

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
RENEWABLE ENERGY ACT PLAN)
FOR 2020 AND PROPOSED 2020 RIDER)
RATE UNDER RATE RIDER NO. 36,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
)
Applicant.)
)**

Case No. 19-00____-UT

**PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR
APPROVAL OF ITS 2020 RENEWABLE ENERGY ACT PROCUREMENT PLAN,
RIDER NO. 36 RATE FOR 2020, AND AMENDMENTS TO FUEL AND
PURCHASED POWER COST ADJUSTMENT CLAUSE**

Public Service Company of New Mexico ("PNM" or "Company") hereby submits its Application for approvals related to its Renewable Energy Act Plan for 2020 ("2020 Plan"). The 2020 Plan includes the same procurements approved in PNM's most recent Renewable Energy Act plan case, Case No. 18-00158-UT, and a new wind procurement: a purchase 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 distributed generation ("DG") programs, for systems up to 100 kW and for systems above 100 kw and up to 1 MW, that were approved by the New Mexico Public Regulation Commission ("Commission") in previous PNM cases.

The 2020 Plan and the revised Renewable Energy Rider, Rider No. 36 ("Rider 36") rate, with requested variances, comply with the Renewable Energy Act, NMSA 1978, §§ 62-16-1 to -10 ("REA"), and the Commission's Renewable Energy Rule, 17.9.572 NMAC ("Rule 572"), and should be approved. Approving the 2020 Plan, including the La Joya II procurement, will

allow PNM to meet the renewable portfolio standard (“RPS”) in 2021. PNM will not be able to meet the RPS in 2020 for two reasons: due to recent amendments to the REA, PNM’s effective RPS goal for 2020 has increased from the 1,363,086 MWh PNM projected in its Case No. 18-00158-UT Application to 1,671,822 MWh, and the La Joya II wind farm will not be online until the end of December, 2020. PNM proposes to retire renewable energy certificates (“RECs”) generated in future years to make up the shortfall in 2020 RPS compliance.

PNM also proposes amendments to its fuel and purchased power cost adjustment clause, Rider 23 (“FPPCAC”). The recent amendments to the REA, which were enacted by the Legislature and signed by the Governor in 2019 as part of the Energy Transition Act, SB 489 (“ETA”), affect PNM’s collection of its RPS compliance costs through Rider 36. Currently, collections from certain large, non-governmental customers through Rider 36 are capped, and certain governmental customers are exempt and not assessed Rider 36 at all.¹ The Commission has mandated that PNM charge different fuel rates through the FPPCAC to these capped and exempt classes of customers in proportion to the RPS compliance costs they are allocated.² However, the ETA eliminates the caps and exemptions for these customer classes. As a result, PNM’s proposed new Rider 36 rate will apply equally to all customers when it is implemented on January 1, 2020. To reflect the elimination of the caps and exemptions under the REA and from Rider 36, PNM proposes that the Commission approve amendments to the FPPCAC that eliminate different classes of customers based on caps and exemptions effective January 1, 2020.

Specifically, 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 Customer Solar REC Purchase Program (“CSPP”) program for

¹ §§ 62-16-4(A)(2) and (3).

² Case No. 15-00261-UT *Corrected Recommended Decision* at 52-63, adopted by *Final Order Partially Adopting Corrected Recommended Decision* (September 28, 2016).

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 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 the “Large Capped Customers,” “Exempt Customers,” and “Other Customers” allocation; and 3) include a mechanism to collect a new DG credit for certain governmental customers;³
- 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 ETA;
- Approval of a variance from the 2020 RPS under 17.9.572.10 NMAC; and
- To the extent necessary, a variance from the data filing requirements of 17.9.530 NMAC.

In further support of this Application, PNM states:

1. PNM is a New Mexico corporation that owns, operates and controls public utility plant, property and facilities, including generation, transmission and distribution facilities that provide retail and wholesale electric service in New Mexico. PNM is a public utility subject to the jurisdiction of the Commission.

