

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF)
NEW MEXICO FOR APPROVAL OF ITS 2024 ELECTRIC ENERGY EFFICIENCY)
PROGRAM PLAN, PROFIT INCENTIVE AND REVISED RIDER NO. 16 PURSUANT)
TO THE NEW MEXICO PUBLIC UTILITY ACT, EFFICIENT USE OF ENERGY ACT)
AND ENERGY EFFICIENCY RULE,)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
Applicant.)

Case No. 23-00138-UT

NOTICE TO CUSTOMERS

To customers of Public Service Company of New Mexico (“PNM” or “Company”): this document is required by the New Mexico Public Regulation Commission (PRC or “Commission”). The purpose of this document is to provide you with notice of PNM’s Application requesting PRC approval of the Company’s 2024 Electric Energy Efficiency and Load Management Program Plan and associated relief. This notice:

- Describes the PRC process for considering PNM’s Application; and
- Describes how you can participate in this process if you wish to do so.

If you would like to participate in this process, the information below details how you may participate. **IF YOU DO NOT WANT TO PARTICIPATE IN THIS PROCESS, NO ACTION IS REQUIRED ON YOUR PART.**

NOTICE is hereby given by the PRC of the following:

1. On April 17, 2023, PNM filed its Application under the Public Utility Act (“PUA”), the Efficient Use of Energy Act (“EUEA”), the Energy Efficiency Rule (“EE Rule”), and Advice Notice No. 604 for approvals and authorizations necessary to implement the Company’s 2024 Electric Energy Efficiency and Load Management Program Plan (“2024 Plan”) and to recover costs of the 2024 Plan through a revision to its Energy Efficiency Rider For PNM Electric Services No. 16 (“Rider No. 16”).

2. PNM’s Application requests specific approval of the following:

- PNM’s 2024 Plan, which covers the 2024, 2025, and 2026 calendar years and which includes continuation of ten existing energy efficiency and load management programs in 2024, 2025, and 2026, with modifications;
- a profit incentive for 2024, 2025, and 2026 in accordance with Section 62-17-5(F) of the EUEA;
- revisions to Rider No. 16 in compliance with the EUEA and as set forth in the Advice Notice, to recover program costs and base profit incentives in 2024, 2025, and 2026;
- a variance from the data filing requirements of Rule 530 applicable to changes in rates; and
- all other approvals, authorizations and actions that may be required under applicable law to implement the 2024 Plan and revised tariff rider.

3. Rider No. 16 allows PNM to recover costs incurred as a result of implementing, funding, and administering residential and commercial electric energy efficiency and load management programs included in the portfolio as well as a profit incentive approved by the Commission in accordance with the EUEA. The 2024 Plan proposed program portfolio includes ten programs.

4. The revisions to Rider No. 16 provide for recovery of the cost for programs related to the 2024 Plan and the profit incentive rate element approved by the Commission as required by the EUEA. The currently approved Program Rider charged under Rider No. 16 is 3.396% (not including reconciliation amounts) of each affected customer’s bill. The rider charge that would be applied to customers’ bills upon approval of the Application and Advice Notice will be 3.952% for 2024, 4.058% for 2025, and 4.191% for 2026, exclusive of gross receipts tax and franchise fees, taking into account the maximum annual payment of \$75,000 for program costs by any utility customer. The total program costs and incentive amounts reflected in Revised Rider No. 16 are \$36,967,919 (net of 2022 program cost reconciliation) for 2024, \$37,878,310 for 2025, and \$39,069,050 for 2026, exclusive of gross receipts tax and franchise fees.

5. Currently, PNM Rider No. 16 applies to customers in the following rate classes: Residential Service 1A & 1B, Small Power Service 2A & 2B, General Power Service 3B & 3C, Large Power Service 4B, Large Power Service for Customers ≥8,000kW 5B, Water & Sewage Pumping 11B, Large Service for Public Universities 15B, Large Service for Manufacturing – Distribution Level 30B and Large Power Service >=3,000kW 35B.

