2027

ENERGY EFFICIENCY AND

LOAD MANAGEMENT

PROGRAM PLAN

NMPRC CASE NO. 26-000XX

APRIL 15, 2026

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1 EXECUTIVE SUMMARY

PNM began offering Energy Efficiency (EE) and Load Management (LM)[1] programs to residential and commercial customers in October 2007, with the approval of the New Mexico Public Regulation Commission (NMPRC) in Case No. 07-00053-UT. The NMPRC approved subsequent EE programs in Case No. 08-00204-UT in May 2009, in Case No. 10-00280-UT in June 2011, in Case No. 12-00317-UT in November 2013, in Case No. 14-00310-UT in April 2015, in Case No. 16-00096-UT in January 2017, in Case No. 17-00076-UT in January 2018, in Case No. 20-00087-UT in October 2020, and in Case No. 23-00138-UT in March 2024. Table 1-1 summarizes EE and LM program performance from 2008 through 2025. Detailed analyses of the most recent year's (2025) performance are available in PNM's annual EE and LM program report and measurement and verification report, which are filed concurrently with the 2027 Energy Efficiency and Load Management Program Plan (2027 Plan) and are available at www.pnm.com/regulatory.

[1] Load Management is also referred to as Demand Response (DR). In this filing, PNM uses the terms "load management" and "demand response" interchangeably.

Table 1--1

Year	Portfolio Benefit Cost	Incremental Annual Energy	Peak Demand Reduction*	Dispatchable Capacity (DR)	Total Program
2008	2.71	35.2GWh	7.5 MW	47 MW	$8.0
2009	1.56	39.9 GWh	6.3 MW	53 MW	$12.0
2010	2.2	58.8 GWh	9.9 MW	67 MW	$16.6
2011	1.78	57.6 GWh	9.7 MW	57 MW	$16.6
2012	2.85	79.3 GWh	13.6 MW	57 MW	$17.3
2013	1.91	75.6 GWh	11.8 MW	62 MW	$18.1
2014	1.74	74.8 GWh	12.0 MW	61 MW	$21.7
2015	1.79	79.3 GWh	12.1 MW	57 MW	$24.3
2016	1.75	82.0 GWh	13.0 MW	57 MW	$25.6
2017	1.74	74.4 GWh	11.9 MW	60 MW	$25.8
2018	1.67	70.8 GWh	12.5 MW	57 MW	$23.5
2019	1.93	78.2 GWh	13.7 MW	44 MW	$24.0
2020	2.32	87.1 GWh	15.0 MW	44 MW	$26.0
2021	1.48	107.1 GWh	18.8 MW	51.6 MW	$29.5
2022	1.77	96.1 GWh	13.9 MW	51.7 MW	$30.9
2023	1.3	92.02 GWh	15.9 MW	54.31 MW	$32.2
2024	1.51	86.5 GWh	17.5 MW	62.86 MW	$35.7
2025	1.38	86.8 GWh	18.0 MW	80.54 MW	$39.1

* Savings at the customer meter. Savings at the generator include an additional 8% system losses.

** Utility Cost Test applied beginning in 2015; Total Resource Cost applied in prior years.

The 2027 Plan describes PNM's portfolio of EE and LM programs, and also presents updated participation targets and budgets for the EE and LM programs currently in effect, that were approved by the NMPRC in Case No. 20-00087-UT. PNM is filing the 2027 Plan pursuant to the Efficient Use of Energy Act, NMSA 1978 Sections 62-17-1 to -11 (2005, as amended through 2025), (EUEA or Act) and the NMPRC's Energy Efficiency Rule, 17.7.2 NMAC (Rule). The 2027 Plan includes proposed budgets and savings for calendar years 2027, 2028 and 2029.

PNM is proposing to continue all of its existing EE and LM programs, with the modifications described in this Plan. All programs proposed in the 2027 Plan were selected based on the criteria detailed below, including that the portfolio of programs pass the Utility Cost Test (UCT). PNM also carefully considered public comments and suggestions, as described in Section 3, especially from the members of the public advisory group, concerning the reasonableness of program changes. PNM developed the portfolio of programs to appeal to various segments of residential customers, including low-income customers. The 2027 Plan includes low-cost and no-cost programs to achieve broad participation among all residential customers. In addition, every commercial or industrial customer who pays the energy efficiency rider is eligible to participate in the programs for non-residential customers. The proposed 2027 Plan has a total

projected 12-month budget of $42,562,135 for calendar year 2027 with projected energy savings of approximately 98.9 gigawatt-hours (GWh). Tables 1-2, 1-3, and 1-4 show the projected annual budgets, energy and demand savings, participation targets and the UCT ratios for each program and the total portfolio.

Table 1-2

2027 Programs	Budget	Annual Net kWh Savings	Lifetime Net kWh Savings	Annual kW Savings	UCT	Participation /Units
Residential Comp.	$ 8,867,178	11,079,354	111,822,794	1,670	0.85	10,887
Commercial Comp.	$ 12,008,683	41,114,842	435,817,324	8,299	2.59	532
Behavioral Comp.	$ 1,191,541	13,481,611	24,616,371	2,618	1.82	219,456
Residential Products	$ 4,310,281	16,484,934	204,413,181	2,257	2.70	320,600
Easy Savings	$ 3,047,135	8,009,600	80,095,998	1,771	2.31	20,715
Energy Smart (Housing NM/MFA)	$ 344,416	430,004	6,622,062	241	1.83	193
New Home Const.	$ 1,381,265	1,459,576	23,499,175	338	0.88	1,488
Home Works	$ 883,652	3,441,789	45,775,799	106	2.46	14,600
Power Saver (LM)	$ 7,050,534	2,199,440	2,199,440	54,986	1.30	
Peak Saver (LM)	$ 3,477,451	1,200,001	1,200,001	30,000	1.43	
Total	**$ 42,562,135**	**98,901,152**	**936,062,145**	**102,286**	**1.81**	

Table 1-3

2028 Programs	Budget	Annual Net kWh Savings	Lifetime Net kWh Savings	Annual kW Savings	UCT	Participation /Units
Residential Comp.	$ 9,240,548	11,360,688	115,517,419	1,838	0.88	11,191
Commercial Comp.	$ 12,477,869	41,482,257	439,711,925	8,398	2.51	541
Behavioral Comp.	$ 1,243,935	13,060,328	24,195,088	2,477	1.88	219,456
Residential Products	$ 4,362,852	16,344,957	202,677,472	2,154	2.60	320,600
Easy Savings	$ 3,367,411	8,350,156	83,501,561	2,764	2.48	21,597
Energy Smart (Housing NM/MFA)	$ 365,756	450,056	6,930,862	253	1.66	202
New Home Const.	$ 1,469,900	1,558,115	25,085,650	360	0.85	1,568
Home Works	$ 938,446	3,441,789	45,775,799	106	2.37	14,600
Power Saver (LM)	$ 7,393,091	2,260,840	2,260,840	56,521	1.24	
Peak Saver (LM)	$ 3,558,514	1,200,001	1,200,001	30,000	1.37	
Total	**$ 44,418,321**	**99,509,189**	**946,856,618**	**104,871**	**1.77**	

Table 1-4

2029 Programs	Budget	Annual Net kWh Savings	Lifetime Net kWh Savings	Annual kW Savings	UCT	Participation /Units
Residential Comp.	$ 9,674,799	11,699,614	119,730,447	2,004	0.88	11,524
Commercial Comp.	$ 12,616,832	41,656,387	441,557,700	8,446	2.43	548
Behavioral Comp.	$ 1,269,830	12,620,759	23,755,519	2,424	2.07	219,456
Residential Products	$ 4,365,221	16,346,804	202,700,371	2,154	2.54	320,600
Easy Savings	$ 3,640,915	8,738,385	87,383,852	2,938	2.42	22,602
Energy Smart (Housing NM/MFA)	$ 380,011	472,336	7,273,974	265	1.60	212
New Home Const.	$ 1,561,370	1,664,866	26,804,346	397	0.84	1,652
Home Works	$ 971,395	3,441,804	45,775,993	106	2.26	14,600
Power Saver (LM)	$ 7,574,078	2,322,240	2,322,240	58,056	1.22	
Peak Saver (LM)	$ 3,557,058	1,200,001	1,200,001	30,000	1.35	
Total	**$ 45,611,509**	**100,163,196**	**958,504,443**	**106,792**	**1.73**	

1.1 SUMMARY OF CHANGES FROM PREVIOUS PLAN

PNM is not proposing new programs in the 2027 Plan and has evaluated existing programs and explored strategies and tactics to increase program effectiveness. Therefore, PNM is proposing the following additions and modifications in the 2027 Plan:

- The total first year budget for the 2027 Plan is $42,562,135. This annual budget and the 2028 and 2029 budget targets comply with the EUEA requirement of no less than 3% and no more than 5% funding requirement.

- The total 2027 budget for the energy efficiency portfolio has increased from the 2026 filed budget by approximately 20%. However, PNM exceeded the 2025 filed and approved budget by 10.42% and expects to exceed the 2026 filed and approved budget as well. This means that about half of the cost increase has already occurred. The additional cost increase is due to enhancements to and increased participation in existing programs, inflation, and the reduction

in cheaper "low-hanging fruit" due to standards increases and market saturation. The programs with the biggest cost increases over the 2026 filed budget are:

  - Easy Savings, due to PNM's expansion of the program to providing mailed kits to market-rate customers at reduced but non-zero cost
  - Power Saver, due to increased enrollment in the program
  - Midstream Cooling, due to increased participation in the program due to higher incentives for heat pumps
  - New Homes, due to the manufactured homes pilot and increased builder participation

- PNM will pursue a pilot heat pump offering to extend the measures offered by the low-income Home Energy Checkup program.

- PNM will continue to modify the all-electric New Homes pilot to attempt to increase participation.

- In response to the results of the energy efficiency & demand response potential study performed in 2025, PNM will strive to align and simplify smart thermostat program offerings in order to increase participation. Also, PNM will pursue networked lighting controls in its commercial & industrial programs.

- PNM expects to use the near-real-time data on energy consumption available from AMI in a number of ways in its energy efficiency programs:
  - The Customer Energy Management Portal will give customers insight into their energy consumption, which may result in increased program participation.
  - PNM can use the data to assist customers in disaggregating their end uses. This information may also result in increased program participation.
  - PNM can analyze customers' energy use itself to identify likely targets for marketing for energy efficiency programs. For example, customers whose refrigerated air systems would benefit from an A/C Tune-Up could be referred to that program.

2 PROGRAM GOALS

2.1 LEAST-COST RESOURCE PLANNING

PNM EE and LM programs benefit the PNM system, participating customers, non-participating customers, the environment and the New Mexico economy. The programs were identified as a key resource in the PNM 2023 Integrated Resource Plan (2023 IRP).[2] The 2023 IRP examined many different portfolios of options that could be implemented to meet expected growth in the demand for electricity from 2023 to 2042. EE and LM programs were consistently found to be cost-effective alternatives for meeting system needs when compared with traditional supply-side resources. PNM is currently preparing its 2026 Integrated Resource Plan; the 2027 Energy Efficiency Plan will once again be utilized as a key resource. The 2027-2029 Plan includes a revised estimate of avoided costs which were used to calculate cost-effectiveness of the EE programs.

2.2 REQUIREMENTS OF THE EFFICIENT USE OF ENERGY ACT

Projected growth of PNM's EE and LM programs will allow PNM to achieve the minimum energy saving goals at the budget levels specified in the Final Order in Docket No. 24-00157-UT.[3] In that Order, Exhibit B, Section 17.7.2.18(A), the Commission states: "A public utility providing electricity service to New Mexico customers shall acquire or implement, over plan years 2026-2030, a portfolio of cost-effective and achievable energy efficiency and load management available in its service territory that shall produce a savings, by plan year 2030, of at least five percent of its 2025 total retail kilowatt-hour sales to New Mexico customer classes that had the opportunity to participate." On page 20 of that order, the Commission states: "Thus, PNM's proposal is rejected, but it is reasonable to *sua sponte* grant PNM a variance from the 2025 total retail kilowatt-hour sales requirement to allow PNM to base its next triennial plan upon 2024 sales figures."

Thus, in plan years 2026-2030, PNM's goal should be five percent of its 2024 total retail kilowatt-hour sales to New Mexico customer classes that had the opportunity to participate. That total is 8,102 GWh; therefore, PNM is required to achieve cumulative savings of 405 GWH, or five percent of 2024 retail sales.

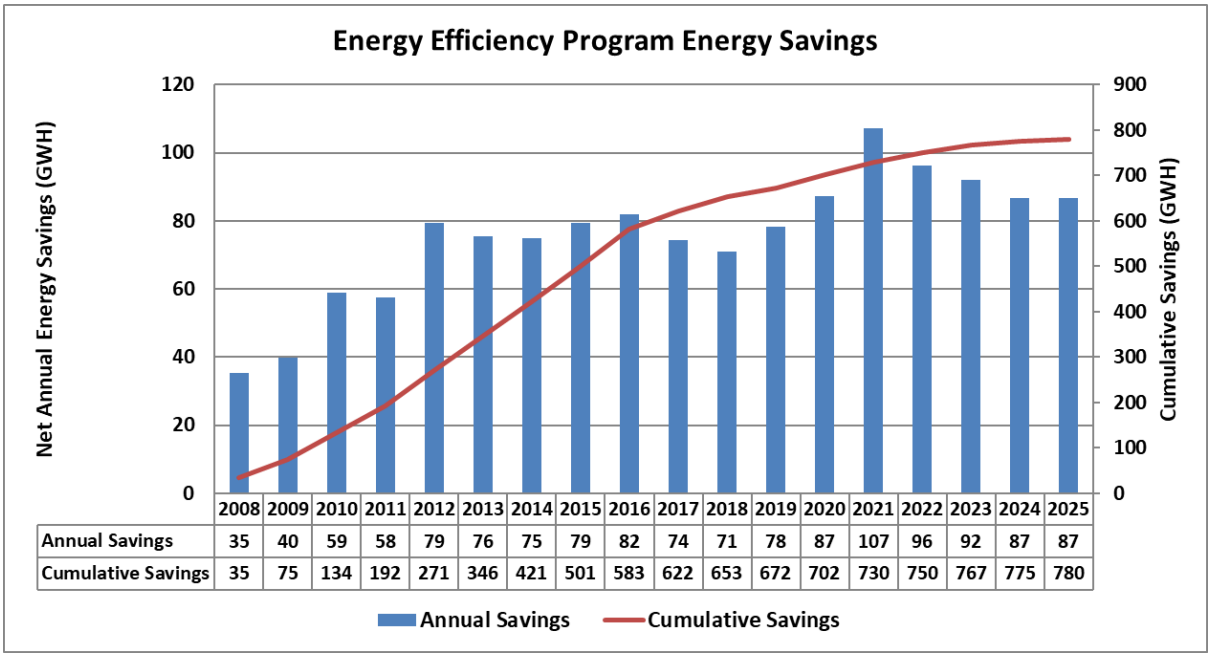
New programs are developed according to the specifications included in the Act and the Rule, which include passing the UCT standard at a portfolio level, and meeting or exceeding the EUEA goals.