2. The REA has three purposes, to:

(1) prescribe the amounts of renewable energy resources that public utilities shall include in their electric energy supply portfolios for sales to retail customers

³ Section 29(C) of the ETA provides that certain large governmental customers “shall not be charged by the utility for power purchases of one year or less or fuel on the amount of electricity purchased from the utility equal to the amount of renewable energy produced or hosted by the customer” and that the provisions of the section “shall not prevent the utility from recovering all of its reasonable and prudent fuel and purchased power costs.”

in New Mexico by prescribed dates;

(2) allow public utilities to recover costs through the rate-making process incurred for procuring or generating renewable energy used to comply with the prescribed amount; and

(3) protect public utilities and their ratepayers from renewable energy costs that are above a reasonable cost threshold. § 62-16-2(B).

3. The REA also provides that a

public utility that procures or generates renewable energy shall recover, through the rate-making process, the reasonable costs of complying with the renewable portfolio standard. Costs that are consistent with commission approval of procurement plans or transitional procurement plans shall be deemed to be reasonable. § 62-16-6(A).

4. The Commission has established standards for REA plan filings in Rule 572 and in PNM's previous REA plan cases. PNM's last five REA plan cases were Cases Nos. 14-00158-UT, 15-00166-UT, 16-00148-UT, 17-00129-UT, and 18-00158-UT.

5. In Case No. 12-00007-UT, the Commission approved Rider 36, and approved PNM's recovery of certain Commission-approved RPS costs through Rider 36. The Commission subsequently approved recovery of particular RPS costs and of revised Rider 36 rates in Case No. 12-00007-UT, in Case No. 13-00183-UT and in PNM's last five REA plan cases. Concurrently herewith PNM is filing Advice Notice No. 562 which contains 16th Revised Rider No. 36, the 8th Revised Rider No. 23, and the 5th Revised Rate No. 32.

6. PNM is filing its 2020 Plan in compliance with the amendments to the REA described in the ETA, which take effect on June 14, 2019. Where Rule 572 has been superseded by the ETA, the 2020 Plan complies with the ETA rather than Rule 572. The following sections of Rule 572 have been superseded by the ETA:

- Sections 9.572.7(C), 9.572.12, and 9.572.14(C) NMAC, which provide a calculation of the reasonable cost threshold (“RCT”) that is inconsistent with the RCT described at Sections 28(E) and 29(E) of the ETA, equal to “an average annual levelized cost of sixty dollars (\$60.00)” per MWh;
- Sections 9.572.7(G) and 9.572.11 NMAC, which require utilities to diversify the types of renewable energy resources in their portfolios consistent with Section 62-16-4(A)(4) of the REA. Section 29 of the ETA deletes the diversity mandate from the REA;
- Sections 9.572.7(L) and (M), 9.572.12, and 9.572.16 NMAC, which provide for adjustments to the RPS and RCT for certain exempt governmental and large capped non-governmental customers consistent with Section 62-16-4(A)(2) and (3) of the REA. Section 29 of the ETA deletes recognition of exempt customers and large capped customers from the REA; and
- Section 9.572.17(C)(2) NMAC, which provides that RECs used for RPS compliance “do not require physical delivery of the electric energy represented by the certificate to a public utility,” consistent with Section 62-16-5(B)(1) of the REA. Section 29(A) of the ETA amends this requirement, and provides that a “public utility shall meet the renewable portfolio standard requirements... as demonstrated by its retirement of renewable energy certificates; provided that the associated renewable energy is delivered to the public utility and assigned to the public utility's New Mexico customers.”

To the extent the Commission finds that the ETA does not apply to PNM's 2020 Plan, PNM requests variances to the foregoing sections of Rule 572 so that PNM may implement the requirements of the ETA beginning in 2020.

7. The 2020 Plan also complies with the new REA requirements contained in the following sections of the ETA:

- Section 29(C), which, as described above, requires PNM to provide a FPPCAC credit to certain large governmental customers and
- Section 32(B), which requires PNM to exclude sales made to voluntary renewable energy program customers from total retail sales to New Mexico customers when determining RPS requirements, and to exempt voluntary program customers from RPS compliance costs in proportion to their voluntary program subscriptions.

8. A proposed form of Notice is attached to this Application as Appendix A.

9. PNM incorporates in this Application the testimony and exhibits of the following witnesses as if fully set forth herein: Thomas G. Fallgren, Shane Gutierrez, Anthony Bueno, Thomas S. Baker, Michael J. Settlage and Stephanie Meeks. PNM's 2020 Plan is attached as PNM Exhibit SG-2 to Mr. Gutierrez's testimony. PNM will serve a copy of this Application, supporting direct testimonies and exhibits, and Advice Notice No. 562 on the Attorney General and all counsel of record in PNM's most recent rate case and last REA plan case, and will publish notice of this filing in accordance with the requirements of the Commission's Rules of Practice and Procedure.

