

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
RENEWABLE ENERGY ACT PLAN)
FOR 2026 AND PROPOSED 2026 RIDER)
NO. 36 RATE,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant)
_____)**

Case No. 25-00 ____-UT

**DIRECT TESTIMONY
OF
ARIN R. APODACA**

May 30, 2025

NMPRC CASE NO. 25-00 ____-UT
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1

I. INTRODUCTION AND PURPOSE

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

3 **A.** My name is Arin R. Apodaca. I serve as Manager, Cost of Service, for PNMR Services
4 Company and its affiliates, including Public Service Company of New Mexico (“PNM”
5 or the “Company”). My business address is Public Service Company of New Mexico,
6 414 Silver SW, Mail Stop 0915, Albuquerque, NM 87102.

7

8 **Q. Please describe your educational background and professional experience.**

9 **A.** My educational background and professional experience are summarized in PNM
10 Exhibit ARA-1.

11

12 **Q. Have you prepared additional exhibits?**

13 **A.** Yes, they are as follows:

- 14 • PNM Exhibit ARA-2: Summary 2026 Renewable Rider Revenue Requirement –
15 Projected;
- 16 • PNM Exhibit ARA-3: 2026 Estimated Annual Revenue Requirement for the PNM-
17 Owned 2011 Facilities;
- 18 • PNM Exhibit ARA-4: 2026 Estimated Annual Revenue Requirement for the PNM-
19 Owned 2013 Facilities;
- 20 • PNM Exhibit ARA-5: 2026 Estimated Annual Revenue Requirement for the PNM-
21 Owned 2014 Facilities;

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- 1 • PNM Exhibit ARA-6: 2026 Estimated Annual Revenue Requirement for the PNM-
2 Owned 2019 Facilities;
- 3 • PNM Exhibit ARA-7: 2026 Estimated Annual Revenue Requirement for Purchased
4 Power Agreements and Renewable Energy Certificate (“REC”) Purchases;
- 5 • PNM Exhibit ARA-8: December 31, 2024 Year End Weighted Average Cost of
6 Capital (“WACC”);
- 7 • PNM Exhibit ARA-9: Estimated Annual Revenue Requirement for the Sky Blue
8 Regulatory Asset; and
- 9 • PNM Exhibit ARA-10: Estimated Balance of the Sky Blue Regulatory Asset
10 Related to the Unused 2022Vintage Sky Blue RECs.

11
12 **Q. What is the purpose of your direct testimony?**

13 **A.** The purpose of my testimony is to provide the revenue requirement components of
14 PNM’s Renewable Energy Rider No. 36 (“Rider 36” or “Rider”) rate to be effective
15 January 1, 2026 (“2026 Rider Rate”). I also discuss the annual earnings test and the
16 Rider 36 true-up procedures.

17
18 **II. REVENUE REQUIREMENT COMPONENTS OF THE 2026 RIDER**

19 **Q.** **Please identify the revenue requirement components of the proposed 2026 Rider**
20 **Rate.**

21 **A.** PNM Exhibit ARA-2 summarizes the annual revenue requirement used in the
22 derivation of the 2026 Rider Rate. The total estimated annual revenue requirement to

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1 be collected under the 2026 Rider Rate is \$54,323,667 and is comprised of the
2 following:

- 3
- 4 1. \$4,318,301 for PNM-Owned 2011 Solar Facilities;
- 5 2. \$3,445,079 for PNM-Owned 2013 Solar Facilities;
- 6 3. \$3,866,469 for PNM-Owned 2014 Solar Facilities;
- 7 4. \$6,975,364 for PNM-Owned 2019 Solar Facilities;
- 8 5. \$822 for PNM-Owned 2015 Facilities Western Renewable Energy Generation
9 Information System (“WREGIS”) REC fees;
- 10 6. \$0 for the WREGIS REC fees associated with the output from the solar
11 resources at the Tierra Que Can Microgrid Project¹;
- 12 7. \$3,663,773 for the purchases under the Lightning Dock purchased power
13 agreement (“PPA”), based on the projected purchase of 33,786 MWh;
- 14 8. \$6,492,455 for the purchases under the Red Mesa Wind PPA, based on the
15 projected purchase of 187,000 MWh;
- 16 9. \$15,058,520 for the purchases under the New Mexico Wind Energy Center
17 (“NMWEC”) PPA, based on the projected purchase of 552,444 MWh;
- 18 10. \$7,872,474 for the purchases under the La Joya II PPA, based on the projected
19 purchase of 450,267 MWh;
- 20 11. \$2,292 for the WREGIS REC fees associated with the output from Community
21 Solar facilities located in PNM’s service area;

¹ Formerly Mesa del Sol.

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- 1 12. \$1,066 for WREGIS REC fees associated with the purchases under the Jicarilla
2 Solar I PPA, based on the projected purchase of 133,214 MWh;
- 3 13. \$5,444 for WREGIS REC fees associated with the purchases under the Arroyo
4 Solar PPA, based on the projected purchase of 680,514 MWh;
- 5 14. \$4,521 for WREGIS REC fees associated with the purchases under the San
6 Juan 1 Solar PPA, based on the projected purchase of 565,112 MWh;
- 7 15. \$6,958 for WREGIS REC fees associated with the purchases under the Atrisco
8 Solar PPA, based on the projected purchase of 869,810 MWh;
- 9 16. \$1,481 for WREGIS REC fees associated with the purchases under the Quail
10 Ranch purchased power agreement, based on the projected purchase of
11 185,073 MWh;
- 12 17. \$2,562,633 for the REC purchases under PNM’s Distributed Generation
13 (“DG”) REC Purchase Programs as described in the direct testimony of PNM
14 witness Shane Gutierrez;
- 15 18. \$0 for the revenue requirement associated with the 2022 vintage RECs
16 associated with the 1.5 MW solar facility that sources the Sky Blue voluntary
17 renewable energy program;
- 18 19. \$4,070 reduction for the estimated WREGIS fees associated with projected
19 banked RECs;
- 20 20. \$50,000 of estimated costs associated with providing public notice of the 2026
21 Renewable Energy Act (“REA”) Plan filing and the proposed revision of Rider
22 36, and for other direct costs of this filing; and
- 23 21. PNM’s annual WREGIS fee of \$83.

