRATIVE PROCEEDINGS?**

**A.** No, I have not.

**Q. HOW IS PNM GENERATION SUPPORTING NEW MEXICO'S ENERGY FUTURE?**

**A.** PNM Generation is supporting New Mexico's energy future by facilitating the Company's commitment to integrate increasing amounts of carbon-free energy and renewable resources now and in the coming years while providing safe, reliable and affordable power to our customers.

Today, PNM is transforming its generation portfolio to cleaner resources in response to state policies that combine the need to reduce carbon emissions with a recognition of the widespread availability of low-cost renewable technologies and the rise of new technologies such as energy storage. As of October 31, 2022, the Company provided customers with an energy mix that is 55% carbon-free,

including resources owned, leased and under purchase power agreements ("PPAs"). As part of this resource mix, PNM utilizes an existing portfolio of renewable resources totaling over 1,057 MW that includes solar, wind, and geothermal generation to serve our customers.

PNM abandoned San Juan Units 2 and 3 at the end of 2018, and recently abandoned San Juan Unit 1 on June 30, 2022, and San Jun Unit 4 on September 30, 2022. With the full abandonment of San Juan, PNM reduced total $CO_2$ emissions from its generation fleet by 68% when compared to 2005 levels. PNM's remaining coal generation consists of only 200 MW in Four Corners. Ultimately, the Company's goal is to transform PNM's generation to 100% carbon-free emissions by 2040, which is five years ahead of the state's mandate for carbon-free energy in 2045. Many of the investments that PNM Generation is making in both capital projects and O&M expenses that are included in this rate case are being made to continue providing reliable energy as we move toward achieving this carbon-free goal.

## II. OVERVIEW OF PNM'S GENERATION RESOURCES

**Q. PLEASE DESCRIBE PNM'S CURRENT GENERATION PORTFOLIO.**

**A.** PNM's generation portfolio consists of a diverse mix of generation resources which includes coal, nuclear, natural gas and renewable resources. While PNM owns a significant amount of generation capacity, either outright or in participation with other owners, an increasing amount of PNM's generation resources are procured

through PPAs, where PNM has a contractual entitlement to the full output from a third-party generation facility; and energy storage agreements ("ESAs"), where PNM has a contractual right to capacity from a third-party energy storage facility. PNM's remaining leased interests in Palo Verde, totaling 114 MW, will expire in January 2023 and January 2024, leaving PNM with an ownership interest of 288 MW.

PNM's New Mexico jurisdictional generation resources that are anticipated to be in-service on December 31, 2024, are summarized below in PNM Table RBH-1.

## PNM Table RBH-1
## PNM's Retail Generation Resources

| GENERATING PLANT | OWNER SHIP STATUS | COUNTY | FUEL TYPE | PNM SHARE (%) | PNM SHARE OF CAPACITY (MW) | IN-SERVICE DATE | OPERATING AGENT |
|---|---|---|---|---|---|---|---|
| **FOUR CORNERS UNITS 4 & 5** | Owned | San Juan | Coal | 13.0% | 200 | 1969-1970 | APS |
| **PALO VERDE UNIT 1** | Owned | Maricopa | Nuclear | 2.266667% | 30 | 1985-1986 | APS |
| **PALO VERDE UNIT 2** | Owned | Maricopa | Nuclear | 9.406667% | 124 | 1985-1986 | APS |
| **PALO VERDE UNIT 3** | Owned | Maricopa | Nuclear | 10.2% | 134 | 1988 | APS |
| **AFTON GENERATING STATION** | Owned | Dona Ana | Natural Gas | 100% | 235 | 2007 | PNM |
| **RIO BRAVO GENERATING STATION** | Owned | Bernalillo | Natural Gas | 100% | 149 | 2000 | PNM |
| **LA LUZ ENERGY FACILITY** | Owned | Valencia | Natural Gas | 100% | 41 | 2015 | PNM |
| **LORDSBURG GENERATING STATION** | Owned | Hidalgo | Natural Gas | 100% | 84 | 2002 | PNM |
| **LUNA ENERGY FACILITY** | Owned | Luna | Natural Gas | 33.3% | 190 | 2006 | PNM |
| **REEVES GENERATING STATION** | Owned | Bernalillo | Natural Gas | 100% | 144 | 1958-1962 | PNM |
| **UTILITY SCALE SOLAR PV** | Owned | Various | Solar | 100% | 158 | 2011 - 2019 | PNM |
| **TOTAL MW** | | | | | **1489** | | |

**Q. PLEASE DESCRIBE PNM'S COAL AND NUCLEAR RESOURCES.**

**A.** PNM has ownership interests in Four Corners and Palo Verde. Coal-fired and nuclear-powered generation plants typically operate at close to full capacity throughout the year. These generation plants generally have no or limited ability to vary their output rapidly and their primary characteristic and benefit is that they provide electricity to customers at a very stable rate. These are the baseload facilities that currently supply electricity to PNM customers. PNM's coal and nuclear plants are described below:

- *Four Corners:* Arizona Public Service Company ("APS") operates Four Corners which is located near Fruitland, New Mexico. PNM owns a thirteen percent share of Four Corners Units 4 and 5, representing 200 MW, which it acquired in 1969 and 1970, respectively. Four Corners provides needed baseload energy and capacity to serve PNM customers.
- *Palo Verde:* APS also operates Palo Verde which is located west of Phoenix, Arizona, and is the nation's largest nuclear generating station. The three units at Palo Verde came online between 1986 and 1988 and have operating licenses that extend to 2046 and 2047. PNM's current ownership consists of both leased and owned percentages. In January 2023, PNM's ownership in Unit 1 will be reduced from 10.2% to 2.266667%, reflecting the expiration of 104 MW of leased capacity. In January 2024, PNM's ownership in Unit 2 will be reduced from 10.2% to 9.406667%, reflecting the expiration of 10 MW of leased capacity. PNM's ownership in Unit 3 will be unchanged. Please see PNM Table RBH-2 to view PNM's share of ownership in Palo Verde.

**PNM Table RBH-2**
**PNM's Ownership of Palo Verde**

| Palo Verde Unit | PNM Ownership | | |
|---|---|---|---|
| | 1/1/2022 | 1/1/2023 | 1/1/2024 |
| 1 | 10.2% | 2.266667% | 2.266667% |
| 2 | 10.2% | 10.2% | 9.406667% |
| 3 | 10.2% | 10.2% | 10.2% |

**Q. PLEASE DESCRIBE PNM'S NATURAL GAS RESOURCES.**

**A.** The current natural gas resources in PNM's generation fleet are comprised of fast-starting flexible natural gas units, steam turbines, heavy frame units and combined cycle units. Taken together, these resources provide low-cost energy through economic dispatch and play an important role in supporting the continued and rapid addition of renewable energy resources to PNM's resource mix. These gas resources are as follows:

- *Afton Generating Station ("Afton"):* Afton is a 235 MW natural gas-fired generating plant that is wholly owned and operated by PNM and is located near La Mesa in the southern part of New Mexico. It consists of one General Electric ("GE") Frame 7FA gas turbine, a heat recovery steam generator, and a GE A10 steam turbine. Afton can be operated in a simple cycle mode or as a combined cycle generating facility. Power generated at Afton can be delivered to customers in either southern or northern New Mexico via contracted transmission rights.
- *La Luz Energy Facility ("La Luz"):* La Luz is a 41 MW simple cycle natural gas-fired generating station that is wholly owned and operated by PNM and is located near Belen, New Mexico. La Luz is a single LM6000 aeroderivative gas

turbine which provides quick start capability needed for voltage regulation and peak demand response. La Luz is sited adjacent to an existing PNM switching station and transmission facilities.

- *Lordsburg Generating Station (Lordsburg"):* Lordsburg is an 84 MW simple cycle natural gas-fired generation facility located in Hidalgo County, New Mexico. The plant consists of two LM6000 aeroderivative gas turbines that provide peaking power to PNM's customer base. Lordsburg is wholly owned by PNM, and PNM contracted with the NAES Corporation to provide on-site O&M on behalf of PNM. Power generated at Lordsburg can be delivered to customers in either southern or northern New Mexico via owned transmission rights.
- *Luna Energy Facility ("Luna"):* Luna is a 570 MW natural gas-fired combined cycle generating facility located near Deming, New Mexico. The facility consists of two GE frame 7FA gas turbines, two heat recovery steam generators, and one GE D11 steam turbine. PNM, Tucson Electric Power Company, Samchully Power and Utilities 1, LLC, jointly own equal shares in Luna, with PNM serving as operating agent under a participation agreement among the three owners. PNM's generation share of Luna is 190 MW. The Luna owners have contracted with the NAES Corporation to provide on-site O&M. Power generated at Luna can be delivered to customers in either southern or northern New Mexico via owned or contracted transmission rights.
- *Reeves Generating Station ("Reeves"):* Reeves, which is located in northern Albuquerque, is a 144 MW natural gas-fired generating plant that is wholly

owned and operated by PNM. Reeves consists of three gas-fired conventional boiler and steam turbine units. Unit 1 produces 42 MW, unit 2 produces 41 MW, and Unit 3 produces 61 MW. Power generated at Reeves can be delivered to customers in northern and southern New Mexico via owned or contracted transmission rights.

- *Rio Bravo Generating Station ("Rio Bravo"):* Rio Bravo is a simple-cycle 149 MW dual fuel generating plant that is wholly owned and operated by PNM and is located in Albuquerque. Rio Bravo can operate on diesel fuel or natural gas and consists of one GE Frame 7FA gas turbine. Power generated at Rio Bravo can be delivered to customers in northern and southern New Mexico via owned or contracted transmission rights.

**Q. IS PNM PROPOSING TO CHANGE THE TERMINAL DATES FOR ITS EXISTING GAS PLANT FLEET TO ALIGN WITH PNM'S GOAL OF A CARBON-FREE GENERATION PORTFOLIO BY 2040?**

**A.** Yes, PNM proposes to change the terminal dates to 2040 for the gas plants shown in PNM Table RBH-3:

**PNM Table RBH-3**
**PNM's Proposed Terminal Dates**

| Plant | Current Terminal Year | 2022 Proposed Terminal Year |
|---|---|---|
| Afton | 2042 | 2040 |
| La Luz | 2055 | 2040 |
| Lordsburg | 2042 | 2040 |
| Luna | 2046 | 2040 |

As indicated above, we are proposing to reduce the Afton and Lordsburg terminal dates by two years, the Luna terminal date by six years and the La Luz terminal date by fifteen years. The new terminal dates will be used in our future resource planning and were provided to PNM witness Watson for his depreciation study.

**Q. PLEASE DESCRIBE PNM'S RENEWABLE GENERATION RESOURCES.**

**A.** The current renewable resources in PNM's generation fleet include wind, solar photovoltaic ("PV") and geothermal energy. PNM also purchases excess solar production from distributed generation located on customer sites. Generation from renewable resources is "must take" and is utilized when available, subject to any system restrictions or requirements. The PNM-owned solar PV generation consists of 158.4 MW as shown in PNM Table RBH-4, and is comprised of the following:

**PNM Table RBH-4**
**PNM's Owned Solar PV**

| Facility | COD | County | Gross Maximum Capacity (MW) |
|---|---|---|---|
| Alamogordo Solar | 10/15/2011 | Otero | 5.0 |
| Albuquerque Solar Energy Center (Reeves) | 4/8/2011 | Bernalillo | 2.0 |
| Cibola Solar | 2/1/2015 | Cibola | 8.0 |
| Deming Solar | 8/8/2011 | Luna | 9.0 |
| Las Vegas Solar | 12/15/2011 | San Miguel | 5.0 |
| Los Lunas Solar | 6/1/2011 | Valencia | 7.0 |
| Manzano Solar | 10/11/2013 | Valencia | 8.4 |
| Meadow lake Solar | 12/31/2014 | Valencia | 8.9 |
| Otero Solar | 12/1/2013 | Otero | 8.0 |
| Prosperity Battery E | 9/19/2011 | Bernalillo | 0.5 |
| Prosperity Solar | 9/19/2011 | Bernalillo | 0.5 |
| Rio Communities Solar | 12/31/2015 | Valencia | 10.0 |

| Facility | COD | County | Gross Maximum Capacity (MW) |
|---|---|---|---|
| Rio Del Oro Solar | 5/31/2019 | Valencia | 10.0 |
| Rio Rancho Solar | 12/3/2019 | Bernalillo | 10.0 |
| San Miguel 1 Solar | 9/20/2019 | San Miguel | 10.0 |
| San Miguel 2 Solar | 10/15/2019 | San Miguel | 10.0 |
| Sandoval Solar | 12/31/2014 | Sand | 6.1 |
| Santa Fe Solar | 12/31/2015 | Santa | 9.5 |
| Santolina Solar | 12/31/2015 | Bernalillo | 10.5 |
| South Valley Solar | 12/31/2015 | Bernalillo | 10.0 |
| Vista Solar | 3/5/2019 | Valencia | 10.0 |
| | | | 158.4 |

Other renewable resources that PNM uses to serve jurisdictional needs and to meet its New Mexico renewable portfolio standard requirement are delivered pursuant to PPAs approved by the Commission. PNM Table RBH-5 below is a list of PPAs that are in-service or planned to be online through the Test Period, and includes the actual or anticipated commercial operation date ("COD") for each resource.

**PNM Table RBH-5**
**Approved PPAs**

| Project | Technology | Capacity (MW) | County | COD or Expected COD* |
|---|---|---|---|---|
| Arroyo Solar | Solar | 300 | McKinley | May 1, 2023* |
| Atrisco Solar | Solar | 300 | Bernalillo | May 1, 2024* |
| Dale Burgett Geothermal Plant | Geothermal | 11 | Hidalgo | January 1, 2018 |
| Jicarilla Solar 1 | Solar | 50 | Rio Arriba | March 31, 2023* |
| Jicarilla Solar 2 | Solar | 50 | Rio Arriba | April 30, 2022 |
| La Joya Wind Facility, Phase 2 | Wind | 141.18 | Torrence | June 30, 2021 |
| NMWEC - Lone Mesa | Wind | 200 | Quay | September 17, 2018 |
| Red Mesa Wind Energy Center | Wind | 102.4 | Cibola | January 1, 2015 |
| San Juan Solar 1 | Solar | 200 | San Juan | May 1, 2024* |
| Valencia Energy Facility | Natural Gas | 155 | Valencia | May 31, 2008 |

PNM has also received approval to add a significant amount of battery storage facilities in the near term which is critical to reaching a zero-carbon portfolio by 2040. The ESAs for these projects and their respective CODs included in the Test Period are listed below in PNM Table RBH-6.

**PNM Table RBH-6**
**Approved ESAs**

| Project | Technology | Capacity (MW) | County | COD or Expected COD* |
|---|---|---|---|---|
| Arroyo Energy Storage | BESS | 150 | McKinley | May 1, 2023* |
| Atrisco Energy Storage | BESS | 300 | Bernalillo | May 1, 2024* |
| Jicarilla Storage 1 | BESS | 20 | Rio Arriba | March 31, 2023* |
| SJS 1 Storage | BESS | 100 | San Juan | May 1, 2024* |

In addition to its renewable energy resources being used to serve system needs and meet renewable portfolio standards, PNM utilizes Company-owned and PPA-provided resources to offer three voluntary renewable energy programs to customers: (1) the Sky Blue program, (2) the Solar Direct program, and (3) Rate 36B.

**Q. ARE ALL OF THE IN-SERVICE GENERATION RESOURCES LISTED IN PNM TABLES RBH-1 THROUGH RBH-6 NECESSARY TO MEET CUSTOMER NEEDS AND PROVIDE RELIABLE SERVICE TO PNM'S CUSTOMERS?**

**A.** Yes. Though the utilization rates of these resources vary through the year depending on the type of resource, each of these resources is necessary and used to provide service to customers. The different types of generation resources in PNM's

overall portfolio are designed to meet varying customer demands while ensuring grid reliability at affordable rates.

**Q. HOW DO THE DIFFERENT CHARACTERISTICS OF THESE GENERATION RESOURCES ENSURE ELECTRIC GRID RELIABILITY?**

**A.** Reliability of the electrical system grid is essential and, as the amount of non-dispatchable renewable resources increases on PNM's system, maintaining system reliability is no longer simply a matter of maintaining sufficient capacity in excess of peak demand. Rather, a diverse and flexible portfolio of resources that can match constantly fluctuating levels of demand is required.

## III. PNM'S GENERATION CAPITAL INVESTMENT PROCESS

**Q. PLEASE DESCRIBE PNM'S CAPITAL INVESTMENT PROCESS FOR ITS GENERATION RESOURCES.**

**A.** PNM uses a thorough capital budgeting process to prioritize generation capital projects and carefully monitors and controls capital expenditures. The generation capital investments during the Capital Investment Period are the result of this process and are reasonable and necessary for PNM to continue meeting its customers' energy needs in a safe, reliable and cost-effective manner.

**Q. WHAT ARE THE VALUE DRIVERS USED TO EVALUATE PNM GENERATION PROJECTS?**

**A.** There are six core operational value drivers to categorize each capital project in this rate case: (1) Safety; (2) Environmental; (3) Reliability; (4) Security; (5) Compliance, and (6) System Performance. Each project may have only one, or in some cases many value drivers to determine the value of each project. However, a primary driver is identified for each project for prioritization and ranking. This is discussed later in my testimony.

**Q. HOW DOES PNM SELECT CAPITAL PROJECTS FOR ITS GENERATION FACILITIES?**

**A.** PNM employs two processes for capital budgeting for generation facilities. First, there is the process PNM uses for the generation facilities that PNM wholly owns or for which PNM has partial ownership and serves as the operating agent. Second, PNM participates in a similar capital budgeting process at Four Corners and Palo Verde, which are plants in which PNM has a partial ownership interest, but which PNM does not operate.

**Q. PLEASE DESCRIBE THE CAPITAL BUDGET PROCESS USED FOR GENERATION FACILITIES THAT PNM OWNS OR PARTIALLY OWNS AND OPERATES.**

**A.** As explained by PNM witness Sanders, PNM Generation is provided annual capital allowances for a five-year period as a guide for budgeting purposes. PNM's budgeting process for the generation facilities that PNM owns or partially owns and operates begins when plant staff identifies potential projects that are considered

essential to further PNM's operational objectives. PNM then develops cost estimates for all options for each respective needed capital project. Project options are evaluated and ranked based on safety, environmental, compliance, system performance, security, and reliability benefits. The estimating process involves internal and external technical experts (*i.e.*, engineers, manufacturers and other outside experts) who define the project scope and develop the cost estimates using the best available information for each potential project.

Next, the costs of all potential capital projects are totaled and compared to the annual generation capital allowance. Typically, PNM must prioritize its capital spending because capital needs exceed available capital funds. PNM Generation management prioritizes and pursues the capital projects in the portfolio around aspects essential to meet the PNM operational objectives described above. The Resource Council, which consists of the Chief Operating Officer and the Chief Financial Officer, reviews the summarized capital budget requests compared to targets and approves any adjustments needed. PNM witness Sanders discusses this in more detail in his testimony.

As the capital projects are executed throughout the year, management tracks the spending on the projects to the original capital plan at both the plant level and overall generation portfolio budget. Project managers are held accountable to meet their project cost and delivery goals. Because cost overages in any one project must be offset by expenditure reductions in other areas of the overall generation portfolio

budget, accuracy in both forecasting and execution are required to allow each plant to meet its respective budget along with the overall budget.

In the case of the budget at Luna, where PNM acts as operating agent, PNM presents the proposed capital budgets to the Luna owners for review and final approval. Throughout this process, PNM strives to balance the cost of each project with the benefits to customers that will be derived from the project.

**Q. CAN YOU DESCRIBE HOW THE CAPITAL PROJECT COST ESTIMATING PROCESS WORKS?**

**A.** Depending on the complexity of the project, PNM obtains data from a variety of sources to develop cost estimates for generation projects. Initially, PNM's Generation Engineering staff develops preliminary cost estimates based on information from recent similar projects. Preliminary cost estimates are also formed by information from equipment suppliers, construction contractors and other industry information.

Depending on the size and complexity of the project, estimating may also be performed by an outside firm engaged to engineer the project. For large or complex projects, estimating may be performed by an outside firm engaged in the role of "Owner's Engineer." This is an industry standard practice. The Owner's Engineer is a firm with proven experience in designing and executing projects of the scope and technology being considered.

For large or complex projects, one of the critical decisions is the contracting strategy. The contracting strategy influences the estimating strategy for the continuing development of the project. For example, if the contracting strategy is to use an Engineer, Procure, Construct ("EPC") contract, the next refinement of the project cost estimate will likely be based on proposals from the EPC bidders. Depending on the structure of the request for proposals, either a single proposal may be selected for an EPC contract or separate parties may be selected for engineering, equipment, supply and construction components of the project. When scope and schedule are clearly defined, firm fixed contracts are competitively bid and awarded to secure fixed pricing and schedule compliance during project phases.

Assuming the project is authorized based on cost estimates produced in the preceding steps, a periodic restatement of the cost estimate is made as the project scope, schedule and bidding is developed. Estimated values for equipment and construction services are replaced with amounts quoted by firms competing for each specific contract. For large projects that require multiple years to execute, the periodic restatement of the cost estimate is necessary to establish accurate annual forecasts.

**Q. DOES PNM UTILIZE COMPETITIVE BIDDING AS PART OF ITS COST ESTIMATING PROCESS?**

**A.** Yes. As generation projects are refined, PNM often relies on a competitive bidding process to finalize cost estimates for capital projects. The Generation Engineering staff assesses the bids and selects the most qualified vendor or contractor to perform the work. PNM reviews the bid in totality (cost, quality, schedule) when selecting the winning bid and placing the contract.

**Q. DESCRIBE THE PROCESS THAT PNM GENERATION USES TO MONITOR EXPENDITURES UNDER ITS CAPITAL BUDGET AND MINIMIZE COST TO CUSTOMERS.**

**A.** PNM actively manages its capital projects to ensure that the projects are completed at the lowest reasonable cost and within budget. PNM's Generation group reviews the status and forecast of the capital budget during monthly meetings between the Managing Director of Generation, Plant Directors, Department Directors, and Generation Engineering Director. Luna has additional budget reviews on a monthly basis among the facility's owners. The goals of these reviews are to monitor the investments at the facility and make sure that expenditures are reasonable, necessary, within the budgeted amount and on schedule.

**Q. IS FLEXIBILITY SOMETIMES REQUIRED WITH RESPECT TO THE IMPLEMENTATION OF PROJECTS?**

**A.** Yes, it is. Although PNM strives to meet its forecasted in-service dates for generation capital projects, flexibility in the specific projects to be completed is necessary to manage unforeseen events and unbudgeted expenses that might arise

during the year. For instance, an equipment failure can divert the resources of the engineering and project management staff from on-going projects and require the commitment of unbudgeted expenditures to ensure the continuous supply of power to customers. Projects and associated expenditures therefore cannot always be completed in the timeframe originally forecasted. A process is in place for managing quarterly changes, or "trade-offs" to ensure the funding of necessary, but unbudgeted, capital expenditures while not exceeding the approved capital allowance. The process requires documentation of the need for the new expenditure, the identification of a budgeted project expenditure that will be reduced to accommodate the new expenditure, and proper approvals.

**Q. HOW DOES PNM GENERATION MINIMIZE THE ENVIRONMENTAL IMPACTS OF CAPITAL PROJECTS?**

**A.** PNM seeks to minimize the environmental impacts of capital projects through its Environmental Management System ("EMS"), which is based upon the Company's Environmental Policy and the international ISO 14001 standard for Environmental Management Systems. The overall goal of the EMS is to ensure continuous improvement in the Company's environmental performance and foster an environmental stewardship ethic on a Company-wide basis. The foundation of the EMS is the Environmental Screening Process. Before field work or new projects begin, PNM employees screen their activities to identify potential issues associated with compliance requirements and resource protection. These issues include federal, state and local jurisdictional requirements and permitting; habitat and

threatened and endangered species; water and riparian area sensitivities; and cultural resources. When a potential issue is identified through the Environmental Screening Process, work will not proceed until an environmental clearance containing adequate and appropriate precautions, stipulations and permits has been issued. The Company also requires regular comprehensive environmental training for operational employees and some contractors at least every two years.

**Q. PLEASE DESCRIBE THE CAPITAL BUDGET PROCESS USED FOR FOUR CORNERS AND PALO VERDE WHERE PNM IS NOT THE PLANT OPERATOR.**

**A.** As discussed above, APS is the operating agent for both Four Corners and Palo Verde. Like PNM, APS follows a rigorous process to determine project prioritization, cost estimates and funding levels. APS presents the capital plans for Palo Verde and Four Corners to the respective ownership groups for each plant. The ownership groups are comprised of a voting member from each owner in that plant. The owners scrutinize APS's plans, seek information and provide input on the proposed budgets. The final annual capital budgets are then put to a vote of each facility's owners. Once the capital budgets have been approved by the owners, PNM is contractually obligated to pay for its share of the capital costs.

**Q. WHAT IS THE PROCESS FOR MONITORING CAPITAL EXPENDITURES AT FOUR CORNERS AND PALO VERDE?**

**A.** Capital expenditures are monitored at each of these facilities through budget reviews that are held on a monthly basis. The goals of these reviews are to monitor the expenditures of each plant and make sure that they are reasonable, necessary and within the expected amounts. Unforeseen circumstances can result in scope changes that can cause cost variances and lead to changes to work schedules. Appropriate efforts are made to help ensure that the project costs remain on target and within the overall budget.

**Q. IS THE PROCESS FOR MONITORING AND APPROVING CAPITAL EXPENDITURES AT FOUR CORNERS AND PALO VERDE REASONABLE?**

**A.** Yes. As a minority owner of these plants, PNM uses this process to review and monitor the decisions made by APS as operator of these plants. The active participation by all owners in the capital development and budget processes ensures that capital projects that are undertaken are required to ensure plant operations are safe and reliable and that the costs are reasonable.

**Q. DOES PNM HAVE ANY BUDGETING OBLIGATIONS AT FACILITIES THAT PROVIDE POWER TO PNM PURSUANT TO A PPA OR ESA?**

**A.** No. The costs borne by customers through PPAs or ESAs are contractually arranged and set pursuant to the terms and conditions within each agreement.

## IV. PNM'S GENERATION CAPITAL INVESTMENTS

**Q. WHAT TOPICS DO YOU ADDRESS IN THIS SECTION OF YOUR DIRECT TESTIMONY?**

**A.** I discuss PNM's capital investment plan for generation facilities during the Capital Investment Period and summarize the benefits of, and justification for, these investments. In addition, I show how the investments were projected and that the amounts are reasonable forecasts of the level of investment needed through the end of the Capital Investment Period.

**Q. CAN YOU DESCRIBE THE GENERATION CAPITAL PROJECTS CONTAINED IN THIS RATE CASE REQUEST?**

**A.** Yes. As discussed above, PNM has identified six core operational value drivers to categorize each capital project in this rate case: (1) Safety; (2) Environmental; (3) Reliability; (4) Security; (5) Compliance and (6) System Performance. Although a given project might fall under one or more of these categories, the primary designation of PNM Generation's capital projects during the Capital Investment Period falls under one of the six categories just described.

**Q. WHAT IS THE TOTAL PNM GENERATION CAPITAL INVESTMENT DURING THE CAPITAL INVESTMENT PERIOD?**

**A.** PNM's total Generation capital investments during the Captial Investment Period are $180.6 million. PNM Table RBH–7 shows the total investments for each of the six value driver categories identified above.

**PNM Table RBH-7**
**Capital Costs by Operational Value Driver**
**For the Capital Investment Period**

| Driver | Exhibit | Count | Percentage | Amount |
|---|---|---|---|---|
| Safety | PNM Exhibit RBH-2 | 19 | 7.40% | $ 13,366,722 |
| Environmental | PNM Exhibit RBH-3 | 4 | 0.87% | $ 1,573,395 |
| Reliability | PNM Exhibit RBH-4 | 43 | 27.76% | $ 50,127,546 |
| Security | PNM Exhibit RBH-5 | 2 | 0.67% | $ 1,218,106 |
| Compliance | PNM Exhibit RBH-6 | 13 | 59.13% | $ 106,765,593 |
| System Performance | PNM Exhibit RBH-7 | 8 | 4.16% | $ 7,519,283 |
| | | **89** | **100%** | **$ 180,570,646** |

PNM Table RBH-8 shows PNM's capital investments during the Capital Investment Period applicable to each of PNM's owned or partially-owned generation resources.

**PNM Table RBH-8**
**Capital Costs for Generation Resources**
**For the Capital Investment Period**

| Row Labels | Grand Total |
|---|---|
| Afton | $ 10,290,312 |
| Four Corners | $ 47,773,417 |
| Generation Distribution | $ 22,772,526 |
| Generation Engineering | $ 5,302,224 |
| Generation HQ - Aztec | $ 461,336 |
| La Luz | $ 3,585,105 |
| Lordsburg | $ 2,787,951 |

| Row Labels | Grand Total |
|---|---|
| Luna | $ 13,265,576 |
| Palo Verde | $ 58,217,280 |
| Reeves | $ 4,961,762 |
| Renewables | $ 225,862 |
| Rio Bravo | $ 3,820,923 |
| Wholesale Power Marketing | $ 7,106,372 |
| **Grand Total** | **$ 180,570,646** |

### *A. Safety Enhancement Projects*

**Q. PLEASE DESCRIBE THE TYPE OF PROJECTS INCLUDED IN THE SAFETY ENHANCEMENT CATEGORY.**

**A.** This category of investment contains the capital additions for maintaining and enhancing the safety of PNM's existing generation plant or facilities. More specifically, these projects will result in expected safety improvements or mitigate existing safety risks or the possibility of damage to public property, thereby enabling PNM to meet applicable safety standards. As indicated in PNM Table RBH-9 below, the total investments in this category amount to $13,366,722 during the Capital Investment Period. The projects highlighted below account for 53.78% of the total dollar amount of capital additions in this category. The remaining 46.22% are presented in PNM Exhibit RBH-2.

- **Rio Bravo – Gas Turbine Generation Outage (ID# 04616221):** Routine inspections of the Rio Bravo Gas Plant's combustion turbine and systems are required based on the number of unit starts. The number of starts is defined by the maintenance contract for the plant. Based on historical start data, a combustion inspection will need to be performed, the inspector will provide the labor and technical support and PNM will provide the necessary spare parts.

- **Reeves Station – Unit 3 Turbine and Generator Outage (ID# 71316624):** This project will replace the major capital parts in the turbine generator during the 2024 major outage. Steam erosion during plant operation wears on the stationary and rotating components over time, which requires replacement during major outages. Major capital replacements include, but are not limited to: blade rings, bearings, nozzle blocks, and seals in the low-pressure and high-pressure sections of the turbine's rotor. The generator will require electrical testing to identify stator and rotor windings integrity. PNM Engineering will coordinate the project schedule, inspections, installation, and cost.

- **Afton – Hot Gas Path 2022 (ID# 70716122):** The 7FA gas turbines (GTs) require major maintenance (overhauls) at set intervals based on factored starts and running hours. The Afton GT will reach its predetermined running hours necessitating a major overhaul in the spring of 2022

**PNM Table RBH-9**
**Capital Costs for Safety Project**

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| Safety | 04616003 | $ 368,698 | Rio Bravo Exhaust Duct System Upgrade |
| **Safety** | **04616221** | **$ 2,789,917** | **2022 Rio Bravo GT Gen Outage** |
| Safety | 04616324 | $ 359,601 | Rio Bravo Hydrogen Generator |
| Safety | 35730923 | $ 49,955 | 23-01 Aztec Building A Contingency |
| Safety | 35730924 | $ 48,856 | 24-01 Aztec Building A Contingency |
| **Safety** | **70716122** | **$ 3,099,560** | **Afton Hot Gas Path 2022** |
| Safety | 70716124 | $ 78,807 | AFT Annual Safety Imprvmt 2024 |
| Safety | 70716223 | $ 109,811 | Afton "H" ACC Fan Blade Repl 2023 |
| Safety | 70716321 | $ 295,105 | AFT 21-03 Alarm System Upgrade |

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| Safety | 70716622 | $ 39,285 | AFT Annual Safety Imprvmts 2022 |
| Safety | 70716823 | $ 74,909 | AFT Annual Safety Imprvmts 2023 |
| Safety | 70717022 | $ 1,890,658 | Afton Rotor Replacement 2022 |
| Safety | 70717923 | $ 149,769 | Afton Bulk Low Pressure Hydrogen Storage Tank Project |
| Safety | 70730523 | $ 109,830 | Afton Yard Lighting Project |
| Safety | 71316023 | $ 69,904 | RGS U1&2 Cooling Tower Acid Tank |
| **Safety** | **71316624** | **$ 1,298,538** | **U3 Turbine and Generator Outage** |
| Safety | 71316822 | $ 299,672 | U3 Motor Control Ctrs, Strt, and Br |
| Safety | 74416222 | $ 118,016 | Luna Hot Gas Path 2022 |
| Safety | 74417024 | $ 2,115,831 | Luna Capital Planned Outage 2024 |
| | | **$ 13,366,722** | |

Items in **bold** on this table are discussed in detail above.

### *B. Environmental Projects*

**Q. PLEASE DESCRIBE THE TYPE OF PROJECTS INCLUDED IN THE ENVIRONMENTAL CATEGORY.**

**A.** This category of investment contains the capital additions necessary to ensure PNM's compliance with federal and state environmental laws and regulations, including permitting requirements. For example, refurbishment of equipment or replacement of air monitoring equipment, evaporation ponds, landfill, and pollution control equipment needed to ensure continuing compliance are included in this category. As indicated in PNM Table RBH-10 below, the total investment in this category amounts to $1,573,395 during the Capital Investment Period. The projects

highlighted below account for 17.45% of the total dollar amount of capital additions in this category. The remaining 82.55% are presented in PNM Exhibit RBH-3.

- **Rio Bravo – Replace CEM O2 and NOX Analyzers (ID# 4616024):** The current nitrogen oxide (NOx) and oxygen (O2) analyzers are at the end of their lifecycles and need to be replaced. The NOx analyzers measure oxides of nitrogen derived from the gas fuel being burned by the turbine system. Combustion at high temperatures allows the reaction of nitrogen and oxygen atoms to combine to create nitric oxide (NO) and nitrogen dioxide (NO2). The O2 analyzer measures oxygen in the fuel being burned. The upgrade will ensure the continued accurate NOx and O2 gas monitoring to meet federal and state emissions regulations.

- **Afton – Ammonia and NOX Analyzers (ID# 70717123):** This project will install ammonia and NOx analyzers to improve ammonia injection. The Selective Catalytic Reduction (SCR) ammonia injection is currently dosed by historical amounts, which can lead to over-injection. This ammonia and NOx analyzer will provide a feedback loop to enable injecting the optimal amount of ammonia. This will lead to longer catalyst life, minimize Heat Recovery Steam Generator cleaning for ammonia crystallization, save costs, and reduce ammonia usage. The project will include an upstream NOx analyzer and downstream ammonia analyzer. This system does not currently exist, and the project will include the necessary engineering procurement and installation of these new analyzers.

**PNM Table RBH-10**
**Capital Costs for Environmental Projects**

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| **Environmental** | **04616024** | **$ 74,921** | **RB CEM O2 and NOX Analyzers** |
| **Environmental** | **70717123** | **$ 199,694** | **AFT Ammonia and NOx Analyzer** |
| Environmental | 70717125 | $ 799,094 | AFT Reline NE Pond |
| Environmental | 71316614 | $ 499,687 | Reeves Common Evap Pond Reline |
| | | **$ 1,573,395** | |

Items in **bold** on this table are discussed in detail above.

***C. Reliability Enhancement Projects***

**Q. PLEASE DESCRIBE THE TYPE OF PROJECTS INCLUDED IN THE RELIABILITY ENHANCEMENT CATEGORY.**

**A.** This category of investment contains the capital additions for maintaining and enhancing the reliability of PNM's existing generation plant. For example, the replacement of equipment reduces the occurrence of unplanned outages and helps to maintain a high reliability factor, which reduces the need for higher cost replacement energy. As indicated in PNM Table RBH-11 below, the total investment in this category amounts to $50,127,546 during the Capital Investment Period. The projects highlighted below account for 54.86% of the total dollar amount of capital additions in this category. The remaining 45.14% are similar in nature and are presented in PNM Exhibit RBH-4.

- **La Luz - Turbine Control Upgrades (ID# 75216125):** The scope of the project will include the replacement of Link Net-HT nodes, the P1020 central processing unit (CPU), and all cables for internal cabinet wiring, termination tee, and Controller Area Network (CAN) open accessories. The upgrade will also include a new Human-Machine Interface (HMI) local and remote computer, which will operate on Windows 10. If any of the system components fail, it will take several weeks to obtain and install spare parts, if they can be found. All necessary hardware, software, licenses and engineering will be provided. PNM Engineering will secure contracts to purchase and install the upgrades.

- **Wholesale Power Marketing – Energy Storage and Scheduling Optimization (ID# 70028021):** This project will implement a centralized control system that manages the numerous battery energy storage systems (BESS) currently being constructed on PNM's grid. The project will lower costs by reducing curtailments on renewable resources, reduce peak load by discharging batteries, and maximize revenue via energy imbalance market (EIM) participation.

- **Lordsburg - Outage Project (ID# 70316119):** This project covers the replacement of capital assets at Lordsburg to maintain and ensure ongoing

safe, compliant, efficient, and reliable operation of the plant in 2023. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant. This project includes required control system upgrades to the GE gas turbines to maintain support and operability.

- **Afton – Fogger #4 Pump Replacement (ID# 70717321):** Fogger pump #4 is the largest positive displacement pump on a four-pump inlet fogging skid that is used to pump demineralized water at 3000 psi from the pumping skid to spray nozzle manifolds located in the air duct downstream of the filter housing. While gas turbines are very efficient power-generation systems, when the weather gets hot, they lose power output. By mechanically chilling the inlet air before it enters the compressor, this output drop can be avoided. When all four fogger pumps are operating, an additional 16.5 MW can be provided. When fogger #4 is not operating, the unit derates 10 MW.

- **Distribution Generation - Distribution Battery Expansion Project (ID# 70518222):** Subject to Commission approval, PNM will purchase, own, and install 12 MW of battery energy storage systems (BESS) that will be spread across existing PNM solar facility sites located on PNM distribution feeders. The BESS will be installed on the PNM distribution feeders with the highest constraints in an effort to alleviate constraints on these feeders. This project has many purposes, including addressing resource adequacy issues, providing distribution support on certain constrained feeders, addressing feeder limitations, improving voltage control on feeders, and increasing solar hosting capacity.

**PNM Table RBH-11**
**Capital Costs for Reliability Projects**

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| Reliability | 04616122 | $ 73,999 | RB Admin UPS Replacement |
| Reliability | 04616124 | $ 49,946 | RB Compressor Bleed Valves |
| Reliability | 35730521 | $ 166,290 | 21-01 Aztec Building A Boiler Repla |
| Reliability | 35730522 | $ 196,235 | Aztec HVAC Chiller Replacement |
| Reliability | 70016023 | $ 150,255 | Solar / BESS Eng Ctrl Comm and Station - Aztec |
| **Reliability** | **70028021** | **$ 3,092,240** | **Energy Storage and Scheduling Optimization System (Battery Integration)** |
| Reliability | 70028022 | $ 496,218 | OSI Soft Enterprise Software/License |
| Reliability | 70028122 | $ 497,807 | Battery Integration/Renewable forecasting upgrades |

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| Reliability | 70316023 | $ 1,500,054 | Standardize Control Systems to Ovation |
| **Reliability** | **70316119** | **$ 998,442** | **Lordsburg Outage Project** |
| Reliability | 70316524 | $ 119,676 | Lordsburg Cap Planned Outage 2024 |
| Reliability | 70317923 | $ 84,869 | Lordsburg Capital Improvements 2023 |
| Reliability | 70317924 | $ 84,910 | Lordsburg Capital Improvements 2024 |
| **Reliability** | **70518222** | **$ 22,274,720** | **Distribution Battery Expansion Project** |
| Reliability | 70534023 | $ 149,494 | PNM Renewable Sites Capital Repl 20 |
| Reliability | 70534024 | $ 150,292 | PNM Renewable Sites Capital Repl 20 |
| Reliability | 70716222 | $ 40,000 | Afton Cooling Tower #1 Fan Motor Replacement |
| Reliability | 70716224 | $ 199,781 | AFT Plant HVAC Upgrades 2024 |
| Reliability | 70716323 | $ 219,661 | AFT (GT) Gas Turbine Thermocouples/Thermowells |
| Reliability | 70716625 | $ 119,816 | AFT Air Inlet Filter Replacement |
| Reliability | 70716723 | $ 109,829 | AFT Replace (ACC) Air Cooled Condenser Fan Gearboxes |
| Reliability | 70716822 | $ (35,601) | Afton Burner Management System Upgrade |
| Reliability | 70716922 | $ 86,081 | Afton Plant HVAC Upgrades 2022 |
| Reliability | 70716923 | $ 49,934 | AFT Plant HVAC Upgrades 2023 |
| Reliability | 70717023 | $ 40,020 | AFT DM Plant (RO) Reverse Osmosis Membrane Repl |
| Reliability | 70717223 | $ 124,810 | AFT Well Pump on Production Well |
| **Reliability** | **70717321** | **$ 787,193** | **Afton Fogger #4 Pump Replacement** |
| Reliability | 70717423 | $ 149,815 | AFT Automated Wastewater System |
| Reliability | 70717723 | $ 64,900 | Afton Lube Oil Vacuum/Filtration Skid |
| Reliability | 71316024 | $ 349,607 | RGS U3 Recoat Circ Water Pipe |
| Reliability | 71316124 | $ 249,728 | Reeves U3 Boiler Waterwall Repl |
| Reliability | 71316322 | $ 75,358 | RGS U2 GSU Diff Relay Upgrade |
| Reliability | 71316422 | $ 1,838,855 | Reeves U1 Cooling Tower Fill and St |
| Reliability | 71316722 | $ 160,567 | U3 Generator Excitation System |
| Reliability | 71316923 | $ 119,846 | Reeves GS U2 GSU Relay Upgrade |

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| Reliability | 74416022 | $ 197,737 | Luna Capital Improvements 2022 |
| Reliability | 74416023 | $ 3,724,447 | Luna Capital Improvements 2023 |
| Reliability | 74416026 | $ 3,504,393 | Luna Capital Improvements 2024 |
| Reliability | 74417022 | $ 1,504,564 | Luna Capital Planned Outage 2022 |
| Reliability | 74417123 | $ 1,900,882 | Luna Capital Planned Outage 2023 |
| **Reliability** | **75216125** | **$ 349,458** | **La Luz Turbine controls Upgrade** |
| Reliability | 75216221 | $ 2,736,185 | La Luz Spare GSU Transformer |
| Reliability | 75516021 | $ 1,374,232 | Solar Com Project |
| | | **$ 50,127,546** | |

Items in **bold** on this table are discussed in detail above.

### *D. Security Projects*

**Q. PLEASE DESCRIBE THE TYPE OF PROJECTS INCLUDED IN THE SECURITY CATEGORY.**

**A.** This category includes capital investments that PNM will make at Afton during the Capital Investment Period. Afton has two capital projects to ensure maintainability, reliability, and security. The first project is the new Afton Human-Machine Interface (HMI) upgrade that will refresh the out of date and unsupported Windows 7 based computers which will improve the ability to control, backup, and secure the system. The second project is an upgrade to the Unit 1 Turbine Mark VI-E Control Platform which will replace its out of date and unsupported components with new upgraded controllers, cybersecurity and original equipment manufacturer support. A detailed description of each of these projects can be found in PNM Exhibit RBH-5.

**PNM Table RBH-12**
**Capital Costs for Security**

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| Security | 70716523 | $ 219,658 | AFT HMI Upgrade |
| Security | 70716623 | $ 998,448 | AFT U1 Turbine MARK VIE Major Cntr |
| | | **$ 1,218,106** | |

***E. Compliance***

**Q. PLEASE DESCRIBE THE TYPE OF PROJECTS INCLUDED IN THE COMPLIANCE CATEGORY.**

**A.** This category of investment contains the capital additions for complying with regulatory laws, policies, and regulations. The total investment in this category amounts to $106,765,593 during the Capital Investment Period. A detailed description of these projects can be found in PNM Exhibit RBH-6.

A large portion of the Compliance projects is attributed to Four Corners and Palo Verde. PNM aggregates multiple capital projects from Four Corners and Palo Verde under a single Facilities Improvements umbrella or "blanket" project for accounting purposes, based on project information provided by APS, the plant operator. Included in these Improvements capital blanket projects are multiple projects targeting reliability, safety, regulatory and environmental compliance that have been selected by APS and approved by the owners.