10. In compliance with 17.1.2.10(B)(2)(b) and (C)(2)(a) - (e) NMAC, PNM states:

- the revenue requirements recovered through Rider 36 in 2020 will be \$58,935,081 as compared with \$49,520,802 that was approved for recovery in Case No. 18-00158-UT, an increase of \$9,414,279 or 19%;
- the customer classifications to which the revised Rider 36 will apply and the present and proposed rates for those classifications are shown on page 1 of PNM Exhibit MJS-2 to the Direct Testimony of Michael Settlage; and
- impact on customers as a class average of consumption within each class as nearly as may be calculated is shown on page 2 of PNM Exhibit MJS-2 to the Direct Testimony of Michael Settlage.

11. The following designated corporate representatives and legal counsel for PNM should receive all notices, discovery requests, objections and responses, briefs, and all other documents related to this case:

Stacey J. Goodwin
Associate General Counsel
Ryan Jerman
Corporate Counsel
PNMR Services Company
Corporate Offices - Legal Dept.
Albuquerque, NM 87158-0805
Phone: 505-241-4927
505-241-4864

Stacey.Goodwin@pnmresources.com
Ryan.Jerman@pnmresources.com

Richard L. Alvidrez, Esq.
Miller Stratvert P.A.
500 Marquette NW, Suite 1100
P.O. Box 25687
Albuquerque, NM 87125
Phone: (505) 842-1950
RALvidrez@mstlaw.com

All pleadings, correspondence and other documents should be delivered electronically to the following email addresses:

Stacey.Goodwin@pnmresources.com
Ryan.Jerman@pnmresources.com
RALvidrez@mstlaw.com
Mark.Fenton@pnm.com
Brian.Buffington@pnm.com

WHEREFORE, PNM respectfully requests that the Commission issue an order consistent with the REA granting the following relief requested in this Application and in the 2020 Plan, and granting such other approvals, authorizations and actions that may be required under the REA, Rule 572, and Commission rules and orders to implement the 2020 Plan and revisions to Rider 36 and Rider 23.

Respectfully submitted this 3rd day of June 2019.

PUBLIC SERVICE COMPANY OF NEW MEXICO

Stacey J. Goodwin, Associate General Counsel
Ryan Jerman, Corporate Counsel
Corporate Headquarters – Legal Department
Albuquerque, NM 87158-0805
Phone: 505-241-4927
505-241-4836
Stacey.Goodwin@pnmresources.com
Ryan.Jerman@pnmresources.com

Richard L. Alvidrez, Esq.
Miller Stratvert P.A.
500 Marquette NW, Suite 1100
P.O. Box 25687
Albuquerque, NM 87125
Phone: (505) 842-1950
RALvidrez@mstlaw.com

Attorneys for Public Service Company of New Mexico

GCG# 525556

APPENDIX A

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
RENEWABLE ENERGY ACT PLAN)
FOR 2020 AND PROPOSED 2020 RIDER)
RATE UNDER RATE RIDER NO. 36,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
)
Applicant.)
_____)**

Case No. 19-00 ____-UT

FORM OF NOTICE OF PROCEEDING

NOTICE is hereby given of the following matters pertaining to the above captioned case pending before the New Mexico Public Regulation Commission (“NMPRC” or “Commission”):

On June 3, 2019, Public Service Company of New Mexico (“PNM”) filed its Application for Approval of its Renewable Energy Act Plan for 2020 (“2020 Plan”) pursuant to the Renewable Energy Act, NMSA 1978, Sections 62-16-1 to -10 (“REA”), and the Commission’s Renewable Energy Rule, 17.9.572 NMAC (“Rule 572”).

PNM’s Application asks the Commission to approve its 2020 Plan, including the following new or continued approvals:

- Approval of the 2020 Plan, including the new La Joya II wind procurement and a continuation of the Customer Solar REC Purchase Program (“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 Renewable Energy Rider, Rider No. 36 (“Rider 36”) rate from \$0.0066138 per kWh to \$0.0070504 effective January 1, 2020;

- Approval to amend the fuel and purchased power cost adjustment clause, Rider No. 23 (“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” allocation; and 3) include a mechanism to collect a new FPPCAC 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 recent amendments to the REA;
- Approval of a variance from the 2020 RPS under 17.9.572.10 NMAC; and
- To the extent necessary, a variance from the data filing requirements of 17.9.530 NMAC.