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1 **Q. Please compare the revenue requirement from the 2025 REA Plan to the proposed**
2 **2026 Plan.**

3 **A.** PNM Table ARA-1 below identifies the differences between the revenue requirements
4 between the 2025 Plan, updated as of February 28, 2025, for PNM’s annual Rider true-
5 up filing, and the 2026 Plan.

PNM Table ARA-1			
Description	2025 Revenue Requirement	2026 Revenue Requirement	Change
PNM-Owned Facilities			
PNM-Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$ 4,237,064	\$ 4,318,301	\$ 81,237
PNM-Owned 2013 Facilities Revenue Requirement - 20 MW	3,453,555	3,445,079	(8,476)
PNM-Owned 2014 Facilities Revenue Requirement - 23 MW	3,860,499	3,866,469	5,970
PNM-Owned 2019 Facilities Revenue Requirement - 50 MW	7,005,851	6,975,364	(30,488)
Total REC Fees for PNM-Owned 2015 Facilities - 40MW	747	822	75
Tierra Que Can Microgrid	-	-	-
Total PNM Owned Facilities Revenue Requirement	18,557,716	18,606,035	48,320
Purchased Power Agreements			
Lightning Dock PPA	3,619,528	3,663,773	44,245
Red Mesa PPA	6,739,588	6,492,455	(247,133)
New Mexico Wind Energy Center (NMWEC)	15,685,617	15,058,520	(627,097)
La Joya II	8,760,000	7,872,474	(887,526)
REC Fees for Community Solar I	1,627	2,292	665
Jicarilla Solar I PPA	1,069	1,066	(3)
Arroyo Solar PPA	6,485	5,444	(1,041)
San Juan Solar PPA	4,540	4,521	(19)
Atrisco Solar PPA	7,159	6,958	(200)
Quail Ranch PPA	-	1,481	1,481
Total PPA Revenue Requirement	34,825,613	33,108,985	(1,716,628)
Renewable Energy Certificates			
DG Programs REC Purchases	5,569,967	2,562,633	(3,007,334)
Compliance REC Purchases	-	-	-
Total REC Revenue Requirements	5,569,967	2,562,633	(3,007,334)
Sky Blue RECs Revenue Requirement	-	-	-
WREGIS Fee Adjustment (Estimated Banked RECs)	(4,280)	(4,070)	210
Renewable Filing and Reproduction Costs	50,000	50,000	-
WREGIS Annual Registration Fee	83	83	-
(Over) /Under Collection from 2024	(4,787,240)	-	4,787,240
Carrying Charges	(87,766)	-	87,766
Total 2024 (Over) /Under Collection	(4,875,006)	-	4,875,006
Total Revenue Requirement	\$ 54,124,093	\$ 54,323,667	\$ 199,574

6

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1 **Q. Please explain the change in the revenue requirement for the PNM-owned solar**
2 **facilities in 2026 compared to 2025.**

3 **A.** In general, the estimated annual revenue requirements for PNM-Owned Solar Facilities
4 is expected to increase between 2025 and 2026. These increases are primarily due to
5 expected higher operating and maintenance expenses and increased weighted average
6 cost of capital (“WACC”), mostly offset by declining rate base caused by normal,
7 ongoing depreciation. PNM Exhibit ARA-3, PNM Exhibit ARA-4, PNM Exhibit
8 ARA-5, and PNM Exhibit ARA-6 present the calculation of the 2026 annual revenue
9 requirement for the PNM-Owned 2011 Solar Facilities, PNM-Owned 2013 Solar
10 Facilities, PNM-Owned 2014 Solar Facilities, and PNM-Owned 2019 Solar Facilities,
11 respectively. The costs of registering and retiring RECs in WREGIS are also included
12 in the 2026 revenue requirement for these facilities.

13

14 **Q. Why does PNM only include WREGIS fees in the revenue requirement for the**
15 **PNM-Owned 2015 Solar Facilities and the Arroyo, Jicarilla, San Juan, Atrisco,**
16 **and Quail Ranch solar projects?**

17 **A.** Pursuant to paragraph 2 of the stipulation approved by the Commission in Case No.
18 14-00158-UT, PNM recovers the majority of costs associated with the PNM-Owned
19 2015 Solar facilities through base rates. PNM has historically recovered the WREGIS
20 fees on the RECs associated with these facilities through the renewable rider rather than
21 base rates because these costs are necessary for demonstrating RPS compliance.
22 Therefore, for the PNM-Owned 2015 solar facilities, the WREGIS fees are included in
23 the Rider 36 annual revenue requirement.

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1 Similarly, PNM is requesting to recover only WREGIS fees associated with the Arroyo,
2 Jicarilla, and San Juan 1 solar projects (approved in Case No. 19-00195-UT), the
3 Atrisco Solar project (approved in Case No. 21-00215-UT), and the Quail Ranch Solar
4 Project (approved in Case No. 23-00353-UT) in this case. PNM is including the
5 associated WREGIS fees in the Rider 36 revenue requirement because the RECs
6 generated from these projects are necessary to demonstrate RPS compliance.

7

8 **Q. Please explain the change in PPA revenue requirements between the 2025 Rider**
9 **and the 2026 Rider.**

10 **A.** The amounts included in the 2026 rider revenue requirement are based on PNM's
11 current projections of purchases under the PPAs. These projections can be found in
12 PNM Exhibit ARA-7. La Joya II Wind and New Mexico Wind Energy Center PPAs
13 are expected to have lower production compared to 2025. The revenue requirement for
14 Red Mesa wind is expected to decrease due to projected lower production, despite the
15 annual price escalation included in the PPA agreement. The Lightning Dock
16 Geothermal PPA revenue requirement is expected to increase in 2026 due to annual
17 price escalation included in the PPA agreement, partially offset with lower projected
18 production. Please refer to PNM witness Gutierrez's Direct Testimony for further
19 discussion of the projected MWh of all PPA facilities.

20

21 **Q. Please describe the change in the DG REC Purchase amounts between the 2025**
22 **Rider revenue requirement and the 2026 Rider revenue requirement.**

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- 1 1. Reconciliation of actual 2025 Rider revenues to actual 2025 procurement costs, and
2 2. True-up of projected costs included in the 2026 Rider with actual costs to the extent
3 available, including an update to the 2025 year-end WACC as shown in PNM
4 Exhibit ARA-8, based on the 2025 year-end WACC. PNM will propose a true-up
5 to the rider based on the amounts calculated above.

