

**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 2020 AND PROPOSED 2020 RIDER )  
RATE UNDER RATE RIDER NO. 36, )  
 )  
PUBLIC SERVICE COMPANY OF NEW )  
MEXICO, )  
 )  
Application. )  
\_\_\_\_\_ )

Case No. 19-00\_\_-UT

**DIRECT TESTIMONY**

**OF**

**ANTHONY BUENO**

**June 3, 2019**

**NMPRC CASE NO. 19-00 \_\_\_-UT**  
**INDEX TO THE DIRECT TESTIMONY OF ANTHONY BUENO**

**WITNESS FOR**  
**PUBLIC SERVICE COMPANY OF NEW MEXICO**

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PNM Exhibit AB-1	Resume
PNM Exhibit AB-2	Summary of Proposed Program Extensions
PNM Exhibit AB-3	Revised Rate No. 32

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**I. INTRODUCTION AND PURPOSE**

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

**A.** My name is Anthony Bueno. I am the Manager, Retail Renewable Energy for Public Service Company of New Mexico (“PNM”). My business address is 414 Silver Avenue, SW, Albuquerque, New Mexico 87102.

**Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL QUALIFICATIONS.**

**A.** I graduated from New Mexico State University with a Bachelor of Science in Electrical and Computer Engineering in 2002. I have worked for PNM in various capacities since May 2006. From May 2006 to August 2008 I was an engineer in the System Engineering Department. From August 2008 to April 2009 I was a project manager for Construction and Maintenance Department. From April 2009 to January 2013 I was a program manager in the Retail Renewable Energy Department. From January 2013 to November 2016 I was a Key Account Engineer. I have held my current position since November 2016. My resume is attached to my testimony as PNM Exhibit AB-1.

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

**A.** The purpose of my testimony is to support PNM’s proposed changes and extensions to two distributed generation (“DG”) programs: the Customer Solar

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1           REC Purchase Program (“CSPP”), for DG systems sized up to 100 kW, and the  
2           Large Capacity Reservation Program, for DG systems larger than 100 kW up to 1  
3           MW. The purpose of the program changes and extensions is to achieve increased  
4           customer subscriptions to help meet the increased RPS under recent amendments  
5           to the Renewable Energy Act.

6

7                           **II.    CUSTOMER SOLAR REC PURCHASE PROGRAM**

8    **Q.    PLEASE DESCRIBE THE CSPP.**

9    **A.**    The current CSPP was approved in Case No. 16-00148-UT for a three year  
10           period, from 2017 through 2019. The program has two categories for new DG  
11           systems: 1) systems sized up to 10 kW of inverter capacity, and 2) systems sized  
12           above 10 kW up to 100 kW of inverter capacity. Both categories have a contract  
13           term of eight years from the interconnection/contract effective date and a price of  
14           \$0.0025 per kWh REC. The program capacity limit for systems sized up to and  
15           including 10 kW is 2 MW per year. For systems larger than 10 kW up to 100 kW,  
16           the annual program limit is 1 MW.

17

18   **Q.    HOW MANY CUSTOMERS PARTICIPATE IN THE CSPP?**

19   **A.**    From January 1, 2017 to December 31, 2018, 316 customers with a combined  
20           interconnected capacity of 3,324 kW applied to participate in the CSPP. From  
21           January 1, 2019 to June 1, 2019, 27 customers with a combined interconnected  
22           capacity of 221 kW applied to participate in the CSPP.

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1 **Q. PLEASE DESCRIBE PNM'S PROPOSAL TO EXTEND THE CSPP.**

2 **A.** PNM is proposing to extend the CSPP for an additional 3 years beginning January  
3 1, 2020, for two categories of new DG systems: (1) systems sized up to 10 kW of  
4 inverter capacity, and (2) systems sized above 10 kW up to 100 kW of inverter  
5 capacity, subject to a total combined annual capacity limit of 3 MW. PNM also  
6 proposes a contract term of eight years from the interconnection/contract effective  
7 date and a price of \$0.0025 per kWh REC. The program capacity limit for  
8 systems sized up to and including 10 kW shall be 1 MW per year. For systems  
9 sized larger than 10 kW up to and including 100 kW the annual program limit  
10 shall be 2 MW. This information is summarized on PNM Exhibit AB-2.

11  
12 Customers who submit an application for interconnection on or after January 1,  
13 2020, and do not have an interconnected DG system at the time of application for  
14 a new system, will be eligible to participate. Consistent with the current CSPP  
15 program, customers with a system size of 10 kW or less will have nine months  
16 after successfully passing the technical screening process to interconnect their  
17 project and customers with a system size above 10 kW up to 100 kW will have  
18 twelve months after successfully passing the technical screening process to  
19 interconnect their project.

