

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
TO TERMINATE PUBLIC SERVICE )  
COMPANY OF NEW MEXICO'S SKY BLUE )  
VOLUNTARY RENEWABLE ENERGY )  
PROGRAM )  
 )  
PUBLIC SERVICE COMPANY OF NEW )  
MEXICO, )  
 )  
Applicant )  
\_\_\_\_\_ )**

**Case No. 25-00071-UT**

**AMENDED DIRECT TESTIMONY**

**OF**

**DRU E. JONES**

**March 18, 2026**

**NMPRC CASE NO. 25-00071-UT  
INDEX TO THE AMENDED DIRECT TESTIMONY OF  
DRU E. JONES**

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

I.	INTRODUCTION AND PURPOSE .....	1
II.	SKY BLUE BACKGROUND INFORMATION.....	2
III.	MARKET RESEARCH.....	13
IV.	TRANSITIONING TO COMMUNITY SOLAR.....	19
V.	COMMUNICATION BUDGET AND MARKETING PLANS FOR THE TERMINATION OF THE SKY BLUE PROGRAM.....	21
VI.	CONCLUSION.....	23

PNM EXHIBIT DEJ-1	Resume of Dru E. Jones
PNM EXHIBIT DEJ-2	Monthly Sky Blue kWh Subscriptions 5/2013-9/2025
PNM EXHIBIT DEJ-3	Monthly Sky Blue Subscriptions 5/2013-9/2025
PNM EXHIBIT DEJ-4	Sky Blue Existing Customer Survey 2025
PNM EXHIBIT DEJ-5	Sky Blue Business Customer Survey 2025
PNM EXHIBIT DEJ-6	Regulatory Asset Balance Projection

AFFIDAVIT



**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 with various internal teams to ensure compliance with the requirements established  
2 in the Sky Blue evaluation, NMPRC Case No. 21-00158-UT.

3

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

5 **A.** The purpose of my testimony is to provide support for the termination of PNM Sky  
6 Blue, a voluntary renewable energy program.<sup>1</sup> I will first provide background and  
7 historical information about the Sky Blue program including information on the  
8 evaluation of the program, then present the market research findings that support  
9 this recommendation. I will discuss the possible transition of Sky Blue subscribers  
10 to the New Mexico Community Solar program. Additionally, I will outline the  
11 proposed communications budget for the termination process and detail the  
12 marketing and customer notification strategies associated with ending the Sky Blue  
13 program.

14

15 **II. SKY BLUE BACKGROUND INFORMATION**

16 **Q. Please summarize the history of the PNM Sky Blue program.**

17 **A.** PNM Sky Blue is a voluntary renewable energy program for residential and  
18 business retail customers. Initially launched as a wind-only program in 2003, a  
19 regulatory change with an effective date of May 1, 2013, means it now includes a  
20 mix of wind and solar energy. The premium rate for participating in PNM Sky Blue  
21 is \$0.017 per kWh above PNM's standard rates. Customers can purchase either 100

---

<sup>1</sup> See NMSA 1978, § 62-16-7 (2019), which generally describes voluntary renewable energy programs.

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 kWh blocks of energy or a percentage of their electric consumption, up to a  
2 “Maximum Stated Percentage” of 80% starting in 2020.

3  
4 The solar energy for the program comes from a 1.5 MW allocation at PNM’s  
5 Manzano Solar Energy Center in Valencia County, New Mexico (“Manzano”). The  
6 wind energy is sourced from the New Mexico Wind Energy Center (“NMWEC”)  
7 in Quay and De Baca Counties, New Mexico. The blend of solar and wind  
8 generation is adjusted monthly based on sales and the relative costs of these  
9 resources, maintaining a premium price of \$0.017 per kWh. Customers who  
10 subscribe to the Sky Blue program also receive approximately a \$0.007 per kWh  
11 Renewable Energy Rider credit for each kWh subscribed for a net price of  
12 approximately \$0.01 per kWh.