6

7 **Q. Please explain the earnings test that was put in place in Case No. 12-00007-UT.**

8 **A.**Pursuant to Paragraph H of the Recommended Decision in Case No. 12-00007-UT,
9 PNM will file a pro forma cost of service based on actual accounting records for the
10 2025 calendar year by April 1, 2026, that will reflect appropriate cost of service
11 adjustments in accordance with the final order in PNM’s most recent general rate case,
12 Case No. 24-00089-UT. If PNM’s retail earned Return on Equity (“ROE”) exceeds the
13 currently approved ROE by 50 basis points or more, the 2026 Rider will be adjusted to
14 refund the amount of PNM’s earnings in excess of 50 basis points above its authorized
15 ROE.

16

17

18 **Q. Does this conclude your direct testimony?**

A.Yes.

GCG#533803v2

Resume of Arin R. Apodaca

PNM Exhibit ARA- 1

Is contained in the following 1 page.

ARIN R. APODACA
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Arin R. Apodaca

Address: TXNM Energy Inc.
MS 0915
414 Silver SW
Albuquerque, NM 87102

Position: Manager, Cost of Service

Education: Master of Accountancy, University of New Mexico, 2014
Bachelor of Business Administration, University of New Mexico, 2011
Certified Public Accountant in the State of New Mexico, 2017
Project Management Professional (PMP), Project Management Institute, 2024

Employment: Employed by PNMR Services Company since 2017.
Positions held within the Company include:

Manager, Cost of Service
Project Manager, Special Projects
Sr. Analyst, Cost of Service
Analyst, Cost of Service
Analyst, State and Local Tax

Testimony and Affidavit Filed:

New Mexico Public Regulation Commission

- In the Matter of the Application of Public Service Company of New Mexico for Approval of Renewable Energy Rider No. 36 Pursuant to Advice Notice No. 439 and for Variances from Certain Filing Requirements, NMPRC Case No. 12-00007-UT, filed February 28, 2025

Texas Public Utility Commission

- In the Matter of the Application of Texas-New Mexico Power Company for A Distribution Cost Recovery Factor, PUCT Docket No. 57816, filed March 14, 2025

Summary 2026 Renewable Rider Revenue Requirement -Projected

PNM Exhibit ARA- 2

Is contained in the following 1 page.

**PNM Exhibit ARA-2
2026 Renewable Energy Rider
Summary 2026 Renewable Rider Revenue Requirement - Projected**

Line No.	Description	2026 Revenue Requirement	Reference
1	PNM-Owned Facilities		
2	PNM-Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$ 4,318,301	PNM Exhibit ARA-3, page 3, Column M, Line 130
3	PNM-Owned 2013 Facilities Revenue Requirement - 20 MW	3,445,079	PNM Exhibit ARA-4, page 2, Column M, Line 83
4	PNM-Owned 2014 Facilities Revenue Requirement - 23 MW	3,866,469	PNM Exhibit ARA-5, page 2, Column M, Line 83
5	PNM-Owned 2019 Facilities Revenue Requirement - 50 MW	6,975,364	PNM Exhibit ARA-6, page 2, Column M, Line 78
6	Total REC Fees for PNM-Owned 2015 facilities - 40 MW	822	Note 1
7	REC Fees for Tierra Que Can Microgrid	-	Note 1
8	Total PNM Owned Facilities Revenue Requirement	18,606,035	
9			
10	Purchased Power Agreements		
11	Geothermal PPA	3,663,773	PNM Exhibit ARA-7, page 1, Line 9
12	Red Mesa PPA	6,492,455	PNM Exhibit ARA-7, page 1, Line 20
13	New Mexico Wind Energy Center (NMWEC)	15,058,520	PNM Exhibit ARA-7, page 1, Line 31
14	La Joya II	7,872,474	PNM Exhibit ARA-7, page 1, Line 42
15	REC Fees for Community Solar I	2,292	Note 1
16	REC Fees for Jicarilla Solar I PPA	1,066	Note 1
17	REC Fees for Arroyo Solar PPA	5,444	Note 1
18	REC Fees for San Juan Solar PPA	4,521	Note 1
19	REC Fees for Atrisco Solar PPA	6,958	Note 1
20	REC Fees for Quail Ranch PPA	1,481	Note 1
21	Total PPA Revenue Requirement	33,108,985	
22			
23	Renewable Energy Certificates		
24	DG Programs REC Purchases	2,562,633	PNM Exhibit ARA-7, page 2, Line 48
25	2024 Compliance REC Purchases	-	PNM Exhibit ARA-7, page 2, Line 58
26	Total REC Revenue Requirements	2,562,633	
27			
28	2022 Sky Blue RECs Revenue Requirement	-	PNM Exhibit ARA-9, Line 18
29			
30	WREGIS Fee Adjustment (Estimated 2025 Banked RECs)	(4,070)	PNM Exhibit SG-2
31			
32	Renewable Filing and Reproduction Costs	50,000	
33			
34	WREGIS Annual Registration Fee	83	
35			
36	Total 2026 Revenue Requirement	\$ 54,323,667	
37	(Line 8 + Line 21 + Line 26 + Line 28 + Line 30 + Line 32 + Line 34)		

Note 1: Estimated retail share of REC costs associated with the listed locations

	Planned MWh	REC Cost per MWh	Estimated REC Fee
	A	B	A*B
PNM-Owned 2015 Facilities:	102,730	\$ 0.008	822
Tierra Que Can Microgrid Facility:	-	\$ 0.008	-
Community Solar I Facility:	286,543	\$ 0.008	2,292
Jicarilla Solar I Facility:	133,214	\$ 0.008	1,066
Arroyo Solar Facility:	680,514	\$ 0.008	5,444
San Juan Solar Facility:	565,112	\$ 0.008	4,521
Atrisco Solar Facility:	869,810	\$ 0.008	6,958
Quail Ranch Facility	185,073	\$ 0.008	1,481

2026 Estimated Annual Revenue Requirement for the PNM-Owned
2011 Facilities

PNM Exhibit ARA- 3

Is contained in the following 3 pages.

