

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE COMPANY OF)
NEW MEXICO'S FIRST ANNUAL GRID)
MODERNIZATION REVIEW FILING PURSUANT)
TO THE COMMISSION'S FINAL ORDER)**

Case No. 25-00049-UT

**)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)**

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Applicant.)
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DIRECT TESTIMONY

OF

ALARIC J. BABEJ

June 20, 2025

**NMPRC CASE NO. 25-00__-UT
ANNUAL COMPLIANCE FILING
INDEX TO THE DIRECT TESTIMONY OF
ALARIC J. BABEJ**

**WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO**

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PNM Exhibit AJB-1 Resume

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I. INTRODUCTION AND PURPOSE

Q. Please state your name, position and business address.

A. My name is Alaric J. Babej and I am the Director of Customer Energy Solutions for Public Service Company of New Mexico (“PNM” or “Company”). My business address is 414 Silver Avenue, SW, Albuquerque, New Mexico 87102. I am testifying on behalf of PNM.

Q. Please summarize your educational background and professional qualifications.

A. My educational background and professional experience are summarized in PNM Exhibit AJB-1.

Q. Please describe your responsibilities as Director of Customer Energy Solutions.

A. In my role as Director of Customer Energy Solutions, I oversee multiple customer programs offered by PNM, including Energy Efficiency, Transportation Electrification, voluntary renewable energy tariffs such as PNM Sky Blue® and PNM Solar Direct, Community Solar, and new program design.

Q. Please state the purpose of your direct testimony.

A. The purpose of my testimony is to discuss the development of energy efficiency and demand response programs that utilize advanced metering infrastructure (“AMI”).

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II. ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAMS

Q. Has PNM implemented any new energy efficiency or demand response programs that utilize AMI?

A. No. The current portfolio of energy efficiency and demand response programs was approved in Case No. 23-00138-UT, which outlines the triennial plan for 2024 through 2026. The current plan does not include additional AMI-specific programs, although AMI capability will enhance PNM’s existing programs within the current portfolio.

Q. What benefits does PNM expect AMI to provide to customers through the Energy Efficiency Portfolio?

A. AMI will serve as an enhancement for the energy efficiency portfolio by increasing customer transparency about near real-time energy usage, as well as how energy efficiency measures can affect their energy usage. For example, the disaggregation of usage within the residential behavioral program will be more precise by taking into account actual interval data after the AMI rollout. Also, customers will be able to monitor their energy usage before and after they implement changes such as a Home Energy Checkup, a new appliance, or install measures from an Easy Savings Kit. Furthermore, if customers participate in demand response, they will be able to see the reduction in power during events.

Q. Will AMI drive additional energy savings within the energy efficiency portfolio?

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1 **A.** No. As stated on Page 50, Lines 1-2 of PNM witness Zachary R. Johnson’s Direct
2 Testimony in Case No. 20-00087-UT, in which PNM filed a proposed AMI pilot
3 program within the Energy Efficiency portfolio in compliance with the Final Order
4 in Case No. 15-00312-UT, PNM “anticipates minimal savings, if any, above and
5 beyond the non-AMI participants.” The proposed AMI pilot was not approved in
6 Case 20-00087-UT.

7

8 **Q.** **How will PNM implement AMI-enabled energy efficiency and demand**
9 **response programs?**

10 **A.** Grid modernization can further enhance energy efficiency and demand response
11 programs, but will not be the primary driver for future energy efficiency programs
12 and demand response. On page 13, Lines 13-18 of PNM witness Mario Cervantes’s
13 Direct Testimony in Case No. 22-00058-UT, the Customer Energy Management
14 Platform will have decision-support analytics that “will be based on customer
15 historical usage patterns to inform customers regarding whether to utilize potential
16 beneficial rates and programs.” PNM will continue to offer customers a broad
17 portfolio of energy efficiency programs reflective of best practices.¹ PNM will
18 ensure that enhancements enabled by AMI will be communicated to customers
19 participating in energy efficiency programs.

20

¹ See <https://www.pnm.com/save-money-and-energy> for PNM’s current portfolio of energy efficiency programs.

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1 **Q. Please provide the number and percentage of customers enrolled in an AMI-**
2 **enabled demand response program.**

3 **A.** AMI has not yet been deployed to PNM customers. Therefore, zero customers have
4 been enrolled in AMI-enabled demand response program as of the date of this
5 filing. In future compliance filings, PNM will provide this metric in PNM Exhibit
6 JEJ-4 Benefits of Plan. However, there are currently approximately 69,300
7 customers enrolled in demand response prior to AMI deployment, which includes
8 approximately 69,000 customers enrolled in Power Saver and approximately 300
9 large commercial and industrial business customers enrolled in Peak Saver.

10

11 **Q. Please provide the peak MW reduction from demand response.**

12 **A.** PNM currently has approximately 75 MW of customer load enrolled in demand
13 response prior to AMI deployment. This includes approximately 50 MW from
14 Power Saver and approximately 25 MW from Peak Saver. The peak MW reduction
15 PNM can expect to see as a result of demand response is therefore 75 MW. This
16 will also be reported in future compliance filings in PNM Exhibit JEJ-4 Benefits of
17 Plan.

18

19 **Q. Does this conclude your testimony?**

20 **A.** Yes it does.

GCG#533808

Alaric J. Babej's Resume

PNM Exhibit AJB-1

Is contained in the following page.

Alaric J. Babej
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Alaric J. Babej

Address: Public Service Company of New Mexico
MS 0605
414 Silver SW
Albuquerque, NM 87102

Position: Director, Customer Energy Solutions

Education: Bachelor of Science in Mechanical Engineering
University of Rhode Island, 2008

Master of Science in Mechanical Engineering
University of Washington, 2013

Master of Business Administration
University of New Mexico, 2022

Employment: Employed by PNM since 2017

Positions held within the Company include:
Technical Program Manager, Renewables
Project Manager, Product Development
Manager, Customer Program Marketing and Development
Principal, Customer Energy Solutions
Director, Customer Energy Solutions

NMPRC Testimony:

Case No. 20-00124-UT (2021 Renewable Energy Plan)
Case No. 20-00237-UT (2022-2023 Transportation Electrification Plan).
Case No. 21-00158-UT (Sky Blue Investigation)
Case No. 23-00071-UT (Community Solar Implementation)
Case No. 23-00195-UT (2024-2026 Transportation Electrification Plan)

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AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

ALARIC BABEJ, Director, Customer Energy Solutions, for Public Service Company of New Mexico, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Alaric Babej**, and it is true and accurate based on my own personal knowledge and belief.

Dated this 19th day of June, 2025.

Alaric J.
Babej

Digitally signed by Alaric J. Babej
Date: 2025.06.19 15:34:20 -06'00'