13  
14 **Q. What is the status of PNM’s Sky Blue program?**

15 **A.** PNM Sky Blue currently has approximately 2,800 subscribers. In 2024, a total of  
16 16.9 GWh were subscribed through the program for an average of 1.4 GWh per  
17 month that year. For the 2024 generation period, subscription to the program was  
18 sufficient to permit the retirement of 13,497 wind renewable energy certificates  
19 (RECs) (measured in MWh) and 3,429 solar RECs. For 2025 18.1 GWh were  
20 subscribed through the program for an average of 1.5 GWh per month for 2025 thus  
21 far, sufficient to permit the retirement of 14,691 wind RECs (measured in MWh)  
22 and 3,398 solar RECs. See PNM Exhibit DEJ-2.

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 **Q. How do customers sign up for the Sky Blue program?**

2 **A.** Customers can sign up for the Sky Blue program through the “My Account”  
3 function of PNM’s online billing system. Customers can also call PNM’s call center  
4 (1-888-342-5766) and work with a Customer Experience Advisor to get signed up  
5 for the Sky Blue program.

6

7 **Q. What motivated customers to participate in the Sky Blue program, and how**  
8 **has that changed over time?**

9 **A.** Sky Blue, launched in 2003, was PNM's first and at that time only voluntary  
10 renewable energy program. As New Mexico's pioneering voluntary program, it  
11 offered early adopters a choice to source more renewable energy and pledge their  
12 support for sustainability. Since then, the state has experienced a surge in rooftop  
13 solar installations, driven by state and federal tax credits and favorable net energy  
14 metering policies. The rise of electrified transportation has also transformed the  
15 landscape, providing customers with more options to support sustainability.

16

17 However, over time, interest in the Sky Blue program has waned, with customer  
18 participation declining approximately 16 customers each month. For residential  
19 customers, other sustainability options like rooftop solar, electric vehicles, and  
20 Community Solar make paying a premium for a voluntary renewable energy  
21 program less appealing. For commercial customers, Sky Blue once signaled a  
22 commitment to clean renewable energy, serving as a differentiator and

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 environmental stewardship. Today, as the grid is rapidly undergoing the energy  
2 transition, customers have more ways to be environmentally conscious other than  
3 a premium green tariff program.

4

5 **Q. How many subscribers does the Sky Blue program have today in comparison**  
6 **to May of 2022, when the Sky Blue evaluation began?**

7 **A.** In May 2022, the Sky Blue program had approximately 3,500 subscribers, while in  
8 March 2026, the program has approximately 2,800 subscribers. The program  
9 therefore has lost approximately 700 subscribers in that timeframe, or on average  
10 the program lost 16 subscribers per month over this time period. Please see the  
11 graph contained in PNM Exhibit DEJ-3, attached hereto.

12

13 **Q. Is Sky Blue PNM's only voluntary renewable energy program?**

14 **A.** No, PNM also offers the PNM Solar Direct program as a voluntary renewable  
15 energy initiative. The Solar Direct program consists of a 50 MW solar facility  
16 located in Rio Arriba County, New Mexico, situated on more than 400 acres of land  
17 on the Jicarilla Apache Nation. Developed in Case No. 16-00158-UT and approved  
18 by the Commission in March 2020.

19

20 **Q. Can large customers that subscribed to Sky Blue now subscribe to Solar**  
21 **Direct?**

**DIRECT TESTIMONY**  
**DRU E. JONES**  
**NMPRC CASE NO. 25-00071-UT**

1    **A.**    No, the PNM Solar Direct program is not available for new enrollment at this time.  
2            The program reached full subscription shortly after its launch in the spring of 2022,  
3            with all capacity allocated to large commercial and governmental customers who  
4            enrolled during the initial offering period.

5

6    **Q.**    **How does the Sky Blue program compare with PNM’s Solar Direct program?**

7    **A.**    The programs differ in how they are applied to customer bills, the scale of  
8            renewable resources allocated to each, and the subscription fees and credits applied.  
9            Solar Direct is limited to either governmental or large load (minimum 2.5 MW  
10           aggregate load) customers and is applied on a separate aggregate bill. Regarding  
11           the generation resources, Sky Blue is supported by a 1.5 MW allocation from the  
12           Manzano solar facility as well as the required generation to match subscriptions  
13           from NMWEC, whereas Solar Direct utilizes a 50 MW solar facility located on the  
14           Jicarilla Apache Nation.

