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,	)	**CASE NO. 26-00000XX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant	)	

DIRECT TESTIMONY

OF

JOHN E. WILLIAMSON III

June 1, 2026

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WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

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I. INTRODUCTION AND PURPOSE

Q. Please state your name, title, and business address.

A. My name is John E. Williamson. I manage the team responsible for implementing and managing the Transportation Electrification Program ("TEP") for Public Service Company of New Mexico ("PNM"). My business address is Public Service Company of New Mexico, 414 Silver Ave SW, Albuquerque, NM 87102.

Q. What are your qualifications to support this testimony?

A. I have a B.A. with a dual major in Religion and Philosophy from Texas Christian University (2008) and a Postgraduate Diploma in Social Anthropology from the University of Manchester, UK (2010). In May 2024, I earned an MBA in Strategic Management and Policy from the University of New Mexico. In May 2021, I completed *"The Basics" Practical Regulatory Training for the Electric Industry* at the Center for Public Utilities, New Mexico State University. In October 2025, I was selected to serve as the Industry Chair for the Smart Electric Power Alliance's Transportation Electrification Working Group.

I was hired at PNM in July 2019 as a Strategic Account Manager, and I was promoted to Senior Strategic Account Manager in October 2021, during which time I served as a trusted energy advisor and liaison to many of PNM's strategic customer accounts, specifically in the Power Quality customer segment. I served as the Program Manager for PNM's 2022-2023 TEP from June 2022 to May 2024,

and I have served as the team manager for Transportation Electrification since May 2024. I was intimately involved in implementing all of the program components approved in 20-00237-UT and 23-00195-UT. Finally, I sponsor the 2027-2029 TEP, and I have led much of the stakeholder engagement process described in Section 2.5 of PNM Exhibit JEW-2. A copy of my resume is attached as PNM Exhibit JEW-1.

Q. Have you previously submitted testimony to the New Mexico Public Regulation Commission ("NMPRC" or "Commission")?

A. Yes. I submitted direct testimony and rebuttal testimony in Case No. 23-00195-UT.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide specific details on PNM's proposed 2027-2029 TEP, which is included in my testimony as Exhibit JEW-2. I provide an overview of TEP implementation, key assumptions, and primary objectives. I also highlight, where relevant, changes from previous TEPs to this proposed TEP, detail the proposed budget for the TEP, and explain its administration.

PNM Witness Babej discusses the broader context for the Company's proposed TEP, including the requirements applicable to utility transportation electrification programs under the Transportation Electrification Statute (NMSA 1978, Section 62-8-12) and Commission Rule 17.9.574 NMAC. PNM Witness Casas discusses

the proposed rate design and cost recovery associated with the TEP. My testimony complements those witnesses by providing the detailed programmatic description of the proposed 2027-2029 TEP, including the design of the incentive offerings, customer education, marketing, and outreach, program administration, and the proposed budget.

Q. How is your testimony organized?

A. First, I introduce PNM's 2027-2029 Transportation Electrification Program and provide some background regarding its purpose. Then, I will discuss the 2027-2029 TEP in detail, covering a variety of topics:

(a) The statutory and regulatory requirements for investor-owned utility TEPs;

(b) Previous TEPs and significant changes made in program design and/or implementation in the 2027-2029 TEP, as presented here;

(c) Stakeholder outreach and program design;

(d) The utility incentives investment model and updates following the 2024-2026 TEP;

(e) Residential customer incentives;

(f) Non-residential customer incentives;

(g) New offerings in the 2027-2029 TEP;

(h) Program budget;

(i) Customer education, marketing, and outreach ("EMO");

(j) Administrative Infrastructure; and

(k) Progress reports and program evaluation.

PNM Exhibit JEW-2 outlines the Company's proposed 2027-2029 TEP in its entirety. My testimony will reference PNM Exhibit JEW-2 as appropriate to provide additional context.

Q. Please provide a brief description of terminology necessary to understand the components of the TEP.

A. The electric vehicle sector uses specific terminology that may be confusing to those unfamiliar with the market. The list below defines common terms associated with electric vehicles and the TEP:

- Electric Vehicle ("EV"): An automobile, truck, bus, train, boat, or other equipment that transports goods or people that is powered in part or in whole by the use of electricity from external sources.[1]
- Electric Vehicle Supply Equipment ("EVSE"): Commonly referred to as the charger, charger port, or charging station, this is the equipment external to the vehicle that delivers charge to the battery.
- Level 1 Charging: The lowest category of EVSE. Delivers power at 120V and <2kW. Typically provides 2-5 miles of range per hour of charging.

[1] 17.9.574.7(E) NMAC.

- Level 2 Charging: The most common type of EVSE. Delivers power at 208/240V and <20kW. Typically provides 10-30 miles of range per hour of charging.
- Direct Current Fast Charging ("DCFC"): The highest category of EVSE, which provides power by bypassing the EV's onboard charger and supplying direct current to the battery. It provides charging in the range of 50-350+kW and typically can charge a vehicle in less than an hour.
- Make-Ready Infrastructure: Refers to any distribution and/or customer-owned infrastructure up to the base of the charger. May or may not include utility equipment; does *not* include EVSE.
- Market-rate customer: A residential customer who does not self-certify as low-income or a non-residential customer who is located in an area where the median income is greater than low-income.

Q. Please describe PNM's approach to developing its TEP.

A. The Company designed its TEP consistent with guidance in the TE Statute and TE Rule. PNM researched industry best practices and the current market for electric vehicles and conducted stakeholder outreach and engagement to determine the best fit for our service territory in New Mexico. Further, PNM has implemented two previous TEPs, from which significant learnings have been gleaned.

PNM understands that strategies and measures intended to expand transportation electrification must be specific to our customers and stakeholders. To ensure the TEP meets these needs, PNM hosted stakeholder meetings, focus groups, and customer and stakeholder interviews to gather ideas and feedback to improve the program design and administrative processes.

Q. Please provide a high-level description of PNM's TEP.

A. PNM's TEP is focused on addressing customer and market barriers to the expansion of transportation electrification in PNM's service territory. The primary barriers regularly reported by customers to PNM through quarterly surveys are (1) vehicle mileage and range concerns, (2) EV charger proximity and availability, and (3) vehicle costs. As such, the TEP is focused on meaningfully addressing and, where possible, reducing these barriers to support increased adoption of transportation electrification, including: 1) residential and non-residential customer incentives for EVSE; 2) residential customer incentives for electric vehicle purchases; 3) rate design to encourage charging during off-peak hours; 4) market transformation activities aimed at improving PNM customer access to EVs and EVSE; and 5) customer education, marketing, and outreach. Administrative infrastructure provides the foundation to support these five major areas of customer benefit.

PNM is not proposing to own or operate additional EV infrastructure as part of the TEP at this time. The TEP is designed to foster the development of EVSE within

PNM's service territory by providing incentives to increase EV adoption and use across customer classes. The bulk of the TEP's customer incentives are based on a Utility Incentive model, under which infrastructure behind the meter is owned and operated by customers. PNM is proposing a more active role in the EVSE installation process through the Multifamily Design, Build, Transfer Incentive, the Commercial Design, Build, Transfer Incentive, and certain residential participation modalities associated with the Level 2 home charger offerings. These modifications, including their goals, are discussed in greater detail below and in Exhibit JEW-2.

