

**DIRECT TESTIMONY OF
ERICA BACA
NMPRC DOCKET NO. 26-0000XXX**

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 2027 AND PROPOSED 2027 RIDER)
RIDER NO. 36 RATE,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant)
_____)**

Docket No. 26-00000XX

**DIRECT TESTIMONY
OF
ERICA BACA**

May 28, 2027

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**NMPRC DOCKET No. 26-0000XXX
INDEX TO THE DIRECT TESTIMONY OF ERICA BACA**

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

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<u>ACRONYM / ABBREVIATION</u>	<u>DESCRIPTION</u>
Commission or NMPRC	New Mexico Public Regulation Commission
kWh	kilowatt-hour
NM AREA	New Mexico Affordable Renewable Energy Alliance
PNM or Company	Public Service Company of New Mexico
Rider 36	Rider No. 36 Renewable Energy Rider
REA	Renewable Energy Act
REC	Renewable Energy Certificate
RPS	Renewable Portfolio Standard

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1

I. INTRODUCTION AND PURPOSE

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

3 **A.** My name is Erica Baca, I am a Senior Pricing Analyst for Public Service Company of
4 New Mexico (“PNM” or “Company”). My business address is 414 Silver Avenue SW,
5 Albuquerque, NM 87102.

6

7 **Q. Please summarize your educational and professional qualifications.**

8 **A.** A statement of my professional qualifications, including a list of cases in which I have
9 filed testimony with the New Mexico Public Regulation Commission (“NMPRC”), is
10 attached as PNM Exhibit EB-1.

11

12 **Q. What is the purpose of your testimony in this case?**

13 **A.** My testimony addresses the following:

- 14 1. The development of the 2027 rate for the 30th Revised Rider No. 36 –
15 Renewable Energy Rider (“Rider 36”) of \$0.0058701/kWh. PNM proposes to
16 implement this rider rate on January 1, 2027, pursuant to Advice Notice No.
17 658 filed concurrently herewith; and
- 18 2. The bill impact of the proposed Rider 36 rate on residential and small power
19 customers.

20

21 **Q. Are you sponsoring any exhibits in addition to PNM Exhibit EB-1?**

22 **A.** Yes, I am sponsoring the following additional exhibits:

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- 1 • PNM Exhibit EB-2: Derivation of the Rider 36 rate for calendar year 2027.
- 2 • PNM Exhibit EB-3: Impacts of Rider 36 on Residential and Small Power
- 3 customers at various usage levels.
- 4 • PNM Exhibit EB-4: PNM’s 30th Revised Rider 36 in redline, which is attached
- 5 for convenient reference.

6

7 **II. DERIVATION OF THE PROPOSED 2027 RIDER 36 RATE**

8

9 **Q. What data were used in developing the Rider 36 rate?**

10 **A.** The rate is derived from the projected 2027 revenue requirements from RPS resources

11 and PNM’s projected retail energy sales in 2027. PNM witness Randall Hackbarth

12 provides the estimated renewable energy annual revenue requirement of \$52,976,102

13 to be recovered through Rider 36 (see PNM Exhibit RVH-2). The net retail energy sales

14 forecast for 2027 was provided by PNM witness Shane Gutierrez (see PNM Exhibit

15 SG-2).

16

17 **Q. What voluntary programs does PNM offer?**

18 **A.** In 2027 PNM will have two voluntary programs¹: (i) Rate No. 36B – Special Service

19 Rate-Renewable Energy Resources; and (ii) Rider No. 50 – Voluntary Solar Renewable

¹ In Case No. 25-00071-UT, PNM filed a request to terminate Rider No. 30 - Renewable Energy Program (PNM Sky Blue) and proposed a termination date no earlier than December 31, 2026. PNM does not plan to allocate any RECs to Sky Blue beginning in 2027.

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1 Energy Program-PNM Solar Direct for Governmental and Large Commercial
2 Customers (PNM Solar Direct).