15

16           Fundamentally, Sky Blue is structured as a premium or green pricing program,  
17           enabling eligible customers to purchase renewable energy at a rate above standard  
18           electricity charges and allow them to come and go at any time. In contrast, Solar  
19           Direct operates as a long-term contractual subscriber-based green tariff program,  
20           designed to meet the preferences of governmental, large commercial, and  
21           manufacturing customers and use previous affordable pricing and economies of  
22           scale to apply credits and fees across multiple accounts.

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 Participation requirements differ significantly between the two programs. Solar  
2 Direct participants are required to make long-term contractual commitments and  
3 are obligated to pay the full cost of the resources dedicated to the program.  
4 Conversely, Sky Blue participants retain the flexibility to enroll or withdraw from  
5 the program at their discretion and are only responsible for program costs during  
6 the months in which they participate.

7

8 **Q. Has PNM met the requirements set forth under the Sky Blue investigation,**  
9 **Docket No. 21-00158-UT?**

10 **A.** Yes. PNM has complied with the requirements set out in the Sky Blue investigation,  
11 Case No. 21-00158-UT. PNM has filed quarterly reports tracking the regulatory  
12 asset balance which serves as the funding mechanism for the renewable energy  
13 generation resources for the Sky Blue program, namely 1.5 MW of solar energy  
14 from Manzano and the rest of the renewable energy generation comes from the  
15 NMWEC. PNM has also completed a Sky Blue satisfaction survey to measure  
16 subscribers' satisfaction with the program, which is described in greater detail under  
17 the “Market Research” section of my testimony.

18

19 **Q. What were the possible outcomes of the Sky Blue evaluation?**

20 **A.** The Sky Blue evaluation identified three potential courses of action regarding the  
21 future of the program:

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

- 1           1. Maintain the program in its current form, indicating that the existing structure  
2           of the program is satisfactory to customers, and the program’s financials  
3           indicate the program is or will be self-sustaining.
- 4           2. Modify or amend the program, suggesting that either customer satisfaction or  
5           program financials are in good standing, but modifications are necessary to  
6           improve program effectiveness or better meet customer needs.
- 7           3. Discontinue the program entirely, reflecting a determination that the program  
8           is no longer viable or fails to deliver sufficient benefit to justify its continuation.

9

10 **Q.    What metrics were required and evaluated to determine if the program should**  
11 **be continued, modified, or terminated?**

12 **A.**    The metrics that PNM used to determine the future of the Sky Blue program were:

- 13           • Customer Satisfaction
- 14           • Annual Energy Sales
- 15           • Accrual of the monetary balance of the regulatory asset

16           The first metric focused on customer experience and was valuable in understanding  
17           customer’s attitudes towards the Sky Blue program and voluntary renewable  
18           programs in general. The second and third metrics are related and provide insight  
19           into whether the program is or could be sustainable on program participation alone.

20

21 **Q.    What is the outcome of the Customer Satisfaction Survey for the existing Sky**  
22 **Blue subscribers?**

**DIRECT TESTIMONY**  
**DRU E. JONES**  
**NMPRC CASE NO. 25-00071-UT**

1    **A.**    The Market Research section of my testimony details the findings of the Customer  
2            Satisfaction Survey.

3

4    **Q.**    **What is the current state of the Sky Blue regulatory account balance?**

5    **A.**    PNM has managed to significantly decrease the negative regulatory account  
6            balance over the evaluation period in Case No. 21-00158-UT. By recruiting a large  
7            commercial customer, the program has been able to reduce the regulatory account  
8            balance from approximately -\$1.6 M in April of 2022, to approximately -\$148,000  
9            in March of 2026, and PNM forecasts that based on the current trend, the regulatory  
10           account balance may be close to or reach \$0 by July of 2026. Please note that the  
11           regulatory account balance does not mean the overall revenue requirement for the  
12           facilities, rather it represents the past under collection of the program.

