



Business Practice: Base System Model Planned Project Inclusion Criteria for Cluster Studies

This Business Practice establishes the criteria used by PNM to determine which planned transmission facilities and proposed generation facilities are included in the base system model used for Cluster Studies. The objective is to create a study model that reasonably reflects the transmission system expected to exist during the applicable study horizon while providing transparency, consistency, and non-discriminatory treatment of projects. PNM will apply this Business Practice in a consistent and non-discriminatory manner to similarly situated projects.

Unbuilt transmission facilities and proposed generation facilities are classified into one of the following four categories.

- Under construction
- LGIP Related
- Planned
- Conceptual

Facilities classified as **Under Construction** and **LGIP Related** are included in the base system model. Facilities classified as **Planned** are included based on their expected in-service dates. Facilities classified as **Conceptual** are not included.

Each classification is defined in the following sections.

1. Under Construction

Transmission facilities and generation facilities that are currently under construction are included in the base system model.

2. LGIP Related

Generating Facilities, Network Upgrades, and Interconnection Facilities identified in for higher queued projects are classified as LGIP Related under the following conditions.

The project has not been withdrawn from PNM's generation interconnection queue pursuant to PNM's applicable Large Generation Interconnection Procedures.

The project has been withdrawn from PNM's generation interconnection queue, but the corresponding Cluster Restudy remains pending. In this situation, the impacts of the



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pending Cluster Restudy will be evaluated after completion of the current Cluster Study, which may result in the need to perform an additional Cluster Restudy.

3. Planned

A Transmission facility is classified as Planned if one of the following two criteria are met.

- Transmission facility is incorporated into a regulatory filing, capital budget, or regional plan.
- Transmission facility has an agreement which commits entities to participate and construct under which work has commenced.

4. Conceptual

Transmission facilities that do not meet the criteria for Planned are classified as Conceptual.

This includes projects still under study and projects with agreements, but no work has commenced.

5. Scoping Meeting

At the Cluster Study Scoping Meeting, PNM will provide a list of all planned projects considered for inclusion in the base system model and PNM's inclusion determination for each project.

For each project considered for inclusion, PNM will provide the following information

- Project
- Facility type
- In-service date for planned facilities

6. Interconnection Customer Feedback

During the Customer Engagement Window, Interconnection Customers may submit projects to PNM for consideration for inclusion in the base system model.



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Requests for project inclusion should include:

- Project description
- Transmission owner
- Planned in-service date
- Status of material agreements
- Supporting evidence demonstrating project readiness
- Project owner
- Project website
- Current project development or construction status including status of permitting and regulatory filings
- Status of any required Notice to Proceed

PNM is responsible for determining whether a project will be included based on the criteria contained in this Business Practice. PNM will notify the Interconnection Customer of its determination before commencing the Cluster Study analysis.

7. Finalization of Project Inclusion List

The project inclusion list will be finalized at the conclusion of the Customer Engagement Window and shall constitute the base system model project list for the applicable Cluster Study.

PNM reserves the right to modify the project inclusion list if material changes occur that affect project viability, scope, or expected in-service date.

PNM will notify affected Interconnection Customers of any modification made after the conclusion of the Customer Engagement Window and will identify the material change supporting the modification.

Version	Effective Date	Change Tracking
Original	10/16/26	Original



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