3

4 **Q. Are customers participating in voluntary programs subject to charges by public**
5 **utilities to recover the costs of complying with the RPS?**

6 A. Pursuant to NMSA 1978, Section 62-16-7(B)(3), customers participating in voluntary
7 programs, as that term is defined in the REA, are not subject to the costs of complying
8 with the RPS.

9

10 **Q. Do the projected 2027 net retail sales used to determine the Rider 36 rate include**
11 **sales to voluntary program customers?**

12 A. No. The projected retail sales used to calculate the proposed Rider 36 rate are net of
13 projected voluntary renewable energy programs from the two programs described
14 earlier.

15

16 **Q. How was the proposed Rider 36 rate for 2027 developed?**

17 A. PNM's Rider 36 rate is billed on a per kWh basis. The 2027 revenue requirement is
18 divided by the projected net retail energy sales for 2027. For 2027, the proposed Rider
19 36 rate is \$0.0058701/kWh, which represents a decrease of \$0.0005166/kWh from the
20 2026 (current) rider rate of \$0.0063867/kWh. PNM Exhibit EB-2 shows the calculation
21 of the proposed Rider 36 rate.

22

23

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1 **Q. How is Rider 36 assessed?**

2 **A.** Rider 36 is assessed on a service-rendered basis. PNM proposes that Rider 36 will go
3 into effect on January 1, 2027. Should Rider 36 change within a billing period, charges
4 billed on a service-rendered basis are billed on a prorated basis based upon the days of
5 service for old and new rates.

6

7 **Q. What is the bill impact of the proposed Rider 36 rate change on the Residential
8 and Small Power rate classes?**

9 **A.** The Rider 36 rate is assessed as a per kWh charge; so, the bill impact on each customer
10 will vary with usage. The Rider 36 2026 (current) and 2027 (proposed) rates were used
11 to calculate the net impact on Schedule 1A Residential and Schedule 2A Small Power
12 customer bills. See PNM Exhibit EB-3 for the bill impact. For residential customers,
13 the impact ranges from -\$0.03 to -\$1.03 per bill as shown for usage levels between 50
14 kWh and 2,000 kWh per month. An average residential customer using 600 kWh per
15 month will pay \$0.31 less per month under the proposed rate. For small power
16 customers, the bill impact ranges from -\$0.26 to -\$7.75 per bill for usage levels between
17 500 kWh and 15,000 kWh per month. An average small power customer using 1,500
18 kWh per month will pay \$0.77 less per month under the proposed rate.

19

20 **III. CHANGES TO THE RIDER**

21

22 **Q. What changes were made to the 30th Revised Rider No. 36?**

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1 **A.** The amount to be recovered and the rate were updated to the revised revenue
2 requirement and calculated rate as shown in Exhibit EB-2. Additionally, PNM is
3 updating the Return on Equity (“ROE”) rate in the Earnings Test Component to
4 incorporate the most recently approved rate in PNM’s most recent rate case, Case No.
5 24-00089-UT as explained in the direct testimony of Mr. Hackbarth in this case.

6

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

8 **A.** Yes.

GCG#535307

Statement of Qualifications Erica Baca

PNM Exhibit EB-1

Is contained in the following 1 page.

ERICA BACA: EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Erica Baca

Address: Public Service Company of New Mexico
414 Silver Ave SW
Albuquerque, New Mexico 87102

Position: Senior Pricing Analyst

Education: Master of Business Administration, Colorado State University
Bachelor of Science, Biology, University of New Mexico

Employment: Public Service Company of New Mexico since 2018

Senior Pricing Analyst	(07/2025 – present)
Segment Analyst	(01/2023 – 07/2025)
Senior Sourcing Analyst	(05/2018 – 01/2023)

Lovelace Respiratory Research Institute

Contracts Specialist	(04/2014 – 06/2017)
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The Mind Research Network

Project Administrator	(02/2011 – 06/2014)
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Testimony Filed Before the New Mexico Public Regulation Commission:

<u>Case Number</u>	<u>Proceeding/Subject Matter</u>
12-00007-UT	PNM's 2026 Revised Renewable Energy Rider No. 36 Reconciliation
26-0000091	Original Rider 45E Economic Development Rider Contract (Castelion Corporation)

Derivation of the Rider 36 Rate for Calendar Year 2027

PNM Exhibit EB-2

Is contained in the following 1 page.