13

14   **Q.**    **What have total energy sales been for the Sky Blue program during the**  
15            **evaluation period?**

16   **A.**    2022- 15,960 MWh

17            2023- 14,293 MWh

18            2024- 16,926 MWh

19            2025- 18,089 MWh

20            The 2025 energy sales include Sky Blue subscriptions through the month of  
21            December.

22

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 **Q. Why does PNM recommend terminating the Sky Blue program rather than**  
2 **continuing or modifying the program?**

3 **A.** After carefully tracking the agreed-upon metrics used to evaluate the future of the  
4 Sky Blue program, PNM is proposing to terminate the program rather than continue  
5 or modify it. While the program's financial performance has been trending in a  
6 positive direction and was previously projected to reach a zero balance around July  
7 2026, updated data indicates a slower recovery. Throughout 2025, Sky Blue  
8 revenues exceeded costs by an average of \$29,170 per month, which helped reduce  
9 the regulatory account balance. However, since the filing date of my original  
10 testimony, a large subscriber has interconnected behind-the-meter generation,  
11 thereby significantly reducing their Sky Blue subscription size. The past two  
12 months of 2026 data show monthly revenues now exceed costs only by an average  
13 of about \$5,000; this level of subscription materially extends the timeframe for  
14 eliminating the regulatory asset balance. As a result, the Sky Blue regulatory asset  
15 is now projected to reach a zero balance in May of 2029.

16  
17 In addition to these financial considerations, PNM was unable to recruit and secure  
18 a sufficient number of new large customers willing to make long-term  
19 commitments. Without these commitments, PNM lacks confidence that the  
20 program can sustain itself through the remaining depreciable life of the 1.5 MW  
21 solar allocation from the Manzano Solar Facility, which fully depreciates in  
22 October 2043. Furthermore, modifying the program presents challenges due to its

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 current design, which allows customers to participate without long-term  
2 commitments and to subscribe in blocks as small as 100 kWh. This structure creates  
3 ongoing concerns regarding financial sustainability and the potential for non-  
4 participant subsidization.

5

6 **Q. What does PNM propose to do with the generation resources that currently  
7 provide the renewable energy that serves the Sky Blue program?**

8 **A.** PNM proposes that, after the termination of Sky Blue, the 1.5 MW solar allocation  
9 from Manzano and the renewable energy dedicated to the Sky Blue program from  
10 the NMWEC be reallocated and used towards PNM's Renewable Portfolio  
11 Standard (RPS) requirements given that they will no longer be associated with a  
12 voluntary program.<sup>2</sup>

13

14 **Q. When does PNM propose to discontinue the Sky Blue program?**

15 **A.** PNM proposes to continue the program through at least December 31, 2026,  
16 terminating it on that day or in early January 2027. When PNM filed its original  
17 application in this proceeding, we proposed termination on or around July 2026,  
18 which coincided with the timing of when the Sky Blue regulatory account balance  
19 would be at or as close as possible to \$0. However, when PNM filed its original  
20 application and published public notice, a large Sky Blue customer objected to the  
21 termination of the program. Throughout January and February of 2026, PNM met

---

<sup>2</sup> See NMSA 1978, § 62-16-4 (2019).

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 with that customer to discuss their concerns, the result of which is PNM's amended  
2 proposal pushing back the termination date to no earlier than December 31, 2026.  
3 This timing will allow sufficient time to notify subscribers of the discontinuance of  
4 the program and consider other options such as Community Solar or behind-the-  
5 meter interconnection should they so choose.

6  
7 **Q. What does PNM propose to do with the regulatory asset balance if it is not \$0**  
8 **when the program is terminated?**

9 **A.** PNM proposes to recover the minimal balance remaining in the regulatory asset  
10 through the RPS. As mentioned previously, PNM has managed to recruit a large  
11 commercial customer to the program that has significantly contributed to the  
12 increase in monthly program revenues. This same customer has now completed  
13 their own behind-the-meter renewable energy project, which has dramatically  
14 reduced their net consumption and thereby subscription to the program. The  
15 projection of the program being in a net neutral financial position in July of 2026  
16 was based on the assumption that this large commercial customer would continue  
17 its participation at the current subscription level. Now that this customer's energy  
18 project is online, the program will likely not achieve the net neutral financial  
19 position as previously projected in July of 2026. See PNM Exhibit DEJ-6.