20  
21 **Q. IF THE ANNUAL CAPACITY ALLOCATION IN A CATEGORY**  
22 **BECOMES FULLY SUBSCRIBED BEFORE THE END OF THE YEAR,**

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1           **WILL ADDITIONAL APPLICANTS BE PLACED IN A QUEUE FOR THE**  
2           **FOLLOWING YEAR?**

3    **A.**    No. Once the allotment in a category becomes fully subscribed, further  
4           applications will be placed on a waiting list and will be processed if an approved  
5           application for 2020's allocation lapses due to a failure to complete construction  
6           within the authorized time frame. In that event, the next approved application on  
7           the waiting list will be awarded the REC purchase contract. In no event will a  
8           program application for capacity available in the year it is filed be considered an  
9           application for capacity available in any other year.

10

11   **Q.**    **WHY IS PNM PROPOSING TO APPORTION THE 3 MW OF ANNUAL**  
12           **PROGRAM CAPACITY BETWEEN THE SMALL AND LARGE**  
13           **PROJECTS ON A 1 MW TO 2 MW BASIS?**

14   **A.**    PNM has observed more than 50% of the capacity remaining for the program  
15           category for systems sized up to 10 kW of inverter capacity. PNM has observed a  
16           much higher rate of CSPP participation for the program category for systems  
17           sized above 10 kW up to 100 kW. To match the demand and increase the CSPP  
18           participation, PNM is proposing 2 MW of program capacity in the large program  
19           and 1MW in the small program.

20

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1   **Q.    HOW DID PNM DETERMINE THE PRICE TO BE PAID FOR THE**  
2   **SOLAR DG RECS?**

3    A.    The REC price is consistent with the \$0.0025 REC purchase contract approved by  
4    the Commission for the CSPP extension in Case No. 16-00148-UT. PNM's most  
5    recent request for proposals ("RFP") that obtained pricing for future REC  
6    purchases was issued on January 13, 2016. The lowest cost solar-REC-only bid  
7    resulting from that RFP was \$2.54 per MWh-REC. PNM used this price to  
8    support the REC purchase price for the extension of the CSPP in Case No. 16-  
9    00148-UT, and is proposing the same price for the extended CSPP here. For the  
10   Capacity Reservation program, the Final Order in Case No. 11-00265-UT  
11   provides that the REC purchase price should be determined by the lowest  
12   accepted bid for RECs that PNM received pursuant to a RFP. PNM did not need  
13   to purchase stand-alone RECs for 2017, therefore, had not obtained a more recent  
14   price. PNM will, however, purchase stand-alone RECs for 2018 at a cost of \$1.00  
15   per MWh-REC (or \$0.0010 per kWh-REC). The proposed price of \$0.0025 per  
16   kWh/REC not only satisfies that requirement but would establish the same price  
17   paid for REC purchases in both the CSPP and the Capacity Reservation programs  
18   and is greater than the most recent price of \$0.0010 per kWh-REC.

19

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1 **Q. WHY IS PNM PROPOSING AN EIGHT-YEAR CONTRACT TERM?**

2 **A.** The eight-year contract term is consistent with the eight year REC purchase  
3 contract term approved by the Commission for the CSPP in Case No. 12-00131-  
4 UT and Case No. 16-00148-UT.

5  
6 **Q. WHY IS PNM PROPOSING TO EXTEND THE CSPP PROGRAM?**

7 **A.** PNM will need to acquire significant RECs to meet the increased RPS in 2025  
8 and beyond. The CSPP program provides low cost RECs to meet this  
9 requirement. In addition, the CSPP is popular with customers and promotes the  
10 development of renewable resources in PNM's service territory.

11

12 **III. CAPACITY RESERVATION PROGRAM**

13 **Q. IS PNM PROPOSING TO EXTEND THE LARGE CAPACITY**  
14 **RESERVATION PROGRAM FOR SOLAR DG FACILITIES LARGER**  
15 **THAN 100 KW?**

16 **A.** Yes. PNM proposes to offer a three-year capacity reservation of 2 MW at a  
17 purchase price of \$0.0025 per kWh of RECs for new solar interconnection  
18 customers with systems sized over 100 kW and up to 1 MW. New solar  
19 interconnection customers will be customers who submit an application for  
20 interconnection on or after January 1, 2020, and who do not have an  
21 interconnected DG system at the time of application for a new system. Customers



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1 with a system size above 100 kW up to 1 MW will have twelve (12) months after  
2 successfully passing the technical screening process to interconnect their project.