2027 Renewable Energy Rider Rate Calculation

<u>Line No.</u>	<u>Description</u>	<u>Unit</u>	<u>Source</u>	<u>Total</u>
1	Revenue Requirement	(\$)	PNM Exhibit RVH-2	\$ 52,976,102
2	Net Annual Retail Sales*	kWh	PNM Exhibit SG-2	9,024,717,333
3	Rider 36 rate, proposed to go into effect 1/1/2027	\$/kWh	Line 1 / Line 2	<u>\$0.0058701</u>

* net retail sales are net of forecast voluntary renewable energy programs

Impacts of Rider 36 on Residential and Small Power
Customers at various usage levels

PNM Exhibit EB-3

Is contained in the following 1 page.

PNM
Rider 36 Renewable Energy
Bill Impact Comparison, Current vs. Proposed Rider¹

A	B	C	D	E
---	---	---	---	---

Residential Schedule 1A

Line No.	Usage (kWh)	Average Monthly Bill, Current Rider 36 (\$)	Average Monthly Bill, Proposed Rider 36 (\$)	Proposed Rider 36 Net Impact (\$)	Proposed Rider 36 Total Bill Impact (%)
1	0	\$14.66	\$14.66	\$0.00	0.00%
2	50	\$20.59	\$20.56	(\$0.03)	-0.13%
3	100	\$26.52	\$26.46	(\$0.05)	-0.19%
4	150	\$32.44	\$32.37	(\$0.08)	-0.24%
5	200	\$38.37	\$38.27	(\$0.10)	-0.27%
6	250	\$44.30	\$44.17	(\$0.13)	-0.29%
7	300	\$50.23	\$50.07	(\$0.15)	-0.31%
8	400	\$62.08	\$61.87	(\$0.21)	-0.33%
9	500	\$76.12	\$75.86	(\$0.26)	-0.34%
10	600	\$92.34	\$92.03	(\$0.31)	-0.34%
11	750	\$116.68	\$116.29	(\$0.39)	-0.33%
12	800	\$124.79	\$124.38	(\$0.41)	-0.33%
13	900	\$141.01	\$140.55	(\$0.46)	-0.33%
14	1,000	\$165.91	\$165.39	(\$0.52)	-0.31%
15	1,200	\$207.17	\$206.55	(\$0.62)	-0.30%
16	1,600	\$289.71	\$288.88	(\$0.83)	-0.29%
17	2,000	\$372.24	\$371.21	(\$1.03)	-0.28%

Small Power Schedule 2A

Line No.	Usage (kWh)	Average Monthly Bill, Current Rider 36 (\$)	Average Monthly Bill, Proposed Rider 36 (\$)	Proposed Rider 36 Net Impact (\$)	Proposed Rider 36 Total Bill Impact (%)
1	0	\$29.83	\$29.83	\$0.00	0.00%
2	500	\$93.13	\$92.87	(\$0.26)	-0.28%
3	1,000	\$156.43	\$155.91	(\$0.52)	-0.33%
4	1,500	\$219.73	\$218.95	(\$0.77)	-0.35%
5	2,000	\$283.03	\$281.99	(\$1.03)	-0.37%
6	3,000	\$409.62	\$408.07	(\$1.55)	-0.38%
7	4,000	\$536.22	\$534.15	(\$2.07)	-0.39%
8	5,000	\$662.82	\$660.23	(\$2.58)	-0.39%
9	7,000	\$916.01	\$912.39	(\$3.62)	-0.39%
10	9,000	\$1,169.20	\$1,164.55	(\$4.65)	-0.40%
11	12,000	\$1,548.99	\$1,542.79	(\$6.20)	-0.40%
12	15,000	\$1,928.78	\$1,921.03	(\$7.75)	-0.40%

1 - These bills include base rates plus Riders 23, 36, 51, 53, 59 and 60.

