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June 1, 2026

**Via PRCe360 e-Filing & Case Management System**

Ms. Melanie Sandoval  
Records Bureau Chief  
New Mexico Public Regulation Commission

*Re: Application for Approval of PNM's 2027-2029 Transportation Electrification Program*

Dear Ms. Sandoval:

Public Service Company of New Mexico ("PNM") hereby files its 2027-2029 Transportation Electrification Program ("TEP"). The TEP filing includes the testimony of three PNM witnesses and includes:

- Application;
- Proposed Form of Notice;
- Direct Testimony and Exhibits of Alaric Babej, John Williamson, and Abraham Casas.

PNM will serve a copy of this Application and all attachments on the Attorney General and all counsel of record and parties pro se in PNM's last rate case (Docket No. 24-00089-UT) and PNM's last Transportation Electrification Program case (Docket No. 23-00195-UT). All notices, pleadings, documents and other communications regarding this filing should be sent to the following individuals:

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This application is being electronically filed, and a copy of the check for the \$25.00 filing fee is attached.

If you have any questions, please contact me at (505) 241-0657, or at latoya.ferguson@txnmenergy.com.

Respectfully submitted,

/s/ Latoya Ferguson

Latoya Ferguson  
Project Manager, Regulatory

GCG#535336

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF PUBLIC SERVICE )  
COMPANY OF NEW MEXICO’S )  
APPLICATION FOR APPROVAL OF ITS )  
2027-2029 TRANSPORTATION )  
ELECTRIFICATION PROGRAM, )  
 )  
PUBLIC SERVICE COMPANY OF NEW )  
MEXICO, )  
 )  
 )  
Applicant )  
\_\_\_\_\_ )**

**CASE NO. 26-00000XX**

**APPLICATION FOR APPROVAL OF TRANSPORTATION ELECTRIFICATION  
PROGRAM, PROGRAM COST TARIFF RIDER AND  
ELECTRIC VEHICLE CHARGING RATE OPTIONS**

Public Service Company of New Mexico (“PNM”), pursuant to NMSA 1978, Section 62-8-12 and 17.1.2.10 and 17.9.574 NMAC, hereby submits its Application for Approval of its 2027-2029 Transportation Electrification Program (“TEP”). The Application is made pursuant to NMSA 1978, Section 62-8-12 (the “TE Statute”), which was enacted by the New Mexico Legislature in 2019 to expand the electrification of the transportation sector in New Mexico, and 17.9.574 NMAC (“Rule 574”) governing applications to expand transportation electrification.

As explained further below, PNM’s Transportation Electrification Program proposes a comprehensive approach to support the adoption of transportation electrification through incentives to both residential and non-residential customers who adopt transportation electrification. The incentives are intended to reduce barriers to the adoption of transportation electrification and to increase the availability of electric vehicle (“EV”) charging infrastructure in a number of different settings. Closely coupled with the proposed charging incentives are two rate

options for residential and non-residential customers designed to encourage EV charging at off-peak hours as EVs become a larger part of PNM's load.

In accordance with the TE Statute, PNM requests that the Commission approve the following:

- (1) PNM's Transportation Electrification Program ("TEP") for 2027 through 2029;
- (2) Continuation of PNM's currently approved TEP for an additional 90 days after approval, into 2027, as necessary, to allow for implementation of the TEP approved as part of this case;
- (3) PNM's proposed TEP budget and budget flexibility proposal;
- (4) Continuation of PNM's Whole House Electric Vehicle Charging Rate Pilot, a rate option under current Rate No. 1A – Residential Service;
- (5) Continuation of PNM's proposed time-of-use pilot rate for non-residential customers under Rate No. 3F – Non-Residential Charging Station Pilot;
- (6) Continuation of PNM's proposed Transportation Electrification Program Rider ("TEP Rider"), which will allow PNM to recover the costs of the TEP as authorized by NMSA 1978, Section 62-8-12(C);
- (7) Continuation of PNM's previously approved regulatory asset in order to implement the TEP Rider;
- (8) As necessary, a variance from Commission Rule 17.9.530 NMAC, which prescribes minimum data requirements to be filed in support of a tendered new rate schedule; and
- (9) Any other approvals, authorizations, and actions that may be required under the Public Utility Act or the TE Statute to implement PNM's proposed TEP.

Commission Rule 574.12(C) NMAC requires that the Commission complete its review of a public utility's TEP application no later than six months after the filing of the Application, but allows the Commission to extend the review period for an additional three months, should the Commission find that a longer review period is required. PNM requests that it be allowed to continue its

currently approved TEP for an additional ninety days after a Final Order in this docket, into 2027, to allow for implementation of the approved 2027-2029 TEP. This will provide a smooth transition to the new TEP by ensuring there is no gap between implementation periods.

