

**Public Service Company of New Mexico
2020 Renewable Energy Act Procurement Plan
Executive Summary**

Public Service Company of New Mexico (“PNM”) is submitting a request to the New Mexico Public Regulation Commission (“NMPRC”) for approvals related to its Renewable Energy Act Plan for 2020 (“2020 Plan”). As part of its 2020 Plan, PNM is requesting approval of a purchased power agreement (“PPA”) with La Joya Wind LLC for the output from the 140 MW La Joya II wind farm in Torrance County at a purchase price of \$17.48 MWh. PNM also proposes to continue two existing distributed generation (“DG”) programs, that were approved by the NMPRC in previous PNM cases, as well as amendments to its fuel and purchased power cost adjustment clause, Rider 23 (“FPPCAC”) required by recent legislative changes to the Renewable Energy Act (“REA”).

The Energy Transition Act

On March 22, 2019, the Governor signed SB 489, also referred to as the Energy Transition Act or ETA, into law. The ETA amends the REA in two significant respects: 1) it increases the Renewable Portfolio Standard (“RPS”) beginning in 2025 and 2) it eliminates the large customer adjustment and the exemption for certain governmental customers. The ETA also changed the definition of “reasonable cost threshold” or RCT as well as added the requirement that the renewable energy for which the utility plans to retire RECs for RPS compliance be delivered to the public utility and assigned to the public utility’s New Mexico customers, and eliminated the diversity requirements for RPS resources.

PNM’s 2020 RPS Plan

As a result of the ETA, in particular, the elimination of the large customer cap and exemptions, PNM is projecting to be short of its 2020 RPS requirement by 68,611 MWh. As mentioned above, PNM is requesting approval of a PPA with La Joya Wind LLC for the output from the 140 MW La Joya II wind farm in Torrance County at a purchase price of \$17.48 MWh. PNM also proposes to continue two DG programs, one for systems up to 100 kW, and the other for systems above 100 kw and up to 1 MW, as well as amendments to its FPPCAC.

As a part of PNM's 2020 Plan, PNM is requesting approval to reset the Renewable Energy Rider, Rider No. 36 ("Rider 36") rate from \$0.0066138 per kWh to \$0.0070504 per kWh effective January 1, 2020.

Because the Rider 36 rate is assessed as a per kWh charge, the bill impact on each customer will vary with usage. For residential customers, the impact ranges from \$0.00 to \$7.22 per month depending on kWh use. An average residential customer using 600 kWh per month will pay an additional \$2.16 per month under the 2020 Rider 36 rate and FPPCAC rate. For small power customers, the impact ranges from \$0.00 to \$56.98 per month depending upon kWh use.

Requested Approvals

PNM seeks the following Commission approvals in this case:

- Approval of the 2020 Plan, including the new La Joya II procurement and a continuation of the CSPP program for DG systems sized up to 100 kW and the Capacity Reservation program for DG systems sized over 100 kW and up to 1 MW;
- Approval to reset the Rider 36 rate from \$0.0066138 per kWh to \$0.0070504 per kWh effective January 1, 2020;
- Approval to amend the FPPCAC, to 1) reset the "Fuel Clause Year" to begin on January 1st to match Rider 36; 2) eliminate "Large Capped Customers," "Exempt Customers," and "Other Customers;" and 3) include a mechanism to collect a new DG credit for certain governmental customers;
- Approval of a variance from the requirements of 17.9.572 NMAC ("Rule 572") and the Final Order in Case No. 14-00158-UT that are inconsistent with the requirements of the ETA; and
- To the extent necessary, a variance from the data filing requirements of 17.9.530 NMAC.

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