[2] "PNM 2023-2042 Integrated Resource Plan" December 2023. https://gridworks.org/wp-content/uploads/2023/12/PNMs-2023-Integrated-Resource-Plan-1.pdf

[3] Docket No. 24-00157-UT, Final Order (June 6, 2025).

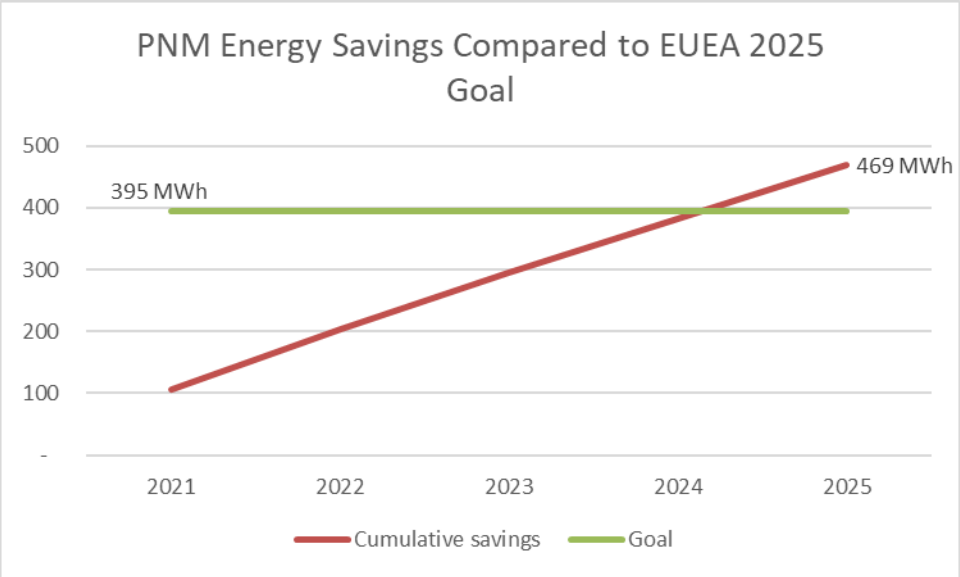
For cost-effectiveness analysis and for determining the cumulative savings that contribute to meeting the EUEA goals, PNM calculates the average effective useful life (EUL) of the portfolio, this value is determined by dividing the total lifetime savings by the annual savings, resulting in an average estimate of how long measures will continue to provide savings. The average portfolio EUL for the 2025 Program was 9.4 years. The cumulative savings for 2025 are the sum of all annual savings for the nine years from 2017 through 2025. Beginning in 2025, the 2016 annual savings will no longer contribute to cumulative savings. Based on the annual savings achieved through 2025, PNM programs achieved more than the 2025 minimum savings goal of 395 GWh.

Figure 2-1



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Savings	35	40	59	58	79	76	75	79	82	74	71	78	87	107	96	92	87	87
Cumulative Savings	35	75	134	192	271	346	421	501	583	622	653	672	702	730	750	767	775	780

Figure 2-2



2.3 INCREASED ADOPTION OF ENERGY EFFICIENCY TECHNOLOGIES

In addition to meeting the requirements of the Act, PNM's EE programs encourage lasting structural and behavioral changes in the New Mexico economy through the process of market transformation. This is accomplished by promoting the purchase of energy efficient products and services, increasing customer awareness of energy efficiency measures, providing incentives to change behaviors, and removing market barriers. Over time, distributors will stock more efficient equipment, contractors will promote more efficient equipment to their customers, and customers will become more inclined to purchase efficient equipment. The programs included in the 2027 Plan continue to fine tune program design and delivery elements in PNM EE programs including, but not limited to:

- Implementing multi-channel promotional campaigns that increase customer awareness of EE products and their benefits
- Educating the vendor community of retailers and installation contractors who provide EE products and services, to build awareness, encourage participation and promote consistency in business operations and customer service within PNM's service area
- Partnering with community-based organizations to educate customers

- Using rebates to shift the focus from the initial cost of installing measures to the long-term savings in operating costs
- Simplifying rebates for customers by offering multiple rebate channels, such as online rebate submittal, instant in-store discounts, and mail-in and electronic rebate forms as applicable
- Increasing awareness of low-income programs by expanding the Low Income Home Energy Checkup and Multifamily Step-It-Up program to include additional measures for deeper energy savings, and continuing to monitor and adjust the other low-income programs to encourage broad participation across PNM's service area
- Implementing educational programs for different customer segments about the benefits of the EE programs
- Developing emerging markets and technologies through pilots. For example:
    - Continuing an All-Electric New Homes pilot with increased and simplified incentives
    - Graduating our New Manufactured Homes pilot to an ongoing part of the program
    - Starting a low-income heat pump pilot through our Low Income Home Energy Checkup program
    - Graduating our Step It Up low-income multifamily pilot of deep-savings measures from a pilot to an ongoing part of the program
    - Starting a "Business Uplift" pilot to reward energy efficiency investments for small business customers in disadvantaged areas with increased incentives.

3 PROGRAM SELECTION

3.1 PROGRAM RESEARCH

In 2020, 2022, and 2025, Applied Energy Group (AEG) – now part of Inner City Fund (ICF) - completed energy efficiency potential studies (ICF Potential Study), which identified categories of energy efficient equipment and the estimated technical, economic and market potential for adoption of that equipment in the state. The 2025 potential study will be used as a reference for future program design and analysis and in preparing the 2027 plan. The potential study is attached as Exhibit AMR-2. PNM also completed an updated residential appliance and socket saturation survey in 2025 to be utilized in program design.

Much of the research for the 2027 Plan was done in conjunction with other electric utilities and through participation in national organizations concerned about energy efficiency such as E Source, Consortium for Energy Efficiency (CEE), American Council for an Energy-Efficient Economy (ACEEE), Southwest Energy Efficiency Project (SWEEP), and the Association of Energy Services Professionals (AESP).

PNM also solicited input regarding existing and new programs from a public advisory stakeholder group. A list of those invited to the advisory group meetings is provided in Appendix B. The public advisory group met on February 5, 2025 and again on March 24, 2025 to discuss the development of the 2027 Plan. Individual members of the public advisory group provided comments and information at other times during the Plan development process.

3.2 SELECTION CRITERIA

The following criteria were considered when evaluating and considering modifications to existing programs:

A. Cost effectiveness – The Act establishes the Utility Cost Test (UCT) as the standard to be used in determining the cost-effectiveness of energy efficiency or load management programs. The UCT, as defined in the Act, "means a standard that is met if the monetary costs that are borne by the public utility and that are incurred to develop, acquire and operate energy efficiency or load management resources on a life-cycle basis are less than the avoided monetary costs associated with developing, acquiring and operating the associated supply-side resources."[4]

    1. Costs are identified by the following categories: PNM program administration costs, promotion, third-party implementation, participant rebates/incentives, and market

[4] NMSA 1978, § 62-17-4(K).

transformation. Measurement and verification costs will be recovered in a future rate case.

2. Benefits include avoided costs to the utility for energy, capacity, transmission, and distribution. PNM's EE avoided costs, including transmission & distribution, are provided in Appendix A.

3. Not all programs in the 2027 Plan are cost-effective because they do not individually have a UCT greater than 1.0. However, the overall portfolio of programs does have a UCT greater than 1.0.

B. System benefits – programs should deliver system benefits through demand and energy savings or the ability to dispatch load or shift it to off-peak times.

The programs selected for the 2027 Plan provide significant energy and demand savings as shown in Table 4-2 below.

C. Broad participation potential – programs should provide the opportunity for broad participation among eligible customer classes targeting residential, commercial, industrial and low-income customers.

The 2027 Plan includes programs for residential customers, low-income customers, homebuilders, commercial and industrial customers.

D. Energy and demand savings – collectively, the proposed programs will contribute to meeting the 2030 savings requirements, calculated consistently with the Final Order in Docket No. 24-00157-UT.

E. Non-energy benefits – programs should create significant non-energy benefits, including lower bills for customers, increased consumer awareness and adoption of energy efficient technologies, removal or minimization of market barriers to adoption of energy efficiency products and technologies, and environmental benefits through the reduction in emissions and water use associated with the production of electricity. Programs in the 2027 Plan provide significant non-energy benefits including:

1. Lower bills for those who participate. Energy savings for the measures in each program are shown in Table 4-2. These savings will result in lower bills for those who participate.

2. Increased awareness and adoption of technologies. The programs include substantial promotional efforts designed to increase customer awareness and understanding of energy efficiency. The participation goals, shown in Table 4-1, will ensure increased adoption of measures.

3. Water use and CO_2 reduction. The programs result in significant water savings and reduction in greenhouse gases that would not have occurred absent the programs. The estimated reductions are described in Section 4.2.2.

F. Implementation – Programs should have a proven track record in other utility markets and a defined target market within PNM service areas that ensures straightforward program implementation.

Programs are implemented and managed by PNM staff and third-party contractors who are experienced with specific programs and technologies, and who leverage the existing market experience by implementing programs that attract customers and encourage them to save additional money and energy. Table 3-4 lists the parties responsible for program implementation.

G. Measurement and verification (M&V) – Each program implemented should have a defined method for measuring and verifying savings to determine the contribution to overall energy efficiency goals.

PNM has worked closely with independent M&V evaluators since 2008 and will continue to work with the state-appointed evaluator when they examine the 2027 Plan programs. Section 4.4 provides a description of the important elements of program M&V.

H. Performance risk of the technologies – None of the products promoted by any of the programs should rely on unproven technologies.

Each program contained in the 2027 Plan is based on proven measures that have been implemented successfully by other utilities.

3.3 PROGRAM BUDGETS AND COST-EFFECTIVENESS

3.3.1 UCT MODEL

PNM has developed a spreadsheet model for performing the UCT calculation. The input assumptions and UCT results are shown in Appendix E – Technical Manual. Inputs to the UCT model include measure life, per-unit energy and capacity savings, forecasted participation rates, rebate costs, administration costs and M&V costs. These inputs are based on independent measurement and verification reports for past program years, New Mexico Technical Resources Manual (TRM), research on programs at other utilities, and standards set by ENERGY STAR, Consortium for Energy Efficiency (CEE) and other energy efficiency organizations.

Several factors were considered in estimating portfolio participation targets, including past program performance, the potential participation rates identified in potential studies, participation targets identified in responses to Requests for Proposals (RFPs) issued by PNM, and third-party contractor

estimates. PNM also considered participation rates at other utilities and the cost impact to participants of installing efficiency measures.

3.3.2 PROGRAM BENEFITS

Program benefits are determined by multiplying the annual program energy and demand savings by the annual avoided costs for energy and demand, over the useful life of the program, and taking the net present value of the sum. The avoided costs used in the UCT model are provided in Appendix A.

3.3.3 PROGRAM COSTS

Tables 3-1, 3-2, and 3-3 show the estimated annual costs to implement the 2027 Plan programs (for 12 months of implementation). The total 2027 Plan budget amount of $42,562,135 for calendar year 2027 is based on 4.35% of 2024 revenues. Likewise, the $44,418,321 budget for 2028 is based on 4.54% of 2024 revenues. Finally, the $45,611,509 budget for 2029 is based on 4.66% of 2024 revenues. Costs are presented in six categories which are described in detail following the table.

Table 3-1

2027 Program	Admin	Third Party	Rebates	Promotion	M&V - Excluded from Rider 16	Market Transformation	Total
Commercial Comprehensive	$ 323,667	$ 3,867,660	$ 7,486,828	$ 164,495	$ 221,443	$ 166,033	$ 12,008,683
Residential Comprehensive	$ 236,667	$ 4,652,128	$ 3,736,699	$ 120,280	$ 161,920	$ 121,404	$ 8,867,178
Behavioral Comprehensive	$ 30,725	$ 1,073,766	$ 55,674	$ 15,615	$ 21,021	$ 15,761	$ 1,191,541
Residential Products	$ 118,971	$ 1,479,369	$ 2,590,448	$ 60,464	$ 81,396	$ 61,029	$ 4,310,281
Easy Savings Kit	$ 78,563	$ 338,326	$ 2,550,017	$ 39,928	$ 53,751	$ 40,301	$ 3,047,135
Energy Smart (Housing NM/MFA)	$ 9,506	$ 36,167	$ 289,034	$ 4,831	$ 6,504	$ 4,877	$ 344,416
New Home Construction	$ 37,032	$ 542,611	$ 763,805	$ 18,820	$ 25,336	$ 18,996	$ 1,381,265
Home Works	$ 24,390	$ 214,584	$ 619,770	$ 12,396	$ 16,687	$ 12,512	$ 883,652
Power Saver	$ 181,138	$ 6,684,418	$ -	$ 92,058	$ 123,929	$ 92,919	$ 7,050,534
Peak Saver	$ 89,341	$ 3,296,876	$ -	$ 45,405	$ 61,124	$ 45,829	$ 3,477,451
TOTALS	**$ 1,130,002**	**$ 22,185,905**	**$ 18,092,275**	**$ 574,292**	**$ 773,111**	**$ 579,662**	**$ 42,562,135**