PNM Exhibit ARA - 3
2026 Renewable Energy Rider
2026 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

Line No.		2026											2026 Projected
		January	February	March	April	May	June	July	August	September	October	November	December
54	Other Allowable Expenses												
55	Amortization - NM Advanced Energy Credit	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(183,576)
56	Total Other Allowable Expenses	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(183,576)
57													
58	Federal Income Tax												
59	Total Net Original Cost Rate Base	22,398,383	22,358,069	22,317,754	22,277,440	22,237,125	22,196,811	22,156,496	22,116,182	22,075,867	22,035,553	21,995,238	21,954,924
60	Weighted Cost of Capital (PNM Exhibit ARA-8, line 4)	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%
61	Return on Rate Base	124,384	124,160	123,936	123,712	123,488	123,264	123,040	122,817	122,593	122,369	122,145	1,477,828
62	<u>Less: Return Adjustments</u>												
63	Interest on Long Term Debt	(31,507)	(31,451)	(31,394)	(31,337)	(31,281)	(31,224)	(31,167)	(31,110)	(31,054)	(30,997)	(30,940)	(374,346)
64	<u>Tax/Book Adjustments</u>												
65	AFUDC Equity	19	19	19	19	19	19	19	19	19	19	19	227
66	Flow Thru Item - ITC - 22 MW Solar	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	467,148
67	Flow Thru Item - ITC - Energy Storage	-	-	-	-	-	-	-	-	-	-	-	-
68	Total Permanent Tax/Book Differences	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	467,375
69	Depreciation	195,130	195,130	195,130	195,130	195,130	195,130	195,130	195,130	195,130	195,130	195,130	2,341,562
70	AFUDC Debt	654	654	654	654	654	654	654	654	654	654	654	7,850
71	New Mexico Advanced Energy Credit	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(183,576)
72	Deferred State Income Tax	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(120,665)
73	Total Temporary Tax/Book Differences	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	2,045,171
74													
75	Total Return Adjustments	177,871	177,928	177,985	178,042	178,098	178,155	178,212	178,268	178,325	178,382	178,439	2,138,201
76													
77	Net Taxable Equity Return	302,255	302,088	301,921	301,754	301,586	301,419	301,252	301,085	300,918	300,751	300,583	3,616,029
78													
79	<u>Federal Income Tax Adjustments</u>												
80	Total Investment Tax Credit or Grant Amortization	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(962,888)
81	Amortization of Excess Deferred Federal Taxes	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(549,768)
82	Deferred Federal Income taxes before NOL	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(429,486)
83	Total Federal Income Tax Adjustments before NOL	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(1,942,141)
84													
85	Adjusted Equity Return before NOL	140,410	140,243	140,076	139,909	139,741	139,574	139,407	139,240	139,073	138,906	138,738	1,673,887
86	Net Operating Loss Carryover	-	-	-	-	-	-	-	-	-	-	-	-
87	NOL Deferred State Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
88	NOL Deferred Federal Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
89	Adjusted Current Equity Return After NOL	140,410	140,243	140,076	139,909	139,741	139,574	139,407	139,240	139,073	138,906	138,738	1,673,887
90	Federal Tax Factor (Rate/1-Rate)	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%
91	Current Federal Income Tax	37,324	37,280	37,235	37,191	37,146	37,102	37,058	37,013	36,969	36,924	36,880	444,958
92	Add:												
93	Amortization of Excess Deferred Federal Taxes	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(549,768)
94	Total Provision for Deferred Income Tax	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(429,486)
95	Total Investment Tax Credit or Grant Amortization	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(962,888)
96													
97	Net Allowable Federal Income Tax	(124,521)	(124,565)	(124,610)	(124,654)	(124,699)	(124,743)	(124,788)	(124,832)	(124,876)	(124,921)	(124,965)	(1,497,183)
98													
99	State Income Tax												
100	Return on Rate Base	124,384	124,160	123,936	123,712	123,488	123,264	123,040	122,817	122,593	122,369	122,145	1,477,828
101	Less: Return Adjustments												
102	Interest on Long Term Debt	(31,507)	(31,451)	(31,394)	(31,337)	(31,281)	(31,224)	(31,167)	(31,110)	(31,054)	(30,997)	(30,940)	(374,346)
103	Permanent Tax/Book Adjustments	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	467,375
104	Temporary Tax/Book Adjustments	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	2,045,171
105	Add: Net Allowable FIT	(124,521)	(124,565)	(124,610)	(124,654)	(124,699)	(124,743)	(124,788)	(124,832)	(124,876)	(124,921)	(124,965)	(1,497,183)
106	Production Tax Credits (PTC)	-	-	-	-	-	-	-	-	-	-	-	-
107	State Taxable Income	177,734	177,523	177,311	177,099	176,888	176,676	176,465	176,253	176,041	175,830	175,618	2,118,845
108	State Tax Factor (Rate/1-Rate)	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%
109	State Income Tax	10,486	10,474	10,461	10,449	10,436	10,424	10,411	10,399	10,386	10,374	10,361	125,012
110	Provision for Deferred State Income Tax	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(120,665)
111	Amortization of Excess Deferred Taxes	-	-	-	-	-	-	-	-	-	-	-	-
112	Add: State Renewable ITC and PTC	-	-	-	-	-	-	-	-	-	-	-	-
113													
114	Net Allowable State Income Tax	431	418	406	393	381	368	356	344	331	319	306	294

PNM Exhibit ARA - 3
 2026 Renewable Energy Rider
 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