**In further support of this Application, PNM states the following:**

**I. BACKGROUND AND STATUTORY AUTHORITY**

***Transportation Electrification Statute (“TE Statute”)***

1. PNM is a New Mexico corporation that owns, operates and controls public utility plant, property and facilities, including generation, transmission and distribution facilities that provide retail and wholesale electric service in New Mexico. PNM is a public utility subject to the jurisdiction of the Commission.

2. The TE Statute requires investor-owned electric utilities to file an application to expand transportation electrification with the Commission no later than January 1, 2021. The TE Statute, at NMSA 1978, Section 62-8-12(A), states that utility applications to expand transportation electrification:

may include investments or incentives to facilitate the deployment of charging infrastructure and associated electrical equipment that support transportation electrification, including electrification of public transit and publicly owned vehicle fleets, rate designs or programs that encourage charging that supports the operation of the electric grid and customer education and outreach programs that increase awareness of such programs and of the benefits of transportation electrification.

3. The TE Statute directs the Commission to consider whether the utility’s proposed investments, incentives, programs and expenditures are:

- (1) reasonably expected to improve the public utility’s electrical system efficiency, the integration of variable resources, operational flexibility and system utilization during off-peak hours;
- (2) reasonably expected to increase access to the use of electricity as a transportation fuel, with consideration given for increasing such access to low-income users and users in underserved communities;
- (3) designed to contribute to the reduction of air pollution and greenhouse gases;
- (4) reasonably expected to support increased consumer choices in electric vehicle charging and related infrastructure and services; allow for private capital investments and skilled jobs in related services; and provide customer information and education;
- (5) reasonable and prudent, as determined by the commission; and
- (6) transparent, incorporating public reporting requirements to inform program design and commission policy.

NMSA 1978, Section 62-8-12(B).

***Rule 574***

4. On December 14, 2022, the Commission issued a Final Order in case 22-00085-UT, adopting Rule 574 and establishing additional compliance requirements for investor-owned utilities (“IOUs”) and TEP applications. The Commission established requirements for all IOUs to file three-year TEP applications, filing dates and review timelines, and annual progress reporting requirements, among other items. The Commission established the following additional program requirements for all TEP applications:

- i. strategies and measures for expanding transportation electrification among low-income customers and underserved communities;

- (a) a percentage budgetary carveout for measures aimed at increasing EV awareness and adoption among low-income customers and in underserved communities;
  - (b) outreach and marketing strategies and measures for expanding transportation electrification among low-income customers and in underserved communities;
  - (c) strategies and measures for mass transit operations, ride-sharing programs, and multi-family dwelling units in the utility's service area that serve low-income customers and underserved communities.
- ii. strategies and measures for expanding transportation electrification across multiple EV classes, including but not limited to personal and commercial light-duty, medium-duty, and heavy-duty EVs, and electric bicycles;
- iii. expected customer participation estimates and the methods used to derive such estimates;
- iv. strategies and measures for servicing multiple market segments, including but not limited to commercial businesses, multi-family dwelling units, single-family homes, and ride-sharing and public transit programs;
- v. strategies and measures for coordinating with State or federal EV infrastructure planning;

- vi. strategies and measures for coordinating with existing business locations that sell and dispense transportation fuel to the public; and
- vii. identification of key performance indicators for program success and how these indicators are utilized to further the success of the program.

## II. PNM'S TRANSPORTATION ELECTRIFICATION PROGRAM

5. PNM has developed its portfolio of EV charging incentives with supporting rate design incentives to meet the goals and requirements of the TE Statute. PNM's TEP presents the following portfolio that targets customers in residential (including low-income) and non-residential segments:

### A. Residential Charging Incentives:

- i. \$5,360,141.25 to incentivize the purchase and/or installation of an estimated 2,827 Level 2 Home Chargers, which includes a low-income budgetary carveout of \$1,957,230 to serve an estimated 559 low-income customers;
- ii. \$1,089,821.25 to incentivize the purchase of an estimated 3,054 electric bicycles, \$489,307.50 of which is intended for low-income customers, to offset the purchase price of a qualifying electric bicycle;
- iii. \$2,446,537.50 to incentivize the purchase of an estimated 611 qualifying new or used EVs by low-income customers; and
- iv. Continuance of an active managed charging pilot program, approved in 23-00195-UT, consisting of 1,000 actively managed participants, with budget to support enrollment incentives of \$75 to maintain 1,000 participants and \$8 per month for each enrolled participant through the end of the pilot program.