3  
4 The current program is a one-year program and will terminate at the end of 2019.  
5 Per the Final Order adopting the Hearing Examiner's Recommended Decision in  
6 Case No. 11-00265-UT, extension of the Capacity Reservation Program is subject  
7 to PNM's RPS compliance costs being lower than the Reasonable Cost Threshold  
8 ("RCT"). As discussed in Mr. Fallgren's testimony, however, the ETA changed  
9 the definition of the RCT from one that is portfolio based to one that is resource  
10 based. The large capacity reservation program is lower cost than the RCT under  
11 the ETA. From January 1, 2017, to December 31, 2017 the program was not  
12 available, therefore there were 0 participants. From January 1, 2018 to December  
13 31, 2018, four customers with a combined interconnected capacity of 541 kW  
14 applied to participate in the Large Capacity Reservation Program. From January  
15 1, 2019 to June 1, 2019, two customers with a combined interconnected capacity  
16 of 258 kW applied to participate in the Large Capacity Reservation Program.

17  
18 **Q. WHY IS PNM PROPOSING A PURCHASE PRICE OF \$0.0025 PER**  
19 **KWH/REC FOR THE CAPACITY RESERVATION PROGRAM?**

20 **A.** This is based on PNM's most recent RFP, as I previously discussed. PNM is  
21 proposing the same price for the extended CSPP here for the reasons discussed  
22 above. The proposed price of \$0.0025 per kWh/REC would establish the same

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1 price paid for REC purchases in both the CSPP and the Capacity Reservation  
2 programs.

3

4 **Q. IS PNM PROPOSING AN UPDATED TARIFF TO INCORPORATE THE**  
5 **PROPOSED CHANGES TO THE DG PROGRAMS?**

6 **A.** Yes. Please see PNM Exhibit AB-3 for a copy of the revised Rate 32 that was  
7 filed as a part of Advice Notice 562.

8

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

10 **A.** Yes.

GCG#525560

**Anthony Bueno**  
**EDUCATIONAL AND PROFESSIONAL SUMMARY**

**Name:** Anthony Bueno

**Address:** PNM Resources Inc.  
MS 0605  
414 Silver SW  
Albuquerque, NM 87102

**Position:** Manager, Retail Renewable Energy

**Education:** Bachelor of Science, Electrical Engineering, New Mexico State University -  
2002

**Employment:**

PNM:

Manager, Retail Renewable Energy: November 2016 – Present

Engineer, Key Accounts: January 2013 – November 2016

Program Manager, Photovoltaic: April 2009 – January 2013

Project Manager, Construction and Maintenance: August 2008 – April  
2009

Electrical Engineer, System Engineering: May 2006 – August 2008

GCG#525546

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**Customer Solar REC Purchase Program Summary of Pricing Terms**

0 to 10 kW					
Year	Capacity	Price	Contract Expiration Date		
2013	1st half	1,000	\$	0.0400	2021
	2nd half	1,000	\$	0.0350	
2014	1st half	1,000	\$	0.0300	2022
	2nd half	1,000	\$	0.0250	
2015	1st half	500	\$	0.0250	2023
	2nd half	500	\$	0.0250	
2016	1st half	500	\$	0.0250	2024
	2nd half	500	\$	0.0250	
2017		2,000	\$	0.0025	2025
2018		2,000	\$	0.0025	2026
2019		2,000	\$	0.0025	2027
2020		1,000	\$	0.0025	2028
2021		1,000	\$	0.0025	2029
2022		1,000	\$	0.0025	2030
Total		15,000			

10 to 100kW					
Year	Capacity	Price	Contract Expiration Date		
2013	1st half	500	\$	0.0500	2021
	2nd half	500	\$	0.0450	
2014	1st half	500	\$	0.0400	2022
	2nd	500	\$	0.0350	
2015	1st half	250	\$	0.0300	2023
	2nd half	250	\$	0.0250	
2016	1st half	250	\$	0.0250	2024
	2nd half	250	\$	0.0250	
2017		1,000	\$	0.0025	2025
2018		1,000	\$	0.0025	2026
2019		1,000	\$	0.0025	2027
2020		2,000	\$	0.0025	2028
2021		2,000	\$	0.0025	2029
2022		2,000	\$	0.0025	2030
Total		12,000			

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**APPLICABILITY:** The Solar Renewable Energy Certificate Purchase Program applies to RECs purchased by Public Service Company of New Mexico pursuant to any of the following standard form agreements:

1. Standard Small Solar REC Purchase Agreement for Participation in PNM's Solar REC Incentive Program.
2. Standard Large Solar REC Purchase Agreement for Participation in PNM's Solar REC Incentive Program.
3. Standard Small Solar REC Purchase Agreement for Participation by Third-Party Owner in PNM's Solar REC Incentive Program.
4. Standard Large Solar REC Purchase Agreement for Participation by Third-Party Owner in PNM's Solar REC Incentive Program.
5. Standard Small Solar REC Purchase Agreement for Participation in PNM's Interim Solar REC Incentive Program.
6. Standard Large Solar REC Purchase Agreement for Participation in PNM's Interim Solar REC Incentive Program.
7. Standard Small Solar REC Purchase Agreement for Third Party Ownership in PNM's Interim Solar REC Incentive Program.
8. Standard Large Solar REC Purchase Agreement for Third Party Ownership in PNM's Interim Solar REC Incentive Program.
9. Standard Large Solar Renewable Energy Certificate Purchase Agreement for Third-Party Owner Participation in PNM'S Solar REC Incentive Program for Systems Sized 100kW to 1MW.
10. Standard Large Solar Renewable Energy Certificate Purchase Agreement for Participation in PNM's Solar REC Incentive Program for Systems Sized 100kW to 1MW.