Red line 30th Revised Rider No. 36

PNM Exhibit EB-4

Is contained in the following 2 pages.

PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES

30th REVISED RIDER NO. 36
CANCELLING 29th REVISED RIDER NO. 36

RENEWABLE ENERGY RIDER

Page 1 of 2

DESCRIPTION: This Rider is established to recover Renewable Portfolio Standard (“RPS”) compliance costs.

APPLICABILITY: All PNM retail customers receiving electric service.

TERRITORY: All territory served by the Company under PNM Electric Services tariffs.

RENEWABLE ENERGY COSTS TO BE RECOVERED: The dollar amounts to be collected pursuant to this Rider shall be determined by the RPS compliance costs approved in PNM’s annual Renewable Energy Procurement Plans and will be collected from PNM customers to whom this Rider applies.

RIDER RATES: This Rider, where applicable, shall be added to each customer’s bill and applied as a per kilowatt-hour (kWh) charge for all kWh consumed by a customer, net of any renewable energy supplied under a voluntary or green energy program. The Rider rate consists of the sum of two components, a RPS Compliance Component and an Earning Test Component as follows:

RPS Compliance Component:

	Amount to be recovered	Rate	
Renewable Energy Rate for Calendar Year 2027:	\$53,165,938 \$52,976,102	\$0.0063867 \$0.0058701 per kWh	x

EARNINGS TEST COMPONENT: PNM will file an adjustment pursuant to this Rider as a separate component if PNM’s return on equity (“ROE”) exceeds ~~9.86%~~9.45%, based on data presented in conformance with 17.3.510.12(B) NMAC (“Rule 510”). The amount of the adjustment will be equal to the revenue reduction that would have resulted in an earned ROE of ~~9.86%~~9.45%. The Rule 510 filing to determine if an adjustment is applicable will be made no later than April 1, of each year, based on the previous calendar year results. The adjustment, if applicable, will be applied to customers’ bills over an eight month period beginning with bills rendered May 1, and continuing through the end of the calendar year. x

ANNUAL RECONCILIATION FILING: This Rider shall be adjusted annually to account for new Commission-approved procurements and changes in revenue

Advice Notice No. 658

/s/ Kyle T. Sanders
Kyle T. Sanders
Vice President, Regulatory

**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

**30th REVISED RIDER NO. 36
CANCELLING 29th REVISED RIDER NO. 36**

RENEWABLE ENERGY RIDER

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requirements related to amortization, depreciation, accumulated deferred income tax (“ADIT”), property taxes and other relevant factors. The Company shall annually file with the Commission a report to reconcile the amounts to be collected pursuant to this Rider. The report will be due by February 28 of each year, and will adjust the Rider to reconcile actual RPS compliance costs for the previous year with actual Rider revenues, and to account for new Commission-approved procurements for the current calendar year. The previous year’s compliance costs will include revenue requirements of Company-owned renewable facilities, the costs of renewable energy PPAs, the purchase of RECs used for RPS compliance, and any other RPS compliance cost approved by the Commission.

The report also will true-up the previous calendar year Renewable Energy Rider collections. The report will contain:

- a. a summary of the Rider Rate for the previous calendar year;
- b. a detailed listing of collections pursuant to this Rider, for the previous calendar year by affected customer class;
- c. calculation of the Rider Rate to be applied in the current calendar year, including over/under collections from the previous calendar year;
- d. a summary of annual projected sales revenue and any other relevant data used to estimate the Rider Rate.

Advice Notice No. 658

/s/ Kyle T. Sanders
Kyle T. Sanders
Vice President, Regulatory

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
RENEWABLE ENERGY ACT PLAN)
FOR 2027 AND PROPOSED 2027 RIDER)
RATE UNDER RATE RIDER No. 36,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant.)
_____)**

Docket No. 26-0000XXX

SELF AFFIRMATION

ERICA BACA, Senior Pricing Analyst, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Erica Baca** and it is true and accurate based on my own personal knowledge and belief.

DATED this 28th day of May, 2026.

/s/ Erica Baca
ERICA BACA

GCG # 534790