Line No.		2026												2026 Projected
		January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
115	Revenue Requirement Summary													
116	Return on Rate Base	124,384	124,160	123,936	123,712	123,488	123,264	123,040	122,817	122,593	122,369	122,145	121,921	1,477,828
117	Total Operating Expenses	389,777	292,287	438,131	289,952	289,952	470,024	311,000	306,450	425,004	364,532	321,464	412,521	4,311,093
118	Net Allowable Federal Income Tax	(124,521)	(124,565)	(124,610)	(124,654)	(124,699)	(124,743)	(124,788)	(124,832)	(124,876)	(124,921)	(124,965)	(125,010)	(1,497,183)
119	Net Allowable State Income Tax	431	418	406	393	381	368	356	344	331	319	306	294	4,347
120	Total Revenue Requirements before Revenue Tax	390,070	292,300	437,863	289,403	289,123	468,914	309,609	304,778	423,051	362,299	318,950	409,726	4,296,085
121	Revenue Tax Factor	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
122	Revenue Tax	1,984	1,487	2,227	1,472	1,470	2,385	1,575	1,550	2,152	1,843	1,622	2,084	21,849
123														
124	Revenue Requirements	392,054	293,786	440,090	290,875	290,593	471,298	311,183	306,328	425,202	364,141	320,572	411,810	4,317,934
125														
126	MWh output expected													45,964
127	WREGIS fee \$/MWh													0.008
128	WREGIS Registration Fee													368
129														
130	Total Revenue Requirements													4,318,301

PNM Exhibit ARA-2, line 2

2026 Estimated Annual Revenue Requirement for the PNM-Owned
2013 Facilities

PNM Exhibit ARA- 4

Is contained in the following 2 pages.

PNM Exhibit ARA - 4
 2026 Renewable Energy Rider
 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities

Line No.	2026												2026 Projected
	A	B	C	D	E	F	G	H	I	J	K	L	
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
1													
2	Plant In Service												
3	20 MW PV Solar	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972
4	Land	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400
5	Total Gross Plant In Service	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372
6	Accumulated Depreciation	(18,209,704)	(18,337,291)	(18,464,877)	(18,592,464)	(18,720,051)	(18,847,637)	(18,975,224)	(19,102,810)	(19,230,397)	(19,357,984)	(19,485,570)	(19,613,157)
7	Net Plant In Service	27,532,668	27,405,082	27,277,495	27,149,908	27,022,322	26,894,735	26,767,149	26,639,562	26,511,976	26,384,389	26,256,802	26,129,216
8													
9	Accumulated Deferred Income Taxes												
10	Tax Depreciation	(37,810,168)	(37,813,171)	(37,816,174)	(37,819,178)	(37,822,181)	(37,825,184)	(37,828,188)	(37,831,191)	(37,834,194)	(37,837,198)	(37,840,201)	(37,843,204)
11													
12	Deferred	22,670,681	22,565,848	22,461,014	22,356,181	22,251,347	22,146,514	22,041,681	21,936,847	21,832,014	21,727,180	21,622,347	21,517,513
13	Flow - Through AFUDC Equity and ITC Basis Diff	6,837,031	6,835,041	6,833,052	6,831,062	6,833,073	6,832,084	6,831,094	6,830,105	6,829,115	6,828,126	6,827,137	6,826,147
14	ADIT Balance as of 12/31/2017	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)
15	Excess Deferred Federal Income Taxes (EDFIT)	1,708,690	1,734,588	1,760,487	1,786,385	1,812,283	1,838,181	1,864,079	1,889,978	1,915,876	1,941,774	1,967,672	1,993,570
16	Excess Deferred State Income Taxes (EDSIT)	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608
17	Deferred Tax - Plant	2,263,160	2,289,787	2,316,415	2,343,043	2,369,670	2,396,298	2,422,926	2,449,553	2,476,181	2,502,809	2,529,436	2,556,064
18	Total Accumulated Deferred Income Taxes	(8,170,908)	(8,118,382)	(8,065,856)	(8,013,330)	(7,960,804)	(7,908,278)	(7,855,753)	(7,803,227)	(7,750,701)	(7,698,175)	(7,645,649)	(7,593,123)
19													
20	Other Rate Base Additions (Deductions) Prepaid Insurance	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813
21													
22	Total Rate Base	19,385,573	19,310,512	19,235,452	19,160,391	19,085,330	19,010,269	18,935,209	18,860,148	18,785,087	18,710,027	18,634,966	18,559,905
23													
24	Weighted Cost of Capital (PNM Exhibit ARA-8, line 4)	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%
25													
26	Return on Rate Base	107,653	107,236	106,819	106,402	105,985	105,569	105,152	104,735	104,318	103,901	103,484	103,068
27													
28	Operations & Maintenance Expense	55,611	17,311	74,607	16,394	16,394	87,137	24,663	22,875	69,450	45,693	28,774	64,546
29													
30	Depreciation and Amortization Expense	127,587	127,587	127,587	127,587	127,587	127,587	127,587	127,587	127,587	127,587	127,587	127,587
31													
32	Property Taxes	16,632	16,632	16,632	16,632	16,632	16,632	16,632	16,632	16,632	16,632	16,632	16,632
33													
34	Federal Income Tax												
35	Return Adjustments												
36	Interest	(27,269)	(27,164)	(27,058)	(26,953)	(26,847)	(26,741)	(26,636)	(26,530)	(26,425)	(26,319)	(26,213)	(26,108)
37	Tax/Book Adjustments												
38	Flow Thru Item - ITC												
39	AFUDC Equity	989	989	989	989	989	989	989	989	989	989	989	989
40	Investment Tax Credits												
41	Total Permanent Differences	989	989	989	989	989	989	989	989	989	989	989	989
42	Depreciation & AFUDC Debt	104,833	104,833	104,833	104,833	104,833	104,833	104,833	104,833	104,833	104,833	104,833	104,833
43	Deferred State Income Tax	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)
44	Total Temporary Differences	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993
45	Amortization of Excess Deferred Federal Income Taxes (EDFIT)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)
46	Deferred Federal Taxes before NOL	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)
47	Adjusted Current Equity Return before NOL	133,679	133,368	133,057	132,745	132,434	132,123	131,812	131,500	131,189	130,878	130,567	130,255
48	Net Operating Loss Carryover												
49	NOL Deferred State Income Tax												
50	NOL Deferred Federal Income Tax												
51	Net Current Taxable Equity Return	133,679	133,368	133,057	132,745	132,434	132,123	131,812	131,500	131,189	130,878	130,567	130,255
52	Federal Tax Rate	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%
53	Total Current Federal Income Tax	35,535	35,452	35,369	35,287	35,204	35,121	35,039	34,956	34,873	34,790	34,708	34,625
54	Total Provision for Deferred Federal Income Tax	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)	(20,788)
55	Amortization of Excess Deferred Federal Income Taxes (EDFIT)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)	(25,898)
56	Investment Tax Credits												
57	Total Federal Income Tax	(11,152)	(11,234)	(11,317)	(11,400)	(11,483)	(11,565)	(11,648)	(11,731)	(11,814)	(11,896)	(11,979)	(12,062)
58													
59	State Income Tax												
60	Net Current Taxable Equity Return	169,214	168,820	168,426	168,032	167,638	167,244	166,850	166,456	166,062	165,668	165,274	164,880
61	State Tax Rate	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%
62	Total Current State Income Tax	9,984	9,960	9,937	9,914	9,891	9,867	9,844	9,821	9,798	9,774	9,751	9,728
63	Total Deferred State Income Tax	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)	(5,841)
64	Amortization of Excess Deferred Taxes												
65	State Renewable PTC												
66	Total State Income Tax	4,143	4,120	4,097	4,073	4,050	4,027	4,004	3,980	3,957	3,934	3,911	3,887
67													
68	Revenue Requirement Summary												
69	Return on Rate Base	107,653	107,236	106,819	106,402	105,985	105,569	105,152	104,735	104,318	103,901	103,484	103,068
70	Total Operating Expenses	199,829	161,530	218,826	160,613	160,613	231,355	168,881	167,094	213,669	189,912	172,992	208,765
71	Net Allowable Federal Income Tax	(11,152)	(11,234)	(11,317)	(11,400)	(11,483)	(11,565)	(11,648)	(11,731)	(11,814)	(11,896)	(11,979)	(12,062)
72	Net Allowable State Income Tax	4,143	4,120	4,097	4,073	4,050	4,027	4,004	3,980	3,957	3,934	3,911	3,887
73	Total Revenue Requirements before Revenue Tax	300,473	261,651	318,424	259,688	259,166	329,385	266,389	264,078	310,190	285,851	268,408	303,658
74	Revenue Tax Factor	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
75	Revenue Tax	1,528	1,331	1,619	1,321	1,318	1,675	1,355	1,343	1,577	1,454	1,365	1,544
76													
77	Revenue Requirements for PNM Owned 2013 Facilities	302,002	262,982	320,044	261,009	260,484	331,060	267,743	265,421	311,707	287,305	269,773	305,202

