

PUBLIC SERVICE COMPANY OF NEW MEXICO

**THIRD REVISED RIDER NO. 56
CANCELLING SECOND REVISED RIDER NO. 56**

Community Solar Rider

Page 1 of 5

APPLICABILITY: In conformance with the Community Solar Act, NMSA 1978, §§ 62-16B-1 to -8 (2021, as amended through 2022) ("Act"), the rider ("Community Solar Rider" or "Rider") will apply to all eligible retail customers of Public Service Company of New Mexico (the "Company" or "PNM") who are subscribers to a community solar facility.

TERRITORY: All territory served by the Company in New Mexico.

DEFINITIONS: The following definitions apply to this Rider:

- (A) Base Rate is a dollar per kilowatt hour rate derived from the total amount of a qualifying utility's demand, energy and other costs approved by the Commission for each applicable customer class and includes the minimum monthly charges but does not include the Fuel and Purchased Power Cost Adjustment Clause Rate and the Renewable Energy Rider Rate. The Base Rate is identified below by customer class. The Base Rate may be reset in the Company's general rate proceeding or in other advice notice filings as necessitated by the implementation of a change in the Commission's rules or orders.
- (B) Commission means the New Mexico Public Regulation Commission.
- (C) Community Solar Bill Credit means the credit value of the electricity generated by a Community Solar Facility and allocated to a Subscriber to offset the Subscriber's Monthly Bill as required by the Community Solar Act at NMSA 1978, § 62-16B-6(B)(2).
- (D) Community Solar Bill Credit Rate is the dollar-per-kilowatt-hour rate approved by the Commission that is used to calculate a subscriber's Community Solar Bill Credit. The Community Solar Bill Credit Rate is the sum of the FCSPC Rate, the FPPCAC Rate, and the Renewable Energy Rider Rate, as defined herein.
- (E) Community Solar Billing Energy is defined as the kilowatt-hour (kWh) energy provided by the Subscriber Organization to PNM that is used to calculate a Subscriber's Community Solar Bill Credit. Community Solar Billing Energy is based on each Subscriber's Subscribed Energy amount and may include applied Unsubscribed Energy. Unsubscribed Energy may not be applied to a Subscriber if the Unsubscribed Energy allocation would result in the Community Solar Billing Energy exceeding the Subscriber's Monthly Consumption.
- (F) Community Solar Facility is defined by NMSA 1978, § 62-16B-2(D).
- (G) Distribution and Customer Cost Components means the functionalized distribution and customer costs identified by PNM in its general rate proceedings that may be subject to Commission-imposed rate mitigation decisions.
- (H) Fixed Community Solar Program Credit ("FCSPC") Rate is a component of the Community Solar Bill Credit Rate. It is equal to the Base Rate less the Distribution and Customer Cost Components in the Demand Component. This rate updates when base rates are updated in a general rate case.
- (I) Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") Rate means the amount included in the Community Solar Bill Credit Rate in accordance with the applicable FPPCAC rates from Rider No. 23, as applied to the non-renewable portion of the customer's fuel cost adjustment.

Advice Notice No. 647

/s/ Kyle T. Sanders

Kyle T. Sanders
Vice President, PNM Regulatory

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Page 2 of 5

- (J) Monthly Bill means the bill issued to a Subscriber in accordance with the Company's rate schedules reflecting the monthly charges for electric service under the customer's regular rate schedule, plus all applicable riders, taxes and fees.
- (K) Monthly Consumption means the total amount of kilowatt hours used by the Subscriber as stated on the Subscriber's Monthly Bill.
- (L) Renewable Energy Rider Rate means the rate set in accordance with Rider No. 36.
- (M) Subscribed Energy means the amount of electricity allocated to a Subscriber based on their average annual electricity consumption. The Company will provide the Subscriber Organization with this information, which is calculated from the Subscriber's average annual usage or average annual net metered usage. Net metered usage is the difference between the monthly production of the distributed generation system and the Subscriber's monthly usage. The Subscribed Energy must be sized to supply no more than one hundred percent of the average annual total kWh consumption of electricity at the Subscriber's premises, taking into account net metered usage.
- (N) Subscriber is defined by NMSA 1978, § 62-16B-2(L).
- (O) Subscriber Organization is defined by NMSA 1978, § 62-16B-2(M).
- (P) Subscription is defined by NMSA 1978, § 62-16B-2(N).
- (Q) Total Aggregate Retail Rate ("TARR") is defined by NMSA 1978, § 62-16B-2(O).
- (R) Unsubscribed Energy is defined by NMSA 1978, § 62-16B-2(Q). Although the definition in the Act uses the term "Electricity" the term "Energy" is used throughout the remainder of the Act.