Table 2-2

2028 Program	Admin	Third Party	Rebates	Promotion	M&V - Excluded from Rider 16	Market Transformation	Total
Commercial Comprehensive	$ 393,372	$ 4,061,043	$ 7,572,076	$ 169,339	$ 226,733	$ 282,040	$ 12,477,869
Residential Comprehensive	$ 288,733	$ 4,789,090	$ 3,831,415	$ 124,294	$ 166,421	$ 207,016	$ 9,240,548
Behavioral Comprehensive	$ 37,559	$ 1,107,604	$ 55,674	$ 16,168	$ 21,648	$ 26,929	$ 1,243,935
Residential Products	$ 140,889	$ 1,511,529	$ 2,548,770	$ 60,650	$ 81,206	$ 101,014	$ 4,362,852
Easy Savings Kit	$ 101,660	$ 363,735	$ 2,785,365	$ 43,763	$ 58,595	$ 72,888	$ 3,367,411
Energy Smart (Housing NM/MFA)	$ 11,811	$ 37,881	$ 302,511	$ 5,085	$ 6,808	$ 8,468	$ 365,756
New Home Construction	$ 46,165	$ 552,320	$ 818,442	$ 19,873	$ 26,609	$ 33,099	$ 1,469,900
Home Works	$ 30,305	$ 234,909	$ 638,458	$ 13,046	$ 17,467	$ 21,728	$ 938,446
Power Saver	$ 222,441	$ 6,915,408	$ -	$ 95,756	$ 128,212	$ 159,486	$ 7,393,091
Peak Saver	$ 107,067	$ 3,328,591	$ -	$ 46,090	$ 61,712	$ 76,765	$ 3,558,514
TOTALS	**$ 1,380,002**	**$ 22,902,110**	**$ 18,552,711**	**$ 594,064**	**$ 795,411**	**$ 989,434**	**$ 44,418,321**

Table 3-3

2029 Program	Admin	Third Party	Rebates	Promotion	M&V - Excluded from Rider 16	Market Transformation	Total
Commercial Comprehensive	$ 396,984	$ 4,264,095	$ 7,616,074	$ 173,959	$ 231,378	$ 165,720	$ 12,616,832
Residential Comprehensive	$ 301,629	$ 5,178,244	$ 3,936,837	$ 132,174	$ 175,801	$ 125,914	$ 9,674,799
Behavioral Comprehensive	$ 38,273	$ 1,143,134	$ 55,674	$ 16,771	$ 22,307	$ 15,977	$ 1,269,830
Residential Products	$ 140,825	$ 1,555,130	$ 2,548,770	$ 61,710	$ 82,078	$ 58,787	$ 4,365,221
Easy Savings Kit	$ 109,720	$ 391,468	$ 3,045,846	$ 48,079	$ 63,949	$ 45,802	$ 3,640,915
Energy Smart (Housing NM/MFA)	$ 12,259	$ 39,775	$ 317,487	$ 5,372	$ 7,145	$ 5,118	$ 380,011
New Home Construction	$ 48,971	$ 594,391	$ 876,106	$ 21,459	$ 28,542	$ 20,443	$ 1,561,370
Home Works	$ 31,338	$ 255,660	$ 657,584	$ 13,732	$ 18,265	$ 13,082	$ 971,395
Power Saver	$ 227,501	$ 7,151,916	$ -	$ 99,691	$ 132,596	$ 94,970	$ 7,574,078
Peak Saver	$ 106,843	$ 3,358,796	$ -	$ 46,819	$ 62,272	$ 44,601	$ 3,557,058
TOTALS	**$ 1,414,342**	**$ 23,932,608**	**$ 19,054,378**	**$ 619,767**	**$ 824,334**	**$ 590,414**	**$ 45,611,509**

THIRD PARTY IMPLEMENTATION

PNM is the administrator for its entire portfolio of EE and LM programs, but has engaged third-party contractors with proven expertise to implement the programs because of the many advantages that this approach provides, including:

- *Selecting contractors through an RFP process allows PNM to determine the most qualified contractor and best proposal for program implementation.*
- *Proven expertise and experience in delivering similar programs by the selected contractor reduces the risk associated with implementing a program and achieving participation and savings goals.*
- *Program scale can be adjusted up or down quickly using contractor personnel.*
- *Contracts can be designed to limit PNM and customer risk by including provisions to pay for performance achieved.*

Third-party implementation costs are the costs paid by PNM to the third-party contractors. These costs can include contractor labor, development of promotional material, marketing, customer outreach, development of program processes and customer enrollment procedures, trade ally recruitment and other program specific costs. Table 3-4 lists each program and the contractor responsible for implementation.

Table 3-4

Program	Primary Implementer	Program Type			
		Commercial	Residential	Low Income	Load Management
Commercial Comprehensive	DNV	X			
Comm. Comp. - Multifamily	DNV	X	X	X	
Res. Comp. - Refrigerator Recycling	CLEAResult	X	X		
Res. Comp. - Home Energy Checkup	ICF		X	X	
Res. Comp. - Cooling	CLEAResult	X	X		
Residential Products	CLEAResult		X		
New Home Construction	ICF	X	X		
PNM Home Works	NEF		X	X	
Energy Smart (Housing NM/MFA)	Housing NM			X	
Easy Savings Kit	Resource Innovations			X	
Behavioral Comp.	Bidgely & TRC		X	X	
Power Saver	Itron	X	X		X
Peak Saver	Itron	X			X

CUSTOMER INCENTIVES (REBATES)

One of the barriers to energy efficiency deployment is that, although high efficiency options are cost-effective on a life-cycle basis, initial costs may be higher than they are for less efficient options. Customer incentives or rebates are designed to help overcome this barrier. Rebates provided in the 2027 Plan are designed to provide between 25% and 50% of the incremental cost of purchasing the energy efficiency measure over the standard non-energy efficient option. Exceptions to this are the programs that target low-income customers and other hard-to-reach customer segments, such as small-business customers. PNM and its implementers find from experience in the market that this 25% to 50% range is sufficient to drive sales and savings while remaining cost effective. The low-income programs are offered at no cost to income-qualified participants, and the small-business component of the Commercial Comprehensive

program provides higher incentives to encourage greater participation. In addition to using the general guideline of 25% to 50% of incremental cost, rebate amounts are set for each measure in a program based on a market assessment of what it will take to achieve the participation targets for the program. For some programs, such as the Home Energy Checkup component of the Residential Comprehensive program, the rebates are determined in part on past participation rates at a given rebate level and the need to increase participation.

INTERNAL ADMINISTRATION

The primary internal administrative cost is the labor associated with program management and administration, including program development, tracking, reporting and the time needed to oversee and interact with third-party contractors and stakeholders. Additional costs include incidental costs, such as travel and membership fees for energy efficiency organizations. Internal administrative costs are proportionally allocated to the energy efficiency programs based on the direct costs associated with each program with some adjustments for known dedicated costs. Direct costs are the costs specific to individual programs such as third-party costs, rebates, and promotional costs. Administrative costs represent less than five percent of the total 2027 Plan costs.

MEASUREMENT AND VERIFICATION

The budget for independent M&V of the programs is estimated to be about two percent of the total program budget, based on the current contract approved by the NMPRC. The EE portfolio M&V is discussed in more detail in Section 4.4. These costs will not be recovered via Rider No. 16. Per Exhibit B of the Final Order of Docket No. 24-00157-UT, section 17.7.2.13(G): “Funding for the services of an independent program evaluator shall be paid by the public utility and treated as a regulatory asset to be recovered through rates established in the public utility’s next general rate proceeding.” Therefore, the M&V costs will be tracked in a regulatory asset and submitted for recovery in a future PNM rate case.

3.4 PROMOTION

Effective promotion and marketing are critical to the success of the EE programs. PNM oversees planning for program marketing across its EE portfolio and continuously monitors each program’s promotional plans. The day-to-day management of marketing depends on each program’s needs. Where third-party contractors are responsible for marketing the programs they administer, their promotional costs are recorded in the third-party expense category. In some cases, where contractors do not have the necessary marketing capabilities, PNM directly manages marketing for these programs. PNM also produces its own marketing materials to use in a variety of customer outreach channels where appropriate. These marketing channels include program marketing materials (such as case studies, bill inserts, flyers, or brochures), direct mail, email, outreach events (including events focusing on low-income customers), customer communications with call center staff, the PNM website, social media, digital advertising, outdoor advertising, and television and radio commercials. Efforts to cross-promote between energy

efficiency and other PNM programs have expanded and continue to evolve, whether it's promotional materials, outreach events, or recommendations through program communications.

To continue increasing customer awareness, participation, and satisfaction, the marketing plan continued to include a microsite that ties directly to the core message for the campaign: Check with PNM before making an appliance purchase. Throughout 2025, the primary brand campaign directing customers to visit CheckWithPNM.com[5] was very successful, with over 80,000 unique views to the site, which directs customers to all PNM energy efficiency programs from a single landing page.

Additionally, to make communications more equitable and increase program awareness on a larger scale, PNM has pivoted to produce dual-language bill inserts to ensure both English and Spanish-speaking customers are aware of the EE offerings. Spanish is available in most of PNM's EE programs through one or more of the following channels: online rebate applications, online appointment scheduling, call center representatives and installation contractors, and marketing collateral.

TRADE ALLY NETWORK STRATEGY

As of 2026, over 550 businesses, or trade allies, will actively participate in PNM's EE programs by delivering program services and incentives to customers (see Appendix D for a list of current EE trade ally businesses). By consolidating synergies where appropriate and consolidating the trade ally network across almost all of its EE programs, PNM is able to support the many businesses that drive energy efficiency implementation in its service area. This trade ally network strategy offers services and incentives in addition to those already offered by third party program implementation contractors, including market research, public recognition and sales training. Other utilities have shown that such efforts result in increased trade ally engagement with programs and improved program outcomes, including increased customer participation and energy savings.

[5] https://www.checkwithpnm.com/.

4 2027 PROGRAM PLAN SUMMARY

4.1 SUMMARY TABLES

The tables in this section present the key performance measures and assumptions for each program in the 2027 Plan. Table 4-1 shows the customer participation and unit targets forecasted for each program.

Table 4-1

Programs	Unit Type	2027	2028	2029
Residential Comprehensive		**10,887**	**11,191**	**11,524**
Res. Comp. - Refrigerator Recycling	Unit	5,500	5,500	5,500
Res. Comp. - Home Energy Checkup	Participant	2,075	2,116	2,179
Res. Comp. - LI Home Energy Checkup	Participant	650	663	682
Res. Comp. - Midstream Cooling	Unit	2,662	2,912	3,162
Residential Products	Unit	320,600	320,600	320,600
Commercial Comprehensive		**532**	**541**	**548**
Comm. Comp. - Retrofit/NC/Mid	Participant	223	223	223
Comm. Comp. - QuickSaver	Participant	202	202	202
Comm. Comp. - Bldg Tune-Up	Participant	11	11	11
Comm. Comp. - Multifamily	Participant	96	105	112
Behavioral Comprehensive		**139,717**	**131,550**	**123,872**
Behavioral - Residential	Participant	139703	131536	123858
Behavioral - Commercial	Participant	14	14	14
Easy Savings	Participant	20,715	21,597	22,602
Energy Smart (Housing NM/MFA)	Participant	193	202	212
New Home Construction	Unit	1,488	1,568	1,652
Home Works	Participant	14,600	14,600	14,600

Table 4-2 shows the EUL, energy and demand savings, and average rebate cost per unit for each program.

Table 4-2

Programs	EUL	Per Unit Net kWh Savings	Per Unit Net kW Savings	Per Unit Average Rebate Amount
Refrigerator Recycling	7	860	0.11	$80
Home Energy Checkup (Mkt)	9	1573	0.18	$263
Home Energy Checkup (LI)	9	2792	0.32	$1,182
Residential Midstream Cooling	15	1687	0.46	$705
Residential Products	12	80	0.01	$8
Retrofit/NC/Mid	11	172561	37.09	$19,530
QuickSaver	11	35358	5.67	$6,261
Bldg Tune-Up	11	46436	2.39	$1,887
Multifamily	11	58672	11.73	$17,457
Easy Savings	10	387	0.11	$129
Energy Smart (Housing NM/MFA)	15	2228	1.25	$1,498
New Home Const.	16	1400	0.33	$522
Behavioral Res	1	57	0.01	$0
Behavioral Com	3	397670	75.42	$3,977
Home Works	13	236	0.01	$44

Tables 4-3, 4-4, and 4-5 show the net present value (NPV) of program costs, the NPV of program benefits, and the ratio of benefits to costs, which is the UCT for each program. NPV Costs are different from program budgets because they are discounted for the time value of money. Additional detail on the UCT calculations for each program is in Appendix E.