PNM has identified the projects included in the Capital Investment Period as Compliance, although in most instances a given project provides other benefits.

Generally, investments at Four Corners and Palo Verde are necessary to meet regulatory compliance, safety, and reliability. Please see PNM Table RBH-13 below for a listing of projects.

**PNM Table RBH-13**
**Capital Costs for Compliance Projects**

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| Compliance | 04616023 | $ 51,920 | Rio Bravo PDC Battery Replacement |
| Compliance | 04616123 | $ 51,920 | Rio Bravo PECC Battery Replacement |
| Compliance | 70716424 | $ 91,949 | Afton PDC Battery Replacement |
| Compliance | 70717823 | $ 79,646 | Afton PECC Battery Replacement |
| Compliance | 71519017 | $ 44,476,525 | Four Corners Facility Improvements |
| Compliance | 71519117 | $ 1,441,181 | Four Corners Facility - Switchyard |
| Compliance | 71519210 | $ 1,855,710 | Four Corners Facility Improvements |
| Compliance | 72123410 | $ 4,968,855 | PV U1 |
| Compliance | 72223410 | $ 16,762,456 | PV U2 |
| Compliance | 72323410 | $ 16,929,010 | PV U3 |
| Compliance | 72423410 | $ 12,611,780 | PV Common |
| Compliance | 72523410 | $ 6,945,179 | PV water reclamation |
| Compliance | 75216024 | $ 499,461 | La Luz Replace SCR Catalysts |
| | | **$ 106,765,593** | |

Examples of projects from Four Corners include:

1. Baghouse system replacements:
    a. Bag replacements
    b. Booster fan replacements
    c. Reverse air damper replacements
    d. Baghouse motor protective relay replacements

2. Selective Catalytic Reduction systems
    a. Catalyst replacements
    b. Expansion joint replacements
3. Motor replacements
4. Valve replacements

Examples of projects from Palo Verde include:

1. Fire protection system upgrades
2. Valve replacements
3. Pump replacements
4. Motor replacements
5. Generator rewind

***F. System Performance***

**Q. PLEASE DESCRIBE THE TYPE OF PROJECTS INCLUDED IN THE SYSTEM PERFORMANCE CATEGORY.**

**A.** Projects in this category improve the overall efficiency, operation, or performance of the technical or business systems for all of Generation. As indicated in PNM Table RBH-14, the total investment in this category amounts to $7,519,283 during the Capital Investment Period. The projects highlighted below account for 75.12% of the total dollar amount of capital additions in this category. The remaining 24.88% are similar in nature and are presented in PNM Exhibit RBH-7.

- **Wholesale Power Marketing – Uninterruptable Power Source Replacement (ID# 3573072):** Replacement of the two existing Uninterruptable Power Source (UPS) units at the Wholesale Power Marketing (WPM) operations location is required. The current units have exceeded their useful life as recommended by the manufacturer and validated by a recent third-party facility assessment. The UPS units are critical to WPM operations, and the project scope will include improvements to all supporting infrastructure

- **Generation Engineering - Asset Management Engineering Tools (ID# 70528020):** This project purchases and configures hardware and software specifically designed to implement and optimize asset management practices and strategies into multiple PNM business systems, including the maintenance management system, document management systems and real time systems.

**PNM Table RBH-14**
**Capital Costs for System Performance Projects**

| Category | Project # | Budget | Project Name |
|---|---|---|---|
| **System Performance** | **35730721** | **$ 645,885** | **21-03 UPS Replacements for WPM** |
| System Performance | 70028222 | $ 256,374 | IRP Nodal Production Cost Modeling |
| System Performance | 70028323 | $ 491,807 | ICCP Upgrade/Replacement |
| **System Performance** | **70528020** | **$ 5,002,439** | **Asset Management Engineering Tools** |
| System Performance | 70528040 | $ 225,862 | Renewable Forecasting System |
| System Performance | 70717523 | $ 97,849 | Afton Sys One Vibration Analysis |
| System Performance | 73128124 | $ 199,707 | 2023 Gas Management Solutions-Luna JOU Upgrade |
| System Performance | 73128224 | $ 599,360 | Emerging Market Tool |
| | | **$ 7,519,283** | |

Items in **bold** on this table are discussed in detail above.

***G. Capital Projects Less than $25,000***

**Q. CAN YOU DISCUSS OTHER CAPITAL PROJECTS INCLUDED IN THE CAPITAL INVESTMENT PERIOD THAT ARE BELOW $25,000.**

**A.** Yes. PNM Exhibit RBH-8 provides a listing of capital projects included in the Capital Investment Period that are below $25,000. Because of the nature and relatively small project dollars for these types of projects, PNM does not require the same level of capital budget documentation for these projects that it does for larger projects. Project management teams are responsible for monitoring and reviewing costs to ensure that they are reasonable.

***H. Sale of PVNGS Assets to SRP***

**Q. HAS PNM INCURRED COSTS RELATED TO CAPITAL IMPROVEMENTS FOR THE 114 MW PVNGS LEASED INTEREST THAT IS BEING SOLD TO THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT ("SRP")?**

**A.** Yes. As one of the owners of PVNGS, PNM is obligated under the Arizona Nuclear Power Project Participation Agreement ("ANPP Agreement"), originally dated September 1, 1973, with the Reformed Copy inclusive of Amendments 1-16, dated April 28, 2014, to pay its assigned share for necessary capital improvements, based on the percentage of capacity that PNM owns or controls. Certain capital improvements are PNM-owned assets that are being sold to SRP.

In addition, under the terms of the PVNGS leases as approved by the Commission, PNM is also obligated to pay for necessary capital costs associated with the capacity leased by PNM. These capital investments were and are necessary for the safe and reliable operation of PVNGS and to comply with applicable requirements related to the operation of a nuclear power plant during the period of the leases. PNM witness Sanders provides the projected undepreciated investments associated with the 114 MW of PVNGS leased capacity.

**Q. WHAT PVNGS ASSETS ASSOCIATED WITH THE LEASED INTERESTS ARE BEING SOLD TO SRP?**

**A.** In general terms, these assets consist of PNM's ownership interests in certain PVNGS switchyard, transmission, "excluded assets" under the PVNGS leases, and nuclear fuel associated with the 114 MW PVNGS interests (collectively "PVNGS Assets"). SRP is acquiring the 114 MW of PVNGS that is currently owned by the lessors and requires the PVNGS Assets for the continued operation of these PVNGS interests.

This related sale and the specific facilities and fuel interests that will transfer are the subject of the Asset Purchase and Sale Agreement between PNM and SRP. Under the terms of the APSA, PNM is selling the PVNGS Assets at the net book value. The money from the sale of the PVNGS Assets will be credited to PNM customers as described by PNM witness Sanders.

## V. PNM'S GENERATION NON-FUEL O&M EXPENDITURES

**Q. WHAT TOPICS DO YOU ADDRESS IN THIS SECTION OF YOUR DIRECT TESTIMONY?**

**A.** In this section of my direct testimony, I address the PNM Generation O&M expenditures that were incurred in the Base Period to safely and reliably operate PNM's generation facilities. In particular, I:

- Describe the process used to establish PNM's Generation O&M budget and the oversight and management of these expenditures.
- Confirm the reasonableness of the Generation O&M expenses utilized by PNM witness Sanders in the Test Period; and
- Describe why it is appropriate to normalize the planned maintenance expenses for certain PNM generation resources.

**Q. WHAT O&M EXPENDITURES ARE ASSOCIATED WITH PNM'S GENERATION FACILITIES?**

**A.** PNM's Generation O&M expenses are the result of the day-to-day cost of safely and reliably operating PNM's generation resources and expenditures that are required to successfully execute the O&M work completed during scheduled maintenance. O&M expenses in both cases are comprised of several categories. The most significant expenses are the labor and labor-related expenses of the employees and contract workers that operate and maintain PNM's generation resources as well as those employees in generation support roles.

***A. PNM's Budgeting and Asset Management Process***

**Q. WHAT IS THE PROCESS THAT PNM GENERATION USES TO ESTABLISH THE O&M BUDGET?**

**A.** PNM's O&M budget development is a multi-step process. Staff from each power plant within PNM Generation reviews data from previous years and evaluates known changes. Each plant's staff adjusts the projection based on historical data for known variances, such as scheduled maintenance work, additional contract studies, etc., and inputs this data into PNM's budgeting system and projects forward five years using standard escalation rates for these components. Labor costs were escalated as discussed by PNM witness Pino. Most non-labor costs are escalated as discussed by PNM witness Sanders. Examples of cost categories that are reviewed are staffing levels, payroll (both straight time and overtime), outside services, equipment and materials. PNM's senior management approves the O&M budget.

**Q. HOW DOES PNM HANDLE O&M BUDGETS FOR GENERATION RESOURCES THAT PNM OPERATES AND ARE JOINTLY OWNED WITH OTHER PARTIES?**

**A.** Luna is the only remaining generation facility that PNM operates and jointly owns. PNM uses basically the same process for Luna that I just described in developing the other PNM O&M budgets. However, the O&M budgets are then presented to the owner representatives for review and approval.

**Q. HOW DOES PNM HANDLE O&M BUDGETS FOR GENERATION RESOURCES THAT ARE JOINTLY OWNED WITH OTHER PARTIES THAT PNM DOES NOT OPERATE?**

**A.** The preparation of the O&M budgets at both Four Corners and Palo Verde, which are operated by APS, follow the same rigorous process as described earlier with respect to the APS capital budget process. APS prepares the O&M budget and priorities for both Four Corners and Palo Verde. APS then presents the proposed O&M budgets to each plant's ownership committees for their review. The ownership committees review the budget and provide input as necessary. The final annual O&M budgets are then put to a vote of each facility's owners. Once the O&M budgets have been approved by the owners, PNM is contractually obligated to pay for its share of these costs.

**Q. HOW DOES PNM GENERATION DEVELOP SCHEDULED MAINTENANCE COST ESTIMATES?**

**A.** For facilities that PNM operates, PNM Generation personnel develop scheduled maintenance costs by compiling a list of items that need to be addressed during each scheduled maintenance project. Cost estimates are then developed using information related to cost of equipment/materials, any outside support services needed and various other incidental costs that may be incurred during the scheduled maintenance.

**Q. HOW DOES PNM MINIMIZE O&M COSTS TO CUSTOMERS?**

**A.** PNM actively manages projects to ensure that costs are consistent with budgeted amounts. Of course, some projects will come in above and others below budget. When necessary, PNM finds offsets to ensure that we achieve our overall O&M budget targets for Generation. PNM utilizes its Procurement Team to review market information while competitively sourcing material and/or services to achieve the lowest reasonable cost and best value for customers. PNM utilizes a proactive process of reviews, cost controls, and communication to drive project and site level accountability. This results in a process that meets operational and customer needs.

**Q. WHAT PROCESS DOES GENERATION USE TO MANAGE O&M COSTS AT THE PLANTS WHERE PNM IS THE OPERATOR?**

**A.** PNM manages its O&M expenditures by reviewing all aspects of its operations for savings. Management reviews of the O&M budget are held among the Managing Director of Generation, the Plant Directors, the Director of Wholesale Power Marketing, and the Director of Generation Engineering on a monthly and quarterly basis. Appropriate efforts are made to help ensure that the budgets remain on target.

Luna also has additional budget reviews held among the facility owners. The goal of these reviews is to monitor the expenditures for the facility to make sure that expenditures are reasonable, necessary and within the expected amount. Unforeseen circumstances can result in scope changes that can cause cost variances and lead to changes to the maintenance schedules. As noted previously, PNM

continually attempts to optimize scheduled maintenance as the need for maintenance work emerges at each unit and as work is completed during forced outages.

**Q. WHAT PROCESS DOES GENERATION USE TO MANAGE O&M COSTS AT THE APS OPERATED PLANTS (FOUR CORNERS AND PALO VERDE)?**

**A.** Budget reviews are held on a regular basis. The goals of these reviews are to monitor the expenditures of each plant and make sure that expenditures are reasonable, necessary and within the expected amounts. Unforeseen circumstances can result in scope changes that can cause cost variances and lead to changes to work schedules. PNM tries to ensure that APS stays within the overall budget. Those budget estimates are compared to the PNM generation budget and balanced for an overall generation budget as reviewed by the Managing Director of Generation, the Plant Directors or Project Manager, the Director of Wholesale Power Marketing, and the Director of Generation Services on a monthly and quarterly basis. Appropriate efforts are made to help ensure that the budgets remain on target.

**Q. ARE THE O&M EXPENSES FOR FOUR CORNERS AND PALO VERDE REASONABLY INCURRED AND PRUDENT?**

**A.** Yes. These expenses are necessary to ensure these plants are maintained in working order and operate safely and reliably. The active oversight of all owners in the

planning and budgeting processes ensure that costs are prudent and reasonably incurred.

### *B. Base Period and Test Year Calculations*

**Q. ARE YOU FAMILIAR WITH THE GENERATION O&M EXPENSES THAT PNM WITNESS SANDERS USED FOR HIS BASE PERIOD CALCULATIONS FOR GENERATION?**

**A.** Yes. PNM Witness Sanders used the actual Generation O&M expenditures for the period between July 1, 2021, and June 30, 2022, in developing his Base Period O&M expenses. The expenditures were made in conformity with the O&M budgeting process that I just described and represent necessary actual costs incurred by PNM to continue to safely and reliably operate PNM's generation facilities. Accordingly, they are a reliable and reasonable foundation for PNM witness Sanders' cost of service analysis.

**Q. WHAT IS YOUR UNDERSTANDING OF HOW THE BASE PERIOD GENERATION O&M EXPENSES WERE USED TO DEVELOP THE TEST YEAR O&M EXPENSES?**

**A.** As explained by PNM witness Sanders, he started with the Base Period Generation expenditures and applied appropriate annual escalation factors to derive his Test Period numbers. He also made certain adjustments, including the removal of San Juan to reflect its abandonment and the removal of costs associated with the

expiration of the 114 MW of Palo Verde leases, that he describes in his direct testimony.

**Q. ONE OF THE ADJUSTMENTS THAT PNM WITNESS SANDERS SHOWS TO ARRIVE AT HIS TEST YEAR O&M EXPENSES WAS TO NORMALIZE GENERATION O&M COSTS RELATED TO BASELOAD PLANNED POWER PLANT OUTAGES OVER A SIX-YEAR PERIOD. DO YOU AGREE THAT SUCH AN ADJUSTMENT PROVIDES A MORE REPRESENTATIVE ESTIMATE OF ANNUALIZED GENERATION O&M COSTS?**

**A.** Yes. Power plants are subject to periodic scheduled outages so that major maintenance can be performed. Outages are typically very cost intensive. Planned major outages at Four Corners typically occur every six years with a planned minor outages every three years per unit. Planned outages at Palo Verde typically take place about every eighteen months on each unit. Because of the varying outage schedules for Four Corners and Palo Verde, the Base Period is not representative of the average major planned outage costs. Therefore, a six-year period was determined to provide the most representative of the average major planned outage costs.

**Q. ARE THE PLANNED OUTAGE SCHEDULES FOR PNM-OWNED NATURAL GAS PLANTS DIFFERENT THAN THE BASELOAD PLANTS?**

**A.** Yes. The PNM-owned gas plants are operated on an as-needed basis and their outage schedules are based on gas turbine operating hours and fired starts, not on a calendar cycle like Four Corners and Palo Verde. Depending on the varying annual capacity factors the gas plants outage periods can range from three to five years. Therefore, a six-year outage period is an appropriate length of time to capture and average the major planned outage costs for the gas plants.

**Q. PLEASE DESCRIBE THE ANALYSIS THAT WAS PERFORMED TO DETERMINE THE ADJUSTMENTS THAT PNM WITNESS SANDERS UTILIZED.**

**A.** For all power plants, PNM Witness Sanders utilized the historical outage expenses incurred during the six-year period from July 1, 2016, through June 30, 2022, to calculate an average outage expense. This is a reasonable adjustment to make in order to derive representative O&M costs to be used for the Test Period. This is the same methodology as was used and accepted in NMPRC Case Nos. 15-00261-UT and 16-00276-UT.

**Q. ARE THE GENERATION O&M COSTS THAT PNM SEEKS TO RECOVER IN THIS CASE REASONABLE AND NECESSARY?**

**A.** Yes. The estimated O&M expenditures are reasonable because they are based on actual expenditures that were incurred after undergoing a robust budgeting process. They represent costs that are necessary to provide for the operation and maintenance of PNM's generation facilities to ensure that the lowest cost resources

to PNM's customers are available as much as possible rather than having to make more expensive external market purchases of generation. Additionally, because these resources are necessary for the foreseeable future, PNM's customers will get the benefit of a cost-effectively maintained generation fleet.

## VI. NUCLEAR FUEL COSTS AT PALO VERDE

**Q. PLEASE DESCRIBE THE COST OF NUCLEAR FUEL WHICH IS USED BY PALO VERDE TO GENERATE ELECTRICITY.**

**A.** As part of the operations of Palo Verde, APS purchases, processes and stocks nuclear fuel to be used in the reactors. Palo Verde reloads its reactors with nuclear fuel on a tightly controlled eighteen-month cycle. Once the fuel has been loaded into the reactor, the nuclear process converts the fuel to produce heat. This heat is used to boil water which creates the steam that drives Palo Verde's turbines which in turn drive electric generators. After the eighteen-month cycle, approximately forty percent of the fuel rods will require replacement due to the nuclear fission process. As this is a tightly controlled nuclear reaction, the physical amount of fuel required to run the station is known with great accuracy. This enables very accurate forecasts of the future nuclear fuel requirements.

APS provides PNM and the other owners with an accounting of the capital costs associated with nuclear fuel. The forecasted capital costs and refueling activity are presented in Rule 530, Schedule B-7 for the Capital Investment Period. At

September 30, 2022, the nuclear fuel capital account balances were $82.6 million. After taking into account forecasted purchases, refueling and nuclear fuel amortization, the forecasted nuclear fuel capital account balances at the end of the Test Period, December 31, 2024, is $69.4 million. The forecasted purchases and processing for nuclear fuel reloads are based on information provided by APS. PNM relies on the information from APS to project the nuclear fuel capital requirements. However, PNM does monitor APS's forecasted annual requirements for any significant cost changes. The most recent ten year forecast from APS from 2022 through 2032 shows the year-to-year annual nuclear fuel cost changes range from +7.48% to -7.96%. The Test Period nuclear fuel cost increased by 9.96% from the Base Period. This increase falls beyond the APS's 10-year forecast cost range of +7.48% to -7.96% is driven by an increase in fuel purchases in the Test Period to secure fuel supply and avoid issues predicted from supply chain uncertainty and geo-political uncertainty. Years beyond the Test Period costs fall within APS's 10-year cost range.

PNM witness Sanders addresses nuclear fuel amortization related to nuclear fuel inventory balances.

## VII. FOUR CORNERS PRUDENCE

**Q. WHAT DO YOU ADDRESS IN THIS SECTION OF YOUR TESTIMONY?**

**A.** I support the necessity for and reasonableness of PNM's capital investments and other expense in Four Corners for purposes of any prudence review of Four Corners in the case. PNM witness Graves addresses the prudence of PNM's past actions with respect to Four Corners.

As discussed above, Four Corners is a certificated resource and is currently needed to serve customers' energy needs. As also discussed above, capital investments and operating costs at Four Corners are subject to a rigorous review and approval process by all of the owners. There is also strict oversight of capital projects and operating costs to ensure that they are implemented in a cost-effective manner.

**Q. PLEASE ELABORATE ON THE TYPE OF INVESTMENTS NECESSARY FOR FCPP OPERATIONS.**

**A.** The projects included in the Capital Investment Period are categorized as Compliance, although it is very likely that a given project provides other benefits. Generally, FCPP investments are necessary to meet regulatory and environmental compliance, safety, and reliability.

**Q. HOW HAS PNM ACCOUNTED FOR AND TRACKED THE FCPP CAPITAL INVESTMENTS IN THE CAPITAL INVESTMENT PERIOD?**

**A.** PNM aggregates multiple capital projects from Four Corners under a single Facilities Improvements umbrella or "blanket" project for accounting purposes, based on project information provided by the plant operator. Included in these Four Corners Facility Improvements capital blanket projects are multiple projects targeting reliability, safety, regulatory and environmental compliance that have been selected by APS and approved by the owners.

**Q. IS PNM'S SHARE OF THE COSTS FOR THE FCPP INVESTMENTS NECESSARY AND REASONABLE?**

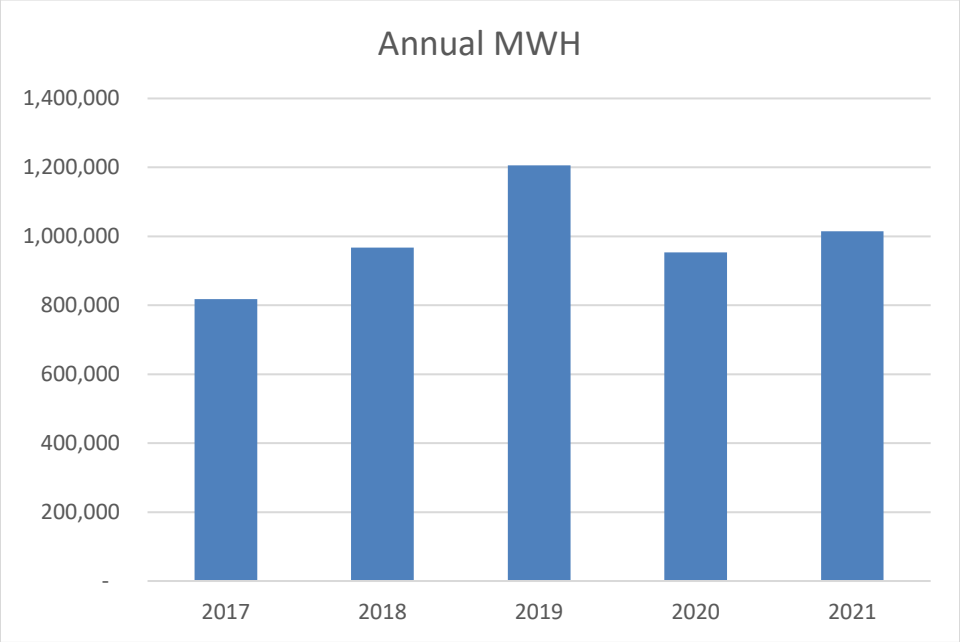
**A.** Yes. PNM's share of Four Corners is an existing and certificated base load resource and it is used to cost-effectively and reliably serve PNM's customers. As I explained above, the capital projects for FCPP serve to meet one, two or all three goals of Compliance, Safety, and Reliability, which are necessary for the continued operation of FCPP. Likewise, as discussed above, PNM's share of the O&M costs related to FCPP are necessary and reasonable.

**Q. HAVE PNM'S CUSTOMERS BENEFITED FROM THESE CAPITAL INVESTMENTS?**

**A.** Yes. FCPP has been a necessary and integral part of PNM's generation resources needed to serve customers. As discussed above, these investments were both reasonable and necessary for the safe and reliable operation of FCPP. Four Corners

has been able to provide PNM's customers stable, firm baseload energy and capacity for over 60 years. PNM Table RBH-15 below shows PNM's share of the overall energy production at Four Corners from 2017 through 2021. In total, Four Corners has supplied PNM's customers with over 4.95 million MWh of energy since 2017.

**PNM Table RBH-15**
**Four Corners Power Plant Energy Production**




In addition, customer energy demand varies seasonally. In the summer months, when demand on the system is greatest, Four Corners continued to deliver a consistent production of energy. For example, in 2021 Four Corners had a summer equivalent availability factor of 89.6%, and in the summer of 2022 it had an equivalent availability factor of 93.2%. Four Corners has been a vital part of meeting our customers' energy needs. Four Corners serves a role in diversifying PNM's resource portfolio and, therefore, has also been a critical part of providing

for customer needs during extreme weather events such as those in California in the summer of 2020, and the polar vortex experienced in the Southwest in February 2021.

**Q. HAVE THE BENEFITS OF CAPITAL INVESTMENTS RELATING TO THE AVAILABILITY OF FOUR CORNERS BEEN PRESENTED IN ANY RECENT CASES?**

**A.** Yes. The capital investment projects aimed at improving the availability and performance of FCPP will not only enhance the ability of PNM to serve customers, it will also help support the reliability of proposed renewable resources that were presented in Case No. 19-00195-UT.

The Commission recently rejected PNM's proposed abandonment of Four Corners effective at the end of 2024 in Case No. 21-00017-UT. Thus, for PNM, Four Corners remains a certificated resources that is currently serving PNM's customers and will continue to do so at least through the Test Period. PNM has incurred, and will continue to incur necessary capital costs and O&M costs associated with its continued operation of Four Corners and, therefore, should be authorized to recover all necessary and reasonable costs of these operations. Unless and until the abandonment of Four Corners is authorized, along with approval of necessary replacement resources, Four Corners will be needed to safely and reliably serve PNM's customers.

## VIII. REVIEW OF SPECIFIC SAN JUAN PROJECTS

### *A. Prudence of San Juan Projects from Case No. 16-00276-UT*

**Q. WHAT DOES PARAGRAPH 9 OF THE MODIFIED REVISED STIPULATION IN NMPRC CASE NO. 16-00276-UT REQUIRE?**

**A.** Paragraph 9 of the Modified Revised Stipulation in NMPRC Case No. 16-00276-UT provides that "PNM shall also make a showing in PNM's next rate case regarding the prudence of Project Nos. 76616418, 76616917, 76617016 and the reasonableness of their costs." These are San Juan capital projects that were initially planned to address continued plant operations following the retirements of San Juan Units 2 and 3.

Project 76616917 was originally planned to install infrastructure necessary to receive a rental auxiliary boiler. Installing the auxiliary boiler was studied and evaluated, but never implemented as the cost and return were not justified at the time.

**Q. WAS PROJECT NO. 76616418 COMPLETED AND WAS IT PRUDENT AND REASONABLE?**

**A.** Yes. Project 76616418 was completed, although a different project number was used for accounting purposes. This project involved retiring equipment on Units 2 and 3 once they were abandoned. The workscope was focused on minimal activities necessary to ensure all environmental risks were minimized, electrical equipment was safely isolated, and fuel handling systems were isolated to Units 2

and 3. This project was reassigned numbers and was executed as Project No. 79016118 as part of work required under Exhibit E in the San Juan Decommissioning Agreement. Project 79016118 was estimated to cost PNM $1,659,927. The actual current costs charged to this project are $1,421,214, which is slightly less than the original estimated cost. Project 79016118 was prudent and reasonable because it was necessary to mitigate environmental and safety hazards associated with the abandonment in place of Units 2 and 3 while Units 1 and 4 were operating.

**Q. WAS PROJECT NO. 76617016 COMPLETED?**

**A.** Yes. Project 76617016 was completed, although the scope of the project was narrowed when it was determined some portions of the original project were no longer necessary or cost-justified. This project was implemented and included the identification of items/systems that needed modification to keep San Juan Unit 1 and Unit 4 running while Units 2 and 3 were abandoned. Several reconfiguration projects were needed to safely and reliably operate the remaining units (1 and 4). The reconfiguration consolidated unit designs in order to reduce cost, maintain redundancy, and reduce risks to each unit's production loss. A third-party engineering firm was used for the design review process to support the decision making and path forward.

**Q. PLEASE DESCRIBE WHAT TASKS WERE ENCOMPASSED IN PROJECT NO. 76617016.**

**A.** Key improvements were the installation of critical steam, electrical, and water cross ties. In addition, an evaluation was performed to determine whether to consolidate key processes including soot blowing air and demineralized water. The project originally consisted of twenty-four different tasks, which were reduced to the following nine tasks after further review:

*Condensate Make-up and Isolation* - Under a 4 Unit operation, the condensate make-up system was cross-tied to the respective sister units. Work was executed to isolate Units 2 and 3 from receiving make-up water and then Units 1 and 4 were cross-tied for redundancy. This work was performed using existing piping with a valve modification.

*Auxiliary Steam* - The Units' auxiliary steam system had previously been cross-connected but was not in satisfactory condition to allow adequate steam flow from Unit 1 to Unit 4, and vice versa. Work was performed to allow sufficient flows and pressures to supply auxiliary steam. This included inspection of piping and steam traps. Valve inspection, calibration and replacement was also performed to ensure safe operation across the plant.

*Raw Water System* - The raw water system was common to the entire plant. Work was performed to isolate service water from entering Units 2 and 3.

*Sootblower Compressors* – Units 1 and 2 shared a common air system as did Units 3 and 4. Work was performed to run a new line to supply Unit 1 with air from Unit 4's sootblowing air compressors. This allowed the Units 1 and 2 air compressor system to be abandoned. The result was reduced maintenance costs, reduced auxiliary power load, and an increase in unit heat rate.

*Start-up Boiler Feed Pump* - Units 3 and 4 had a single, electric driven, start-up boiler feed pump. A three-way diverter valve was used to direct flow to the desired unit. Work was performed to remove the three-way valve and isolate Unit 3 from receiving flow from this system.

*Heating Steam Condensate Return* - Work was performed to ensure the heating steam condensate receiver tanks discharged to area floor drains in a safe condition.

*Heating Steam Isolation* - Work was performed to isolate the supply side steam from the retired units to prevent back flow into the respective steam drums.

*Absorber Isolation* – The limestone feed runs from the prep area, through each unit, heading South and terminates on the South side of Unit 1. This feed was capped and isolated at the header to prevent dead legs, servicing Units 2 and 3. The oxidation air blower supply header also takes the same route, and it too was blinded (isolated) at the respective cell legs.

*Fire Protection* – Modifications were made to isolate and abandon unnecessary fire protection around the Units turbines.

Under all nine of the modifications described above, Digital Control System (DCS) and control work was performed to abandon and clean up the controls system, including operator screens, shutting down unused I/O, consolidating controls, etc. Project No. 76617016 was completed in 2018.

**Q. WAS PROJECT NO. 76617016 PRUDENT AND REASONABLE?**

**A.** Yes. This project was prudent and reasonable because it was necessary to isolate common systems associated with the retirement in place of San Juan Units 2 and 3 while Units 1 and 4 were still in operation. The isolation of common equipment addressed safety and reliability issues that arose from the new plant operating configuration.

**Q. WHAT WAS THE FINAL COST FOR PROJECT NO. 76617016 AND WERE THESE COSTS REASONABLE?**

**A.** PNM's portion of the cost for this project was $622,572. These costs were reasonable for the scope of this project. As discussed by PNM witness Sanders, PNM has excluded the undepreciated investments related to SJGS from the Test Period and therefore none of these investments are included in the Test Period.

***B. One Time Costs Associated with San Juan Abandonment***

**Q. WHAT ONE-TIME COSTS ASSOCIATED WITH THE SAN JUAN ABANDONMENT WAS PNM AUTHORIZED TO RECORD A REGULATORY ASSET FOR IN CASE NO. 19-00018-UT?**

**A.** In NMPRC Case No. 19-00018-UT PNM was authorized to record a regulatory asset for the following (table excerpted from page 28 of the Recommended Decision on PNM's request for authority to abandon its interest in the San Juan Units 1 and 4 and recover non-securitized costs):

| Regulatory Asset | Amortization Period (Years) | Estimated Amount (in Millions) |
|---|---|---|
| One-time costs – Obsolete inventory | 25 | 6.3 |
| One-time costs –External legal costs associated with closure of San Juan coal plant | 25 | 1.2 |
| RFP and regulatory approval costs allocated to PPAs | 20 | 0.8 |

**Q. PLEASE DESCRIBE THE ONE-TIME COSTS ASSOCIATED WITH OBSOLETE INVENTORY FROM THE ABOVE TABLE.**

**A.** During plant operation, San Juan maintained an inventory balance consisting of tools, spare equipment, and other materials and supplies that were on hand to operate the plant. PNM has taken reasonable efforts to reduce the amount of inventory balances at San Juan. PNM started reducing inventory levels while the plant was operating and has conducted several auctions to sell remaining inventory. PNM has conducted seven auctions to date during the time period of November 2021 through October 2022 and PNM plans to conduct two remaining auctions in

December 2022. Netting the inputs for attrition of spare parts and the auction sales of remaining inventory PNM now estimates a remaining balance of $6.4 million versus the original $6.3 million estimate will need to be recovered from customers as the result of the abandonment of San Juan for obsolete inventory. Pursuant to the terms of the Financing Order in Case No. 19-00018-UT, PNM will continue to track any additional proceeds received from the remaining auctions and will reduce the regulatory asset associated with the obsolete inventory and true-up the unamortized balance in a future rate case proceeding.

**Q. PLEASE DESCRIBE THE ONE-TIME COSTS ASSOCIATED WITH EXTERNAL LEGAL FEES FROM THE ABOVE TABLE.**

**A.** PNM estimated $1.2 million in external legal costs associated with the closure of San Juan that needed to facilitate the necessary contractual negotiations with the remaining owners over the exit of San Juan and to secure regulatory approval for the abandonment. Although legal matters for the plant closure are not yet complete, PNM has incurred less than $0.1 million in external legal counsel costs to date and is requesting recovery of these amounts. Initial costs are lower than estimated as the majority of the legal work to date has been able to be performed by in-house legal counsel. Pursuant to the terms of the Financing Order in Case No. 19-00018-UT, PNM will continue to track any additional costs received from any future external costs and will record as a regulatory asset and true-up the unamortized balance in a future rate case proceeding.

**Q. PLEASE DESCRIBE THE ONE-TIME COSTS ASSOCIATED WITH THE REQUEST FOR PROPOSAL ("RFP") AND REGULATORY APPROVAL COSTS FOR REPLACEMENT RESOURCES FOR SAN JUAN.**

**A.** PNM spent considerable time and effort to develop the San Juan replacement resources proposed and litigated in NMPRC Case No. 19-00018-UT and Case No. 19-00195-UT. These replacement resources were referred in these cases as Scenario I. The work involved for developing the replacement resources included engaging third party vendors of different replacement technologies, modeling different generation mixes, and determining the optimum replacement resource plan, as well as analyzing and modeling alternative portfolios presented in the replacement resources proceedings.

PNM originally anticipated allocating these costs between owned generation assets in the portfolio and the PPAs. The costs allocated to the PPAs were requested for recovery as a regulatory asset, as the costs allocated to owned generation assets would have been included as part of the capital cost of those assets. Pursuant to the Commission orders in those cases, the final selected resources were all PPAs, so all of the one-time costs of $8.9 million incurred are reflected in the regulatory asset. The PNM Table RBH-16 below summarizes the final costs incurred and requested for recovery in this proceeding:

**PNM Table RBH-16**
**San Juan Regulatory Approval One-Time Costs**

| $ In Millions | Description of Costs |
|---|---|
| $ 2.9 | Termination Fee from ProEnergy Services LLC |
| $ 3.2 | Outside Service Costs |
| $ 1.5 | External Counsel Fees |
| $ 0.6 | Other Costs, including Labor |
| $ 8.3 | Total |

The termination fee from ProEnergy Services reflects a one-time contract termination fee due pursuant to Amendment 001 – PNM Contract No. 1057666. Recovery of this cost is reasonable because it was necessary to ensure the project could remain available for consideration by the Commission during the course of the replacement proceedings. The regulatory process ultimately extended longer than was originally anticipated in negotiating the period of time in which bidders would honor the pricing and delivery terms for proposed contracts included in the San Juan replacement portfolio.

Outside service costs include the one-time costs for outside consultants' support in conducting the RFP, the evaluation and selection of successful bidders, modeling the various scenarios presented, and negotiating signed contracts for the replacement resources.

External counsel fees represent costs incurred associated with development and negotiation and execution of agreements related to replacement resources of Scenario 1.

Other costs include internal labor incurred to support the development and construction of resources. These costs normally would have been capitalized as part of the owned generating assets as they represent capitalizable dollars incurred to develop and implement long-lived assets. Other costs include miscellaneous expenses, including mailing and supplies and materials, and employee related expenses incurred.

**Q. WHAT IS PNM REQUESTING WITH RESPECT TO THE FOREGOING COSTS ASSOCIATED WITH THE ABANDONMENT OF SAN JUAN?**

**A.** As discussed by PNM witness Sanders, PNM was authorized to create regulatory assets for the foregoing expenses. PNM is requesting that these costs now be included in PNM's cost of service for recovery in rates.

## IX. CONCLUSION

**Q. DO YOU HAVE ANY CONCLUDING OBSERVATIONS?**

**A.** Yes. Generating electricity is a very capital-intensive enterprise. PNM has a portfolio of generation resources that has served its customers well and requires ongoing investments to safely, reliably and efficiently operate in the future. The costs associated with investing in generation resources and operating and maintaining the generation resources that PNM is presenting in this rate case are reasonable and necessary to continue to provide cost-effective, reliable electricity to PNM's customers.

**Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

**A.** Yes.

*GCG#530104*

Résumé of Brent Heffington

# PNM Exhibit RBH-1

Is contained in the following 1 page.

# BRENT HEFFINGTON

## EDUCATIONAL AND PROFESSIONAL SUMMARY

**Address:** Public Service Company of New Mexico
Aztec Facility
2401 Aztec Road NE, Building A
Albuquerque, New Mexico 87107

**Position:** Managing Director of Generation – December 2020 to present

**Previous Positions:**

Xcel Energy, Public Service Company of Colorado
Director – Plant Manager Comanche Station – January 2018 to January 2021

Xcel Energy, Southwestern Public Services (SPS)
Senior Operations Manager – July 2015 to January 2018

Xcel Energy
Manager of Technical Resources and Compliance – April 2014 to June 2015

Xcel Energy, Southwestern Public Services (SPS) – April 1994 to April 2014
Maintenance Manager
Plant Supervisor of Technical Services/Engineer
Technical Specialist II
Journeyman Maintenance Mechanic

**Education:**

Texas Tech University, Bachelor of Mechanical Engineering
Lubbock Christian University, Bachelor or Business Administration
Washington State University, Executive MBA

Safety Enhancement Capital Projects

# PNM Exhibit RBH-2

Is contained in the following 38 pages.

**Project No:** **04616003** **Rio Bravo Exhaust Duct System Upgra**

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 7/1/2022

Description

The Rio Bravo exhaust stack liner and baffle system is failing due to attachment bolts breaking loose from the exterior support structure. These attachments secure the liner and silencer system to the exterior stack/support and allow for the necessary expansion of the liner. During past outages, extensive man-hours have been spent repairing and re-welding failed attachments in an attempt to stabilize the liner. Recently, these failures have become a safety concern, as broken fasteners and liner material are flying out of the stack and onto the surrounding ground. Additionally, the silencer attachments have failed and two baffles (of five) fell from their location at the top of the stack. Due to the nature and increasing frequency of these attachment failures, engineering recommends a complete replacement of the entire liner and silencer system.

Project Need Justification

The project is needed to ensure the continued reliable operation of Rio Bravo Generation System. Due to the safety nature of the project, continued operation in the current state is not possible. The liner must be repaired or the unit retired.

Project Alternatives

Two alternatives were considered:
1) Attempt to repair the existing liner and baffle system
2) Complete stack replacement

Due to the safety nature of the hardware flying out of the stack, and the failed past attempts to repair the failing fasteners, attempting to continue to repair the fasteners was eliminated as an option. Replacing the entire stack was an estimated $2.5M endeavor. Replacing the liner and baffle system was the best cost effective option.

Project Estimate Approach

The project went through a Request for Information process and solicited engineering estimates from 3 major vendors prior to the formal bidding process.

Customer Benefit

By completing this project, PNM ensures the safe and continued operation of Rio Bravo. Rio Bravo is utilized as a peaking plant, and it is important that it is available for immediate operation if wind and solar become unavailable.

Primary Value Driver Safety

Safety When velocities in the exhaust duct increase, these failures are turning into a safety concern as broken fasteners and liner material are flying out of the stack and onto the surrounding ground.

Reliability

System Performance

Security

Compliance

Environmental

**Project No:** **04616003** **Rio Bravo Exhaust Duct System Upgra**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 21,437 | - | - | - | - | - | - | 21,437 |
| 120: Overtime-General | 81,392 | - | - | - | - | - | - | 81,392 |
| 350: Material Issues-Major | 3,172 | - | - | - | - | - | - | 3,172 |
| 370: Outside Services | 1,817,405 | - | - | - | - | - | - | 1,817,405 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,034 | - | - | - | - | - | - | 7,034 |
| 914: Pension and Benefits | 6,566 | - | - | - | - | - | - | 6,566 |
| 915: Injuries and Damages | 3,445 | - | - | - | - | - | - | 3,445 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 5,425 | - | - | - | - | - | - | 5,425 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 87,942 | - | - | - | - | - | - | 87,942 |
| 928: AFUDC Debt | 4,438 | 38 | - | - | - | - | - | 4,476 |
| 929: AFUDC Equity | 14,561 | 91 | - | - | - | - | - | 14,653 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,684,249) | (31,538) | - | - | - | - | - | (1,715,788) |
| 825: Closing Cost of Removal | - | (337,159) | - | - | - | - | - | (337,159) |
| Project Net | 368,568 | (368,568) | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 21,437 | - | - | - | - | - | - | - | - | - | - | - | - | 21,437 |
| 120: Overtime-General | 81,392 | - | - | - | - | - | - | - | - | - | - | - | - | 81,392 |
| 350: Material Issues-Major | 3,172 | - | - | - | - | - | - | - | - | - | - | - | - | 3,172 |
| 370: Outside Services | 1,817,405 | - | - | - | - | - | - | - | - | - | - | - | - | 1,817,405 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,034 | - | - | - | - | - | - | - | - | - | - | - | - | 7,034 |
| 914: Pension and Benefits | 6,566 | - | - | - | - | - | - | - | - | - | - | - | - | 6,566 |
| 915: Injuries and Damages | 3,445 | - | - | - | - | - | - | - | - | - | - | - | - | 3,445 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 5,425 | - | - | - | - | - | - | - | - | - | - | - | - | 5,425 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 87,942 | - | - | - | - | - | - | - | - | - | - | - | - | 87,942 |
| 928: AFUDC Debt | 4,476 | - | - | - | - | - | - | - | - | - | - | - | - | 4,476 |
| 929: AFUDC Equity | 14,653 | - | - | - | - | - | - | - | - | - | - | - | - | 14,653 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,715,788) | - | - | - | - | - | - | - | - | - | - | - | - | (1,715,788) |
| 825: Closing Cost of Removal | (337,159) | - | - | - | - | - | - | - | - | - | - | - | - | (337,159) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 21,437 | - | - | - | - | - | - | - | - | - | - | - | - | 21,437 |
| 120: Overtime-General | 81,392 | - | - | - | - | - | - | - | - | - | - | - | - | 81,392 |
| 350: Material Issues-Major | 3,172 | - | - | - | - | - | - | - | - | - | - | - | - | 3,172 |
| 370: Outside Services | 1,817,405 | - | - | - | - | - | - | - | - | - | - | - | - | 1,817,405 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,034 | - | - | - | - | - | - | - | - | - | - | - | - | 7,034 |
| 914: Pension and Benefits | 6,566 | - | - | - | - | - | - | - | - | - | - | - | - | 6,566 |
| 915: Injuries and Damages | 3,445 | - | - | - | - | - | - | - | - | - | - | - | - | 3,445 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 5,425 | - | - | - | - | - | - | - | - | - | - | - | - | 5,425 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 87,942 | - | - | - | - | - | - | - | - | - | - | - | - | 87,942 |
| 928: AFUDC Debt | 4,476 | - | - | - | - | - | - | - | - | - | - | - | - | 4,476 |
| 929: AFUDC Equity | 14,653 | - | - | - | - | - | - | - | - | - | - | - | - | 14,653 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,715,788) | - | - | - | - | - | - | - | - | - | - | - | - | (1,715,788) |
| 825: Closing Cost of Removal | (337,159) | - | - | - | - | - | - | - | - | - | - | - | - | (337,159) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **04616221** **2022 Rio Bravo GT Gen Outage**

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 3/1/2021

Estimated Completion Date 9/1/2022

Description

Routine inspections of the Rio Bravo Gas Plant's combustion turbine and systems are required based on the number of unit starts. The number of starts are defined by the GE (General Electric) maintenance contract for the site. Based on historical start data, a combustion inspection will need to be performed by GE. During this inspection GE will provide the labor and technical support and PNM (Public Service Company of New Mexico) will provide the necessary spare parts.

Project Need Justification

Routine inspections of the combustion turbine and systems are needed to ensure these systems operate as designed by GE. These inspections help identify potential issues that if left unresolved may result in failures that could impact safety, reduce reliability, and/or potentially result in the need to perform more costly repairs in the future.

Project Alternatives

The only other option would be to do nothing. This is not a feasible option as these inspections are needed to ensure the safe and reliable operation of this plant.