6. The table below identifies the cost of each component to be collected through the Rider for **2024**:

EE Program Costs	Amount	Percentage Impact	Months for Recovery
2024 Program Costs	\$34,517,198	3.707%	12 months
2024 Profit Incentives	\$2,450,721	0.246%	12 months
Total	\$36,967,919	3.952%	12 months

7. For 2024, the following tariff rider charges will be paid in addition to the current non-energy efficiency charges that the customer is paying and will be collected through a line item charge on the customer’s bill.

Affected Electric Rate Classes	Tariff Applied	Program Cost Charge
PNM Electric Service Area:		
Residential Service 1A & 1B	PNM Rider No. 16	3.952 % of each bill*
Small Power Service 2A & 2B	PNM Rider No. 16	3.952% of each bill*
General Power Service 3B & 3C	PNM Rider No. 16	3.952% of each bill*
Large Power Service 4B	PNM Rider No. 16	3.952% of each bill*
Large Power Service for Customers ≥8,000kW 5B	PNM Rider No. 16	3.952% of each bill*

Water & Sewage Pumping 11B	PNM Rider No. 16	3.952% of each bill*
Large Service for Public Universities 15B	PNM Rider No. 16	3.952% of each bill*
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 16	3.952% of each bill*
Large Power Service >=3,000kW 35B	PNM Rider No. 16	3.952% of each bill*

*3.952% of each affected customers' bill is exclusive of gross receipts tax and franchise fees and takes into account the maximum annual payment for program costs of \$75,000 by any utility customer.

To calculate the dollar impact of all energy efficiency program cost charges on your monthly bill for 2024, you would take the amount of your current bill, deduct the amounts shown for gross receipts taxes and franchise fees, and then multiply the balance by 0.03952.

For PNM residential customers on Rate Schedule 1A without demand meters, the current average monthly bill and the anticipated 2024 bill for each of the following levels of consumption are as follows:

Consumption (kWh)	Current Bill	Anticipated bill
0	\$7.35	\$7.39
250	\$37.19	\$37.39
500	\$68.76	\$69.13
600	\$84.14	\$84.60
750	\$107.22	\$107.80
1000	\$147.47	\$148.27
2000	\$319.29	\$321.01

8. The table below identifies the cost of each component to be collected through the Rider for **2025**:

EE Program Costs	Amount	Percentage Impact	Months for Recovery
2025 Program Costs	\$35,367,236	3.805%	12 months
2025 Profit Incentives	\$2,511,074	0.252%	12 months
Total	\$37,878,310	4.058%	12 months

9. For 2025, the following tariff rider charges will be paid in addition to the current non-energy efficiency charges that the customer is paying and will be collected through a line item charge on the customer's bill:

Affected Electric Rate Classes	Tariff Applied	Program Cost Charge
PNM Electric Service Area:		
Residential Service 1A & 1B	PNM Rider No. 16	4.058 % of each bill*
Small Power Service 2A & 2B	PNM Rider No. 16	4.058% of each bill*
General Power Service 3B & 3C	PNM Rider No. 16	4.058% of each bill*
Large Power Service 4B	PNM Rider No. 16	4.058% of each bill*
Large Power Service for Customers ≥8,000kW 5B	PNM Rider No. 16	4.058% of each bill*
Water & Sewage Pumping 11B	PNM Rider No. 16	4.058% of each bill*
Large Service for Public Universities 15B	PNM Rider No. 16	4.058% of each bill*
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 16	4.058% of each bill*
Large Power Service >=3,000kW 35B	PNM Rider No. 16	4.058% of each bill*

*4.058% of each affected customers' bill is exclusive of gross receipts tax and franchise fees and takes into account the maximum annual payment for program costs of \$75,000 by any utility customer.

To calculate the dollar impact of all energy efficiency program cost charges on your monthly bill for 2025 you would take the amount of your current bill, deduct the amounts shown for gross receipts taxes and franchise fees, and then multiply the balance by 0.04058.