Q. Can you summarize PNM's overall budget for the 2027-2029 TEP?

A. The total proposed three-year budget for the TEP is $32,950,000. Summary details on the breakdown of the three-year budget are provided below; greater detail can be found in Exhibit JEW-2, Section 5. Approval of a three-year budget, rather than separate annual budgets for each year, provides the flexibility needed to respond to changing market needs, especially considering the nascent and unpredictable adoption associated with a potentially disruptive technology. By working with a total program budget, the TEP can adapt more quickly to customer needs while contributing to the expansion of transportation electrification across PNM's service territory in pursuit of the legislative mandate.

PNM Table JEW-1 – TEP Budget Overview

TEP Component	Budget (%)	Budget ($)	LI (%)	LI ($)
EVSE & Vehicle Incentives	**60%**	**$19,770,000**	**43%**	**$8,481,330**
Residential Incentives	45%	$8,896,500	55%	$4,893,075
Non-residential Incentives	55%	$10,873,500	33%	$3,588,255
Market Transformation	**15%**	**$4,942,500**	**30%**	**$1,483,325**
Education, Marketing, and Outreach	**10%**	**$3,295,000**	**40%**	**$1,318,000**
Administrative Infrastructure	**15%**	**$4,942,500**	**40%**	**$1,977,000**
Total	**100%**	**$32,950,000**	**40%**	**$13,259,655**[2]

Q. Does PNM's TEP include strategies and measures to expand transportation electrification among low-income customers and communities [Rule 574.11(B)(1)]?

A. Yes. As shown throughout my testimony and in Exhibit JEW-2, PNM's proposed TEP includes: 1) budgetary carveouts aimed at increasing EV awareness and adoption among low-income customers and in underserved communities [17.9.574.11(B)(1)(a) NMAC]; 2) education, marketing, and outreach strategies and measures for expanding transportation electrification among low-income customers and in underserved communities [17.9.574.11(B)(1)(b) NMAC]; and 3) strategies and measures for mass transit operators, ride-sharing programs, and

[2] The budgetary carveout (%) for low-income customers and those living in underserved communities has been calculated by summing the budgetary carve-outs for individual Program components, then dividing by the total proposed budget. The low-income customer and underserved communities budgetary carveout for the Program is 40.241745%. For greater detail, refer to PNM Exhibit JEW-2

multi-family dwelling units in the utility's service territory that serve low-income customers and underserved communities [17.9.574.11(B)(1)(c) NMAC].

Q. Does PNM's TEP include strategies and measures to expand transportation electrification across multiple EV classes [Rule 574.11(B)(2)]?

A. Yes. As shown throughout my testimony and in Exhibit JEW-2, PNM's proposed TEP includes 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.

II. PNM'S 2027-2029 TRANSPORTATION ELECTRIFICATION PLAN

A. Stakeholder Outreach in Development of the TEP

Q. Did PNM consult with external stakeholders during the design phase of this program?

A. Yes. PNM collaborated with many stakeholders including governmental organizations, municipalities, environmental advocates, equipment and network providers, and engaged customer groups. Sessions were hosted to solicit feedback on the program proposal. These meetings occurred both in person and virtually and included group discussions and one-on-one meetings to discuss certain aspects of the Program. More detail on the stakeholder process and a complete list of stakeholders can be found in Section 2.5 of PNM Exhibit JEW-2.

B. Modified Utility Incentives Model

Q. What is PNM's overall investment philosophy regarding the TEP-funded infrastructure?

A. PNM plans to follow a modified Utility Incentive model where rebates are provided up to a prescribed amount to customers, both residential and non-residential, for the installation of charging infrastructure. PNM also plans to deploy a direct install model, the Turnkey Option, whereby customers participate in the program by requesting that PNM, either itself or through third parties, initiates the installation EVSE at their service address. PNM is not requesting through this Application to own or operate any TEP-funded EVSE.

Q. Can you provide a brief description of the types of charging infrastructure eligible for rebates?

A. Eligible charging infrastructure can be categorized into residential and non-residential infrastructure, although there may be some types of equipment that may meet the needs of both residential and non-residential customers. Eligible residential charging infrastructure includes Level 2 chargers and costs incurred between the PNM meter and the charger and which are required to serve the Level 2 charger, which is covered by the EV Equity Level 2 Home Charger Incentive and the EV Ready Level 2 Home Charger Incentive. Installed chargers must, at a minimum, be listed by a Nationally Recognized Testing Laboratory and capable of receiving, sending, and responding to external signals. These requirements ensure

incentivized chargers are safe for use and capable of contributing to behavioral signals like demand response.

Incentives for non-residential customers are intended to reduce, or in certain situations completely offset, the costs associated with installing EVSE for use by the public, tenants, employees, and/or fleet vehicles. The Multifamily Design, Build, Transfer Incentive is intended to completely support the installation of Level 2 charging infrastructure for multifamily residents and their guests. The Commercial Design, Build, Transfer Incentive is intended to completely support the installation of Level 2 charging infrastructure for public, employee, and fleet use. Finally, the Non-Residential Customer-Built EVSE Incentive is intended to partially offset the customer make-ready and installation costs of Level 2 and DCFC charging equipment, primarily for public, fleet, and workplace use.

Q. Will PNM own and operate the charging stations incentivized through any of the TEP offerings described throughout your testimony?

A. No. At this time, all charging stations installed through the proposed TEP will be owned and operated by the customer.

Q. Is PNM setting standards for all chargers installed in PNM's service territory?

A. No. The requirements outlined in PNM Exhibit JEW-2 only apply to customers who would like to receive a PNM rebate for EV charging infrastructure through the TEP.

Q. How was the number of charging station rebates determined?

A. PNM did not determine the number of charging station rebates. Instead, PNM is requesting a total budget intended to expand transportation electrification across the Company's service territory. This budget has been subdivided into residential and non-residential incentives, market transformation activities, education, marketing and outreach activities, and administrative infrastructure in such a way as to overcome as many barriers to adoption as possible while maintaining flexibility to a highly dynamic market.

The total number of rebates per program and category is not fixed; rather, the estimates for participation provided below are best estimates for the total cost if all applicants apply for the maximum rebate available. It is possible that more charging stations will be incentivized with the same budget. Also, as provided in 17.9.574.14 NMAC, PNM may utilize budget flexibility to meet changing market demands.

Q. How did PNM develop the expected customer participation estimates reflected in the proposed 2027-2029 TEP?

A. PNM developed the expected customer participation estimates reflected in the proposed 2027-2029 TEP by drawing on several sources of information, including implementation experience from prior TEPs, customer-reported project cost information, stakeholder engagement, customer feedback regarding barriers to transportation electrification, and current market conditions. These sources helped PNM evaluate the types of incentives and participation pathways most likely to be effective in expanding transportation electrification across customer classes and market segments.

In addition, many of the participation estimates in the proposed TEP reflect planning assumptions based on customers claiming the maximum available incentive amount. For that reason, the participation estimates are best understood as reasonable planning estimates rather than fixed limits on the number of participants the Program may serve. If actual customer project costs are lower than the maximum incentive assumptions used for planning purposes, the same budget may support greater participation.

Finally, PNM developed these estimates with the understanding that transportation electrification remains a developing and dynamic market. Customer interest, project costs, and participation patterns may change over time. That is one reason the Company proposes a three-year budget and seeks flexibility to adjust

implementation as needed to respond to actual customer demand and evolving market conditions.

C. Residential Customer Incentives

Q. Does PNM survey residential customers to better understand the barriers, real or perceived, that impact their willingness and/or ability to adopt transportation electrification technologies?