PNM Exhibit ARA - 4
 2026 Renewable Energy Rider
 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities

Line No.	A	B	C	D	E	F	G	H	I	J	K	L	M
	January	February	March	April	May	June	July	August	September	October	November	December	2026 Projected Revenue Requirement
78													
79													43,397
80													0.008
81													347
82													
83	<i>Total Revenue Requirements for PNM-Owned 2013 Facilities</i>												3,445,079

PNM Exhibit ARA-2, line 3

2026 Estimated Annual Revenue Requirement for the PNM-Owned
2014 facilities

PNM Exhibit ARA- 5

Is contained in the following 2 pages.

PNM Exhibit ARA-5
 2026 Renewable Energy Rider
 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2014 Facilities

Line No.
 78
 79 MWh output expected
 80 WREGIS fee \$/MWh
 81 WREGIS Registration Fee
 82
 83 Total Revenue Requirements for PNM-Owned 2014 Facilities

	A	B	C	D	E	F	G	H	I	J	K	L	M
	2026												2026 Projected
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
													57,627
													0,008
													461
													3,866,469

PNM Exhibit ARA-2, line 4

2026 Estimated Annual Revenue Requirement for the PNM-Owned
2019 Facilities

PNM Exhibit ARA- 6

Is contained in the following 2 pages.

PNM Exhibit ARA-6
 2026 Renewable Energy Rider
 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2019 Facilities