TYPE AND CONDITIONS OF SERVICE: The basic assumption for purposes of issuance of a Community Solar Bill Credit is that a Subscriber Organization provides energy from a Community Solar Facility and delivers the entire output of energy from the Community Solar Facility to the Company. The Company then provides a Community Solar Bill Credit to all eligible Subscribers with valid Subscriptions to that Community Solar Facility.

This Community Solar Rider provides a Community Solar Bill Credit to any eligible retail customer of the Company who is a Subscriber to a Community Solar Facility.

COMMUNITY SOLAR BILL CREDIT RATE: The current Community Solar Bill Credit Rate applicable for each customer class is posted on the following website: <https://www.pnm.com/community-solar-rates>.

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Page 3 of 5

ILLUSTRATIVE COMMUNITY SOLAR BILL CREDIT RATE – PROVIDED AS AN EXAMPLE ONLY

The rates in the table below are for illustrative purposes only and will not reflect the currently applicable rates, which may be higher or lower than those included in the illustrative table below.

		A = B + C + D	B	C	D
Customer Class	Applicable Rate Schedules	Community Solar Bill Credit Rate (\$/kWh)	= FCSPC ¹ Rate (\$/kWh)	+ FPPCAC ² Rate (\$/kWh)	+ Renewable Energy Rider ³ Rate (\$/kWh)
Residential	1A, 1B	\$0.0941142	\$0.0591349	\$0.0286337	\$0.0063456
Small Power	2A, 2B	\$0.0891880	\$0.0542087	\$0.0286337	\$0.0063456
General Power	3B, 3C, 3D, 3E, 3F	\$0.0830549	\$0.0480756	\$0.0286337	\$0.0063456
Large Power	4B	\$0.0767375	\$0.0422666	\$0.0281253	\$0.0063456
Large Service	5B	\$0.1039909	\$0.0700221	\$0.0276232	\$0.0063456
Irrigation	10A, 10B	\$0.0785011	\$0.0435218	\$0.0286337	\$0.0063456
Water	11B	\$0.0611116	\$0.0266407	\$0.0281253	\$0.0063456
Universities	15B	\$0.0824803	\$0.0486554	\$0.0274793	\$0.0063456
Manufacturing	30B	\$0.0729232	\$0.0388130	\$0.0277646	\$0.0063456
Station Power	33B	\$0.1153937	\$0.0815688	\$0.0274793	\$0.0063456
Large Power	35B	\$0.0722590	\$0.0381488	\$0.0277646	\$0.0063456
Special Service	36B	\$0.0941742	\$0.0603493	\$0.0274793	\$0.0063456

The Community Solar Bill Credit Rate is multiplied by the Community Solar Billing Energy. Unsubscribed Energy may not be applied to a Subscriber if the Unsubscribed Energy allocation would result in the total Subscribed Energy plus Unsubscribed Energy exceeding the Subscriber's Monthly Consumption.

¹ This represents the FCSPC Rate as of July 1, 2025, and is based on Phase I rates approved in Case No. 24-00089-UT.

² The FPPCAC Rate varies quarterly based on changes to Rider No. 23, the Fuel and Purchased Power Cost Adjustment Clause. The values shown in this table are for illustrative purposes only. For the current FPPCAC Rate applicable for each customer class, customers should visit the following website: <https://www.pnm.com/fuel-adjustment>.

³ The Renewable Energy Rider Rate varies bi-annually. The values shown in this table are for illustrative purposes only. For the current Renewable Energy Rider Rate, customers should review Rider No. 36 on PNM's Electricity Rates and Riders webpage at <https://www.pnm.com/rates>.