Any services hereunder will be furnished subject to the Company's Rules and Regulations and any subsequent revisions. These Rules and Regulations are available at the Company's office and are on file with the New Mexico Public Regulation Commission. These Rules and Regulations are a part of this Schedule as if fully written herein.

This rate will apply to:

1. Customers with Solar Facilities less than or equal to 100 kW<sub>AC</sub> who submitted applications to PNM after August 31, 2010,
2. Customers with Solar Facilities larger than 100 kW<sub>AC</sub> who submitted applications after August 27, 2010,

Advice Notice No. 534-562

\_\_\_\_\_  
Mark A. Fenton  
Executive Director,

Regulatory Policy and Case Management  
Gerard T. Ortiz

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Vice President, PNM Regulatory Affairs

GCG#522609

PUBLIC SERVICE COMPANY OF NEW MEXICO  
ELECTRIC SERVICES

4<sup>TH</sup>-5<sup>TH</sup> REVISED RATE NO. 32  
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3. Customers with applications for Solar Facilities larger than 100 kW<sub>AC</sub> that were pending with PNM as of August 27, 2010, unless grandfathered by the Commission into PNM's Large PV REC Purchase Program, and
4. Customers and Third-Party Owners of Solar Facilities who submitted applications after December 31, 2010.

**TERRITORY:** All territory served by the Company in New Mexico.

**DEFINITIONS:** The following definitions apply to the terms discussed within this Schedule:

Company or PNM is Public Service Company of New Mexico.

Customer is an account holder of PNM who has entered into the standard agreements for interconnection and net metering and a standard form agreement for the purchase of RECs by PNM, as identified above.

Large Solar Facility is a solar PV or solar thermal facility generating electricity that is sized greater than 10 kW<sub>AC</sub> up to and including 1,000 kW<sub>AC</sub> (or 1 MW<sub>AC</sub>) based on the rated capacity of the inverter.

NMPRC or Commission is the New Mexico Public Regulation Commission or a successor agency exercising jurisdiction over the subject matter of this Rate Number 32.

Small Solar Facility is a solar PV or solar thermal facility that is sized at 10 kW<sub>AC</sub> or smaller based on the rated capacity of the inverter.

Solar Renewable Energy Certificate or REC is a document evidencing that the enumerated renewable energy kilowatt-hours (kWh) have been generated from a Solar Facility.

Third-Party Owner is a party other than a landlord that owns and/or operates a Solar Facility that is sited at the location of a Customer and that is sized to supply no more than one hundred twenty percent (120%) in kWh of the average annual consumption of electricity by Customer at the location of the Solar Facility.

**TERMS OF SERVICE:**

Eligibility – Customers and Third-Party Owners eligible for this rate must:

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1. Have a Solar Facility inverter capacity no greater than 1 MW<sub>AC</sub>, which for Third-Party Owners must be sized to supply no more than one hundred twenty percent (120%) in kWh of the average annual consumption of electricity by Customer at the location of the Solar Facility.
2. Submit a complete application.
  - \* For Small Solar Facilities: A complete application shall include Application Form, Non-Refundable Application Fee, One-Line Electric Diagram, Site-Map and Inverter Specification Sheet as described in the application
  - \* For Large Solar Facilities: A complete application shall include Application Form, Application Fee, One-Line and Three-Line Electric Diagram which must be stamped by a professional engineer licensed to practice in the state of New Mexico if the generating facility is larger than 50 kW<sub>AC</sub>, Site-Map and Inverter Specification Sheet as described in the application;
3. Receive from PNM a Notice of Completion of Application and REC Reservation, which shall include the REC price that PNM will pay for RECs generated by the Solar Facility provided that the Solar Facility is interconnected within the time frame set forth in Section 4 below, consistent with the originally proposed design and capacity;
4. Interconnect the Solar Facility within 12 months for Large Solar Facilities or within 9 months for Small Solar Facilities of being notified by PNM, through a Notice of Completion of Technical Screening, that the Solar Facility has passed PNM's technical screening. Except as provided in Section 5 below, the price for RECs generated by a Solar Facility that fails to interconnect within the applicable time period will be the REC price for the price step shown in Table 1 that is open at the time of interconnection;
5. If, after PNM issues a Notice of Completion of Application and REC Reservation for a Solar Facility, capacity is added to the Solar Facility above the capacity and design stated in that completed application, a new application must be submitted. The REC price for the entire output of the Solar Facility described in that new application (i.e., the originally installed capacity and the additional capacity), will be the REC price in the price step open on the date PNM provides its Notice of Completion of Application and REC Reservation for that new application.