Project Estimate Approach

Direct project costs are estimates provided by the vendor based on actual costs to perform similar work in the past. PNM's indirect costs (e.g., project controls, contingency, allowance for funds used during construction, etc.) are estimated based on similar projects performed in the past.

Customer Benefit

By performing this inspection, PNM ensures the combustion turbine and systems are working properly and are able generate electricity in a safe and reliable manner. Furthermore, these inspections can identify other issues that, if repaired, reduce the risk (and associated costs) of future failures.

Primary Value Driver Safety

Safety This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine at the time of failure.

Reliability This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time which would negatively impact reliability and would be costly to make the repairs necessary to bring the plant back into service.

System Performance

Security

Compliance

Environmental

**Project No:** **04616221** **2022 Rio Bravo GT Gen Outage**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 19,130 | - | - | - | - | - | - | 19,130 |
| 120: Overtime-General | 96,371 | - | - | - | - | - | - | 96,371 |
| 350: Material Issues-Major | 3,739,062 | - | - | - | - | - | - | 3,739,062 |
| 370: Outside Services | 2,047,181 | 579,200 | - | - | - | - | - | 2,626,381 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,901 | - | - | - | - | - | - | 7,901 |
| 914: Pension and Benefits | 5,853 | - | - | - | - | - | - | 5,853 |
| 915: Injuries and Damages | 3,868 | - | - | - | - | - | - | 3,868 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 14,912 | - | - | - | - | - | - | 14,912 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 265,004 | 22,936 | - | - | - | - | - | 287,940 |
| 928: AFUDC Debt | 14,749 | 574 | - | - | - | - | - | 15,323 |
| 929: AFUDC Equity | 49,167 | 1,378 | - | - | - | - | - | 50,546 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,077,369) | (703,304) | - | - | - | - | - | (4,780,673) |
| 825: Closing Cost of Removal | - | (2,086,613) | - | - | - | - | - | (2,086,613) |
| Project Net | 2,185,828 | (2,185,828) | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 19,130 | - | - | - | - | - | - | - | - | - | - | - | - | 19,130 |
| 120: Overtime-General | 96,371 | - | - | - | - | - | - | - | - | - | - | - | - | 96,371 |
| 350: Material Issues-Major | 3,739,062 | - | - | - | - | - | - | - | - | - | - | - | - | 3,739,062 |
| 370: Outside Services | 2,626,381 | - | - | - | - | - | - | - | - | - | - | - | - | 2,626,381 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,901 | - | - | - | - | - | - | - | - | - | - | - | - | 7,901 |
| 914: Pension and Benefits | 5,853 | - | - | - | - | - | - | - | - | - | - | - | - | 5,853 |
| 915: Injuries and Damages | 3,868 | - | - | - | - | - | - | - | - | - | - | - | - | 3,868 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 14,912 | - | - | - | - | - | - | - | - | - | - | - | - | 14,912 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 287,940 | - | - | - | - | - | - | - | - | - | - | - | - | 287,940 |
| 928: AFUDC Debt | 15,323 | - | - | - | - | - | - | - | - | - | - | - | - | 15,323 |
| 929: AFUDC Equity | 50,546 | - | - | - | - | - | - | - | - | - | - | - | - | 50,546 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,780,673) | - | - | - | - | - | - | - | - | - | - | - | - | (4,780,673) |
| 825: Closing Cost of Removal | (2,086,613) | - | - | - | - | - | - | - | - | - | - | - | - | (2,086,613) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 19,130 | - | - | - | - | - | - | - | - | - | - | - | - | 19,130 |
| 120: Overtime-General | 96,371 | - | - | - | - | - | - | - | - | - | - | - | - | 96,371 |
| 350: Material Issues-Major | 3,739,062 | - | - | - | - | - | - | - | - | - | - | - | - | 3,739,062 |
| 370: Outside Services | 2,626,381 | - | - | - | - | - | - | - | - | - | - | - | - | 2,626,381 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 7,901 | - | - | - | - | - | - | - | - | - | - | - | - | 7,901 |
| 914: Pension and Benefits | 5,853 | - | - | - | - | - | - | - | - | - | - | - | - | 5,853 |
| 915: Injuries and Damages | 3,868 | - | - | - | - | - | - | - | - | - | - | - | - | 3,868 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 14,912 | - | - | - | - | - | - | - | - | - | - | - | - | 14,912 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 287,940 | - | - | - | - | - | - | - | - | - | - | - | - | 287,940 |
| 928: AFUDC Debt | 15,323 | - | - | - | - | - | - | - | - | - | - | - | - | 15,323 |
| 929: AFUDC Equity | 50,546 | - | - | - | - | - | - | - | - | - | - | - | - | 50,546 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (4,780,673) | - | - | - | - | - | - | - | - | - | - | - | - | (4,780,673) |
| 825: Closing Cost of Removal | (2,086,613) | - | - | - | - | - | - | - | - | - | - | - | - | (2,086,613) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **04616324** **Rio Bravo Hydrogen Generator**

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

Rio Bravo currently utilizes 3 small 12-pack cylinders that supply the generator with hydrogen. These 12-packs must be physically picked up with a forklift, maneuvered into place, and manually valved in and out each time by plant personnel. Not only are the 12-pack bundles cumbersome, but the process of maneuvering and manually hooking up the piping and valving of an extremely flammable gas has inherent risk. This project will install a hydrogen generator to replace the 12-pack bundles, greatly minimizing accident exposure due to the elimination of handling, maneuvering and valving bundles. There is also an economic advantage to generating hydrogen vs. renting bottles.

Project Need Justification

The project's primary objective is aligned with PNM's goal of proactively identifying and minimizing risk across operations. A secondary economic benefit will also be realized as the cumulative project install costs should be cheaper than cumulative hydrogen rental costs over time.

Project Alternatives

The "do-nothing" alternative of utilizing the existing 12-pack system is undesirable from a safety perspective (e.g., handling explosive gas), an economic standpoint (e.g., expensive rentals), and a reliably standpoint (Rio Bravo is dependent on rental gas availability for operation).

Project Estimate Approach

Estimates are based on direct costs from the installation of a hydrogen generator at the Afton Generating Station.

Customer Benefit

Customer is benefited by PNM's commitment to operate Rio Bravo in a safe, reliable and most economic fashion.

Primary Value Driver Safety

Safety This project will significantly reduce the frequency of handling explosive hydrogen gas cylinders.

Reliability This project will eliminate the reliability of Rio Bravo operations on Hydrogen Gas availability.

System Performance

Security

Compliance

Environmental

**Project No:** **04616324** **Rio Bravo Hydrogen Generator**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 114,594 | 114,025 | 113,459 | - | - | - | - | - | - | - | - | 342,078 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | 4,985 | 4,960 | 4,935 | - | - | - | - | - | - | - | - | 14,880 |
| 928: AFUDC Debt | - | - | 107 | 322 | 537 | - | - | - | - | - | - | - | - | 967 |
| 929: AFUDC Equity | - | - | 186 | 559 | 931 | - | - | - | - | - | - | - | - | 1,676 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (359,601) | - | - | - | - | - | - | - | - | (359,601) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | 119,873 | 119,866 | (239,739) | - | - | - | - | - | - | - | - | 0 |

**Project No:** **35730923** **23-01 Aztec Building A Contingency**

Company: 003 Bulk Power
Location: 357 Bulk Power Building Allocation

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

Contingency funds provide essential monetary coverage for unplanned, emergency capital improvements without having to rely on trade-off funds from other projects, which may or may not exist. These funds can also be used to cover shortfalls on other facility projects when situations dictate. More specifically, this project ensures the bathrooms at Aztec are Americans with Disabilities Act (ADA) compliant and that the building is suited to meet the needs of the departments that work out of the space.

Project Need Justification

Generally speaking, Aztec is an aged building, therefore, general improvements are needed to support current and future operations. More specifically, this project ensures the bathrooms at Aztec are ADA compliant and that the building is suited to meet the needs of the departments that work out of the space.

Project Alternatives

The only alternative to this project would be to do nothing. Modifications are needed to accommodate the increased usage of the building and to meet the legitimate space needs of the business at Aztec.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Benefits to customers will be realized as the work efficiency for departments that are key to the performance and reliability of the bulk electric system will improve.

Primary Value Driver Safety

Safety Completed projects contribute to improved work conditions for employees and visitors while providing a safe, efficient and updated work enviroment.

Reliability

System Performance

Security

Compliance This project ensures the bathrooms at Aztec are ADA compliant.

Environmental

**Project No:** **35730923** **23-01 Aztec Building A Contingency**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 12,026 | - | - | 12,027 | - | - | 12,027 | - | - | 12,027 | 48,107 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 432 | - | - | 432 | - | - | 432 | - | - | 432 | 1,727 |
| 928: AFUDC Debt | - | - | - | 13 | - | - | 13 | - | - | 13 | - | - | 13 | 53 |
| 929: AFUDC Equity | - | - | - | 17 | - | - | 17 | - | - | 17 | - | - | 17 | 68 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (12,488) | - | - | (12,489) | - | - | (12,489) | - | - | (12,489) | (49,955) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 48,107 | - | - | - | - | - | - | - | - | - | - | - | - | 48,107 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,727 | - | - | - | - | - | - | - | - | - | - | - | - | 1,727 |
| 928: AFUDC Debt | 53 | - | - | - | - | - | - | - | - | - | - | - | - | 53 |
| 929: AFUDC Equity | 68 | - | - | - | - | - | - | - | - | - | - | - | - | 68 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (49,955) | - | - | - | - | - | - | - | - | - | - | - | - | (49,955) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **35730924** **24-01 Aztec Building A Contingency**

Company: 003 Bulk Power
Location: 357 Bulk Power Building Allocation

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

Contingency funds provide essential monetary coverage for unplanned, emergency capital improvements without having to rely on trade-off funds from other projects, which may or may not exist. These funds can also be used to cover shortfalls on other facility projects when situations dictate. More specifically, this project ensures the bathrooms at Aztec are Americans with Disabilities Act (ADA) compliant, and that the building is suited to meet the needs of the departments that work out of the space.

Project Need Justification

Generally speaking, Aztec is an aged building therefore general improvements are needed to support current and future operations. More specifically, this project ensures the bathrooms at Aztec are ADA compliant, and that the building is suited to meet the needs of the departments that work out of the space.

Project Alternatives

The only alternative to this project would be to do nothing. Modifications are needed to accommodate the increased usage of the building and to meet the legitimate space needs of the business at Aztec.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Benefits to customers will be realized as the work efficiency for departments that are key to the performance and reliability of the bulk electric system will improve.

Primary Value Driver Safety

Safety Completed projects contribute to improved work conditions for employees and visitors while providing a safe, efficient and updated work enviroment.

Reliability

System Performance

Security

Compliance This project ensures the bathrooms at Aztec are ADA compliant

Environmental

**Project No:** **35730924** **24-01 Aztec Building A Contingency**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 11,676 | - | - | 11,675 | - | - | 11,677 | - | - | 11,677 | 46,705 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 508 | - | - | 508 | - | - | 508 | - | - | 508 | 2,032 |
| 928: AFUDC Debt | - | - | - | 11 | - | - | 11 | - | - | 11 | - | - | 11 | 44 |
| 929: AFUDC Equity | - | - | - | 19 | - | - | 19 | - | - | 19 | - | - | 19 | 76 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (12,213) | - | - | (12,213) | - | - | (12,215) | - | - | (12,215) | (48,856) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 0 | - | - | (0) | - | - | 0 | 0 |

**Project No:** **70716122** **Afton Hot Gas Path 2022**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2023

Description

7FA gas turbines (GTs) require major maintenance (overhauls) at set intervals based on factored starts and running hours. The Afton GT will reach its predetermined running hours necessitating a Major Overhaul in the spring of 2022. The Hot Gas Path Major Overhaul is comprised of a pre-defined schedule of inspections, capital replacements, and refurbishments. The scope and price are defined in the General Electric (GE) Contractual Service Agreement (CSA), and the work will be contractually performed by GE. This work will include full replacement of all the internal capital parts, including nozzles, buckets, shrouds, transitions, liners, caps, and sleeves. All the internal rotating and stationary components will be examined from the inlet of the machine through the exhaust and auxiliaries. This involves inspection of all the major flange-to-flange components of the gas turbine, which are subject to deterioration during normal turbine operation. This inspection includes previous elements of the combustion and hot gas path inspections, laying open the complete flange-to-flange gas turbine to the horizontal joints, and the removal of all the upper casings, allowing for access to the compressor rotor, stationary compressor blading, and the bearing assemblies. The generator will be removed, fully inspected, tested, and refurbished as necessary.

Project Need Justification

Routine inspections of the combustion turbine and systems are needed to ensure these systems operate as designed by GE. These inspections help identify potential issues that if left unresolved may result in failures that could impact safety, reduce, reliability, and potentially result in the need to perform costly repairs in the future.

Project Alternatives

There are no viable alternatives or minimized scopes that can be considered in-leu of this Major overhaul. 7FA GT reliability is based on a prescribed and specific set of maintenance activities done at pre-defined run times. The alternative is premature retirement of the resource.

Project Estimate Approach

The scope of work directly related to the Afton Combustion Turbine (CT) during the 2022 overhaul will be contractually performed by GE per the CSA. Other work such as cranes, scaffolding, electric, and Quality Assurance/Quality Control (QA/QC) support are analyzed and awarded on cost, safety and workmanship.

Customer Benefit

By performing this inspection, PNM ensures the combustion turbine and associated equipment are working properly and are able generate electricity in a safe and reliable manner through the next 4 years. Furthermore, these inspections can identify other issues that, if repaired, reduce the risk (and associated costs) of future failures.

Primary Value Driver Safety

Safety This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine at the time of failure.

Reliability This project covers the inspection and replacement of essential capital assets including nozzles, buckets, shrouds, transitions, liners, caps, sleeves, and the internal rotating and stationary components from inlet to exhaust that will ensure the reliable operation of the plant.

System Performance This project covers the inspection and replacement of essential capital assets on the CT system and associated controls from inlet to exhaust that help to optimize efficient operation of the plant.

Security

Compliance

Environmental

**Project No:** **70716122** **Afton Hot Gas Path 2022**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 9,102 | - | - | - | - | - | - | 9,102 |
| 120: Overtime-General | 1,151 | - | - | - | - | - | - | 1,151 |
| 350: Material Issues-Major | 382,631 | - | - | - | - | - | - | 382,631 |
| 370: Outside Services | 12,598,040 | (1,064,919) | - | - | - | - | - | 11,533,121 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,678 | - | - | - | - | - | - | 2,678 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 701 | - | - | - | - | - | - | 701 |
| 914: Pension and Benefits | 2,788 | - | - | - | - | - | - | 2,788 |
| 915: Injuries and Damages | 343 | - | - | - | - | - | - | 343 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,180 | - | - | - | - | - | - | 1,180 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 514,441 | (42,171) | - | - | - | - | - | 472,270 |
| 928: AFUDC Debt | 33,422 | 2,212 | - | - | - | - | - | 35,634 |
| 929: AFUDC Equity | 91,196 | 5,310 | - | - | - | - | - | 96,506 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (9,438,545) | (1,055,265) | - | - | - | - | - | (10,493,811) |
| 825: Closing Cost of Removal | - | (2,044,295) | - | - | - | - | - | (2,044,295) |
| Project Net | 4,199,128 | (4,199,128) | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 9,102 | - | - | - | - | - | - | - | - | - | - | - | - | 9,102 |
| 120: Overtime-General | 1,151 | - | - | - | - | - | - | - | - | - | - | - | - | 1,151 |
| 350: Material Issues-Major | 382,631 | - | - | - | - | - | - | - | - | - | - | - | - | 382,631 |
| 370: Outside Services | 11,533,121 | - | - | - | - | - | - | - | - | - | - | - | - | 11,533,121 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,678 | - | - | - | - | - | - | - | - | - | - | - | - | 2,678 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 701 | - | - | - | - | - | - | - | - | - | - | - | - | 701 |
| 914: Pension and Benefits | 2,788 | - | - | - | - | - | - | - | - | - | - | - | - | 2,788 |
| 915: Injuries and Damages | 343 | - | - | - | - | - | - | - | - | - | - | - | - | 343 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,180 | - | - | - | - | - | - | - | - | - | - | - | - | 1,180 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 472,270 | - | - | - | - | - | - | - | - | - | - | - | - | 472,270 |
| 928: AFUDC Debt | 35,634 | - | - | - | - | - | - | - | - | - | - | - | - | 35,634 |
| 929: AFUDC Equity | 96,506 | - | - | - | - | - | - | - | - | - | - | - | - | 96,506 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,493,811) | - | - | - | - | - | - | - | - | - | - | - | - | (10,493,811) |
| 825: Closing Cost of Removal | (2,044,295) | - | - | - | - | - | - | - | - | - | - | - | - | (2,044,295) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 9,102 | - | - | - | - | - | - | - | - | - | - | - | - | 9,102 |
| 120: Overtime-General | 1,151 | - | - | - | - | - | - | - | - | - | - | - | - | 1,151 |
| 350: Material Issues-Major | 382,631 | - | - | - | - | - | - | - | - | - | - | - | - | 382,631 |
| 370: Outside Services | 11,533,121 | - | - | - | - | - | - | - | - | - | - | - | - | 11,533,121 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 2,678 | - | - | - | - | - | - | - | - | - | - | - | - | 2,678 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 701 | - | - | - | - | - | - | - | - | - | - | - | - | 701 |
| 914: Pension and Benefits | 2,788 | - | - | - | - | - | - | - | - | - | - | - | - | 2,788 |
| 915: Injuries and Damages | 343 | - | - | - | - | - | - | - | - | - | - | - | - | 343 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,180 | - | - | - | - | - | - | - | - | - | - | - | - | 1,180 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 472,270 | - | - | - | - | - | - | - | - | - | - | - | - | 472,270 |
| 928: AFUDC Debt | 35,634 | - | - | - | - | - | - | - | - | - | - | - | - | 35,634 |
| 929: AFUDC Equity | 96,506 | - | - | - | - | - | - | - | - | - | - | - | - | 96,506 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (10,493,811) | - | - | - | - | - | - | - | - | - | - | - | - | (10,493,811) |
| 825: Closing Cost of Removal | (2,044,295) | - | - | - | - | - | - | - | - | - | - | - | - | (2,044,295) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716124** **AFT Annual Safety Imprvmt 2024**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

The driving and walking path to the steam turbine is dirt and gravel. The surface becomes muddy during rain and can be troublesome to drive and walk on. Access with fork trucks and moving/rigging heavy equipment across this area is difficult and can be a safety concern if the ground is uneven or wet. This project will pave this alleyway to provide a more efficient path with a firm surface and level base for manlift access. This ergonomic improvement will reduce worker fatigue when navigating through the mud and bumps and will create a better and safer work environment.

Project Need Justification

Currently during rain events, fork trucks can become stuck, 2-wheel carts cannot navigate, manlifts are difficult to level when working at heights, and heavy equipment tears up maintenance access areas. Paving the area will provide safe access to equipment and safe maintenance when working at heights.

Project Alternatives

The alternative is to do nothing and to continue to have muddy access to equipment during rain events, operate heavy equipment in uneven, rutted grounds, and assume the safety risk during operation. Paving the alleyway will provide a consistently safe, efficient, and firm surface for maintenance activities.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The primary benefit to the customer is the work environment is made safer for PNM's employees and equipment reliability is maintained, thus reducing the likelihood of work-related accidents at the Afton Plant site.

Primary Value Driver Safety

Safety When operating a manlift or other heavy lifting equipment, the requirement is to level the equipment prior to usage. Uneven surfaces are a risk liability, and this project will reduce that risk.

Reliability This project ensures the continued reliable operation of Afton Station throughout the year.

System Performance

Security

Compliance

Environmental

**Project No:** **70716124** **AFT Annual Safety Imprvmt 2024**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | 37,567 | - | 37,400 | - | - | - | - | - | 74,967 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | 1,634 | - | 1,627 | - | - | - | - | - | 3,261 |
| 928: AFUDC Debt | - | - | - | - | - | 35 | 71 | 106 | - | - | - | - | - | 212 |
| 929: AFUDC Equity | - | - | - | - | - | 61 | 122 | 184 | - | - | - | - | - | 367 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (78,807) | - | - | - | - | - | (78,807) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | 39,297 | 193 | (39,490) | - | - | - | - | - | - |

**Project No:** **70716223** **Afton "H" ACC Fan Blade Repl 2023**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project will replace the complete set of blades on an Air-Cooled Condenser (ACC) fan. An ACC fan is a large axial flow fan, and the blades are the largest components of the fan. The blades are attached to a smaller, central hub driven by 200-horsepower motors. Several recent events have led to these blades fracturing and disengaging from the fan. Routine inspections have found cracks on theses fans. This project will replace all blades, coupling flanges, clamping blocks and associated hardware on the ACC fan.

Project Need Justification

The project is needed to ensure the safe and reliable operation of the Afton Generation station. Due to the safety nature of the project, the upgraded "H" style of blades will be required. Inspection will continue, but the problematic blade failures will be improved and hopefully mitigated, with the upgrade.

Project Alternatives

The alternative of "Do Nothing" is not an option. PNM runs the risk of a potential life threatening safety event if the upgrade is not completed.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The primary benefit to the customer is that the work environment is made safer for PNM's employees, thus reducing the likelihood of work-related accidents.

Primary Value Driver

Safety

Safety

This project reduces the risk of catastrophic failure of the ACC fan sets. A catastrophic failure could result in serious harm, if not a fatality, to individuals in the proximity of the ACC fans at the time of failure.

Reliability

This project reduces the risk of catastrophic failure of the ACC fan sets. Catastrophic failure could result in extensive down time which would negatively impact reliability and would be costly to make the repairs.

System Performance

Security

Compliance

Environmental

**Project No:** **70716223** **Afton "H" ACC Fan Blade Repl 2023**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 105,750 | - | - | - | - | - | - | - | - | - | 105,750 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 3,796 | - | - | - | - | - | - | - | - | - | 3,796 |
| 928: AFUDC Debt | - | - | - | 116 | - | - | - | - | - | - | - | - | - | 116 |
| 929: AFUDC Equity | - | - | - | 149 | - | - | - | - | - | - | - | - | - | 149 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (109,811) | - | - | - | - | - | - | - | - | - | (109,811) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | (0) | - | - | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 105,750 | - | - | - | - | - | - | - | - | - | - | - | - | 105,750 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,796 | - | - | - | - | - | - | - | - | - | - | - | - | 3,796 |
| 928: AFUDC Debt | 116 | - | - | - | - | - | - | - | - | - | - | - | - | 116 |
| 929: AFUDC Equity | 149 | - | - | - | - | - | - | - | - | - | - | - | - | 149 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (109,811) | - | - | - | - | - | - | - | - | - | - | - | - | (109,811) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **70716321** **AFT 21-03 Alarm System Upgrade**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 4/1/2021

Estimated Completion Date 12/31/2022

Description

This project involves the full replacement of the combustion turbine (CT) Carbon Dioxide (CO2) fire suppressant system. The proposed replacements will include the following work:
- Site Wide Upgrade: Bulk of the necessary updates and replacement of obsolete equipment
- Panel Upgrade: Replace the main control panel, which is outdated and not functioning well at this time. Also replace all 18 flame detectors
- Life Safety Upgrade: Including parts, this upgrade is the personnel side of the upgrade. Time delays for evacuation, sirens and necessary updates to get the CO2 system up to date.

Project Need Justification

The Afton CTs have CO2 fire protection systems that report alarms to the control room. In recent months, the fire protection system has been throwing false codes and alarms. Inspections have determined that the faults are due to corrupt boards in the equipment and obsolete detectors. The alarm system just gradually quit communicating to the control room during operation. According to the OEM, the existing system is obsolete and is no longer supported/manufactured.

Project Alternatives

There are two options:
Option 1: Replace the alarm system with one that is CO2 Fire Protection code compliant, provides available new part inventory with Plant personnel training, and includes authorized technicians available 24/7. The replacement ensures a reliable fire protection system that protects all required Steam turbine, Combustion turbine, Common Facilities and Electrical equipment.
Option 2: Do not replace the alarm system. This is is not a true option, as it fails to address the risk of a non communicating system that could fail to protect equipment during a catastrophic event at the Afton facility, endangering personnel, equipment, and ability to provide reliable energy to customers.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC, etc.) are estimated and added to the direct costs.

Customer Benefit

The PNM customers will benefit from this project through the ongoing safe, efficient, reliable, and cost effective operation of the plant.

Primary Value Driver Safety

Safety Proper functioning alarm systems are required to protect personnel, property and equipment.

Reliability

System Performance

Security

Compliance

Environmental

**Project No:** **70716321** **AFT 21-03 Alarm System Upgrade**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 576 | - | - | - | - | - | - | 576 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 772,193 | (364,069) | - | - | 42,700 | - | - | 450,825 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,954 | - | - | - | - | - | - | 1,954 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 40 | - | - | - | - | - | - | 40 |
| 914: Pension and Benefits | 176 | - | - | - | - | - | - | 176 |
| 915: Injuries and Damages | 19 | - | - | - | - | - | - | 19 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 573 | - | - | - | - | - | - | 573 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 33,532 | (14,417) | - | - | 1,691 | - | - | 20,806 |
| 928: AFUDC Debt | 2,285 | 431 | - | - | 31 | - | - | 2,747 |
| 929: AFUDC Equity | 6,531 | 1,034 | - | - | 75 | - | - | 7,641 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (190,251) | (118,020) | - | - | (44,497) | - | - | (352,769) |
| 825: Closing Cost of Removal | - | (132,587) | - | - | - | - | - | (132,587) |
| Project Net | 627,628 | (627,628) | - | - | (0) | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 576 | - | - | - | - | - | - | - | - | - | - | - | - | 576 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 450,825 | - | - | - | - | - | - | - | - | - | - | - | - | 450,825 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,954 | - | - | - | - | - | - | - | - | - | - | - | - | 1,954 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 40 | - | - | - | - | - | - | - | - | - | - | - | - | 40 |
| 914: Pension and Benefits | 176 | - | - | - | - | - | - | - | - | - | - | - | - | 176 |
| 915: Injuries and Damages | 19 | - | - | - | - | - | - | - | - | - | - | - | - | 19 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 573 | - | - | - | - | - | - | - | - | - | - | - | - | 573 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 20,806 | - | - | - | - | - | - | - | - | - | - | - | - | 20,806 |
| 928: AFUDC Debt | 2,747 | - | - | - | - | - | - | - | - | - | - | - | - | 2,747 |
| 929: AFUDC Equity | 7,641 | - | - | - | - | - | - | - | - | - | - | - | - | 7,641 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (352,769) | - | - | - | - | - | - | - | - | - | - | - | - | (352,769) |
| 825: Closing Cost of Removal | (132,587) | - | - | - | - | - | - | - | - | - | - | - | - | (132,587) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 576 | - | - | - | - | - | - | - | - | - | - | - | - | 576 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 450,825 | - | - | - | - | - | - | - | - | - | - | - | - | 450,825 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 1,954 | - | - | - | - | - | - | - | - | - | - | - | - | 1,954 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 40 | - | - | - | - | - | - | - | - | - | - | - | - | 40 |
| 914: Pension and Benefits | 176 | - | - | - | - | - | - | - | - | - | - | - | - | 176 |
| 915: Injuries and Damages | 19 | - | - | - | - | - | - | - | - | - | - | - | - | 19 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 573 | - | - | - | - | - | - | - | - | - | - | - | - | 573 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 20,806 | - | - | - | - | - | - | - | - | - | - | - | - | 20,806 |
| 928: AFUDC Debt | 2,747 | - | - | - | - | - | - | - | - | - | - | - | - | 2,747 |
| 929: AFUDC Equity | 7,641 | - | - | - | - | - | - | - | - | - | - | - | - | 7,641 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (352,769) | - | - | - | - | - | - | - | - | - | - | - | - | (352,769) |
| 825: Closing Cost of Removal | (132,587) | - | - | - | - | - | - | - | - | - | - | - | - | (132,587) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716622** **AFT Annual Safety Imprvmts 2022**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 8/23/2022

Estimated Completion Date 12/31/2022

Description

This project will construct a new platform which will allow access to the HP Valves attemperator instrumentation. Currently this instrumentation is inaccessible and requires scaffolding to reach the attemperator. In the past, contractors built scaffolding to access the attemperator and instrumentation, but it added cost and caused delay. This new platform will have 2 levels above the superheater section of the Heat Recovery Steam Generator (HRSG). The first level will be 7'x14' and the secondary level will be 4'x4'. This will support instrumentation repair/calibration as well as support safe access to the attemperator system.

This aligns with the Afton Safe Workplace Business Case by providing safe and ergonomic access to equipment to conduct necessary maintenance.

Project Need Justification

The project's primary objective is aligned with PNM's goal of proactively identifying and minimizing risk across operations. A secondary economic benefit will also be realized, as with the new platforms there will no longer be a need for additional labor and scaffolding for equipment access.

Project Alternatives

The alternative is a "do-nothing" approach and continuing to build scaffolding to access the instrumentation on an as-needed basis. This is a repetitive expense which still exposes scaffold builders to limited risk as they work outside of handrails and at elevation with tools and materials to erect scaffold. This project will eliminate these recurring costs and increase plant safety and ergonomics. A "do-nothing" approach will continue to expose Afton to additional costs and safety risks.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer benefits from the reliability of the Afton Station and from PNM's commitment to operate the Afton Station equipment in a safe, reliable, and economic fashion.

Primary Value Driver Safety

Safety This project improves the safety conditions at Afton Generating Station

Reliability

System Performance

Security

Compliance

Environmental

**Project No:** **70716622** **AFT Annual Safety Imprvmts 2022**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 37,698 | - | - | - | 37,698 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 1,493 | - | - | - | 1,493 |
| 928: AFUDC Debt | - | - | - | 28 | - | - | - | 28 |
| 929: AFUDC Equity | - | - | - | 66 | - | - | - | 66 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (39,285) | - | - | - | (39,285) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 37,698 | - | - | - | - | - | - | - | - | - | - | - | - | 37,698 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,493 | - | - | - | - | - | - | - | - | - | - | - | - | 1,493 |
| 928: AFUDC Debt | 28 | - | - | - | - | - | - | - | - | - | - | - | - | 28 |
| 929: AFUDC Equity | 66 | - | - | - | - | - | - | - | - | - | - | - | - | 66 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (39,285) | - | - | - | - | - | - | - | - | - | - | - | - | (39,285) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 37,698 | - | - | - | - | - | - | - | - | - | - | - | - | 37,698 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,493 | - | - | - | - | - | - | - | - | - | - | - | - | 1,493 |
| 928: AFUDC Debt | 28 | - | - | - | - | - | - | - | - | - | - | - | - | 28 |
| 929: AFUDC Equity | 66 | - | - | - | - | - | - | - | - | - | - | - | - | 66 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (39,285) | - | - | - | - | - | - | - | - | - | - | - | - | (39,285) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716823** **AFT Annual Safety Imprvmts 2023**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

One of the walking paths underneath the combustion turbine (CT) crosses by the carbon dioxide (CO2) tank, piping and supports that provide fire suppression for the CT. The routing of the CO2 piping and supports poses a safety concern and a risk to people hitting their shoulders and heads. This project would modify the pipe supports and relocate the piping to above head level. The valving, which is in Lock Out Tag Out (LOTO) during CT maintenance, will be relocated so that a ladder does not have to be utilized during LOTO installation and walkdowns.

Project Need Justification

The project's primary objective is aligned with PNM's goal of proactively identifying and minimizing risk across operations. Rerouting the CO2 piping will take away a safety risk and also allow for better access for maintenance and LOTO at the CT.

Project Alternatives

The do-nothing alternative of not rerouting the CO2 supply piping is not proactive in minimizing risk during maintenance and LOTO task activities. Implementing the piping reroute will eliminate, in most cases, the need for ladders and will streamline the task activities in the area around the CT.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer is benefited by PNM's commitment to operate the Afton facility in a safe, reliant, and most economic fashion.

Primary Value Driver Safety

Safety This project improves the safety of personnel, property and equipment and Afton Generating Station

Reliability

System Performance

Security

Compliance

Environmental

**Project No:** **70716823** **AFT Annual Safety Imprvmts 2023**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | 33,875 | - | 37,935 | - | - | - | - | - | 71,810 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | 1,216 | - | 1,362 | - | - | - | - | - | 2,578 |
| 928: AFUDC Debt | - | - | - | - | - | 37 | 75 | 117 | - | - | - | - | - | 229 |
| 929: AFUDC Equity | - | - | - | - | - | 48 | 95 | 149 | - | - | - | - | - | 292 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | (74,909) | - | - | - | - | - | (74,909) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | 35,176 | 170 | (35,346) | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 71,810 | - | - | - | - | - | - | - | - | - | - | - | - | 71,810 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,578 | - | - | - | - | - | - | - | - | - | - | - | - | 2,578 |
| 928: AFUDC Debt | 229 | - | - | - | - | - | - | - | - | - | - | - | - | 229 |
| 929: AFUDC Equity | 292 | - | - | - | - | - | - | - | - | - | - | - | - | 292 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (74,909) | - | - | - | - | - | - | - | - | - | - | - | - | (74,909) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70717022** **Afton Rotor Replacement 2022**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 5/12/2022

Estimated Completion Date 9/1/2022

Description

During inspections during the Afton 2022 outage, the gas turbine rotor was found to be out of mechanical tolerance and could not be repaired. This project will remove the existing gas turbine rotor that was beyond repair and replace it with a new rotor.

Project Need Justification

During inspections during the Afton 2022 outage, the gas turbine rotor was found to be out of mechanical tolerance and could not be repaired. Running a gas turbine with major components out of specification, risks catastrophic failure and is a significant risk to personnel safety.

Project Alternatives

The risk to safety and reliability associated with a "do-nothing" option is not acceptable. There is no alternative.

Project Estimate Approach

The project was evaluated and engineered to effectively address an emergent need in a cost effective manner. A request for proposals (RFP) was sent out to Mechanical Dynamics & Analysis (MD&A), Power Systems Manufacturing (PSM), and General Electric (GE) for an exchange turbine rotor. The option to purchase the GE Compressor Rotor offered a brand new, fully enhanced compressor that would be married to the existing turbine rotor and shipped to Afton. Vendor quotes for the crane, scaffolding, electric, and QA/QC support were analyzed and awarded to complete the project.

Customer Benefit

Customer benefits are realized by safe, reliable, environmentally compliant and cost-effective management of the Afton Generating Station

Primary Value Driver Safety

Safety This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Reliability

System Performance

Security

Compliance

Environmental

**Project No:** **70717022** **Afton Rotor Replacement 2022**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 4,803,750 | - | - | - | - | - | - | 4,803,750 |
| 370: Outside Services | 1,848,977 | - | - | - | - | - | - | 1,848,977 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 14,634 | - | - | - | - | - | - | 14,634 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 263,448 | - | - | - | - | - | - | 263,448 |
| 928: AFUDC Debt | 10,523 | 2,191 | 2,201 | 2,212 | - | - | - | 17,126 |
| 929: AFUDC Equity | 25,091 | 5,258 | 5,283 | 5,309 | - | - | - | 40,941 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,098,218) | - | - | (1,573,937) | - | - | - | (6,672,154) |
| 825: Closing Cost of Removal | - | - | - | - | (316,722) | - | - | (316,722) |
| Project Net | 1,868,205 | 7,449 | 7,484 | (1,566,416) | (316,722) | - | - | (0) |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 4,803,750 | - | - | - | - | - | - | - | - | - | - | - | - | 4,803,750 |
| 370: Outside Services | 1,848,977 | - | - | - | - | - | - | - | - | - | - | - | - | 1,848,977 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 14,634 | - | - | - | - | - | - | - | - | - | - | - | - | 14,634 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 263,448 | - | - | - | - | - | - | - | - | - | - | - | - | 263,448 |
| 928: AFUDC Debt | 17,126 | - | - | - | - | - | - | - | - | - | - | - | - | 17,126 |
| 929: AFUDC Equity | 40,941 | - | - | - | - | - | - | - | - | - | - | - | - | 40,941 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,672,154) | - | - | - | - | - | - | - | - | - | - | - | - | (6,672,154) |
| 825: Closing Cost of Removal | (316,722) | - | - | - | - | - | - | - | - | - | - | - | - | (316,722) |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 4,803,750 | - | - | - | - | - | - | - | - | - | - | - | - | 4,803,750 |
| 370: Outside Services | 1,848,977 | - | - | - | - | - | - | - | - | - | - | - | - | 1,848,977 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 14,634 | - | - | - | - | - | - | - | - | - | - | - | - | 14,634 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 263,448 | - | - | - | - | - | - | - | - | - | - | - | - | 263,448 |
| 928: AFUDC Debt | 17,126 | - | - | - | - | - | - | - | - | - | - | - | - | 17,126 |
| 929: AFUDC Equity | 40,941 | - | - | - | - | - | - | - | - | - | - | - | - | 40,941 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (6,672,154) | - | - | - | - | - | - | - | - | - | - | - | - | (6,672,154) |
| 825: Closing Cost of Removal | (316,722) | - | - | - | - | - | - | - | - | - | - | - | - | (316,722) |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **70717923** **Afton Bulk Low Pressure Hydrogen Storage Tank Project**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

Afton utilizes a hydrogen (H2) generator and 12-packs of hydrogen high pressure bottles to provide hydrogen to the gas turbine generator. When the H2 generator is unavailable, the 12-packs are utilized. Hydrogen 12-packs are becoming harder to get refilled in a timely manner and they provide a finite supply of hydrogen. Afton's continuous operation going forward will increase demand on the hydrogen supply. To ensure the availability of hydrogen and the reliability of the plant, this project will install a H2 storage tank.

Project Need Justification

The project primary objective is aligned with PNM's goal of proactively identifying and minimizing risk across operations. This project will proactively limit reliability risks related to a lack of H2 availability and reduce the safety risks that come with handling explosive gas.

Project Alternatives

The "do-nothing" alternative of utilizing the existing 12-pack system is undesirable from a safety perspective, as it involves the of handling explosive gas. It is also undesirable from an economic standpoint of expensive 12-pack rentals and availability risks. The chosen alternative is to install a hydrogen storage tank.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer is benefited through PNM's operation of the Afton Generating Station in a safe, reliant, and most economic fashion.

Primary Value Driver Safety

Safety This project will significantly reduce the frequency of handling explosive hydrogen gas cylinders.

Reliability This project will reduce Afton operational reliance on H2 gas cylinders, which are not always available.

System Performance

Security

Compliance

Environmental

**Project No:** **70717923** **Afton Bulk Low Pressure Hydrogen Storage Tank Project**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 144,230 | - | - | - | - | - | - | 144,230 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 5,178 | - | - | - | - | - | - | 5,178 |
| 928: AFUDC Debt | - | - | - | - | - | - | 159 | - | - | - | - | - | - | 159 |
| 929: AFUDC Equity | - | - | - | - | - | - | 203 | - | - | - | - | - | - | 203 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (149,769) | - | - | - | - | - | - | (149,769) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 144,230 | - | - | - | - | - | - | - | - | - | - | - | - | 144,230 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 5,178 | - | - | - | - | - | - | - | - | - | - | - | - | 5,178 |
| 928: AFUDC Debt | 159 | - | - | - | - | - | - | - | - | - | - | - | - | 159 |
| 929: AFUDC Equity | 203 | - | - | - | - | - | - | - | - | - | - | - | - | 203 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (149,769) | - | - | - | - | - | - | - | - | - | - | - | - | (149,769) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70730523** **Afton Yard Lighting Project**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

The Afton Site has never had yard lighting installed. This has posed safety and security risks over the years, particularly in the early morning, late evening, and for nightshift workers accessing equipment. This project will procure and install the new generation of solar pole lighting across the site. This will allow for a fair amount of coverage without a significant amount of trenching or infrastructure installation.

Project Need Justification

New light poles are needed for the perimeter of the plant, particularly for early morning, late evening, and for nightshift workers accessing equipment. The lighting improvements were also recommended and endorsed by PNMR's Safety Department to improve the safety for both drivers and pedestrians.

Project Alternatives

The only alternative to this project is to do nothing. This alternative was not pursued because poor lighting is a safety risk to employees that enter/ exit the facility during times of low light and personnel who work the nightshifts.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The primary benefit to the customer is that the work environment is made safer for PNM's employees, thus reducing the likelihood of work related accidents on the Afton Plant Site.

Primary Value Driver Safety

Safety Improved lighting leads to safer working conditions for personnel at Afton Generating Station

Reliability

System Performance

Security

Compliance

Environmental

**Project No:** **70730523** **Afton Yard Lighting Project**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 105,768 | - | - | - | - | - | - | - | - | - | - | 105,768 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | 3,797 | - | - | - | - | - | - | - | - | - | - | 3,797 |
| 928: AFUDC Debt | - | - | 116 | - | - | - | - | - | - | - | - | - | - | 116 |
| 929: AFUDC Equity | - | - | 149 | - | - | - | - | - | - | - | - | - | - | 149 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (109,830) | - | - | - | - | - | - | - | - | - | - | (109,830) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | 0 | - | - | - | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 105,768 | - | - | - | - | - | - | - | - | - | - | - | - | 105,768 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,797 | - | - | - | - | - | - | - | - | - | - | - | - | 3,797 |
| 928: AFUDC Debt | 116 | - | - | - | - | - | - | - | - | - | - | - | - | 116 |
| 929: AFUDC Equity | 149 | - | - | - | - | - | - | - | - | - | - | - | - | 149 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (109,830) | - | - | - | - | - | - | - | - | - | - | - | - | (109,830) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **71316023** **RGS U1&2 Cooling Tower Acid Tank**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

Sulfuric acid is required to maintain pH levels for the Reeves Unit 1&2 cooling towers. This acid is stored in a 4,500-gallon tank. The acid tank was installed when the unit was built in 1958 and needs to be replaced. A leak in this tank will cause an interruption in the cooling tower process necessary to keep the units online and will create a safety hazard. Engineering recommends that this tank be replaced. The scope of the project includes the purchase of a new tank, removal of the old tank, and installation of the new tank. In addition, new valves, gauges and piping will be installed, and the existing containment will be repaired and recoated. Engineering will develop the scope of work, purchase the new tank, manage construction, and track the project's costs and schedule.

Project Need Justification

The project is needed to ensure:
1) The continued safe operations at the plant; sulfuric acid is extremely caustic and an immediate safety concern.
2) The continued environmentally responsible operations of the plant; spilled sulfuric acid is a hazardous waste.
3) The continued reliable operation of Unit 1&2; sulfuric acid is required to maintain pH in the U1&2 cooling towers, and without control of pH, scale will build on equipment internals and begin to cause failures.

Project Alternatives

The alternative of "Do Nothing" is not an option. The project is required for continued safe operations.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer benefits when PNM operates its facilities safely and in an environmentally friendly fashion.

Primary Value Driver Safety

Safety The project is needed to ensure the continued safe operations at the plant; sulfuric acid is extremely caustic and an immediate safety concern.

Reliability The project is needed to ensure the continued reliable operation of Unit 1&2; sulfuric acid is required to maintain pH in the U1&2 cooling towers, and without control of pH, scale will build on equipment internals and begin to cause failures.

System Performance

Security

Compliance

Environmental The project is needed to ensure the continued environmentally responsible operations of the plant; spilled sulfuric acid is a hazardous waste.

**Project No:** **71316023** **RGS U1&2 Cooling Tower Acid Tank**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 33,654 | 33,503 | - | - | - | - | - | - | - | 67,156 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 1,208 | 1,203 | - | - | - | - | - | - | - | 2,411 |
| 928: AFUDC Debt | - | - | - | - | 37 | 111 | - | - | - | - | - | - | - | 148 |
| 929: AFUDC Equity | - | - | - | - | 47 | 142 | - | - | - | - | - | - | - | 189 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (69,904) | - | - | - | - | - | - | - | (69,904) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | 34,946 | (34,946) | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 67,156 | - | - | - | - | - | - | - | - | - | - | - | - | 67,156 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,411 | - | - | - | - | - | - | - | - | - | - | - | - | 2,411 |
| 928: AFUDC Debt | 148 | - | - | - | - | - | - | - | - | - | - | - | - | 148 |
| 929: AFUDC Equity | 189 | - | - | - | - | - | - | - | - | - | - | - | - | 189 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (69,904) | - | - | - | - | - | - | - | - | - | - | - | - | (69,904) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **71316624** **U3 Turbine and Generator Outage**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 6/30/2024

Description

This project will replace the major capital parts in the turbine generator during the 2024 Major outage. Steam erosion during operation wears on the stationary and rotating components over time, which requires replacement during major outages. Major capital replacements include but are not limited to: blade rings, bearings, nozzle blocks, and seals in the low-pressure and high-pressure sections of the turbine's rotor. The generator will require electrical testing to identify stator and rotor windings integrity. Engineering will coordinate the project's schedule, inspections, installation, and costs.

