

PNM Formula Rate Annual Update



Talk to us.



AGENDA

- Opening/Welcome
- Annual Review Process
- FERC Order 898
- Results of Prior Rate Year True-Up
- Results of Annual Update for Current Rate Year
- Drivers for Current Year Run 1
- PNM's Transmission Outlook
- PNM EDAM Update
- Question and Answer

ANNUAL REVIEW PROCESS – KEY DATES

Date	Action
May 1, 2026	Publication Date
June 1, 2026 – May 31, 2027	Current Rate Year
May 19, 2026	1 st Customer Meeting (Third Tuesday of May)
August 18, 2026	2 nd Customer Meeting (Third Tuesday of August)
September 28, 2026	End of Information Request Period (150 Days After Annual Publication Date)
November 15, 2026	Last Date for Preliminary Challenge (180 Calendar Days After 1 st Customer Meeting)
February 1, 2027	Informational Filing Submitted to FERC

FERC ORDER NO. 898

FERC 898 requires PNM to functionalize G&I Plant as well as create new accounts for energy storage facilities in FERC Form 1 reporting.

- PNM implemented FERC 898 accounting in January 2025
- PNM submitted a 205 filing on April 2, 2026 (amended May 1, 2026) documenting the modifications to the Formula Rate template (Docket ER26-2005-000)
- Schedules Impacted:
 - FERC Form 1 Inputs
 - Addition of Energy Storage and Energy Storage Accumulated Depreciation
 - Schedule 1 – Plant
 - Addition of Energy Storage Plant and Energy Storage Depreciation Reserve

RESULTS OF PRIOR RATE YEAR TRUE-UP (6/1/25-5/31/26)

	Run 1	Run 2	Delta
Total Transmission Rate Base	\$1,266.1M	\$1,252.7M	\$(13.3M)
Return on Rate Base	\$86,598,830	\$85,685,771	\$(913,059)
O & M	34,854,759	34,899,260	44,501
Depreciation and Amortization	51,650,925	54,791,642	3,140,717
Taxes Other Than Income	8,378,850	9,060,917	682,067
Income Taxes	17,327,369	17,116,242	(211,126)
Revenue Requirement Before Revenue Credits	\$198,810,733	\$196,921,476	\$2,743,099
Total Revenue Credits	(4,632,356)	(4,632,356)	-
Annual Transmission Revenue Requirement (ATRR)	\$194,178,377	\$196,921,476	\$2,743,099
Monthly Point to Point Transmission Service Rate	\$4.47/KW-Mo	\$4.55/KW-Mo	\$0.08/KW-Mo

RESULTS OF ANNUAL UPDATE FOR CURRENT RATE YEAR

	Run 1 (Prior)	Run 1 (Current)	Delta
Total Transmission Rate Base	\$1,266.1M	\$1,345.9M	\$79.9M
Return on Rate Base	\$86,598,830	\$93,947,070	\$7,348,240
O & M	34,854,759	38,630,012	3,775,253
Depreciation and Amortization	51,650,925	54,013,390	2,362,464
Taxes Other Than Income	8,378,850	10,662,812	2,283,962
Income Taxes	17,327,369	18,409,352	1,081,983
Revenue Requirement Before Revenue Credits	\$198,810,733	\$215,662,635	\$16,851,902
Total Revenue Credits	(4,632,356)	(4,099,522)	(532,833)
Annual Transmission Revenue Requirement (ATRR)	\$194,178,377	\$211,563,112	\$17,384,735
Monthly Point to Point Transmission Service Rate	\$4.47/KW-Mo	\$4.87/KW-MO	\$0.40/KW-MO

DRIVERS FOR CURRENT YEAR RUN 1

	ATRR	PTP Rate
	(\$ in thousands)	(KW-month)
2025 Run 1	\$ 194,178	\$ 4.47
Changes to Rate Base*	11,386	0.25
Total O&M Expense	3,775	0.08
WACC	968	0.02
Other/Various ATRR Drivers	1,256	0.04
2026 Run 1	\$ 211,563	\$ 4.87
*includes indirect impacts related plant allocators.		

PNM TRANSMISSION OUTLOOK

PNM continues to focus on development of transmission system to address system needs

- Increase transmission capacity
 - Support economic development, customer load growth, and increasing demand for wholesale transmission services
- Increase interconnections to other grids
 - Create geographical diversity to improve resiliency
 - Take advantage of market purchases and sales to relieve transmission congestion

PNM EDAM IMPLEMENTATION STAKEHOLDER UPDATE

Implementation Timeline

- Oct 2025 NM PRC approval of EDAM application
- Apr 2026 Implementation begins (project kick-off Apr 9)
- Apr 2026–Jan 2027 Customer stakeholder workshops & OATT redlines
- Q1 2027 OATT submission to FERC
- Apr–Oct 2027 CAISO seven-track onboarding & testing
- Oct 2027 Target EDAM entry (go-live)