REC Price:

When PNM has determined that an application for interconnection and/or REC purchase is complete, PNM shall provide Customer and Third-Party Owner, if applicable, a Notice of Completion of Application and REC Reservation which shall include the applicable price at which PNM will purchase RECs generated by the Solar Facility. This REC price shall be based on the REC Price shown in Table 1, taking into account:

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1. The date the application is determined by PNM to be complete as stated in PNM's standard Interconnection Application form,
2. The inverter size (in kW<sub>AC</sub>) listed in the application, which will determine the program category shown in Table 1 to which the Solar Facility will be assigned,
3. The rated capacity in kW<sub>AC</sub> of the Solar Facility, which will be calculated at 72% of the installed panel capacity in kW<sub>DC</sub> for Small Solar Facilities and at 75% of the installed panel capacity in kW<sub>DC</sub> for Large Solar Facilities,
4. The program category shown in Table 1 that is open for subscription for solar generating facilities sized consistent with the inverter size of the Small or Large Solar Facility at the time the application is determined to be complete, and
5. The applicable REC price(s) shown in Table 1 for the open price step for which the Solar Facility qualifies based on the installed solar capacity in kW<sub>AC</sub>.

If a Small or Large Solar Facility is sized greater than the capacity available in the open price step shown in Table 1, the capacity in excess will be assigned to the next successive price step (even if it is before the open period), and the REC price will be calculated as a weighted average of the portion of the Solar Facility's capacity in the two price steps using the methodology shown in Table 2.

When the capacity available for a price step shown in Table 1 is fully subscribed, the REC price for that step will no longer be available or offered by PNM.

For Large Solar Facilities sized greater than 100 kW eligible for price steps subject to a capacity reservation, PNM will propose a price to the Commission in its annual Renewable Energy Portfolio Procurement Plan that would be offered on a first-come, first-serve basis. The price is anticipated to be based upon the highest price offered by a renewable energy developer to PNM and accepted by PNM as a result of the most recently conducted Request for Proposal process, or upon other criteria as may be ordered by the Commission. PNM anticipates that such Request for Proposals will be issued during the first quarter of each calendar year provided that new procurements are required for compliance with PNM's Renewable Portfolio Standard requirements. In years during which a Request for Proposal process is not conducted, and provided that a capacity reservation is available, PNM may propose to the Commission a continuation of the most recent Commission-approved price or other reasonably determined price.

Solar REC Purchases:

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PNM will only purchase Solar RECs generated by a Solar Facility located on a Customer's premises. On a monthly basis, PNM will purchase the Solar RECs associated with the energy generated at the applicable REC Price described above, pursuant to an executed PNM standard form agreement as identified above.

- \* For Small Solar Facilities, PNM will purchase all RECs associated with the entire amount of electricity generated by the Solar Facility as metered by PNM.
- \* For Large Solar Facilities, PNM will only purchase RECs associated with the amount of electricity generated by the Solar Facility that is consumed each month on Customer's premises as metered by PNM.

**REALLOCATION OF CAPACITY:** Capacity within a price step shown in Table 1 shall be committed to a proposed Solar Facility at the time the application is determined by PNM to be complete. A proposed Large Solar System must be interconnected within 12 months, and a proposed Small Solar Facility must be interconnected within 9 months from the date shown on PNM's Notice of Completion of Technical Screening to the Applicant that the proposed Solar Facility has passed the screening process.

For capacity subscribed prior to December 31, 2016, the Applicant will forfeit the Solar Facility's committed capacity within a particular REC price step shown in Table 1 if the Solar Facility is not interconnected within the applicable time period. PNM shall reallocate the forfeited capacity to the then currently open REC price step within the applicable program category shown on Table 1. x

For price steps applicable to solar facilities sized 100 kW or less in 2013 through 2016, any cancelled capacity from the SIP or Interim SIP rolled into these price steps will be included on an equivalent dollar basis on a 2 to 1 ratio in the 0 to 10 kW category and 10 to 100 kW category, respectively. The capacity and related prices will be such that the amount of capacity times the applicable step price will equal the same total amount of dollars as the amount of cancelled capacity times the originally reserved price step. For example, if a 300 kW<sub>AC</sub> project with an \$0.08 per kWh REC reservation price under the SIP is cancelled during the first six months of 2013, the cancellation will add the amount of capacity which equates to the same amount of costs for REC purchases under the CSPP at the REC prices then in effect. The cancelled capacity amount will be divided between the 0 to 10 kW<sub>AC</sub> and 10 to 100 kW<sub>AC</sub> size categories on a 2:1 ratio such that the cancellation will add 400 kW<sub>AC</sub> of capacity at the \$0.04 per kWh REC price in the 0 to 10 kW<sub>AC</sub> category and 160 kW<sub>AC</sub> of capacity at \$0.05 per kWh in the 10 to 100 kW<sub>AC</sub> category under the CSPP.

