

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

1ST REVISED RIDER NO. 47
CANCELLING ORIGINAL RIDER NO. 47

GREEN ENERGY RIDER

FILED IN OFFICE OF

AUG 24 2018

NM PUBLIC REGULATION COMM
RECORDS MANAGEMENT DEPT

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EXPLANATION OF RATE: This Green Energy Rider ("Rider") is available to eligible customers who wish to have the Company acquire renewable resources in an amount equal to some or all of the customer's electric utility usage requirements and who enter into a Special Service Contract, approved by the New Mexico Public Regulation Commission ("NMPRC"), that establishes the rates and other terms and conditions for such service. The Special Service Contract shall establish rates, pursuant to the methodology described in this Rider, that cover the Company's entire cost of the renewable resources and Alternative Capacity Projects as defined in the Special Service Contract for the term of the Special Service Contract, with adequate provisions to secure the customer's payment obligation. The Alternative Capacity Projects that can serve the customer's needs must be acceptable to the customer and PNM.

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X

Except as provided in the Special Service Contract, service 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 NMPRC. These Rules and Regulations are a part of this Schedule as if fully written herein.

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

CUSTOMER ELIGIBILITY: To be eligible to take service under this Rider, a customer must meet all of the following conditions:

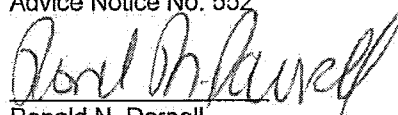
- 1) As of the date of commercial operation, the customer must not have previously received electric utility service from the Company.
- 2) The customer must enter into a Special Service Contract with the Company for a term that is coextensive with the customer's payment obligation for the renewable resources and Alternative Capacity Projects, and the NMPRC must approve the contract.
- 3) The customer must achieve a minimum demand of 10,000 kW.
- 4) The customer must cause the addition of renewable resources of 10,000 kW-AC or more to be acquired by the Company.
- 5) The customer must achieve a load factor of at least 75%.
- 6) The customer must meet all of the requirements of Rate No. 36B.

X
X

EFFECTIVE

OCT 17 2018

Advice Notice No. 552



Ronald N. Darnell
Senior Vice President, Public Policy

REPLACED BY NMPRC

BY F.O. Errata Case #18-00269-UT

GCG#524972

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The renewable resources acquired for the customer that are interconnected to the PNM transmission or distribution system must adhere to the requirements governed by the Federal Energy Regulatory Commission (FERC) generation interconnection process as outlined in PNM's Open Access Transmission Service Tariff (OATT). The interconnection process, among other things, involves the study of the impacts of the generation facility to ensure that the proposed interconnection will not adversely affect PNM's system and the service to existing customers. The study may also identify upgrades to the PNM transmission or distribution system that may be required to accommodate the energy injection from the generation facility. Separate arrangements that are required to secure transmission service for the delivery of energy from the renewable resources are also governed by PNM's OATT.

RATE METHODOLOGY: The rates established in the Special Service Contract for service under this Green Energy Rider shall be consistent with the following:

- 1) If PNM acquires the renewable resources or Alternative Capacity Projects through a purchased power agreement ("PPA"), the customer shall pay PNM the full cost of the PPA in periodic, typically monthly, payments that coincide with PNM's payment obligation under the PPA. X
- 2) If the renewable resources or Alternative Capacity Projects are owned by PNM, the customer shall pay PNM monthly rates based on the Company's full cost of service revenue requirement for those renewable resources or Alternative Capacity Projects, including a return on the investment equal to the Company's weighted average cost of capital, and operation and maintenance expenses, including fuel, or such other pricing structure as may be proposed by PNM and approved by the Commission that will fully reimburse PNM for the full cost of the renewable resources or Alternative Capacity Projects. The initial revenue requirement shall be based on the cost of service used to set rates in PNM's most recent rate case and shall be adjusted, as necessary, in future rate cases. X
X
- 3) PNM shall provide to the Customer an Excess Energy Production Credit in accordance with terms described in the Customer's Special Service Contract. X

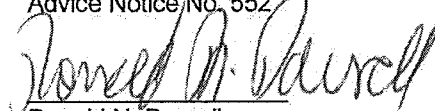
TAX ADJUSTMENT: Billings under this Rider may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes) payable by the Company and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

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TERMS OF PAYMENT: All bills are net and payable within twenty (20) days from the date of bill. If payment for any or all electric service rendered is not made within thirty (30) days from the date the bill is rendered, the Company shall apply an additional late payment charge as defined in Rate 16 Special Charges.

LIMITATION OF RATE: Electric service under this Schedule shall not be resold or shared with others.

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