A. Yes. PNM fields quarterly surveys to solicit customer feedback and to better understand customer awareness and interest in transportation electrification.

Q. Do customers report barriers to adoption that are appropriate for the Company to address through the TEP?

A. Yes. Customers regularly report barriers to transportation electrification. These barriers are wide-ranging, but most can be categorized as concerns about EV technical capabilities, such as vehicle range on a single charge and towing capacity; EV charger availability near where the customer lives and works; charging time; and costs associated with transportation electrification, such as the cost of a new or used EV or the cost of installing EVSE. PNM is not able to significantly influence the technical capabilities of EVs, such as range on a single charge or towing capacity; however, this barrier can be mitigated by the proliferation and geographic distribution of EVSE. The other customer-reported barriers are appropriate for an electric utility to address through the TEP.

Many of these barriers can be improved through education, marketing, and outreach. For example, many customers are unaware that an EV can charge while parked at home; indeed, most vehicles spend approximately 95% of their life parked.[3] For many customers who travel average distances, their vehicle can fully charge overnight with the use of a Level 2 home charger, which PNM can support through the EV Equity and EV Ready Level 2 Home Charger Incentive offerings, and the average real-world range for many 2026 model-year EVs exceeds 300 miles,[4] which meets the transportation needs of most New Mexicans. Consequently, strategies and measures aimed at education, marketing, and outreach are critical to improving perceived barriers to adoption.

The proposed non-residential EVSE incentives can improve EV charger availability near where customers live and work through the Multifamily Design, Build, Transfer Incentive, the Commercial Design, Build, Transfer Incentive, and the Non-Residential Customer-Built EVSE Incentive. The availability of public and workplace charging is critical to EV drivers, especially those without consistent access to home charging. All of these measures are aimed, in whole or in part, at improving EV charger availability for residential customers near where they live and work and at electrifying commercial fleets, which can result in air quality improvements for all customers.

[3] Department of Energy, Vehicle Technologies Office, *Transportation Analysis Fact of the Week #1356*; August 19, 2024.
[4] https://insideevs.com/features/790876/300-mile-range-evs-400-2026/

All of the EV and EVSE incentive offerings are intended to assist customers in overcoming financial barriers associated with transportation electrification. For low-income customers, PNM has proposed the EV Equity EV Down Payment Assistance Incentive and the EV Equity eBike Purchase Incentive, both of which are intended to reduce the upfront vehicle purchase price. Additionally, low-income customers can participate in the EV Equity Level 2 Home Charger Incentive through either the Turnkey Option or the Self Install Option, which could result in the installation of a home charger at the customer's residential service address at little to no out-of-pocket cost. Market-rate customers seeking to adopt transportation electrification can participate in the EV Ready eBike Purchase Incentive and the EV Ready Level 2 Home Charger Incentive.

Finally, almost every financial incentive is paired with a technical assistance participation modality for customers who may not be proficient in electrical contracting or who may be intimidated by the highly technical nature of transportation electrification at this stage of adoption. This strategy was intentionally crafted to support customers who may benefit from transportation electrification but who may be unable or unwilling to adopt otherwise.

Q. Do customers report barriers to adoption that are not appropriate for the Company to address through the TEP?

A. Yes. Customers regularly report barriers associated with vehicle range, towing capacity, and model availability. PNM is ill-suited to address these barriers directly, but PNM's understanding is that automakers are aware of them and are working to address them.

Q. What strategies and measures does PNM propose to expand transportation electrification for residential customers?

A. PNM proposes a portfolio of EV and EVSE incentives to support residential customers who are interested in transportation electrification, as described in detail in Exhibit JEW-2, Section 3.1. These strategies and measures include incentives to support the purchase and/or installation of Level 2 home chargers, incentives to support the purchase of electric bicycles, and, for low-income customers, additional financial support for vehicle acquisition. In addition to these financial incentives, the proposed TEP also includes participation modalities intended to reduce technical and administrative barriers, including the Turnkey Option for certain home charger installations. These offerings are complemented by customer education, marketing, and outreach and other market transformation efforts described elsewhere in my testimony.

Q. Does a residential customer have to enroll in the Whole-House EV Rate Pilot and/or any other behavioral program to receive any of the incentives described below?

A. No. PNM does not propose in this Program to require residential customers to enroll in the Whole-House EV Rate pilot ("WHEV") or any other behavioral programs to receive the incentives described throughout my testimony and Exhibit JEW-2. PNM will cross-promote such programs through program implementation and administration, including through education, marketing, and outreach activities, in an effort to expand transportation electrification across PNM's service territory and to improve the integration of EVs into the electric distribution system. However, PNM has found that some customers do not benefit from participating in the WHEV and may be disincentivized from adopting transportation electrification if they are required to enroll in a program that is not well-suited to their usage patterns.

Q. What strategies and measures does PNM propose to expand transportation electrification for low-income residential customers?

A. The EV Equity portfolio of incentives is intended to reduce barriers to the purchase and installation of a Level 2 home charger, the purchase of a battery-electric vehicle, and the purchase of an electric bicycle. In addition to the financial incentives described below, PNM also provides low-income residential customers with participation modalities that remove technical barriers and many of the administrative barriers associated with adopting transportation electrification and participating in the Program.

- The EV Equity Level 2 Home Charger Incentive provides low-income residential customers with up to $3,500 to support the purchase and/or installation of a charger at their residential service address.
- The EV Equity EV Down Payment Assistance Incentive provides low-income residential customers with up to $4,000 to support the purchase or lease of a new or used battery-electric vehicle from an auto dealer registered with the New Mexico Motor Vehicles Department and who has agreed to deliver these incentives to low-income customers at the time the customer makes a vehicle purchase.
- The EV Equity eBike Purchase Incentive provides low-income residential customers who can displace vehicle miles traveled with electric bicycle miles traveled with up to $750 to support the purchase of an electric bicycle.

Additionally, PNM proposes to continue the WHEV, with modifications described in Exhibit JEW-2, Section 3.3.1, which, while not specifically aimed at low-income customers, can further help low-income customers better understand and estimate the impact of an EV on their monthly electricity consumption and costs. The WHEV seeks to expand access to electricity as a transportation fuel by incentivizing customers to charge during off-peak time periods through a lower base rate of electricity during the overnight charging window.

Q. Does the proposed TEP include budgetary carveouts for low-income residential customers?

A. Yes. As proposed, the Program budget has a low-income budgetary carveout of 40%. If the Program budget is fully expended, the Program will deliver $8,481,330 in incentives (43% of incentive budget) to low-income customers or non-residential properties in underserved areas. An additional $4,778,325 will be deployed through Market Transformation, Education, Marketing, and Outreach, and Administrative Infrastructure.

PNM has proposed a 55% low-income budgetary carveout for the Residential EV and EVSE Incentives program component. The Non-Residential EVSE Incentives program component has a proposed low-income budgetary carveout of 33%, with greater budgetary carveouts proposed for segments which are most expected to improve access to electricity as a transportation fuel for low-income customers. More specifically, the Multifamily Design, Build, Transfer Incentive has a 40% low-income budgetary carveout; the Commercial Design, Build, Transfer Incentive has a 30% low-income budgetary carveout; and, the Non-Residential Customer-Built EVSE Incentive has a 20% budgetary carveout.