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CANCELLING SECOND REVISED RIDER NO. 56**

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Page 4 of 5

Fixed Community Solar Program Credit Rate

Customer Class	Applicable Rate Schedules	Fixed Community Solar Program Credit Rate ⁴ (\$/kWh)
Residential	1A, 1B	\$0.0591349
Small Power	2A, 2B	\$0.0542087
General Power	3B, 3C, 3D, 3E, 3F	\$0.0480756
Large Power	4B	\$0.0422666
Large Service	5B	\$0.0700221
Irrigation	10A, 10B	\$0.0435218
Water	11B	\$0.0266407
Universities	15B	\$0.0486554
Manufacturing	30B	\$0.0388130
Station Power	33B	\$0.0815688
Large Power	35B	\$0.0381488
Special Service	36B	\$0.0603493

The FCSPC Rate is determined pursuant to the methodology prescribed by the Commission in its Phase II Final Order in Docket No. 23-00071-UT. See Attachment A to this Community Solar Rider. The Company will calculate the FCSPC Rate for the applicable customer classes with every change in base rates after the initial implementation of the Community Solar Rider.

COMMUNITY SOLAR BILL CREDIT COST RECOVERY: The Company shall record the Community Solar Bill Credit issued to each Subscriber in a regulatory asset for recovery in the Company's general rate proceedings. When the Company seeks to recover the costs of the regulatory asset in the general rate proceeding, the utility shall determine in accordance with any applicable Commission regulations or orders if the Community Solar Bill Credit has exceeded the three percent subsidy limit set forth in NMSA 1978, § 62-16B-7(B)(8) and may propose in a general rate case where the subsidy is calculated a forward-looking methodology for recovering costs.

TERMS OF PAYMENT: The Company will apply the Community Solar Bill Credit to the Subscriber's Monthly Bill. If the Community Solar Bill Credit exceeds the Subscriber's Monthly Bill, the excess ("Carry Over Amount") may be applied to a Subscriber's Monthly Bill in the subsequent month.

⁴ Based on approved base rates from Case No. 24-00089-UT.

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Page 5 of 5

PERIODIC COMMUNITY SOLAR BILL CREDIT RATE ADJUSTMENT: The Company will file an updated Community Solar Rider as part of each general rate case filing or more frequently as necessitated by the implementation of a change in the Commission's rules or orders.

DURATION OF THE RIDER: This Community Solar Rider shall be in effect until replaced or canceled by the Commission.

RULES AND REGULATIONS: In addition to the Community Solar Bill Credit, as described in this Community Solar Rider, all specifics of service and monthly charges for electric service under the customer's regular rate schedule apply. Application of the Community Solar Rider assumes that the Subscription of a retail customer of the Company to a Community Solar Facility was sized to supply no more than one hundred percent of the Subscriber's average annual electricity consumption in conformance with NMSA 1978, § 62-16B-5. Where the Company's Rules and Regulations are not inconsistent with this Community Solar Rider, the Company's Rules and Regulations are a part of this Community Solar Rider as if fully written herein.

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Attachment A

PNM Community Solar Bill Credit Calculation Ph I Case No. 24-00089-UT

Page 1 of 2

Line		Residential	Small Power	General Power	Large Power	Large Service for	Irrigation
		Schedule 1	Schedule 2	Schedule 3	Schedule 4	Schedule 5	Schedule 10
		Residential	Small Power	General Power	Large Power	Large Service >=8,000kW	Irrigation
		A	B	C	D	E	F
1	Billing Determinants (kWh)	3,244,185,240	965,768,590	1,881,620,770	946,037,310	28,595,990	22,518,980