Project Need Justification

To prevent catastrophic turbine damage, turbine components must be renewed at timely intervals. Failure to replace these capital components will result in a turbine unfit for operation.

Project Alternatives

There are no alternatives for turbine outages. If the turbine is not overhauled, with eroded/worn components identified and replaced, it will not be fit to operate.

Project Estimate Approach

This project was estimated using PNM information on typical capital turbine replacements at the Reeves plant for U1 and U2 which are similar units with similar expected repairs in the recent past.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Safety

Safety This project reduces the risk of catastrophic failure of steam turbine components. Catastrophic failure could result in serious harm to individuals in the proximity of the steam turbine.

Reliability This project reduces the risk of catastrophic failure of steam turbine components. Catastrophic failure of turbine components cause significant down time.

System Performance

Security

Compliance

Environmental

**Project No:** **71316624** **U3 Turbine and Generator Outage**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 95,495 | 95,021 | 285,536 | 284,120 | 473,680 | - | - | - | - | - | - | - | 1,233,853 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 4,154 | 4,133 | 12,421 | 12,359 | 20,605 | - | - | - | - | - | - | - | 53,673 |
| 928: AFUDC Debt | - | 90 | 269 | 627 | 1,164 | 1,880 | - | - | - | - | - | - | - | 4,029 |
| 929: AFUDC Equity | - | 155 | 466 | 1,086 | 2,018 | 3,259 | - | - | - | - | - | - | - | 6,984 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (1,298,538) | - | - | - | - | - | - | - | (1,298,538) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | 99,894 | 99,888 | 299,670 | 299,661 | (799,114) | - | - | - | - | - | - | - | 0 |

**Project No:** **71316822** **U3 Motor Control Ctrs, Strt, and Br**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 6/30/2024

Description

This project continues the Reeves Generating Station (GS) program to upgrade obsolete, unsafe and unreliable critical electrical equipment. The U3 motor control center breakers and starters provide the electrical energy for the plant's 480 auxiliary loads. These breakers and starters were installed back in 1959. Replacement parts are no longer available, and these breakers and starters are worn out to the level that they pose a safety and reliability risk. Engineering evaluated various options and recommends full replacement of 6 existing load center breakers with new breakers and rebuilding existing 32 starters with state-of-the art electrical components. To further improve safety against arc flashes, the new power breakers will be provided with provisions for remote racking and an arc flash maintenance switch. The starters will be solid-state tripping and metering devices. These new breakers and starters will offer greater safety precautions and maintain plant reliability. Engineering will develop required specifications, evaluate bids and track project schedule and costs.

Project Need Justification

Existing equipment is obsolete and unreliable, and the parts to rebuild the breakers are not available. These breakers are operated continuously, have worn out over time, and now pose a safety and reliability risk.

Project Alternatives

There are no alternatives. Replacement parts are no longer available, and these breakers and starters are worn out to the level that they pose a safety and reliability risk, so "do nothing" is not an option.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Safety

Safety This project will reduce the risk of an arc flash.

Reliability Obsolete parts will be replaced with new, more reliable equipment.

System Performance

Security

Compliance

Environmental

**Project No:** **71316822** **U3 Motor Control Ctrs, Strt, and Br**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 19,099 | 190,896 | 75,355 | - | - | - | - | - | - | - | 285,350 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 831 | 8,304 | 3,278 | - | - | - | - | - | - | - | 12,413 |
| 928: AFUDC Debt | - | - | - | 18 | 215 | 466 | - | - | - | - | - | - | - | 698 |
| 929: AFUDC Equity | - | - | - | 31 | 372 | 807 | - | - | - | - | - | - | - | 1,211 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (299,672) | - | - | - | - | - | - | - | (299,672) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | 19,978 | 199,788 | (219,766) | - | - | - | - | - | - | - | - |

**Project No:** **74416222** **Luna Hot Gas Path 2022**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2022

Description

General Electric (GE) recommendations are to perform a Hot Gas Path Inspection (HGPI) every 24,000 hours of operation. Currently, there are 18147.3 hours on Gas Turbine 1 (GT1) since the last HGPI in March 2019. By the end of February 2022, it is estimated that GT1 will have 24,000 hours of operation. The HGPI needs to be performed for the safe and reliable operation of GT1. The number of operating hours is defined by GE and is required for continued operation.

Project Need Justification

Routine inspections of the combustion turbine and systems are needed to ensure these systems operate as designed by GE. These inspections help identify potential issues that, if left unresolved, may result in failures that could impact safety, reduce reliability, and/or potentially result in the need to perform more costly repairs in the future.

Project Alternatives

The only other option would be to do nothing. This is not a feasible option as these inspections are needed to ensure the safe and reliable operation of this plant.

Project Estimate Approach

Direct project direct costs are estimates provided by the vendor based on actual costs to perform similar work in the past. PNM's indirect costs (e.g., project controls, contingency, AFUDC, etc.) are estimated based on similar projects performed in the past.

Customer Benefit

By performing this inspection, PNM ensures the combustion turbine and systems are working properly and are able to generate electricity in a safe and reliable manner. Furthermore, these inspections can identify other issues that if repaired reduce the risk (and associated costs) of future failures.

Primary Value Driver Safety

Safety This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine at the time of failure.

Reliability This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time which would negatively impact reliability and would be costly to make the repairs necessary to bring the plant back into service.

System Performance

Security

Compliance

Environmental

**Project No:** **74416222** **Luna Hot Gas Path 2022**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,255,000 | - | - | - | - | - | - | 4,255,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (2,836,383) | - | - | - | - | - | - | (2,836,383) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 2,304 | - | - | - | - | - | - | 2,304 |
| 929: AFUDC Equity | 7,895 | - | - | - | - | - | - | 7,895 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 95,355 | - | - | - | - | - | - | 95,355 |
| 825: Closing Addition | (1,406,154) | - | - | - | - | - | 7,039 | (1,399,116) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | (125,054) | (125,054) |
| Project Net | 118,016 | - | - | - | - | - | (118,016) | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,255,000 | - | - | - | - | - | - | - | - | - | - | - | - | 4,255,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (2,836,383) | - | - | - | - | - | - | - | - | - | - | - | - | (2,836,383) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 2,304 | - | - | - | - | - | - | - | - | - | - | - | - | 2,304 |
| 929: AFUDC Equity | 7,895 | - | - | - | - | - | - | - | - | - | - | - | - | 7,895 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 95,355 | - | - | - | - | - | - | - | - | - | - | - | - | 95,355 |
| 825: Closing Addition | (1,399,116) | - | - | - | - | - | - | - | - | - | - | - | - | (1,399,116) |
| 825: Closing Cost of Removal | (125,054) | - | - | - | - | - | - | - | - | - | - | - | - | (125,054) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,255,000 | - | - | - | - | - | - | - | - | - | - | - | - | 4,255,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (2,836,383) | - | - | - | - | - | - | - | - | - | - | - | - | (2,836,383) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 2,304 | - | - | - | - | - | - | - | - | - | - | - | - | 2,304 |
| 929: AFUDC Equity | 7,895 | - | - | - | - | - | - | - | - | - | - | - | - | 7,895 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 95,355 | - | - | - | - | - | - | - | - | - | - | - | - | 95,355 |
| 825: Closing Addition | (1,399,116) | - | - | - | - | - | - | - | - | - | - | - | - | (1,399,116) |
| 825: Closing Cost of Removal | (125,054) | - | - | - | - | - | - | - | - | - | - | - | - | (125,054) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **74417024** **Luna Capital Planned Outage 2024**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This project is for the capital replacements made during the planned outages at Luna Energy Facility (EF) in 2024. This is for the periodic gas turbine major maintenance which includes Hot Gas Path Inspections, Major Inspections, major Valve Replacements, and other major Capital expenditures. These inspections are done on a prescribed schedule based on gas turbine operating hours and fired starts.

Project Need Justification

In order to ensure reliable and efficient operation for years to come, periodic gas turbine major maintenance, which includes Hot Gas Path Inspections and Major Inspections, must be performed on a prescribed schedule based on gas turbine operating hours and fired starts. If this maintenance is not completed, the turbines are not fit for operation.

Project Alternatives

The only other option would be to do nothing. This is not a feasible option as these inspections are needed to ensure the safe and reliable operation of this plant.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funding used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Safety

Safety This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Reliability This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time and cost.

System Performance

Security

Compliance

Environmental

**Project No:** **74417024** **Luna Capital Planned Outage 2024**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 2,953,749 | - | - | - | - | - | - | 3,120,500 | - | 6,074,249 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | (1,968,969) | - | - | - | - | - | - | (2,080,125) | - | (4,049,094) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | 920 | - | - | - | - | - | - | 972 | 1,948 | 3,840 |
| 929: AFUDC Equity | - | - | - | - | 1,595 | - | - | - | - | - | - | 1,685 | 3,377 | 6,656 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | 38,989 | - | - | - | - | - | - | 41,191 | - | 80,180 |
| 825: Closing Addition | - | - | - | - | (1,026,284) | - | - | - | - | - | - | - | (1,089,547) | (2,115,831) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | (0) | - | - | - | - | - | - | 1,084,222 | (1,084,222) | - |

Environmental Enhancement Capital Projects

# PNM Exhibit RBH-3

Is contained in the following 8 pages.

## Project No: 04616024 RB CEM O2 and NOX Analyzers

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

| | |
|---|---|
| Description | The current nitrogen oxide (NOx) and oxygen (O2) analyzers are at the end of their lifecycles and need to be replaced. The NOx analyzers measure oxides of nitrogen derived from the gas fuel being burned by the turbine system. Combustion at high temperatures allows the reaction of nitrogen and oxygen atoms to combine to create nitric oxide (NO) and nitrogen dioxide (NO2). The O2 analyzer measures oxygen in the fuel being burned. The upgrade will ensure the continued accurate NOx and O2 gas monitoring to meet federal and state emissions regulations. |
| Project Need Justification | Renewal of the NOx and O2 analyzers ensure our plants continue to operate based on correct information, at rated efficiencies, and in an environmentally friendly and compliant fashion. |
| Project Alternatives | The alternative of "Do Nothing" is not an option. PNM runs the risk of not meeting federal and state emissions if NOx and O2 analyzers are not replaced. |
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |
| Primary Value Driver | Environmental |
| Safety | |
| Reliability | |
| System Performance | |
| Security | |
| Compliance | PNM is required to maintain functional NOx and O2 equipment for environmental compliance. |
| Environmental | PNM is required to maintain functional NOx and O2 equipment for environmental compliance. |

**Project No:** **04616024** **RB CEM O2 and NOX Analyzers**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | 71,622 | - | 71,622 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | 3,116 | - | 3,116 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | 67 | - | 67 |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | 116 | - | 116 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | (74,921) | - | (74,921) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Project No: 70717123 AFT Ammonia and NOx Analyzer

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

| | |
|---|---|
| Description | This project will install ammonia and nitrogen oxide (NOx) analyzers to improve ammonia injection. The Self Catalytic Reduction (SCR) ammonia injection is currently dosed by historical amounts, which can lead to over-injection. This ammonia and NOx analyzer would provide a feedback loop to enable injecting the correct amount of ammonia. This will lead to longer catalyst life, minimize Heat Recovery Steam Generator (HRSG) cleaning from ammonia crystallization, save cost, and reduce ammonia usage. The project will include an upstream NOx analyzer and downstream ammonia analyzer. This system does not currently exist, and the project will include the necessary engineering, procurement and installation of these analyzers. |
| Project Need Justification | Installation of the ammonia and NOx analyzers will ensure the plants operate based on correct information, at rated efficiencies, and in an environmentally friendly and compliant fashion. |
| Project Alternatives | The alternative of "do-nothing" is not an option. PNM runs the risk of not meeting federal and state emissions standards if ammonia and NOx analyzers are not replaced. |
| Project Estimate Approach | Not required for projects with less than $250,000 of expenditures. |
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant, and cost effective management of PNM's power generation assets. |
| Primary Value Driver | Environmental |
| Safety | |
| Reliability | |
| System Performance | |
| Security | |
| Compliance | |
| Environmental | PNM is required to maintain functional ammonia and NOx equipment in order to meet federal and state emissions standards. |

**Project No:** **70717123** **AFT Ammonia and NOx Analyzer**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | 192,308 | - | 192,308 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | 6,904 | - | 6,904 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | 212 | - | 212 |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | 270 | - | 270 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | (199,694) | - | (199,694) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 192,308 | - | - | - | - | - | - | - | - | - | - | - | - | 192,308 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,904 | - | - | - | - | - | - | - | - | - | - | - | - | 6,904 |
| 928: AFUDC Debt | 212 | - | - | - | - | - | - | - | - | - | - | - | - | 212 |
| 929: AFUDC Equity | 270 | - | - | - | - | - | - | - | - | - | - | - | - | 270 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (199,694) | - | - | - | - | - | - | - | - | - | - | - | - | (199,694) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Project No: 70717125 AFT Reline NE Pond

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

| | |
|---|---|
| Description | This project will replace the liner in the North East (NE) evaporation pond at Afton Generating Station. The current NE evaporation pond has been accumulating wastewater blowdown solids from the beginning of combined cycle operations. The pond has the original liner and has never been relined or cleaned. The sludge build-up is approaching the permitted free-board upper limit. The sludge currently contained inside the NE pond needs to be removed, and the evaporation pond needs to be relined. There are four evaporation ponds total, and PNM can utilize the North West (NW) evaporation pond during the relining project to limit the impact on plant operations. |
| Project Need Justification | This project is needed to ensure the continued environmentally responsible and compliant operations of the Afton Generation Station. Without sufficient free-board to accept blowdown water in the evaporation ponds, Afton will not be able to operate. |
| Project Alternatives | Liner replacement in the existing NE pond is more cost effective than a new pond installation. The alternative of "do nothing" is not a viable option for keeping Afton operating in a compliant and environmentally responsible way. |
| Project Estimate Approach | Direct project costs are estimates provided by the vendor based on the actual costs to perform similar work in the past. PNM's indirect costs (e.g., project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated based on similar projects performed in the past. |
| Customer Benefit | The customer benefits through PNM's environmentally responsible and compliant operations. |
| Primary Value Driver | Environmental |
| Safety | |
| Reliability | |
| System Performance | |
| Security | |
| Compliance | |
| Environmental | This project replaces the liner in the NE evaporation pond prior to deterioration to the point of failure, preventing the release of hazardous waste at the Afton site. |

**Project No:** **70717125** **AFT Reline NE Pond**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 47,747 | - | - | - | - | 47,747 | 95,257 | 190,278 | 284,827 | 92,420 | - | 758,278 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | 2,077 | - | - | - | - | 2,077 | 4,144 | 8,277 | 12,390 | 4,020 | - | 32,985 |
| 928: AFUDC Debt | - | - | 45 | - | - | - | - | 45 | 179 | 448 | 895 | 1,253 | - | 2,865 |
| 929: AFUDC Equity | - | - | 78 | - | - | - | - | 78 | 310 | 776 | 1,552 | 2,173 | - | 4,966 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (49,946) | - | - | - | - | - | - | - | - | (749,148) | - | (799,094) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | (0) | - | - | - | - | 49,946 | 99,891 | 199,779 | 299,665 | (649,281) | - | - |

## Project No: 71316614 Reeves Common Evap Pond Reline

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 10/30/2025

| | |
|---|---|
| Description | Reeves Generating Station uses two evaporation ponds, (North Pond and South Pond) to collect plant water discharge from boiler blowdown and demineralizer wastewaters. The ponds were installed 40+ years ago. Recent liner tests indicate seam degradation is occurring and recommendations for capping the existing seams or replacing the liner have been made. This project will either re-cap the existing seams or re-line the ponds (one at a time) with a new liner system ensuring the continued reliability of the ponds. |
| Project Need Justification | Recent tests completed by Southwest Liner Systems indicate separation at the seams. The project is necessary to ensure hazardous waste does not leak from the ponds. |
| Project Alternatives | Option 1: Do Nothing: Due to the risk of Hazardous Wastes leakage, this option is not available.<br>Option 2: Repair liner (Cap Seams): This option is preferred as long as the existing liner is in good condition and passes inspection upon removal of all debris.<br>Option 3: Replace liner: This option may become necessary if the existing liner is found to have damage after debris removal. |
| Project Estimate Approach | Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs. |
| Customer Benefit | Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets. |
| Primary Value Driver | Environmental |
| Safety | |
| Reliability | |
| System Performance | |
| Security | |
| Compliance | This project maintains the liner integrity of the evaporation pond. This is required to maintain compliance with environmental regulations. |
| Environmental | This project maintains the liner integrity of the evaporation pond. This is required to maintain compliance with environmental regulations. |

**Project No:** **71316614** **Reeves Common Evap Pond Reline**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 100,785 | 138,749 | - | 239,535 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 3,991 | 5,494 | - | 9,486 |
| 928: AFUDC Debt | - | - | - | - | 67 | 226 | - | 292 |
| 929: AFUDC Equity | - | - | - | - | 160 | 542 | - | 702 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (225,710) | - | (225,710) |
| 825: Closing Cost of Removal | - | - | - | - | - | (24,304) | - | (24,304) |
| Project Net | - | - | - | - | 105,003 | (105,003) | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 239,535 | - | - | - | - | - | - | - | - | 48,086 | 95,979 | 95,590 | - | 479,189 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 9,486 | - | - | - | - | - | - | - | - | 1,726 | 3,446 | 3,432 | - | 18,089 |
| 928: AFUDC Debt | 292 | - | - | - | - | - | - | - | - | 48 | 191 | 382 | - | 914 |
| 929: AFUDC Equity | 702 | - | - | - | - | - | - | - | - | 61 | 244 | 488 | - | 1,495 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (225,710) | - | - | - | - | - | - | - | - | - | - | (225,442) | - | (451,152) |
| 825: Closing Cost of Removal | (24,304) | - | - | - | - | - | - | - | - | - | - | (24,230) | - | (48,534) |
| Project Net | - | - | - | - | - | - | - | - | - | 49,921 | 99,859 | (149,780) | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 479,189 | - | - | - | - | - | - | - | - | - | - | - | - | 479,189 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 18,089 | - | - | - | - | - | - | - | - | - | - | - | - | 18,089 |
| 928: AFUDC Debt | 914 | - | - | - | - | - | - | - | - | - | - | - | - | 914 |
| 929: AFUDC Equity | 1,495 | - | - | - | - | - | - | - | - | - | - | - | - | 1,495 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (451,152) | - | - | - | - | - | - | - | - | - | - | - | - | (451,152) |
| 825: Closing Cost of Removal | (48,534) | - | - | - | - | - | - | - | - | - | - | - | - | (48,534) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Reliability Enhancement Capital Projects

# PNM Exhibit RBH-4

Is contained in the following 86 pages.

**Project No:** **04616122** **RB Admin UPS Replacement**

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

| County % | Bernalillo | 100% |
|---|---|---|

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2022

Description

This project will provide an uninterruptible power supply (UPS) for the administrative building. Additional computer and critical electrical loads have been added to the building, and the existing circuits are now approaching full loading conditions. Since many of the new loads are computer loads and network switches, it is imperative that a UPS be added to minimize the loss of computer data during loss of power events, which can occur at any time. Some of the critical loads include the plant industrial control computer and Inter-Control Center Communications Protocol (ICCP) interface to the dispatch center. Engineering will coordinate all electrical design, purchase equipment and track the projects' costs and schedule.

Project Need Justification

This project provides backup power for critical loads during power interruptions. Loss of these critical loads could cause a unit trip or loss of communication to the dispatch center.

Project Alternatives

The alternative is "Do Nothing" which is not the preferred alternative due to possible impacts during a power outage.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer benefits with reliable power that is not interrupted by minor grid disturbances in the localized area of Rio Bravo.

Primary Value Driver Reliability

Safety

Reliability This project ensures the continued reliable operation of Rio Bravo during local power outages.

System Performance

Security

Compliance

Environmental

**Project No:** **04616122** **RB Admin UPS Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 71,010 | - | - | - | 71,010 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 2,812 | - | - | - | 2,812 |
| 928: AFUDC Debt | - | - | - | 52 | - | - | - | 52 |
| 929: AFUDC Equity | - | - | - | 125 | - | - | - | 125 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (73,999) | - | - | - | (73,999) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | (0) | - | - | - | (0) |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 71,010 | - | - | - | - | - | - | - | - | - | - | - | - | 71,010 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,812 | - | - | - | - | - | - | - | - | - | - | - | - | 2,812 |
| 928: AFUDC Debt | 52 | - | - | - | - | - | - | - | - | - | - | - | - | 52 |
| 929: AFUDC Equity | 125 | - | - | - | - | - | - | - | - | - | - | - | - | 125 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (73,999) | - | - | - | - | - | - | - | - | - | - | - | - | (73,999) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 71,010 | - | - | - | - | - | - | - | - | - | - | - | - | 71,010 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,812 | - | - | - | - | - | - | - | - | - | - | - | - | 2,812 |
| 928: AFUDC Debt | 52 | - | - | - | - | - | - | - | - | - | - | - | - | 52 |
| 929: AFUDC Equity | 125 | - | - | - | - | - | - | - | - | - | - | - | - | 125 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (73,999) | - | - | - | - | - | - | - | - | - | - | - | - | (73,999) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **04616124** **RB Compressor Bleed Valves**

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

The 7FA gas turbine uses compressor bleed valves to protect the compressor against stalling and surging conditions during start-up and shutdown. These valves have been shown to have limited operating lives and require replacement to insure reliable operation. It's recommended that the compressor bleed valves be replaced. This project will procure and install these components.

Project Need Justification

The bleed valves function to preheat the combustion turbines' inlet temperature during startup and cold weather conditions. If the compressor bleed valves fail, the unit cannot run and it would take at least one week to procure and install a new valve on an emergency basis. The manufacturer recommends replacing these components every five (5) years. Engineering provides the scope of work to purchase and install the bleed valves. Engineering will track project costs and schedule

Project Alternatives

There are two other alternatives to replacing the valves:
Option 1: Replace the valves as recommended by the manufacturer in order to ensure reliable valve usage throughout a 4-year run.
Option 2: Do not replace the valves. This is not a true option as it fails to address the risk of not being able to start-up the combustion turbine (CT) or the risk of CT shutdown due to stalling or surging.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability Replacement of these components are required to maintain the unit's availability for dispatch.

System Performance

Security

Compliance

Environmental

**Project No:** **04616124** **RB Compressor Bleed Valves**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | 47,747 | - | 47,747 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | 2,077 | - | 2,077 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | 45 | - | 45 |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | 78 | - | 78 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | (49,946) | - | (49,946) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | (0) | - | (0) |

**Project No:** **35730521** **21-01 Aztec Building A Boiler Repla**

Company: 003 Bulk Power
Location: 357 Bulk Power Building Allocation

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 6/30/2023

Description

General Services is recommending the replacement of the current boiler plant system at the Aztec A building, which serves approximately 55,000 sqft on a single primary loop. This project will replace the boiler, pump, and associated heating components, and it includes all required electrical and plumbing work. The initial phase of this project will involve mechanical, engineering and plumbing (MEP) engineering design which will produce the appropriate construction drawings (CDs) for contractor request for proposals (RFPs). The CDs will provide all specifications and drawings for permitting and plan review.

Project Need Justification

Boiler equipment has a finite lifespan, and as aging equipment becomes suspect, it is imperative to refurbish or replace the equipment before failures force the closure of the building and affect operations.

Project Alternatives

The alternative of "do-nothing" is not preferred due to the possible impact on operations (for example, personnel needing to be sent home due to heating failures), and the continued cost and expense of ongoing repairs and maintenance. The alternative of refurbishment was looked into; however, full replacement with new equipment will increase system efficiency, allow for better control, and minimize routine maintenance. The most cost-effective solution is full replacement, which will ensure a comfortable work environment for the building occupants.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer benefits when PNM operates it facilities smoothly and efficiently. To that end, it is a necessity that PNM does not allow preventable failures to impact daily operations.

Primary Value Driver Reliability

Safety

Reliability Maintaining heating systems in buildings ensures the continued reliable operation of PNM's facilities.

System Performance

Security

Compliance

Environmental

**Project No:** **35730521** **21-01 Aztec Building A Boiler Repla**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 14,779 | - | - | 55,595 | - | - | - | 70,374 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 47 | - | - | - | - | - | - | 47 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 887 | - | - | 2,202 | - | - | - | 3,088 |
| 928: AFUDC Debt | 134 | 19 | 19 | 60 | - | - | - | 233 |
| 929: AFUDC Equity | 422 | 46 | 47 | 145 | - | - | - | 660 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (71,845) | - | - | - | (71,845) |
| 825: Closing Cost of Removal | - | - | - | (2,557) | - | - | - | (2,557) |
| Project Net | 16,268 | 66 | 66 | (16,400) | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 70,374 | - | - | - | 43,280 | 45,000 | - | - | - | - | - | - | - | 158,654 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 47 | - | - | - | - | - | - | - | - | - | - | - | - | 47 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,088 | - | - | - | 1,554 | 1,616 | - | - | - | - | - | - | - | 6,258 |
| 928: AFUDC Debt | 233 | - | - | - | 48 | 145 | - | - | - | - | - | - | - | 426 |
| 929: AFUDC Equity | 660 | - | - | - | 61 | 185 | - | - | - | - | - | - | - | 905 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (71,845) | - | - | - | - | (91,888) | - | - | - | - | - | - | - | (163,733) |
| 825: Closing Cost of Removal | (2,557) | - | - | - | - | - | - | - | - | - | - | - | - | (2,557) |
| Project Net | - | - | - | - | 44,942 | (44,942) | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 158,654 | - | - | - | - | - | - | - | - | - | - | - | - | 158,654 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 47 | - | - | - | - | - | - | - | - | - | - | - | - | 47 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,258 | - | - | - | - | - | - | - | - | - | - | - | - | 6,258 |
| 928: AFUDC Debt | 426 | - | - | - | - | - | - | - | - | - | - | - | - | 426 |
| 929: AFUDC Equity | 905 | - | - | - | - | - | - | - | - | - | - | - | - | 905 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (163,733) | - | - | - | - | - | - | - | - | - | - | - | - | (163,733) |
| 825: Closing Cost of Removal | (2,557) | - | - | - | - | - | - | - | - | - | - | - | - | (2,557) |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **35730522** **Aztec HVAC Chiller Replacement**

Company: 003 Bulk Power
Location: 357 Bulk Power Building Allocation

**Project Information** County % Bernalillo 100%

Estimated Start Date 8/1/2022

Estimated Completion Date 3/30/2023

Description

The Aztec chiller system is in immediate need of replacement. PNM has been working with the mechanical contractor for three months to evaluate the mechanical problems that continue to shut the system down and was recently told that a new system should be ordered as soon as possible. Without this unit, the building heats up to well over 80 degrees in the summer, forcing supervisors and managers to send their employees home to work or find alternate work locations, which is very disruptive to all of the operations in the building.

Project Need Justification

Heating, ventilation and air conditioning (HVAC) equipment has a limited lifespan, and as aging equipment becomes suspect, it is imperative to refurbish or replace equipment before failures force the closure of a building and affect operations.

Project Alternatives

A "do-nothing" scenario is not an option. The chiller system definitely needs to be replaced with an updated, more reliable system. Various makes and models of equipment have been researched, including Daikin, Carrier, Trane and York brands. Given the contractors' knowledge of the various manufacturers' products, as well as considering price and lead times, PNM selected a comparable York brand system.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer benefits when PNM operates it facilities smoothly and efficiently. To that end, it is a necessity that PNM does not allow preventable failures of HVAC equipment to impact daily operations.

Primary Value Driver Reliability

Safety

Reliability When the Aztec HVAC fails, the entire Environmental, Engineering and Land Services staff is sent home or required to work elsewhere. This interruption has a negative effect on operational efficiency and impacts the reliable operation of PNM's facilities in various indirect ways.

System Performance

Security

Compliance

Environmental

**Project No:** **35730522** **Aztec HVAC Chiller Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | 8,998 | - | - | - | 8,998 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 79,764 | - | - | - | 79,764 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | 615 | - | - | - | 615 |
| 914: Pension and Benefits | - | - | - | 3,096 | - | - | - | 3,096 |
| 915: Injuries and Damages | - | - | - | 301 | - | - | - | 301 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 3,515 | - | - | - | 3,515 |
| 928: AFUDC Debt | - | - | - | 68 | 136 | 137 | 138 | 479 |
| 929: AFUDC Equity | - | - | - | 163 | 327 | 329 | 330 | 1,149 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | 96,520 | 463 | 466 | 468 | 97,917 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 8,998 | - | 8,998 | - | - | - | - | - | - | - | - | - | - | 17,995 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 79,764 | - | 79,760 | - | - | - | - | - | - | - | - | - | - | 159,524 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 615 | - | 636 | - | - | - | - | - | - | - | - | - | - | 1,252 |
| 914: Pension and Benefits | 3,096 | - | 3,186 | - | - | - | - | - | - | - | - | - | - | 6,282 |
| 915: Injuries and Damages | 301 | - | 425 | - | - | - | - | - | - | - | - | - | - | 726 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,515 | - | 3,186 | - | - | - | - | - | - | - | - | - | - | 6,701 |
| 928: AFUDC Debt | 479 | 208 | 311 | 415 | - | - | - | - | - | - | - | - | - | 1,414 |
| 929: AFUDC Equity | 1,149 | 266 | 397 | 530 | - | - | - | - | - | - | - | - | - | 2,342 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (196,235) | - | - | - | - | - | - | - | - | - | (196,235) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 97,917 | 474 | 96,899 | (195,290) | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 17,995 | - | - | - | - | - | - | - | - | - | - | - | - | 17,995 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 159,524 | - | - | - | - | - | - | - | - | - | - | - | - | 159,524 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 1,252 | - | - | - | - | - | - | - | - | - | - | - | - | 1,252 |
| 914: Pension and Benefits | 6,282 | - | - | - | - | - | - | - | - | - | - | - | - | 6,282 |
| 915: Injuries and Damages | 726 | - | - | - | - | - | - | - | - | - | - | - | - | 726 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,701 | - | - | - | - | - | - | - | - | - | - | - | - | 6,701 |
| 928: AFUDC Debt | 1,414 | - | - | - | - | - | - | - | - | - | - | - | - | 1,414 |
| 929: AFUDC Equity | 2,342 | - | - | - | - | - | - | - | - | - | - | - | - | 2,342 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (196,235) | - | - | - | - | - | - | - | - | - | - | - | - | (196,235) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70016023** **Solar / BESS Eng Ctrl Comm and Station - Aztec**

Company: 003 Bulk Power
Location: 700 Production Division

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2024

Description

This project will create an engineering control station at PNM's Aztec building, which will allow PNM Generation Engineers to remotely manage solar and battery energy storage system (BESS) assets. This project includes the procurement and setup of an Engineering Workstation computer, Operational Technology (OT) Network connection, and a Physical Security Perimeter with badged doors.

Project Need Justification

Most PNM-owned and power purchase agreement (PPA)/energy service agreement (ESA) solar and BESS facilities have no personnel on-site, so timely management of the site requires remote access capabilities. This management includes site troubleshooting and changing manual setpoints, such as changing reactive power settings on inverter-based resources at the request of Power Operations.

Project Alternatives

The alternative to this project is to require engineers to use a Jump Server to access the OT Network from the computer in their cubicle and then remote-in to the applicable site. However, this introduces a security risk as engineers will access control networks outside of a physically-secured perimeter.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability This project will allow for a fast and efficient way of adjusting inverter-based resource settings when requested by Power Operations, and allow for troubleshooting by Generation Engineering.

System Performance

Security Providing an engineering workstation with an OT network connection inside of a physically-secured perimeter eliminates the need to access the network through a jump server in an unsecured office environment.

Compliance

Environmental

**Project No:** **70016023** **Solar / BESS Eng Ctrl Comm and Station - Aztec**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 48,000 | 48,000 | 48,000 | - | - | - | - | - | - | 144,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 1,723 | 1,723 | 1,723 | - | - | - | - | - | - | 5,170 |
| 928: AFUDC Debt | - | - | - | - | 53 | 159 | 265 | - | - | - | - | - | - | 477 |
| 929: AFUDC Equity | - | - | - | - | 67 | 203 | 338 | - | - | - | - | - | - | 608 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (150,255) | - | - | - | - | - | - | (150,255) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | 49,843 | 50,085 | (99,928) | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 144,000 | - | - | - | - | - | - | - | - | - | - | - | - | 144,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 5,170 | - | - | - | - | - | - | - | - | - | - | - | - | 5,170 |
| 928: AFUDC Debt | 477 | - | - | - | - | - | - | - | - | - | - | - | - | 477 |
| 929: AFUDC Equity | 608 | - | - | - | - | - | - | - | - | - | - | - | - | 608 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (150,255) | - | - | - | - | - | - | - | - | - | - | - | - | (150,255) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **70028021** **Energy Storage and Scheduling Optimization System(Battery Integration)**

Company: 003 Bulk Power
Location: 700 Production Division

**Project Information** County % Bernalillo 100%

Estimated Start Date 10/8/2021

Estimated Completion Date 12/31/2023

Description

This project will implement a centralized control system that manages the numerous battery energy storage systems (BESS) currently being constructed on PNMs grid. The project will meet the following objectives via software and related implementation and integration services:
•Respect necessary constraints, such as those described in request for proposals (RFPs): point of interconnection (POI) limits, operating reserve limits, state of charge (SOC) limits, average daily cycling limits, etc.
•Lower costs by reducing curtailments on renewable resources
•Reduce peak load by discharging batteries
•Maximize revenue via energy imbalance market (EIM) participation

The following will take place during the development stage:
• Obtain software licenses, including licenses related to community choice aggregators (CCAs)
• Procure materials and services, including from third parties, to develop or obtain internal-use software
• Coding and testing
• Develop or obtain software that allows for access or conversion of old data by new systems.

Project Need Justification

To ensure battery reliability and longevity, a centralized control system is necessary to monitor and manage the charge/discharge of all battery assets relative to the need and availability of power. This management system will maximize the long-term value of PNM's battery assets, assist in PNM's goal of zero-carbon, meet local grid requirements, and minimize manual intervention by dispatchers.

Project Alternatives

This project is required as part of connecting battery storage to the PNM grid. The "do nothing alternative" continues to use the current system, which lacks the features and functionality to manage a battery storage system.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability This project will improve reliability and longevity of battery energy storage systems (BESS) on PNM's grid.

System Performance This project will allow for the centralized control of the charge/discharge of all BESS assets across the fleet, which greatly improves system performance by allowing them to compensate for changes in uncontrollable generation output at a different physical location in the system.

Security

Compliance

Environmental

**Project No:** **70028021** **Energy Storage and Scheduling Optimization System(Battery Integration)**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 45,628 | - | - | - | - | - | - | 45,628 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 237,972 | - | - | - | - | - | - | 237,972 |
| 370: Outside Services | 495,449 | 109,204 | 148,538 | 168,194 | 189,850 | - | 0 | 1,111,234 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 690 | - | - | - | - | - | - | 690 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 7,956 | 2,392 | 2,760 | 3,253 | 3,784 | - | - | 20,144 |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,128 | - | - | - | - | - | - | 3,128 |
| 914: Pension and Benefits | 15,756 | - | - | - | - | - | - | 15,756 |
| 915: Injuries and Damages | 1,516 | - | - | - | - | - | - | 1,516 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 2,299 | - | - | - | - | - | - | 2,299 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 36,624 | 4,324 | 5,882 | 6,660 | 7,518 | - | - | 61,009 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (1,492,417) | - | (0) | (1,492,417) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 847,019 | 115,920 | 157,180 | 178,107 | (1,291,266) | - | - | 6,960 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 45,628 | - | - | - | - | - | - | - | - | - | - | - | - | 45,628 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 237,972 | - | - | - | - | - | - | - | - | - | - | - | - | 237,972 |
| 370: Outside Services | 1,111,234 | 46,135 | 184,104 | 167,088 | 121,134 | 217,142 | 207,410 | 111,696 | 100,656 | 169,886 | 192,787 | - | - | 2,629,273 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 690 | - | - | - | - | - | - | - | - | - | - | - | - | 690 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 20,144 | 66 | 400 | 923 | 1,346 | 1,869 | 2,558 | 3,083 | 3,469 | 3,955 | 4,618 | 4,999 | - | 47,431 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,128 | - | - | - | - | - | - | - | - | - | - | - | - | 3,128 |
| 914: Pension and Benefits | 15,756 | - | - | - | - | - | - | - | - | - | - | - | - | 15,756 |
| 915: Injuries and Damages | 1,516 | - | - | - | - | - | - | - | - | - | - | - | - | 1,516 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 2,299 | - | - | - | - | - | - | - | - | - | - | - | - | 2,299 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 61,009 | 1,656 | 6,609 | 5,998 | 4,349 | 7,795 | 7,446 | 4,010 | 3,614 | 6,099 | 6,921 | - | - | 115,506 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,492,417) | - | - | - | - | - | - | - | - | - | - | (1,599,823) | - | (3,092,240) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 6,960 | 47,857 | 191,113 | 174,010 | 126,829 | 226,807 | 217,414 | 118,789 | 107,738 | 179,940 | 204,327 | (1,594,824) | - | 6,960 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 45,628 | - | - | - | - | - | - | - | - | - | - | - | - | 45,628 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 237,972 | - | - | - | - | - | - | - | - | - | - | - | - | 237,972 |
| 370: Outside Services | 2,629,273 | - | - | - | - | - | - | - | - | - | - | - | - | 2,629,273 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | 690 | - | - | - | - | - | - | - | - | - | - | - | - | 690 |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 47,431 | - | - | - | - | - | - | - | - | - | - | - | - | 47,431 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 3,128 | - | - | - | - | - | - | - | - | - | - | - | - | 3,128 |
| 914: Pension and Benefits | 15,756 | - | - | - | - | - | - | - | - | - | - | - | - | 15,756 |
| 915: Injuries and Damages | 1,516 | - | - | - | - | - | - | - | - | - | - | - | - | 1,516 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 2,299 | - | - | - | - | - | - | - | - | - | - | - | - | 2,299 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 115,506 | - | - | - | - | - | - | - | - | - | - | - | - | 115,506 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (3,092,240) | - | - | - | - | - | - | - | - | - | - | - | - | (3,092,240) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 6,960 | - | - | - | - | - | - | - | - | - | - | - | - | 6,960 |

**Project No:** **70028022** **OSI Soft Enterprise Software/Licens**

Company: 003 Bulk Power
Location: 700 Production Division

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2027

Description

OSIsoft's data historian houses PNM's real-time industrial data. This project expands real-time data collection on generation assets, including software and system upgrades, additional plant information (PI) servers, additional PI server components (e.g., tags), additional PI interfaces and connectors, and additional client applications.

Project Need Justification

Effective reliability asset management and compliance programs include equipment monitoring and diagnostic capabilities. Locations of generation assets are not currently monitored in real-time, making monitoring of those assets less effective.

Project Alternatives

The only alternative is to do nothing, which limits the effectiveness of the equipment monitoring and diagnostic programs.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

Reliability This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

System Performance This project improves optimizes equipment performance by allowing early identification of anomalies which reduces reactive work.

Security

Compliance This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

Environmental This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

**Project No:** **70028022** **OSI Soft Enterprise Software/Licens**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | 237,500 | - | - | - | - | - | - | - | 237,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | 353 | 721 | - | - | - | - | - | - | 1,074 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | 8,526 | - | - | - | - | - | - | - | 8,526 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (247,100) | - | - | - | - | - | - | (247,100) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | 246,379 | (246,379) | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 237,500 | - | - | - | - | 237,500 | - | - | - | - | - | - | - | 475,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 1,074 | - | - | - | - | 427 | 860 | - | - | - | - | - | - | 2,361 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 8,526 | - | - | - | - | 10,331 | - | - | - | - | - | - | - | 18,858 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (247,100) | - | - | - | - | - | (249,118) | - | - | - | - | - | - | (496,218) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | 248,259 | (248,259) | - | - | - | - | - | - | 0 |

**Project No:** **70028122** **Battery Integration/Renewable forecasting upgrades**

Company: 003 Bulk Power
Location: 700 Production Division

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2027

Description

This project will apply Machine Learning and Artificial Intelligence (AI) to battery energy storage system (BESS) scheduling optimization, renewable generation forecasting, and system load forecasting. The project includes the implementation of the hardware, deployment and development of the Machine Learning and AI, and licensing of the product starting in 2023.

Project Need Justification

PNM is expected to have a significant amount of BESS on the system in the near future, and will be depending upon the BESS assets to provide grid services as PNM transitions to a 100% carbon-free future. In order to ensure that adequate charge is available to provide these grid services, most of the scheduling and optimization will need to be performed by a system that is capable of analyzing all of the variables. This optimization will also improve system performance and ensure that the BESS assets are being used in the most valuable way.
In order to optimize the charge and discharge of the BESS assets, the system must also accurately forecast both generation and demand.

Project Alternatives

The project alternative is to do nothing; however, this introduces additional risks. Manually scheduling BESS assets is more likely to lead to scenarios in which no charge is available when needed for ancillary services, negatively affecting system reliability. Manually scheduling BESS assets is also less likely to operate the assets in the most valuable manner, negatively affecting system performance. Manually scheduling BESS assets may also shorten the life of the assets, introducing a direct cost of replacement.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability This project will implement Machine Learning and AI to optimize BESS scheduling, which will be done in a way to ensure that charge is available when needed for system reliability functions. The project is also likely to improve the longevity of the BESS assets on PNM's system.

System Performance This project will implement Machine Learning and AI to optimize BESS scheduling, which results the BESS assets being used in the most valuable manner.

Security

Compliance

Environmental

**Project No:** **70028122** **Battery Integration/Renewable forecasting upgrades**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | 95,000 | 95,000 | 47,500 | 237,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | 152 | 463 | 707 | 1,323 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | 3,411 | 3,411 | 1,705 | 8,526 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | (247,349) | (247,349) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | 98,563 | 98,874 | (197,437) | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 237,500 | - | - | - | - | - | - | - | - | - | 96,000 | 95,000 | 47,600 | 476,100 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 1,323 | - | - | - | - | - | - | - | - | - | 173 | 520 | 785 | 2,801 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 8,526 | - | - | - | - | - | - | - | - | - | 4,176 | 4,133 | 2,071 | 18,905 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (247,349) | - | - | - | - | - | - | - | - | - | - | - | (250,457) | (497,807) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | 100,349 | 99,652 | (200,001) | (0) |

**Project No:** **70316023** **Standardize Control Systems to Ovat**

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information** County % Hidalgo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2024

Description
The current supervisory control and data acquisition (SCADA) system installed at Lordsburg is at end of its life. This project will replace the current control system to current standards and specifications, increasing operability and security.

Project Need Justification
The current control system is at the end of its life, out of support by the original equipment manufacturer (OEM), and requires replacement to stay reliable. The system requires updating to ensure operability and security requirements continue to be met.

Project Alternatives
The only alternative is to do nothing. Doing nothing increases the risk to operation and security.

Project Estimate Approach
Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit
PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant.

Primary Value Driver Reliability

Safety

Reliability This project contains multiple items that affect various components that could impact cyber security compliance and reliability.

System Performance

Security This project contains multiple items that affect various components that could impact cyber security and reliability.

Compliance

Environmental

**Project No:** **70316023** **Standardize Control Systems to Ovat**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | 95,000 | 237,500 | 237,500 | 142,500 | - | 712,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | 3,411 | 8,526 | 8,526 | 5,116 | - | 25,579 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | 105 | 471 | 997 | 1,420 | - | 2,992 |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | 133 | 601 | 1,271 | 1,811 | - | 3,817 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | (744,888) | - | (744,888) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | 98,649 | 247,099 | 248,294 | (594,041) | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 712,500 | - | 95,000 | 237,500 | 237,500 | 147,000 | - | - | - | - | - | - | - | 1,429,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 25,579 | - | 4,133 | 10,331 | 10,331 | 6,395 | - | - | - | - | - | - | - | 56,768 |
| 928: AFUDC Debt | 2,992 | - | 89 | 401 | 849 | 1,213 | - | - | - | - | - | - | - | 5,544 |
| 929: AFUDC Equity | 3,817 | - | 154 | 696 | 1,471 | 2,103 | - | - | - | - | - | - | - | 8,241 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (744,888) | - | - | - | - | (755,166) | - | - | - | - | - | - | - | (1,500,054) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | 99,376 | 248,928 | 250,151 | (598,455) | - | - | - | - | - | - | - | - |

**Project No:** **70316119** **Lordsburg Outage Project**

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information** County % Hidalgo 100%

Estimated Start Date 1/1/2019

Estimated Completion Date 12/31/2023

Description

This project covers the replacement of capital assets at Lordsburg that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant in 2023. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant. This project includes required control system upgrades to the GE gas turbines to maintain support and operability

Project Need Justification

This project covers the replacement of capital assets at Lordsburg that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant in 2023. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

Project Alternatives

The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance, of the plant. An alternative to replacing the failed or faulty asset would mean doing nothing which would jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety This project covers the replacement of essential capital assets (like platforms and scaffolds) that protect PNM employees and ensure the ongoing safe operation of the plant.