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~~4<sup>TH</sup>-5<sup>TH</sup>~~ REVISED RATE NO. 32  
CANCELING ~~3<sup>RD</sup>~~ ~~4<sup>TH</sup>~~ REVISED RATE NO. 32

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For price steps applicable to solar facilities sized 100 kW or less in 2013 through 2016, any unsubscribed capacity during a subscription period will roll over into the next period at the same price. Once the capacity has filled, the new capacity allotment and associated price will start. Any unsubscribed capacity or cancelled capacity shall be deemed unavailable for further subscription after December 31, 2016. For price steps applicable to solar facilities sized 100 kW or less in 2017 through 2019, any unsubscribed capacity during a subscription period will not be rolled over to the next year.

For price steps applicable to solar facilities sized 100 kW or less in 2013 through 2016, any unsubscribed capacity in given size category at the end of the year will be allocated to the size category that achieved 100% subscription at the beginning of the next year. Any unsubscribed capacity or cancelled capacity shall be deemed unavailable for further subscription after December 31, 2016. For price steps applicable to solar facilities sized 100 kW or less in 2017 through 2019, any unsubscribed capacity in given size category at the end of the year will not be rolled over to the next year.

For Large Solar Facilities sized greater than 100 kW eligible for price steps subject to a capacity reservation, PNM will propose a reservation of capacity to the Commission in its annual Renewable Energy Portfolio Procurement Plan for the procurement of RECs during the next calendar year. Upon Commission approval, PNM will file an Advice Notice to update Rate No. 32 for implementation of the approved new annual capacity reservation and price. The capacity reservation is available on a first-come, first-serve basis for subscription beginning on January 1 of the following calendar year, or upon the date of NMPRC approval of the annual Renewable Energy Portfolio Procurement Plan, if subsequent to January 1. The capacity reservation will not be assigned by system sized category. PNM will post on its web site at [PNM.com](http://PNM.com) information explaining the capacity reservation proposed by PNM in any pending Renewable Energy Portfolio Procurement Plan and the approved capacity reservation in effect and remaining available for subscription for each calendar year. This information will be updated, if appropriate, on a bi-weekly basis.

**ACCESSIBILITY:** Equipment used to meter RECs must be physically accessible in a location acceptable to the Company. The meter socket must be installed in accordance with the Company's Rules and Regulations.

**TERMS OF PAYMENT:**

For Customer-owned Solar Facilities:

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\_\_\_\_\_  
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Executive Director,

Regulatory Policy and Case Management

Gerard  
T. Ortiz

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Vice President, PNM Regulatory Affairs

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REC payments shall commence in the billing period subsequent to the execution of a Standard Interconnection Agreement and subsequent to PNM's receipt and execution of the applicable Standard Small or Large Solar REC Purchase Agreement.

Customers will receive information on the monthly electric bill documenting the number of kWh produced by the Solar Facility and the number of RECs purchased by PNM. Bills for Customers receiving payment will include the applicable REC purchase price and the total payment for RECs purchased from the Customer by PNM during the billing period.

REC purchase payments will be applied as a credit to Customer's electric bill on a monthly basis, and credits in excess of certain amounts will be paid, as follows:

- \* For Small Solar Facilities: if the amount paid for the RECs is greater than the total of the Customer's monthly electric bill by up to \$20.00, the resulting credit will be carried forward to be applied toward the following month's electric bill. If the REC payment balance results in a customer credit in excess of \$20.00, the total balance will be paid directly to the Customer before the beginning of the Customer's next billing cycle.
- \* For Large Solar Facilities: if the amount paid for the RECs is greater than the total of Customer's monthly electric bill by up to \$200.00, the resulting credit will be carried forward to the following month's electric bill. If REC payment balance results in a Customer credit in excess of \$200.00, the total balance will be paid directly to Customer before the beginning of the Customer's next billing cycle.

For Third-Party Owned Solar Facilities:

Payments by PNM to a Third-Party Owner for Solar RECs generated by the Third-Party Owner Solar Facility will commence subsequent to the execution of a Standard Interconnection Agreement, PNM's receipt and execution of the applicable Standard Small or Large Solar REC Purchase Agreement, and 30 days following the billing cycle in which the meters on Customer's Premises are read by PNM.