Stakeholder Workshop Topics & Dates

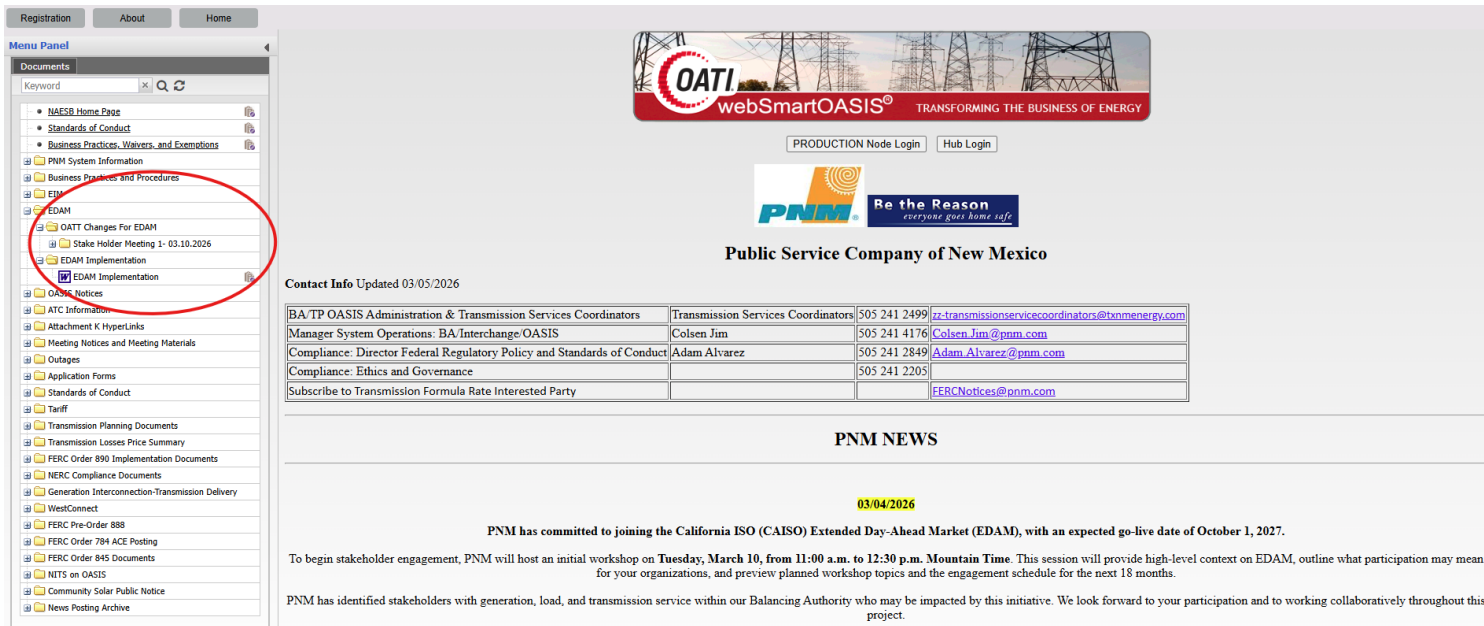
- Scheduling Coordinator – May 19th
 - Qualification
 - Registration requirements
 - Process, timing and support
- Resource Sufficiency Evaluation - ~July 14th
 - Methodology
 - Requirement
- Congestion Revenue ~ Sep 15th
 - Eligibility
 - Sub-allocation
- Project process and timeline ~ Nov 17th
 - Market testing

IF YOU HAVE QUESTIONS...

You can reach the EDAM team by emailing: EDAM_QUESTIONS@PNM.COM

PNM's OASIS Site: <https://www.oasis.oati.com/pnm/index.html>

All presentations will be posted on OASIS



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- NACSB Home Page
- Standards of Conduct
- Business Practices, Waivers, and Exemptions
- PNM System Information
- Business Practices and Procedures
- EDAM
 - OATT Changes For EDAM
 - Stake Holder Meeting 1- 03.10.2026
 - EDAM Implementation
 - EDAM Implementation
- OASIS Notices
- ATC Information
- Attachment K HyperLinks
- Meeting Notices and Meeting Materials
- Outages
- Application Forms
- Standards of Conduct
- Tariff
- Transmission Planning Documents
- Transmission Losses Price Summary
- FERC Order 890 Implementation Documents
- NERC Compliance Documents
- Generation Interconnection-Transmission Delivery
- WestConnect
- FERC Pre-Order 888
- FERC Order 784 ACE Posting
- FERC Order 845 Documents
- NTTS on OASIS
- Community Solar Public Notice
- News Posting Archive

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PNM Re the Reason everyone gets home safe

Public Service Company of New Mexico

Contact Info Updated 03/05/2026

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Compliance: Ethics and Governance		505 241 2205	
Subscribe to Transmission Formula Rate Interested Party			FERCNotices@pnm.com

PNM NEWS

03/04/2026

PNM has committed to joining the California ISO (CAISO) Extended Day-Ahead Market (EDAM), with an expected go-live date of October 1, 2027.

To begin stakeholder engagement, PNM will host an initial workshop on **Tuesday, March 10, from 11:00 a.m. to 12:30 p.m. Mountain Time**. This session will provide high-level context on EDAM, outline what participation may mean for your organizations, and preview planned workshop topics and the engagement schedule for the next 18 months.

PNM has identified stakeholders with generation, load, and transmission service within our Balancing Authority who may be impacted by this initiative. We look forward to your participation and to working collaboratively throughout this project.

Questions?



Talk to us.

