

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF PUBLIC SERVICE )  
COMPANY OF NEW MEXICO'S )  
APPLICATION FOR APPROVAL OF ITS )  
RENEWABLE ENERGY ACT PLAN )  
FOR 2025 AND PROPOSED 2025 RIDER )  
RATE UNDER RATE RIDER NO. 36, )  
 )  
PUBLIC SERVICE COMPANY OF NEW )  
MEXICO, )  
 )  
 )  
Applicant. )  
\_\_\_\_\_ )**

**Case No. 24-00 \_\_\_\_-UT**

**DIRECT TESTIMONY**

**OF**

**AARON BRAASCH**

**June 3, 2024**

<b><u>ACRONYM / ABBREVIATION</u></b>	<b><u>DESCRIPTION</u></b>
Commission or NMPRC	New Mexico Public Regulation Commission
kWh	kilowatt-hour
NM AREA	New Mexico Affordable Renewable Energy Alliance
PNM or Company	Public Service Company of New Mexico
Rider 36	Rider No. 36 Renewable Energy
REA	Renewable Energy Act
REC	Renewable Energy Certificate
RPS	Renewable Portfolio Standard

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AARON BRAASCH  
NMPRC CASE NO. 24-00\_\_\_\_-UT**

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**I. INTRODUCTION AND PURPOSE**

**Q. Please state your name, title, and business address.**

A. My name is Aaron Braasch. My business address is 414 Silver Avenue SW, Albuquerque, NM 87102. I am a Senior Pricing Analyst for PNM.

**Q. Please summarize your educational and professional qualifications.**

A. I graduated from the University of New Mexico in 2010 with a Bachelor’s Degree in Economics and a Minor Degree in Business Management. After earning my Bachelor’s, I immediately began working at New Mexico Gas Company where I served in several different roles. I began working at PNM in March of 2019 as the Segment Analyst for the Account Management team where I was responsible for providing data supported large customer analytics and reporting. I am currently a Sr. Pricing Analyst responsible for providing support in rate design and pricing analyses. I also provide EDR pricing and rate estimates for new and existing customers who seek to locate or expand facilities within the PNM service territory. A statement of my professional qualifications, including a list of cases in which I have filed testimony in front of the New Mexico Public Regulation Commission, is attached as PNM Exhibit AB-1.

**Q. What is the purpose of your testimony in this case?**

A. My testimony addresses the following:

1. The development of the 2025 rate for the 26th Revised Rider No. 36 – Renewable Energy Rider (“Rider 36”) of \$0.0071734/kWh. PNM proposes to

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1                   implement this rider rate on January 1, 2025, pursuant to Advice Notice No.  
2                   618 filed concurrently herewith; and

3                   2. The bill impact of proposed 2025 Rider 36 rate on residential and small power  
4                   customers.

5

6   **Q.    Are you sponsoring any exhibits in addition to PNM Exhibit AB-1?**

7   **A.    Yes, I am sponsoring the following additional exhibits:**

- 8                   • PNM Exhibit AB-2: Derivation of the Rider 36 rate for calendar year 2025.
- 9                   • PNM Exhibit AB-3: Impacts of Rider 36 on Residential and Small Power  
10                  customers at various usage levels.
- 11                  • PNM Exhibit AB-4: PNM’s 26th Revised Rider 36, which is attached for  
12                  convenient reference.

13

14                   **II.    DERIVATION OF THE PROPOSED 2025 RIDER 36 RATE**

15

16   **Q.    What data were used in developing the Rider 36 rate?**

17   **A.    The rate is derived from the projected 2025 revenue requirements from RPS resources  
18           and projected sales in 2025. PNM witness Brian G. Buffington sponsors the estimated  
19           renewable energy annual revenue requirement of \$58,749,246 to be recovered through  
20           Rider 36 (see Exhibit BGB-2). The net retail energy sales forecast for 2025 was  
21           provided by PNM witness Shane Gutierrez (see Exhibit SG-2).**

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23

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1 **Q. What voluntary programs does PNM offer?**

2 **A.** In 2025 PNM will have three voluntary programs: (i) Rider No. 30 – Renewable  
3 Energy Program (PNM Sky Blue); (ii) Rate No. 36B – Special Service Rate-Renewable  
4 Energy Resources; and (iii) Rider No. 50 – Voluntary Solar Renewable Energy  
5 Program-PNM Solar Direct for Governmental and Large Commercial Customers  
6 (PNM Solar Direct).