20

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 PNM will continue to manage the program through the operational wind down  
2 process and propose to reallocate the program generation resources and associated  
3 regulatory asset balance as of December 31, 2026, into the PNM RPS.

**III. MARKET RESEARCH**

4  
5  
6 **Q. Please describe PNM's market research initiatives driving the decision to**  
7 **terminate the Sky Blue program.**

8 **A.** PNM conducted several market research initiatives during the evaluation of the Sky  
9 Blue program to better understand customers' attitudes towards the program and  
10 voluntary renewable programs in general. As the first initiative to gather  
11 intelligence as part of the Sky Blue evaluation in Case No. 21-00158-UT, PNM  
12 conducted a survey to gauge the satisfaction of active Sky Blue participants. The  
13 second marketing initiative, PNM deployed a survey targeted at large commercial  
14 and industrial customers who had previously indicated interest in a new voluntary  
15 renewable energy program, or those identified by PNM's Account Management  
16 team as potential participants. PNM also engaged in numerous conversations with  
17 customers about opportunities to participate in a voluntary renewable energy  
18 program. And finally, PNM hosted a customer focus group on September 3, 2025,  
19 where interested customers were invited to attend an informative meeting to discuss  
20 the current state and future of PNM's voluntary renewable energy programs. I will  
21 elaborate on each of the efforts in greater detail in the next series of questions.

22

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 **Q. What were the findings of the survey implemented to gauge the satisfaction of**  
2 **active Sky Blue participants?**

3 A. When asked about their satisfaction with the Sky Blue program, the most common  
4 response was a 10 (on a scale of 1 – 10), with 32.27% of participants indicating the  
5 highest level of satisfaction. However, 21.51% of respondents were unsure or  
6 unaware that they subscribed to the Sky Blue program. Customers are generally  
7 satisfied with their participation in the Sky Blue program, with 58.15% of  
8 respondents rating their satisfaction at an 8 or higher.

9

10 **Q. Did the Sky Blue satisfaction survey ask participants if they intended to**  
11 **subscribe to the community solar program once it became available?**

12 A. Yes. The second question of the Sky Blue satisfaction survey aimed to understand  
13 participants' interest and plans to subscribe to the Community Solar program. The  
14 results showed that 49.12% of respondents indicated they plan to subscribe to  
15 Community Solar, 4.09% said they do not plan to subscribe, and 46.78% were  
16 unsure about their plans regarding Community Solar.

17

18 **Q. What other information was gathered as part of the Sky Blue satisfaction**  
19 **survey?**

20 A. The third question of the Sky Blue satisfaction survey aimed to understand which  
21 attributes of a future voluntary renewable energy program were most important to  
22 participants. The respondents indicated that a future program should include a mix

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 of solar and wind energy (64.85%), help build new renewable energy facilities  
2 (61.82%), and fund environmental projects such as reforestation or habitat  
3 restoration (51.52%).

4

5 **Q. What was the general assessment that came from the Sky Blue satisfaction**  
6 **survey?**

7 **A.** Sky Blue participants are happy with the program. However, the second highest  
8 rated response being “Unsure/I didn’t know I was subscribed” is concerning. Upon  
9 further investigation and reviewing many of the freeform answers from question  
10 number 4, it appears that many active Sky Blue participants are also PNM rooftop  
11 solar customers participating in PNM’s net energy metering program. It is  
12 suspected that these PNM rooftop solar customers, who also participate in the Sky  
13 Blue program, do not see the Sky Blue charges or credits due to the fact that many  
14 PNM rooftop solar customers do not receive a typical bill from PNM because of  
15 the net metering billing and credits generated from the export of overproduction  
16 from their rooftop solar system.

17

18 The responses to the second question regarding customers' interest and plans to  
19 subscribe to Community Solar were also clear. While the Sky Blue program has  
20 been popular, it is a premium-priced program, meaning customers pay more to  
21 participate and claim their subscription to Sky Blue as clean renewable energy. In  
22 contrast, the Community Solar program offers customers bill credits to offset their

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 energy costs, which may result in net savings for the portion of energy customers  
2 to which subscribe.