Table 4-3

2027 Programs	NPV Benefits	NPV Costs	2027 UCT
Residential Comp.	$ 7,540,452	$8,867,178	0.85
Refrig. Recycl.	$ 1,431,108	$1,838,225	0.78
HEC - Mkt	$ 1,869,947	$2,252,036	0.83
HEC - LI	$ 1,259,891	$1,978,812	0.64
Midstream Cooling	$ 2,549,365	$2,798,105	0.91
Residential Products	$ 11,626,813	$4,310,281	2.70
Commercial Comp.	$ 31,057,981	$12,008,683	2.59
Easy Savings	$ 7,043,963	$3,047,135	2.31
Energy Smart (Housing NM/MFA)	$ 629,696	$344,416	1.83
New Home Const.	$ 1,209,625	$1,381,265	0.88
Behavioral (Residential)	$ 662,310	$713,832	0.93
Behavioral (Commercial)	$ 1,300,104	$477,709	2.72
Home Works	$ 2,171,222	$883,652	2.46
Power Saver (LM)	$ 9,144,896	$7,050,534	1.30
Peak Saver (LM)	$ 4,989,395	$3,477,451	1.43
Total	$ 76,946,317	$ 42,562,135	1.81

Table 4-4

2028 Programs	NPV Benefits	NPV Costs	2028 UCT
Residential Comp.	$ 8,114,969	$9,240,548	0.88
Refrig. Recycl.	$ 1,537,427	$1,904,933	0.81
HEC - Mkt	$ 2,024,858	$2,343,676	0.86
HEC - LI	$ 1,362,417	$2,041,485	0.67
Midstream Cooling	$ 2,715,714	$2,950,453	0.92
Residential Products	$ 11,325,539	$4,362,852	2.60
Commercial Comp.	$ 31,305,502	$12,477,869	2.51
Easy Savings	$ 8,365,228	$3,367,411	2.48
Energy Smart (Housing NM/MFA)	$ 605,529	$365,756	1.66
New Home Const.	$ 1,246,606	$1,469,900	0.85
Behavioral (Residential)	$ 602,078	$759,688	0.79
Behavioral (Commercial)	$ 1,441,026	$484,247	2.98
Home Works	$ 2,226,810	$938,446	2.37
Power Saver (LM)	$ 9,184,956	$7,393,091	1.24
Peak Saver (LM)	$ 4,875,156	$3,558,514	1.37
Total	$ 78,818,847	$ 44,418,321	1.77

Table 4-5

2029 Programs	NPV Benefits	NPV Costs	2029 UCT
Residential Comp.	$ 8,475,451	$9,674,799	0.88
Refrig. Recycl.	$ 1,620,486	$1,927,225	0.84
HEC - Mkt	$ 2,155,278	$2,391,638	0.90
HEC - LI	$ 1,457,251	$2,323,434	0.63
Midstream Cooling	$ 2,876,062	$3,032,501	0.95
Residential Products	$ 11,072,675	$4,365,221	2.54
Commercial Comp.	$ 30,598,901	$12,616,832	2.43
Easy Savings	$ 8,798,646	$3,640,915	2.42
Energy Smart (Housing NM/MFA)	$ 608,606	$380,011	1.60
New Home Const.	$ 1,305,112	$1,561,370	0.84
Behavioral (Residential)	$ 652,761	$790,175	0.83
Behavioral (Commercial)	$ 1,585,106	$479,655	3.30
Home Works	$ 2,197,434	$971,395	2.26
Power Saver (LM)	$ 9,259,309	$7,574,078	1.22
Peak Saver (LM)	$ 4,784,678	$3,557,058	1.35
Total	$ 78,972,304	$ 45,611,509	1.73

4.2 NON-ENERGY BENEFITS

4.2.1 ECONOMIC BENEFITS

The PNM Energy Efficiency Program has a positive economic impact on New Mexico through the creation of new jobs associated with delivering efficiency products, services and incentives to customers. As determined by the independent M&V evaluation of the programs, most projects would not have been completed without the program incentives. For every dollar spent in EE programs, a portion of it remains

within the state as wages and payment for local equipment and services. As this money gets re-spent within the state, it increases its overall benefit through a multiplier effect. The incentive levels in the 2027 Plan are designed to cover between 25% and 50% of the incremental cost of performing retrofits and encourage investments that would otherwise not be made. Although PNM is not aware of specific studies that quantify additional economic benefits due to funding energy efficiency improvements in New Mexico, one conservative approach to estimating the increased investment caused by the rebate payments would be to assume that the rebates cause spending on retrofits valued at twice the rebate level, assuming the rebates cover about half of the incremental cost. Based on the estimated annual average of customer incentives totaling approximately $18,566,454, this would result in about $37,132,909 in investment in energy efficiency improvements that would otherwise not have been made.

The number of direct jobs created by the existing PNM Energy Efficiency Program is shown in Table 4-6. These jobs are full-time positions created by the third-party contractors to implement the programs. The Commercial Comprehensive program, for example, directly employs twelve people locally. In addition to the jobs shown in Table 4-6, many additional jobs are being supported in the trade ally and contractor community to install the measures associated with PNM's EE programs. According to a national study completed in 2025, there are over 4,000 energy efficiency-related jobs in PNM's service area.[6]

Table 4-6

Program	Direct Energy Efficiency Jobs
Residential Comp. Refrigerator Recycling	8
Residential Comp. Home Energy Checkup	5
Residential Comp. Midstream Cooling	2
Residential Products	3
Commercial Comp.	12
Home Works	2
Energy Smart (Housing NM/MFA)	1
New Home Const.	4
Power Saver (LM)	8
Peak Saver (LM)	4
Total	**49**

[6] https://building-performance.org/documents/EEJA_Full%20Report_Updated_May7_2025.pdf.

4.2.2 EMISSIONS REDUCTIONS

The energy savings attributed to the proposed 2027 Plan, if approved and implemented, would result in significant reductions of various environmental emissions and in water needed for the generation of electricity. The cumulative CO_2 reduction is estimated to save about 36,000 metric tons for the planning years 2027, 2028, and 2029, assuming the 2025 PNM average generation portfolio production values. The cumulative water reduction is estimated at about 41,000,000 gallons for the planning years 2027, 2028, and in 2029.

4.3 TARIFF RIDER AND MEASUREMENT AND VERIFICATION

PNM Rider No. 16 (Rider) recovers the program costs and approved profit incentive associated with the PNM's EE and LM programs. Beginning in January 2026, the program cost element of the Rider was set to 3.931% of bills and the profit incentive element set at 0.260%.[7] PNM is filing a reconciliation of 2025 program costs and profit incentive concurrently with the 2027 Plan on April 15, 2026. The reconciliation of program costs shows an over collection in 2025 compared to actual 2025 program costs. The reconciliation filing includes a proposed adjustment to the Rider to account for under-collection of profit incentive costs in 2025. In 2027 the total program cost element is set to 3.676% of bills and the base level profit incentive element is set to 0.228% of bills totaling 3.904% in cost.

Measurement and Verification (M&V)

The Act requires that M&V be performed by an independent program evaluator that, pursuant to the Rule, is approved by the NMPRC. The independent evaluator prepares a report that documents the total portfolio and individual program-level expenditures, measured and verified savings, and cost-effectiveness of all the EE and LM programs plus self-direct programs. The report includes deemed savings assumptions and all other assumptions determined by the evaluator. Objectives of the M&V process include verifying that measures were installed and documentation matches rebate applications; and that measures are operating properly within program quality standards and expected to generate the predicted savings. In addition to providing measured and verified information regarding PNM's programs, the M&V report also provides guidance for how PNM can assess its own program metrics and informs future program design and budget allocation decisions.

PNM will work closely with EcoMetric as the evaluator approved by the NMPRC for evaluation of the 2027 Plan programs.

4.4 REPORTING

[7] Advice Notice 640, Filed June 20, 2025

PNM will make annual filings, currently required on April 15 of each year, that will provide program evaluation information, as required by 17.7.2.14 NMAC, and Rider collections. The filings will also include the M&V reports completed by the independent evaluator. Concurrently with filing the annual report, PNM will request any needed reconciliation of the tariff Rider to reflect actual participation levels and actual expenditures made in implementation of the programs. Annual reports are available through the PNM website at: www.pnm.com/regulatory.

5 PROGRAM DESCRIPTIONS

Continuing programs and enhancements are described in the following sections:

5.1 – Commercial Programs

5.2 – Residential Programs

5.3 – Low-Income Programs

5.4 – *Behavioral Programs*

5.5 – Load Management Programs

5.6 – Market Transformation Program

5.1 COMMERCIAL PROGRAMS

5.1.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 23-00138-UT

COMMERCIAL COMPREHENSIVE

The Commercial Comprehensive program is PNM's flagship program for non-residential customers. The program provides incentives for the retrofit or installation of both prescriptive and non-prescriptive measures that decrease demand and save energy. The program is designed to be a "one-stop-shop" for commercial customers interested in improving the efficiency of their existing or planned new facilities. Examples of measures include a prescriptive list of lighting upgrades, building controls, compressed air and fan systems, and HVAC and refrigeration upgrades, as well as incentives for custom measures. This program also includes a new construction option that offers incentives for buildings constructed to exceed local building code energy requirements and special incentives for small businesses. In addition, the program offers training programs and on-site audits. Last, the program includes a "Manufacturing Glow-Up" pilot for new and expanding manufacturing businesses. They must participate in one of the Commercial Comprehensive rebate programs. They receive assistance with engineering needed for Non-

Taxable Transaction Certificates ("NTTC") related to manufacturing processes. The incentives to cover these engineering costs are paid from market transformation funds.

One important aspect of the Commercial Comprehensive program is its reliance on the participation of local energy efficiency vendors, suppliers and contractors who install energy saving equipment. These businesses are critical "trade allies" and the program would not be successful without their enthusiastic support. PNM conducts several training sessions each year for participating trade allies in which the program processes are reviewed, and technical training is provided on new efficiency approaches.

The Commercial Comprehensive program is implemented for PNM by DNV. In collaboration with DNV, PNM continuously monitors market conditions and changes in the status of commercial and industrial technologies to keep the list of eligible upgrades current and the rebates appropriate. For example, PNM regularly consults the DesignLights Consortium[8] website to search for new energy efficient lighting technologies that could be added to the program. The DesignLights Consortium is a non-profit membership organization that promotes quality, performance, and energy efficient commercial sector lighting solutions.

The Commercial Comprehensive program has six components: Retrofit Rebates, New Construction, Building Tune-Up, Distributor Discount, Multifamily and PNM QuickSaver™ for small business customers. Each of these is described in detail below. Complete program details, including the customer application and a list of all rebates, is available on the PNM website.[9]

RETROFIT REBATES

The Retrofit Rebate is the largest component of the Commercial Comprehensive program in terms of total savings. The Retrofit Rebate component offers two options for a PNM business customer: 1) a pre-set menu of rebates for installing qualifying equipment in new and existing buildings; and 2) custom rebates for reducing energy use with a system improvement that is not included on the pre-set menu. Custom rebates are based on the estimated first-year energy savings. Complete program details including a list of all rebates are available on the PNM website.[10]

A Business Uplift pilot starting in 2026 provides higher incentive levels for small businesses needing retrofits in underserved areas. Commercial customers operating in zones identified by the City of Albuquerque to be part of the Metropolitan Redevelopment Area and employ fewer than 100 local

[8] https://www.designlights.org/.

[9] https://www.pnm.com/bizrebates.

[10] https://www.pnm.com/bizrebates.

employees will be eligible for increased incentives for retrofit or new construction projects under the Business Uplift program.

NEW CONSTRUCTION

Customers that build new facilities or make major renovations of existing buildings can receive an incentive if they install equipment or systems that result in surpassing existing building code requirements and save additional energy. Savings are determined by following American Society of Heating, Refrigerating and Air-Conditioning Engineers' (ASHRAE) Standards and must be validated using a standard modeling tool, such as DOE-2, BLAST, EnergyPlus or eQUEST, capable of hourly calculations and modeling multiple thermal zones. The tool used must be approved by PNM staff.

The whole-building New Construction component provides an incentive based on the amount of annual energy saved due to constructing the building to standards at least 10% better than local building code, which is currently the ASHRAE 90.1 2019 – IECC 2021 standard. There are two levels of incentives available based on the following conditions:

- Surpass ASHRAE 90.1 2019 on a new building by 10 percent and receive an incentive based on first-year kilowatt-hours saved.
- Surpass ASHRAE 90.1 2019 on a new building by 20 percent and receive a higher incentive based on first-year kilowatt-hours saved.

BUILDING TUNE-UP

Building Tune-Up has historically been comprised of three sub-programs: Retro-Commissioning, Building Operator Certification and Advanced A/C Tune-Up. Due to synergy with the Residential A/C Tune-Up program and lack of participation in the commercial sector, PNM recommends that the Advanced A/C Tune-Up program be combined with the Residential A/C Tune-Up program and fall under the Residential Comprehensive Program umbrella.

Retro-commissioning refers to the process of bringing a building's mechanical and electrical systems, including building controls, to peak performance. Existing systems are analyzed, parameters are adjusted and equipment repaired as necessary. Low-cost operational improvements that deliver high energy savings are also identified. For more complex systems, a building analysis may be performed. The Retro-Commissioning program offers a 2-Tier incentive structure that is largely based on facility size and energy consumption. In order to earn a Tier 1 incentive, the customer must commit to install all the no or low-cost measures identified in the project analysis that have a payback of less than two years and cost less than $2,000. The Tier 2 incentive requires enhanced control systems to be in place, completion of Tier 1 improvements and installation of measures with a payback of less than two years and cost less than $5,000. After system improvements are identified and prior to any system modifications, a baseline of

electricity consumption is estimated. PNM pays a rebate based on the one-year annualized rate of energy savings. For more complicated buildings, the program also provides a rebate for a portion of the study expenses.

The Building Operator Certification is a nationally recognized certification program that provides 100% of tuition reimbursement for qualifying personnel. The certification leads to improved job skills and knowledge which are intended to increase facility efficiency and comfort.

The Building Tune-Up component of the Commercial Comprehensive program differs from the Retrofit Rebate component in that the primary goal is to identify low-cost operational improvements that deliver energy savings. Existing mechanical and electrical systems and building controls will be adjusted, typically with minimum capital cost. To the extent a building tune-up incorporates prescriptive elements included in the Retrofit Rebate component, the customer will generally receive rebates through the Retrofit Rebate component.

DISTRIBUTOR (MIDSTREAM) INCENTIVES

In 2015, PNM expanded program outreach through "midstream" marketing for HVAC measures that are also available through the Retrofit Rebate component. In 2019, commercial cooking measures were added to the program. Midstream refers to providing incentives at the distribution level rather than, or in addition to, the customer. Without midstream incentives, distributors tend to stock basic equipment that is less expensive to install. Energy efficient alternatives are generally more expensive and must be "special ordered." Therefore, if a customer's piece of equipment fails and it must be replaced under time constraints, the energy-efficient alternative is often not installed. Moreover, the midstream model allows for incentives to be paid to the counter sales staff. This further motivates sales staff to promote efficient equipment. Also, midstream incentives show the point-of-sale discount on the quotation or invoice which will further motivate contractors and customers to select the energy efficient choice. The current list of equipment included in Distributor Incentives is based on an assessment of technologies that are not readily available or stocked in the high efficiency option. The program currently provides incentives for HVAC equipment and food service equipment. The program will also work to recruit additional distributors throughout PNM's service area.

The Distributor Discount program has experienced lower levels of participation than anticipated; however, PNM and its third party implementer are actively implementing targeted enhancements to improve program performance. These efforts include recruiting additional in-state and out-of-state distributors, offering alternative incentive payment options to customers, and expanding marketing and training activities for participating distributors.