As a part of the Application, PNM proposes to recover \$58,935,081 through Rider 36, as compared with \$49,520,802 to be recovered in 2019, an increase of \$9,414,279.

PNM is proposing that the following Revised Rider No. 36 rates become effective January 1, 2020, in addition to any other charges that the customer is paying, and be collected through a line item charge on customers’ bills.

Affected Electric Rate Classes	Tariff Applied	Current Rate (As of April 27, 2019)	Proposed Rate To be Effective January 1, 2020
Residential Service 1A & 1B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Small Power Service 2A & 2B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
General Power Service 3B & 3C	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Large Power Service 4B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Large Power Service for Customers $\geq 8,000$ kW 5B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Private Area Lighting Service 6	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Irrigation Service 10A & 10B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Water & Sewage Pumping 11B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Large Service for Public Universities 15B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Streetlighting and Floodlighting Service 20	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Large Service for Station Power 33B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Large Power Service $\geq 3,000$ kW 35B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh
Special Service -Renw. Energy Res. 36B	PNM Rider No. 36	\$0.0066138 per kWh	\$0.0070504 per kWh

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

<u>Consumption (kWh)</u>	Present Bill	Anticipated bill
0	\$7.11	\$7.11
250	\$33.31	\$32.41
500	\$61.17	\$59.37
750	\$95.71	\$93.00
1000	\$131.93	\$128.32
2000	\$286.97	\$279.76

The proposed rate changes stated by customer rate class are for informational purposes. The final rates approved by the Commission in this proceeding may vary from the rates set forth above.

On _____, 2019 the Commission entered an Order designating the undersigned to preside over this proceeding and to issue a Recommended Decision.

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. 19-00xxx-UT to this proceeding and all inquiries or written comments concerning this matter should refer to that case number.

The present procedural schedule for this case is as follows:

- a. On or before _____, 2019 any person desiring to intervene to become a party (“intervenor”) in this case must file a motion for leave to intervene in conformity with NMPRC Rules of Procedure, 1.2.2.23(A) and (B) NMAC.
- b. Staff and any intervenor testimony shall be filed by _____, 2019.
- c. Rebuttal testimony shall be filed by _____, 2019.

d. A public hearing on this matter shall be held beginning on _____, 2019 commencing at 9:30 a.m. at the offices of the Commission, P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, and continued on succeeding days, as determined by the Hearing Examiner.

The procedural dates and requirements of this case are subject to further order of the Commission or Hearing Examiner.

The Commission's Rules of Procedure, 1.2.2 NMAC shall apply to this case except as modified by order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission and such Rules are available at the official NMAC website, <http://www.nmprc.state.nm.us/nmac/>.

Any person whose testimony has been filed shall attend the hearing and submit to examination under oath.

Any interested person may appear at the time and place of the hearing and make written or oral comment pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. All such comments shall not be considered as evidence in this case. Written comments, which shall reference NMPRC Case No. 18-00158-UT, also may be sent to the Commission at the following address:

New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo de Peralta
P.O. Box 1269
Santa Fe, NM 87504-1269
Telephone: (888) 427-5772

Interested persons should contact the Commission for confirmation of the hearing date, time and place since hearings are occasionally rescheduled. Any interested person may examine PNM's Application and all other pleadings, testimony, exhibits and other documents filed in the

public record for this case at the Commission’s address set out above or at the offices of PNM at the following address:

Public Service Company of New Mexico
414 Silver Ave. SW
Albuquerque, New Mexico 87102
Telephone: (505) 241-2700

Anyone filing pleadings, testimony and other documents in this case may file them either in person at the Commission’s docketing office in the P.E.R.A. Building in Santa Fe, New Mexico, or by mail to the Commission’s address at P.O. Box 1269, Santa Fe, New Mexico 87504-1269, and must serve copies thereof on all parties of record and the Commission’s Utility Division Staff (“Staff”) in the manner indicated on the Certificate of Service for this case. All filings shall be e-mailed to Staff and the parties on the date they are filed with the Commission. All filings shall be e-mailed to the Hearing Examiner at _____. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner’s Procedural Order, issued _____, 2019.

