

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

Advice Notice No. 569

June 1, 2020

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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. 568	January 1, 2021
18 th Revised Rider No. 36	Renewable Energy Rider	17 th Revised Rider No. 36	January 1, 2021

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Executive Director, Regulatory Policy and Case Management

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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
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	24 th Revised Rider 16
Fuel and Purchased Power Costs Adjustment Clause ("FPPCAC") Applicable to Retail Energy Rate Schedules	8 th Revised Rider 23
Net Metering Service	Original Rider 24
SO2 Credit	1 st Revised Rider 27
Voluntary Renewable Energy Program	Original Rider 30

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Consolidation Adjustment Rider	4 th Revised Rider 35	
Renewable Energy Rider	18 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	
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18TH REVISED RIDER NO. 36
CANCELLING 17TH REVISED RIDER NO. 36

RENEWABLE ENERGY RIDER

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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 2021:	\$67,769,085	\$0.0085525 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 (“ADIT”), property taxes and other relevant factors. The Company shall annually file with

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RENEWABLE ENERGY RIDER

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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.

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