MULTIFAMILY

The Multifamily program targets a unique and hard-to-reach customer segment. The target audience consists of owners of multifamily (apartment) dwellings, who are eligible to receive rebates and direct-install measures for energy efficiency upgrades in common areas and residential housing units. For the purpose of this program, PNM defines multifamily dwellings as residential buildings with five or more attached units as well as residential campuses with two or more buildings with four or more units with common walls within each building owned by the same owner. The goal is to offer a program that is streamlined and offers a simple approach to participation, and that will make their buildings more energy efficient. Making recommended, cost-effective energy efficiency upgrades, including lighting retrofits, appliance upgrades, and direct installation of smaller measures, is a good investment for the property owner and will also benefit tenants and property owners with lower utility bills, increased comfort, and improved security. The program is administered by DNV, a third-party implementer. DNV manages all components of the program, including marketing, outreach, and rebate processing. A central part of the program delivery includes utilizing a primary point of contact or liaison either employed by or contracted with the implementer to assist the property manager throughout the entire project.

The program has special incentives available to multifamily participants with a majority of low-income tenants, defined as being at or below 200% of the federal poverty level. These properties are typically operated by a recognized low-income housing provider including, but not limited to, government entities, nonprofit agencies, and private-market Section 8 providers.

Energy savings are achieved through both prescriptive and custom measures. Projects that include custom measures that are not included in the prescriptive list can receive rebates provided that building system analysis shows them to be cost-effective. PNM will continuously monitor participation in the program and make modifications to the measure list and rebate amounts as needed to achieve participation and budget goals. Complete program details including a list of all rebates are available on the PNM website.[11]

Since the last program plan filing, PNM has added a Step It Up pilot to the program. It provides additional incentives for “deep” retrofits of low-income multifamily properties. “Deep” retrofits are defined as those including measures from two or more measure categories, or including a heat pump.

PNM QUICKSAVER

[11] https://www.pnm.com/bizrebates.

The PNM QuickSaver component provides special incentives for PNM small-business customers who are considered a hard-to-reach segment because of their limited access to capital and other barriers to participation. Beginning in 2015, the upper threshold for eligibility in QuickSaver was increased from business accounts with peak demand of 100 kW to those with 200 kW in 2016 to reach even more small business customers and has maintained this level since. Case-by-case exemptions for larger businesses with a peak demand up to 250 KW are provided for non-profits, religious organizations or educational facilities that lack in-house engineering support. These exemptions are made to preserve the intent of serving small businesses but also recognizing that QuickSaver support and rebates to underprivileged customer segments help reduce operating costs for businesses that have special needs. Qualifying businesses contact an approved PNM QuickSaver contractor to schedule an energy efficiency evaluation. The PNM QuickSaver-approved contractor then provides an on-site evaluation and a written proposal for the energy efficiency equipment upgrades for which the facility qualifies. Using this information, a contract between the customer and the contractor is drafted with the costs and final project completion payment clearly defined. The contractor handles all of the project paperwork. PNM QuickSaver covers on average about 65% of the project cost, which makes improved efficiency more affordable and attractive to the hard-to-reach small business customer. PNM pays the rebate to the contractor and, for many projects, utility savings will pay back out-of-pocket costs incurred by the business participant in less than one year.

Fewer energy savings measures are available under the QuickSaver component as compared to the Retrofit or New Construction components. However, QuickSaver focuses on measures that are the most common and cost-effective measures for the typical small business such as refrigeration components, lighting fixtures and lamps, and lighting control upgrades. These measures are also ones that can be installed quickly and provide immediate electric cost savings to participating small business owners. Many of the retrofits that have been done have focused on lighting, but contractors are also promoting more refrigeration and controls retrofits. In addition, PNM's third-party contractor is providing analytics to support targeted marketing of the program to increase participation and engagement of eligible customers.

REFRIGERATOR RECYCLING

The Refrigerator Recycling program is primarily a residential program but is also available to commercial customers. Please see the residential Refrigerator Recycling program description for more detail.

SELF-DIRECT

This program allows large customers (with energy usage greater than 7 million kWh per year) to receive credits for qualifying incremental expenditures made towards energy efficiency measures at the customers' facilities. Credits for approved self-direct programs may be used to offset up to seventy percent of the energy efficiency tariff Rider until the credit is exhausted. Qualifying customers apply for the credit through submitting a proposed EE project they intend to implement at their facility. The PNM Self-Direct program manager reviews the application. If the project meets the program requirements the application is approved and the customer's electric bill is credited. Projects must not utilize funding from any other PNM EE program in order to be eligible.

5.2 RESIDENTIAL PROGRAMS

5.2.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 23-00138-UT

RESIDENTIAL COMPREHENSIVE & COMMERCIAL A/C TUNE-UP

The Residential Comprehensive program is the primary incentive program for residential customers. The program has four components; Home Energy Checkup (including a low-income option), Residential Midstream Cooling, Residential & Commercial A/C Tune-Up, and Refrigerator Recycling. All of these programs provide energy efficiency options for customers' homes and have similar offers and benefits. For example, cooling options are available through Home Energy Checkup and Residential Midstream Cooling and customers recycling their refrigerators may also wish to take advantage of rebates on new appliances. PNM will continue to monitor the market for efficient appliances and HVAC equipment and make additions and modifications to the rebates to reflect market conditions and achieve budget and savings targets. Complete program details including customer applications and a list of all rebates are available on the PNM website.[12]

HOME ENERGY CHECKUP

Home Energy Checkup, newly managed by ICF, provides PNM residential customers, including low-income customers, the opportunity to participate in a Home Energy Checkup to save money and energy through an individualized Checkup and installation of energy-saving measures. The Home Energy Checkup applies a one-stop-shop approach at no charge to the customer. This includes a walk-through assessment and informative discussion between the program participant and energy ambassador explaining the

[12] https://www.checkwithpnm.com/.

assessment results and relevant opportunities. The ambassador will provide additional educational materials including conservation tips, ENERGY STAR appliance rebate eligibility, weatherization eligibility, and information about other energy efficiency programs available to participants. Once the assessment has been completed and the results and materials presented, the ambassador directly installs applicable energy efficiency measures. These measures include a varied mix of the following: weather stripping, door sweeps, outlet gaskets, LEDs, faucet aerators, showerheads, pipe insulation, spray foam, and advanced power strips.

Low-income customers will receive additional benefits for a more thorough impact. Customers can qualify to receive an ENERGY STAR refrigerator to replace an older, inefficient model. The energy ambassador determines whether the home's primary refrigerator is eligible for replacement, and our contractor will remove and recycle the old, while installing the new. Low-income customers with central air conditioning can also qualify for free weatherization upgrades in the form of comprehensive envelope measures including insulation, air sealing, duct sealing and the installation of smart thermostats. These advanced weatherization measures will be offered in conjunction with NMGC and offer deeper savings and ease of participation. This assessment for joint-territory low-income customers, to be performed by a local contactor, will include a blower door and duct leakage tests. Scheduling for upgrades is managed by the implementer.

For all participants, rebates are also provided for the purchase of ENERGY STAR appliances, heat pump water heaters, replacement of existing and working HVAC units with more efficient units and adding insulation for homes with refrigerated air-conditioning or evaporative cooling with electric heating. The program also identifies customers who may qualify for additional incentives on advanced evaporative cooling. Appliances and HVAC equipment that qualify for rebates through the program currently include the following:

- ENERGY STAR Refrigerator (excluding low-income customers receiving service at no cost)
- ENERGY STAR Freezer
- ENERGY STAR Clothes Washer
- ENERGY STAR Clothes Dryer
- ENERGY STAR Air Purifier
- Insulation (excluding low-income customers receiving service at no cost)
- ENERGY STAR Dishwasher
- ENERGY STAR Smart Thermostat (excluding low-income customers receiving service at no cost)
- HVAC Early Replacement
- Heat Pump Early Replacement
- Heat Pump Water Heater

ICF's duties include recruitment and training of energy ambassadors and contractors (trade allies), rebate fulfillment, customer support, marketing and advertising, data tracking, reporting, and quality assurance. PNM is collaborating and cost-sharing with the New Mexico Gas Company (NMGC) on this program for an

even more robust program offering to customers, including tribal customers. As with the other programs in the portfolio, PNM will continue to monitor and evaluate the market for high-efficiency appliances and other efficient measures that could be included as rebate options, provided they are cost-effective and can be provided within the program budget.

RESIDENTIAL MIDSTREAM COOLING

The Residential Midstream Cooling program offers distributors and contractors incentives to stock highly efficient cooling equipment so it is readily available for a broader customer reach. The program also offers contractors incentives to install highly efficient units. Qualifying equipment includes CEE Tier one, two and three tier refrigerated air conditioning equipment, ducted and non-ducted heat pumps, heat pump water heaters, smart thermostats and any additional measures that pass cost effectiveness analysis. Discounts are passed through to customers having this equipment installed.

RESIDENTIAL & COMMERCIAL A/C TUNE-UP

Refrigerated A/C tune-ups are also offered to customers free of charge through this program when the ambient temperature reaches 55 degrees Fahrenheit or above. The tune-ups help systems maintain optimal performance to save customers more energy and money on their utility bills. Advanced evaporative and other cooling equipment incentives are now offered through the Residential Products program discussed later in the Plan. In 2027-2029, PNM is proposing to include Commercial HVAC tune-ups in the Residential A/C Tune-Up program. This is due to the overlap in contractors performing HVAC maintenance between the commercial and residential markets.

REFRIGERATOR RECYCLING

The Refrigerator Recycling program is designed to encourage retirement of old or unnecessary second refrigerators and freezers. A refrigerator manufactured before 1995 can use up to three times more energy than a newer model. By retiring and not replacing an extra working unit, a PNM residential customer can save up to $175 a year in electricity costs. This program is also available to PNM business customers, although only residential size and type refrigerators and freezers are accepted. The program provides a rebate for each unit that is recycled. The rebate amount is currently $75 per refrigerator or freezer.

PNM is contracted with CLEAResult to implement the program, which includes picking up old units and transporting them to the local recycling facility. Approximately 95% of each refrigerator or freezer is recycled. The unit must be in working condition and be between 10 and 30 cubic feet in size. There is a limit of two refrigerators and/or freezers per household, and more than two refrigerators and/or freezers for business customers with PNM program manager approval.

EASY SAVINGS KIT

The Easy Savings Kit program provides LED nightlights, advanced powerstrips, weatherization measures, and educational materials on saving energy to PNM customers. This program currently primarily targets low-income PNM customers for free kits and other measures through direct email. The program also targets non-low-income customers for kits and smart thermostats but requires a co-pay for those customers.

Customers who receive the enrollment email can request the energy efficiency kit. Customers can order over the phone or online at the program website link provided in the enrollment email. Customers receive marketing materials with the kits that educate customers about our other programs and encourage them to participate. PNM views these kits as a low- or no-cost entry point into energy efficiency for customers that is intended to lead them towards participating in programs that provide deeper savings.

RESIDENTIAL PRODUCTS

Beginning in 2021, the Residential Products program, formerly the Residential Lighting program, incorporated additional retail products such as ENERGY STAR appliances, advanced power strips, evaporative cooling equipment and other measures. PNM will continue to expand the program with additional cost-effective products as advised by results of a residential appliance saturation survey conducted in 2025 and current market conditions. Incorporating additional offerings has partially offset eliminated lighting savings due to EISA standard changes in 2023.

A list of retailers that offer discounts is available at https://www.pnm.com/instantdiscounts. The list of participating retailers is also shown in Appendix D.

PNM HOME WORKS (AND ENERGY INNOVATION)

PNM Home Works and Energy Innovation are an energy savings and education program that combines energy efficiency curriculum for teachers with easy-to-install energy efficiency and water-saving measures for students to install at home with their parents. The program has two main goals: energy savings and market transformation through student education.

PNM contracted with National Energy Foundation (NEF) to implement this program which consists of general program oversight, student and teacher presentations, web design, kit production, warehousing and distribution, marketing, program tracking, data tabulation, and reporting. This program is designed to generate immediate and long-term savings by sending energy savings measures and interactive hands-on education home with motivated students. The 2027 Plan program will continue to have two presentations and kits designed for 5th grade students and high school students. Each student will receive educational materials designed to build knowledge and demonstrate simple ways to save by changing habits in conjunction with easy-to-install measures. The teacher and student kit materials support state and national educational standards, which allow the program to easily fit into teachers' existing schedules

and requirements. The total cost of providing the program, including all presentation time and materials is about $60 per kit in 2027.

The program begins with an interactive presentation at a school assembly or similar event teaching the importance of using water and energy efficiently, followed by hands-on, creative problem solving. Next, participating students take home an activity kit that includes high efficiency water, lighting, and weatherization measures. With the help of their parents or caregivers, the students install the measures at home and complete a home survey. The high school presentation includes a special emphasis on sustainability and on the unique energy usage footprint of a high school-aged student in the home. The high school kits contain a Tier two advanced power strip. The NEF staff tabulates all the responses, including home survey information, teacher responses, student input and parent responses, and generates a program summary report. Teachers receive a small mini grant to purchase supplies and materials for their classrooms. The amount of the mini grant is calculated based on the completed percentage of Home Energy Worksheets (HEWS) returned by each teacher. PNM will target approximately 14,600 students each year across the service area.

The educational and energy awareness training is a crucial part of the PNM Home Works program but is not directly linked to specific energy savings. Rather, the education builds awareness of the importance of energy efficiency in general and supports the goals of the 2027 Plan in general. Therefore, PNM funds the general energy efficiency educational materials and presentations activities of the program, about 53% of the program cost, through the Market Transformation (MT) program, which is described in the MT section of the 2027 Plan below.

NEW HOME CONSTRUCTION

ICF is the third-party implementer managing this turnkey program which includes marketing and outreach, builder and HERS rater outreach and training, quality assurance, data tracking and reporting, and rebate processing. PNM is collaborating and cost-sharing with the New Mexico Gas Company (NMGC) on this program for an even more robust program offering to home builders.

The target audience consists of custom, semi-custom, production, and manufactured home builders and includes consumers, realtors, trade allies, raters, developers and architects. The goal is to offer a streamlined program that offers participants incentives for highly efficient new single-family residential construction through either a prescriptive or a performance path.

The combined prescriptive and performance program approach has proven less stringent than the previous ENERGY STAR-only approach because homebuilders could choose to install a list of efficient prescriptive measures that meet or exceed efficiency goals or choose a whole home performance path approach for properties exceeding the previous building code while continuing to encourage home builders to participate in ENERGY STAR®, Zero Energy Ready Homes (ZERH) and Build Green NM initiatives.