Individuals with a disability who are in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, may contact the Commission’s docketing office at least 24 hours prior to the hearing. The Commission’s docketing office may be reached at (505) 827-4526. Public documents associated with the hearing can be provided in various accessible forms for disabled individuals. Requests for summaries or other types of accessible forms also should be addressed to the Utility Division at (505) 827-6941.

ISSUED at Santa Fe, New Mexico this _____ day of _____ 2019.

NEW MEXICO PUBLIC REGULATION COMMISSION

Hearing Examiner

GCG#525551

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

Advice Notice No. 562

June 3, 2019

Page 1 of 1

NEW MEXICO PUBLIC REGULATION COMMISSION

Public Service Company of New Mexico hereby gives notice to the New Mexico Public Regulation Commission and to the public of the filing and publishing of the following revisions in its Rates that are attached hereto:

<u>RATE NUMBER</u>	<u>TITLE OF RATE</u>	<u>CANCELING RATE NUMBER</u>	<u>DATE EFFECTIVE</u>
	Table of Contents	Advice Notice No. 560	January 1, 2020
5 th Revised Rate No. 32	Solar Renewable Energy Certificate Purchase Program	4 th Revised Rate No. 32	January 1, 2020
8 th Revised Rider No. 23	Fuel and Purchased Power Costs Adjustment Clause ("FPPCAC") Applicable to Retail Energy Rate Schedules	7 th Revised Rider No. 23	January 1, 2020
16 th Revised Rider No. 36	Renewable Energy Rider	15 th Revised Rider No. 36	January 1, 2020

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

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

TABLE OF CONTENTS

Page 1 of 2

Title of Rate	Rate No.	
Residential Service	22 nd Revised 1A	
Residential Service Time-of-Use Rate	22 nd Revised 1B	
Small Power Service	23 rd Revised 2A	
Small Power Service Time-of-Use Rate	23 rd Revised 2B	
General Power Service Time-of-Use Rate	22 nd Revised 3B	
General Power Service (Low Load Factor) Time-of-Use Rate	5 th Revised 3C	
Pilot Municipalities and Counties General Power Service Time-Of-Use Rate	1 st Rate 3D	
Pilot Municipalities and Counties General Power Service (Low Load Factor) Time-Of-Use Rate	1 st Rate 3E	
Large Power Service Time-of-Use Rate	21 st Revised 4B	
Large Service for Customers ≥ 8,000 kW Minimum at 115kV, 69kV, 46kV or 34.5kV	23 rd Revised 5B	
Private Area Lighting Service	15 th Revised 6	
Irrigation Service	21 st Revised 10A	
Irrigation Service Time-of-Use Rate	21 st Revised 10B	
Water and Sewage Pumping Service Time-of-Use Rate	20 th Revised 11B	
Cogeneration and Small Power Production Facilities	47 th Revised 12	
Large Service for Public Universities ≥ 8,000 kW Minimum with Customer-Owned Generation Facilities Served at 115 kV	11 th Revised 15B	
Special Charges	9 th Revised 16	
Integrated System Streetlighting and Floodlighting Service	16 th Revised 20	
Underground System Special Services	1 st Revised 22	
Small Photovoltaic Renewable Energy Certificate	2 nd Revised 24	
Large Service for Manufacturing for Service ≥ 30,000 kW Minimum at Distribution Voltage	11 th Revised 30B	
Large Photovoltaic Renewable Energy Certificate	1 st Revised 31	
Solar Renewable Energy Certificate Purchase Program	5 th Revised 32	x
Large Service for Station Power (Time-Of-Use)	3 rd Revised 33B	
Large Power Service ≥ 3,000 kW Time-of-Use Rate	2 nd Revised 35B	
Special Service Rate – Renewable Energy Resources (including attached Special Service Contract)	3 rd Revised 36B	
Incremental Interruptible Power Applicable to Rate Nos. 3B, 3C, 4B and 35B	12 th Revised Rider 8	
Energy Efficiency Rider	23 rd Revised Rider 16	
Fuel and Purchased Power Costs Adjustment Clause ("FPPCAC") Applicable to Retail Energy Rate Schedules	8 th Revised Rider 23	x
Net Metering Service	Original Rider 24	
SO2 Credit	1 st Revised Rider 27	
Voluntary Renewable Energy Program	Original Rider 30	