3  
4 The third question aimed to better understand which attributes of a future voluntary  
5 renewable energy program were important to participants in the event PNM opted  
6 to design a new voluntary renewable energy program to replace the Sky Blue  
7 program.

8

9 **Q. What are other details of the Sky Blue satisfaction survey?**

10 **A.** The Sky Blue satisfaction survey was deployed to 3,034 customers, with 344  
11 providing responses. The survey was in the market from February 17, 2025, through  
12 February 28, 2025. The survey was deployed via SurveyMonkey<sup>3</sup> and consisted of  
13 four questions: three multiple choice questions and one open ended free form  
14 answer. A copy of the Sky Blue satisfaction survey is attached as PNM Exhibit  
15 DEJ-4.

16

17 **Q. What was the objective of surveying commercial and industrial customers that  
18 had previously shown interest in a new voluntary renewable energy program?**

19 **A.** The objective of surveying commercial and industrial customers who had  
20 previously shown interest was to formally identify those who were genuinely

---

<sup>3</sup> See <https://www.surveymonkey.com/>.

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 interested and serious about participating in a voluntary renewable energy program,  
2 and hopefully willing to commit to a long-term engagement.

3

4 **Q. What were the results from the survey deployed to commercial and industrial**  
5 **customers that had previously shown interested in a voluntary renewable**  
6 **energy program?**

7 **A.** The survey results were as follows: A total of 20 customers were surveyed. Of  
8 those, six customers indicated they were “Very Interested,” ten customers indicated  
9 they were “Somewhat Interested,” and four indicated they were “Not Interested.”  
10 Among the 16 customers who expressed either “Very Interested” or “Somewhat  
11 Interested,” only eight, or half of those customers, were willing to pay a premium  
12 for a new voluntary renewable energy program, with varying levels of willingness  
13 to commit to a long-term contract with most reporting willing to commit to less  
14 than 5 years.

15

16 **Q. What are other details of the survey deployed to commercial and industrial**  
17 **customers?**

18 **A.** The survey was deployed to 20 customers identified as being a commercial or  
19 industrial customer that has expressed interest in PNM voluntary renewable energy  
20 programs in the past. The survey was designed on the Qualtrics Survey System and  
21 sent electronically to contacts at each of the 20 companies by their respective  
22 Account Manager on April 8, 2025, and closed on April 18, 2025.

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1

2 **Q. Please describe the customer focus group meeting PNM hosted for customers**  
3 **regarding the Sky Blue program.**

4 **A.** In collaboration with PNM’s Account Management Department, which manages  
5 relationships with PNM’s largest customers, invitations were sent to those who had  
6 expressed interest in a new voluntary renewable energy program. This interest was  
7 indicated either through the formal survey deployed in March 2025 or through  
8 general conversations with their Account Managers. Despite sending dozens of  
9 email invitations, only three customers attended the customer focus group meeting  
10 on September 3, 2025. Of those three, only one customer showed slight interest in  
11 a new voluntary renewable energy program, while the others were not interested.

12

13 **Q. Why are those customers that have shown an interest in voluntary renewable**  
14 **energy programs no longer interested?**

15 **A.** Generally, customers were concerned about the premium price and cited an  
16 unwillingness to commit to a long-term renewable energy contract. Additionally,  
17 some customers mentioned having less aggressive greenhouse gas (GHG)  
18 emissions reduction goals and expressed concerns about the potential volatility of  
19 renewable energy pricing in the future.

20

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

**IV.     TRANSITIONING TO COMMUNITY SOLAR**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

**Q.     Does PNM have an idea how many existing Sky Blue customers plan to subscribe to the Community Solar program?**

**A.**     From the Sky Blue Satisfaction Survey deployed in February of 2025, 49.12% of respondents indicated they plan to subscribe to the Community Solar program. This represents 27% of kWh subscriptions to Sky Blue.