The manufactured home pilot has been a success, with a total of 96 factory-built homes incentivized through the program between 2024 and 2025, and all but one being built as ZERH. The goal for 2026 is 83 homes, and the goals for the manufactured home segment for 2027-2029 have been increased accordingly for each consecutive year to 105, 116, and 127 homes.

PNM proposes to continue its all-electric homes pilot. Despite PNM's efforts, we have not seen the market uptake in this area that we had hoped for, so we are continuing all-electric home rebates as a pilot. This program is intended to accelerate the adoption of technologies like heat pump water heaters and air source heat pumps in new homes. To increase participation in 2027-2029, PNM has planned a transition to prescribed rebates for specific technologies as long as the home itself is all-electric. The prescribed rebates are higher than the previous performance rebates. The proposed 2027 participation goal is 40 homes.

MULTIFAMILY

The Multifamily program is described in detail in the previous Commercial section. The ultimate participant in the program is the property owner rather than the residents. However, the residents benefit directly from the program, especially if they have PNM electric accounts. Therefore, the Multifamily program benefits both commercial and residential customers.

5.3 LOW INCOME PROGRAMS

5.3.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 23-00138-UT

EASY SAVINGS KIT

The Easy Savings Kit program provides LED nightlights, advanced powerstrip, weatherization measures and educational materials on saving energy to PNM customers. This program currently primarily targets low-income PNM customers for free kits and other measures through direct email.

Customers who receive the enrollment email can request the energy efficiency kit. Customers can order over the phone or online at the program website link provided on the enrollment email. Kits are also distributed by non-profit agencies throughout PNM's service area.

ENERGY SMART – HOUSING NEW MEXICO

The Energy Smart program provides funding to the New Mexico Energy$mart weatherization program implemented by Housing New Mexico (formerly the New Mexico Mortgage Finance Authority). PNM funding is used by Housing New Mexico to supplement federal and state funding they receive to administer the low-income weatherization program. In recent years, the program has focused on installation of LED bulbs, weatherization, and replacement of older inefficient refrigerators with ENERGY

STAR qualified models. Measures also include: attic and wall insulation, duct and air sealing, hot water heater pipe and tank insulation, programmable thermostats, low-flow showerheads and aerators, and door and window replacement. This federal and state funding allows the program to achieve deep savings for customers. However, the restrictions associated with that funding limit the ability of the program to meet goals; the program did not meet goals in 2025.
PNM has worked with Housing New Mexico to reduce the waitlist of this program by expanding the use of PNM funds to health and safety measures. This allowed some improvement in the waitlist: it reduced from 623 households to 528 households between January 2024 and December 2025.

HOME ENERGY CHECKUP (LOW-INCOME)

This program is a component of the Home Energy Checkup program described in the Residential Programs section above. The program is the same as the Home Energy Checkup program with the exception that the copay for the smart thermostat and direct-install weatherization measures, which include installation, are waived and a free replacement refrigerator and more involved weatherization measures may be available through the program if eligibility criteria are met.

To be eligible, participants must have incomes relative to family size at or below 200% of the federal poverty level. A program participant's refrigerator must meet the following criteria to be eligible for replacement:

- Be in working condition.
- Be the primary refrigerator used in the home.
- Be at least 10-30 cubic feet to qualify for replacement.
- Be at least ten years old, or 12 years or older if it is ENERGY STAR.
- Consumption must be at least twice that of the efficient model being installed or have an observed physical condition causing excessive consumption such as poor door seal and an inability to cool.

Additional weatherization measures such as attic insulation and air and duct sealing are also available to eligible low-income participants.

PNM HOME WORKS (LOW INCOME)

The PNM Home Works program is described in detail in the previous Residential section. Although it is not a low-income program specifically, because so many students are from low-income families, this program benefits many low-income PNM customers. PNM estimates that at least 40% of students are from families with annual income below 200% of the federal poverty level.

MULTIFAMILY (LOW INCOME)

The Multifamily program is described in detail in the previous Commercial section.

5.4 BEHAVIORAL PROGRAMS

5.4.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 23-00138-UT

5.4.1.1 BEHAVIORAL COMPREHENSIVE

In the 2021 – 2023 program plan filing, PNM began a residential behavioral home energy reports ("HER")program and a commercial behavioral strategic energy management ("SEM") program.. They were continued in the 2024 – 2026 program plan filing.

The SEM program approach emphasizes the importance of equipping and enabling plant management and staff to impact energy consumption through behavioral and operational change and structured planning of commercial and industrial facility upgrades and process improvements. Customer recruitment efforts include: webinars, Lunch & Learns, Email newsletters, PNM Key Account Manager outreach, SEM program webpage information, Case Studies, and Trade Ally cross-promotion. Customers targeted include: government, healthcare, education, manufacturing, retail, aviation, water utilities and tribal segments. In 2024, PNM added energy savings monetary incentives to the program design and saw the program continue to grow in 2025.

In addition to a commercial SEM program, PNM also launched a behavioral-based residential Home Energy Report program in 2021. This program is delivered through a combination of customizable and personalized home energy reports (both paper and digital), a customer survey to enhance and further customize future report content, a customer web portal with specific and personalized insights and cross-promotion of other relevant energy efficiency rebate programs, and an online marketplace offering discounts on energy efficient measures. The treatment group consists of approximately 70% of PNM residential customers, with the remaining 30% in the control group.

PNM has continued to iterate on the HER program in the intervening years. A number of changes have been made to the customers in the treatment and control groups, with different "waves" being added in order to maximize energy savings.

This platform can function with either non-advanced metering infrastructure (AMI) or AMI-enabled metering. With the existing non-AMI infrastructure, customers can still receive information about their consumption through higher-level end use disaggregation. As AMI is rolled out, participants in the Home Energy Report program will continue to receive a similar homes comparison email which compares the participant's energy usage to similar households, based on similar size, age or home, and cooling and heating equipment. As AMI is rolled out, customers will also receive monthly email messaging through the Customer Energy Management Portal ("CEMP") which will include a more granular view of how they use energy and energy efficiency tips and energy efficiency program recommendations based on self-

reported equipment in their homes. The total 2027 annual budget for the HER program is approximately $627,360. The projected annual energy savings equal 7.9 GWh in 2027.

5.5 LOAD MANAGEMENT PROGRAMS

CONTINUING PROGRAMS – APPROVED IN CASE NO. 23-00138-UT

The load management programs provide PNM with a demand-side resource that can be used to meet peak demand requirements.

PNM's residential and small commercial HVAC program, Power Saver, is available for up to 100 hours per year, June 1 through September 30. Power Saver is available 12pm to 10pm, Monday through Friday, excluding holidays and weekends.

PNM's medium and large commercial and industrial program, Peak Saver, is available at full capacity 10am to 10pm, Monday through Friday, excluding holidays and weekends. Peak Saver is available at a reduced capacity 24/7, 365 days a year. It is available for 100 hours June 1st through September 30th, and an additional 300 hours October 1st through May 31st.

PNM did not dispatch either Power Saver or Peak Saver during the summer of 2025. Below please find the dispatch days for 2024.

Table 5-2

Event Date	Start Time (MDT)	End Time (MDT)	Duration (Hr)
7/31/24	5:00 PM	9:00 PM	4

PEAK SAVER

The PNM Peak Saver program targets non-essential electric loads that can be reduced during periods of peak system demand and is available to commercial and industrial customers with greater than 50 kW peak demand. Current rate classes include 4B, 5B, 15B, 30B, 35B, and 38. Participating customers receive an incentive based on their level of load reduction at the end of each control season.

PNM's third-party contractor, Itron, is responsible for building and operating a direct load control system that provides PNM with the ability to achieve contracted load reductions through control of end-use equipment at participating businesses. Itron's responsibilities include marketing, installing load control equipment, data collection and analyses required for validating the contract capacity.

PNM plans to explore alternate modes of using the Peak Saver program in 2027-29. For example, PNM might have only the participants in Southern New Mexico or Northern New Mexico reduce their electric load.

ENHANCEMENTS AND GROWTH

The Peak Saver program will retain the same program elements that are currently available to existing customers. Itron intends to automate as many participant sites as possible with its IntelliSOURCE platform. PNM plans to explore adding additional technologies similar to those in VPPs to Peak Saver within the existing contract with Itron.

POWER SAVER

The PNM Power Saver program is the load management program for residential customers and small commercial customers who are not served by the Peak Saver program. This program cycles non-critical loads, such as refrigerated air conditioning units, on and off during summer peak hours. Thermostats that are participating in the program will be set to a warmer temperature during an event. Participating customers receive a modest incentive at the end of each control season. PNM retained its third-party contractor, Itron, to manage this program. Itron is responsible for marketing the program to customers, installing load control equipment, data collection and analyses required for validation of the contract capacity.

ENHANCEMENTS AND GROWTH

The Power Saver program has grown to offer 20 MW firm capacity and 20 MW non-firm capacity. The Peak Saver program has grown to 15 MW firm capacity and 15 MW non-firm capacity. There are penalty provisions that will keep PNM whole if Itron is unable to deliver the minimum (firm) capacity commitments. Appendix C has additional detail.

PNM plans to explore adding additional technologies similar to those in VPPs to Power Saver within the existing contract with Itron.

BEHAVIORAL DEMAND RESPONSE

PNM proposes to implement a limited behavioral demand response pilot sometime during the 2027–2029 triennial plan years, dependent on having enough operational AMI meters for measurable results. The pilot aims to inform a broader program following full AMI deployment and maximize AMI investments. It will use opt-out behavioral messaging to encourage customers to reduce electricity use during peak periods. PNM is evaluating whether incentives are needed for this design.

5.6 MARKET TRANSFORMATION

OVERVIEW AND DESCRIPTION

The goals of the Market Transformation (MT) strategy are to 1) achieve a measurable increase in awareness of the importance of energy efficiency; 2) encourage behavior changes that result in the adoption of energy efficient measures; and 3) promote emerging technologies that are not part of existing EE programs but have the potential to be included in programs in the future. MT uses mass-market advertising channels and conducts targeted efforts aimed at specific customer segments, including hard-to-reach segments and schools. In addition to current awareness-building activities that are ongoing. MT costs are allocated on a pro rata basis across the portfolio.

2027 PLAN PROGRAM SCOPE

In prior years, PNM's MT strategy has focused on EE promotional events including community events and presentations, engaging customers on energy efficiency through on-line PNM channels and tools, funding the educational component of the PNM Home Works and Energy Innovation school kit program, and any potential or other ad hoc studies or residential saturation surveys to assist in designing attractive and cost effective programs. PNM will continue to use Market Transformation funding to provide these awareness building services as well as fund updates to the energy efficiency potential study, residential appliance saturation surveys, and continuing funding for other educational efforts. Additionally, PNM will provide an incentive for the Manufacturing Glow-Up commercial & industrial pilot (described in the Business Energy Efficiency Program section) through market transformation funding because this program allows awareness building about energy efficiency in a hard-to-reach market segment. Although it is outside the scope of the EUEA requirements, PNM is providing web links to state and federal websites for information on additional tax credits and incentives available. PNM is providing this information as a courtesy and is not responsible for the validation and maintenance of the content on state and federal websites. Third-party implementers also reference state and federal government links when training participating trade allies who work with PNM customers.

PNM will continue funding the general energy efficiency educational activity that is currently part of the PNM Home Works and Energy Innovation program with Market Transformation funding. While PNM has received very positive feedback from teachers and students on the education component of the program, the training by itself is not directly linked to energy savings. Rather, the education builds awareness of the importance of energy efficiency in general and supports the goals of the 2027 Plan.

PNM also performs research that supports the portfolio overall, thereby resulting in market transformation. These research studies, performed once per triennium, include the residential appliance saturation survey, the energy efficiency & demand response potential study, and the transmission & distribution avoided cost study.

ONGOING RESEARCH AND DEVELOPMENT

PNM understands that its energy efficiency plans and programs will need to continue being responsive to evolving markets and technologies. PNM will maintain an active research and program design effort throughout the next planning cycle and for the foreseeable future. While specific initiatives may be modified over time to reflect the changing needs of the energy efficiency portfolio, the anticipated initiatives that may be developed over the next year or two include:

- Continued collaboration with New Mexico Gas Company and other community organizations and public entities where appropriate to encourage robust and comprehensive program offerings with maximum customer appeal.
- Leverage enhancements AMI provides such as more granular customer end use disaggregation, possible targeted marketing opportunities for customers with older appliances and cooling equipment, and energy efficiency tips and program recommendations in the Customer Energy Management Portal.
- Continued expansion of outreach/education-based initiatives either through Market Transformation or within specific programs.
- Increasing incentive budgets in programs with higher energy savings and participation potential and lower market saturation such as broader heat pump adoption.
- Continued monitoring of any potential new program design concepts being developed or offered in similar utility programs and legislation modifications to support additional carbon emissions reductions and other non-energy benefits as a result of energy efficiency offerings.
- A pilot supporting heat pumps with higher incentives in the low-income Home Energy Checkup program.
- Increased incentives for retrofits and new construction of multifamily properties serving low-income customers.
- Increased incentives for retrofits of small businesses in Metropolitan Redevelopment Areas in Albuquerque.
- Expansion of the Residential A/C Tune-Up program to include commercial HVAC tune-ups as well.

6 APPENDICES

6.1 APPENDIX A – AVOIDED COSTS

The benefits of energy efficiency and load management are evaluated over the life of the programs in the UCT model using PNM avoided costs and a discount rate of 8.54%. Avoided costs are the costs that PNM would not incur as a result of lower energy consumption and demand resulting from implementation of energy efficiency and load management measures. Energy efficiency avoided cost forecasts were developed by the staff of the PNM Planning and Resources department and are shown in Table 6-1 below.