Demand-Energy-Customer Cost Components (Rate Case)								
2	Demand Cost Components	sum(L3:L5)	\$288,462,089	\$84,496,233	\$137,686,944	\$53,393,687	\$1,714,434	\$1,592,064
3	Production		\$135,575,129	\$35,894,471	\$61,679,582	\$26,633,862	\$1,277,478	\$667,289
4	Transmission		\$43,451,643	\$11,504,129	\$19,768,222	\$8,752,259	\$436,956	\$213,865
5	Distribution		\$109,435,317	\$37,097,633	\$56,239,140	\$18,007,566	\$0	\$710,909
6	Energy Cost Components	sum(L7:L8)	\$12,817,863	\$4,954,414	\$9,012,330	\$4,599,614	\$287,919	\$98,913
7	Fuel		\$0	\$0	\$0	\$0	\$0	\$0
8	Non-Fuel		\$12,817,863	\$4,954,414	\$9,012,330	\$4,599,614	\$287,919	\$98,913
9	Customer Cost Components	sum(L10:L15)	\$103,213,875	\$19,417,868	\$5,329,869	\$1,311,946	\$48,392	\$252,351
10	Services		\$15,239,392	\$1,893,726	\$0	\$0	\$0	\$0
11	Meters		\$15,802,028	\$6,777,441	\$2,945,748	\$603,344	\$7,482	\$191,009
12	Meter Reading		\$21,358,120	\$3,059,816	\$229,279	\$8,797	\$109	\$14,867
13	Billing & Collection		\$31,166,777	\$4,106,098	\$385,859	\$44,187	\$144	\$19,644
14	Service and Information		\$0	\$0	\$0	\$0	\$0	\$0
15	Other		\$19,647,558	\$3,580,787	\$1,768,983	\$655,617	\$40,656	\$26,831
16	Total Base Rate Components (\$)	L2 + L6 + L9	\$404,493,827	\$108,868,515	\$152,029,143	\$59,305,246	\$2,050,744	\$1,943,328

Relevant Rates (\$/kWh)								
17	Base Rate	L16 / L1	\$0.1246827	\$0.1127273	\$0.0807969	\$0.0626881	\$0.0717144	\$0.0862973
18	Fuel and Purchased Power Cost Adjustment Clause Rate (Rider No. 23)	04/01/2025 (80.6%)	\$0.0286337	\$0.0286337	\$0.0286337	\$0.0281253	\$0.0276232	\$0.0286337
19	Renewable Energy Rider Rate (Rider No. 36)	5/1/2025	\$0.0063456	\$0.0063456	\$0.0063456	\$0.0063456	\$0.0063456	\$0.0063456
20	Base Rate + Riders (\$/kWh)		\$0.1596620	\$0.1477066	\$0.1157762	\$0.0971590	\$0.1056832	\$0.1212766

LESS "commission-approved distribution cost components" (NMAC 17.9.573.20.A)								
21	Distribution Cost Component	L5 / L1	\$0.0337328	\$0.0384125	\$0.0298887	\$0.0190347	\$0.0000000	\$0.0315693
22	Customer Cost Component	L9 / L1	\$0.0318150	\$0.0201061	\$0.0028326	\$0.0013868	\$0.0016922	\$0.0112062
23	"distribution cost components" as Rates (\$/kWh)	sum(L21:L22)	\$0.0655478	\$0.0585187	\$0.0327213	\$0.0204215	\$0.0016922	\$0.0427755
24	<u>Community Solar Bill Credit Rate (\$/kWh)</u>	L20 - L23	\$0.0941142	\$0.0891880	\$0.0830549	\$0.0767375	\$0.1039909	\$0.0785011

25	Fixed Community Solar Program Credit Rate (\$/kWh)	L17 - L23	\$0.0591349	\$0.0542087	\$0.0480756	\$0.0422666	\$0.0700221	\$0.0435218
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Line		Wtar/Swg Pumping	Universities	Manufacturing	Large Power	Large Power	Special Service
		Schedule 11	Schedule 15	Schedule 30	Schedule 33B	Schedule 35B	Schedule 36
		Water & Sewage	(Universities 115 kV)	(Manuf, 12.5 kV)	Station Power	Large Power >=3,000kW	Renw. Energy Res.
		G	H	I	J	K	L
1	Billing Determinants (kWh)	172,081,786	69,886,280	879,995,270	2,727,450	174,308,550	350,268,360