Line No.	2026												2026 Projected Revenue Requirement	
	A	B	C	D	E	F	G	H	I	J	K	L		M
	January	February	March	April	May	June	July	August	September	October	November	December		
1														
2	Plant In Service													
3	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371
4	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493
5	Total Gross Plant In Service													
6	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864
7	(14,829,474)	(15,024,616)	(15,219,758)	(15,414,901)	(15,610,043)	(15,805,185)	(16,000,327)	(16,195,469)	(16,390,611)	(16,585,753)	(16,780,895)	(16,976,037)	(16,976,037)	(16,976,037)
8	Net Plant In Service													
9	56,526,390	56,331,248	56,136,106	55,940,963	55,745,821	55,550,679	55,355,537	55,160,395	54,965,253	54,770,111	54,574,969	54,379,827	54,379,827	54,379,827
10	Accumulated Deferred Income Taxes													
11	Tax Depreciation													
12	(56,600,302)	(56,618,249)	(56,636,196)	(56,654,142)	(56,672,089)	(56,690,036)	(56,707,983)	(56,725,930)	(56,743,876)	(56,761,823)	(56,779,770)	(56,797,717)	(56,797,717)	(56,797,717)
13	Deferred													
14	44,304,528	44,155,853	44,007,179	43,858,505	43,709,831	43,561,156	43,412,482	43,263,808	43,115,133	42,966,459	42,817,785	42,669,111	42,669,111	42,699,496
15	10,108,983	10,107,531	10,106,079	10,104,627	10,103,176	10,101,724	10,100,272	10,098,820	10,097,369	10,095,917	10,094,465	10,093,013	10,093,013	10,093,013
16	Deferred Tax - NOL													
17	(11,253,350)	(11,215,587)	(11,177,824)	(11,140,060)	(11,102,297)	(11,064,534)	(11,026,770)	(10,989,007)	(10,951,244)	(10,913,481)	(10,875,717)	(10,837,954)	(10,837,954)	(10,845,672)
18	Total Accumulated Deferred Income Taxes													
19	(11,253,350)	(11,215,587)	(11,177,824)	(11,140,060)	(11,102,297)	(11,064,534)	(11,026,770)	(10,989,007)	(10,951,244)	(10,913,481)	(10,875,717)	(10,837,954)	(10,837,954)	(10,845,672)
20	Other Rate Base Additions (Deductions) Prepaid Insurance													
21	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531
22	Total Rate Base													
23	45,332,571	45,175,192	45,017,813	44,860,435	44,703,056	44,545,677	44,388,298	44,230,919	44,073,540	43,916,162	43,758,783	43,601,404	43,593,686	43,593,686
24	Weighted Cost of Capital (PNM Exhibit ARA-8, line 4)													
25	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%
26	Return on Rate Base													
27	251,743	250,869	249,995	249,121	248,247	247,373	246,499	245,625	244,751	243,877	243,003	242,129	242,129	2,963,232
28	Operations & Maintenance Expense													
29	50,555	15,737	67,825	14,904	14,904	79,215	22,421	20,796	63,136	41,539	26,158	58,678	475,868	475,868
30	Depreciation and Amortization Expense													
31	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	2,341,705
32	Property Taxes													
33	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	398,906
34	Federal Income Tax Return Adjustments													
35	Interest													
36	(63,768)	(63,547)	(63,326)	(63,104)	(62,883)	(62,662)	(62,440)	(62,219)	(61,997)	(61,776)	(61,555)	(61,333)	(61,333)	(750,611)
37	Tax/Book Adjustments													
38	Flow Thru Item - ITC													
39	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	17,421
40	AFUDC Equity													
41	Investment Tax Credits													
42	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	17,421
43	Total Permanent Differences													
44	468,807	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	2,104,224
45	Depreciation & AFUDC Debt													
46	(26,119)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(117,233)
47	Deferred State Income Tax													
48	442,688	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	1,986,992
49	Deferred Federal Taxes before NOL													
50	(92,965)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(417,268)
51	Adjusted Current Equity Return before NOL													
52	539,150	299,683	299,030	298,377	297,725	297,072	296,420	295,767	295,114	294,462	293,809	293,157	293,157	3,799,766
53	Net Operating Loss Carryover													
54	NOL Deferred State Income Tax													
55	NOL Deferred Federal Income Tax													
56	539,150	299,683	299,030	298,377	297,725	297,072	296,420	295,767	295,114	294,462	293,809	293,157	293,157	3,799,766
57	Net Current Taxable Equity Return													
58	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%	26,5823%
59	Federal Tax Rate													
60	143,318	79,663	79,489	79,316	79,142	78,969	78,795	78,622	78,448	78,275	78,101	77,928	77,928	1,010,065
61	(92,965)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(417,268)
62	Total Current Federal Income Tax													
63	Total Provision for Deferred Federal Income Tax													
64	50,354	50,180	50,007	49,833	49,660	49,486	49,313	49,140	48,966	48,793	48,619	48,446	48,446	592,797
65	Investment Tax Credits													
66	Total Federal Income Tax													
67	50,354	50,180	50,007	49,833	49,660	49,486	49,313	49,140	48,966	48,793	48,619	48,446	48,446	592,797
68	State Income Tax													
69	Net Current Taxable Equity Return													
70	682,468	379,345	378,519	377,693	376,867	376,041	375,215	374,389	373,563	372,737	371,911	371,085	371,085	4,809,831
71	State Tax Rate													
72	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%	5,9000%
73	Total Current State Income Tax													
74	40,266	22,381	22,333	22,284	22,235	22,186	22,138	22,089	22,040	21,991	21,943	21,894	21,894	283,780
75	Total Deferred State Income Tax													
76	(26,119)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(117,233)
77	Total State Income Tax													
78	14,147	14,098	14,050	14,001	13,952	13,903	13,855	13,806	13,757	13,708	13,660	13,611	13,611	166,548
79	Revenue Requirement Summary													
80	Return on Rate Base													
81	251,743	250,869	249,995	249,121	248,247	247,373	246,499	245,625	244,751	243,877	243,003	242,129	242,129	2,963,232
82	Total Operating Expenses													
83	278,940	244,122	296,209	243,288	243,288	307,599	250,895	249,180	291,521	269,924	254,542	287,063	287,063	3,216,479
84	Net Allowable Federal Income Tax													
85	50,354	50,180	50,007	49,833	49,660	49,486	49,313	49,140	48,966	48,793	48,619	48,446	48,446	592,797
86	Net Allowable State Income Tax													
87	14,147	14,098	14,050	14,001	13,952	13,903	13,855	13,806	13,757	13,708	13,660	13,611	13,611	166,548
88	Total Revenue Requirements before Revenue Tax													
89	595,183	559,269	610,260	556,243	555,147	618,362	560,471	557,750	598,995	576,302	559,824	591,248	591,248	6,939,055
90	Revenue Tax Factor													
91	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
92	3,027	2,844	3,104	2,829	2,823	3,145	2,850	2,837	3,046	2,931	2,847	3,007	3,007	35,290
93	Revenue Requirements for 50 MW Facilities													
94	598,210	562,114	613,364	559,072	557,970	621,507	563,322	560,587	602,041	579,233	562,671	594,255	594,255	6,974,346

PNM Exhibit ARA-6
 2026 Renewable Energy Rider
 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2019 Facilities

Line No.	2026												2026 Projected
	A	B	C	D	E	F	G	H	I	J	K	L	M
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
73													
74	MWh output expected												127,245
75	WREGIS fee \$/MWh												0.008
76	WREGIS Registration Fee												1,018
77													
78	Total Revenue Requirements for PNM-Owned 2019 Facilities												6,975,364

PNM Exhibit ARA-2, line 5

2026 Estimated Annual Revenue Requirement for Purchased Power
Agreements and Renewable Energy Certificate Purchases

PNM Exhibit ARA- 7

Is contained in the following 2 pages.

PNM Exhibit ARA - 7
2026 Renewable Energy Rider
2026 Estimated Annual Revenue Requirement for Purchased Power
Agreements and Renewable Energy Certificate Purchases