### B. Non-Residential Charging Incentives:

- i. \$5,436,750 to fully support the deployment of Level 1 and/or Level 2 EV charging infrastructure at multifamily properties across PNM’s service territory, which PNM anticipates will incentivize an estimated 865 Level 2 charger ports; \$2,174,700 (40%) will be dedicated to EVSE projects at multifamily properties in underserved communities;
- ii. \$3,262,050 to fully support the deployment of Level 2 and DCFC EV charging infrastructure at locations ideal for public, workplace, and fleet EV charging needs; \$978,615 (30%) will be dedicated to EVSE projects at non-residential properties in underserved communities; and
- iii. \$2,174,700 to incentivize the deployment of Level 2 and DCFC EV charging infrastructure at locations ideal for public DCFC and fleet EV charging needs, including Mass Transit, although any use case and charging level is eligible to participate; \$434,940 (20%) will be dedicated to EVSE projects at non-residential properties in underserved communities.

**C. EV Rates:**

- i. PNM’s Whole House Electric Vehicle Rate Pilot, a rate option under current Rate No. 1A – Residential Service; and
- ii. PNM’s time-of-use rate pilot for non-residential customers under Rate No. 3F – Non-Residential Charging Station Pilot. PNM will re-evaluate this rate in a future general rate case or its next TEP filing.

**D. Marketing, Education, and Outreach:**

- i. \$3,295,000 to support customer education, marketing, and outreach activities to increase the awareness of transportation electrification as required by the TE Statute, including media engagement, community outreach, and informational campaigns about the benefits of transportation electrification and the resources available to customers through the 2027-2029 TEP; \$1,318,000 (40%) of which is reserved for such activities undertaken to reach low-income customers and those living in underserved communities.

**E. Market Transformation:**

- i. \$500,000 to incentivize 5,000,000 electric miles driven by ride-share and app-based delivery drivers in PNM’s service territory by providing a \$0.10 incentive per electric mile driven, 50% of which will be reserved for participants self-certifying as low-income;

- ii. \$1,724,125, of which 40%, or \$689,650, will be dedicated to efforts intended for low-income customers, to assist in the development of a sustainable residential transportation electrification market ecosystem through the deployment of self-service residential customer education and exploration tools, auto dealer education and market engagement, electrical contractor education and market development, and funding to support ongoing administrative needs for existing car share projects in PNM’s service territory; and
- iii. \$2,718,375, of which 20%, or \$543,675, will be dedicated to efforts intended to support users in underserved communities, to assist in the development of a sustainable non-residential transportation electrification market ecosystem through the deployment of self-service fleet electrification exploration tools, consultative fleet electrification advisory services to support improved customer decision-making during the fleet electrification planning process, and non-residential market transformation and business development services to support customer exploration of business models associated with EVSE;

**F. Program Administration**

- i. In-house and/or third-party administrative support; and
- ii. Software tools.

6. PNM’s TEP budget will be allocated as shown in the following table:

<b><u>Program</u></b>	<b><u>Subtotal</u></b>
<b>Residential EV and EVSE Incentives</b>	\$8,896,500
<b>Non-Residential EVSE Incentives</b>	\$10,873,500
<b>Market Transformation</b>	\$4,942,500
<b>Marketing, Education, and Outreach</b>	\$3,295,000
<b>Administrative Infrastructure</b>	\$4,942,500
<b>Total</b>	<b>\$32,950,000</b>

7. PNM developed its TEP after consultation with a number of interested parties, including the Commission’s Utility Division Staff, environmental advocates, neighboring electric

utilities, large customers, and EV industry advocates. These parties were invited to provide input into the TEP, and PNM considered that input in the development of the TEP. PNM held a public participation meeting in April 2026 that included an overview of PNM's proposed programs and budget. PNM held additional, individual stakeholder meetings as requested by interested parties.

8. The TEP's proposed investments, incentives, programs, and expenditures are designed to meet the requirements of the TE Statute, including expanding access to the use of electricity as a transportation fuel, with consideration for low-income users and users in underserved communities.

9. In compliance with the TE Statute's emphasis on transparent plans that incorporate public reporting requirements to inform program design and Commission policy, as well as Commission Rule 574.13, PNM will prepare and file an annual TEP progress report. PNM will file this report by June 1, 2024, and annually on June 1<sup>st</sup> thereafter. PNM plans to evaluate how the programs are affecting EV adoption, customer awareness and satisfaction, charging behavior and peak demand, and emissions.

10. PNM requests approval of its proposed TEP budget of \$32,950,000 covering program years 2027, 2028, and 2029 along with budget flexibility, as allowed by Rule 574.14. As explained further below, PNM additionally requests authorization to continue to recover its program expenses through the TEP Rider.

### **III. COST RECOVERY**

11. The TE Statute states that “[a] public utility that undertakes measures to expand transportation electrification pursuant to this section shall have the option of recovering the public utility’s reasonable costs for the expansion through a commission approved tariff rider or base rate or both.” NMSA 1978, Section 62-8-12(C).

