# PRAC 2023 August 24 Agenda

# Allocation Discussion (1 hour)

## Allocation Roadmap Mike and Nick

* 1. Renewable generation portfolio vs fossil portfolio drives need for change
* Fossil Portfolio
  + Gross Peak
  + Dispatchable resources
* Renewable Portfolio
  + Net Peak
  + Non-dispatchable
* Energy storage
  + Provides required operational flexibility.
  1. Objectives of Allocation
* Cost based
* Price signals
* Residential impacts
* others
  1. Allocation Method Update Process
* Formalize process
* Consider outside facilitation
* Stakeholder participation
  1. Current Independent Allocators
* Rank based on importance

## Walkthrough of PNM’s proposed generation production allocation process for next rate case

* Customer class gross load
* Customer class Net load
  + Renewable and storage allocation to customer class philosophy
* Rank hours by a metric
  + EUE?
  + Net Load?
  + How many hours to include?
    - Basis for selection
* Allocator based on average of included hours
  + Weighted?
  + Straight?