7  
8 **Q. Are customers participating in voluntary programs subject to charges by public  
9 utilities to recover the costs of complying with the RPS?**

10 **A.** Pursuant to Section 62-16-7(B)(3) NMSA, customers participating in voluntary  
11 programs are not subject to the costs of complying with the Renewable Portfolio  
12 Standard.

13  
14 **Q. Do the projected 2025 net retail sales used to determine the Rider 36 rate include  
15 sales to voluntary program customers?**

16 **A.** No. The projected retail sales used to calculate the proposed Rider 36 rate are net of  
17 projected voluntary renewable energy programs from the three programs described  
18 earlier.

19  
20 **Q. How was the proposed Rider 36 rate for 2025 developed?**

21 **A.** PNM's Rider 36 rate is billed on a per kWh basis. The 2025 revenue requirement is  
22 divided by the projected net retail energy sales for 2025. For 2025, the proposed Rider  
23 36 rate is \$0.0071734/kWh, which represents a decrease of \$0.0008361/kWh from the

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1 current rider rate of \$0.0080095/kWh. PNM Exhibit AB-2 shows the calculation of  
2 the proposed Rider 36 rate.

3

4 **Q. How is Rider 36 assessed?**

5 **A.** Rider 36 is assessed on a service-rendered basis. PNM proposes that Rider 36 will go  
6 into effect on January 1, 2025. Should Rider 36 change within a billing period, charges  
7 billed on a service-rendered basis are billed on a prorated basis based upon the days of  
8 service for old and new rates.

9

10 **Q. What is the bill impact of the proposed Rider 36 rate change on the Residential  
11 and Small Power rate classes?**

12 **A.** Rider 36 rate is assessed as a per kWh charge, so the bill impact on each customer will  
13 vary with usage. Rider 36 current and proposed rates were used to calculate the net  
14 impact on Schedule 1A Residential and Schedule 2A Small Power customer bills. See  
15 PNM Exhibit AB-3 for the bill impact. For residential customers, the impact ranges  
16 from -\$0.04 to -\$1.67 as shown for usage levels between 50 kWh and 2,000 kWh per  
17 month. An average residential customer using 600 kWh per month will pay \$0.50 less  
18 per month. For small power customers, the bill impact ranges from -\$0.42 to -\$12.54  
19 per month for usage levels between 500 kWh and 15,000 kWh per month. An average  
20 small power customer using 1,500 kWh per month will pay \$1.25 less per month.

21

22 **Q. Does this conclude your direct testimony?**

23 **A.** Yes.

GCG#532514

**AARON BRAASCH: EDUCATIONAL AND PROFESSIONAL SUMMARY**

**Name:** Aaron Braasch

**Address:** Public Service Company of New Mexico  
414 Silver Ave SW  
Albuquerque, New Mexico 87102

**Position:** Senior Pricing Analyst

**Education:** University of New Mexico, B.A in Economics  
Anderson School of Business UNM, Minor in Business Management

**Employment:** Public Service Company of New Mexico, March 2019 to present  
Senior Pricing Analyst, March 2022 to present  
Segment Analyst, March 2019 – March 2022

New Mexico Gas Company, February 2011 – February 2019  
Business Analyst, June 2016 – February 2019  
Senior Gas Controller, March 2013 – June 2016  
Gas Controller, April 2012 – March 2013  
Gas Supply Planner, February 2011 – April 2012

**Testimony Filed Before the New Mexico Public Regulation Commission:**

**Case Number Proceeding/Subject Matter**

PNM Advice Notice No. 587-Original Rider 45B EDR, El Encanto Inc. dba Bueno Foods

PNM Amended Advice Notice No. 601 - 23<sup>rd</sup> Revised Rider No.36 – Renewable Energy Rider

PNM Amended Advice Notice No. 603 – 28<sup>th</sup> Revised Rider No. 16 – Energy Efficiency Rider

PNM Advice Notice No. 606 – 24<sup>th</sup> Revised Rider No. 36 – Renewable Energy Rider