The Market Transformation program component has a 30% budgetary carveout for low-income customers. The Education, Marketing, and Outreach program component has a 40% budgetary carveout for low-income customers, and PNM

estimates that 40% of the Administrative Infrastructure budget will be deployed to support transportation electrification among low-income customers and those living in underserved communities.

Q. What are the eligibility requirements for customers seeking to participate in strategies and measures intended to support transportation electrification among low-income customers?

A. NMSA 1978, Section 62-8-12(E) defines low-income as a residential customer with an "annual household adjusted gross income, as defined in the Income Tax Act [Chapter 7, Article 2 NMSA 1978], of equal to or less than two hundred percent of the federal poverty level."

Q. Does PNM validate income eligibility for low-income participants?

A. 17.9.574.11(C) NMAC requires that "strategies and measures for low-income customers shall permit self-certification of eligibility." During the incentive application process, low-income customers will be asked to self-certify that they meet the income eligibility requirements described above, and PNM will provide customers with a table summarizing household size and income limitations to qualify as low-income.

Other than requesting low-income customers self-certify as such, PNM does not validate any income eligibility or review income-related information to determine income eligibility.

Q. How many residential accounts does PNM estimate are located in areas currently identified as "underserved"?

A. PNM utilized data from the United States Census Bureau's 2024 American Community Survey 1-Year Estimate, Subject Table S1701, Poverty Status in the Past 12 Months, to identify zip codes in PNM's service territory that qualify as underserved communities per the definition provided in NMSA 1978, Section 62-8-12(E)(3).[5] Using PNM customer premises zip code data, we estimate that 10.6% of residential accounts are located in underserved communities as defined at the zip-code level. This conclusion is consistent with broader indicators showing that low-income households represent a significant share of New Mexico households and that housing affordability burdens are concentrated in many parts of the state, particularly among renters and other households that may face greater barriers to transportation electrification adoption. PNM uses this geographic analysis to target program design, budgetary carveouts, and outreach efforts intended to improve access to transportation electrification for low-income customers and those living in underserved communities. This analysis also informs how the Company

[5] NMSA 1978, Section 62-8-12(E)(3) states: "underserved community" means an area in this state, including a county, municipality or neighborhood, or subset of such area, where the median income of the area is low-income.

prioritizes certain education, marketing, outreach, and non-residential infrastructure strategies in the proposed 2027-2029 TEP.

PNM notes that a zip-code level analysis of income status conceals a significant level of variability in status that can be revealed at higher levels of granularity,[6] for example, at the neighborhood or census tract level. In Case No. 23-00195-UT, the NMPRC approved the use of a tool called EJScreen, provided by the Environmental Protection Agency, to determine whether individual non-residential projects met the requirements to participate as low-income or underserved communities in the 2024-2026 TEP. EJScreen provided a higher level of granularity than zip-code level analysis and allowed the user to input a specific service address to determine whether it fell into an underserved community. However, this tool has been made unavailable by the current federal administration, which may affect PNM's future ability to assess whether a project falls in an underserved community at a level of granularity higher than the zip-code level.

A group of environmental researchers and organizations has built a reconstructed version of the EJScreen tool (hereafter referred to as "EJScreen Mirror") and hosts it online through the Public Environmental Data Partners.[7] PNM proposes to utilize EJScreen Mirror for as long as it remains available to continue to verify

[6] For example, an analysis provided by PNM Witness Dr. Pitts in in her Direct Testimony for 22-00270-UT indicates that 41% of PNM's residential customers are considered low-income.
[7] https://pedp-ejscreen.azurewebsites.net/

underserved community eligibility status for non-residential projects in the 2027-2029 TEP; however, for the purposes of the analysis performed above, the use of the higher granularity available through EJScreen Mirror is not feasible for assessing the entire population of residential customers in PNM's service territory given that each premises address would need to be entered into the portal individually.

Q. Please describe the EV Equity Level 2 Home Charger Incentive offering.

A. The EV Equity Level 2 Home Charger Incentive offering is intended to help low-income customers overcome the financial and technical barriers associated with installing a Level 2 charger at their residential service address. PNM proposes a budget of $1,957,230, which is expected to serve 559 low-income customers, if all customers claim the maximum incentive of $3,500. Customers can participate in the Turnkey Option or the Self Install Option.

Customers participating through the Turnkey Option will be required to submit an online application with supporting documentation, including pictures of their service panel, the installation area, and need-by date. After a completeness and eligibility review, PNM will solicit quotes for a Level 2 home charger and/or installation, which will then be provided to the customer for review and selection. Customers participating through this participation modality are eligible to receive up to $3,500 toward the purchase and/or installation of a Level 2 home charger. The customer must pay the electrical contractor for any anticipated costs in excess

of the maximum incentive amount after which PNM will cause the installation services in coordination with the customer. PNM will coordinate with the successful electrical contractor to receive documentation related to the home charger installation for annual progress reporting after which time the contractor will be paid the incentive. This participation modality allows PNM to deliver the incentives at the point of purchase while removing many of the financial and technical barriers customers experience.

Customers participating through the Self Install Option will be required to submit an online application with supporting documentation, which may include an itemized quote for installation services, a corresponding invoice for installation and materials, and an electrical permit, if electrical wiring is required to install the home charger. Low-income customers choosing to participate in the EV Equity Level 2 Home Charger Incentive through the Self Install Option are eligible to receive up to $3,500 toward the purchase and/or installation of a home charger or 80% of total reported project costs, whichever is less. This participation modality does not allow for incentives to be delivered at the point of purchase. After a completeness and eligibility review, PNM will issue payment to the customer.

Q. Please describe the EV Equity EV Down Payment Assistance Incentive offering.

A. The EV Equity EV Down Payment Assistance Incentive is intended to help low-income customers overcome the financial barriers associated with acquiring a new or used battery-electric vehicle. PNM proposes a budget of $2,446,537.50, which is expected to serve 611 customers if all customers claim the maximum incentive of $4,000. Customers can participate in this incentive offering by claiming the incentive prior to or at the point of purchase through participating automotive dealers or lending institutions.

The price premium associated with EVs is a significant barrier to adoption for many low-income customers. According to Cox Automotive, in January 2026, the average transaction price for an EV was $55,715, as compared to an average transaction price for an internal combustion engine vehicle of $48,617, a difference of $7,098, representing the narrowest price parity between EVs and ICEVs since June 2025. For used vehicles, the average listing price in January 2026 was $35,442, while the average listing price for used ICEVs was $34,066, a difference of $1,376.[8] When paired with the New Mexico Clean Car Tax Credit for new vehicles (up to $2,220 in 2027), customers acquiring a new BEV can almost completely offset the price premium. Customers acquiring a used EV fare better, as the EV Equity EV Down Payment Assistance Incentive paired with the New

[8] https://www.coxautoinc.com/insights/ev-market-monitor-january-2026/

Mexico Clean Car Tax Credit for used vehicles (up to $1,850 in 2027) can offset up to $5,850, significantly improving the economics of a used EV purchase.[9]

17.9.574.11(C) NMAC requires PNM to offer incentives to low-income customers prior to or at the time of purchase, which is why PNM intends to work with automotive dealers and lending institutions to deliver these incentives to low-income customers. Unless private, all vehicle sales in New Mexico must be completed by an automotive dealer, so PNM must work with them to deliver incentives at the time of purchase. PNM hopes to improve low-income customer accessibility to these incentives by also working with lending institutions as most lending institutions work with many different automotive dealers. PNM will train participating automotive dealers and lending institutions on the eligibility requirements for participation in the EV Equity EV Down Payment Assistance Incentive and provide an application portal to facilitate timely incentive application submittal. Participating entities will extend the incentive to customers prior to or at the time of purchase and will submit to PNM an application and supporting documents following the transaction's conclusion. After review and acceptance, PNM will reimburse the participating entity for incentive dollars delivered to low-income customers.

