



Business Practice: Criteria for Subgroups

Per Section 4.2 of PNM's Large Generator Interconnection Process (LGIP), PNM may use subgroups in the Cluster Study process. This business practice provides the criteria used by PNM to define and determine the subgroups.

1. Defining the Subgroups

PNM utilizes subgroups to increase the efficiency of the study process. Additionally, subgroups allow PNM to reasonably displace generation and not identify System Network Upgrades due to unrealistic dispatch patterns.

PNM will determine the need for subgroups based on Cluster Study characteristics such as the number of valid interconnection requests received during the Cluster Request Window, resource types, and the Interconnection Service types.

PNM will initially define subgroup areas, if any, before Scoping Meeting(s). Subgroup(s) may be refined during the Customer Engagement Window but will be finalized by the end of the Customer Engagement Window.

The following factors are considered when defining subgroups.

- Geographical location of Point of Interconnection (POI)
- Electrical proximity
- Engineering judgement

If subgroups are used, each project will be assigned to a single subgroup.

Version	Effective Date	Change Tracking
Original	08/10/26	Original