For PNM residential customers on Rate Schedule 1A without demand meters, the current average monthly bill and the anticipated bill for each of the following levels of consumption are as follows:

Consumption (kWh)	Current Bill	Anticipated bill
0	\$7.35	\$7.40
250	\$37.19	\$37.43
500	\$68.76	\$69.20
600	\$84.14	\$84.68
750	\$107.22	\$107.91

1000	\$147.47	\$148.42
2000	\$319.29	\$321.33

10. The table below identifies the cost of each component to be collected through the Rider for **2026**:

EE Program Costs	Amount	Percentage Impact	Months for Recovery
2026 Program Costs	\$36,479,038	3.931%	12 months
2026 Profit Incentives	\$2,590,012	0.260%	12 months
Total	\$39,069,050	4.191%	12 months

11. For 2026, the following tariff rider charges will be paid in addition to the current non-energy efficiency charges that the customer is paying and will be collected through a line item charge on the customer's bill:

Affected Electric Rate Classes	Tariff Applied	Program Cost Charge
PNM Electric Service Area:		
Residential Service 1A & 1B	PNM Rider No. 16	4.191% of each bill*
Small Power Service 2A & 2B	PNM Rider No. 16	4.191% of each bill*
General Power Service 3B & 3C	PNM Rider No. 16	4.191% of each bill*
Large Power Service 4B	PNM Rider No. 16	4.191% of each bill*
Large Power Service for Customers ≥8,000kW 5B	PNM Rider No. 16	4.191% of each bill*
Water & Sewage Pumping 11B	PNM Rider No. 16	4.191% of each bill*
Large Service for Public Universities 15B	PNM Rider No. 16	4.191% of each bill*
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 16	4.191% of each bill*
Large Power Service >=3,000kW 35B	PNM Rider No. 16	4.191% of each bill*

*4.191% of each affected customers' bill is exclusive of gross receipts tax and franchise fees and takes into account the maximum annual payment for program costs of \$75,000 by any utility customer.

To calculate the dollar impact of all energy efficiency program cost charges on your monthly bill for 2026, you would take the amount of your current bill, deduct the amounts shown for gross receipts taxes and franchise fees, and then multiply the balance by 0.04191.

For PNM residential customers on Rate Schedule 1A without demand meters, the current average monthly bill and the anticipated bill for each of the following levels of consumption are as follows:

Consumption (kWh)	Current Bill	Anticipated bill
0	\$7.35	\$7.41
250	\$37.19	\$37.48
500	\$68.76	\$69.29
600	\$84.14	\$84.79
750	\$107.22	\$108.05
1000	\$147.47	\$148.61
2000	\$319.29	\$321.74

The proposed rate changes stated by customer rate class are for informational purposes. The final rates as approved may vary.

Energy efficiency programs play an important role in PNM's resource portfolio and are included in the most cost-effective resource portfolio in PNM's most recent Integrated Resource Plan. The benefits of the programs included in PNM's 2024 Plan exceed the expected costs for 2024, 2025, and 2026, primarily due to the costs for generation capacity and energy that can be avoided as a result of these programs.

12. Further information regarding this case can be obtained by contacting PNM or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 23-00138-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

13. The PRC has assigned a Hearing Examiner to consider this proceeding, and the Hearing Examiner established in his May 19, 2023 Procedural Order the following schedule for this case:

- Any person desiring to become a party ("intervenor") to this case must file a motion for leave to intervene in conformity with PRC Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before July 28, 2023. All motions for leave to intervene shall be served on all existing parties and other proposed intervenors of record.
- The parties will participate in at least one settlement conference on or before August 25, 2023 at a time and place to be determined by the parties. The purpose of this mandatory meeting is to facilitate settlement at an early point in the procedural schedule of this case when there is sufficient time in the procedural schedule to allow for a hearing on a stipulation.
- Staff shall and any intervenor may file direct testimony by September 18, 2023.
- Alternatively, should a settlement be reached among all parties, a stipulation may be filed no later than September 18, 2023. Any such stipulation shall be accompanied by supporting direct testimony of the stipulating parties. If Staff is a stipulating party, Staff shall file direct testimony.