Q. Please describe the EV Equity eBike Purchase Incentive offering.

[9] https://clean.energy.nm.gov/clean-car-state-tax-credit/

A. The EV Equity eBike Purchase Incentive is intended to help low-income customers overcome the financial barriers associated with acquiring an electric bicycle. PNM proposes a budget of $489,307.50, which is expected to serve 652 customers, if all customers claim the maximum incentive of $750. Customers can participate in this incentive offering by claiming the incentive prior to or at the point of purchase through a network of participating electric bicycle retailers.

For some customers, alternative modes of electric transport, like electric bicycles, may enable transportation electrification at a reduced cost of entry while offering significant improvements in local transportation-related greenhouse gas emissions. Furthermore, 17.9.574.11(B)(2) NMAC requires a public utility's proposed three-year plan include, at a minimum, strategies and measures for expanding transportation electrification across multiple EV classes, including electric bicycles.

Q. What strategies and measures does PNM propose to expand transportation electrification for market-rate residential customers?

A. The EV Ready portfolio of incentives is intended to reduce barriers to the purchase and installation of a Level 2 home charger and the purchase of an electric bicycle. In addition to the financial incentives described below, PNM also provides market-rate residential customers with participation modalities that remove technical

barriers and many of the administrative barriers associated with adopting transportation electrification and participating in the Program.

- The EV Ready Level 2 Home Charger Incentive provides market-rate residential customers with up to $1,500 to support the purchase and/or installation of a charger at their residential service address.
- The EV Ready eBike Purchase Incentive provides market-rate residential customers who can displace vehicle miles traveled with electric bicycle miles traveled with up to $250 to support the purchase of an electric bicycle.

Additionally, PNM proposes to continue the WHEV, with modifications described in Exhibit JEW-2, Section 3.3.1, which can further help customers better understand and estimate the impact of an EV on their monthly electricity consumption and costs. The WHEV seeks to expand access to electricity as a transportation fuel by incentivizing customers to charge during off-peak time periods through a lower base rate of electricity during the overnight charging window.

Q. Please describe the EV Ready Level 2 Home Charger Incentive offering.

A. The EV Ready Level 2 Home Charger Incentive offering is intended to help market-rate customers overcome the financial and technical barriers associated with installing a Level 2 charger at their residential service address. PNM proposes a

budget of $3,402,911.25, which is expected to serve 2,268 customers, if all customers claim the maximum incentive of $1,500. Customers can participate in the Turnkey Option or the Self Install Option.

Customers participating through the Turnkey Option will be required to submit an online application with supporting documentation, including pictures of their service panel, the installation area, and need-by date. After a completeness and eligibility review, PNM will solicit quotes for a Level 2 home charger and/or installation, which will then be provided to the customer for review and selection. Customers participating through this participation modality are eligible to receive up to $1,500 toward the purchase and/or installation of a Level 2 home charger. The customer must pay the electrical contractor for any anticipated costs in excess of the maximum incentive amount after which PNM will cause the installation services in coordination with the customer. PNM will coordinate with the successful electrical contractor to receive documentation related to the home charger installation for annual progress reporting after which time the contractor will be paid the incentive. This participation modality allows PNM to deliver the incentives at the point of purchase while removing many of the financial and technical barriers customers experience.

Customers participating through the Self Install Option will be required to submit an online application with supporting documentation, which may include an

itemized quote for installation services, a corresponding invoice for installation and materials, and an electrical permit, if electrical wiring is required to install the home charger. Customers choosing to participate in the EV Ready Level 2 Home Charger Incentive through the Self Install Option are eligible to receive up to $1,500 toward the purchase and/or installation of a home charger or 60% of total reported project costs, whichever is less. This participation modality does not allow for incentives to be delivered at the point of purchase. After a completeness and eligibility review, PNM will issue payment to the customer.

Q. Please describe the EV Ready eBike Purchase Incentive offering.

A. The EV Ready eBike Purchase Incentive is intended to help customers overcome the financial barriers associated with acquiring an electric bicycle. PNM proposes a budget of $600,513.75, which is expected to serve 2,402 customers, if all customers claim the maximum incentive of $250. Customers can participate in this incentive offering by claiming the incentive prior to or at the point of purchase through a network of participating electric bicycle retailers.

For some customers, alternative modes of electric transport, like electric bicycles, may enable transportation electrification at a reduced cost of entry while offering significant improvements in local transportation-related greenhouse gas emissions. Furthermore, 17.9.574.11(B)(2) NMAC requires a public utility's proposed three-year plan include, at a minimum, strategies and measures for expanding

transportation electrification across multiple EV classes, including electric bicycles.

Q. Does PNM propose strategies and measures intended to reduce the electric vehicle purchase price for market-rate residential customers? If not, why?

A. PNM is not proposing any incentives to reduce the electric vehicle purchase price for market-rate residential customers. Analyses show that an EV is often cheaper to own and operate over the life of the asset than a comparable internal combustion engine vehicle. PNM anticipates that, for market-rate residential customers, an incentive to reduce the higher upfront vehicle purchase price is unnecessary because that premium can be offset through monthly fuel and maintenance savings. However, PNM intends to cross-promote market-rate residential EVSE incentives with information about the New Mexico Clean Car Tax Credit to provide pathways for customers to reduce the vehicle's upfront purchase price.

Q. How will PNM assist customers with home charging infrastructure?

A. As discussed in Section 3.1 of PNM Exhibit JEW-2, the TEP is expected to provide up to 2,827 incentives for the purchase and/or installation of residential Level 2 chargers. Up to 559 low-income participants are eligible to receive up to $3,500, and market-rate participants are eligible to receive up to $1,500 for the purchase and/or installation of a Level 2 home charger. The EV Equity Level 2 Home Charger Incentive and the EV Ready Level 2 Home Charger Incentive also provide

participation pathways that allow PNM to assist with the technical and administrative efforts required to install a home charger.

Q. Is PNM proposing criteria that would apply to all charging station rebates, whether residential or non-residential?

A. Yes. While there are some differences that will be explained below under the description of each type of incentive, all incentivized charging stations must be:

- Listed by a Nationally Recognized Testing Laboratory;
- Have smart charging capabilities to program charging windows and respond to external signals through either OpenADR or OCPP communications protocols; and,
- Be purchased and installed after the latter of the effective date of this Program or January 1, 2027, whichever is later.

Q. Beyond supporting customer adoption, how is the proposed 2027-2029 TEP designed to support efficient charging behavior and broader electric system needs?

A. In addition to supporting transportation electrification adoption, the proposed 2027-2029 TEP is designed to encourage charging behavior and infrastructure characteristics that can better align EV charging with broader electric system needs. As described in my testimony and Exhibit JEW-2, PNM proposes to require incentivized chargers to have smart charging capabilities, including the ability to

program charging windows and respond to external signals through recognized communications protocols. These requirements help ensure that charging infrastructure supported through the TEP can participate in strategies that encourage charging during preferred time periods and can evolve with future grid-responsive applications.