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525523

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

TABLE OF CONTENTS

Page 2 of 2

<u>Title of Rate</u>	<u>Rate No.</u>	
Consolidation Adjustment Rider	4 th Revised Rider 35	
Renewable Energy Rider	16 th Revised Rider 36	x
2014 City of Rio Rancho Underground Project Rider	1 st Revised Rider 39	
2014 City of Albuquerque Underground Projects Rider	1 st Revised Rider 40	
Economic Development Rider Applicable to Rate Nos. 4B, 5B, 30B and 35B	1 st Revised Rider 45	
Economic Development Rider Contract (American Gypsum)	Original Rider 45A	
2016 City of Rio Rancho UG Project	1 st Revised Rider 46	
Green Energy Rider	1 st Revised Rider 47	
Production Cost Allocation Rider	Original Rider 49	
Voluntary Solar Renewable Energy Program – PNM Solar Direct For Governmental and Large Commercial Customers	Original Rider 50	

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525523

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 1 of 10

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.

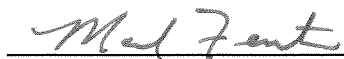
Any services hereunder will be furnished subject to the Company's Rules and Regulations and any subsequent revisions. These Rules and Regulations are available at the Company's office and are on file with the New Mexico Public Regulation Commission. These Rules and Regulations are a part of this Schedule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

This rate will apply to:

1. Customers with Solar Facilities less than or equal to 100 kW_{AC} who submitted applications to PNM after August 31, 2010,
2. Customers with Solar Facilities larger than 100 kW_{AC} who submitted applications after August 27, 2010,
3. Customers with applications for Solar Facilities larger than 100 kW_{AC} 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.

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525540

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 2 of 10

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_{AC} up to and including 1,000 kW_{AC} (or 1 MW_{AC}) 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_{AC} 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:

1. Have a Solar Facility inverter capacity no greater than 1 MW_{AC}, 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_{AC}, Site-Map and Inverter Specification Sheet as described in the application;

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525540

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 3 of 10

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:

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_{AC}) 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_{AC} of the Solar Facility, which will be calculated at 72% of the installed panel capacity in kW_{DC} for Small Solar Facilities and at 75% of the installed panel capacity in kW_{DC} 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_{AC}.

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.

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525540

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 4 of 10

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:

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.

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525540

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

**5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32**

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 5 of 10

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_{AC} 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_{AC} and 10 to 100 kW_{AC} size categories on a 2:1 ratio such that the cancellation will add 400 kW_{AC} of capacity at the \$0.04 per kWh REC price in the 0 to 10 kW_{AC} category and 160 kW_{AC} of capacity at \$0.05 per kWh in the 10 to 100 kW_{AC} category under the CSPP.

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 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.

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management
GCG#525540

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 6 of 10

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:

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

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525540

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

**5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32**

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 7 of 10

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 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.

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525540

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

5TH REVISED RATE NO. 32
CANCELING 4th REVISED RATE NO. 32

SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE PROGRAMS

Page 10 of 10

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_{AC}

Total Capacity in first step	1,000 kW _{AC}
Available Capacity in step	5 kW _{AC}
REC price in first step	\$0.0400 / kWh
REC price in next step	\$0.0350 / kWh
Project Rated Capacity	8 kW _{AC}
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_{AC} to 100 kW_{AC}

Total Capacity in first step	500 kW _{AC}
Available Capacity in step	5 kW _{AC}
REC price in this step	\$0.0500 / kWh
Price in next step	\$0.0450 / kWh
Next project	15 kW _{AC}
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

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525540

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

8TH REVISED RIDER NO. 23
CANCELING 7TH REVISED RIDER NO. 23

FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE ("FPPCAC") APPLICABLE
TO RETAIL ENERGY RATE SCHEDULES

Page 1 of 4

EXPLANATION OF RIDER: Pursuant to the New Mexico Public Regulation Commission's (NMPRC) Final Order in NMPRC Case No.18-00096-UT, Public Service Company of New Mexico ("PNM" or the "Company") is authorized to continue use of a Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") to recover from its retail customers increases or to refund decreases in its fuel and purchased power costs above or below a base fuel cost per kWh.

