

EXECUTIVE SUMMARY

Public Service Company of New Mexico's ("PNM") *Application for Approval of PNM Solar Direct Voluntary Renewable Energy Program, Power Purchase Agreement, and Advice Notice Nos. 560 and 561* seeks approval of the following: (a) PNM Solar Direct voluntary renewable energy program consistent with the goals of the Renewable Energy Act; (b) the Jicarilla Solar 2 power purchase agreement ("PPA") pursuant to 17.9.551 NMAC; (c) Advice Notice No. 560 proposing PNM Original Rider No. 50 – Voluntary Solar Renewable Energy Program – PNM Solar Direct for Governmental and Large Commercial Customers; (d) Advice Notice No. 561 proposing PNM Original Form No. 106, PNM Solar Direct Service Agreement – Governmental Entities; PNM Original Form No. 107, PNM Solar Direct Service Agreement – Non-Governmental Entities; and Original Form No. 108, Bill Form for PNM Solar Direct; and (e) variances from certain filing requirements of Commission rules. PNM is requesting that the Commission grant these approvals within the six months provided in 17.9.551.10(B) NMAC for PPA approval.

PNM Solar Direct will be open to governmental customers, and large commercial customers with aggregate demand of at least 2.5 MW, and was developed in cooperation with these customers in response to their request for a large voluntary renewable energy program. The program meets the needs of these customers to serve their energy requirements with renewable power that is in excess of that driven by New Mexico's Renewable Portfolio Standard. The energy for the new program will be provided by a competitively-procured 50 MW solar facility through a PPA with Jicarilla Solar 2 LLC over a 15-year term. If the program is approved, PNM Solar Direct participants will begin receiving service under the program beginning with the operation date of the Jicarilla Solar 2 facility, which is expected to be March 31, 2021.

Participating customers will pay all costs of the PPA and to administer PNM Solar Direct, such that PNM's other customers will bear no program costs. Pursuant to Original Rider No. 50 participating customers will pay a Contract Rider Rate of \$0.0217300 per kWh to recover PPA costs and an Administrative Charge of \$0.0553758 per kW-month to recover costs of administering and implementing PNM Solar Direct. Participating customers will also receive a monthly fuel credit and variable operation and maintenance credit for each kWh of PPA production based on their subscription to capacity in the PPA.

PNM Solar Direct is in the public interest because it benefits participating customers by helping to meet their renewable or sustainability goals in a cost effective

manner, it adds to PNM's renewable generation in addition to the RPS requirements, and all costs are recovered from participating customers such that PNM's other customers are not adversely impacted.

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