Reliability This project covers the replacement of essential capital assets (like pumps and cooling pipes) that ensure the reliable operation of the plant.

System Performance This project covers the replacement of essential capital assets (like control systems) that help to optimize efficient operation of the plant.

Security

Compliance

Environmental

**Project No:** **70316119** **Lordsburg Outage Project**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | 961,590 | - | - | - | 961,590 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | 34,521 | - | - | - | 34,521 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | 1,024 | - | - | - | 1,024 |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | 1,307 | - | - | - | 1,307 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | (966,069) | - | - | - | (966,069) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | (32,374) | - | - | - | (32,374) |
| Project Net | - | - | - | - | - | - | - | - | - | (0) | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 961,590 | - | - | - | - | - | - | - | - | - | - | - | - | 961,590 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 34,521 | - | - | - | - | - | - | - | - | - | - | - | - | 34,521 |
| 928: AFUDC Debt | 1,024 | - | - | - | - | - | - | - | - | - | - | - | - | 1,024 |
| 929: AFUDC Equity | 1,307 | - | - | - | - | - | - | - | - | - | - | - | - | 1,307 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (966,069) | - | - | - | - | - | - | - | - | - | - | - | - | (966,069) |
| 825: Closing Cost of Removal | (32,374) | - | - | - | - | - | - | - | - | - | - | - | - | (32,374) |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **70316524** **Lordsburg Cap Planned Outage 2024**

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information** County % Hidalgo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This project covers the replacement of capital assets at Lordsburg that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant for the budget year 2024. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

Project Need Justification

This project covers replacement of capital assets at Lordsburg that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant in 2024. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

Project Alternatives

The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance, of the plant. An alternative to replacing the failed or faulty asset would mean doing nothing which would jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety This project covers the replacement of essential capital assets (like platforms and scaffolds) that protect PNM employees and ensure the ongoing safe operation of the plant.

Reliability This project covers the replacement of essential capital assets (like pumps and cooling pipes) that ensure the reliable operation of the plant.

System Performance This project covers the replacement of essential capital assets (like control systems) that help to optimize efficient operation of the plant.

Security

Compliance

Environmental

**Project No:** **70316524** **Lordsburg Cap Planned Outage 2024**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 57,205 | - | - | - | - | - | - | - | 57,201 | - | 114,406 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 2,488 | - | - | - | - | - | - | - | 2,488 | - | 4,977 |
| 928: AFUDC Debt | - | - | - | 54 | - | - | - | - | - | - | - | 54 | - | 107 |
| 929: AFUDC Equity | - | - | - | 93 | - | - | - | - | - | - | - | 93 | - | 186 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (59,840) | - | - | - | - | - | - | - | (59,836) | - | (119,676) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **70317923** **Lordsburg Capital Improvements 2023**

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information** County % Hidalgo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description
This is an annual project to cover the emergent replacement of smaller capital assets at Lordsburg Generating Station in 2023. Covered work orders within this project are typically to replace assets essential to maintain and the ensure ongoing safe, compliant, efficient and reliable operation of the plant.

Project Need Justification
This project covers the replacement of capital assets at Lordsburg that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

Project Alternatives
The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance of the plant. The alternative to replacing the failed or faulty asset would mean doing nothing which could jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach
Not required for projects with less than $250,000 of expenditures.

Customer Benefit
PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant.

Primary Value Driver Reliability

Safety This project covers the replacement of essential capital assets (like platforms and scaffolding) that protect PNM employees and ensure the ongoing safe operation of the plant.

Reliability This project covers the replacement of essential capital assets (like pumps and cooling pipes) that ensure the reliable operation of the plant.

System Performance This project covers the replacement of essential capital assets (like control systems) that help to optimize efficient operation of the plant.

Security

Compliance

Environmental This project covers the replacement of essential capital assets (like spill containment systems) that ensure environmentally compliant operation of the plant.

**Project No:** **70317923** **Lordsburg Capital Improvements 2023**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 81,730 | - | - | - | - | - | - | - | - | - | 81,730 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 2,934 | - | - | - | - | - | - | - | - | - | 2,934 |
| 928: AFUDC Debt | - | - | - | 90 | - | - | - | - | - | - | - | - | - | 90 |
| 929: AFUDC Equity | - | - | - | 115 | - | - | - | - | - | - | - | - | - | 115 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (84,869) | - | - | - | - | - | - | - | - | - | (84,869) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 81,730 | - | - | - | - | - | - | - | - | - | - | - | - | 81,730 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,934 | - | - | - | - | - | - | - | - | - | - | - | - | 2,934 |
| 928: AFUDC Debt | 90 | - | - | - | - | - | - | - | - | - | - | - | - | 90 |
| 929: AFUDC Equity | 115 | - | - | - | - | - | - | - | - | - | - | - | - | 115 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (84,869) | - | - | - | - | - | - | - | - | - | - | - | - | (84,869) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70317924** **Lordsburg Capital Improvements 2024**

Company: 003 Bulk Power
Location: 703 Lordsburg

**Project Information** County % Hidalgo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This is an annual project to cover the emergent replacement of smaller capital assets at Lordsburg Generating Station in 2024. Covered work orders within this project are typically to replace assets essential to maintain and the ensure ongoing safe, compliant, efficient and reliable operation of the plant.

Project Need Justification

This project covers the replacement of capital assets at Lordsburg that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

Project Alternatives

The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance of the plant. The alternative to replacing the failed or faulty asset would mean doing nothing which could jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant.

Primary Value Driver Reliability

Safety This project covers the replacement of essential capital assets (like platforms and scaffolding) that protect PNM employees and ensure the ongoing safe operation of the plant.

Reliability This project covers the replacement of essential capital assets (like pumps and cooling pipes) that ensure the reliable operation of the plant.

System Performance This project covers the replacement of essential capital assets (like control systems) that help to optimize efficient operation of the plant.

Security

Compliance

Environmental This project covers the replacement of essential capital assets (like spill containment systems) that ensure environmentally compliant operation of the plant.

**Project No:** **70317924** **Lordsburg Capital Improvements 2024**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 81,172 | - | - | - | - | - | - | - | - | - | - | 81,172 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | 3,531 | - | - | - | - | - | - | - | - | - | - | 3,531 |
| 928: AFUDC Debt | - | - | 76 | - | - | - | - | - | - | - | - | - | - | 76 |
| 929: AFUDC Equity | - | - | 132 | - | - | - | - | - | - | - | - | - | - | 132 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (84,910) | - | - | - | - | - | - | - | - | - | - | (84,910) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70518222** **Distribution Battery Expansion Project**

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information**

Estimated Start Date 1/1/2022

Estimated Completion Date 6/30/2025

| County % | | |
|---|---|---|
| | Bernalillo | 43% |
| | Valencia | 29% |
| | Sandoval | 14% |
| | Santa Fe | 14% |

Description

PNM will purchase, own, and install 42 MW of battery energy storage systems (BESS) that will be spread across existing PNM solar facility sites located on PNM distribution feeders. The BESS will be installed on the PNM distribution feeders with the highest constraints in an effort to alleviate constraints on these feeders. This project has many purposes, including addressing resource adequacy issues, providing distribution support on certain constrained feeders, addressing feeder limitations, improving voltage control on feeders, and increasing solar hosting capacity.

PNM will own and operate the sites. A request for proposal (RFP) has been issued for development support.

Project Need Justification

PNM's 2020 Integrated Resource Plan (IRP) identified the need for significant investments in energy storage to meet balancing needs and ensure resource adequacy. The installation of these batteries will improve system reliability by reducing solar energy-induced high voltages on distribution feeders that are already at capacity. Batteries located on PNM solar sites will also allow additional customer solar interconnections on affected feeders without other significant system upgrades.

Furthermore, scheduling delays from third-party-developed solar/BESS projects have increased the risk of inadequate reserve capacity during the summer months in the next few years. Installing BESSs on existing infrastructure and interconnections at PNM-owned solar facilities reduces the inherent risk to schedule delays of using a third-party.

Project Alternatives

An alternative to the issue of constrained feeders would be making upgrades to the distribution system. This option was not selected due to significant cost and extended lead times. This option also does not provide the additional benefits to the overall grid, such as energy arbitrage and renewable smoothing.

Project Estimate Approach

Project direct costs were derived from a bid process for procurement of the BESS system. Engineering consultant estimates are based upon historical actuals from similar projects for the installation of the BESS system. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized with continued reliable power delivery, and relief from distribution constraints hindering additional customer solar interconnections on affected feeders.

Primary Value Driver Reliability

Safety

Reliability This project will improve system reliability by reducing solar energy-induced high voltages on distribution feeders that are at capacity.

System Performance Batteries located on PNM solar sites will allow additional customer solar interconnections on affected feeders without other significant system upgrades.

Security

Compliance

Environmental

**Project No:** **70518222** **Distribution Battery Expansion Project**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | 4,985,000 | - | - | - | - | - | - | 14,124,000 | - | 3,323,000 | - | - | 22,432,000 |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | 2,455,000 | - | - | 2,455,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | 14,756 | - | - | - | - | - | - | 41,807 | - | 9,836 | - | - | 66,399 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 49,850 | - | - | - | - | - | - | 141,240 | - | 57,780 | - | - | 248,870 |
| 928: AFUDC Debt | - | 5,368 | 10,761 | 10,813 | 10,866 | 10,918 | 10,971 | 11,024 | 26,286 | 41,622 | 48,037 | 54,483 | 54,747 | 295,897 |
| 929: AFUDC Equity | - | 6,847 | 13,728 | 13,794 | 13,861 | 13,928 | 13,995 | 14,063 | 33,531 | 53,094 | 61,277 | 69,501 | 69,837 | 377,456 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | 5,061,821 | 24,489 | 24,608 | 24,727 | 24,846 | 24,966 | 25,087 | 14,366,864 | 94,716 | 5,954,930 | 123,984 | 124,584 | 25,875,621 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 22,432,000 | - | 4,154,000 | - | 10,800,500 | 831,000 | - | 2,492,500 | 831,000 | - | - | - | 12,462,000 | 54,003,000 |
| 370: Outside Services | 2,455,000 | - | - | - | 5,138,000 | - | - | 2,455,000 | - | - | - | - | - | 10,048,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 66,399 | - | 12,296 | - | 31,969 | 2,460 | - | 7,378 | 2,460 | - | - | - | 36,888 | 159,849 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 248,870 | - | 41,540 | - | 159,385 | 8,310 | - | 49,475 | 8,310 | - | - | - | 124,620 | 640,510 |
| 928: AFUDC Debt | 295,897 | 46,498 | 50,508 | 54,536 | 69,297 | 84,886 | 66,266 | 71,088 | 76,690 | 57,589 | 57,872 | 58,156 | 69,784 | 1,059,067 |
| 929: AFUDC Equity | 377,456 | 80,603 | 87,552 | 94,536 | 120,123 | 147,146 | 114,868 | 123,227 | 132,938 | 99,827 | 100,318 | 100,810 | 120,967 | 1,700,370 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | ########## | - | - | ########## | - | - | - | - | (22,274,720) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 25,875,621 | 127,101 | 4,345,896 | 149,072 | 16,319,274 | (9,941,074) | 181,134 | 5,198,668 | ########## | 157,416 | 158,189 | 158,966 | 12,814,258 | 45,336,076 |

**Project No:** **70534023** **PNM Renewable Sites Capital Repl 20**

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description
This is an annual project to cover the emergent replacement of smaller capital assets at solar facilities. Covered projects typically replace assets essential to maintain and ensure ongoing safe, compliant, efficient and reliable operation. This project is for the 2023 budget year.

Project Need Justification
This project covers replacement of capital assets at solar sites that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like inverters, control system components, and electrical components necessary to operate these sites.

Project Alternatives
The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance, of the plant. An alternative to replacing the failed or faulty asset would mean doing nothing which would jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach
Not required for projects with less than $250,000 of expenditures.

Customer Benefit
PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the sites.

Primary Value Driver Reliability

Safety

Reliability This project covers the replacement of essential capital assets (like failed inverters) that ensure the reliable operation of the plant.

System Performance

Security

Compliance

Environmental

**Project No:** **70534023** **PNM Renewable Sites Capital Repl 20**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 47,500 | - | - | - | 48,000 | - | - | 48,000 | - | - | 143,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 1,705 | - | - | - | 1,723 | - | - | 1,723 | - | - | 5,152 |
| 928: AFUDC Debt | - | - | - | 52 | - | - | - | 53 | 106 | - | 53 | 106 | - | 370 |
| 929: AFUDC Equity | - | - | - | 67 | - | - | - | 67 | 135 | - | 67 | 135 | - | 472 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (49,324) | - | - | - | - | (50,085) | - | - | (50,085) | - | (149,494) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | 49,843 | (49,843) | - | 49,843 | (49,843) | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 143,500 | - | - | - | - | - | - | - | - | - | - | - | - | 143,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 5,152 | - | - | - | - | - | - | - | - | - | - | - | - | 5,152 |
| 928: AFUDC Debt | 370 | - | - | - | - | - | - | - | - | - | - | - | - | 370 |
| 929: AFUDC Equity | 472 | - | - | - | - | - | - | - | - | - | - | - | - | 472 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (149,494) | - | - | - | - | - | - | - | - | - | - | - | - | (149,494) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70534024** **PNM Renewable Sites Capital Repl 20**

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This is an annual project to cover the emergent replacement of smaller capital assets at solar facilities. Covered projects typically replace assets essential to maintain and ensure ongoing safe, compliant, efficient and reliable operation. This project is for the 2024 budget year.

Project Need Justification

This project covers replacement of capital assets at solar sites that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like inverters, control system components, and electrical components necessary to operate these sites.

Project Alternatives

The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance, of the plant. An alternative to replacing the failed or faulty asset would mean doing nothing which would jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the sites.

Primary Value Driver Reliability

Safety

Reliability This project covers the replacement of essential capital assets (like failed inverters) that ensure the reliable operation of the plant.

System Performance

Security

Compliance

Environmental

**Project No:** **70534024** **PNM Renewable Sites Capital Repl 20**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 47,500 | - | - | 47,500 | - | - | - | - | 47,500 | - | 142,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 2,066 | - | - | 2,066 | - | - | - | - | 2,066 | - | 6,199 |
| 928: AFUDC Debt | - | - | - | 45 | - | - | 45 | 89 | 90 | 90 | 91 | 45 | 89 | 583 |
| 929: AFUDC Equity | - | - | - | 77 | - | - | 77 | 155 | 156 | 156 | 157 | 77 | 155 | 1,010 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (49,688) | - | - | - | - | - | - | (50,671) | - | (49,932) | (150,292) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | 49,688 | 244 | 245 | 246 | (50,424) | 49,688 | (49,688) | - |

**Project No:** **70716222** **Afton Cooling Tower #1 Fan Motor Replacement**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 6/8/2022

Estimated Completion Date 12/31/2022

Description

Afton Generating Station has a two-cell conventional cooling tower with two fans driven by large electric motors. Motor #1 has failed and requires replacement. This project replaces the entire failed motor including the necessary crane and associated labor.

Project Need Justification

The Afton cooling tower is only a two-cell unit, and both fans are required to keep load in the summer. Motor failure causes a 25% derate on the units over a possible 5-day procurement/installation period. Replacement of the failed motor is necessary.

Project Alternatives

The alternative, based on a "do-nothing" scenario where motor failure causes a 25% derate over a possible 5-day period, results in a ~$340K cost to generation. The chosen alternative is to install the replacement motor to ensure the least amount of megawatt loss,

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The project will benefit customers in all of the PNM territories by providing the least amount of downtime with reliable energy at the maximum capacity of the Afton Station.

Primary Value Driver Reliability

Safety

Reliability This project reduces the extensive down time and cost on the cooling tower from a failed motor, improving reliability.

System Performance

Security

Compliance

Environmental

**Project No:** **70716222** **Afton Cooling Tower #1 Fan Motor Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 38,384 | - | - | - | - | - | 38,384 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 1,520 | - | - | - | - | - | 1,520 |
| 928: AFUDC Debt | - | 28 | - | - | - | - | - | 28 |
| 929: AFUDC Equity | - | 68 | - | - | - | - | - | 68 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (40,000) | - | - | - | - | - | (40,000) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 38,384 | - | - | - | - | - | - | - | - | - | - | - | - | 38,384 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,520 | - | - | - | - | - | - | - | - | - | - | - | - | 1,520 |
| 928: AFUDC Debt | 28 | - | - | - | - | - | - | - | - | - | - | - | - | 28 |
| 929: AFUDC Equity | 68 | - | - | - | - | - | - | - | - | - | - | - | - | 68 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (40,000) | - | - | - | - | - | - | - | - | - | - | - | - | (40,000) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 38,384 | - | - | - | - | - | - | - | - | - | - | - | - | 38,384 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,520 | - | - | - | - | - | - | - | - | - | - | - | - | 1,520 |
| 928: AFUDC Debt | 28 | - | - | - | - | - | - | - | - | - | - | - | - | 28 |
| 929: AFUDC Equity | 68 | - | - | - | - | - | - | - | - | - | - | - | - | 68 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (40,000) | - | - | - | - | - | - | - | - | - | - | - | - | (40,000) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716224** **AFT Plant HVAC Upgrades 2024**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This project is one of multiple capital projects to replace all (HVAC) Heating Ventilation Air Conditioning in various Afton Plant buildings and enclosures over a period of 3-4 years. The intent in 2024 is to replace HVAC in the Admin building. Admin HVAC is needed to cool control room and IT systems, which are temperature sensitive. The existing HVAC was replaced in 2002 and is at the end of its life. The current HVAC system is requiring more and more maintenance in recent years, and replacement is recommended. Loss of these units during a hot summer day could cause an equipment failure or software trip.

Project Need Justification

HVAC equipment has limited lifespans, and as aging equipment becomes suspect, it is imperative to refurbish or replace before failures force the closure of the building and affect operations.

Project Alternatives

The alternatives are to continue to utilize the aging equipment to failure and assume the risk to operation. Management has determined the best investment is to replace the HVAC units and ensure the reliability of the units.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The HVAC improvements will benefit customers in all of the PNM territories by ensuring reliable operations and energy during the hot summer months.

Primary Value Driver Reliability

Safety

Reliability Replacing this aging equipment maintains equipment in the proper environment, preventing premature failure.

System Performance

Security

Compliance

Environmental

**Project No:** **70716224** **AFT Plant HVAC Upgrades 2024**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 47,854 | - | 48,747 | 93,435 | - | - | - | - | - | - | - | - | 190,036 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 2,082 | - | 2,120 | 4,064 | - | - | - | - | - | - | - | - | 8,267 |
| 928: AFUDC Debt | - | 45 | 90 | 136 | 270 | - | - | - | - | - | - | - | - | 541 |
| 929: AFUDC Equity | - | 78 | 156 | 236 | 468 | - | - | - | - | - | - | - | - | 938 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (199,781) | - | - | - | - | - | - | - | - | (199,781) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | 50,058 | 246 | 51,240 | (101,544) | - | - | - | - | - | - | - | - | - |

**Project No:** **70716323** **AFT (GT) Gas Turbine Thermocouples/Thermowells**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project will upgrade the Afton Gas Turbine's Thermowell/Thermocouple to a new design that will eliminate sticking and head breakage, increasing reliability. Life expectancy of the new style is expected to be 150,000 hours, which is approximately the life of the plant.

Project Need Justification

Thermocouples are required for unit operation. This project ensures the Thermowell/Thermocouple is reliable, therefore lowering the risk of an outage to the generating unit. Loss of Thermocouples can (and recently has) take the unit off-line.

Project Alternatives

The do nothing alternative risks the reliability of the unit as loss of Thermocouples can take the unit off-line.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability Thermocouples are required for unit operation. This project ensures this piece of equipment is reliable and therefore lowers the risk of outage to the generating unit.

System Performance

Security

Compliance

Environmental

**Project No:** **70716323** **AFT (GT) Gas Turbine Thermocouples/Thermowells**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 187,537 | 24,000 | - | - | - | - | - | - | - | - | 211,537 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 6,733 | 862 | - | - | - | - | - | - | - | - | 7,594 |
| 928: AFUDC Debt | - | - | - | 207 | 26 | - | - | - | - | - | - | - | - | 233 |
| 929: AFUDC Equity | - | - | - | 263 | 34 | - | - | - | - | - | - | - | - | 297 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (194,739) | (24,922) | - | - | - | - | - | - | - | - | (219,661) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | (0) | - | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 211,537 | - | - | - | - | - | - | - | - | - | - | - | - | 211,537 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 7,594 | - | - | - | - | - | - | - | - | - | - | - | - | 7,594 |
| 928: AFUDC Debt | 233 | - | - | - | - | - | - | - | - | - | - | - | - | 233 |
| 929: AFUDC Equity | 297 | - | - | - | - | - | - | - | - | - | - | - | - | 297 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (219,661) | - | - | - | - | - | - | - | - | - | - | - | - | (219,661) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **70716625** **AFT Air Inlet Filter Replacement**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

There are 520 filters on the inlet of the Gas Turbine (GT) that provide clean air into the unit. These have a useful life of approximately 7 years in the Afton environment. The existing filters are approaching end of life and require replacement. This project replaces the complete set of filters on the inlet of the GT.

Project Need Justification

Air filters are required to be in good condition and within their useful life to ensure proper gas turbine operation.

Project Alternatives

No alternative

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability This equipment is required to operate the gas turbine to manufactures specifications.

System Performance

Security

Compliance

Environmental

**Project No:** **70716625** **AFT Air Inlet Filter Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 25,001 | - | - | - | - | - | - | 90,384 | - | 115,385 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 898 | - | - | - | - | - | - | 3,245 | - | 4,142 |
| 928: AFUDC Debt | - | - | - | - | 28 | - | - | - | - | - | - | 100 | - | 127 |
| 929: AFUDC Equity | - | - | - | - | 35 | - | - | - | - | - | - | 127 | - | 162 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (25,961) | - | - | - | - | - | - | (93,856) | - | (119,816) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | (0) | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 115,385 | - | - | - | - | - | - | - | - | - | - | - | - | 115,385 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 4,142 | - | - | - | - | - | - | - | - | - | - | - | - | 4,142 |
| 928: AFUDC Debt | 127 | - | - | - | - | - | - | - | - | - | - | - | - | 127 |
| 929: AFUDC Equity | 162 | - | - | - | - | - | - | - | - | - | - | - | - | 162 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (119,816) | - | - | - | - | - | - | - | - | - | - | - | - | (119,816) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716723** **AFT Replace (ACC) Air Cooled Condenser Fan Gearboxes**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This is a continuing project that replaces the old-style gearboxes with a new upgraded design. The existing (old) boxes are prone to oil leaks and premature failure. The new designs have improved seals which has doubled the life as compared to the existing (old) design. This project replaces 2 boxes per year with the new design.

Project Need Justification

This project is required due to historical premature failures on the gearboxes due to loss of lubrication. Tied to the gearbox is a 16ft diameter fan, and the gearbox is hard to get to, as it is located underneath walkways. The new design has improved seals.

Project Alternatives

The alternative is to continue to utilize the aging equipment to failure and assume the risk to operations and environmental compliance. This option is not acceptable. Management has determined the best option is to proactively replace the gearboxes to prevent failure.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The upgraded design gearbox project will benefit customers in all of the PNM territories by providing reliable energy throughout the year and improving safety.

Primary Value Driver Reliability

Safety

Reliability The new style gearbox has an extended life over the existing gearbox, reducing the number of outages.

System Performance

Security

Compliance

Environmental

**Project No:** **70716723** **AFT Replace (ACC) Air Cooled Condenser Fan Gearboxes**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 105,767 | - | - | - | - | - | - | - | - | - | 105,767 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 3,797 | - | - | - | - | - | - | - | - | - | 3,797 |
| 928: AFUDC Debt | - | - | - | 116 | - | - | - | - | - | - | - | - | - | 116 |
| 929: AFUDC Equity | - | - | - | 149 | - | - | - | - | - | - | - | - | - | 149 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (109,829) | - | - | - | - | - | - | - | - | - | (109,829) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 105,767 | - | - | - | - | - | - | - | - | - | - | - | - | 105,767 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,797 | - | - | - | - | - | - | - | - | - | - | - | - | 3,797 |
| 928: AFUDC Debt | 116 | - | - | - | - | - | - | - | - | - | - | - | - | 116 |
| 929: AFUDC Equity | 149 | - | - | - | - | - | - | - | - | - | - | - | - | 149 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (109,829) | - | - | - | - | - | - | - | - | - | - | - | - | (109,829) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716822** **Afton Burner Management System Upgrade**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2022

Description

The duct Burner Management System (BMS) provides the controls to the Heat Recovery Steam Generator (HRSG) duct burners. Failure of the burner system, or loss of communication to the control room, has the potential of derating the steam turbine by approximately 15MW, depending on demand. The current duct system is original to the plant. Key equipment, hardware and parts are becoming obsolete and now need replacement. The BMS upgrade will make supplementary firing more efficient, reliable, and eliminate derates for the duct firing.

Project Need Justification

A duct burner system failure or loss of communication to the control room would cause a 15MW derate throughout a 24-hour period until communication or repairs are completed.

Project Alternatives

A "do-nothing" scenario, where duct burner failure causes a 15MW derate, costs ~$600K to generation. The chosen alternative is to implement the burner upgrade, which will provide the necessary controls communication from panels to the control board.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The BMS upgrade improvements will benefit customers throughout the PNM territories by providing on-demand, reliable energy from the steam generator.

Primary Value Driver Reliability

Safety

Reliability This project reduces the risk of communication failure due to unreliable components that are becoming obsolete.

System Performance

Security

Compliance

Environmental

**Project No:** **70716822** **Afton Burner Management System Upgrade**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 583 | - | - | - | - | - | - | 583 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 118,996 | - | - | - | - | - | - | 118,996 |
| 370: Outside Services | 62,375 | (62,526) | - | - | - | - | - | (151) |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 174 | - | - | - | - | - | - | 174 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 40 | - | - | - | - | - | - | 40 |
| 914: Pension and Benefits | 179 | - | - | - | - | - | - | 179 |
| 915: Injuries and Damages | 20 | - | - | - | - | - | - | 20 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 473 | - | - | - | - | - | - | 473 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 7,205 | (2,476) | - | - | - | - | - | 4,729 |
| 928: AFUDC Debt | 470 | - | - | - | - | - | - | 470 |
| 929: AFUDC Equity | 1,254 | - | - | - | - | - | - | 1,254 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (162,368) | 46,411 | - | - | - | - | - | (115,957) |
| 825: Closing Cost of Removal | - | (10,810) | - | - | - | - | - | (10,810) |
| Project Net | 29,401 | (29,401) | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 583 | - | - | - | - | - | - | - | - | - | - | - | - | 583 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 118,996 | - | - | - | - | - | - | - | - | - | - | - | - | 118,996 |
| 370: Outside Services | (151) | - | - | - | - | - | - | - | - | - | - | - | - | (151) |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 174 | - | - | - | - | - | - | - | - | - | - | - | - | 174 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 40 | - | - | - | - | - | - | - | - | - | - | - | - | 40 |
| 914: Pension and Benefits | 179 | - | - | - | - | - | - | - | - | - | - | - | - | 179 |
| 915: Injuries and Damages | 20 | - | - | - | - | - | - | - | - | - | - | - | - | 20 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 473 | - | - | - | - | - | - | - | - | - | - | - | - | 473 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 4,729 | - | - | - | - | - | - | - | - | - | - | - | - | 4,729 |
| 928: AFUDC Debt | 470 | - | - | - | - | - | - | - | - | - | - | - | - | 470 |
| 929: AFUDC Equity | 1,254 | - | - | - | - | - | - | - | - | - | - | - | - | 1,254 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (115,957) | - | - | - | - | - | - | - | - | - | - | - | - | (115,957) |
| 825: Closing Cost of Removal | (10,810) | - | - | - | - | - | - | - | - | - | - | - | - | (10,810) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 583 | - | - | - | - | - | - | - | - | - | - | - | - | 583 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 118,996 | - | - | - | - | - | - | - | - | - | - | - | - | 118,996 |
| 370: Outside Services | (151) | - | - | - | - | - | - | - | - | - | - | - | - | (151) |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 174 | - | - | - | - | - | - | - | - | - | - | - | - | 174 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 40 | - | - | - | - | - | - | - | - | - | - | - | - | 40 |
| 914: Pension and Benefits | 179 | - | - | - | - | - | - | - | - | - | - | - | - | 179 |
| 915: Injuries and Damages | 20 | - | - | - | - | - | - | - | - | - | - | - | - | 20 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 473 | - | - | - | - | - | - | - | - | - | - | - | - | 473 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 4,729 | - | - | - | - | - | - | - | - | - | - | - | - | 4,729 |
| 928: AFUDC Debt | 470 | - | - | - | - | - | - | - | - | - | - | - | - | 470 |
| 929: AFUDC Equity | 1,254 | - | - | - | - | - | - | - | - | - | - | - | - | 1,254 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (115,957) | - | - | - | - | - | - | - | - | - | - | - | - | (115,957) |
| 825: Closing Cost of Removal | (10,810) | - | - | - | - | - | - | - | - | - | - | - | - | (10,810) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716922** **Afton Plant HVAC Upgrades 2022**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2022

Description

This 2022 project is part of a multi-year initiative to completely replace the aged and failing Heating Ventilation Air Conditioning (HVAC) units utilized for key operating locations in the plant. The intent in 2022 is to replace HVAC units in the Packaged Electrical Electronic Control Center (PEECC) building, Load Commutated Inverter (LCI) building, and Continuous Emission Monitoring System (CEMS) buildings. The PEECC building has turbine controls in it, the LCI building has starter and excitation controls, and the CEMS building has emissions monitoring equipment. There are a total of 5 HVAC units to replace. The PEECC and LEC buildings contain 2 HVAC units each, and the CEMS building contains 1 HVAC unit.

Project Need Justification

HVAC equipment has a limited lifespan, and as aging equipment becomes suspect, it is imperative to refurbish or replace equipment before failures force the closure of the building and affect operations.

Project Alternatives

Alternatives are to continue to utilize the aging equipment to failure and assume the risk to operation and environmental compliance. Management has determined the best option is to replace the HVAC units to ensure the reliability of the units and environmental compliance.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The HVAC improvements benefit customers in all of the PNM territories by enabling reliable energy during the hot summer months.

Primary Value Driver Reliability

Safety

Reliability Replacing this aging equipment maintains equipment properly, preventing premature failure.

System Performance

Security

Compliance

Environmental

**Project No:** **70716922** **Afton Plant HVAC Upgrades 2022**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 251 | - | - | - | - | - | - | 251 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 84,586 | (13,768) | - | - | 10,289 | - | - | 81,107 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 84 | - | - | - | - | - | - | 84 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 17 | - | - | - | - | - | - | 17 |
| 914: Pension and Benefits | 77 | - | - | - | - | - | - | 77 |
| 915: Injuries and Damages | 8 | - | - | - | - | - | - | 8 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,360 | (545) | - | - | 407 | - | - | 3,222 |
| 928: AFUDC Debt | 50 | 90 | 81 | 81 | 89 | - | - | 391 |
| 929: AFUDC Equity | 105 | 217 | 193 | 194 | 213 | - | - | 923 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (68,633) | - | - | (68,633) |
| 825: Closing Cost of Removal | - | - | - | - | (17,447) | - | - | (17,447) |
| Project Net | 88,539 | (14,006) | 274 | 275 | (75,082) | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 251 | - | - | - | - | - | - | - | - | - | - | - | - | 251 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 81,107 | - | - | - | - | - | - | - | - | - | - | - | - | 81,107 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 84 | - | - | - | - | - | - | - | - | - | - | - | - | 84 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 17 | - | - | - | - | - | - | - | - | - | - | - | - | 17 |
| 914: Pension and Benefits | 77 | - | - | - | - | - | - | - | - | - | - | - | - | 77 |
| 915: Injuries and Damages | 8 | - | - | - | - | - | - | - | - | - | - | - | - | 8 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,222 | - | - | - | - | - | - | - | - | - | - | - | - | 3,222 |
| 928: AFUDC Debt | 391 | - | - | - | - | - | - | - | - | - | - | - | - | 391 |
| 929: AFUDC Equity | 923 | - | - | - | - | - | - | - | - | - | - | - | - | 923 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (68,633) | - | - | - | - | - | - | - | - | - | - | - | - | (68,633) |
| 825: Closing Cost of Removal | (17,447) | - | - | - | - | - | - | - | - | - | - | - | - | (17,447) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 251 | - | - | - | - | - | - | - | - | - | - | - | - | 251 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 81,107 | - | - | - | - | - | - | - | - | - | - | - | - | 81,107 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 84 | - | - | - | - | - | - | - | - | - | - | - | - | 84 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 17 | - | - | - | - | - | - | - | - | - | - | - | - | 17 |
| 914: Pension and Benefits | 77 | - | - | - | - | - | - | - | - | - | - | - | - | 77 |
| 915: Injuries and Damages | 8 | - | - | - | - | - | - | - | - | - | - | - | - | 8 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,222 | - | - | - | - | - | - | - | - | - | - | - | - | 3,222 |
| 928: AFUDC Debt | 391 | - | - | - | - | - | - | - | - | - | - | - | - | 391 |
| 929: AFUDC Equity | 923 | - | - | - | - | - | - | - | - | - | - | - | - | 923 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (68,633) | - | - | - | - | - | - | - | - | - | - | - | - | (68,633) |
| 825: Closing Cost of Removal | (17,447) | - | - | - | - | - | - | - | - | - | - | - | - | (17,447) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716923** **AFT Plant HVAC Upgrades 2023**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

One of multiple projects to replace all Heating Ventilation Air Conditioning (HVAC) units in various buildings and enclosures over a period of 3-4 years. The intent of this project is to replace HVAC wall units in the Power Distribution Center (PDC) and the Sample building in 2023. The PDC has turbine controls in it and the Sample building is critical to maintaining water chemistry/steam purity. These are all important and temperature sensitive. The existing units are 20 years old and have been in a dusty, outdoor environment. These units are at end of life and replacement is necessary.

Project Need Justification

HVAC equipment has a limited lifespan, and as aging equipment becomes suspect it is imperative to refurbish or replace before failures force the closure of the building and affect operations.

Project Alternatives

The alternative is to continue to utilize the aging equipment to failure and assume the risk to operations. Management has determined the best option is to replace the HVAC units to ensure the reliability of the units.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The HVAC improvements benefit customers in all of the PNM territories by enabling reliable energy during the hot summer months.

Primary Value Driver Reliability

Safety

Reliability Replacing this aging equipment maintains equipment in the proper environment, preventing premature failure

System Performance

Security

Compliance

Environmental

**Project No:** **70716923** **AFT Plant HVAC Upgrades 2023**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 28,177 | 19,774 | - | - | - | - | - | - | - | - | - | 47,951 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | 1,012 | 710 | - | - | - | - | - | - | - | - | - | 1,721 |
| 928: AFUDC Debt | - | - | 31 | 84 | - | - | - | - | - | - | - | - | - | 115 |
| 929: AFUDC Equity | - | - | 40 | 107 | - | - | - | - | - | - | - | - | - | 147 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (49,934) | - | - | - | - | - | - | - | - | - | (49,934) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | 29,259 | (29,259) | - | - | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 47,951 | - | - | - | - | - | - | - | - | - | - | - | - | 47,951 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,721 | - | - | - | - | - | - | - | - | - | - | - | - | 1,721 |
| 928: AFUDC Debt | 115 | - | - | - | - | - | - | - | - | - | - | - | - | 115 |
| 929: AFUDC Equity | 147 | - | - | - | - | - | - | - | - | - | - | - | - | 147 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (49,934) | - | - | - | - | - | - | - | - | - | - | - | - | (49,934) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **70717023** **AFT DM Plant (RO) Reverse Osmosis Membrane Repl**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project replaces failing reverse osmosis (RO) membranes. The demineralized water system provides demineralized water to the condensate storage tank, CTG-1 inlet fogger, water wash tank, and the hydrogen generator. The RO membranes have a usable life of about 3-4 years and must be replaced to ensure the demineralized water quality does not degrade. Without demineralized water, the plant cannot run. The RO membrane replacement will ensure the continued functionality and reliability of the plant.

Project Need Justification

Failed RO membranes would cause a 10% derate for 3 weeks while the new RO membranes were to be sourced, shipped, and installed. It is necessary to replace them proactively.

Project Alternatives

The do nothing alternative risks the reliability of the unit with a potential loss of generation. The recommended alternative is to replace the membranes within the Original Equipment Manufacturer's (OEM) recommendation of no more than a 4 year run cycle.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability Without demineralized water, the plant cannot run. This project ensures the continued reliable operation of the Afton generating station throughout the year.

System Performance

Security

Compliance

Environmental

**Project No:** **70717023** **AFT DM Plant (RO) Reverse Osmosis Membrane Repl**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 38,540 | - | - | - | - | - | - | - | - | 38,540 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 1,384 | - | - | - | - | - | - | - | - | 1,384 |
| 928: AFUDC Debt | - | - | - | - | 42 | - | - | - | - | - | - | - | - | 42 |
| 929: AFUDC Equity | - | - | - | - | 54 | - | - | - | - | - | - | - | - | 54 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (40,020) | - | - | - | - | - | - | - | - | (40,020) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 38,540 | - | - | - | - | - | - | - | - | - | - | - | - | 38,540 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,384 | - | - | - | - | - | - | - | - | - | - | - | - | 1,384 |
| 928: AFUDC Debt | 42 | - | - | - | - | - | - | - | - | - | - | - | - | 42 |
| 929: AFUDC Equity | 54 | - | - | - | - | - | - | - | - | - | - | - | - | 54 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (40,020) | - | - | - | - | - | - | - | - | - | - | - | - | (40,020) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70717223** **AFT Well Pump on Production Well**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project is a continuing effort to upgrade the Afton water wells. Afton has a total of 2 wells and pumps that supply plant water. This project replaces the pump in the primary well. Without a reliable supply of raw water to the plant, there is risk of derating and or total shutdown of the power plant. This project will also include an upgrade from the existing leaking lubrication system to upgraded design.

Project Need Justification

The Afton station has a back-up well pump with the secondary well pump, but in a scenario where the primary well pump is out and being sourced for replacement and the secondary pump fails, the plant is dead without water. A 100% derate for 5 days would occur with a new pump being sourced, shipped, and replaced. This project will ensure the primary well pump is reliable and therefore lowers the risk of an outage to the generating unit.

Project Alternatives

There are no viable alternatives or minimized scopes that can be considered in lieu of this well pump replacement project. Afton station reliability is based on water availability from the well pumps.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer benefits will be realized by the safe, reliable, environmentally compliant and cost effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability Afton well pumps are required for unit operation. This project will ensure this piece of equipment is reliable and therefore lowers the risk of an outage to the generating unit.

System Performance

Security

Compliance

Environmental

**Project No:** **70717223** **AFT Well Pump on Production Well**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 76,924 | - | - | - | - | - | - | - | 43,270 | - | 120,194 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 2,762 | - | - | - | - | - | - | - | 1,553 | - | 4,315 |
| 928: AFUDC Debt | - | - | - | 85 | - | - | - | - | - | - | - | 48 | - | 132 |
| 929: AFUDC Equity | - | - | - | 108 | - | - | - | - | - | - | - | 61 | - | 169 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (79,878) | - | - | - | - | - | - | - | (44,932) | - | (124,810) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | 0 | - | - | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 120,194 | - | - | - | - | - | - | - | - | - | - | - | - | 120,194 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 4,315 | - | - | - | - | - | - | - | - | - | - | - | - | 4,315 |
| 928: AFUDC Debt | 132 | - | - | - | - | - | - | - | - | - | - | - | - | 132 |
| 929: AFUDC Equity | 169 | - | - | - | - | - | - | - | - | - | - | - | - | 169 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (124,810) | - | - | - | - | - | - | - | - | - | - | - | - | (124,810) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **70717321** **Afton Fogger #4 Pump Replacement**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 7/20/2021

Estimated Completion Date 10/1/2022

Description

This project will replace fogger pump #4. Fogger pump #4 is the largest positive displacement pump on a four-pump inlet fogging skid that is used to pump demineralized water at 3000psi from the pumping skid to spray nozzle manifolds located in the air duct downstream of the filter housing. While gas turbines are very efficient power-generation systems, when the weather gets hot, they lose power output. By mechanically chilling the inlet air before it enters the compressor, this output drop can be avoided. When all four fogger pumps are operating, an additional 16.5MW can be provided. Fogger #4 failed due to a sheared pump shaft and damage to the pump's internal plungers and valves. Failure occurred due to regular wear and tear and lower than expected demineralized water inlet pressures. When fogger #4 is not operating, the unit derates 10MW.

This project will add an upgraded design with 1-9 fog stages managed by the Fog Controller to meet the required load range and temperature during the summer run. The Fog Controller will also help prevent exceeding over-cooling and under-cooling requirements to maintain the required staging level.

Project Need Justification

Fogging equipment is required from May 1 thru October 15 of each year. Without a reliable, operating fogger skid, the unit is derated 10MW. Afton is now required to be operated at full load, longer and more often, due to the San Juan units shutdown.

Project Alternatives

Due to the nature of fogger pump #4's failure (completely sheared shaft), the only alternative is “Do Nothing”. This option is not recommended due to the failure occurring several times during a summer run, affecting the unit's reliability.

Project Estimate Approach

The equipment purchase will be awarded based on a design review by stakeholders performed during a vendor proposal comparison. The service order work will be awarded to approved contractors via a competitive bid process. Work will be awarded based on cost, safety performance, and other criteria used to evaluate contractors.

Customer Benefit

The project will benefit customers in all of the PNM territories by providing reliable energy during the hottest periods of the summer run.

Primary Value Driver Reliability

Safety

Reliability A properly functioning fogger system is required for the generator to make full capacity during the summer months.

System Performance

Security

Compliance

Environmental

**Project No:** **70717321** **Afton Fogger #4 Pump Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 599,034 | - | - | - | 141,000 | - | - | 740,034 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,141 | - | - | - | - | - | - | 1,141 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 23,722 | - | - | - | 5,584 | - | - | 29,305 |
| 928: AFUDC Debt | 1,555 | 759 | 763 | 766 | 874 | - | - | 4,717 |
| 929: AFUDC Equity | 4,407 | 1,822 | 1,831 | 1,839 | 2,097 | - | - | 11,996 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (694,893) | - | - | (694,893) |
| 825: Closing Cost of Removal | - | - | - | - | (92,300) | - | - | (92,300) |
| Project Net | 629,860 | 2,581 | 2,593 | 2,606 | (637,639) | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 740,034 | - | - | - | - | - | - | - | - | - | - | - | - | 740,034 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,141 | - | - | - | - | - | - | - | - | - | - | - | - | 1,141 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 29,305 | - | - | - | - | - | - | - | - | - | - | - | - | 29,305 |
| 928: AFUDC Debt | 4,717 | - | - | - | - | - | - | - | - | - | - | - | - | 4,717 |
| 929: AFUDC Equity | 11,996 | - | - | - | - | - | - | - | - | - | - | - | - | 11,996 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (694,893) | - | - | - | - | - | - | - | - | - | - | - | - | (694,893) |
| 825: Closing Cost of Removal | (92,300) | - | - | - | - | - | - | - | - | - | - | - | - | (92,300) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 740,034 | - | - | - | - | - | - | - | - | - | - | - | - | 740,034 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,141 | - | - | - | - | - | - | - | - | - | - | - | - | 1,141 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 29,305 | - | - | - | - | - | - | - | - | - | - | - | - | 29,305 |
| 928: AFUDC Debt | 4,717 | - | - | - | - | - | - | - | - | - | - | - | - | 4,717 |
| 929: AFUDC Equity | 11,996 | - | - | - | - | - | - | - | - | - | - | - | - | 11,996 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (694,893) | - | - | - | - | - | - | - | - | - | - | - | - | (694,893) |
| 825: Closing Cost of Removal | (92,300) | - | - | - | - | - | - | - | - | - | - | - | - | (92,300) |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70717423** **AFT Automated Wastewater System**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

The current wastewater system relies heavily on manual valve manipulation, and operation of the system can only be done locally. This project will install new control valves and modify the current controls system for wastewater to provide full operation from the Afton Control Room. Automation of the wastewater system will ensure true 24-hour operation and save on chemicals and membrane change-outs by reducing the number of overall starts/shutdowns. The addition of automatic valves will also protect the wastewater equipment from improper start-ups/shutdowns due to incorrect valve positions. Through automation, the system can be shut down in an emergency from the Control Room without having to send an Operator to the building, saving time and improving safety. As Afton becomes more of a base load unit, the wastewater system will become more critical to long-term plant operations.