DEFINITIONS:

REA – Means Renewable Energy Act, NMSA 1978 Sections 62-16-1 through 62-16-10 (2004, as amended through 2019).

x
x

Fuel Clause Year – The time frame beginning January 1 each year and ending December 31 of the following calendar year.

x

Non-Renewable FPPCAC Fuel Factor– Means the fuel factor which applies to the Non-Renewable kWh.

Non-Renewable kilowatt hours ("kWh") – Means the kWh consumed by customers taking retail service less Renewable kWh.

Renewable FPPCAC Fuel Factor – Means the fuel factor which applies to the Renewable kWh.

Renewable kWh – Energy produced by renewable resources consistent with Section 62-16-3(E) of the REA and recovered through Rate Rider 36.

Special Contract Customer – A retail customer served by PNM under special contract that provides for part or all of the customer's energy requirements.

APPLICABILITY: The Renewable and Non-Renewable FPPCAC Fuel Factors, differentiated by Service Category, apply to Renewable or Non-Renewable kWh consumed by customers taking retail service under PNM's Retail Energy Rate Schedules listed below.

Service Category

Secondary

Applicable Rate Schedules

1A - Residential
1B - Residential TOU
2A - Small Power
2B - Small Power TOU
3B - General Power TOU
3C - General Power TOU (Low Load Factor)
3D - Pilot Municipalities & Counties
General Power TOU
3E - Pilot Municipalities & Counties
General Power TOU (Low Load Factor)

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525539

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

**8TH REVISED RIDER NO. 23
CANCELING 7TH REVISED RIDER NO. 23**

**FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE ("FPPCAC") APPLICABLE
TO RETAIL ENERGY RATE SCHEDULES**

Page 2 of 4

	6 - Private Area Lighting Schedule 6 10A - Irrigation Schedule 10A 10B - Irrigation TOU 20 - Streetlighting
Primary	4B - Large Power TOU 11B - Water and Sewage Pumping TOU
Substation	30B - Industrial Power TOU (12.5 kV, 30MW Min.) 35B - Large Power Service >= 3,000 kW TOU
Sub Transmission	5B - Industrial Power TOU (Mines 34.5/46/115 kV)
Transmission	15B - Industrial Power TOU (Universities 115 kV) 33B - Large Service for Station Power TOU 36B - Special Service Rate–Renewable Energy Resources

DURATION: The FPPCAC shall remain in effect until terminated by the Commission.

RATE ADJUSTMENT PROVISIONS FOR FPPCAC FUEL FACTORS:

The FPPCAC Fuel Factors shall be reset quarterly.

The cost elements that will be recovered through the Renewable FPPCAC Fuel Factor shall include the fuel costs pursuant to 17.9.550 NMAC and not recovered through Rate Rider 36 associated with the generation or purchase of renewable energy.

The cost elements that will be recovered through the Non-Renewable FPPCAC Fuel Factor exclude costs recovered through the Renewable FPPCAC Fuel Factor and Rate Rider 36.

a) The FPPCAC Fuel Factors shall be calculated as follows:

- i) The FPPCAC Fuel Factors shall be set annually, at the beginning of each Fuel Clause Year. The annual FPPCAC Fuel Factors shall be calculated as follows:
 - a) The sum of the balancing account as of October 31st of each year, plus the projected FPPCAC cost elements for the 14 month period, beginning on November 1st through the following December 31st, less the revenues projected to be collected under the existing base fuel rate and the FPPCAC Fuel Factors from November and December, less the revenues projected to be collected through the existing base fuel rate for the Fuel Clause Year