12. Commission Rule 574.12(D) requires the Commission to address the utility’s proposed cost recovery for TEP costs.

13. PNM’s TEP will result in incremental costs that PNM’s currently-authorized rates are not designed to recover.

14. PNM requests Commission approval for continuation of the TEP Rider, originally approved in Case No. 20-00237-UT, as part of this Application. The TEP Rider will collect the actual known costs and expenses of implementing the TEP through a non-bypassable \$/kWh charge to all non-lighting rate schedules. If re-approved, PNM will continue to file a revised TEP Rider that contains an updated TEP Rider rate by the end of February each year of the TEP, which will be charged to customers beginning in the first billing cycle of May.

15. In conjunction with approval of the TEP Rider, PNM requests continued approval of a regulatory asset to collect program costs as they are incurred until the time they are collected through the TEP Rider. PNM proposes to account for costs and expenses in the regulatory asset during the course of each plan year and collect plan year costs and expenses from customers in the following year, once actual costs for the prior year are known. As previously approved, the regulatory asset will include a carrying charge equivalent to the Commission’s customer deposit interest rate, which, for 2026, is an annual rate of 3.74%.

#### IV. PNM'S WITNESSES

16. In support of its Application, PNM is concurrently filing the direct testimony of the following three witnesses and incorporates their testimony and exhibits as fully set forth in this Application:

- A. Mr. Alaric J. Babej describes the requirements of the TE Statute and Rule 574 and how PNM's TEP meets those requirements; describes the process by which the TEP was developed; and provides planning outlook addressing the two-year period beyond the three-year plan, as required by Rule 574.11(D).
- B. Mr. John E. Williamson III explains the elements of the proposed TEP in detail, including incentives for EVs and EV charging infrastructure for both residential and commercial customers; describes how the proposed TEP addresses low-income customers; discusses the market transformation and marketing, education and outreach components of the TEP; and explains how PNM will administer the TEP. PNM's 2027-2029 TEP is attached as PNM Exhibit JW-2 to Mr. Williamson's testimony.
- C. Mr. Abraham Casas presents the rate design for PNM's two proposed pilot rate options for residential and commercial EV charging; explains the collection of ongoing program costs through the TEP Rider; discusses the requested regulatory asset that will account for the monthly accrual of program expenses; and provides customer bill impacts of the TEP Rider for the plan years.

17. PNM's witnesses address all requirements of the TE Statute enumerated in NMSA 1978, Section 62-8-12(B), as well as the requirements of Rule 574.

## V. OTHER MATTERS

18. The following designated corporate representatives and legal counsel for PNM should receive all notices, discovery requests, objections and responses, briefs, and all other documents related to this case:

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19. PNM's proposed Notice to Customers is provided as Exhibit A. Pursuant to Rule 574.12(B), on the day PNM files this Application, the proposed Notice to Customers, a copy of this Application, and the supporting testimony will be served to intervenors in the public utility's most recent TEP docket (23-00195-UT), the New Mexico attorney general, and the intervenors in the public utility's most recent rate case (Case No. 24-00089-UT). PNM will also post this Application on its website along with the TEP approved in Case No. 23-00195-UT. Finally, PNM will also publish notice of this Application in each newspaper having general circulation in PNM's service territory and will provide notice to all customers.

20. PNM seeks a variance from the minimum data requirements established by Rule 530. While appropriate for a rate case, the Rule 530 requirements are unnecessary for this Application because they would provide no additional information useful for evaluation of the approvals sought here.

**WHEREFORE,**

For the reasons stated above and pursuant to the TE Statute, PNM respectfully requests that the Commission enter a final order that:

- (1) Approves PNM's Transportation Electrification Program ("TEP") for 2027 through 2029;
- (2) Approves continuation of PNM's currently approved TEP for an additional 90 days after approval, into 2027, as necessary, to allow for implementation of the TEP approved as part of this case;
- (3) Approves PNM's proposed TEP budget and budget flexibility proposal;
- (4) Approves continuation of PNM's Whole House Electric Vehicle Rate Pilot, a rate option under current Rate No. 1A – Residential Service;
- (5) Approves continuation of PNM's proposed time-of-use pilot rate for non-residential customers under Rate No. 3F – Non-Residential Charging Station Pilot.
- (6) Approves continuation of PNM's proposed Transportation Electrification Program Rider ("TEP Rider"), which will allow PNM to recover the costs of the TEP as authorized by NMSA 1978, Section 62-8-12(C);
- (7) Approves continuation of PNM's previously approved regulatory asset in order to implement the TEP Rider;
- (8) Grants variances from Commission Rule 17.9.530 NMAC, which prescribes minimum data requirements to be filed in support of a tendered new rate schedule; and
- (9) Grants PNM all other approvals, authorizations, waivers, or variances that the Commission determines are necessary for PNM to implement the relief granted in this matter.

Respectfully submitted this 1<sup>st</sup> day of June 2026.

**PUBLIC SERVICE COMPANY OF NEW MEXICO**

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