Project Need Justification

The project's primary objective is aligned with PNM's goal of proactively identifying and minimizing the number of starts/shutdown risk across operations.

Project Alternatives

The alternative is a "do-nothing" scenario where the manipulation and operation of the wastewater system is done locally. This option is not recommended due to the risk of improper valve positioning during startups and shutdowns. The automation of wastewater valving is recommended to provide certain 24-hour operation from the control room.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The customer benefits by PNM's commitment to operate the Afton Station equipment in a safe, reliant, and most economic fashion.

Primary Value Driver Reliability

Safety

Reliability This wastewater automated valving project ensures the continued, reliable operation of Afton.

System Performance

Security

Compliance

Environmental PNM is required to maintain wastewater equipment for environmental compliance

**Project No:** **70717423** **AFT Automated Wastewater System**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 45,000 | 49,130 | 49,470 | - | - | - | - | - | - | - | 143,600 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 1,616 | 1,764 | 1,776 | - | - | - | - | - | - | - | 5,155 |
| 928: AFUDC Debt | - | - | - | 50 | 153 | 263 | - | - | - | - | - | - | - | 466 |
| 929: AFUDC Equity | - | - | - | 63 | 196 | 335 | - | - | - | - | - | - | - | 594 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (149,815) | - | - | - | - | - | - | - | (149,815) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | 46,728 | 51,243 | (97,971) | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 143,600 | - | - | - | - | - | - | - | - | - | - | - | - | 143,600 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 5,155 | - | - | - | - | - | - | - | - | - | - | - | - | 5,155 |
| 928: AFUDC Debt | 466 | - | - | - | - | - | - | - | - | - | - | - | - | 466 |
| 929: AFUDC Equity | 594 | - | - | - | - | - | - | - | - | - | - | - | - | 594 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (149,815) | - | - | - | - | - | - | - | - | - | - | - | - | (149,815) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70717723** **Afton Lube Oil Vacuum/Filtration Skid**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

The lube oil vacuum / filtration skid removes moisture and filters impurities from the steam turbine lube oil system. The existing skid is original, and some aspects of the system are obsolete. Recent problems have led to elevated water content in the lube oil. This project will replace the existing obsolete skid with a new and improved design.

Project Need Justification

The contamination of the lube oil by water has been a persistent problem. Water contamination will result in rusting of ferrous components, sticking of mechanisms, oil sludging, and the potential of losing bearing life in the steam turbine.

Project Alternatives

With the obsolescence of the existing lube oil filtration system parts, there are no viable alternatives or minimized scopes that can be considered in lieu of replacing the 20 year old skid. A reliability risk of steam turbine component early failure is realized with water contamination in oil, so the recommendation is to replace the lube oil vacuum / filtration skid.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

By replacing the existing lube oil filtration skid, PNM ensures the steam turbine and associated equipment are operating properly and are able to generate electricity in a reliable manner.

Primary Value Driver Reliability

Safety

Reliability This project will reduce the risk of oil contamination within the steam turbine system and provide reliability. Early steam turbine component failure due to oil contamination is a very costly budget item during an outage.

System Performance

Security

Compliance

Environmental

**Project No:** **70717723** **Afton Lube Oil Vacuum/Filtration Skid**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 62,500 | - | - | - | - | - | - | - | - | - | 62,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 2,244 | - | - | - | - | - | - | - | - | - | 2,244 |
| 928: AFUDC Debt | - | - | - | 69 | - | - | - | - | - | - | - | - | - | 69 |
| 929: AFUDC Equity | - | - | - | 88 | - | - | - | - | - | - | - | - | - | 88 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (64,900) | - | - | - | - | - | - | - | - | - | (64,900) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 62,500 | - | - | - | - | - | - | - | - | - | - | - | - | 62,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,244 | - | - | - | - | - | - | - | - | - | - | - | - | 2,244 |
| 928: AFUDC Debt | 69 | - | - | - | - | - | - | - | - | - | - | - | - | 69 |
| 929: AFUDC Equity | 88 | - | - | - | - | - | - | - | - | - | - | - | - | 88 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (64,900) | - | - | - | - | - | - | - | - | - | - | - | - | (64,900) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **71316024** **RGS U3 Recoat Circ Water Pipe**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This project recoats suspect portions of the U3 circulating water pipe. The circulating line provides cooling water to the condenser from the cooling towers. Previous nondestructive examination (NDE) inspections revealed thinning near the circulating pump house. This project will inspect the length of the line and provide 60-80 linear feet to be sandblasted and recoated as necessary. It may be more beneficial and cost effective to re-line the existing pipe based on inspections. This project will look into the various options, procure the necessary materials, and provide the labor to repair the pipe.

Project Need Justification

The project is needed to ensure the continued reliable operation of U3. U3 is typically called for during high demand circumstances and its close proximity to central Albuquerque makes it important that, when called, it is ready for service. Failure of a circulating water line would cause an extended outage, causing unavailability that lasts weeks.

Project Alternatives

This project provides the most cost effective alternative. Other alternatives, such as full replacement or full re-lining of the entire pipe, are much more costly.

Project Estimate Approach

Directs costs were estimated using costs derived from similar work at San Juan Generating Station (GS). Indirect costs (e.g., project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated based on templates for similar sized recent projects.

Customer Benefit

The customer benefits when Reeves GS is available when called upon. This project ensures the continued reliability of the unit.

Primary Value Driver Reliability

Safety

Reliability Failure of a circulating water line would cause an extended outage, causing unavailability that lasts weeks.

System Performance

Security

Compliance

Environmental

**Project No:** **71316024** **RGS U3 Recoat Circ Water Pipe**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 47,746 | 47,511 | 95,020 | 70,673 | 71,621 | - | - | - | - | - | - | - | 332,571 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 2,077 | 2,067 | 4,133 | 3,074 | 3,115 | - | - | - | - | - | - | - | 14,467 |
| 928: AFUDC Debt | - | 45 | 134 | 269 | 425 | 67 | - | - | - | - | - | - | - | 940 |
| 929: AFUDC Equity | - | 78 | 233 | 466 | 737 | 116 | - | - | - | - | - | - | - | 1,630 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (274,687) | (74,920) | - | - | - | - | - | - | - | (349,607) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | 49,945 | 49,945 | 99,887 | (199,777) | - | - | - | - | - | - | - | - | 0 |

**Project No:** **71316124** **Reeves U3 Boiler Waterwall Repl**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This project will replace boiler tubes in a suspect area of the Unit #3 (U3) boiler. Boiler water wall tube failures have been a leading cause of lost generation on U3. These failures have been consistently located at the tube attachment welds to the support channel at the buckstay elevations. These failures are due to "creep" type cracking in the heat affected zone of the tube retaining welds to the support channel iron. Due to the nature of these attachments being located on the external face of the waterwalls and adjacent to the walkways, the project is related to both safety and reliability concerns. This project will target specific bands around the boiler where these buckstays are adjacent to walkways and will approximate 600sqft of water wall tubing.

Project Need Justification

The project is needed to ensure the continued reliability of the unit. The project targets the leading cause of U3 forced outages.

Project Alternatives

Two other alternatives were considered: "Do Nothing" and "Complete Waterwall Replacement". Due to the advanced age of Reeves Generating Station (GS) and the nature of the failures (creep metal fatigue), the first recommendation was to replace all the waterwalls in the U3 boiler. This project would have an expected expense in excess of $15M. The other alternative of "Do Nothing" is not recommended due the continued reliability issues involved. The proposed project of targeting only the highest risk areas of the waterwalls is the best alternative.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of the PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability Project aims to reduce the leading cause of lost generation on U3.

System Performance

Security

Compliance

Environmental

**Project No:** **71316124** **Reeves U3 Boiler Waterwall Repl**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 47,747 | 47,511 | 142,770 | - | - | - | - | - | - | - | - | - | 238,028 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 2,077 | 2,067 | 6,211 | - | - | - | - | - | - | - | - | - | 10,354 |
| 928: AFUDC Debt | - | 45 | 134 | 313 | - | - | - | - | - | - | - | - | - | 492 |
| 929: AFUDC Equity | - | 78 | 233 | 543 | - | - | - | - | - | - | - | - | - | 854 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (249,728) | - | - | - | - | - | - | - | - | - | (249,728) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | 49,946 | 49,945 | (99,891) | - | - | - | - | - | - | - | - | - | - |

**Project No:** **71316322** **RGS U2 GSU Diff Relay Upgrade**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2022

Description

Currently, the existing generator step up (GSU) transformer differential current protection relay installed on Unit 2 is an electro-mechanical relay. This relay was installed when Reeves was commissioned back in 1959. This relay provides differential current protection for the GSU in the event a difference of current is detected between the high and low voltage terminals of the GSU. This relay is obsolete and needs to be replaced with a new microprocessor-based relay. If the current relay fails, parts are no longer available for repair, so a new relay will have to be purchased and installed. Engineering will scope out the project, purchase all new devices and secure contracts. Engineering will track all projects costs and schedules.

Project Need Justification

North American Electric Reliability Corporation (NERC) requires a functioning protective relay for the GSU. Protective relays are a NERC requirement.

Project Alternatives

The alternative "do nothing" option is to continue to operate the unit with obsolete relay protection. This is not a viable option as NERC requires a functioning protective relay for the GSU.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability With the addition of state of the art transformer protective devices as part of this project, if fault occurs in the future, equipment damage will be limited due to the fast acting digital relays.

System Performance

Security

Compliance Functioning relay equipment is a requirement of NERC PRC-025

Environmental

**Project No:** **71316322** **RGS U2 GSU Diff Relay Upgrade**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 71,968 | - | - | - | 71,968 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 2,850 | - | - | - | 2,850 |
| 928: AFUDC Debt | - | - | - | 53 | 106 | - | - | 159 |
| 929: AFUDC Equity | - | - | - | 127 | 254 | - | - | 381 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (75,358) | - | - | (75,358) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | 74,998 | (74,998) | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 71,968 | - | - | - | - | - | - | - | - | - | - | - | - | 71,968 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,850 | - | - | - | - | - | - | - | - | - | - | - | - | 2,850 |
| 928: AFUDC Debt | 159 | - | - | - | - | - | - | - | - | - | - | - | - | 159 |
| 929: AFUDC Equity | 381 | - | - | - | - | - | - | - | - | - | - | - | - | 381 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (75,358) | - | - | - | - | - | - | - | - | - | - | - | - | (75,358) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 71,968 | - | - | - | - | - | - | - | - | - | - | - | - | 71,968 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,850 | - | - | - | - | - | - | - | - | - | - | - | - | 2,850 |
| 928: AFUDC Debt | 159 | - | - | - | - | - | - | - | - | - | - | - | - | 159 |
| 929: AFUDC Equity | 381 | - | - | - | - | - | - | - | - | - | - | - | - | 381 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (75,358) | - | - | - | - | - | - | - | - | - | - | - | - | (75,358) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **71316422** **Reeves U1 Cooling Tower Fill and St**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/24/2022

Estimated Completion Date 10/30/2022

Description

This project will complete the replacement of all fill/drift eliminators in the entire cooling tower as well as the replacement of the support structure. Ongoing inspections have found the cooling tower fill/drift eliminators to be fouled, deformed and causing excessive drift. The wooden structure was found to be in poor condition with deformation and sagging. To ensure the structural integrity of the tower, replacement of structural columns and longitudinal supports is recommended. Additionally, because drift droplets contain the dissolved solids of the circulating water, cooling tower drift is classified as Particulate Matter (PM10) by the Environmental Protection Agency (EPA). As such, limiting excessive drift by ensuring functional eliminators is critical for permit compliance.

Project Need Justification

The project is needed to ensure against a catastrophic cooling tower collapse. Additionally, because drift droplets contain the dissolved solids of the circulating water, cooling tower drift is classified as PM10 by the EPA. As such, limiting excessive drift by ensuring functional eliminators is critical for permit compliance.

Project Alternatives

The "do nothing" alternative is not acceptable due to the risk of tower collapse and environmental impacts due to the EPA classification of the drift droplets. A separate alternative of full tower replacement did not provide a positive return on investment (ROI) for the remaining life of U1.

Project Estimate Approach

Direct costs are estimates provided by the vendor based on actual costs to perform similar work in the past. PNM's indirect costs (e.g., project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated based on similar projects performed in the past.

Customer Benefit

PNM customers will benefit as this project ensures ongoing safe, reliable, and cost-effective operation of the plant.

Primary Value Driver Reliability

Safety

Reliability Project ensures against catastrophic failure of Reeves U1 Cooling Tower.

System Performance

Security

Compliance Because drift droplets contain the dissolved solids of the circulating water, cooling tower drift is classified as PM10 by the EPA. As such, limiting excessive drift by ensuring functional eliminators is critical for permit compliance.

Environmental

**Project No:** **71316422** **Reeves U1 Cooling Tower Fill and St**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | 1,613 | - | - | - | - | - | - | 1,613 |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 499,975 | 293,470 | 284,360 | 666,804 | - | - | - | 1,744,609 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 110 | - | - | - | - | - | - | 110 |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | 54 | - | - | - | - | - | - | 54 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,574 | - | - | - | - | - | - | 1,574 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 19,863 | 11,621 | 11,261 | 26,405 | - | - | - | 69,150 |
| 928: AFUDC Debt | 1,950 | 854 | 1,282 | 1,986 | - | - | - | 6,071 |
| 929: AFUDC Equity | 5,781 | 2,049 | 3,076 | 4,767 | - | - | - | 15,673 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,759,911) | - | - | - | (1,759,911) |
| 825: Closing Cost of Removal | - | - | - | (78,944) | - | - | - | (78,944) |
| Project Net | 530,921 | 307,994 | 299,979 | (1,138,893) | - | - | - | 0 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | 1,613 | - | - | - | - | - | - | - | - | - | - | - | - | 1,613 |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,744,609 | - | - | - | - | - | - | - | - | - | - | - | - | 1,744,609 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 110 | - | - | - | - | - | - | - | - | - | - | - | - | 110 |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | 54 | - | - | - | - | - | - | - | - | - | - | - | - | 54 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,574 | - | - | - | - | - | - | - | - | - | - | - | - | 1,574 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 69,150 | - | - | - | - | - | - | - | - | - | - | - | - | 69,150 |
| 928: AFUDC Debt | 6,071 | - | - | - | - | - | - | - | - | - | - | - | - | 6,071 |
| 929: AFUDC Equity | 15,673 | - | - | - | - | - | - | - | - | - | - | - | - | 15,673 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,759,911) | - | - | - | - | - | - | - | - | - | - | - | - | (1,759,911) |
| 825: Closing Cost of Removal | (78,944) | - | - | - | - | - | - | - | - | - | - | - | - | (78,944) |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | 1,613 | - | - | - | - | - | - | - | - | - | - | - | - | 1,613 |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 1,744,609 | - | - | - | - | - | - | - | - | - | - | - | - | 1,744,609 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 110 | - | - | - | - | - | - | - | - | - | - | - | - | 110 |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | 54 | - | - | - | - | - | - | - | - | - | - | - | - | 54 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,574 | - | - | - | - | - | - | - | - | - | - | - | - | 1,574 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 69,150 | - | - | - | - | - | - | - | - | - | - | - | - | 69,150 |
| 928: AFUDC Debt | 6,071 | - | - | - | - | - | - | - | - | - | - | - | - | 6,071 |
| 929: AFUDC Equity | 15,673 | - | - | - | - | - | - | - | - | - | - | - | - | 15,673 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,759,911) | - | - | - | - | - | - | - | - | - | - | - | - | (1,759,911) |
| 825: Closing Cost of Removal | (78,944) | - | - | - | - | - | - | - | - | - | - | - | - | (78,944) |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **71316722** **U3 Generator Excitation System**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2024

Description

The excitation system provides field current to the rotating rotor windings of a generator. The Automatic Voltage Regulator (AVR) supplies direct current (DC) to the exciter stator. This adjustment in the field controls the ability of the generator to synchronize itself to the grid and is a North American Electric Reliability Corporation (NERC) requirement. The AVR is made of several cards that control voltage, current and frequency levels to match the grid.

This project involves gathering all of the AVR specifications and programmed parameters, going through the bidding process, and awarding the contract to the selected bidder. Once all equipment is on-site, the contractor will install the AVR and perform all necessary electrical connections and testing. Engineering will coordinate the project's schedule, inspections, installation, and costs.

Project Need Justification

Unit 2's AVR Excitation Controller was installed new in the early 2000s. The life expectancy of the system is determined by the availability of spare and replacement parts. Engineering recommends replacing the AVR Excitation controllers to insure the reliability of the unit.

Project Alternatives

The alternative to this project is to continue using the existing AVR; however, the lack of spare and replacement part availability poses a risk to unit reliability; unplanned failure may keep the unit out of service for an extended period of time.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability The lack of spare and replacement part availability poses a risk to unit reliability; unplanned failure may keep the unit out of service for an extended period of time.

System Performance

Security

Compliance

Environmental

**Project No:** **71316722** **U3 Generator Excitation System**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 28,646 | 28,546 | - | 95,600 | - | - | - | - | - | - | - | - | 152,792 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 1,246 | 1,242 | - | 4,159 | - | - | - | - | - | - | - | - | 6,646 |
| 928: AFUDC Debt | - | 27 | 81 | 108 | 198 | - | - | - | - | - | - | - | - | 413 |
| 929: AFUDC Equity | - | 47 | 140 | 187 | 343 | - | - | - | - | - | - | - | - | 716 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (160,567) | - | - | - | - | - | - | - | - | (160,567) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | 29,966 | 30,008 | 295 | (60,268) | - | - | - | - | - | - | - | - | 0 |

**Project No:** **71316923** **Reeves GS U2 GSU Relay Upgrade**

Company: 003 Bulk Power
Location: 713 Reeves Power Station

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project continues the ongoing objective to upgrade the obsolete Reeves protective relays, which are near the end of their useful life. Unit 1's and Unit 3's generator step up (GSU) relays were previously replaced with new state-of-the-art General Electric (GE) T60 relays. This project will install new GSU protective relays on Unit 2, bringing it up to modern standards. GSU protective relays protect against ground faults, differential current, overvoltage, frequency etc. A functional protective relay is a North American Electric Reliability Corporation (NERC) requirement.

Project Need Justification

Unit 2's existing relays are obsolete. With the installation of new, state-of-the-art GE T60 relays, transformer and other equipment protection will be optimized. A functional protective relay is a NERC requirement.

Project Alternatives

The "do nothing" alternative is to continue to operate the unit with obsolete relay protection. This is not a viable option as a functional protective relay is a NERC requirement.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability With the addition of state of the art transformer protective devices, equipment damage will be limited due to the fast acting digital relays if a fault occurs.

System Performance

Security

Compliance A functional protective relay is a NERC requirement.

Environmental

**Project No:** **71316923** **Reeves GS U2 GSU Relay Upgrade**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | 28,845 | 28,716 | 57,433 | - | - | - | - | - | - | - | - | - | 114,995 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 1,036 | 1,031 | 2,062 | - | - | - | - | - | - | - | - | - | 4,128 |
| 928: AFUDC Debt | - | 32 | 95 | 191 | - | - | - | - | - | - | - | - | - | 318 |
| 929: AFUDC Equity | - | 41 | 122 | 243 | - | - | - | - | - | - | - | - | - | 405 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (119,846) | - | - | - | - | - | - | - | - | - | (119,846) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | 29,953 | 29,964 | (59,917) | - | - | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 114,995 | - | - | - | - | - | - | - | - | - | - | - | - | 114,995 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 4,128 | - | - | - | - | - | - | - | - | - | - | - | - | 4,128 |
| 928: AFUDC Debt | 318 | - | - | - | - | - | - | - | - | - | - | - | - | 318 |
| 929: AFUDC Equity | 405 | - | - | - | - | - | - | - | - | - | - | - | - | 405 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (119,846) | - | - | - | - | - | - | - | - | - | - | - | - | (119,846) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **74416022** **Luna Capital Improvements 2022**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2022

Description

This is an annual project to cover costs associated with the emergent issues that require the repair or replacement of smaller capital assets at Luna Generating Station (GS) in 2022. This work is essential to maintain and the ensure ongoing safe, compliant, efficient and reliable operation of the plant. Examples of efforts required in 2022 include: replacing HVAC units, replacing the pond liner, extending the steam turbine mezzanine deck, replacing the assembly on Wells 225/228/231, as well as other general improvements.

Please note, this project does not include any capital work related to the 2022 planned outages.

Project Need Justification

This project covers replacement of capital assets at Luna GS that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant. Examples of efforts required in 2022 include: replacing HVAC units, replacing the pond liner, extending the steam turbine mezzanine deck, replacing the assembly on Wells 225/228/231, as well as other general improvements.

Project Alternatives

The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance of the plant. The alternative to replacing the failed or faulty asset would mean doing nothing which could jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant.

Primary Value Driver Reliability

Safety This project covers the replacement of essential capital assets (like platforms and scaffolding) that protect PNM employees and ensure the ongoing safe operation of the plant.

Reliability This project covers the replacement of essential capital assets (like pumps and cooling pipes) that ensure the reliable operation of the plant.

System Performance

Security

Compliance

Environmental This project covers the replacement of essential capital assets (like spill containment systems) that ensure environmentally compliant operation of the plant.

**Project No:** **74416022** **Luna Capital Improvements 2022**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 424,993 | - | - | - | 28,193 | 37,684 | 184,000 | 674,870 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (283,579) | - | - | - | (18,793) | (25,120) | (122,654) | (450,147) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 418 | - | - | - | - | - | - | 418 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 326 | 147 | - | - | 7 | 9 | 43 | 532 |
| 929: AFUDC Equity | 928 | 354 | - | - | 16 | 21 | 104 | 1,423 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 9,524 | - | - | - | 632 | 845 | 4,123 | 15,124 |
| 825: Closing Addition | (44,482) | (104,988) | - | - | (9,383) | (12,542) | (61,236) | (232,631) |
| 825: Closing Cost of Removal | - | (3,641) | - | - | (671) | (897) | (4,379) | (9,588) |
| Project Net | 108,128 | (108,128) | - | - | - | - | - | 0 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 674,870 | - | - | - | - | - | - | - | - | - | - | - | - | 674,870 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (450,147) | - | - | - | - | - | - | - | - | - | - | - | - | (450,147) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 418 | - | - | - | - | - | - | - | - | - | - | - | - | 418 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 532 | - | - | - | - | - | - | - | - | - | - | - | - | 532 |
| 929: AFUDC Equity | 1,423 | - | - | - | - | - | - | - | - | - | - | - | - | 1,423 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 15,124 | - | - | - | - | - | - | - | - | - | - | - | - | 15,124 |
| 825: Closing Addition | (232,631) | - | - | - | - | - | - | - | - | - | - | - | - | (232,631) |
| 825: Closing Cost of Removal | (9,588) | - | - | - | - | - | - | - | - | - | - | - | - | (9,588) |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 674,870 | - | - | - | - | - | - | - | - | - | - | - | - | 674,870 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (450,147) | - | - | - | - | - | - | - | - | - | - | - | - | (450,147) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 418 | - | - | - | - | - | - | - | - | - | - | - | - | 418 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 532 | - | - | - | - | - | - | - | - | - | - | - | - | 532 |
| 929: AFUDC Equity | 1,423 | - | - | - | - | - | - | - | - | - | - | - | - | 1,423 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 15,124 | - | - | - | - | - | - | - | - | - | - | - | - | 15,124 |
| 825: Closing Addition | (232,631) | - | - | - | - | - | - | - | - | - | - | - | - | (232,631) |
| 825: Closing Cost of Removal | (9,588) | - | - | - | - | - | - | - | - | - | - | - | - | (9,588) |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **74416023** **Luna Capital Improvements 2023**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2024

Description

This is an annual project to cover the emergent replacement of smaller capital assets at Luna Generating Station (GS) in 2023. Covered work orders within this project are typically to replace assets essential to maintain and the ensure ongoing safe, compliant, efficient and reliable operation of the plant.

Project Need Justification

This project covers replacement of capital assets at Luna GS that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

Project Alternatives

The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance of the plant. The alternative to replacing the failed or faulty asset would mean doing nothing which could jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach

This project was estimated using PNM information regarding typical capital asset replacements at the Luna plant in the recent past. Each capital improvement project funded under this project will be evaluated and engineered to address the emergent need in a timely and cost effective manner.

Customer Benefit

PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant.

Primary Value Driver Reliability

Safety This project covers the replacement of essential capital assets (like platforms and scaffolding) that protect PNM employees and ensure the ongoing safe operation of the plant.

Reliability This project covers the replacement of essential capital assets (like pumps and cooling pipes) that ensure the reliable operation of the plant.

System Performance This project covers the replacement of essential capital assets (like control systems) that help to optimize efficient operation of the plant.

Security

Compliance The project covers the replacement of essential capital assets (like North American Electric Reliability Corporation [NERC] physical security) that ensure compliant operation of the plant.

Environmental This project covers the replacement of essential capital assets (like spill containment systems) that ensure environmentally compliant operation of the plant.

**Project No:** **74416023** **Luna Capital Improvements 2023**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 379,000 | 9,315,800 | - | 341,000 | - | - | 37,000 | 647,000 | - | - | - | 10,719,800 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | (252,641) | (6,209,912) | - | (227,311) | - | - | (24,664) | (431,290) | - | - | - | (7,145,819) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | 130 | 3,457 | - | 117 | - | - | 13 | 222 | - | - | - | 3,939 |
| 929: AFUDC Equity | - | - | 166 | 4,410 | - | 149 | - | - | 16 | 283 | - | - | - | 5,025 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | 5,003 | 122,969 | - | 4,501 | - | - | 488 | 8,540 | - | - | - | 141,501 |
| 825: Closing Addition | - | - | - | (3,137,645) | - | (110,341) | - | - | (11,973) | (209,357) | - | - | - | (3,469,315) |
| 825: Closing Cost of Removal | - | - | - | (230,736) | - | (8,116) | - | - | (881) | (15,399) | - | - | - | (255,131) |
| Project Net | - | - | 131,657 | (131,657) | - | (0) | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 10,719,800 | - | - | - | - | - | - | - | - | - | - | - | - | 10,719,800 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (7,145,819) | - | - | - | - | - | - | - | - | - | - | - | - | (7,145,819) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 3,939 | - | - | - | - | - | - | - | - | - | - | - | - | 3,939 |
| 929: AFUDC Equity | 5,025 | - | - | - | - | - | - | - | - | - | - | - | - | 5,025 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 141,501 | - | - | - | - | - | - | - | - | - | - | - | - | 141,501 |
| 825: Closing Addition | (3,469,315) | - | - | - | - | - | - | - | - | - | - | - | - | (3,469,315) |
| 825: Closing Cost of Removal | (255,131) | - | - | - | - | - | - | - | - | - | - | - | - | (255,131) |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **74416026** **Luna Capital Improvements 2024**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This is an annual project to cover the emergent replacement of smaller capital assets at Luna Generating Station (GS) in 2024. Covered work orders within this project are typically to replace assets essential to maintain and the ensure ongoing safe, compliant, efficient and reliable operation of the plant.

Project Need Justification

This project covers replacement of capital assets at Luna GS that maintain and ensure ongoing safe, compliant, efficient, and reliable operation of the plant. Common types of capital improvements covered by this project include various smaller capital assets like pumps, control system components, structural platforms, and spill-containment systems necessary to operate the plant.

Project Alternatives

The capital improvements covered by this project typically include the replacement of existing assets that are critical either to the operation, or safe maintenance of the plant. The alternative to replacing the failed or faulty asset would mean doing nothing which could jeopardize the operability, reliability, or safe maintenance of the plant.

Project Estimate Approach

This project was estimated using PNM information regarding typical capital asset replacements at the Luna plant in the recent past. Each capital improvement project funded under this project will be evaluated and engineered to address the emergent need in a timely and cost effective manner.

Customer Benefit

PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant.

Primary Value Driver Reliability

Safety This project covers the replacement of essential capital assets (like platforms and scaffolding) that protect PNM employees and ensure the ongoing safe operation of the plant.

Reliability This project covers the replacement of essential capital assets (like pumps and cooling pipes) that ensure the reliable operation of the plant.

System Performance This project covers the replacement of essential capital assets (like control systems) that help to optimize efficient operation of the plant.

Security

Compliance The project covers the replacement of essential capital assets (like North American Electric Reliability Corporation [NERC] physical security) that ensure compliant operation of the plant.

Environmental This project covers the replacement of essential capital assets (Selective Catalytic Reduction Systems) that ensure environmentally compliant operation of the plant.

**Project No:** **74416026** **Luna Capital Improvements 2024**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 9,285,500 | - | 800,500 | - | - | - | - | - | - | - | - | 10,086,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | (6,189,714) | - | (533,613) | - | - | - | - | - | - | - | - | (6,723,328) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | 2,892 | - | 249 | - | - | - | - | - | - | - | - | 3,141 |
| 929: AFUDC Equity | - | - | 5,013 | - | 432 | - | - | - | - | - | - | - | - | 5,445 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | 122,569 | - | 10,567 | - | - | - | - | - | - | - | - | 133,135 |
| 825: Closing Addition | - | - | (3,226,259) | - | (278,135) | - | - | - | - | - | - | - | - | (3,504,393) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | (0) | - | - | - | - | - | - | - | - | 0 |

**Project No:** **74417022** **Luna Capital Planned Outage 2022**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Luna 100%

Estimated Start Date 1/1/2022

Estimated Completion Date 12/31/2022

Description

This project is for the capital replacements made during the planned outages at Luna Energy Facility (EF) in 2022. This is for the periodic gas turbine major maintenance which includes Hot Gas Path Inspections, Major Inspections, major Valve Replacements, and other major Capital expenditures. These inspections are done on a prescribed schedule based on gas turbine operating hours and fired starts. Outage capital improvement projects for 2022 at Luna may include: upgrade hot re-heat bypass valve to condenser, motor protection relay upgrades, upgrade main fire protection panel, replace existing actuator on the low-pressure admission control valve, exciter upgrade, cooling tower structure, cooling tower deluge, cooling tower gear box, and duct burner regulator upgrade.

Project Need Justification

In order to ensure reliable and efficient operation for years to come, periodic gas turbine major maintenance, which includes Hot Gas Path Inspections and Major Inspections, must be performed on a prescribed schedule based on gas turbine operating hours and fired starts.

Project Alternatives

The only other option would be to do nothing. This is not a feasible option as these inspections and improvements are needed to ensure the safe and reliable operation of this plant.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Reliability This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time and cost.

System Performance

Security

Compliance

Environmental

**Project No:** **74417022** **Luna Capital Planned Outage 2022**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 2,905,000 | - | - | - | - | 1,236,924 | - | 4,141,924 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (1,936,473) | - | - | - | - | (824,534) | - | (2,761,007) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 1,494 | 1,417 | 1,424 | 1,431 | 1,438 | 1,756 | - | 8,960 |
| 929: AFUDC Equity | 3,945 | 3,402 | 3,418 | 3,435 | 3,451 | 4,214 | - | 21,865 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 65,101 | - | - | - | - | 27,719 | - | 92,821 |
| 825: Closing Addition | - | - | - | - | - | (1,469,368) | - | (1,469,368) |
| 825: Closing Cost of Removal | - | - | - | - | - | (35,196) | - | (35,196) |
| Project Net | 1,039,067 | 4,820 | 4,843 | 4,866 | 4,889 | (1,058,484) | - | (0) |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,141,924 | - | - | - | - | - | - | - | - | - | - | - | - | 4,141,924 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (2,761,007) | - | - | - | - | - | - | - | - | - | - | - | - | (2,761,007) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 8,960 | - | - | - | - | - | - | - | - | - | - | - | - | 8,960 |
| 929: AFUDC Equity | 21,865 | - | - | - | - | - | - | - | - | - | - | - | - | 21,865 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 92,821 | - | - | - | - | - | - | - | - | - | - | - | - | 92,821 |
| 825: Closing Addition | (1,469,368) | - | - | - | - | - | - | - | - | - | - | - | - | (1,469,368) |
| 825: Closing Cost of Removal | (35,196) | - | - | - | - | - | - | - | - | - | - | - | - | (35,196) |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,141,924 | - | - | - | - | - | - | - | - | - | - | - | - | 4,141,924 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (2,761,007) | - | - | - | - | - | - | - | - | - | - | - | - | (2,761,007) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 8,960 | - | - | - | - | - | - | - | - | - | - | - | - | 8,960 |
| 929: AFUDC Equity | 21,865 | - | - | - | - | - | - | - | - | - | - | - | - | 21,865 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 92,821 | - | - | - | - | - | - | - | - | - | - | - | - | 92,821 |
| 825: Closing Addition | (1,469,368) | - | - | - | - | - | - | - | - | - | - | - | - | (1,469,368) |
| 825: Closing Cost of Removal | (35,196) | - | - | - | - | - | - | - | - | - | - | - | - | (35,196) |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **74417123** **Luna Capital Planned Outage 2023**

Company: 003 Bulk Power
Location: 744 Luna Common all Units

**Project Information** County % Hidalgo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project is for the capital replacements made during the planned outages at Luna Energy Facility (EF) in 2023. This is for the periodic gas turbine major maintenance which includes Hot Gas Path Inspections, Major Inspections, major Valve Replacements, and other major Capital expenditures. These inspections are done on a prescribed schedule based on gas turbine operating hours and fired starts.

Project Need Justification

In order to ensure reliable and efficient operation for years to come, periodic gas turbine major maintenance, which includes Hot Gas Path Inspections and Major Inspections, must be performed on a prescribed schedule based on gas turbine operating hours and fired starts. If this maintenance is not completed, the turbines are not fit for operation.

Project Alternatives

The only other option would be to do nothing. This is not a feasible option as these inspections are needed to ensure the safe and reliable operation of this plant.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure could result in serious harm to individuals in the proximity of the combustion turbine.

Reliability This project reduces the risk of catastrophic failure of the combustion turbine. Catastrophic failure would result in extensive down time and cost.

System Performance

Security

Compliance

Environmental

**Project No:** **74417123** **Luna Capital Planned Outage 2023**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 2,487,445 | - | - | - | - | - | 2,983,689 | - | - | 5,471,134 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | (1,658,131) | - | - | - | - | - | (1,988,927) | - | - | (3,647,058) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | 916 | - | - | - | - | - | 1,099 | - | - | 2,016 |
| 929: AFUDC Equity | - | - | - | - | 1,169 | - | - | - | - | - | 1,402 | - | - | 2,571 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | 32,834 | - | - | - | - | - | 39,385 | - | - | 72,219 |
| 825: Closing Addition | - | - | - | - | (864,234) | - | - | - | - | - | (1,036,648) | - | - | (1,900,882) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | (0) | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 5,471,134 | - | - | - | - | - | - | - | - | - | - | - | - | 5,471,134 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | (3,647,058) | - | - | - | - | - | - | - | - | - | - | - | - | (3,647,058) |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | 2,016 | - | - | - | - | - | - | - | - | - | - | - | - | 2,016 |
| 929: AFUDC Equity | 2,571 | - | - | - | - | - | - | - | - | - | - | - | - | 2,571 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | 72,219 | - | - | - | - | - | - | - | - | - | - | - | - | 72,219 |
| 825: Closing Addition | (1,900,882) | - | - | - | - | - | - | - | - | - | - | - | - | (1,900,882) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **75216125** **La Luz Turbine Turbine controls Upg**

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information**

| County % | | |
|---|---|---|
| Valencia | 100% | |

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

The scope of the project will include the replacement of Link Net-HT nodes, the P1020 central processing unit (CPU), and all cables for internal cabinet wiring, termination tee, and Controller Area Network (CAN) open accessories. The upgrade will also include a new Human-Machine Interface (HMI) local and remote computer, which will operate on Windows 10. If any of the system components fail, it will take several weeks to obtain and install spare parts, if they can be found. All necessary hardware, software, licenses and engineering will be provided. Engineering will secure contracts to purchase and install the upgrades. In addition, engineering will track all project's costs and schedules.

Project Need Justification

Many of the current Micro Net system components are no longer supported, and spare parts are difficult to obtain. These systems are used to control the combustion turbine. The existing Link Net nodes continue to fail, making the system unreliable. In addition, the Windows HMI is running on a version of Windows which is no longer supported by Microsoft.

Project Alternatives

The "do nothing" alternative increases reliability risk to the system.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability A control system is required to be current and supported to ensure reliable operation of the turbine.

System Performance

Security

Compliance

Environmental

**Project No:** **75216125** **La Luz Turbine Turbine controls Upg**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 24,040 | - | - | - | - | - | - | - | 312,493 | - | 336,533 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 863 | - | - | - | - | - | - | - | 11,219 | - | 12,082 |
| 928: AFUDC Debt | - | - | - | 26 | - | - | - | - | - | - | - | 344 | - | 371 |
| 929: AFUDC Equity | - | - | - | 34 | - | - | - | - | - | - | - | 439 | - | 473 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (24,963) | - | - | - | - | - | - | - | (324,495) | - | (349,458) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | 0 | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 336,533 | - | - | - | - | - | - | - | - | - | - | - | - | 336,533 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 12,082 | - | - | - | - | - | - | - | - | - | - | - | - | 12,082 |
| 928: AFUDC Debt | 371 | - | - | - | - | - | - | - | - | - | - | - | - | 371 |
| 929: AFUDC Equity | 473 | - | - | - | - | - | - | - | - | - | - | - | - | 473 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (349,458) | - | - | - | - | - | - | - | - | - | - | - | - | (349,458) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **75216221** **La Luz Spare GSU Transformer**

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information** County % Valencia 100%

Estimated Start Date 11/24/2021

Estimated Completion Date 12/31/2022

Description

This project will install a spare Generator Step-Up Transformer (GSU) at La Luz Energy Center to enable the option to connect up to 50MW of temporary generation during times of low resource adequacy. This project significantly reduces the installation time needed when mobilizing temporary generation. GSU availability is one of the most significant concerns about mobilizing rental generators. If needed, this transformer will be sized to connect future permanent generation resources at this site. Due to the commercial operation date (COD) delays with the recent solar and battery projects, PNM is expecting additional resources may be required next year. GSU transformers have very long lead times and without this key piece of equipment, PNM would be unable to quickly scale power at La Luz. Additionally, the GSU transformer provides a key capital spare for La Luz even if additional power is not required in the future. Lead times for GSU Transformers can be around 100 weeks.

Project Need Justification

This project significantly reduces the installation time needed when mobilizing temporary generation. GSU availability is one of the most significant concerns about mobilizing rental generators. If needed, this transformer will be sized to connect future permanent generation resources at this site. Due to the commercial operation date (COD) delays with the recent solar and battery projects, PNM is expecting additional resources may be required next year. GSU transformers have very long lead times and without this key piece of equipment, PNM would be unable to quickly scale power at La Luz. Additionally, the GSU transformer provides a key capital spare for La Luz even if additional power is not required in the future.

Project Alternatives

The "do nothing" alternative is not an option. Given the extended GSU lead times, a spare GSU is needed in order to avoid reliability risks in the event the GSU fails and needs to be replaced.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability The risk to reliability is improved by avoiding extended lead times to replace the GSU should a failure happen.

System Performance

Security

Compliance

Environmental

**Project No:** **75216221** **La Luz Spare GSU Transformer**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 618,570 | - | - | - | - | - | - | 618,570 |
| 370: Outside Services | - | 965,300 | 318,653 | 725,432 | - | - | - | 2,009,386 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,949 | - | - | - | - | - | - | 1,949 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 38,226 | 12,619 | 28,727 | - | - | - | 79,572 |
| 928: AFUDC Debt | 2,770 | 1,600 | 2,550 | 532 | - | - | - | 7,452 |
| 929: AFUDC Equity | 8,018 | 3,840 | 6,120 | 1,278 | - | - | - | 19,256 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (1,980,216) | (755,970) | - | - | - | (2,736,185) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 631,307 | 1,008,966 | (1,640,274) | - | - | - | - | 0 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 618,570 | - | - | - | - | - | - | - | - | - | - | - | - | 618,570 |
| 370: Outside Services | 2,009,386 | - | - | - | - | - | - | - | - | - | - | - | - | 2,009,386 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,949 | - | - | - | - | - | - | - | - | - | - | - | - | 1,949 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 79,572 | - | - | - | - | - | - | - | - | - | - | - | - | 79,572 |
| 928: AFUDC Debt | 7,452 | - | - | - | - | - | - | - | - | - | - | - | - | 7,452 |
| 929: AFUDC Equity | 19,256 | - | - | - | - | - | - | - | - | - | - | - | - | 19,256 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,736,185) | - | - | - | - | - | - | - | - | - | - | - | - | (2,736,185) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 618,570 | - | - | - | - | - | - | - | - | - | - | - | - | 618,570 |
| 370: Outside Services | 2,009,386 | - | - | - | - | - | - | - | - | - | - | - | - | 2,009,386 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 1,949 | - | - | - | - | - | - | - | - | - | - | - | - | 1,949 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 79,572 | - | - | - | - | - | - | - | - | - | - | - | - | 79,572 |
| 928: AFUDC Debt | 7,452 | - | - | - | - | - | - | - | - | - | - | - | - | 7,452 |
| 929: AFUDC Equity | 19,256 | - | - | - | - | - | - | - | - | - | - | - | - | 19,256 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,736,185) | - | - | - | - | - | - | - | - | - | - | - | - | (2,736,185) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **75516021** **Solar Com Project**

Company: 003 Bulk Power
Location: 755 Gen Renewable Rider 1

**Project Information** County % Total System 100%

Estimated Start Date 5/1/2021

Estimated Completion Date 9/30/2022

Description

The Solar Com project is a communications infrastructure project to improve data access, data acquisition, and secure monitoring and control capability of the PNM owned fleet of 156MW of solar photovoltaic assets. This includes improvements to physical communications infrastructure (e.g., fiber, radio) for increased network reliability as well improvements to the plant level computing, network, and logic infrastructure for secure access and plant control. Risks of not doing the project included lower reliability of communications to solar assets, weaker security for remote access to solar assets, and possible exposure to future North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) standards.

Project Need Justification

As PNM becomes more reliant upon renewable energy, the importance of receiving real-time data from and control over those assets becomes more important to keep the system reliable. PNM needs the ability to monitor the equipment to verify availability, and have secure remote control capabilities to curtail the generation when necessary.

Project Alternatives

Possible lower cost alternative is Virtual Private Network (VPN) over Wide Area Network (WAN); however, this does not solve the reliability or security concerns. Risks of not doing the project included lower reliability of communications to solar assets, weaker security for remote access to solar assets, and possible exposure to future NERC CIP standards.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Reliability

Safety

Reliability

Receiving real-time data from these generating facilities will allow the use of predictive analytics to identify issues before they significantly affect site output, as well as conventional monitoring and alarms.