X
X
X

Advice Notice No. 562



Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG#525539

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

**8TH REVISED RIDER NO. 23
CANCELING 7TH REVISED RIDER NO. 23**

**FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE ("FPPCAC") APPLICABLE
TO RETAIL ENERGY RATE SCHEDULES**

Page 3 of 4

- b) Divide amount calculated in a)i)a) by the projected kWh sales for the 12 month period of the Fuel Clause Year, to determine the annual FPPCAC Fuel Factors.
- ii) The FPPCAC Fuel Factors shall be reset quarterly and calculated as follows:
 - a) 1st quarterly reset implemented in April will be calculated as follows:
 - i. The sum of the balancing account as of January 31st, plus the difference of the projected FPPCAC cost elements and revenues collected as identified in a)i)a) above, for the period of February through December, divided by the projected kWh sales as identified in a)i)b) above, for the February through December period.
 - x
 - x
 - x
 - b) 2nd quarterly reset implemented in July will be calculated as follows:
 - i. The sum of the balancing account as of April 30th, plus the difference of the projected FPPCAC cost elements and revenues collected as identified in a)i)a) above, for the period of May through December, divided by the projected kWh sales as identified in a)i)b) above, for the May through December period.
 - x
 - x
 - x
 - x
 - c) 3rd quarterly reset implemented in October will be calculated as follows:
 - i. The sum of the balancing account as of July 31st, plus the difference of the projected FPPCAC cost elements and revenues collected as identified in a)i)a) above, for the period of August through December, divided by the projected kWh sales as identified in a)i)b) above, for the August through December period.
 - x
 - x
 - x
 - x
 - iii) The projections identified in a)i)a) and a)i)b) above will only be updated on an annual basis, unless the total FPPCAC cost elements or projected kWh sales for the period have changed by more than 10% of total applicable fuel and purchased power, net of off-system sales.
 - iv) No increase in the quarterly FPPCAC Fuel Factors shall result in an increase of more than 5% of the average residential customer's overall bill, unless all Stipulating Parties in Case No. 13-00187-UT agree in writing to a larger increase in a particular quarter. Amounts in excess of this limitation shall be deferred for collection until the next quarterly adjustment, subject to this limitation.
 - v) Loss factors shall be applied to derive the FPPCAC Fuel Factors at the following voltage levels:

Loss Factors	
Secondary Voltage	1.0061343
Primary Voltage	0.9877211
Substation Voltage	0.9772317

Advice Notice No. 562



Mark Fenton
Executive Director, Regulatory Policy and Case Management

GCG#525539

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

8TH REVISED RIDER NO. 23
CANCELING 7TH REVISED RIDER NO. 23

FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE ("FPPCAC") APPLICABLE
TO RETAIL ENERGY RATE SCHEDULES

Page 4 of 4

Sub Transmission Voltage 0.9724384
Transmission Voltage 0.9700872

- b) The Renewable kWh sales for the annual Renewable FPPCAC Fuel Factor and, as applicable, for each quarterly adjustment shall be calculated as follows:
 - i) Renewable kWh are total consumed kWh for these customers times the customer Renewable Percentage. x
x

- c) The Non-Renewable kWh sales for the annual Non-Renewable FPPCAC Fuel Factor and, as applicable, for each quarterly adjustment shall be calculated as follows:
 - i) Non-Renewable kWh are total consumed kWh for customers times (1 minus customer Renewable Percentage). x
x

- d) The differences between PNM's FPPCAC cost elements and recoveries are placed in a balancing account. Exempt Customers, Large Capped Customers and Other Customers shall have separate balancing accounts. Monthly carrying costs on any under-recovered or over-recovered balance at the end of the month shall be calculated by multiplying the balance by 2.4% (annual rate).

- e) PNM will file monthly and annual reports as required by Rule 550.13(A) and (E).

- f) PNM will report the metered renewable production for customers certifying to the state auditor pursuant to Chapter 65, Section 29(C) of New Mexico Laws of 2019 (§ 62-16-4(C) (2019)) in its Rule 550.13(E) monthly reports. PNM will calculate the credit to these customers based on the FPPCAC rate in effect when the renewable energy was generated. PNM will report the recovery of these credits back through the FPPCAC in its Rule 550.13(E) monthly report. x
x
x
x
x
x

Advice Notice No. 562



Mark Fenton
Executive Director, Regulatory Policy and Case Management

GCG#525539

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

16TH REVISED RIDER NO. 36
CANCELLING 15TH 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 the 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 2020:	\$58,935,081	\$0.0070504 per kWh	X X

EARNINGS TEST COMPONENT: PNM will file an adjustment pursuant to this Rider as a separate component if PNM’s return on equity (“ROE”) exceeds 10.075%, 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 10.075%. 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. 562



Mark Fenton
Executive Director, Regulatory Policy and Case Management

GCG#525541

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

**16TH REVISED RIDER NO. 36
CANCELLING 15TH REVISED RIDER NO. 36**

RENEWABLE ENERGY RIDER

Page 2 of 2

("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. 562



Mark Fenton
Executive Director, Regulatory Policy and Case Management

GCG#525541