The proposed TEP also complements other Company efforts intended to encourage beneficial charging behavior. For example, PNM proposes to continue the WHEV, which is intended to promote overnight charging through lower-priced off-peak electricity. In addition, customer education, marketing, and outreach activities can help customers better understand how charging behavior affects their electricity usage and costs.

Taken together, these Program elements help support transportation electrification in a manner that is not only customer-focused, but also mindful of how charging behavior and charging technology can contribute to more efficient use of the electric system over time.

Q. What additional qualifications are required to claim the residential incentives?

A. The requirements to claim the EV Equity Level 2 Home Charger Incentive and EV Ready Level 2 Home Charger Incentive are outlined in Sections 3.1.1. and 3.1.2. of Exhibit JEW-2, respectively. In addition to the requirements listed above, the

claimant must have an active residential electric account with the Company where the charger is to be installed.

Q. Are there any other strategies and measures intended to expand transportation electrification for residential customers?

A. Yes. In addition to the residential EV and EVSE incentives described above, PNM proposes several other strategies and measures intended to expand transportation electrification for residential customers. These include continuation of the WHEV, managed charging activities, customer education, marketing, and outreach, and Market Transformation efforts intended to improve customer understanding and access to transportation electrification. Together, these strategies are designed to reduce both financial and non-financial barriers to adoption and to support residential customers throughout the process of evaluating and adopting transportation electrification technologies.

D. Non-residential Customer Incentives

Q. What strategies and measures does PNM propose to expand transportation electrification for non-residential customers?

A. PNM proposes three incentive offerings to meaningfully address the barriers non-residential PNM customers experience when considering the installation of EVSE at their property, which include the Multifamily Design, Build, Transfer Incentive, the Commercial Design, Build, Transfer Incentive, and the Non-Residential

Customer-Built EVSE Incentive. The Multifamily Design, Build, Transfer Incentive is specifically designed to address barriers to the installation of EVSE at existing multifamily properties for the benefit of tenants and their guests. The Commercial Design, Build, Transfer Incentive is intended to support the proliferation of Level 2 charging and, in some cases, DCFC for public or workplace use. The Non-Residential Customer-Built EVSE Incentive is intended to support Level 2 charging and DCFC for public, fleet, and workplace use. Additional details and participation requirements are described in greater detail below.

Q. Please describe the Multifamily Design, Build, Transfer Incentive.

A. The Multifamily Design, Build, Transfer Incentive is intended to help multifamily properties overcome the financial and technical barriers associated with installing Level 2 charging infrastructure for use by tenants and their guests. PNM proposes a budget of $5,436,750, which is expected to support the installation of approximately 865 Level 2 charger ports at multifamily properties based on historical, customer-reported project cost information.

Q. How will PNM administer the Multifamily Design, Build, Transfer Incentive?

A. The Multifamily Design, Build, Transfer Incentive will be administered through a grant application process, and PNM will seek participation by performing direct outreach within the market segment, communicating through trusted channels like trade groups and associations, and advertising through traditional marketing

channels. PNM will host the grant application process within one year of the effective date of the Program; iterative, quarterly application cycles will be pursued until funding is exhausted or the Program's end date is reached. Successful projects will be selected by a panel based on a comparison of cost and impact with special consideration given to properties located in underserved areas. Projects will be constructed through a competitive solicitation process, and all infrastructure beyond the service entrance will be conveyed to the property owner upon successful EVSE commissioning. As a condition of participation, successful applicants must purchase a 5-year maintenance and repair package.

Q. Why is PNM proposing the Multifamily Design, Build, Transfer Incentive?

A. PNM is proposing the Multifamily Design, Build, Transfer Incentive because multifamily properties face particularly acute financial, technical, and administrative barriers to installing EV charging infrastructure. Residents of multifamily housing often have less consistent access to home charging than customers in single-family homes, which can make transportation electrification less accessible even when those customers would otherwise benefit from EV adoption. By taking a more active role in project development and implementation, PNM can reduce these barriers, support charging access for tenants and guests, and ensure Program alignment with the TE Statute and TE Rule's emphasis on expanding access to electricity as a transportation fuel, including for low-income customers and underserved communities.

Q. Multifamily Design, Build, Transfer Incentive for low-income customers or customers living in underserved areas?

A. Yes. PNM has proposed a budgetary carveout of 40%, which results in $2,174,700 to support multifamily EV charger projects located in underserved areas.

Q. How many multifamily buildings does PNM estimate are located in areas currently identified as "underserved"?

A. PNM utilized data from the United States Census Bureau's 2024 American Community Survey 1-Year Estimate, Subject Table S1701, Poverty Status in the Past 12 Months, to identify zip codes in PNM's service territory that qualify as underserved communities per the definition provided in NMSA 1978, Section 62-8-12(E)(3).[10] Using PNM customer premises zip code data, we estimate that 8.4% of multifamily buildings[11] are located in underserved communities as defined at the zip-code level. PNM uses this geographic analysis to inform program design, budgetary carveouts, outreach efforts, and prioritization of non-residential infrastructure strategies intended to improve access to transportation electrification in underserved communities. This approach is also supported by broader statewide housing and affordability conditions, which indicate that many communities face

[10] NMSA 1978, Section 62-8-12(E)(3) states: "underserved community" means an area in this state, including a county, municipality or neighborhood, or subset of such area, where the median income of the area is low-income.
[11] Multifamily buildings identified using North American Industry Classification System (NAICS) codes assigned to commercial customer accounts.

persistent economic and infrastructure barriers that can make access to transportation electrification more difficult absent targeted support.

PNM notes that a zip-code level analysis of income status conceals a significant level of variability in status that can be revealed at higher levels of granularity,[12] for example, at the neighborhood or census tract level. In Case No. 23-00195-UT, the NMPRC approved the use of a tool called EJScreen, provided by the Environmental Protection Agency, to determine whether individual non-residential projects met the requirements to participate as low-income or underserved communities in the 2024-2026 TEP. EJScreen provided a higher level of granularity than zip-code level analysis and allowed the user to input a specific service address to determine whether it fell into an underserved community. However, this tool has been made unavailable by the current federal administration, which may affect PNM's future ability to assess whether a project falls in an underserved community at a level of granularity higher than the zip-code level.

A group of environmental researchers and organizations has built a reconstructed version of the EJScreen tool (hereafter referred to as "EJScreen Mirror") and hosts it online through the Public Environmental Data Partners.[13] PNM proposes to utilize EJScreen Mirror for as long as it remains available to continue to verify

[12] For example, an analysis provided by PNM Witness Dr. Pitts in in her Direct Testimony for 22-00270-UT indicates that 41% of PNM's residential customers are considered low-income.
[13] https://pedp-ejscreen.azurewebsites.net/

underserved community eligibility status for non-residential projects in the 2027-2029 TEP; however, for the purposes of the analysis performed above, the use of the higher granularity available through EJScreen Mirror is not feasible for assessing the entire population of multifamily buildings and commercial customers in PNM's service territory given that each premises address would need to be entered into the portal individually.

Q. Please describe the Commercial Design, Build, Transfer Incentive.

A. The Commercial Design, Build, Transfer Incentive is intended to help non-residential properties overcome the financial and technical barriers associated with installing primarily Level 2 charging infrastructure, and in some cases DCFC, for use by the public and employees. PNM proposes a budget of $3,262,050, which is expected to support a meaningful number of Level 2 charger ports at non-residential properties based on historical, customer-reported project cost information.