System Performance

Security

Compliance

Environmental

**Project No:** **75516021** **Solar Com Project**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 71,763 | - | - | - | - | - | - | 71,763 |
| 120: Overtime-General | 3,142 | - | - | - | - | - | - | 3,142 |
| 350: Material Issues-Major | 262,601 | - | - | - | - | - | - | 262,601 |
| 370: Outside Services | 542,132 | 191,000 | 191,000 | - | - | - | - | 924,132 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 21,347 | - | - | - | - | - | - | 21,347 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,197 | - | - | - | - | - | - | 5,197 |
| 914: Pension and Benefits | 21,641 | - | - | - | - | - | - | 21,641 |
| 915: Injuries and Damages | 2,419 | - | - | - | - | - | - | 2,419 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 2,550 | - | - | - | - | - | - | 2,550 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 7,564 | 7,564 | - | - | - | - | 15,127 |
| 928: AFUDC Debt | 6,543 | 1,489 | 1,777 | 1,926 | - | - | - | 11,734 |
| 929: AFUDC Equity | 20,117 | 3,574 | 4,265 | 4,622 | - | - | - | 32,577 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (1,374,232) | - | - | - | (1,374,232) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 959,453 | 203,627 | 204,605 | (1,367,685) | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 71,763 | - | - | - | - | - | - | - | - | - | - | - | - | 71,763 |
| 120: Overtime-General | 3,142 | - | - | - | - | - | - | - | - | - | - | - | - | 3,142 |
| 350: Material Issues-Major | 262,601 | - | - | - | - | - | - | - | - | - | - | - | - | 262,601 |
| 370: Outside Services | 924,132 | - | - | - | - | - | - | - | - | - | - | - | - | 924,132 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 21,347 | - | - | - | - | - | - | - | - | - | - | - | - | 21,347 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,197 | - | - | - | - | - | - | - | - | - | - | - | - | 5,197 |
| 914: Pension and Benefits | 21,641 | - | - | - | - | - | - | - | - | - | - | - | - | 21,641 |
| 915: Injuries and Damages | 2,419 | - | - | - | - | - | - | - | - | - | - | - | - | 2,419 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 2,550 | - | - | - | - | - | - | - | - | - | - | - | - | 2,550 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 15,127 | - | - | - | - | - | - | - | - | - | - | - | - | 15,127 |
| 928: AFUDC Debt | 11,734 | - | - | - | - | - | - | - | - | - | - | - | - | 11,734 |
| 929: AFUDC Equity | 32,577 | - | - | - | - | - | - | - | - | - | - | - | - | 32,577 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,374,232) | - | - | - | - | - | - | - | - | - | - | - | - | (1,374,232) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 71,763 | - | - | - | - | - | - | - | - | - | - | - | - | 71,763 |
| 120: Overtime-General | 3,142 | - | - | - | - | - | - | - | - | - | - | - | - | 3,142 |
| 350: Material Issues-Major | 262,601 | - | - | - | - | - | - | - | - | - | - | - | - | 262,601 |
| 370: Outside Services | 924,132 | - | - | - | - | - | - | - | - | - | - | - | - | 924,132 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | 21,347 | - | - | - | - | - | - | - | - | - | - | - | - | 21,347 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 5,197 | - | - | - | - | - | - | - | - | - | - | - | - | 5,197 |
| 914: Pension and Benefits | 21,641 | - | - | - | - | - | - | - | - | - | - | - | - | 21,641 |
| 915: Injuries and Damages | 2,419 | - | - | - | - | - | - | - | - | - | - | - | - | 2,419 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 2,550 | - | - | - | - | - | - | - | - | - | - | - | - | 2,550 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 15,127 | - | - | - | - | - | - | - | - | - | - | - | - | 15,127 |
| 928: AFUDC Debt | 11,734 | - | - | - | - | - | - | - | - | - | - | - | - | 11,734 |
| 929: AFUDC Equity | 32,577 | - | - | - | - | - | - | - | - | - | - | - | - | 32,577 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,374,232) | - | - | - | - | - | - | - | - | - | - | - | - | (1,374,232) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Security Enhancement Capital Projects

# PNM Exhibit RBH-5

Is contained in the following 4 pages.

**Project No:** **70716523** **AFT HMI Upgrade**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

The current turbine control operator interface is based on Windows 7, out of date, and unsupported. New Human-Machine Interfaces (HMI's) are based on Windows 10 and feature improved features, protection, and support. A new HMI system will refresh the ability to control, backup, and secure the system while providing a modern, easy-to-navigate display.

Project Need Justification

Control systems are required to be supported and up to date to ensure maintainability and security. The current turbine control operator HMI is out of date and unsupported and therefore needs to be replaced.

Project Alternatives

There is no alternative. Control systems are required to be supported and up to date to ensure maintainability and security. The current turbine control operator HMI is out of date and unsupported and therefore needs to be replaced.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Security

Safety

Reliability

System Performance

Security This project ensures that the control system is up to date, supported, and secure.

Compliance

Environmental

**Project No:** **70716523** **AFT HMI Upgrade**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 50,719 | 42,440 | - | - | - | - | - | - | 118,376 | - | 211,534 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 1,821 | 1,524 | - | - | - | - | - | - | 4,250 | - | 7,594 |
| 928: AFUDC Debt | - | - | - | 56 | 47 | - | - | - | - | - | - | 130 | - | 233 |
| 929: AFUDC Equity | - | - | - | 71 | 60 | - | - | - | - | - | - | 166 | - | 297 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (52,667) | (44,070) | - | - | - | - | - | - | (122,922) | - | (219,658) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | (0) | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 211,534 | - | - | - | - | - | - | - | - | - | - | - | - | 211,534 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 7,594 | - | - | - | - | - | - | - | - | - | - | - | - | 7,594 |
| 928: AFUDC Debt | 233 | - | - | - | - | - | - | - | - | - | - | - | - | 233 |
| 929: AFUDC Equity | 297 | - | - | - | - | - | - | - | - | - | - | - | - | 297 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (219,658) | - | - | - | - | - | - | - | - | - | - | - | - | (219,658) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716623** **AFT U1 Turbine MARK VIE Major Cntr**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project will upgrade the major turbine controls from the current Mark VI to the Mark VI-E distributed control system to improve plant reliability and security. The current Mark VI controls platform was retired in 2009 and lifecycle support ended in 2019. Parts and technical support are becoming a challenge for the old system. The new controls system will provide upgraded controllers, bringing hardware, security, and support features up to date. Also, the new Mark VI-E system brings the right basis needed for available upgrades and improvements in the future. Additional features, such as alarm management improvements, analyzing diagnostics and trending, are added bonuses.

Project Need Justification

Control systems are required to be supported and current to ensure maintainability and security. The current Mark VI controls platform was retired in 2009 and lifecycle support ended in 2019. It is necessary to upgrade to the distributed control system.

Project Alternatives

The do nothing alternative is not an option. It is necessary to upgrade to the distributed control system.

Project Estimate Approach

This project was estimated using PNM information regarding typical capital asset replacements in the recent past. This project will be competitively bid, and acceptable alternative vendors to GE will be considered.

Customer Benefit

PNM customers will benefit as the capital replacements covered by this project ensure ongoing safe, efficient, reliable, and cost-effective operation of the plant.

Primary Value Driver Security

Safety Current and supported control systems are required to ensure secure, safe and reliable operation of the generating unit.

Reliability Current and supported control systems are required to ensure secure, safe and reliable operation of the generating unit.

System Performance

Security Current and supported control systems are required to ensure secure, safe and reliable operation of the generating unit.

Compliance

Environmental

**Project No:** **70716623** **AFT U1 Turbine MARK VIE Major Cntr**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | 187,824 | 22,295 | - | - | - | - | - | - | 751,401 | - | 961,520 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | 6,743 | 800 | - | - | - | - | - | - | 26,975 | - | 34,519 |
| 928: AFUDC Debt | - | - | - | 207 | 25 | - | - | - | - | - | - | 827 | - | 1,059 |
| 929: AFUDC Equity | - | - | - | 264 | 31 | - | - | - | - | - | - | 1,055 | - | 1,351 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (195,038) | (23,151) | - | - | - | - | - | - | (780,259) | - | (998,448) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | (0) | - | - | - | - | - | - | 0 | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 961,520 | - | - | - | - | - | - | - | - | - | - | - | - | 961,520 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 34,519 | - | - | - | - | - | - | - | - | - | - | - | - | 34,519 |
| 928: AFUDC Debt | 1,059 | - | - | - | - | - | - | - | - | - | - | - | - | 1,059 |
| 929: AFUDC Equity | 1,351 | - | - | - | - | - | - | - | - | - | - | - | - | 1,351 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (998,448) | - | - | - | - | - | - | - | - | - | - | - | - | (998,448) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

Compliance Enhancement Capital Projects

# PNM Exhibit RBH-6

Is contained in the following 26 pages.

**Project No:** **04616023** **Rio Bravo PDC Battery Replacement**

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information**

County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project will replace the batteries used in the Rio Bravo Power Distribution Center (PDC). PDC batteries supply continuous direct current power to critical PDC loads that are required to be in operation upon loss of normal plant power due to abnormal plant conditions. Critical loads, breaker control, and Distributive Control System (DCS) must remain in service to safely shut down equipment and systems during an unexpected plant outage or system failure.

Project Need Justification

Batteries typically last 5-7 years; existing batteries are at the end of this life span and funding should be allocated for replacement. A properly functioning uninterruptible power supply (UPS) is required for both safety and compliance.

Project Alternatives

There is no alternative for this project, these batteries must be replaced for safety and compliance reasons.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver

Compliance

Safety

In the event of an unexpected plant outage or system failure, continuous direct current (DC) power supply to critical PDC loads is imperative for a safe shut down of plant equipment and systems. Loss of this power could result in catastrophic equipment failure that would endanger employees.

Reliability

In the event of an unexpected plant outage or system failure, continuous direct current (DC) power supply to critical PDC loads is imperative for a safe shut down of plant equipment and systems. Loss of this power could result in catastrophic equipment failure, which would keep the unit out of service for extended periods of time.

System Performance

Security

Compliance

DC Station Supply is covered in multiple North American Electric Reliability Corporation (NERC) requirements, such as PRC-005-6, which requires them to be included in a time-based maintenance program.

Environmental

**Project No:** **04616023** **Rio Bravo PDC Battery Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 50,000 | - | - | - | - | - | - | - | - | 50,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 1,795 | - | - | - | - | - | - | - | - | 1,795 |
| 928: AFUDC Debt | - | - | - | - | 55 | - | - | - | - | - | - | - | - | 55 |
| 929: AFUDC Equity | - | - | - | - | 70 | - | - | - | - | - | - | - | - | 70 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (51,920) | - | - | - | - | - | - | - | - | (51,920) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 50,000 | - | - | - | - | - | - | - | - | - | - | - | - | 50,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,795 | - | - | - | - | - | - | - | - | - | - | - | - | 1,795 |
| 928: AFUDC Debt | 55 | - | - | - | - | - | - | - | - | - | - | - | - | 55 |
| 929: AFUDC Equity | 70 | - | - | - | - | - | - | - | - | - | - | - | - | 70 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (51,920) | - | - | - | - | - | - | - | - | - | - | - | - | (51,920) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **04616123** **Rio Bravo PECC Battery Replacement**

Company: 003 Bulk Power
Location: 046 Rio Bravo

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project will replace the batteries used in the Rio Bravo Packaged Electrical Control Center (PECC). PECC batteries supply continuous direct current (DC) power to critical station loads that are required to be in operation upon loss of normal plant power due to abnormal plant conditions. Critical loads, such as relay power supplies, breaker-tripping power, etc. must remain in service to safely shut down equipment and systems during an unexpected plant outage or system failure.

Project Need Justification

Batteries typically last 5-7 years; existing batteries are at the end of this life span and funding should be allocated for replacement. A properly functioning uninterruptible power system (UPS) is required for both safety and compliance.

Project Alternatives

There is no alternative for this project, these batteries must be replace for safety and compliance reasons.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver

Compliance

Safety

In the event of an unexpected plant outage or system failure, continous DC power supply to relays and breakers is imperative for a safe shut down of plant equipment and sytems. Loss of this power could result in catastrophic equipment failure that would endanger employees.

Reliability

In the event of an unexpected plant outage or system failure, continous DC power supply to relays and breakers is imperative for a safe shut down of plant equipment and sytems. Loss of this power could result in catastrophic equipment failure, which would keep the unit out of service for extended periods of time.

System Performance

Security

Compliance

DC Station Supply is covered in multiple North American Electric Reliability Corporation (NERC) requirements, such as PRC-005-6, which requires them to be included in a time-based maintenance program.

Environmental

**Project No:** **04616123 Rio Bravo PECC Battery Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 50,000 | - | - | - | - | - | - | - | - | 50,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 1,795 | - | - | - | - | - | - | - | - | 1,795 |
| 928: AFUDC Debt | - | - | - | - | 55 | - | - | - | - | - | - | - | - | 55 |
| 929: AFUDC Equity | - | - | - | - | 70 | - | - | - | - | - | - | - | - | 70 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (51,920) | - | - | - | - | - | - | - | - | (51,920) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 50,000 | - | - | - | - | - | - | - | - | - | - | - | - | 50,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 1,795 | - | - | - | - | - | - | - | - | - | - | - | - | 1,795 |
| 928: AFUDC Debt | 55 | - | - | - | - | - | - | - | - | - | - | - | - | 55 |
| 929: AFUDC Equity | 70 | - | - | - | - | - | - | - | - | - | - | - | - | 70 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (51,920) | - | - | - | - | - | - | - | - | - | - | - | - | (51,920) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70716424** **Afton PDC Battery Replacement**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This project will replace the batteries used in the Afton Power Distribution Center (PDC). The PDC batteries supply continuous direct current power to critical PDC and Heat Recovery Steam Generator (HRSG) system loads that are required to be in operation upon loss of normal plant power due to abnormal plant conditions. Critical loads, such as the steam turbine generator (STG), breaker control, STG protection systems, STG voltage regulation, and the Distributive Control System (DCS) must remain in service to safely shut down equipment and systems during an unexpected plant outage or system failure.

Project Need Justification

Batteries typically last 5-7 years; the existing batteries are at the end of this lifespan and need to be replaced. A properly functioning uninterruptible power source (UPS) is required for both safety and compliance.

Project Alternatives

There is no alternative for this project. These batteries must be replaced for safety and compliance reasons.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver

Compliance

Safety

In the event of an unexpected plant outage or system failure, continuous direct current (DC) power supply to critical PDC loads is imperative for a safe shut down of plant equipment and systems. Loss of this power could result in catastrophic equipment failure that would endanger employees.

Reliability

In the event of an unexpected plant outage or system failure, continuous DC power supply to critical PDC loads is imperative for a safe shut down of plant equipment and systems. Loss of this power could result in catastrophic equipment failure, which would keep the unit out of service for extended periods of time.

System Performance

Security

Compliance

DC Station Supply is covered in multiple North American Electric Reliability Corporation (NERC) requirements, such as PRC-005-6, which requires them to be included in a time-based maintenance program.

Environmental

**Project No:** **70716424 Afton PDC Battery Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | 87,900 | - | - | - | - | - | - | - | 87,900 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | 3,824 | - | - | - | - | - | - | - | 3,824 |
| 928: AFUDC Debt | - | - | - | - | - | 82 | - | - | - | - | - | - | - | 82 |
| 929: AFUDC Equity | - | - | - | - | - | 143 | - | - | - | - | - | - | - | 143 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (91,949) | - | - | - | - | - | - | - | (91,949) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70717823** **Afton PECC Battery Replacement**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project will replace the batteries used in the Afton Packaged Electrical Control Center (PECC). PECC batteries supply continuous direct current power to critical station loads that are required to be in operation upon loss of normal plant power due to abnormal plant conditions. Critical loads, such as relay power supplies and breaker-tripping power must remain in service to safely shut down equipment and systems during an unexpected plant outage or system failure.

Project Need Justification

Batteries typically last 5-7 years; the existing batteries are at the end of this lifespan and need to be replaced. A properly functioning uninterruptible power source (UPS) is required for both safety and compliance.

Project Alternatives

There is no alternative for this project. These batteries must be replaced for safety and compliance reasons.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver

Compliance

Safety

In the event of an unexpected plant outage or system failure, continuous direct current (DC) power supply to relays and breakers is imperative for a safe shut down of plant equipment and systems. Loss of this power could result in catastrophic equipment failure that would endanger employees.

Reliability

In the event of an unexpected plant outage or system failure, continuous direct current (DC) power supply to relays and breakers is imperative for a safe shut down of plant equipment and systems. Loss of this power could result in catastrophic equipment failure, which would keep the unit out of service for extended periods of time.

System Performance

Security

Compliance

DC Station Supply is covered in multiple North American Electric Reliability Corporation (NERC) requirements, such as PRC-005-6, which requires them to be included in a time-based maintenance program.

Environmental

**Project No:** **70717823 Afton PECC Battery Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 76,700 | - | - | - | - | - | - | - | - | 76,700 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 2,754 | - | - | - | - | - | - | - | - | 2,754 |
| 928: AFUDC Debt | - | - | - | - | 84 | - | - | - | - | - | - | - | - | 84 |
| 929: AFUDC Equity | - | - | - | - | 108 | - | - | - | - | - | - | - | - | 108 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (79,646) | - | - | - | - | - | - | - | - | (79,646) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | 0 | - | - | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 76,700 | - | - | - | - | - | - | - | - | - | - | - | - | 76,700 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 2,754 | - | - | - | - | - | - | - | - | - | - | - | - | 2,754 |
| 928: AFUDC Debt | 84 | - | - | - | - | - | - | - | - | - | - | - | - | 84 |
| 929: AFUDC Equity | 108 | - | - | - | - | - | - | - | - | - | - | - | - | 108 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (79,646) | - | - | - | - | - | - | - | - | - | - | - | - | (79,646) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **71519017** **Four Corners Facility Improvements**

Company: 003 Bulk Power
Location: 715 Four Corners Power Station

**Project Information** County % San Juan 100%

Estimated Start Date 1/1/2017

Estimated Completion Date 12/31/2024

Description

This project covers multiple facility improvements projects at Four Corners, a plant that is operated by Arizona Public Service Electric (APS), and funded by a consortium of utilities including APS and PNM. This project's activities were initiated after those in project 71519210.

Project Need Justification

As the primary operator of the Four Corners plant, APS identifies capital projects that need to be performed. These projects are assigned to one of following categories: Safety, Environmental, Regulatory, Strategic, Reliability.

At the time a project is identified, the project is assigned to a budget category. APS' Plant, Finance, and Projects departments work together to assign the category. Projects that fall under a specific safety regulation (i.e., OHSA), code or standard (e.g., Boiler Code, National Fire Protection Association [NFPA]), or that pose an obvious risk to personnel or equipment, are classified as Safety (examples may include safety access platforms or electrical arc protection). Projects that fall under a specific environmental regulation (e.g., Clean Air Act [CAA], Mercury and Air Toxic Standards [MATS], and Coal Combustion Residuals [CCR]) or the project is related to an environmental system (e.g., Baghouse, Scrubber, Ponds) are classified as Environmental (examples may include baghouse bag replacements or improvements to the sulfur scrubber controls). Projects that fall under a specific regulation (e.g., Critical Infrastructure Protection [CIP], State Laws) are classified as Regulatory. Projects that have O&M savings or Equivalent Availability Factor (EAF) impact are classified as Reliability (examples may include equipment such as pump, compressor or other equipment replacements). Projects related to Cultural, Community, Facilities, IT and Communications are classified as Strategic.

The System Health process is conducted by APS by breaking down its plants into many different process areas and systems. These process areas are assigned to subject matter experts (SME) or process teams who act as the system health experts. The SME/team has the responsibility to evaluate system health for these process areas based on equipment condition and performance parameters. The SME/team reviews and evaluates system issues including equipment reliability issues, forced outage related information, corrective maintenance history, work order backlog, vendor bulletins, etc. and assigns a system health color (Green, White, Yellow or Red) to the system. Systems or process areas with yellow or red colors require a system health plan to move the system back to white or green. The plan may include a capital project to address the system health. Full evaluations occur once a year. System colors and plans are evaluated at least quarterly by the Plant Health Committee.

Project Alternatives

Numerous alternatives are considered on a project by project basis which are recorded in individual project request documentation. The APS Capital Project process can be referenced for project alternatives evaluations. Often times, large scale projects will be preceded by an engineering study that typically outlines the number of alternatives and benefits/costs of the various alternatives.

Project Estimate Approach

Projects are estimated by APS Capital projects group by utilizing an independent third party engineering firm. The APS Engineering Service Provider (ESP) has a team of engineers/resources who develops project scopes, cost estimates and milestone schedules leveraging data and experience from past projects with similar scopes.

Customer Benefit

Customers benefit with continued ongoing safe, reliable, regulatory compliant and cost-effective management and operation of power generation assets.

Primary Value Driver Compliance

Safety This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

System Performance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **71519017** **Four Corners Facility Improvements**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 64,659,469 | 907,400 | 1,067,820 | 1,048,320 | 1,148,160 | 892,450 | 866,320 | 70,589,939 |
| 426: Capitalized Interest | 1,805 | - | - | - | - | - | - | 1,805 |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 522,963 | 7,441 | 8,756 | 8,596 | 9,415 | 7,318 | 7,104 | 571,592 |
| 928: AFUDC Debt | 558,666 | 11,568 | 12,550 | 13,882 | 14,178 | 15,221 | 15,712 | 641,777 |
| 929: AFUDC Equity | 1,020,993 | 27,764 | 30,122 | 33,320 | 34,028 | 36,533 | 37,711 | 1,220,471 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (55,845,085) | (289,530) | (112,181) | (890,308) | (286,237) | (546,559) | (2,271,046) | (60,240,946) |
| 825: Closing Cost of Removal | (3,065,845) | (4,266) | (2,109) | (19,603) | (7,189) | (14,818) | (65,485) | (3,179,314) |
| Project Net | 7,852,967 | 660,377 | 1,004,957 | 194,207 | 912,355 | 390,145 | (1,409,685) | 9,605,324 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 70,589,939 | 838,899 | 659,499 | 1,730,829 | 1,307,753 | 849,122 | 803,500 | 643,248 | 169,079 | 879,009 | 679,454 | 706,234 | 3,685,324 | 83,541,889 |
| 426: Capitalized Interest | 1,805 | - | - | - | - | - | - | - | - | - | - | - | - | 1,805 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 571,592 | 6,879 | 5,408 | 14,193 | 10,724 | 6,963 | 6,589 | 5,275 | 1,386 | 7,208 | 5,572 | 5,791 | 30,220 | 677,798 |
| 928: AFUDC Debt | 641,777 | 20,680 | 21,873 | 24,185 | 27,264 | 27,673 | 27,020 | 26,377 | 26,605 | 27,379 | 29,018 | 30,079 | 33,520 | 963,449 |
| 929: AFUDC Equity | 1,220,471 | 26,381 | 27,902 | 30,851 | 34,779 | 35,301 | 34,467 | 33,647 | 33,938 | 34,925 | 37,016 | 38,370 | 42,759 | 1,630,807 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (60,240,946) | (203,622) | (106,587) | (61,322) | (902,561) | (1,161,995) | (1,056,969) | (341,715) | (198,321) | (37,609) | (230,272) | (552,597) | (6,471,395) | (71,565,912) |
| 825: Closing Cost of Removal | (3,179,314) | (6,232) | (3,388) | (2,116) | (32,544) | (42,887) | (39,820) | (13,065) | (7,584) | (1,466) | (9,085) | (22,046) | (274,003) | (3,633,550) |
| Project Net | 9,605,324 | 682,985 | 604,706 | 1,736,620 | 445,415 | (285,822) | (225,213) | 353,766 | 25,103 | 909,446 | 511,702 | 205,830 | (2,953,576) | 11,616,286 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 83,541,889 | 3,087,192 | 3,087,192 | 3,087,192 | 1,889,468 | 565,086 | 565,086 | 565,086 | 565,086 | 565,086 | 565,086 | 565,086 | 565,086 | 99,213,621 |
| 426: Capitalized Interest | 1,805 | - | - | - | - | - | - | - | - | - | - | - | - | 1,805 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 677,798 | 25,315 | 25,315 | 25,315 | 15,494 | 4,634 | 4,634 | 4,634 | 4,634 | 4,634 | 4,634 | 4,634 | 4,634 | 806,307 |
| 928: AFUDC Debt | 963,449 | 22,669 | 27,838 | 32,980 | 22,134 | 23,639 | 22,345 | 22,853 | 22,531 | 22,226 | 21,938 | 21,666 | 21,410 | 1,247,679 |
| 929: AFUDC Equity | 1,630,807 | 39,296 | 48,255 | 57,169 | 38,369 | 40,976 | 38,734 | 39,615 | 39,056 | 38,528 | 38,029 | 37,557 | 37,112 | 2,123,503 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (71,565,912) | (141,571) | (170,476) | (8,509,099) | (398,512) | (1,325,845) | (319,180) | (783,093) | (772,266) | (762,039) | (752,379) | (743,253) | (12,243,886) | (98,487,512) |
| 825: Closing Cost of Removal | (3,633,550) | (6,282) | (7,785) | (396,025) | (18,811) | (62,592) | (15,074) | (36,992) | (36,492) | (36,022) | (35,580) | (35,165) | (579,573) | (4,899,943) |
| Project Net | 11,616,286 | 3,026,619 | 3,010,340 | (5,702,467) | 1,548,141 | (754,102) | 296,544 | (187,897) | (177,452) | (167,588) | (158,272) | (149,475) | (12,195,217) | 5,460 |

**Project No:** **71519117** **Four Corners Facility - Switchyard**

Company: 003 Bulk Power
Location: 715 Four Corners Power Station

**Project Information** County % San Juan 100%

Estimated Start Date 1/1/2017

Estimated Completion Date 12/31/2027

Description

This project covers switchyard capital improvements at Four Corners, a plant that is operated by Arizona Public Service Electric (APS), and funded by a consortium of utilities including APS and PNM.

Project Need Justification

Projects in the switchyard of Four Corners are reviewed and scheduled after agreement by a majority of the consortium of owners of the facility. Typically these projects involve adherence to safety hazards, maintenance of regulatory compliance, improvement of system reliability, and/or optimization of maintenance costs. The decision to move forward with any of these projects is determined by a majority of the owners of the facility, and financial participation is contractually obligated for all facility owners.

Project Alternatives

Each project is evaluated on its own merit for possible alternatives to ensure the recommended project path approved is the most viable option. Funds for this project are contractually obligated.

Project Estimate Approach

Estimates for each project, depending on type, will use previous similar projects for reference, vendor quotes for equipment, contractor installation budgetary quotes, and engineering and project manager estimates.

Customer Benefit

Customer benefit is realized by safe, reliable, regulatory compliant and cost-effective management of power generation assets.

Primary Value Driver Compliance

Safety This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

System Performance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **71519117** **Four Corners Facility - Switchyard**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 1,403,582 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 1,463,582 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 11,509 | 82 | 82 | 82 | 82 | 82 | 82 | 12,001 |
| 928: AFUDC Debt | 33,962 | 139 | 153 | 167 | 77 | 91 | 105 | 34,692 |
| 929: AFUDC Equity | 46,601 | 333 | 367 | 401 | 184 | 217 | 251 | 48,354 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,328,622) | - | - | (74,456) | - | - | (47,571) | (1,450,649) |
| 825: Closing Cost of Removal | (72,463) | - | - | (1,370) | - | - | (1,461) | (75,293) |
| Project Net | 94,569 | 10,554 | 10,602 | (65,175) | 10,343 | 10,390 | (38,595) | 32,688 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 1,463,582 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 104,193 | 2,713,894 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 12,001 | 854 | 854 | 854 | 854 | 854 | 854 | 854 | 854 | 854 | 854 | 854 | 854 | 22,254 |
| 928: AFUDC Debt | 34,692 | 173 | 386 | 600 | 603 | 818 | 1,034 | 907 | 1,124 | 1,341 | 1,124 | 1,341 | 688 | 44,831 |
| 929: AFUDC Equity | 48,354 | 221 | 493 | 766 | 769 | 1,043 | 1,318 | 1,157 | 1,434 | 1,711 | 1,433 | 1,711 | 877 | 61,287 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (1,450,649) | - | - | (100,093) | - | - | (161,527) | - | - | (205,158) | - | (410,303) | (374,863) | (2,702,593) |
| 825: Closing Cost of Removal | (75,293) | - | - | (5,048) | - | - | (8,289) | - | - | (10,558) | - | (21,121) | (19,365) | (139,673) |
| Project Net | 32,688 | 105,442 | 105,926 | 1,272 | 106,418 | 106,907 | (62,417) | 107,112 | 107,604 | (107,616) | 107,604 | (323,325) | (287,616) | (0) |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 2,713,894 | - | - | - | - | - | - | - | - | - | - | - | - | 2,713,894 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 22,254 | - | - | - | - | - | - | - | - | - | - | - | - | 22,254 |
| 928: AFUDC Debt | 44,831 | - | - | - | - | - | - | - | - | - | - | - | - | 44,831 |
| 929: AFUDC Equity | 61,287 | - | - | - | - | - | - | - | - | - | - | - | - | 61,287 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (2,702,593) | - | - | - | - | - | - | - | - | - | - | - | - | (2,702,593) |
| 825: Closing Cost of Removal | (139,673) | - | - | - | - | - | - | - | - | - | - | - | - | (139,673) |
| Project Net | (0) | - | - | - | - | - | - | - | - | - | - | - | - | (0) |

**Project No:** **71519210** **Four Corners Facility Improvements**

Company: 003 Bulk Power
Location: 715 Four Corners Power Station

**Project Information** County % San Juan 100%

Estimated Start Date 10/1/2008

Estimated Completion Date 12/31/2024

Description

This project covers multiple facility improvements projects at Four Corners, a plant that is operated by Arizona Public Service Electric (APS), and funded by a consortium of utilities including APS and PNM. This project's activities were initiated before those in project 71519017.

Project Need Justification

As the primary operator of the Four Corners plant, APS identifies capital projects that need to be performed. These projects are assigned to one of following categories: Safety, Environmental, Regulatory, Strategic, Reliability.

At the time a project is identified, the project is assigned to a budget category. APS' Plant, Finance, and Projects departments work together to assign the category. Projects that fall under a specific safety regulation (i.e., OHSA), code or standard (e.g., Boiler Code, National Fire Protection Association [NFPA]), or that post an obvious risk to personnel or equipment, are classified as Safety (examples may include safety access platforms or electrical arc protection). Projects that fall under a specific environmental regulation (e.g., Clean Air Act [CAA], Mercury and Air Toxic Standards [MATS], and Coal Combustion Residuals [CCR]) or the project is related to an environmental system (e.g., Baghouse, Scrubber, Ponds) are classified as Environmental (examples may include baghouse bag replacements or improvements to the sulfur scrubber controls). Projects that fall under a specific regulation (e.g., Critical Infrastructure Protection [CIP], State Laws) are classified as Regulatory. Projects that have O&M savings or Equivalent Availability Factor (EAF) impact are classified as Reliability (examples may include equipment such as pump, compressor or other equipment replacements). Projects related to Cultural, Community, Facilities, IT and Communications are classified as Strategic.

The System Health process is conducted by APS by breaking down its plants into many different process areas and systems. These process areas are assigned to subject matter experts (SME) or process teams who act as the system health experts. The SME/team has the responsibility to evaluate system health for these process areas based on equipment condition and performance parameters. The SME/team reviews and evaluates system issues including equipment reliability issues, forced outage related information, corrective maintenance history, work order backlog, vendor bulletins, etc. and assigns a system health color (Green, White, Yellow or Red) to the system. Systems or process areas with yellow or red colors require a system health plan to move the system back to white or green. The plan may include a capital project to address the system health. Full evaluations occur once a year. System colors and plans are evaluated at least quarterly by the Plant Health Committee.

Project Alternatives

Numerous alternatives are considered on a project by project basis which are recorded in individual project request documentation. The APS Capital Project process can be referenced for project alternatives evaluations. Often times, large scale projects will be preceded by an engineering study that typically outlines the number of alternatives and benefits/costs of the various alternatives.

Project Estimate Approach

Projects are estimated by APS Capital projects group by utilizing an independent third party engineering firm. The APS Engineering Service Provider (ESP) has a team of engineers/resources who develops project scopes, cost estimates and milestone schedules

Customer Benefit

Customers benefit with continued ongoing safe, reliable, regulatory compliant and cost-effective management and operation of power generation assets.

Primary Value Driver Compliance

Safety This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

System Performance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **71519210** **Four Corners Facility Improvements**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 71,078,811 | 8,710 | 13,000 | 52,130 | 52,000 | 48,230 | 63,700 | 71,316,581 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (115) | - | - | - | - | - | - | (115) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 582,382 | 71 | 107 | 427 | 426 | 395 | 522 | 584,331 |
| 928: AFUDC Debt | 1,254,660 | 537 | 554 | 601 | 674 | 745 | 825 | 1,258,598 |
| 929: AFUDC Equity | 1,554,083 | 1,289 | 1,331 | 1,443 | 1,619 | 1,789 | 1,979 | 1,563,532 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (68,411,149) | - | - | - | - | - | - | (68,411,149) |
| 825: Closing Cost of Removal | (5,680,576) | - | - | - | - | - | - | (5,680,576) |
| Project Net | 378,096 | 10,608 | 14,992 | 54,601 | 54,719 | 51,160 | 67,026 | 631,203 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 71,316,581 | 260 | 8,710 | 19,500 | 232,830 | 236,860 | 230,360 | 229,060 | 152,100 | 11,180 | 29,640 | 2,470 | - | 72,469,551 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (115) | - | - | - | - | - | - | - | - | - | - | - | - | (115) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 584,331 | 2 | 71 | 160 | 1,909 | 1,942 | 1,889 | 1,878 | 1,247 | 92 | 243 | 20 | - | 593,786 |
| 928: AFUDC Debt | 1,258,598 | 1,313 | 1,328 | 1,363 | 1,627 | 2,113 | 2,598 | 3,079 | 3,481 | 3,664 | 3,724 | 3,774 | - | 1,286,662 |
| 929: AFUDC Equity | 1,563,532 | 1,675 | 1,694 | 1,739 | 2,075 | 2,695 | 3,315 | 3,927 | 4,441 | 4,675 | 4,750 | 4,815 | - | 1,599,333 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (68,411,149) | - | - | - | - | - | - | - | - | - | - | (1,785,182) | - | (70,196,331) |
| 825: Closing Cost of Removal | (5,680,576) | - | - | - | - | - | - | - | - | - | - | (70,528) | - | (5,751,104) |
| Project Net | 631,203 | 3,249 | 11,804 | 22,762 | 238,441 | 243,610 | 238,162 | 237,944 | 161,270 | 19,611 | 38,357 | (1,844,631) | - | 1,782 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 72,469,551 | - | - | - | - | - | - | - | - | - | - | - | - | 72,469,551 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (115) | - | - | - | - | - | - | - | - | - | - | - | - | (115) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 593,786 | - | - | - | - | - | - | - | - | - | - | - | - | 593,786 |
| 928: AFUDC Debt | 1,286,662 | - | - | - | - | - | - | - | - | - | - | - | - | 1,286,662 |
| 929: AFUDC Equity | 1,599,333 | - | - | - | - | - | - | - | - | - | - | - | - | 1,599,333 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (70,196,331) | - | - | - | - | - | - | - | - | - | - | - | - | (70,196,331) |
| 825: Closing Cost of Removal | (5,751,104) | - | - | - | - | - | - | - | - | - | - | - | - | (5,751,104) |
| Project Net | 1,782 | - | - | - | - | - | - | - | - | - | - | - | - | 1,782 |

**Project No:** **72123410** **PV U1**

Company: 003 Bulk Power
Location: 721 Palo Verde Unit 1

**Project Information** County % MaricopaAZ 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 1/31/2028

Description
These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) Unit 1.

Project Need Justification
Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified.

Project Alternatives
There are no other alternatives for this project, as it is contractually obligated. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047. This contract provides the only alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

Project Estimate Approach
Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21.

Customer Benefit
Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver
Compliance

Safety
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

System Performance
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **72123410** **PV U1**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 391 | - | - | - | - | - | - | 391 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 47,398,678 | 225,748 | 227,210 | 204,070 | 177,328 | 184,750 | 213,471 | 48,631,255 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (607,940) | - | - | - | - | - | - | (607,940) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 27 | - | - | - | - | - | - | 27 |
| 914: Pension and Benefits | 139 | - | - | - | - | - | - | 139 |
| 915: Injuries and Damages | 12 | - | - | - | - | - | - | 12 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 388,675 | 1,851 | 1,863 | 1,673 | 1,454 | 1,515 | 1,750 | 398,782 |
| 928: AFUDC Debt | 836,969 | 6,602 | 6,765 | 7,092 | 6,276 | 5,891 | 6,191 | 875,787 |
| 929: AFUDC Equity | 1,222,907 | 15,845 | 16,238 | 17,022 | 15,064 | 14,140 | 14,860 | 1,316,075 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (42,989,317) | (125,763) | - | (787,676) | (469,722) | - | (555,559) | (44,928,037) |
| 825: Closing Cost of Removal | (1,283,468) | (13,887) | - | (81,860) | (47,505) | - | (52,903) | (1,479,622) |
| Project Net | 4,967,073 | 110,396 | 252,076 | (639,678) | (317,104) | 206,296 | (372,189) | 4,206,870 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 391 | - | - | - | - | - | - | - | - | - | - | - | - | 391 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 48,631,255 | 13,563 | 30,309 | 28,835 | 41,992 | 86,748 | 82,716 | 105,783 | 236,188 | 200,040 | 442,454 | 175,156 | 43,244 | 50,118,282 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (607,940) | - | - | - | - | - | - | - | - | - | - | - | - | (607,940) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 27 | - | - | - | - | - | - | - | - | - | - | - | - | 27 |
| 914: Pension and Benefits | 139 | - | - | - | - | - | - | - | - | - | - | - | - | 139 |
| 915: Injuries and Damages | 12 | - | - | - | - | - | - | - | - | - | - | - | - | 12 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 398,782 | 111 | 249 | 236 | 344 | 711 | 678 | 867 | 1,937 | 1,640 | 3,628 | 1,436 | 355 | 410,976 |
| 928: AFUDC Debt | 875,787 | 8,420 | 8,506 | 8,608 | 8,723 | 8,897 | 9,114 | 9,309 | 9,111 | 9,604 | 9,702 | 10,146 | 10,115 | 986,044 |
| 929: AFUDC Equity | 1,316,075 | 10,741 | 10,851 | 10,981 | 11,127 | 11,350 | 11,627 | 11,875 | 11,623 | 12,251 | 12,376 | 12,943 | 12,904 | 1,456,723 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (44,928,037) | - | - | - | - | - | (20,327) | (279,941) | - | (286,495) | (112,007) | (143,195) | (1,475,681) | (47,245,683) |
| 825: Closing Cost of Removal | (1,479,622) | - | - | - | - | - | (1,815) | (24,581) | - | (23,750) | (8,841) | (11,069) | (113,079) | (1,662,757) |
| Project Net | 4,206,870 | 32,836 | 49,914 | 48,661 | 62,186 | 107,706 | 81,994 | (176,688) | 258,859 | (86,709) | 347,313 | 45,416 | (1,522,143) | 3,456,215 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 391 | - | - | - | - | - | - | - | - | - | - | - | - | 391 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 50,118,282 | 12,626 | 18,416 | 31,851 | 22,376 | 13,159 | 25,278 | 36,319 | 37,906 | 56,495 | 36,896 | 39,198 | 30,837 | 50,479,639 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (607,940) | - | - | - | - | - | - | - | - | - | - | - | - | (607,940) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 27 | - | - | - | - | - | - | - | - | - | - | - | - | 27 |
| 914: Pension and Benefits | 139 | - | - | - | - | - | - | - | - | - | - | - | - | 139 |
| 915: Injuries and Damages | 12 | - | - | - | - | - | - | - | - | - | - | - | - | 12 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 410,976 | 104 | 151 | 261 | 183 | 108 | 207 | 298 | 311 | 463 | 303 | 321 | 253 | 413,939 |
| 928: AFUDC Debt | 986,044 | 5,990 | 6,006 | 6,062 | 6,058 | 6,056 | 6,060 | 6,070 | 6,143 | 6,229 | 6,338 | 6,433 | 6,522 | 1,060,011 |
| 929: AFUDC Equity | 1,456,723 | 10,384 | 10,411 | 10,507 | 10,500 | 10,499 | 10,505 | 10,523 | 10,648 | 10,798 | 10,986 | 11,151 | 11,306 | 1,584,941 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (47,245,683) | (22,705) | (9,839) | (45,109) | (34,335) | (33,251) | (40,520) | (12,236) | (14,236) | (1,869) | (1,372) | (1,575) | (93,585) | (47,556,315) |
| 825: Closing Cost of Removal | (1,662,757) | (1,729) | (744) | (3,380) | (2,553) | (2,456) | (2,969) | (888) | (1,024) | (133) | (97) | (110) | (6,486) | (1,685,326) |
| Project Net | 3,456,215 | 4,670 | 24,402 | 193 | 2,230 | (5,885) | (1,439) | 40,085 | 39,747 | 71,984 | 53,054 | 55,417 | (51,153) | 3,689,519 |

**Project No:** **72223410** **PV U2**

Company: 003 Bulk Power
Location: 722 Palo Verde Unit 2

**Project Information** County % MaricopaAZ 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 1/31/2028

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) Unit 2.

Project Need Justification

Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified.

Project Alternatives

There are no other alternatives for this project, as it is contractually obligated. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047. This contract provides the only alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

Project Estimate Approach

Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Compliance

Safety This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

System Performance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **72223410** **PV U2**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 50,826,929 | 272,732 | 220,882 | 161,047 | 159,876 | 76,323 | 197,866 | 51,915,655 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (1,164,558) | - | - | - | - | - | - | (1,164,558) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 416,781 | 2,236 | 1,811 | 1,321 | 1,311 | 626 | 1,623 | 425,709 |
| 928: AFUDC Debt | 1,061,001 | 7,556 | 7,935 | 8,227 | 8,263 | 8,466 | 8,027 | 1,109,474 |
| 929: AFUDC Equity | 1,567,369 | 18,135 | 19,044 | 19,746 | 19,832 | 20,320 | 19,265 | 1,683,713 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (45,916,185) | - | (7,458) | (160,363) | - | (474,926) | (403,722) | (46,962,655) |
| 825: Closing Cost of Removal | (633,066) | - | (1,204) | (25,192) | - | (71,528) | (58,837) | (789,827) |
| Project Net | 6,158,272 | 300,660 | 241,009 | 4,786 | 189,282 | (440,718) | (235,779) | 6,217,511 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 51,915,655 | 158,240 | 261,311 | 751,127 | 2,492,729 | 491,533 | 194,038 | 161,655 | 172,355 | 168,709 | 136,609 | 93,636 | 133,363 | 57,130,960 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (1,164,558) | - | - | - | - | - | - | - | - | - | - | - | - | (1,164,558) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 425,709 | 1,298 | 2,143 | 6,159 | 20,440 | 4,031 | 1,591 | 1,326 | 1,413 | 1,383 | 1,120 | 768 | 1,094 | 468,474 |
| 928: AFUDC Debt | 1,109,474 | 11,657 | 12,152 | 10,980 | 12,138 | 15,166 | 10,320 | 10,521 | 10,778 | 11,187 | 11,549 | 11,569 | 10,786 | 1,248,278 |
| 929: AFUDC Equity | 1,683,713 | 14,870 | 15,501 | 14,007 | 15,484 | 19,346 | 13,165 | 13,421 | 13,749 | 14,270 | 14,732 | 14,758 | 13,759 | 1,860,776 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (46,962,655) | - | (1,076,165) | (1,073,985) | (69,737) | (2,650,714) | (103,758) | (66,836) | - | (5,043) | (129,993) | (506,155) | (1,336,257) | (53,981,297) |
| 825: Closing Cost of Removal | (789,827) | - | (146,358) | (129,747) | (6,070) | (219,122) | (8,312) | (5,215) | - | (374) | (9,432) | (36,157) | (93,468) | (1,444,082) |
| Project Net | 6,217,511 | 186,065 | (931,416) | (421,458) | 2,464,985 | (2,339,762) | 107,044 | 114,870 | 198,296 | 190,133 | 24,585 | (421,582) | (1,270,722) | 4,118,551 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 57,130,960 | 63,761 | 102,595 | 87,107 | 83,367 | 98,580 | 141,459 | 206,332 | 1,129,262 | 1,417,097 | 2,980,907 | 769,907 | 112,113 | 64,323,448 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (1,164,558) | - | - | - | - | - | - | - | - | - | - | - | - | (1,164,558) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 468,474 | 523 | 841 | 714 | 684 | 808 | 1,160 | 1,692 | 9,260 | 11,620 | 24,443 | 6,313 | 919 | 527,452 |
| 928: AFUDC Debt | 1,248,278 | 6,934 | 6,088 | 6,283 | 6,458 | 6,075 | 6,049 | 5,611 | 6,521 | 8,730 | 12,615 | 15,296 | 12,305 | 1,347,243 |
| 929: AFUDC Equity | 1,860,776 | 12,020 | 10,553 | 10,891 | 11,195 | 10,530 | 10,486 | 9,727 | 11,303 | 15,134 | 21,867 | 26,514 | 21,330 | 2,032,326 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (53,981,297) | (571,451) | (1,541) | (3,318) | (320,328) | (148,667) | (431,254) | (165,232) | (39,133) | (22,688) | (385,211) | (2,139,412) | (3,335,676) | (61,545,208) |
| 825: Closing Cost of Removal | (1,444,082) | (39,377) | (104) | (219) | (20,757) | (9,426) | (26,565) | (9,764) | (1,962) | (997) | (14,506) | (78,103) | (120,637) | (1,766,498) |
| Project Net | 4,118,551 | (527,591) | 118,434 | 101,458 | (239,382) | (42,099) | (298,665) | 48,366 | 1,115,252 | 1,428,897 | 2,640,116 | (1,399,484) | (3,309,646) | 3,754,205 |

**Project No:** **72323410** **PV U3**

Company: 003 Bulk Power
Location: 723 Palo Verde Unit 3

**Project Information** County % MaricopaAZ 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 1/31/2028

Description
These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) Unit 3.

Project Need Justification
Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified.