GCG#530964

2025 Renewable Energy Rider Rate Calculation

<u>Line No.</u>	<u>Description</u>	<u>Unit</u>	<u>Source</u>	<u>Total</u>
1	Revenue Requirement	(\$)	PNM Exhibit BGB-2	\$ 58,749,246
2	Net Annual Retail Sales*	kWh	PNM Exhibit SG-2	8,189,920,822
3	<b>Rider 36 rate, proposed to go into effect 1/1/2025</b>	\$/kWh	Line 1 / Line 2	<b><u>\$0.0071734</u></b>

\* net retail sales are net of forecast voluntary renewable energy programs



**PNM**  
**Rider 36 Renewable Energy**  
**Bill Impact Comparison, Current vs. Proposed Rider<sup>1</sup>**

A	B	C	D	E
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<b>Residential Schedule 1A</b>
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Line No.	Usage (kWh)	Average Monthly Bill, Current Rider 36 (\$)	Average Monthly Bill, Proposed Rider 36 (\$)	Proposed Rider 36 Net Impact (\$)	Proposed Rider 36 Total Bill Impact (%)
1	0	\$0.62	\$0.62	\$0.00	0.00%
2	50	\$6.16	\$6.12	(\$0.04)	-0.68%
3	100	\$11.70	\$11.62	(\$0.08)	-0.71%
4	150	\$17.25	\$17.12	(\$0.13)	-0.73%
5	200	\$22.79	\$22.62	(\$0.17)	-0.73%
6	250	\$28.33	\$28.12	(\$0.21)	-0.74%
7	300	\$33.87	\$33.62	(\$0.25)	-0.74%
8	400	\$44.96	\$44.62	(\$0.33)	-0.74%
9	500	\$57.86	\$57.44	(\$0.42)	-0.72%
<b>10</b>	<b>600</b>	<b>\$72.59</b>	<b>\$72.09</b>	<b>(\$0.50)</b>	<b>-0.69%</b>
11	750	\$94.68	\$94.06	(\$0.63)	-0.66%
12	800	\$102.05	\$101.38	(\$0.67)	-0.66%
13	900	\$99.57	\$98.82	(\$0.75)	-0.76%
14	1,000	\$117.89	\$117.06	(\$0.84)	-0.71%
15	1,200	\$154.54	\$153.53	(\$1.00)	-0.65%
16	1,600	\$227.83	\$226.49	(\$1.34)	-0.59%
17	2,000	\$301.12	\$299.45	(\$1.67)	-0.56%

<b>Small Power Schedule 2A</b>
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Line No.	Usage (kWh)	Average Monthly Bill, Current Rider 36 (\$)	Average Monthly Bill, Proposed Rider 36 (\$)	Proposed Rider 36 Net Impact (\$)	Proposed Rider 36 Total Bill Impact (%)
1	0	\$1.71	\$1.71	\$0.00	0.00%
2	500	\$65.93	\$65.51	(\$0.42)	-0.63%
3	1,000	\$130.15	\$129.31	(\$0.84)	-0.64%
<b>4</b>	<b>1,500</b>	<b>\$194.36</b>	<b>\$193.11</b>	<b>(\$1.25)</b>	<b>-0.65%</b>
5	2,000	\$258.58	\$256.91	(\$1.67)	-0.65%
6	3,000	\$387.02	\$384.51	(\$2.51)	-0.65%
7	4,000	\$515.46	\$512.11	(\$3.34)	-0.65%
8	5,000	\$643.89	\$639.71	(\$4.18)	-0.65%
9	7,000	\$900.77	\$894.91	(\$5.85)	-0.65%
10	9,000	\$1,157.64	\$1,150.11	(\$7.53)	-0.65%
11	12,000	\$1,542.95	\$1,532.91	(\$10.03)	-0.65%
12	15,000	\$1,928.26	\$1,915.72	(\$12.54)	-0.65%

1 - These bills include base rates plus Riders 23, 36, 51, 55, 59, and 53.

**PUBLIC SERVICE COMPANY OF NEW MEXICO  
ELECTRIC SERVICES**

**~~25<sup>th</sup>-26<sup>th</sup>~~ REVISED RIDER NO. 36  
CANCELLING ~~24<sup>th</sup>-25<sup>th</sup>~~ REVISED RIDER NO. 36**

**RENEWABLE ENERGY RIDER**

Page 1 of 2

**DESCRIPTION:** This Rider is established to recover Renewable Portfolio Standard (“RPS”) compliance costs.

**APPLICABILITY:** All PNM customers.

**TERRITORY:** All territory served by the Company under PNM Electric Services tariffs.

**RENEWABLE ENERGY COSTS TO BE RECOVERED:** The dollar amounts to be collected pursuant to this Rider shall be determined by the RPS compliance costs approved in PNM’s annual Renewable Energy Procurement Plans, and will be collected from PNM customers to whom this Rider applies.