Q. How will PNM administer the Commercial Design, Build, Transfer Incentive?

A. The Commercial Design, Build, Transfer Incentive will be administered through a grant application process, and PNM will seek participation by performing direct outreach within the market segment, communicating through trusted channels such as trade groups and associations, and advertising through typical marketing channels. PNM will host the grant application process within one year of the effective date of the Program; iterative, quarterly application cycles will be pursued until funding is exhausted or the Program's end date is reached. Successful projects

will be selected by a panel based on a comparison of cost and impact, with special consideration given to EVSE projects in underserved areas. Projects will be constructed through a competitive solicitation process, and all infrastructure beyond the service entrance will be conveyed to the property owner upon successful EVSE commissioning. As a condition of participation, successful applicants must purchase a five-year maintenance and repair package.

Q. Why is PNM proposing the Commercial Design, Build, Transfer Incentive?

A. PNM is proposing the Commercial Design, Build, Transfer Incentive because many non-residential properties encounter substantial technical complexity, project development challenges, and upfront cost barriers when considering EVSE deployment. These barriers can delay or prevent the installation of charging infrastructure that would otherwise expand access to electricity as a transportation fuel for employees, the public, and, in some cases, fleet users. Through this offering, PNM can more directly support project scoping, procurement, and construction in a way that reduces customer burden, increases deployment in key locations, and improves the likelihood that charging infrastructure is installed where it can provide the greatest benefit to customers and communities.

Q. Please describe the Non-Residential Customer-Built EVSE Incentive.

A. The Non-Residential Customer-Built EVSE Incentive is intended to support EVSE projects for customers who may not have been selected through the grant application process for the Multifamily Design, Build, Transfer Incentive or the

Commercial Design, Build, Transfer Incentive and who wish to facilitate their own EVSE project or projects. Many locations, especially high-traffic areas along transportation corridors, are ideal for public DCFC and may not require the amount or type of assistance provided through the other incentive offerings to overcome the barriers to installing EVSE.

PNM proposes a budget of $2,174,700 to support transportation electrification for customers choosing to participate in this incentive offering. Eligible EVSE and locations include Level 2 chargers intended for multifamily, public, workplace, and fleet use and DCFC stations intended for public or fleet use. Customers are eligible to receive up to $300 per kW of installed capacity, with a maximum incentive amount of $300,000 per service address, regardless of the type or number of EV chargers installed, or up to 60% of the reported project costs, whichever is less.

Eligible expenses include utility line extension costs for which the customer would normally be responsible and site make-ready costs up to the base of the charger. EVSE required for new construction will not be incentivized unless it is in excess of the New Mexico Construction Industries Division code requirements at the time of application submittal.

Q. How will PNM administer the Non-Residential Customer-Built EVSE Incentive?

A. Incentive funds will be awarded on a first-come, first-served basis, and applications can be submitted through an online application portal hosted by PNM. To qualify, the installed equipment must meet the following criteria:

- If installing Level 2 chargers, the maximum nameplate capacity for a single port shall not be more than 30kW;
- If installing DCFC, the minimum nameplate capacity for the port shall not be less than 150kW, unless the intended application is fleet charging;
- If a fee is to be charged to end users, EVSE shall have at least two payment methods, such as Europay, Mastercard, Visa (EMV) chip reader, app-based payment, or contactless credit card;
- Regardless of the level of EVSE installed, it must
    - Be listed by a Nationally Recognized Testing Laboratory;
    - Provide a non-proprietary charging plug and, if public, available for use by anyone willing to provide payment at the time of fueling;
    - Have smart charging capabilities to program charging windows and respond to external signals through either OpenADR or OCPP communications protocols; and
- Must be installed and commissioned on or after January 1, 2027, or the effective date of the 2027-2029 TEP, whichever is later.

Proof of completed installation, such as a signed statement, may be required, and PNM reserves the right to complete visual site inspections to confirm equipment eligibility and project details.

Q. Why is PNM proposing the Non-Residential Customer-Built EVSE Incentive?

A. PNM is proposing the Non-Residential Customer-Built EVSE Incentive to provide a flexible participation pathway for customers that are prepared to manage their own EVSE projects but still require financial support to move those projects forward. Not every viable EVSE project requires the same level of direct development support that would be provided through the Design, Build, Transfer offerings. Some customers—particularly those planning projects in high-traffic areas for workplace charging, public charging, or fleet applications—may be able to coordinate installation themselves if a portion of the make-ready and installation costs are offset. This offering allows PNM to support a broader range of customer needs while preserving flexibility and encouraging private investment in transportation electrification infrastructure.

Q. Is PNM proposing to offer EVSE incentives for non-residential customers by use case? Why not?

A. No. Previous TEPs offered different programs by intended EVSE use case, but the 2027-2029 TEP removes many references to incentivization by use case. For example, in the 2024-2026 TEP, PNM offered the Fleet DCFC Make-Ready Rebate Program, which was designed to support the installation of DCFC for non-residential customer fleet use. Customer participation in that incentive offering has been non-existent as of year-end 2025, resulting in budget that is not available for

other transportation electrification use cases. Additionally, providing incentives by use case can sometimes result in customer confusion. For example, a customer may wish to install EVSE for multiple uses, such as workplace charging and public charging, and may be unsure whether to apply for the Workplace Level 2 Make-Ready Rebate or the Public Level 2 Make-Ready Rebate as offered in the 2024-2026 TEP.

Removing use case from the non-residential incentive naming convention, except for the Multifamily Design, Build, Transfer Incentive, allows PNM to be more flexible in meeting transportation electrification needs as the market develops in its service territory while reducing the potential for customer confusion. This programmatic change also reinforces the importance of maximizing the use of incentivized EVSE, thereby improving the Program's efficacy and efficiency.

Q. How many commercial accounts does PNM estimate are located in areas currently identified as "underserved"?

A. PNM utilized data from the United States Census Bureau's 2024 American Community Survey 1-Year Estimate, Subject Table S1701, Poverty Status in the Past 12 Months, to identify zip codes in PNM's service territory that qualify as underserved communities per the definition provided in NMSA 1978, Section 62-

8-12(E)(3).[14] Using PNM customer premises zip code data, we estimate that 8.4% of multifamily buildings[15] and 15.0% of commercial accounts (excluding multifamily buildings) are located in underserved communities as defined at the zip-code level. PNM uses this geographic analysis to inform program design, budgetary carveouts, outreach efforts, and prioritization of non-residential infrastructure strategies intended to improve access to transportation electrification in underserved communities. This approach is also supported by broader statewide housing and affordability conditions, which indicate that many communities face persistent economic and infrastructure barriers that can make access to transportation electrification more difficult absent targeted support.

PNM notes that a zip-code level analysis of income status conceals a significant level of variability in status that can be revealed at higher levels of granularity,[16] for example, at the neighborhood or census tract level. In Case No. 23-00195-UT, the NMPRC approved the use of a tool called EJScreen, provided by the Environmental Protection Agency, to determine whether individual non-residential projects met the requirements to participate as low-income or underserved communities in the 2024-2026 TEP. EJScreen provided a higher level of

[14] NMSA 1978, Section 62-8-12(E)(3) states: "underserved community" means an area in this state, including a county, municipality or neighborhood, or subset of such area, where the median income of the area is low-income.
[15] Multifamily buildings identified using North American Industry Classification System (NAICS) codes assigned to commercial customer accounts.
[16] For example, an analysis provided by PNM Witness Dr. Pitts in in her Direct Testimony for 22-00270-UT indicates that 41% of PNM's residential customers are considered low-income.

granularity than zip-code level analysis and allowed the user to input a specific service address to determine whether it fell into an underserved community. However, this tool has been made unavailable by the current federal administration, which may affect PNM's future ability to assess whether a project falls in an underserved community at a level of granularity higher than the zip-code level.