Demand-Energy-Customer Cost Components (Rate Case)								
2	<u>Demand Cost Components</u>	sum(L3:L5)	<u>\$7,670,996</u>	<u>\$2,884,764</u>	<u>\$31,782,640</u>	<u>\$183,647</u>	<u>\$6,281,151</u>	<u>\$18,208,287</u>
3	Production		\$2,878,798	\$2,195,004	\$22,033,750	\$139,903	\$4,309,289	\$0
4	Transmission		\$971,467	\$689,761	\$7,491,621	\$43,744	\$1,465,187	\$18,208,287
5	Distribution		\$3,820,731	\$0	\$2,257,268	\$0	\$506,675	\$0
6	<u>Energy Cost Components</u>	sum(L7:L8)	<u>\$734,121</u>	<u>\$515,580</u>	<u>\$4,629,846</u>	<u>\$38,828</u>	<u>\$875,191</u>	<u>\$2,930,177</u>
7	Fuel		\$0	\$0	\$0	\$0	\$0	\$0
8	Non-Fuel		\$734,121	\$515,580	\$4,629,846	\$38,828	\$875,191	\$2,930,177
9	<u>Customer Cost Components</u>	sum(L10:L15)	<u>\$601,071</u>	<u>\$78,371</u>	<u>\$656,337</u>	<u>\$16,541</u>	<u>\$138,914</u>	<u>\$417,983</u>
10	Services		\$0	\$0	\$0	\$0	\$0	\$0
11	Meters		\$475,538	\$5,482	\$3,910	\$10,579	\$14,925	\$4,955
12	Meter Reading		\$6,934	\$80	\$57	\$154	\$218	\$72
13	Billing & Collection		\$9,162	\$106	\$75	\$204	\$288	\$95
14	Service and Information		\$0	\$0	\$0	\$0	\$0	\$0
15	Other		\$109,437	\$72,703	\$652,294	\$5,604	\$123,484	\$412,861
16	<u>Total Base Rate Components (\$)</u>	L2 + L6 + L9	<u>\$9,006,188</u>	<u>\$3,478,716</u>	<u>\$37,068,822</u>	<u>\$239,016</u>	<u>\$7,295,256</u>	<u>\$21,556,447</u>

Relevant Rates (\$/kWh)								
17	Base Rate	L16 / L1	\$0.0523367	\$0.0497768	\$0.0421239	\$0.0876334	\$0.0418525	\$0.0615427
18	Fuel and Purchased Power Cost Adjustment Clause Rate (Rider No. 23)	04/01/2025 (80.6%)	\$0.0281253	\$0.0274793	\$0.0277646	\$0.0274793	\$0.0277646	\$0.0274793
19	Renewable Energy Rider Rate (Rider No. 36)	5/1/2025	\$0.0063456	\$0.0063456	\$0.0063456	\$0.0063456	\$0.0063456	\$0.0063456
20	Base Rate + Riders (\$/kWh)		\$0.0868076	\$0.0836017	\$0.0762341	\$0.1214583	\$0.0759627	\$0.0953676

LESS "commission-approved distribution cost components" (NMAC 17.9.573.20.A)								
21	Distribution Cost Component	L5 / L1	\$0.0222030	\$0.0000000	\$0.0025651	\$0.0000000	\$0.0029068	\$0.0000000
22	Customer Cost Component	L9 / L1	\$0.0034929	\$0.0011214	\$0.0007458	\$0.0060646	\$0.0007969	\$0.0011933
23	"distribution cost components" as Rates (\$/kWh)	sum(L21:L22)	\$0.0256959	\$0.0011214	\$0.0033109	\$0.0060646	\$0.0037037	\$0.0011933
24	<u>Community Solar Bill Credit Rate (\$/kWh)</u>	L20 - L23	\$0.0611116	\$0.0824803	\$0.0729232	\$0.1153937	\$0.0722590	\$0.0941742

25	Fixed Community Solar Program Credit Rate (\$/kWh)	L17 - L23	\$0.0266407	\$0.0486554	\$0.0388130	\$0.0815688	\$0.0381488	\$0.0603493
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