Third-Party Owners will receive a statement from PNM that documents the number of kWh produced by the Solar Facility, the number of RECs purchased by PNM, the applicable REC purchase price and the total payment for RECs purchased by PNM for the Customer's billing period.

- \* For Small Solar Facilities: PNM shall purchase all RECs generated. Solar REC purchase payments that total in excess of \$20 will be paid on a monthly basis. If the amount due for the Solar RECs is less than \$20 the amount will be carried forward to

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the following month until such time as the balance due exceeds \$20, at which time the total balance due will be paid directly to Third-Party Owner.

- \* For Large Solar Facilities: Solar REC purchase payments that total in excess of \$200 will be paid on a monthly basis. If the amount due for the Solar RECs is less than \$200 the amount will be carried forward to the following month until such time as the balance due exceeds \$200, at which time the total balance due will be paid directly to Third-Party Owner. If the Large Solar Facility generates electricity in excess of the amount of electricity consumed by Customer each month on the Premises ("Excess Energy"), PNM shall purchase such Excess Energy from Customer at its avoided cost, and PNM shall receive from Customer, without cost, all RECs associated with such Excess Energy, to the extent authorized by the New Mexico Renewable Energy Act.

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SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

TABLE 1: PRICES FOR RECS FROM SMALL AND LARGE SOLAR FACILITIES				
Line Number	Program Category	Price Step Size in MW <sub>AC</sub>	REC Price per kWh for this Step	
1	Small Solar - 0 to 10 kW <sub>AC</sub>	0.593	\$0.1200	
2		0.593	\$0.1100	
3		0.593	\$0.1000	
4		0.593	\$0.0900	
5		0.593	\$0.0800	
6		0.593	\$0.0700	
7		0.593	\$0.0600	
8		0.593	\$0.0500	Interim Price Step (1)
9		0.593	\$0.0400	Interim Price Step (1)
10		0.593	\$0.0300	Interim Price Step (1)
11		1.000	\$0.0400	For Jan. – June, 2013
12		1.000	\$0.0350	For July-Dec., 2013
13		1.000	\$0.0300	For Jan.-June, 2014
14		1.000	\$0.0250	For July-Dec., 2014
15		.500	\$0.0250	For Jan.-June, 2015
16		.500	\$0.0250	For July-Dec., 2015
17		.500	\$0.0250	For Jan.-June, 2016
18		.500	\$0.0250	For July-Dec., 2016
19		2.000	\$0.0025	Annual for 2017, 2018, and 2019
20		1.000	\$0.0025	Annual for 2020, 2021, and 2022
<del>20</del> 21	> 10 kW <sub>AC</sub> to 100 kW <sub>AC</sub>	0.450	\$0.1400	
<del>21</del> 22		0.450	\$0.1300	
<del>22</del> 23		0.450	\$0.1200	
<del>23</del> 24		0.450	\$0.1100	
<del>24</del> 25		0.450	\$0.1000	
<del>25</del> 26		0.450	\$0.0900	
<del>26</del> 27		0.450	\$0.0800	
<del>27</del> 28		0.450	\$0.0700	
<del>28</del> 29		0.450	\$0.0600	
<del>29</del> 30		0.450	\$0.0500	Interim Price Step (1)
<del>30</del> 31		0.450	\$0.0400	Interim Price Step (1)
<del>31</del> 32		.500	\$0.0500	For Jan. – June, 2013
<del>32</del> 33		.500	\$0.0450	For July-Dec., 2013
<del>33</del> 34		.500	\$0.0400	For Jan.-June, 2014
<del>34</del> 35		.500	\$0.0350	For July-Dec., 2014
<del>35</del> 36		.250	\$0.0300	For Jan.-June, 2015
<del>36</del> 37		.250	\$0.0250	For July-Dec., 2015
<del>37</del> 38		.250	\$0.0250	For Jan.-June, 2016
<del>38</del> 39		.250	\$0.0250	For July-Dec., 2016
<del>39</del> 40		1.000	\$0.0025	Annual for 2017, 2018, and 2019
<del>40</del> 41		2.000	\$0.0025	Annual for 2020, 2021, and 2022

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42	>100 kW <sub>AC</sub> to 1 MW <sub>AC</sub>	5.000	\$0.0200	For 2012
43		2.000	\$0.0200	For 2013-2016
44		2.000	\$0.0025	For 2018-2022
<b>Solar REC Incentive (SIP) Categories No Longer Available</b>				
4041	> 100kW <sub>AC</sub> to 250 kW <sub>AC</sub>	0.560	\$0.1300	(2)
4142		0.560	\$0.1200	
4243		0.560	\$0.1100	
4344		0.560	\$0.1000	
4445		0.560	\$0.0900	
4546		0.560	\$0.0800	
4647		0.560	\$0.0700	
4748		0.560	\$0.0600	
4849		(2)	\$0.0200	Capacity Reservation Price Step (2)
4950	> 250 kW <sub>AC</sub> to 1 MW <sub>AC</sub>	1.250	\$0.1200	
51		1.250	\$0.1000	
52		1.250	\$0.0800	
53		1.250	\$0.0600	
54		(2)	\$0.0200	Capacity Reservation Price Step (2)
55	Large 1 MW <sub>AC</sub>	2.500	\$0.1100	
56		2.500	\$0.0900	
57		1.500	\$0.0700	
58		1.500	\$0.0500	
59		(2)	\$0.0200	Capacity Reservation Price Step (2)

