

*Please note, this is from Docket 23-00138-UT – the 2024-2026 Energy Efficiency Program Plan. This is what was used for avoided costs in the 2025 Energy Efficiency & Demand Response Potential Study. PNM will calculate new avoided costs prior to filing the 2027-2029 Energy Efficiency Program Plan in April 2026.*

## 6.1 Appendix A – Avoided Costs

The benefits of energy efficiency and load management are evaluated over the life of the programs in the UCT model using PNM avoided costs and a discount rate of 7.20%. Avoided costs are the costs that PNM would not incur as a result of lower energy consumption and demand resulting from implementation of energy efficiency and load management measures. Energy efficiency avoided cost forecasts were developed by the staff of the PNM Planning and Resources department and are shown in Table 6-1 below.

**Table 6--1**

Avoided Energy and Capacity Costs EE and DR	EE Total Capacity MW (\$/kW-yr)	EE Energy (incl CO2) (\$/kWh)	DR MW (\$/kW-yr)	Avoided Energy Cost (DR) \$/kWh
2024	\$166.19	\$0.051	\$9.07	\$0.000
2025	\$167.89	\$0.026	\$147.14	\$0.000
2026	\$223.60	\$0.026	\$194.28	\$0.000
2027	\$232.96	\$0.026	\$194.29	\$0.000
2028	\$220.60	\$0.027	\$193.76	\$0.000
2029	\$199.24	\$0.028	\$194.29	\$0.000
2030	\$173.00	\$0.027	\$194.29	\$0.000
2031	\$263.22	\$0.034	\$213.21	\$0.000
2032	\$261.10	\$0.032	\$229.08	\$0.000
2033	\$252.75	\$0.037	\$229.91	\$0.000
2034	\$252.15	\$0.038	\$221.18	\$0.000
2035	\$255.48	\$0.034	\$215.97	\$0.000
2036	\$254.64	\$0.037	\$215.48	\$0.000
2037	\$256.39	\$0.035	\$218.51	\$0.000
2038	\$255.52	\$0.034	\$219.27	\$0.000
2039	\$242.41	\$0.034	\$219.45	\$0.000
2040	\$302.52	\$0.046	\$294.91	\$0.000
2041	\$184.30	\$0.053	\$135.98	\$0.000
2042	\$175.46	\$0.043	\$106.60	\$0.000