- e. Any rebuttal testimony shall be filed on or before October 5, 2023.
- f. With regard to PNM's direct testimony and Staff and intervenors' direct testimony, motions in limine, motions to strike, and other prehearing motions shall be filed on or before October 6, 2023. Responses to such motions shall be filed on or before October 11, 2023.
- g. With regard to rebuttal testimony, motions in limine, motions to strike, and other prehearing motions shall be filed on or before October 13, 2023. Responses to such motions shall be filed on or before October 16, 2023.
- h. A public hearing will be held beginning on October 18, 2023 and will continue through October 19, 2023, as determined to be necessary by the Hearing Examiner. Each hearing session shall commence at 9:00 a.m. Mountain Time ("MT") unless otherwise ordered.
- i. Based on present conditions and logistical issues, the Hearing Examiner has concluded that it will be necessary to conduct evidentiary hearing via the Zoom videoconference platform. Access to and participation in the evidentiary hearing shall be limited to party-participants (i.e., counsel and witnesses), the Commissioners, and other essential Commission personnel. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission's website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as an attorney or witness may view the hearing on the Commission's website and shall not join the hearing via Zoom except to provide oral comment as allowed below.
- j. Interested persons who are not affiliated with a party may make oral or written comment as allowed by Rule 1.2.2.23(F) NMAC. Oral comment shall be taken at shortly after the beginning of the evidentiary hearing on October 18, 2023 and commenters shall be limited to 3 minutes per comment. As part of the public hearing, public comment will be taken via the Zoom platform; therefore, persons wishing to make an oral public comment must register in advance, not later than 8:30 a.m. MT on October 18, 2023, by emailing Ana Kippenbrock at ana.kippenbrock@prc.nm.gov. Written public comments may be submitted before the Commission takes final action by sending the comment, which shall reference PRC Case No. 23-00138-UT, to prc.records@state.nm.us. Public comments, whether oral or written, shall not be considered as evidence in this proceeding.

17. The procedural dates and requirements currently set in this case are subject to further Order of the Commission or the Hearing Examiner. Interested persons should review the May 19, 2023 Procedural Order for further procedural requirements and details.

18. The Commission's rules of procedure, 1.2.2.1 NMAC et seq., shall apply in this case except as modified by order of the Hearing Examiner or Commission. The rules of procedure and other PRC rules are available online at the New Mexico Compilation Commission at <https://nmonesource.com/nmos/en/nav.do>.

19. Anyone filing pleadings, documents, or testimony in this case shall comply with the Commission's electronic filing policy which is amended from time to time. This includes compliance with the following (not exhaustive) set of requirements. Filings must be in .pdf format. They must include an electronic signature and be sent to the Records Management Bureau's email address, PRC.Records@prc.nm.gov, or to another Records Bureau address as set out on the Commission's webpage. Any filing must be submitted within regular business hours of the due date to be considered timely filed. Documents received after regular business hours will be considered filed the next business day. Regular Commission business hours are from 8:00 a.m. to 5:00 p.m. MT. Parties shall serve a copy on all parties of record and Staff. Copies of all filings shall also be emailed on the date of filing and service to the Hearing Examiner at anthony.medeiros@prc.nm.gov by no later than 5:00 p.m. MT. Any filing emailed to the Hearing Examiner shall include the Word or other native version of the filing (e.g., Excel or Power Point) if created in such format. Any filings not emailed to the Hearing Examiner in compliance with the requirements of this order and Commission rules are subject to being summarily rejected and stricken from the record at the Hearing Examiner's discretion.

20. Any interested person may examine PNM's filing in this case together with any exhibits and related papers which may be filed in this case at PNM Headquarters, Main Offices, Albuquerque, New Mexico 87158, telephone: (505) 241-2700, website www.pnm.com, or on the Commission's website at www.nmprc.state.nm.us under "Case Lookup – eDocket."

22. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath.

23. Interested persons should contact the Commission at (505) 690-4191 or ana.kippenbrock@prc.nm.gov for confirmation of the hearing date, time, and place, since hearings are occasionally rescheduled or canceled if deemed not required in the discretion of the Hearing Examiner or the Commission.

PERSONS WITH DISABILITIES

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT (505) 467-9116 OR (505) 690-4191 TO REQUEST SUCH ASSISTANCE AS SOON AS POSSIBLE, PREFERABLY AS SOON AS THE PERSON RECEIVES NOTICE OF THIS PROCEEDING TO ALLOW CONSIDERATION OF THE REQUEST AND TO ARRANGE FOR A POTENTIAL REASONABLE ACCOMMODATION.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico this **19th** day of **May 2023**.



NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ Anthony F. Medeiros

**Hearing Examiner
Chief Hearing Examiner**