**RIDER RATES:** This Rider, where applicable, shall be added to each customer’s bill and applied as a per kilowatt-hour (kWh) charge for all kWh consumed by a customer. The Rider rate consists of the sum of two components, a RPS Compliance Component and an Earning Test Component as follows:

RPS Compliance Component:

	Amount to be recovered	Rate
Renewable Energy Rate for Calendar Year <del>2024</del> <u>2025</u> :	<del>\$62,949,219</del> <u>\$58,749,246</u>	<del>\$0.008009</del> <u>\$0.00571734</u> per kWh

**EARNINGS TEST COMPONENT:** PNM will file an adjustment pursuant to this Rider as a separate component if PNM’s return on equity (“ROE”) exceeds ~~10.07~~9.76%, based on data presented in conformance with 17.3.510.12(B) NMAC (“Rule 510”). The amount of the adjustment will be equal to the revenue reduction that would have resulted in an earned ROE of ~~10.07~~9.76%. The Rule 510 filing to determine if an adjustment is applicable will be made no later than April 1, of each year, based on the previous calendar year results. The adjustment, if applicable, will be applied to customers’ bills over an eight month period beginning with bills rendered May 1, and continuing through the end of the calendar year.

**ANNUAL RECONCILIATION FILING:** This Rider shall be adjusted annually to account for new Commission-approved procurements and changes in revenue requirements related to amortization, depreciation, accumulated deferred income tax

Advice Notice No. 618

/s/ Mark Fenton  
Mark Fenton  
Executive Director, Regulatory Policy and Case Management  
GCG #532515

**PUBLIC SERVICE COMPANY OF NEW MEXICO  
ELECTRIC SERVICES**

**~~25<sup>th</sup>-26<sup>th</sup>~~ REVISED RIDER NO. 36  
CANCELLING ~~24<sup>th</sup>-25<sup>th</sup>~~ REVISED RIDER NO. 36**

RENEWABLE ENERGY RIDER

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(“ADIT”), property taxes and other relevant factors. The Company shall annually file with the Commission a report to reconcile the amounts to be collected pursuant to this Rider. The report will be due by February 28 of each year, and will adjust the Rider to reconcile actual RPS compliance costs for the previous year with actual Rider revenues, and to account for new Commission-approved procurements for the current calendar year. The previous year’s compliance costs will include revenue requirements of Company-owned renewable facilities, the costs of renewable energy PPAs, the purchase of RECs used for RPS compliance, and any other RPS compliance cost approved by the Commission.

The report also will true-up the previous calendar year Renewable Energy Rider collections. The report will contain:

- a. a summary of the Rider Rate for the previous calendar year;
- b. a detailed listing of collections pursuant to this Rider, for the previous calendar year by affected customer class;
- c. calculation of the Rider Rate to be applied in the current calendar year, including over/under collections from the previous calendar year;
- d. a summary of annual projected sales revenue and any other relevant data used to estimate the Rider Rate.

Advice Notice No. 618

/s/ Mark Fenton  
Mark Fenton  
Executive Director, Regulatory Policy and Case Management  
GCG #532515

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF PUBLIC SERVICE )</b>	
<b>COMPANY OF NEW MEXICO’S )</b>	
<b>RENEWABLE ENERGY ACT PLAN )</b>	
<b>FOR 2025 AND PROPOSED 2025 RIDER )</b>	
<b>RATE UNDER RATE RIDE NO. 36, )</b>	<b>Case No. 24-000__ UT</b>
)	
<b>PUBLIC SERVICE COMPANY OF NEW )</b>	
<b>MEXICO, )</b>	
)	
<b>Applicant )</b>	
_____ )	

**SELF AFFIRMATION**

**AARON BRAASCH, Senior Pricing Analyst for PNMR Services Company**, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Aaron Braasch.**

I further affirmatively state that I know the contents thereof and that they are true and correct to the best of my knowledge and belief.

DATED this 3rd day of June, 2024.

/s/ Aaron Braasch \_\_\_\_\_  
**AARON BRAASCH**