Project Alternatives
There are no other alternatives for this project, as it is contractually obligated. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047. This contract provides the only alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

Project Estimate Approach
Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21.

Customer Benefit
Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver
Compliance

Safety
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

System Performance
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental
This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **72323410** **PV U3**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 13,343 | - | - | - | - | - | - | 13,343 |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 51,534,708 | 350,181 | 1,241,415 | 1,515,330 | 1,650,419 | 727,884 | 110,597 | 57,130,534 |
| 426: Capitalized Interest | 946,388 | - | - | - | - | - | - | 946,388 |
| 610: Expenses - General | (496,468) | - | - | - | - | - | - | (496,468) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 888 | - | - | - | - | - | - | 888 |
| 914: Pension and Benefits | 4,000 | - | - | - | - | - | - | 4,000 |
| 915: Injuries and Damages | 339 | - | - | - | - | - | - | 339 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 422,623 | 2,871 | 10,180 | 12,426 | 13,533 | 5,969 | 907 | 468,508 |
| 928: AFUDC Debt | 331,095 | 8,761 | 9,918 | 11,896 | 14,170 | 15,592 | 11,153 | 402,584 |
| 929: AFUDC Equity | 561,362 | 21,028 | 23,804 | 28,552 | 34,010 | 37,422 | 26,768 | 732,945 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (47,868,934) | - | - | - | (220,816) | (3,610,156) | (1,088,699) | (52,788,605) |
| 825: Closing Cost of Removal | (622,048) | - | - | - | 23,947 | 361,287 | 106,693 | (130,121) |
| Project Net | 4,827,297 | 382,841 | 1,285,316 | 1,568,203 | 1,515,264 | (2,462,002) | (832,582) | 6,284,337 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 13,343 | - | - | - | - | - | - | - | - | - | - | - | - | 13,343 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 57,130,534 | 93,222 | 284,866 | 146,966 | 157,255 | 177,517 | 216,444 | 121,449 | 140,481 | 218,753 | 137,288 | 258,695 | 237,338 | 59,320,809 |
| 426: Capitalized Interest | 946,388 | - | - | - | - | - | - | - | - | - | - | - | - | 946,388 |
| 610: Expenses - General | (496,468) | - | - | - | - | - | - | - | - | - | - | - | - | (496,468) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 888 | - | - | - | - | - | - | - | - | - | - | - | - | 888 |
| 914: Pension and Benefits | 4,000 | - | - | - | - | - | - | - | - | - | - | - | - | 4,000 |
| 915: Injuries and Damages | 339 | - | - | - | - | - | - | - | - | - | - | - | - | 339 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 468,508 | 764 | 2,336 | 1,205 | 1,289 | 1,456 | 1,775 | 996 | 1,152 | 1,794 | 1,126 | 2,121 | 1,946 | 486,469 |
| 928: AFUDC Debt | 402,584 | 14,772 | 3,964 | 4,438 | 4,728 | 4,861 | 3,050 | 3,411 | 3,632 | 4,018 | 4,401 | 4,840 | 5,216 | 463,915 |
| 929: AFUDC Equity | 732,945 | 18,843 | 5,056 | 5,662 | 6,031 | 6,201 | 3,891 | 4,351 | 4,633 | 5,126 | 5,614 | 6,174 | 6,653 | 811,181 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (52,788,605) | (5,301,103) | - | (24,842) | (113,999) | (1,057,972) | (4,649) | (33,955) | (4,596) | (5,531) | - | (80,289) | (399,010) | (59,814,551) |
| 825: Closing Cost of Removal | (130,121) | 509,040 | - | 1,813 | 7,594 | 63,670 | 229 | 1,505 | 181 | 184 | - | 1,994 | 8,367 | 464,457 |
| Project Net | 6,284,337 | (4,664,462) | 296,223 | 135,242 | 62,899 | (804,267) | 220,739 | 97,757 | 145,482 | 224,343 | 148,429 | 193,536 | (139,490) | 2,200,770 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | 13,343 | - | - | - | - | - | - | - | - | - | - | - | - | 13,343 |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 59,320,809 | 189,111 | 329,264 | 724,551 | 2,474,652 | 407,205 | 189,821 | 264,785 | 276,292 | 410,312 | 304,343 | 149,914 | 120,644 | 65,161,705 |
| 426: Capitalized Interest | 946,388 | - | - | - | - | - | - | - | - | - | - | - | - | 946,388 |
| 610: Expenses - General | (496,468) | - | - | - | - | - | - | - | - | - | - | - | - | (496,468) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | 888 | - | - | - | - | - | - | - | - | - | - | - | - | 888 |
| 914: Pension and Benefits | 4,000 | - | - | - | - | - | - | - | - | - | - | - | - | 4,000 |
| 915: Injuries and Damages | 339 | - | - | - | - | - | - | - | - | - | - | - | - | 339 |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 486,469 | 1,551 | 2,700 | 5,941 | 20,292 | 3,339 | 1,557 | 2,171 | 2,266 | 3,365 | 2,496 | 1,229 | 989 | 534,364 |
| 928: AFUDC Debt | 463,915 | 4,093 | 3,685 | 4,641 | 7,465 | 9,131 | 4,735 | 4,759 | 4,812 | 5,224 | 5,597 | 5,849 | 6,105 | 530,010 |
| 929: AFUDC Equity | 811,181 | 7,095 | 6,387 | 8,044 | 12,940 | 15,827 | 8,208 | 8,249 | 8,341 | 9,056 | 9,703 | 10,138 | 10,583 | 925,753 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (59,814,551) | (495,398) | (766) | (27,702) | (522,810) | (2,766,928) | (225,135) | (252,084) | (123,977) | (161,118) | (100,755) | (7,360) | (1,357,963) | (65,856,548) |
| 825: Closing Cost of Removal | 464,457 | 8,882 | 10 | 157 | (2,285) | (14,564) | (1,351) | (1,751) | (970) | (1,435) | (962) | (72) | (13,559) | 436,556 |
| Project Net | 2,200,770 | (284,666) | 341,280 | 715,632 | 1,990,254 | (2,345,990) | (22,165) | 26,130 | 166,762 | 265,404 | 220,422 | 159,698 | (1,233,200) | 2,200,330 |

**Project No:** **72423410** **PV Common**

Company: 003 Bulk Power
Location: 724 Palo Verde Common All Units

**Project Information** County % MaricopaAZ 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 1/31/2028

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at the Palo Verde Nuclear Generating Station (PVNGS) common facilities.

Project Need Justification

Palo Verde completes capital projects annually to maintain the facility in compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified.

Project Alternatives

There are no other alternatives for this project, as it is contractually obligated. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047. This contract provides the only alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

Project Estimate Approach

Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Compliance

Safety This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

System Performance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **72423410** **PV Common**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 570 | - | - | - | - | - | - | 570 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 53,214,863 | 272,346 | 427,832 | 482,560 | 362,091 | 289,166 | 245,683 | 55,294,541 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (204,017) | - | - | - | - | - | - | (204,017) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (958,800) | - | - | - | - | - | - | (958,800) |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 4 | - | - | - | - | - | - | 4 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 436,367 | 2,233 | 3,508 | 3,957 | 2,969 | 2,371 | 2,015 | 453,420 |
| 928: AFUDC Debt | 1,798,124 | 18,132 | 18,648 | 18,973 | 19,243 | 19,661 | 19,878 | 1,912,656 |
| 929: AFUDC Equity | 2,707,803 | 43,518 | 44,757 | 45,537 | 46,186 | 47,188 | 47,709 | 2,982,698 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (43,484,809) | (42,759) | (283,918) | (291,262) | (91,931) | (178,015) | (221,451) | (44,594,146) |
| 825: Closing Cost of Removal | (163,310) | (2,075) | (13,443) | (13,433) | (4,154) | (7,910) | (9,695) | (214,020) |
| Project Net | 13,346,793 | 291,395 | 197,383 | 246,331 | 334,404 | 172,461 | 84,138 | 14,672,905 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 570 | - | - | - | - | - | - | - | - | - | - | - | - | 570 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 55,294,541 | 221,924 | 287,514 | 392,119 | 366,648 | 278,444 | 315,253 | 507,458 | 299,305 | 539,731 | 502,242 | 286,153 | 277,068 | 59,568,400 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (204,017) | - | - | - | - | - | - | - | - | - | - | - | - | (204,017) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (958,800) | - | - | - | - | - | - | - | - | - | - | - | - | (958,800) |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 4 | - | - | - | - | - | - | - | - | - | - | - | - | 4 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 453,420 | 1,820 | 2,358 | 3,215 | 3,007 | 2,283 | 2,585 | 4,161 | 2,454 | 4,426 | 4,118 | 2,346 | 2,272 | 488,466 |
| 928: AFUDC Debt | 1,912,656 | 30,094 | 30,678 | 31,542 | 32,444 | 33,234 | 33,936 | 34,692 | 35,597 | 36,033 | 37,282 | 32,512 | 32,193 | 2,312,894 |
| 929: AFUDC Equity | 2,982,698 | 38,389 | 39,134 | 40,236 | 41,387 | 42,394 | 43,290 | 44,255 | 45,409 | 45,966 | 47,558 | 41,473 | 41,067 | 3,493,255 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (44,594,146) | (46,075) | - | (22,708) | (21,730) | (39,127) | (128,905) | (52,817) | (291,026) | (10,543) | (2,719,492) | (502,746) | (926,629) | (49,355,942) |
| 825: Closing Cost of Removal | (214,020) | (1,990) | - | (946) | (889) | (1,579) | (5,122) | (2,055) | (11,163) | (396) | (100,217) | (18,269) | (33,216) | (389,862) |
| Project Net | 14,672,905 | 244,163 | 359,683 | 443,457 | 420,867 | 315,650 | 261,038 | 535,694 | 80,575 | 615,217 | (2,228,508) | (158,530) | (607,245) | 14,954,966 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 570 | - | - | - | - | - | - | - | - | - | - | - | - | 570 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 59,568,400 | 95,144 | 293,874 | 193,807 | 284,385 | 281,700 | 196,867 | 888,881 | 249,095 | 184,541 | 173,392 | 144,941 | 146,171 | 62,701,197 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | (204,017) | - | - | - | - | - | - | - | - | - | - | - | - | (204,017) |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | (958,800) | - | - | - | - | - | - | - | - | - | - | - | - | (958,800) |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 4 | - | - | - | - | - | - | - | - | - | - | - | - | 4 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 488,466 | 780 | 2,410 | 1,589 | 2,332 | 2,310 | 1,614 | 7,289 | 2,043 | 1,513 | 1,422 | 1,189 | 1,199 | 514,155 |
| 928: AFUDC Debt | 2,312,894 | 26,009 | 26,185 | 26,451 | 24,207 | 24,762 | 25,026 | 25,947 | 25,832 | 26,021 | 25,629 | 25,992 | 26,182 | 2,621,136 |
| 929: AFUDC Equity | 3,493,255 | 45,085 | 45,391 | 45,851 | 41,961 | 42,923 | 43,382 | 44,978 | 44,778 | 45,106 | 44,426 | 45,055 | 45,386 | 4,027,575 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (49,355,942) | (165,563) | (165,302) | (1,558,258) | (37,513) | (157,325) | (93,368) | (698,585) | (180,008) | (466,579) | (25,708) | (109,047) | (2,652,803) | (55,666,001) |
| 825: Closing Cost of Removal | (389,862) | (5,887) | (5,794) | (54,018) | (1,282) | (5,300) | (3,110) | (22,549) | (5,740) | (14,727) | (803) | (3,378) | (81,448) | (593,898) |
| Project Net | 14,954,966 | (4,431) | 196,765 | (1,344,578) | 314,089 | 189,070 | 170,411 | 245,961 | 135,999 | (224,125) | 218,357 | 104,751 | (2,515,314) | 12,441,921 |

**Project No:** **72523410** **PV water reclamation**

Company: 003 Bulk Power
Location: 725 Palo Verde Wtr Rec Facility

**Project Information** County % MaricopaAZ 100%

Estimated Start Date 2/2/2010

Estimated Completion Date 1/31/2028

Description

These are multiple projects that maintain the nuclear reactor, steam generator, turbine generator and related nuclear safety components at Palo Verde Nuclear Generating Station (PVNGS) water reclamation facilities.

Project Need Justification

Palo Verde completes capital projects annually to maintain the facility's compliance with Nuclear Regulatory Commission regulations and to provide the highest capacity factor that is economically justified.

Project Alternatives

There are no other alternatives for this project, as it is contractually obligated. With a 10.2% ownership of PVNGS, PNM is one of seven parties to a Participation Agreement that runs through 2047. This contract provides the only alternative for review of capital projects recommended by the Operating Agent. Projects are evaluated by Palo Verde. If the project is new and not a replacement of like equipment or required by NRC guidelines, alternatives are evaluated by Palo Verde. These alternatives are presented with Palo Verde's recommended action and the Owners then vote on the project.

Project Estimate Approach

Palo Verde uses AACE (Association for the Advancement of Cost Engineering) standards for cost estimations. These standards are recognized by the Department of Energy (DOE) through DOE G 413.3-21.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver Compliance

Safety This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Reliability This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

System Performance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Security

Compliance This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

Environmental This project contains multiple items that affect various components that could impact safety, regulatory compliance and reliability.

**Project No:** **72523410** **PV water reclamation**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 31,286,463 | 118,450 | 100,448 | 294,036 | 205,643 | 154,102 | 218,717 | 32,377,859 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 256,549 | 971 | 824 | 2,411 | 1,686 | 1,264 | 1,793 | 265,498 |
| 928: AFUDC Debt | 584,154 | 2,962 | 3,126 | 3,404 | 3,763 | 4,027 | 4,262 | 605,698 |
| 929: AFUDC Equity | 853,687 | 7,108 | 7,502 | 8,171 | 9,031 | 9,666 | 10,230 | 905,396 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (29,653,288) | (13) | (4,582) | - | - | (28,097) | (72,068) | (29,758,048) |
| 825: Closing Cost of Removal | (511,645) | (5) | (1,568) | - | - | (7,659) | (18,422) | (539,298) |
| Project Net | 2,815,920 | 129,473 | 105,750 | 308,023 | 220,123 | 133,303 | 144,513 | 3,857,105 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 32,377,859 | 235,529 | 152,071 | 187,972 | 332,712 | 188,502 | 234,455 | 176,560 | 190,996 | 285,398 | 189,862 | 147,536 | 191,947 | 34,891,397 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 265,498 | 1,931 | 1,247 | 1,541 | 2,728 | 1,546 | 1,923 | 1,448 | 1,566 | 2,340 | 1,557 | 1,210 | 1,574 | 286,109 |
| 928: AFUDC Debt | 605,698 | 6,764 | 7,196 | 7,581 | 5,152 | 5,624 | 4,407 | 4,852 | 5,237 | 5,754 | 6,272 | 6,529 | 6,895 | 677,959 |
| 929: AFUDC Equity | 905,396 | 8,628 | 9,179 | 9,671 | 6,571 | 7,174 | 5,621 | 6,189 | 6,681 | 7,340 | 8,000 | 8,328 | 8,796 | 997,575 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (29,758,048) | - | - | (1,414,381) | (42,158) | (791,382) | - | (7,947) | - | - | (57,015) | (7,034) | (276,089) | (32,354,054) |
| 825: Closing Cost of Removal | (539,298) | - | - | (310,371) | (8,268) | (146,262) | - | (1,263) | - | - | (7,505) | (892) | (33,521) | (1,047,380) |
| Project Net | 3,857,105 | 252,851 | 169,693 | (1,517,986) | 296,737 | (734,798) | 246,406 | 179,838 | 204,480 | 300,831 | 141,170 | 155,676 | (100,398) | 3,451,607 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | 34,891,397 | 204,451 | 243,676 | 254,616 | 236,455 | 46,387 | 42,011 | 104,662 | 45,001 | 113,049 | 161,551 | 41,719 | 65,908 | 36,450,883 |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 286,109 | 1,677 | 1,998 | 2,088 | 1,939 | 380 | 344 | 858 | 369 | 927 | 1,325 | 342 | 540 | 298,897 |
| 928: AFUDC Debt | 677,959 | 5,706 | 6,124 | 6,586 | 7,039 | 7,140 | 3,016 | 2,912 | 3,034 | 2,699 | 2,912 | 2,917 | 2,985 | 731,029 |
| 929: AFUDC Equity | 997,575 | 9,891 | 10,616 | 11,416 | 12,201 | 12,377 | 5,229 | 5,048 | 5,260 | 4,679 | 5,047 | 5,057 | 5,174 | 1,089,569 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (32,354,054) | - | (1,600) | (4,172) | (99,975) | (2,358,088) | (137,587) | (12,415) | (271,644) | (22,199) | (103,428) | (22,731) | (348,986) | (35,736,878) |
| 825: Closing Cost of Removal | (1,047,380) | - | (176) | (439) | (10,094) | (235,303) | (13,465) | (1,166) | (25,006) | (1,952) | (8,595) | (1,856) | (27,801) | (1,373,233) |
| Project Net | 3,451,607 | 221,725 | 260,638 | 270,095 | 147,565 | (2,527,108) | (100,452) | 99,899 | (242,985) | 97,203 | 58,812 | 25,449 | (302,180) | 1,460,266 |

**Project No:** **75216024** **La Luz Replace SCR Catalysts**

Company: 003 Bulk Power
Location: 752 Gen La Luz Gas Plant

**Project Information** County % Valencia 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

The purpose of the Selective Catalytic Reduction (SCR) catalyst is to reduce the amount of nitrogen oxide (NOx) gas emitted out of the stack of the combustion turbine. A defined limit of NOx is established by the La Luz air permit and PNM is required to meet the State and Federal clean air standards. The SCR lances, structure and catalysts are routinely inspected for cleanliness, seals and integrity. Sample catalyst is also sent to a lab for analysis on effectiveness and remaining life. Recent analysis indicates the catalyst bed is nearing end of life and replacement is expected in 2-3 years at the current run profile. Engineering will secure contracts to purchase and install the new catalyst. In addition, engineering will track all projects costs and schedules.

Project Need Justification

The project is needed to ensure the environmentally compliant operation of the plant.

Project Alternatives

There are no alternatives, La Luz Generating Station (GS) will not be able to operate without a properly functioning SCR catalyst.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funding during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by environmentally compliant management of PNM's power generation assets.

Primary Value Driver Compliance

Safety

Reliability

System Performance

Security

Compliance

The purpose of the SCR catalyst is to reduce the amount of NOx gas emitted out of the stack of the combustion turbine. A defined limit of NOx is established by the La Luz air permit and PNM is required to meet the State and Federal clean air standards.

Environmental

The purpose of the SCR catalyst is to reduce the amount of NOx gas emitted out of the stack of the combustion turbine. A defined limit of NOx is established by the La Luz air permit and PNM is required to meet the State and Federal clean air standards.

**Project No:** **75216024** **La Luz Replace SCR Catalysts**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | 190,987 | - | - | - | - | - | - | - | 286,480 | - | - | 477,467 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | 8,308 | - | - | - | - | - | - | - | 12,462 | - | - | 20,770 |
| 928: AFUDC Debt | - | - | 179 | - | - | - | - | - | - | - | 269 | - | - | 448 |
| 929: AFUDC Equity | - | - | 310 | - | - | - | - | - | - | - | 466 | - | - | 776 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | (199,785) | - | - | - | - | - | - | - | (299,676) | - | - | (499,461) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

System Performance Capital Projects

# PNM Exhibit RBH-7

Is contained in the following 16 pages.

**Project No:** **35730721** **21-03 UPS Replacements for WPM**

Company: 003 Bulk Power
Location: 357 Bulk Power Building Allocation

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2021

Estimated Completion Date 6/30/2023

Description

Replacement of the 2 existing uninterruptable power source (UPS) units at the Wholesale Power Marketing operations location is required. The current units have exceeded their useful life as recommended by the manufacturer and validated by a recent third-party facility assessment. The UPS units are critical to Wholesale Power Marketing operations, and the project scope will include improvements to all supporting infrastructure (e.g., panelboards, switchgear, HVAC [heating, ventilation and air conditioning] modifications, etc.).

Project Need Justification

This project provides backup power for critical loads during power interruptions. Loss of these critical loads could cause loss of communication to the Wholesale Power Marketing who provide essential functions for grid operations.

Project Alternatives

A "do-nothing" scenario is not an option. These units are critical and must be replaced.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as from historical actuals from similar projects PNM has performed in the past. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and combined to the estimated direct costs to create the total project estimate.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant, and cost-effective management of PNM's power generation assets.

Primary Value Driver System Performance

Safety

Reliability

System Performance UPS units ensure continuity of operations in the event of a power failure.

Security

Compliance

Environmental

**Project No:** **35730721** **21-03 UPS Replacements for WPM**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | 16,613 | - | - | 292,600 | - | - | - | 309,213 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 52 | - | - | - | - | - | - | 52 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 909 | - | - | 11,587 | - | - | - | 12,496 |
| 928: AFUDC Debt | 118 | 21 | 22 | 236 | - | - | - | 397 |
| 929: AFUDC Equity | 361 | 51 | 52 | 567 | - | - | - | 1,031 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | (320,302) | - | - | - | (320,302) |
| 825: Closing Cost of Removal | - | - | - | (2,888) | - | - | - | (2,888) |
| Project Net | 18,053 | 73 | 73 | (18,199) | - | - | - | (0) |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 309,213 | - | - | 96,152 | 71,687 | 71,363 | 69,116 | - | - | - | - | - | - | 617,530 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 52 | - | - | - | - | - | - | - | - | - | - | - | - | 52 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 12,496 | - | - | 3,452 | 2,574 | 2,562 | 2,481 | - | - | - | - | - | - | 23,564 |
| 928: AFUDC Debt | 397 | - | - | 106 | 291 | 450 | 607 | - | - | - | - | - | - | 1,851 |
| 929: AFUDC Equity | 1,031 | - | - | 135 | 371 | 574 | 774 | - | - | - | - | - | - | 2,887 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (320,302) | - | - | - | - | - | (322,695) | - | - | - | - | - | - | (642,997) |
| 825: Closing Cost of Removal | (2,888) | - | - | - | - | - | - | - | - | - | - | - | - | (2,888) |
| Project Net | (0) | - | - | 99,845 | 74,923 | 74,949 | (249,717) | - | - | - | - | - | - | 0 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 617,530 | - | - | - | - | - | - | - | - | - | - | - | - | 617,530 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 52 | - | - | - | - | - | - | - | - | - | - | - | - | 52 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 23,564 | - | - | - | - | - | - | - | - | - | - | - | - | 23,564 |
| 928: AFUDC Debt | 1,851 | - | - | - | - | - | - | - | - | - | - | - | - | 1,851 |
| 929: AFUDC Equity | 2,887 | - | - | - | - | - | - | - | - | - | - | - | - | 2,887 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (642,997) | - | - | - | - | - | - | - | - | - | - | - | - | (642,997) |
| 825: Closing Cost of Removal | (2,888) | - | - | - | - | - | - | - | - | - | - | - | - | (2,888) |
| Project Net | 0 | - | - | - | - | - | - | - | - | - | - | - | - | 0 |

**Project No:** **70028222** **IRP Nodal Production Cost Modeling**

Company: 003 Bulk Power
Location: 700 Production Division

**Project Information** County % Bernalillo 100%

Estimated Start Date 4/1/2022

Estimated Completion Date 12/31/2022

Description

In order to better assess the effects of intermittent generation, energy storage, charging and discharging, and transmission impacts on generation planning and dispatch, PNM needs a fully nodal production cost model and associated database. The integrated resource plan (IRP) currently does not leverage this modeling software. This limits the IRP's ability to capture transmission impacts on the location of generation resources, dispatch, curtailments, etc. This leads to sub-optimal planning and ultimately higher costs of purchasing power. Using a proper nodal model for planning will allow PNM to assess transmission impacts on the location and dispatch of generation resources. This will lead to a more optimal and reliable system.

PNM plans to acquire these capabilities by adding to its existing Encompass license.

Project Need Justification

The intent of the software is to help properly identify the most economic and reliable resources to deploy at various locations. For example, with this software, financial net present value (NPV) calculations can be done based on hypothetical scenarios where power needs to be purchased at higher rates due to generating assets not being located at the most strategic locations. Further NPV calculations could done based on hypothetical scenarios of implementing the wrong resource at a much higher cost than otherwise necessary. The project is needed to ensure the right resources are properly placed.

Project Alternatives

PNM considered the PLEXOS platform from Energy Exemplar, but after a number of presentations to Resource Planning and Transmission Planning (the model will be used by both groups), adding to the existing Encompass license was approximately 40% of the cost of switching to the PLEXOS platform.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by implementing the most cost-effective resources across locations.

Primary Value Driver System Performance

Safety

Reliability In expanding modeling options, PNM will be able to implement a more optimal, cost-effective, and reliable system.

System Performance In expanding modeling options, PNM will be able to implement a more optimal, cost-effective, and reliable system.

Security

Compliance

Environmental

**Project No:** **70028222** **IRP Nodal Production Cost Modeling**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 68,320 | - | - | - | - | - | - | 68,320 |
| 370: Outside Services | 173,625 | - | - | - | - | - | - | 173,625 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 701 | 673 | 676 | 687 | 692 | 699 | 710 | 4,838 |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 712 | - | - | - | - | - | - | 712 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 9,581 | - | - | - | - | - | - | 9,581 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (256,374) | (256,374) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 252,939 | 673 | 676 | 687 | 692 | 699 | (255,664) | 701 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 68,320 | - | - | - | - | - | - | - | - | - | - | - | - | 68,320 |
| 370: Outside Services | 173,625 | - | - | - | - | - | - | - | - | - | - | - | - | 173,625 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 4,838 | - | - | - | - | - | - | - | - | - | - | - | - | 4,838 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 712 | - | - | - | - | - | - | - | - | - | - | - | - | 712 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 9,581 | - | - | - | - | - | - | - | - | - | - | - | - | 9,581 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (256,374) | - | - | - | - | - | - | - | - | - | - | - | - | (256,374) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 701 | - | - | - | - | - | - | - | - | - | - | - | - | 701 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 68,320 | - | - | - | - | - | - | - | - | - | - | - | - | 68,320 |
| 370: Outside Services | 173,625 | - | - | - | - | - | - | - | - | - | - | - | - | 173,625 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 4,838 | - | - | - | - | - | - | - | - | - | - | - | - | 4,838 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 712 | - | - | - | - | - | - | - | - | - | - | - | - | 712 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 9,581 | - | - | - | - | - | - | - | - | - | - | - | - | 9,581 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (256,374) | - | - | - | - | - | - | - | - | - | - | - | - | (256,374) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 701 | - | - | - | - | - | - | - | - | - | - | - | - | 701 |

**Project No:** **70028323** **ICCP Upgrade/Replacement**

Company: 003 Bulk Power
Location: 700 Production Division

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2027

Description

This project is to replace the Inter-Control Center Communications Protocol (ICCP) with the Distributed Network Protocol 3 (DNP3) for Automatic Generation Control (AGC) to improve the maintainability of the communication between Power Operations and generating sites. This project adds Remote Terminal Units (RTU) at each generation site and configures the energy management system (EMS) to accept the DNP3 signal from the new RTUs.

Project Need Justification

Currently Automatic Generation Control (AGC) is the only control signal coming from the energy management system (EMS) that is utilizing the ICCP communication protocol within PNM. The EMS commonly utilizes the DNP3 communication protocol in other applications. Switching the AGC communication from ICCP to DNP3 helps to standardize the control system and removes the need for 'one-off' training and skills to maintain and troubleshoot the equipment should a failure happen. The Automatic Generation Control communications are critical to grid operation. It is essential that this line of communication is easily maintained and secure.

Project Alternatives

The do nothing alternative is to continue to utilize ICCP for AGC. This option adds risk due to the limited application of ICCP in the PNM network, requiring "one-off" training and support.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowance for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver System Performance

Safety

Reliability

System Performance Reliable and secure communication between Power Operations and generation sites ensures optimal performance

Security

Compliance

Environmental

**Project No:** **70028323** **ICCP Upgrade/Replacement**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | 95,000 | - | - | - | - | 95,000 | 47,500 | - | 237,500 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | 141 | - | - | - | - | 152 | 386 | - | 680 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | 3,411 | - | - | - | - | 3,411 | 1,705 | - | 8,526 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | (98,552) | - | - | - | - | - | (148,154) | - | (246,706) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | 98,563 | (98,563) | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 237,500 | - | - | - | - | - | - | - | - | 94,000 | 94,000 | 45,500 | - | 471,000 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 680 | - | - | - | - | - | - | - | - | 170 | 509 | 765 | - | 2,124 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 8,526 | - | - | - | - | - | - | - | - | 4,089 | 4,089 | 1,979 | - | 18,684 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (246,706) | - | - | - | - | - | - | - | - | - | - | (245,102) | - | (491,807) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | 98,259 | 98,598 | (196,858) | - | - |

**Project No:** **70528020** **Asset Management Engineering Tools**

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2020

Estimated Completion Date 12/31/2027

Description

This project purchases and configures hardware and software specifically designed to implement and optimize asset management practices and strategies into multiple PNM business systems, including the maintenance management system, document management system and real time systems.

Project Need Justification

Effective reliability asset management and compliance programs include operational and maintenance practices. These practices include items such as preventative maintenance, predictive maintenance, failure analysis and monitoring, and diagnostic data. Software tools are required to implement, optimize and monitor the effectiveness of these practices in the maintenance management system.

Project Alternatives

The "do-nothing" alternative risks sub-optimization of the asset management program leading to higher risk of equipment failure.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects PNM has performed in the past. PNM indirect costs (project controls, contingency, AFUDC, etc.) are estimated and combined to the estimated direct costs to create the total project estimate.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver System Performance

Safety This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

Reliability This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

System Performance This project improves efficiencies around the operation and maintenance of equipment by streamlining workflows and improving the quality of information.

Security

Compliance This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

Environmental This project reduces the risk of catastrophic failure of various components that could result in safety incidents, regulatory compliance incidents and reduced reliability.

**Project No:** **70528020** **Asset Management Engineering Tools**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 4,805,214 | 4,805,214 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | 6,938 | 6,938 |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 190,286 | 190,286 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (5,002,439) | (5,002,439) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,805,214 | - | - | - | - | - | - | - | - | - | - | - | - | 4,805,214 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 6,938 | - | - | - | - | - | - | - | - | - | - | - | - | 6,938 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 190,286 | - | - | - | - | - | - | - | - | - | - | - | - | 190,286 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,002,439) | - | - | - | - | - | - | - | - | - | - | - | - | (5,002,439) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 4,805,214 | - | - | - | - | - | - | - | - | - | - | - | - | 4,805,214 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 6,938 | - | - | - | - | - | - | - | - | - | - | - | - | 6,938 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 190,286 | - | - | - | - | - | - | - | - | - | - | - | - | 190,286 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (5,002,439) | - | - | - | - | - | - | - | - | - | - | - | - | (5,002,439) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **70528040** **Renewable Forecasting System**

Company: 003 Bulk Power
Location: 705 Bulk Power Projects

**Project Information** County % Valencia 100%

Estimated Start Date 8/5/2020

Estimated Completion Date 8/1/2022

Description

This project will develop an internal system to monitor and forecast renewable site output. PNM will purchase and install an Infrared Sky-Imagery Camera to provide more precise near-term forecasting data, and integrate the higher resolution data with existing forecasting services.

Project Need Justification

Accurate forecasting of both photovoltaic and wind generation output is critical to adequately plan both demand management and asset management activities. As higher penetrations of renewable resources are reached, accurate forecasting will become even more crucial.

The current forecasting solutions and services in use are resulting in excessive forecasting errors and must be improved to allow for higher penetrations of renewable resources.

Project Alternatives

The project alternative is to do nothing and to continue to use data provided by forecasting services as-is. This alternative is not sufficient. The current forecasting solutions and services in use are resulting in excessive forecasting errors and must be improved to allow for higher penetrations of renewable resources.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver System Performance

Safety

Reliability Accurate renewable forecasting will improve system reliability by improving unit scheduling and dispatch.

System Performance Accurate renewable forecasting will improve system performance by allowing the most efficient scheduling of BESS charge/discharge and other generating resources.

Security

Compliance

Environmental

**Project No:** **70528040** **Renewable Forecasting System**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 79,728 | 15,944 | - | - | - | - | - | 95,672 |
| 370: Outside Services | 120,892 | - | - | - | - | - | - | 120,892 |
| 374: Outside Services Legal | 674 | - | - | - | - | - | - | 674 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 6,041 | 574 | - | - | - | - | - | 6,615 |
| 610: Expenses - General | 154 | - | - | - | - | - | - | 154 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | 609 | 3,399 | - | - | - | - | - | 4,008 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | 631 | - | - | - | - | - | 631 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | (225,862) | - | - | - | - | - | (225,862) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | 208,097 | (205,314) | - | - | - | - | - | 2,783 |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 95,672 | - | - | - | - | - | - | - | - | - | - | - | - | 95,672 |
| 370: Outside Services | 120,892 | - | - | - | - | - | - | - | - | - | - | - | - | 120,892 |
| 374: Outside Services Legal | 674 | - | - | - | - | - | - | - | - | - | - | - | - | 674 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 6,615 | - | - | - | - | - | - | - | - | - | - | - | - | 6,615 |
| 610: Expenses - General | 154 | - | - | - | - | - | - | - | - | - | - | - | - | 154 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 4,008 | - | - | - | - | - | - | - | - | - | - | - | - | 4,008 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 631 | - | - | - | - | - | - | - | - | - | - | - | - | 631 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (225,862) | - | - | - | - | - | - | - | - | - | - | - | - | (225,862) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 2,783 | - | - | - | - | - | - | - | - | - | - | - | - | 2,783 |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | 95,672 | - | - | - | - | - | - | - | - | - | - | - | - | 95,672 |
| 370: Outside Services | 120,892 | - | - | - | - | - | - | - | - | - | - | - | - | 120,892 |
| 374: Outside Services Legal | 674 | - | - | - | - | - | - | - | - | - | - | - | - | 674 |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 6,615 | - | - | - | - | - | - | - | - | - | - | - | - | 6,615 |
| 610: Expenses - General | 154 | - | - | - | - | - | - | - | - | - | - | - | - | 154 |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | 4,008 | - | - | - | - | - | - | - | - | - | - | - | - | 4,008 |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 631 | - | - | - | - | - | - | - | - | - | - | - | - | 631 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (225,862) | - | - | - | - | - | - | - | - | - | - | - | - | (225,862) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | 2,783 | - | - | - | - | - | - | - | - | - | - | - | - | 2,783 |

**Project No:** **70717523** **Afton Sys One Vibration Analysis**

Company: 003 Bulk Power
Location: 707 Afton-1

**Project Information** County % Dona Ana 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

The existing vibration monitoring equipment on both the gas turbine and the steam turbine currently requires Afton plant personnel to procure a technical representatives and hardware from Baker Hughes. This project will procure the necessary hardware, server, software and licensing to allow constant vibration monitoring on the Afton turbines.

Project Need Justification

Safe operation of a gas turbine requires the rotor to be balanced with low vibration. High vibration can cause catastrophic failure. Monitoring systems are critical to ensuring that problems are caught and addressed early. Depending on a third party for services and hardware delays the identification and mediation of equipment issues.

Project Alternatives

The "do-nothing" alternative is to continue to procure technical reps and hardware from Baker Hughes; however, this causes delays in the identification and mediation of equipment issues.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver System Performance

Safety

Reliability

System Performance This project will enable PNM to no longer require third party support and hardware for vibration monitoring equipment, improving efficiency

Security

Compliance

Environmental

**Project No:** **70717523** **Afton Sys One Vibration Analysis**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | 94,230 | - | - | - | - | - | - | - | - | 94,230 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | 3,383 | - | - | - | - | - | - | - | - | 3,383 |
| 928: AFUDC Debt | - | - | - | - | 104 | - | - | - | - | - | - | - | - | 104 |
| 929: AFUDC Equity | - | - | - | - | 132 | - | - | - | - | - | - | - | - | 132 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | (97,849) | - | - | - | - | - | - | - | - | (97,849) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 94,230 | - | - | - | - | - | - | - | - | - | - | - | - | 94,230 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 3,383 | - | - | - | - | - | - | - | - | - | - | - | - | 3,383 |
| 928: AFUDC Debt | 104 | - | - | - | - | - | - | - | - | - | - | - | - | 104 |
| 929: AFUDC Equity | 132 | - | - | - | - | - | - | - | - | - | - | - | - | 132 |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (97,849) | - | - | - | - | - | - | - | - | - | - | - | - | (97,849) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **73128124** **2023 Gas Management Solutions-Luna JOU Upgrade**

Company: 003 Bulk Power
Location: 731 PNM Marketing

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2023

Estimated Completion Date 12/31/2023

Description

This project will implement a system that will enable Luna participants to manage their shares of the plant. The solution will also manage gas burns and allocations, and enforce participant shares on an hourly basis, taking into account unit derates and ambient temperature capacity. This management system will enable PNM to more accurately schedule the plant in the energy imbalance market (EIM) and thereby reduce uninstructed energy charges.

The project will meet the following objectives via software and related implementation and integration services:
• Create an equitable hourly availability matrix for each plant participant based on unit outages, derates, and ambient limits, and lower participant schedules accordingly.
• Allow participants to dial-in schedules with greater specificity to maximize unit output and minimize missed opportunities for asset optimization
• Lower costs by reducing EIM uninstructed imbalance charges

Project Need Justification

Implementation of this functionality will enable PNM, as operators of the Luna plant, to better manage participant shares during times when the unit is derated for maintenance or ambient temperature swings. The automated calculation and notification process will ensure precise availability is communicated to the participants in a timely manner, thus eliminating disputes and after-the-fact (ATF) adjustments. It will also ensure the California Independent System Operator (CAISO) is notified accurately and timely, increasing EIM participation and minimizing uninstructed energy charges. This project is required to improve Luna's participation in the CAISO EIM market. This management system will enable PNM to more accurately schedule the plant in the EIM and thereby reduce uninstructed energy charges.

Project Alternatives

Power Costs Inc. (PCI) was approached early on to see if they could develop a Jointly Owned Resource (JOU) tool, including this functionality, and they declined due to the difficulty of the factors involved. The other alternative of "Do Nothing" is sub optimal because failing to implement the upgrade will result in increasing manual work, including manual unit availability communication to participants, resulting in information not being distributed in a timely manner to CAISO. This often leads to uninstructed energy charges.

Project Estimate Approach

Not required for projects with less than $250,000 of expenditures.

Customer Benefit

The primary customer benefit will result from increased reliability in running and scheduling the Luna plant.

Primary Value Driver System Performance

Safety

Reliability Reliably running PNM's fleet is increasingly important with San Juan coming offline in the near future. The better PNM can dial in the dispatch, the better it can manage fuel needs, O&M costs, and ultimately the wear and tear on the unit.

System Performance This management system will enable PNM to more accurately schedule the plant in the CAISO EIM, and thereby reduce uninstructed energy charges.

Security

Compliance

Environmental

**Project No:** **73128124** **2023 Gas Management Solutions-Luna JOU Upgrade**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 96,231 | - | - | - | - | 96,263 | - | 192,494 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | 146 | - | - | - | - | 156 | - | 302 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 3,455 | - | - | - | - | 3,456 | - | 6,911 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (99,832) | - | - | - | - | (99,875) | - | (199,707) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | (0) | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | 192,494 | - | - | - | - | - | - | - | - | - | - | - | - | 192,494 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | 302 | - | - | - | - | - | - | - | - | - | - | - | - | 302 |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | 6,911 | - | - | - | - | - | - | - | - | - | - | - | - | 6,911 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | (199,707) | - | - | - | - | - | - | - | - | - | - | - | - | (199,707) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Project No:** **73128224** **Emerging Market Tool**

Company: 003 Bulk Power
Location: 731 PNM Marketing

**Project Information** County % Bernalillo 100%

Estimated Start Date 1/1/2024

Estimated Completion Date 12/31/2024

Description

This project implements a system that will enable PNM to participate in emerging markets such as California Independent System Operator's (CAISO) Extended Day-Ahead Market (EDAM). At this time, requirements are still being developed, however at a minimum a Generation Optimization tool will be needed to manage bids, settlements, etc. for each new market. The project will optimally meet the following objectives via software and related implementation and integration services:

•Interface with multiple other applications to create unit commitment, manage fuel needs, process settlement data, etc.
•Efficiently dispatch resources in an organized day-ahead market to optimize generation and save customers money

Project Need Justification

The Generation Optimization tool will enable Wholesale Power Marketing (WPM) traders to more economically and reliably dispatch the PNM generation fleet. It will take into account public outage information, weather data, unit characteristics, and more and will develop an optimum unit dispatch plan. The biggest risk associated with not having an optimization tool is that the ratepayers may miss out on asset optimization opportunities and thus will not realize the maximum benefits of market participation.

Project Alternatives

The do nothing alternative risks missing the benefits to market participation. Specific products will be evaluated through an RFP process where the successful product will be chosen based on factors such as functionality, cost and maintainability.

Project Estimate Approach

Project direct costs are estimated from vendor/contractor estimates as well as historical actuals from similar projects. PNM indirect costs (project controls, contingency, AFUDC [allowances for funds used during construction], etc.) are estimated and added to the direct costs.

Customer Benefit

Customer benefits will be realized by the safe, reliable, environmentally compliant and cost-effective management of PNM's power generation assets.

Primary Value Driver System Performance

Safety

Reliability

System Performance This project gives PNM the ability to improve unit dispatch.

Security

Compliance

Environmental

**Project No:** **73128224** **Emerging Market Tool**

| | BegBal-Jul-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | EndBal-22 |
|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - |

| | BegBal-23 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | EndBal-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | BegBal-24 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | EndBal-24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 110: Straight Time-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120: Overtime-General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350: Material Issues-Major | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 370: Outside Services | - | - | - | - | - | - | 287,195 | - | - | - | - | 287,180 | - | 574,375 |
| 374: Outside Services Legal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 377: Outside Svcs-Temp Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 391: Jt Proj Bill to PNM -N Lab | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 426: Capitalized Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 610: Expenses - General | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 805: Land and Land Rights | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 807: Non Refundable Contrib | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 829: Construction Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 909: Luna AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 913: Payroll Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 914: Pension and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 915: Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 918: San Juan AR-Labor | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 921: Stores Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 922: Minor Material Load | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 925: E&S Loads | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 926: A&G Loads | - | - | - | - | - | - | 12,493 | - | - | - | - | 12,492 | - | 24,985 |
| 928: AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 929: AFUDC Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 937: San Juan AR - Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 961: Luna A&G PNMR D&V | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 825: Closing Addition | - | - | - | - | - | - | (299,688) | - | - | - | - | (299,672) | - | (599,360) |
| 825: Closing Cost of Removal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Project Net | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Capital Investment Projects Below $25,000

# PNM Exhibit RBH-8

Is contained in the following 1 page.

**PNM Exhibit RBH - 8**
**Capital Project Clearings under $25,000**

| Project Code | Project Name | | Capital Investment Period Clearings |
|---|---|---|---|
| **70716422** | Afton Replace ACC Fan Gearboxes 202 | $ | 17,262 |
| **70716423** | AFT Replace Polaris Ranger | | 15,988 |
| **70716521** | AFT21-05 Compressor Bleed Valve Rep | | 3,392 |
| **70716522** | Afton Gas Turbine Flex Seal Repl | | (1,383) |
| **70716621** | Afton Control Room Ergonomic Upgrad | | 9,682 |
| **71316821** | Reeves Admin Computer and Network D | | 5,982 |
| **73128141** | WPM - UPlan | | (1,239) |
| **73616017** | 65MW Transfer | | 3 |
| **74416021** | Luna Capital Improvements 2021 | | 14,869 |
| **74416315** | Luna Capital Improvements | | (5,302) |
| **74416415** | Luna Capital Improvements 2019 | | 824 |
| **75216022** | La Luz RO Membrane in DM System | | 20,000 |
| | **Total** | **$** | **80,078** |

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

| | | |
|---|---|---|
| **IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF NEW MEXICO FOR REVISION OF ITS RETAIL ELECTRIC RATES PURSUANT TO ADVICE NOTICE NO. 595** | ) | **Case No. 22-00270-UT** |
| **PUBLIC SERVICE COMPANY OF NEW MEXICO,** | ) | |
| **Applicant** | ) | |

**SELF AFFIRMATION**

**R. BRENT HEFFINGTON, Managing Director of Generation, PNM** upon penalty of perjury under the laws of the State of New Mexico, affirm and state: I have read the foregoing **Direct Testimony of R. Brent Heffington** and it is true and accurate based on my own personal knowledge and belief.

Dated this 5th day of December, 2022.

/s/ R. Brent Heffington
**R. BRENT HEFFINGTON**

*GCG # 530020*