Table 6--1

Avoided Energy and Capacity Costs EE and DR	EE MW Capacity ($/kW-yr)	EE T&D Capacity ($/kW-yr)	EE Total Capacity ($/kW-yr)	EE Energy ($/kWh)	DR MW ($/kW-yr)	DR Energy $/kWh	DR T&D 9yr levelized ($/kW-yr)
2027	$304.88	$1.510	$306.392	$0.023	$141.21	$0.000	$44.14
2028	$139.06	$21.150	$160.209	$0.050	$130.43	$0.000	$44.14
2029	$85.06	$23.650	$108.710	$0.071	$123.02	$0.000	$44.14
2030	$82.12	$25.060	$107.182	$0.090	$117.65	$0.000	$44.14
2031	$78.75	$26.190	$104.938	$0.087	$112.28	$0.000	$44.14
2032	$74.93	$40.960	$115.888	$0.088	$108.44	$0.000	$44.14
2033	$74.25	$43.260	$117.514	$0.089	$106.14	$0.000	$44.14
2034	$66.85	$43.860	$110.705	$0.086	$103.84	$0.000	$44.14
2035	$55.19	$45.460	$100.646	$0.085	$101.55	$0.000	$44.14
2036	$52.17	$47.910	$100.082	$0.083	$99.28	$0.000	N/A
2037	$75.11	$47.850	$122.962	$0.071	$97.02	$0.000	N/A
2038	$144.53	$44.920	$189.454	$0.022	$94.78	$0.000	N/A
2039	$0.00	$51.810	$51.810	$0.000	$92.55	$0.000	N/A
2040	$0.00	$45.890	$45.890	$0.000	$90.34	$0.000	N/A
2041	$0.00	$46.850	$46.850	$0.000	$88.13	$0.000	N/A
2042	$0.00	$47.410	$47.410	$0.000	$85.95	$0.000	N/A
2043	$0.00	$48.250	$48.250	$0.000	$85.95	$0.000	N/A
2044	$0.00	$46.520	$46.520	$0.000	$85.95	$0.000	N/A
2045	$0.00	$43.220	$43.220	$0.000	$85.95	$0.000	N/A

6.2 APPENDIX B – PUBLIC ADVISORY GROUP MEMBERS

Table 6-2 lists the organizations that have been invited to participate in the energy efficiency advisory group and who receive regular updates on the status and progress of PNM's energy efficiency efforts.

Table 6--2

Name	Organization
Courtney Fieldman	Southwest Energy Efficiency Project
Bud Wilden	Retired UNM professor
Camilla Fiebelman	Sierra Club
Chuck Noble	N/A
Cissy McAndrew	Southwest NM Green Chamber of Co
Dave Nelson	AARP
Jim Folkman	Foundation for Building/Green Buildin
Joan Brown	Interfaith Power & Light
Eli LaSalle	NM Public Regulation Commission
Kurt Albershardt	Southwest Energy Generators (silver
Ona Porter	Prosperity Works
Pat Cardona	AARP
Peter Gould	NM Area
Rick D. Chamberlain	Behrens, Wheeler & Chamberlain
Robb Hirsch	Santa Fe Green Chamber of Commer
Robert Mang	Smart Home Project
Carey Salaz	NM Gas Company
Ed Rilkoff	NMPRC
Tammy Fiebelkorn	WRA
Tom Singer	Western Environmental Law Center
Wayne Hofeldt	Retired So. Cal Edison
Rick Rennie	Downtown Improvement District
Ken Walsh	Xcel Energy
Michael Pascucci	Xcel Energy
Ken Baker	Walmart
Kelly Gould	NM Area
Cydney Beadles	WRA
Cara Lynch	CCAE
Dana Howard	EMNRD (State of NM)
Victor Silva	El Paso Electric
Jeremy Lovelady	Xcel Energy SPS
Nancy Burns	El Paso Electric
Caitlin Evans	Western Resource Advocates
Michael Kenney	Western Resource Advocates
Charles de Saillan	CCAE
Don Hancock	CCAE
Gideon Elliot	NMAG
Keith Herrmann	ABCWUA
Valerie Joe	Bernalillo County
Stefi Weisburd	350 New Mexico
Elizabeth Acosta	NM PRC
Christopher Dunn	NM PRC

6.4 APPENDIX D – trade ally business list

Trade Ally Businesses Supporting PNM Commercial Programs

Name	Area Served			
	Central	Northern	South Central	Southwest
3B Builders Inc.	X			
3B Electrical LLC	X			
A-1 Electric Inc.	X	X		
Abraxas Electric LLC	X	X	X	X
Albuquerque Plumbing, Heating & Cooling	X	X	X	X
Alderete Electric Service Corp.	X			
Allied Electric Inc.		X		
Alza Electrical Corp.			X	X
Armour Electical Contractors, LLC.	X	X	X	X
AZ Insulation & Energy Solutions dba Tru Lite	X	X	X	X
Aztec Mechanical, Inc.	X			
B&D Industries Inc.	X	X	X	X
Benchmark Group Inc.	X			
Bernard TME LLC	X	X	X	X
Beyond Electric	X			
Bixby Electric Inc	X	X		
Bridgers & Paxton Consulting Engineers	X	X	X	X
Bright Ideas Inc. dba The Lamp shop	X	X	X	X
Building Energy Solutions and Technology, dba Bes-Tech Inc.	X	X	X	X
Bulldog Energy Solutions Inc.	X	X	X	X
CB Power LLC	X	X	X	X
Chef Link Supply	X	X	X	X
Circuit Breakerz LLC	X			
Constellation Energy dba Optima Technology & BidEnergy	X	X	X	X
Corrales Electric Inc.	X	X		
DAC Electric	X	X		
Dalkia Energy Solutions	X	X	X	X
Dekker/Perich Sabatini	X	X	X	X
Del Electric LLC	X	X		

Dove Electric				
DRB Electric Inc.	X	X	X	X
E.R.M. electric LLC			X	
Eco Electric LLC	X	X		
ECOterra Energy Consulting	X			
EEA consulting Engineers	X	X	X	X
Energy Design Service Systems	X			
Energy Management Collaborative LLC	X			
EnergyWorks LLC	X	X	X	X
EnerNet Solutions, LLC	X	X	X	X
Engie Insight Services dba Engie Impact	X	X	X	X
Engineering Economics	X	X	X	X
Enterprise Builders Corp	X	X	X	X
Enterprise Electrical Services, Inc	X	X	X	X
Evergreen Contractors, LLC	X	X		
Experienced Solar, LLC	X	X		
Facility Solutions Group	X	X	X	X
Facility Solutions Group (EP)			X	X
Fat Tire Cycles	X	X		
Frankhouse Brothers LLC	X	X		
Frank's Electric	X	X	X	
Glass-Rite	X	X		
Goodmen Electrical Services	X	X	X	X
Gorman Distributing Co., Inc.	X	X		
Graybar Electric Company, Inc	X			
Green Insight LLC	X	X	X	X
Green Rebates LLC	X	X	X	X
Greenleaf Energy Solutions	X	X	X	X
HD Supply Facilities Maintenance	X	X	X	X

HDZ Electric LLC	X	X		
HEI Inc.	X			
High Desert Lighting & Electric LLC	X	X	X	X
Horizon Electric Signs, LLC	X	X		
Illumetek	X	X	X	X
J & C Ortiz Electric LLC	X	X		
Jesse Arias Electrical Contractor	X			
Johnson Controls	X	X	X	X
L & K Electric		X		
Leidos Engineering LLC	X	X	X	X
Lightserve	X	X	X	X
M Squared Electric LLC				X
McDade-Woodcock Inc	X	X	X	X
Mechanical Systems Inc.	X	X	X	X
Mid-American Gunite, Inc. dba Mag Energy	X	X	X	X
Mora Electric LLC	X	X	X	X
Mosher Enterprises	X	X		
Mountain Electric, LLC	X	X		
Mountain Vector Energy	X	X	X	X
New Generation Electric, LLC	X	X		
New Line Technology Inc.	X	X		
Nex Rev	X	X	X	X
Nexus Solutions, LLC	X	X		
Nomad Energy Group, LLC	X	X		
Norman S Wright Co	X	X	X	X
Nowlin Mechanical	X	X	X	X
Omega Contractors	X	X	X	X
Osceola Inc. dba OE Solar	X	X		
Phaze One Electric	X	X		
Potter Electric	X	X		

Prostar Energy Solutions, L.P.	X	X	X	X
Randy's Electric Co Inc.	X	X		
RE Michel Co LLC	X	X	X	X
Reliable Electric LLC	X	X		
Reliable Relamping	X	X	X	X
Rexel USA	X	X	X	X
Rivas Electric, LLC	X	X		
RKL Sales Corporation	X		X	
ROI Energy Investments LLC	X	X	X	X
ROI Energy LLC	X	X	X	X
Royal Pacific, LTD	X			
Russel Sigler Inc.	X			
Schneider Electric Inc	X	X		
Solar Works Energy	X	X		
SourceOne Solutions	X	X	X	X
SRS Electric	X	X		
Standard Restaurant Supply	X	X	X	X
Stone Electric and Power LLC				X
Strategic Lighting	X	X		
Summit Electric Supply	X	X	X	X
Sustainable Building Solutions LLC	X	X		
Sustainable Engineering LLC	X	X	X	X
Texal Energy LLC	X	X	X	X
ThermaAir Systems NM	X	X		
Thompson Construction	X			
TLC Company	X	X	X	X
Tofel Dent Construction	X	X	X	X
Trane SW	X	X	X	X
Travers Mechanical	X			
U.S. Electrical Corp	X	X	X	X
United Refrigeration Inc	X	X	X	X
Voss Lighting	X			

W.W. Grainger, Inc.	X	X		
Wesco Energy Solutions	X	X		
What Rebates	X	X	X	X
Wizer Electric LLC	X	X	X	X
Yearout Energy Services Company	X	X	X	X
Yearout Service LLC	X			

Trade Ally Businesses Supporting PNM Residential Programs

	Area Served			
Name	Central	Northern	South Central	Southwest
1-Call Mechanical, LLC	X			
AAG, Inc Heating and Air Conditioning	X	X		
ABQ Air, Inc.	X			
Abrazo Homes	X	X		
Advantage Plumbing		X		
Affordable Service, Inc.	X			
Air Conditioning Systems, Inc.	X			
Air Efficiency Heating and Cooling Services		X		
Air Pro, Inc.	X			
Albuquerque Plumbing Heating & Cooling	X			
Allied Plumbing	X			
Amreston Homes	X			
Anderson Air Corps	X			
Anderson Refrigeration Inc.			X	
Armor Heating & Cooling				X
Axiom Home Services	X			
B. Carlson Heating, Air Conditioning & Plumbing, Inc.	X	X		
Banda Plumbing & Heating		X		
Blue Desert Heating & Air	X			
Blue Ridge Mechanical		X		
Brothers Electro Mechanical, Inc.	X			
Cactus Mechanical	X			
Central New Mexico Housing Corporation	X	X		
Champ Enterprises	X			
Chase Electrical	X			
Chase Mechanical				X
Chicos Mechanical	X			
Clayton Homes of Bernalillo	X			

Courtesy Plumbing Heating & Air Conditioning Inc.	X			
CRAG Enterprises, LLC	X			
CR Refrigeration, LLC	X			
Daniels Heating and Air Conditioning LLC	X	X		
Deans Mechanical Control		X		
Diego Handcrafted Homes, LLC	X			
DJ'S Plumbing & Mechanical, LLC	X			
DR Horton	X	X		
Duke City Heating & Cooling, LLC	X	X		
Eagle Eye Mechanical		X		
Easy Plumbing, Heating & Collingbi		X		
Enchanted Hills Mechanical	X			
Enchantment Refrigeration, LLC		X		
Estancia Homes, LLC		X		
Factory Homes Direct	X			
FCH Mechanical				X
Fiesta Mobile Homes, LLC			X	X
First Rate Plumbing, Heating & Cooling, Inc.	X	X		
Garrity Insulation, Inc.	X	X		
Gimesum Heating & Cooling	X			
Hakes Brothers	X			
Homes Dierct of Albuquerque	X			
Homewise, Inc.		X		
Husky Refrigeration, HVAC & Mechanical		X		
Image Electric and Mechanical	X			
Insight Mechanical		X		
JeHu Services, LLC	X	X		X
Jerome's Mechanical		X		
John Kaltenbach Homes, LLC	X			
Kidzz Mechanical	X			
Koala Insulation	X	X		
Las Ventanas Homes	X			
Lobo Tech, LLC		X		
Los Altos Plumbing & HVAC		X		
LOWE-BO Homes	X			
Luxury Plumbing	X			
Master Homecrafters, Inc.				
Mechanical CEU & Service	X			
Medlin Mechanical		X		
Metal Craft Company	X	X		

MGP Mechanical	X			
MTV Enterprises, LLC	X	X		
National Plumbing & Heating		X		
NCB Mechanical	X			
Nespolo Mechanical	X			
Oakwood Homes	X	X	X	X
Ortega Quality Mechanical	X			
Ortiz Mechanical		X		
Porky's Heating & Cooling			X	
Pro-Tech Air Conditioning & Heating		X		
Probst Electric		X		
Pulte Homes	X	X		
Quality Builders, Inc.	X			
Redline Mechanical	X	X	X	X
Reliable Climate Control Solutions	X			
Reliable Tech Heating, Cooling & Plumbing		X		
Rich Duran Plumbing & Heating Inc.		X		
Richmond American Homes	X			
RJ's HVAC, LLC.	X			
Roadrunner Air Conditioning, Heating & Refrigeration		X		
Salazar Heating Cooling & Plumbing		X		
Santa Fe Ductless		X		
Santa Fe Express Plumbing & Drain		X		
Santa Fe Heating & Cooling		X		
Signature Heating & Cooling	X	X		
Southwestern Regional Housing & Community Development Corporation			X	X
Spiegel Kinsley Construction, LLC	X			
Strongbuilt Plumbing & Air	X	X	X	X
Sustainable Energy and Building of New Mexico	X			
Tech Air Heating & Cooling	X			
Techwest, Inc.	X	X	X	X
Thompson Heating & Air Conditioning, Inc.	X			
TLC Plumbing, Heating, Cooling & Electrical	X	X		
Totally Cool Air, Heating & Cooling	X			
Unlimited Construction Services	X			
Wagner Mechanical	X			
Walker Energy Services	X			
Westway Homes	X			
Whitney Plumbing Company	X			
Zia Estates, LLC		X		

Powering New Mexico, Together

Trade Ally Businesses Supporting Retail Rebate Programs

Retailer	Location
Dollar Tree	Alamogordo
Dollar Tree	Alamogordo
E-Z TV & Appliances	Alamogordo
Home Depot	Alamogordo
Lowe's	Alamogordo
Samon's	Alamogordo
Appliance Liquidators	Albuquerque
Baillio's	Albuquerque
Best Buy	Albuquerque
Best Buy	Albuquerque
Blue Water Pools	Albuquerque
Builders Source Appliance Gallery	Albuquerque
Champion Window Company of Albuquerque	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
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Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Don’s Windows & Doors	Albuquerque
Family Dollar	Albuquerque

Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
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Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Habitat for Humanity	Albuquerque
Home Depot	Albuquerque
Home Depot	Albuquerque
Home Depot	Albuquerque
Home Depot	Albuquerque
Lee-Sure Pools	Albuquerque
Leslie's Swimming Pool Supplies	Albuquerque
Leslie's Swimming Pool Supplies	Albuquerque
Leslie's Swimming Pool Supplies	Albuquerque
Lowe's	Albuquerque
Lowe's	Albuquerque
Lowe's	Albuquerque
Lowe's	Albuquerque
Matt's - The Pool & Fire Place	Albuquerque
Pella Windows & Doors of Albuquerque	Albuquerque
Pool Works	Albuquerque
Salvation Army	Albuquerque

Salvation Army	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
SCP Distributors	Albuquerque
Sierra Pacific Windows	Albuquerque
St. Vincent de Paul	Albuquerque
Valentine's Swimming Pool & Spa Supplies	Albuquerque
Valentine's Swimming Pool & Spa Supplies	Albuquerque
Window World of Albuquerque	Albuquerque
Family Dollar	Algodones
Family Dollar	Bayard
Dollar Tree	Belen
St. Vincent de Paul	Belen
Family Dollar	Bernalillo
Samon's	Bosque Farms
Family Dollar	Clayton
Dollar Tree	Deming
Family Dollar	Deming
St. VIncent de Paul	Deming
Dollar Tree	Las Vegas
Family Dollar	Las Vegas
Family Dollar	Lordsburg
Dollar Tree	Los Lunas
Dollar Tree	Los Lunas
Family Dollar	Los Lunas
Family Dollar	Los Lunas
Home Depot	Los Lunas
Lowe's	Los Lunas
St. Vincent de Paul	Los Lunas
Family Dollar	Peralta
Family Dollar	Pojoaque
Dollar Tree	Rio Rancho
Dollar Tree	Rio Rancho
Dollar Tree	Rio Rancho
Home Depot	Rio Rancho

Lowe's	Rio Rancho
New Mexico Pools and Spas	Rio Rancho
Dollar Tree	Ruidoso
Family Dollar	Ruidoso
Best Buy	Santa Fe
Builders Source Appliance Gallery	Santa Fe
Dollar Tree	Santa Fe
Dollar Tree	Santa Fe
Dollar Tree	Santa Fe
Dollar Tree	Santa Fe
Family Dollar	Santa Fe
Genesis Pools and Spa	Santa Fe
Habitat for Humanity	Santa Fe
Home Depot	Santa Fe
Lowe's	Santa Fe
Pella Windows & Doors of Santa Fe	Santa Fe
Salvation Army	Santa Fe
Sierra Pacific Windows	Santa Fe
Family Dollar	Santa Teresa
Dollar Tree	Silver City
Family Dollar	Silver City
Family Dollar	Tularosa

Trade Ally Businesses Supporting Residential Midstream Program

Wholesalers	Location
Albuquerque Winair	Albuquerque
Dahl Plumbing Albuquerque (Hajoca Corporation)	Albuquerque
Dahl Plumbing Santa Fe (Hajoca Corporation)	Santa Fe
Ferguson Enterprises Albuquerque	Albuquerque
Ferguson Enterprises Ruidoso	Ruidoso
Ferguson Enterprises Santa Fe	Santa Fe
Gorman Industries	Albuquerque
Gustave Larson	Albuquerque
Hercules Industries	Albuquerque
Johnston Supply Albuquerque	Albuquerque
Johnstone Supply Rio Rancho	Rio Rancho
Johnstone Supply Santa Fe	Santa Fe

Lennox Industries, Inc.	Albuquerque
Norman S. Wright	Albuquerque
Perry Supply Albuquerque	Albuquerque
Perry Supply Santa Fe	Santa Fe
Reece Plumbing	Santa Fe
Russell Sigler	Albuquerque
Stevens Equipment Supply	Albuquerque

6.5 APPENDIX E – TECHNICAL MANUAL

The following page shows the UCT calculations for the various programs. These tables are extracted from the PNM UCT model.

Powering New Mexico, Together

2027

	kWh	kW	Lifetime kWh	EUL	LI%	Total Cost	2027 UCT	kWh NPV Factor	kW NPV Factor
Residential Comp.	11,079,354	1,670	111,822,794	10	14.6%	8,867,178	0.850	$ 0.5080	$ 1,017
Refrig. Recycl.	2,978,445	364	19,359,891	7	0.0%	$ 1,838,225	0.779	$ 0.3760	$ 855
HEC - Mkt	3,231,335	369	29,082,017	9	0.0%	$ 2,252,036	0.830	$ 0.4681	$ 969
HEC - LI	1,814,150	207	16,327,350	9	100.0%	$ 1,978,812	0.637	$ 0.4681	$ 969
Midstream Cooling	3,055,424	730	47,053,536	15	0.0%	$ 2,798,105	0.911	$ 0.5481	$ 1,198
Residential Products	16,484,934	2,257	204,413,181	12	0.0%	$ 4,310,281	2.697	$ 0.5481	$ 1,148
Commercial Comp.	41,114,842	8,299	435,817,324	11	0.0%	$ 12,008,683	2.586	$ 0.5392	$ 1,071
Easy Savings	8,009,600	1,771	80,095,998	10	100.0%	$ 3,047,135	2.312	$ 0.5080	$ 1,017
Energy Smart (Housing NMMFA)	430,004	241	6,622,062	15	100.0%	$ 344,416	1.828	$ 0.5481	$ 1,198
New Home Const.	1,459,576	338	23,499,175	16	0.0%	$ 1,381,265	0.876	$ 0.5481	$ 1,212
Behavioral (Residential)	7,914,231	1,562	7,914,231	1	0.0%	$ 713,832	0.928	$ 0.0232	$ 306
Behavioral (Commercial)	5,567,380	1,056	16,702,140	3	0.0%	$ 477,709	2.722	$ 0.1299	$ 546
Home Works	3,441,789	106	45,775,799	13	40.0%	$ 883,652	2.457	$ 0.5481	$ 1,167
Power Saver (LM)	2,199,440	54,986	2,199,440	7	0.0%	$ 7,050,534	1.297	$ -	$ 166
Peak Saver (LM)	1,200,001	30,000	1,200,001	7	0.0%	$ 3,477,451	1.435	$ -	$ 166
Total	98,901,152	102,286	936,062,145			$ 42,562,135	1.81		

2027 Programs	NPV Benefits	NPV Costs	2027 UCT
Residential Comp.	$ 7,540,452	$8,867,178	0.85
Refrig. Recycl.	$ 1,431,108	$1,838,225	0.78
HEC - Mkt	$ 1,869,947	$2,252,036	0.83
HEC - LI	$ 1,259,891	$1,978,812	0.64
Midstream Cooling	$ 2,549,365	$2,798,105	0.91
Residential Products	$ 11,626,813	$4,310,281	2.70
Commercial Comp.	$ 31,057,981	$12,008,683	2.59
Easy Savings	$ 7,043,963	$3,047,135	2.31
Energy Smart (Housing NM/MFA)	$ 629,696	$344,416	1.83
New Home Const.	$ 1,209,625	$1,381,265	0.88
Behavioral (Residential)	$ 662,310	$713,832	0.93
Behavioral (Commercial)	$ 1,300,104	$477,709	2.72
Home Works	$ 2,171,222	$883,652	2.46
Power Saver (LM)	$ 9,144,896	$7,050,534	1.30
Peak Saver (LM)	$ 4,989,395	$3,477,451	1.43
Total	$ 76,946,317	$ 42,562,135	1.81

Table 4-4

2028

	kWh	kW	Lifetime kWh	EUL	LI%	Total Cost	kWh NPV Factor	kW NPV Factor
Residential Comp.	11,360,688	1,838	115,517,419	10	14.4%	9,240,548	$ 0.5600	$ 830
Refrig. Recycl.	2,978,462	364	19,360,003	7	0.0%	$ 1,904,933	$ 0.4352	$ 663
HEC - Mkt	3,296,692	376	29,670,224	9	0.0%	$ 2,343,676	$ 0.5262	$ 771
HEC - LI	1,848,444	211	16,635,996	9	100.0%	$ 2,041,485	$ 0.5262	$ 771
Midstream Cooling	3,237,091	887	49,851,196	15	0.0%	$ 2,950,453	$ 0.5697	$ 983
Residential Products	16,344,957	2,154	202,677,472	12	0.0%	$ 4,362,852	$ 0.5697	$ 935
Commercial Comp.	41,482,257	8,398	439,711,925	11	0.0%	$ 12,477,869	$ 0.5697	$ 914
Easy Savings	8,350,156	2,764	83,501,561	10	100.0%	$ 3,367,411	$ 0.5600	$ 830
Energy Smart (Housing NMMFA)	450,056	253	6,930,862	15	100.0%	$ 365,756	$ 0.5697	$ 983
New Home Const.	1,558,115	360	25,085,650	16	0.0%	$ 1,469,900	$ 0.5697	$ 997
Behavioral (Residential)	7,492,948	1,421	7,492,948	1	0.0%	$ 759,688	$ 0.0500	$ 160
Behavioral (Commercial)	5,567,380	1,056	16,702,140	3	0.0%	$ 484,247	$ 0.1922	$ 351
Home Works	3,441,789	106	45,775,799	13	40.0%	$ 938,446	$ 0.5697	$ 952
Power Saver (LM)	2,260,840	56,521	2,260,840	6	0.0%	$ 7,393,091	$ -	$ 163
Peak Saver (LM)	1,200,001	30,000	1,200,001	6	0.0%	$ 3,558,514	$ -	$ 163
Total	99,509,189	104,871	946,856,618			$ 44,418,321		

2028 Programs	NPV Benefits	NPV Costs	2028 UCT
Residential Comp.	$ 8,114,969	$9,240,548	0.88
Refrig. Recycl.	$ 1,537,427	$1,904,933	0.81
HEC - Mkt	$ 2,024,858	$2,343,676	0.86
HEC - LI	$ 1,362,417	$2,041,485	0.67
Midstream Cooling	$ 2,715,714	$2,950,453	0.92
Residential Products	$ 11,325,539	$4,362,852	2.60
Commercial Comp.	$ 31,305,502	$12,477,869	2.51
Easy Savings	$ 8,365,228	$3,367,411	2.48
Energy Smart (Housing NM/MFA)	$ 605,529	$365,756	1.66
New Home Const.	$ 1,246,606	$1,469,900	0.85
Behavioral (Residential)	$ 602,078	$759,688	0.79
Behavioral (Commercial)	$ 1,441,026	$484,247	2.98
Home Works	$ 2,226,810	$938,446	2.37
Power Saver (LM)	$ 9,184,956	$7,393,091	1.24
Peak Saver (LM)	$ 4,875,156	$3,558,514	1.37
Total	$ 78,818,847	$ 44,418,321	1.77

Table 4-5

2029

	kWh	kW	Lifetime kWh	EUL	LI%	Total Cost	kWh NPV Factor	kW NPV Factor
Residential Comp.	11,699,614	2,004	119,730,447	10	14.3%	9,674,799	$ 0.5641	$ 818
Refrig. Recycl.	2,978,445	364	19,359,891	7	0.0%	$ 1,927,225	$ 0.4699	$ 607
HEC - Mkt	3,394,039	380	30,546,349	9	0.0%	$ 2,391,638	$ 0.5536	$ 727
HEC - LI	1,908,376	217	17,175,383	9	100.0%	$ 2,323,434	$ 0.5536	$ 727
Midstream Cooling	3,418,755	1,043	52,648,824	15	0.0%	$ 3,032,501	$ 0.5641	$ 908
Residential Products	16,346,804	2,154	202,700,371	12	0.0%	$ 4,365,221	$ 0.5641	$ 859
Commercial Comp.	41,656,387	8,446	441,557,700	11	0.0%	$ 12,616,832	$ 0.5641	$ 841
Easy Savings	8,738,385	2,938	87,383,852	10	100.0%	$ 3,640,915	$ 0.5641	$ 818
Energy Smart (Housing NMMFA)	472,336	265	7,273,974	15	100.0%	$ 380,011	$ 0.5641	$ 908
New Home Const.	1,664,866	397	26,804,346	16	0.0%	$ 1,561,370	$ 0.5641	$ 922
Behavioral (Residential)	7,053,379	1,368	7,053,379	1	0.0%	$ 790,175	$ 0.0715	$ 109
Behavioral (Commercial)	5,567,380	1,056	16,702,140	3	0.0%	$ 479,655	$ 0.2285	$ 297
Home Works	3,441,804	106	45,775,993	13	40.0%	$ 971,395	$ 0.5641	$ 877
Power Saver (LM)	2,322,240	58,056	2,322,240	5	0.0%	$ 7,574,078	$ -	$ 159
Peak Saver (LM)	1,200,001	30,000	1,200,001	5	0.0%	$ 3,557,058	$ -	$ 159
Total	100,163,196	106,792	958,504,443			$ 45,611,509		

2029 Programs	NPV Benefits	NPV Costs	2029 UCT
Residential Comp.	$ 8,475,451	$9,674,799	0.88
Refrig. Recycl.	$ 1,620,486	$1,927,225	0.84
HEC - Mkt	$ 2,155,278	$2,391,638	0.90
HEC - LI	$ 1,457,251	$2,323,434	0.63
Midstream Cooling	$ 2,876,062	$3,032,501	0.95
Residential Products	$ 11,072,675	$4,365,221	2.54
Commercial Comp.	$ 30,598,901	$12,616,832	2.43
Easy Savings	$ 8,798,646	$3,640,915	2.42
Energy Smart (Housing NM/MFA)	$ 608,606	$380,011	1.60
New Home Const.	$ 1,305,112	$1,561,370	0.84
Behavioral (Residential)	$ 652,761	$790,175	0.83
Behavioral (Commercial)	$ 1,585,106	$479,655	3.30
Home Works	$ 2,197,434	$971,395	2.26
Power Saver (LM)	$ 9,259,309	$7,574,078	1.22
Peak Saver (LM)	$ 4,784,678	$3,557,058	1.35
Total	$ 78,972,304	$ 45,611,509	1.73