**Q.     Can all customers who subscribe to Sky Blue participate in the Community Solar program?**

**A.**     No. Community Solar is available for residential customers, nonprofits, Native American communities, small businesses, religious organizations, municipalities, counties, and public or charter schools. While this list covers many customer segments, some large commercial and industrial customers are not eligible.

**Q.     Does PNM have any other voluntary renewable energy programs large commercial and industrial customers could participate in?**

**A.**     Unfortunately, PNM does not currently have any voluntary renewable energy programs available for new enrollment by commercial and industrial customers. While PNM offers Solar Direct as a voluntary renewable energy program that may serve this segment, it is fully subscribed and not open to new subscribers at this time.

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 **Q. Did PNM consider modifying the existing Sky Blue program as one of the**  
2 **options from the Sky Blue evaluation, Docket No. 21-00158-UT?**

3 **A.** Over the past 18 months, PNM has explored ways to modify or amend the current  
4 Sky Blue program to make it more successful. Unfortunately, the current premium  
5 price point of \$0.017 exceeds what most commercial and industrial customers are  
6 willing to pay to participate in a voluntary renewable energy program. Additionally,  
7 pricing for new renewable resources is uncertain and current forecasts predict more  
8 expensive procurements; market conditions will need to change significantly to  
9 reach a lower and more attractive price point for customers to participate.

10

11 **Q. Does PNM have plans to develop a new voluntary renewable energy program**  
12 **in the future that would meet the needs of large commercial and industrial**  
13 **customers?**

14 **A.** As stated by PNM witness Babej, PNM remains committed to exploring new and  
15 innovative programs that bring value to customers. This commitment includes the  
16 development of future voluntary renewable energy programs that meet the needs of  
17 large commercial and industrial customers. PNM is continuously evaluating market  
18 conditions and exploring opportunities to create programs that offer competitive  
19 pricing and align with the evolving needs of its customers.

20



**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1 **Q. Please outline the proposed communications budget for the termination of the**  
2 **Sky Blue program.**

3 **A.** PNM will not require additional budget for communications to existing Sky Blue  
4 subscribers. PNM will utilize existing communication channels, assets and internal  
5 administration to execute the termination notification plan and will absorb the costs  
6 associated with notifying Sky Blue subscribers of the programs pending  
7 termination two to three months prior to the program’s official termination. This  
8 strategy will ensure that Sky Blue program funds are maximized toward REC  
9 retirement and ongoing management to reduce the regulatory asset balance rather  
10 than incurring costs for program termination activities.

11

12 **Q. Please describe the marketing and customer notification plan associated with**  
13 **terminating the Sky Blue program.**

14 **A.** The marketing and customer notification plan associated with the Sky Blue  
15 program will utilize the marketing channels PNM operates for other daily  
16 communication purposes. PNM will launch a comprehensive informational  
17 campaign using email, webpage banners, and on-bill messages. These  
18 communications will explain the termination of the program and highlight other  
19 opportunities for customers to participate in programs. Subsequently, PNM will  
20 update the Sky Blue webpage<sup>4</sup> to reflect the operational wind-down and termination  
21 of the program, including FAQs and customer support contact.

---

<sup>4</sup> <https://www.pnm.com/pnmskyblue>.

**DIRECT TESTIMONY  
DRU E. JONES  
NMPRC CASE NO. 25-00071-UT**

1

2 **Q. Please summarize your testimony.**

3 **A.** My testimony supports the termination of PNM's Sky Blue program, a voluntary  
4 renewable energy program. The testimony provides background and historical  
5 information about the program, presents market research findings, discusses the  
6 potential for current subscribers to transition to the Community Solar program, and  
7 outlines the proposed communications budget and marketing strategies for the  
8 termination process. My testimony also highlights the challenges faced in  
9 developing new voluntary renewable energy programs for large commercial and  
10 industrial customers. Based on the supporting information provided in my  
11 testimony, it is at this time that PNM seeks to terminate the Sky Blue program no  
12 earlier than December 31, 2026.

13

14

**VI. CONCLUSION**

15 **Q. Does this conclude your testimony?**

16 **A.** Yes.

*GCG#534986*