Line No.	Purchased Power Agreement	Amount	
1	Geothermal PPA		
2	Annual Sales (MWh)	33,786	
3	Price (\$/MWh)	\$ 108.44	
4	Energy/REC Cost	\$ 3,663,638	
5			
6	WREGIS cost per MWh	\$ 0.004	
7	WREGIS fees	\$135	
8			
9	Total Geothermal PPA	\$3,663,773	PNM Exhibit ARA-2, line 11
10	Total Geothermal PPA Cost per MWh	\$ 108.44	
11			
12	Red Mesa PPA		
13	Annual Sales (MWh)	187,000	
14	Price (\$/MWh)	\$ 34.72	
15	Energy/REC Cost	\$ 6,491,707	
16			
17	WREGIS cost per MWh	\$ 0.004	
18	WREGIS fees	\$748	
19			
20	Total Red Mesa PPA	\$6,492,455	PNM Exhibit ARA-2, line 12
21	Total Red Mesa PPA Cost per MWh	\$ 34.72	
22			
23	New Mexico Wind Energy Center (NMWEC) PPA		
24	Annual Sales (MWh)	552,444	
25	Price (\$/MWh)	\$ 27.25	
26	Energy/REC Cost	\$ 15,054,101	
27			
28	WREGIS cost per MWh	\$ 0.008	
29	WREGIS fees	\$4,420	
30			
31	Total NMWEC PPA	\$15,058,520	PNM Exhibit ARA-2, line 13
32	Total NMWEC PPA Cost per MWh	\$ 27.26	
33			
34	La Joya II Wind PPA		
35	Annual Sales (MWh)	450,267	
36	Price (\$/MWh)	\$ 17.48	
37	Energy/REC Cost	\$ 7,870,673	
38			
39	WREGIS cost per MWh	\$ 0.004	
40	WREGIS fees	\$1,801	
41			
42	Total La Joya II PPA	\$7,872,474	PNM Exhibit ARA-2, line 14
43	Total La Joya II PPA Cost per MWh	\$ 17.48	

PNM Exhibit ARA - 7
 2026 Renewable Energy Rider
 2026 Estimated Annual Revenue Requirement for Purchased Power
 Agreements and Renewable Energy Certificate Purchases

Line No.

44				
45	REC Purchases			
46	DG Programs			
47	DG Annual Purchases (MWh)		50,919	
48	Total DG Programs REC Purchases		\$2,562,633	PNM Exhibit ARA-2, line 24
49	Total DG Programs REC Cost per MWh	\$	50.33	
50				
51	2024 Compliance REC Purchases -MWh		-	
52	Total REC Costs		\$0	
53	Average Price (\$/MWh)		\$1.00	
54				
55	WREGIS cost per MWh		\$0.004	
56	WREGIS fees		\$0	
57				
58	2024 Compliance REC Purchases - True-Up	\$	-	PNM Exhibit ARA-2, line 25

December 31, 2024 Year End Weighted Average Cost of Capital

PNM Exhibit ARA- 8

Is contained in the following 1 page.

PNM Exhibit ARA - 8
 2026 Renewable Energy Rider
 December 31, 2024 Year End Weighted Average Cost of Capital

Line No.	Capital Component	A Total Capitalization Base Period	B Percentage of Total Capitalization	C Capital Component Cost	D Weighted Average Cost
1	Long Term Debt	1,920,958	47.20%	3.58%	1.69%
2	Preferred Stock	11,529	0.28%	4.62%	0.01%
3	Common Equity	2,137,299	52.52%	9.45%	4.96%
4	Total	<u>4,069,787</u>	<u>100.00%</u>		<u>6.66%</u>

Composite Tax Rate:	25.40%
Tax Gross-Up	
Debt	1.69%
Preferred	0.02%
Common	<u>6.65%</u>
Total	8.36%

Estimated Annual Revenue Requirement for the Sky Blue Regulatory
Asset

PNM Exhibit ARA- 9

Is contained in the following 1 page.

**PNM Exhibit ARA - 9
2026 Renewable Energy Rider
Estimated Annual Revenue Requirement for the Sky Blue Regulatory Asset**

Amortization Period (Years)

1

Line No.	2026 Revenue Requirement	
1		
2	-	PNM Exhibit ARA-10, line 19
3		
4	-	
5		
6	-	
7		
8	-	
9		
10	0.00%	
11		
12	-	
13		
14	-	
15		
16	-	
17		
18	-	PNM Exhibit ARA-2, line 28

Estimated Balance of the Sky Blue Regulatory Asset

PNM Exhibit ARA- 10

Is contained in the following 1 page.

PNM Exhibit ARA-10
2026 Renewable Energy Rider
Estimated Balance of the Sky Blue Regulatory Asset

Line No.

	G	H	I	I	I
	2022	2023	2024	2025	2026
1					
2 PNM 8 MW Manzano Solar Facility RECs (MWh)	15,792				
3 Remove: 6.5 MW of Manzano Solar Facility Recovered Through Rider 36	(12,818)				
4 PNM 1.5 MW Manzano Solar Facility Sky Blue RECs (MWh)	2,974				
5 Remove: Sky Blue RECs utilized in Sky Blue Program	(2,974)				
6 Remove: RECs sold	-				
7 Remaining Sky Blue RECs (Banked)	-				
8					
9 Cost per MWh	\$ 98.49				
10					
11 Sky Blue Regulatory Asset (Under Collection)					
12	-	-	-	-	-
13 WREGIS Fee to Register RECs (\$0.005/REC)					
14 Sky Blue Regulatory Asset (Under Collection) with WREGIS Fees	-	-	-	-	-
15					
16 Carrying Charges - 0.00%	-	-	-	-	-
17 (Over)/Under Collection including Carry Charges	-	-	-	-	-
18					
19 Cumulative (Over)/Under Collection	-	-	-	-	-

20

21

22

Assumptions:

23

Carrying Charges

24

25

26

27

Manzano Solar Facility Revenue Requirement (8 MW)

28

Manzano Solar Facility Energy MWh (8 MW)

29

Manzano Solar Facility Cost/REC

30

31

32

Proof of Reasonableness:

33

PNM Owned 2013 Solar - Actual Revenue Requirement

34

PNM Owned 2013 Solar - Actual Energy (MWh)

35

PNM Owned 2013 Solar - Actual Cost/REC

2022

\$ 1,562,258

15,861

\$ 98.49

\$ 3,700,768

42,075

\$ 87.96

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S)
APPLICATION FOR APPROVAL OF ITS)
RENEWABLE ENERGY ACT PLAN)
FOR 2026 AND PROPOSED 2026 RIDER)
NO. 36 RATE,)
)
**PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant)
_____)****

Case No. 25-00 ___-UT

SELF AFFIRMATION

ARIN R. APODACA, Manager, Cost of Service for PNMR Services, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Arin R. Apodaca**, and it is true and accurate based on my own personal knowledge and belief.

DATED this 30th day of May, 2025.

/s/ Arin R. Apodaca
ARIN R. APODACA