TABLE 1: PRICES FOR RECS FROM SMALL AND LARGE SOLAR FACILITIES (Continued)

Line Number	Program Category	Price Step Size in MW <sub>AC</sub>	REC Price per kWh for this Step
50		1.250	\$0.1000
51		1.250	\$0.0800
52		1.250	\$0.0600

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				Capacity-Reservation-Price-Step
53		=(2)	\$0.0200	(2)
54	Large 1 MW <sub>AC</sub>	2,500	\$0.1100	
55		2,500	\$0.0900	
56		1,500	\$0.0700	
57		1,500	\$0.0500	
58		=(2)	\$0.0200	(2)

(1) The Interim Price Steps were approved by the Final Order in Case No. 11-00265-UT as modified by the Order Granting Motion. Contracts for REC purchases for the Interim Price Steps have a termination date of December 31, 2020.

- (2) The total combined capacity reserved for these three categories listed below is 2,000 kW<sub>AC</sub> or 2 MW<sub>AC</sub>.
- a. > 100 kW<sub>AC</sub> to 250 kW<sub>AC</sub> (line 46)
  - b. > 250 kW<sub>AC</sub> to 1 MW<sub>AC</sub> (line 51)
  - c. Large 1 MW<sub>AC</sub> (line 56)

The capacity reservation and price for future price steps in these categories will be determined and updated annually.

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TABLE 2

EXAMPLE OF CALCULATION TO DETERMINE WEIGHTED AVERAGE PRICE FOR RECS FROM A  
SMALL SOLAR FACILITY THAT COMPLETES THE AVAILABLE CAPACITY

Program Category - Small Solar 0 to 10 kW<sub>AC</sub>

Total Capacity in first step	1,000 kW <sub>AC</sub>
Available Capacity in step	5 kW <sub>AC</sub>
REC price in first step	\$0.0400 / kWh
REC price in next step	\$0.0350 / kWh
Project Rated Capacity	8 kW <sub>AC</sub>
Calculation of REC Price	$((5 \text{ kW}_{AC} * \$0.0400 / \text{kWh}) + (3 \text{ kW}_{AC} * \$0.0350 / \text{kWh}))/8 \text{ kW}_{AC}$
REC price	\$0.0381 / kWh

Note: Methodology consistent with Final Order Partially Adopting Recommended Decision in NMPRC Case No. 10-00037-UT

EXAMPLE OF CALCULATION TO DETERMINE WEIGHTED AVERAGE PRICE FOR RECS FROM A  
LARGE SOLAR FACILITY THAT COMPLETES THE AVAILABLE CAPACITY

Program Category >10 kW<sub>AC</sub> to 100 kW<sub>AC</sub>

Total Capacity in first step	500 kW <sub>AC</sub>
Available Capacity in step	5 kW <sub>AC</sub>
REC price in this step	\$0.0500 / kWh
Price in next step	\$0.0450 / kWh
Next project	15 kW <sub>AC</sub>
Calculation of REC Price	$((5 \text{ kW}_{AC} * \$0.0400 / \text{kWh}) + (10 \text{ kW}_{AC} * \$0.0350 / \text{kWh}))/15 \text{ kW}_{AC}$
REC price	\$0.0467 / kWh

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**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 2020 AND PROPOSED 2020 RIDER )  
RATE UNDER RATE RIDER NO. 36 )  
 )  
PUBLIC SERVICE COMPANY OF NEW )  
MEXICO )  
 )  
Petitioner. )  
\_\_\_\_\_ )**


Case No. 19-00 \_\_\_-UT

**AFFIDAVIT**


STATE OF NEW MEXICO            )  
  ) ss  
COUNTY OF BERNALILLO        )

**ANTHONY BUENO, Manager, Retail Renewable Energy for Public Service Company of New Mexico**, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Anthony Bueno** and it is true and correct based on my personal knowledge and belief.

SIGNED this 31 day of May, 2019.

  
\_\_\_\_\_  
ANTHONY BUENO

SUBSCRIBED AND SWORN to before me this 31<sup>st</sup> day of May, 2019.

  
\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR  
THE STATE OF NEW MEXICO

My Commission Expires:  
1.21.2020

GCG # 525515