A group of environmental researchers and organizations has built a reconstructed version of the EJScreen tool (hereafter referred to as "EJScreen Mirror") and hosts it online through the Public Environmental Data Partners.[17] PNM proposes to utilize EJScreen Mirror for as long as it remains available to continue to verify underserved community eligibility status for non-residential projects in the 2027-2029 TEP; however, for the purposes of the analysis performed above, the use of the higher granularity available through EJScreen Mirror is not feasible for assessing the entire population of multifamily buildings and commercial customers in PNM's service territory given that each premises address would need to be entered into the portal individually.

Q. In what ways are low-income customers and underserved communities included in PNM's non-residential infrastructure incentives?

A. Low-income customers and those living in underserved communities are central to the long-term success of transportation electrification in New Mexico, and one-third of the Non-Residential EVSE Incentives budget is intended to support EVSE

[17] https://pedp-ejscreen.azurewebsites.net/

projects in underserved areas. The Multifamily Design, Build, Transfer Incentive has a 40% budgetary carveout for projects in underserved areas, and EV chargers installed through this incentive are intended to support transportation electrification for multifamily property tenants and their guests. The Commercial Design, Build, Transfer Incentive has a 30% budgetary carveout for projects in underserved areas, and EV chargers installed through this incentive's budgetary carveout are intended to increase the availability of EVSE in underserved areas. The Non-Residential Customer-Built EVSE Incentive has a 20% budgetary carveout for projects in underserved areas, and EV chargers installed through this incentive's budgetary carveout are also intended to increase the availability of EVSE in underserved areas.

E. New Offerings in the 2027-2029 TEP

Q. Is PNM proposing any new strategies or measures that are not in the current TEP?

A. Yes, PNM is proposing new strategies to help customers overcome technical barriers associated with installing EV chargers at their property, particularly the EV Equity Level 2 Home Charger Incentive-Turnkey Option, the EV Ready Level 2 Home Charger Incentive-Turnkey Option, the Multifamily Design, Build, Transfer Incentive, and the Commercial Design, Build, Transfer Incentive offerings. Through these participation modalities, PNM will take a much more active approach in working with customers to initiate and manage the installation of EV

charging equipment at residential, multifamily, and non-residential properties across PNM's service territory. PNM has also proposed a modified structure to how non-residential EV charging infrastructure is incentivized through the Non-Residential Customer-Built EVSE Incentive offering, where customers are incentivized based on the kW of installed capacity instead of by the number of charging ports or stations.

PNM is also proposing new strategies and measures in the Market Transformation area of the Program. First, PNM is proposing to incentivize rideshare and app-based delivery driver electrification by providing an incentive of $0.10 per electric mile driven within PNM's service territory. PNM is also proposing new customer engagement and self-exploration tools to facilitate increased access and improved decision-making for customers who may be evaluating the benefits of transportation electrification for the first time.

Q. How has PNM updated the TEP in response to changing market conditions?

A. In addition to the new strategies and measures described above, PNM updated the 2027-2029 TEP in response to significant changes in the market and policy landscape since approval of the 2024-2026 TEP. Shifting federal policy and resulting market uncertainty have increased the importance of utility incentives in sustaining transportation electrification progress in New Mexico. At the same time, customers continue to report that range concerns, charging availability, and vehicle

price remain the most significant barriers to EV adoption. In response, PNM designed the 2027-2029 TEP to address persistent customer barriers, meet gaps left by changing federal policy, and maintain flexibility so the Program can adapt to evolving market conditions over the three-year implementation period.

Q. Why is the proposed 2027-2029 TEP a reasonable and prudent response to current market conditions in New Mexico?

A. The proposed 2027-2029 TEP is a reasonable and prudent response to current market conditions in New Mexico because transportation electrification remains in a developing stage, customer adoption continues to face meaningful barriers, and recent market and policy changes have increased uncertainty regarding the pace and scale of future adoption. As described throughout my testimony, customers continue to report concerns related to vehicle cost, charging availability, and vehicle range, all of which can slow the transition to transportation electrification absent targeted utility support.

The proposed TEP is designed to respond directly to those conditions. It includes incentives intended to reduce upfront costs and expand the availability of charging infrastructure; education, marketing, and outreach strategies intended to improve customer understanding and participation; and market transformation activities intended to support broader adoption over time. It also includes targeted budgetary carveouts and program designs intended to improve access for low-income customers and customers in underserved communities.

In addition, the proposed three-year budget and flexible program structure are prudent because they allow PNM to adapt implementation as customer participation and market conditions evolve. Taken together, the 2027-2029 TEP reflects a measured, practical, and forward-looking approach to advancing transportation electrification in a manner consistent with the TE Statute, Rule 574, and the needs of PNM's customers and service territory.

Q. Why is PNM proposing a more hands-on implementation model in the 2027-2029 TEP than in prior TEPs?

A. PNM is proposing a more hands-on implementation model in the 2027-2029 TEP because experience from prior TEP implementation, stakeholder engagement, and current market conditions show that financial incentives alone are not always sufficient to overcome the barriers customers face when considering transportation electrification. In many cases, customers also encounter technical, administrative, and project development challenges that can prevent otherwise viable transportation electrification projects from moving forward.

These barriers can be especially significant for low-income residential customers, multifamily properties, and non-residential customers considering more complex EVSE installations. For those customers, the ability to receive support not only through financial incentives but also through more direct program assistance can

make participation more practical and more accessible. The Turnkey Option and the Design, Build, Transfer offerings are intended to reduce those barriers by helping customers navigate project development, procurement, installation, and other implementation steps that may otherwise delay or prevent participation.

PNM therefore designed the 2027-2029 TEP to include participation pathways that provide a higher level of support where needed, while continuing to offer more traditional incentive pathways for customers who are prepared to manage their own projects. This more hands-on implementation model is intended to improve customer access, increase program effectiveness, and better align the TEP with current market realities and the needs of PNM's service territory.

Q. How does the proposed 2027-2029 TEP support private capital investment, skilled jobs, and customer choice?

A. The proposed 2027-2029 TEP supports private capital investment, skilled jobs, and customer choice in several ways. First, the Program is designed to reduce barriers to transportation electrification in a manner that encourages customers and third parties to make investments that may not otherwise occur absent targeted utility support. Many of the Program's incentive offerings require customer participation, customer cost-sharing, or customer coordination with third-party vendors, contractors, retailers, automotive dealers, or lending institutions. In this way, the TEP is intended not to replace private investment, but to help catalyze it.

Second, the TEP supports skilled jobs by increasing demand for services associated with transportation electrification, including electrical contracting, EVSE installation, maintenance, project development, customer support, and related services. The proposed Design, Build, Transfer offerings, Turnkey participation modalities, and Customer-Built EVSE incentives all rely on work performed by contractors, vendors, and other market participants with relevant technical expertise.

Finally, the proposed TEP supports customer choice by offering multiple participation pathways across customer classes and use cases. Residential customers may choose between different incentive offerings and participation modalities. Non-residential customers may pursue either customer-managed projects or more direct implementation support from PNM, depending on the complexity of their needs and capabilities. Taken together, these Program features are intended to expand access to transportation electrification while supporting market development and preserving flexibility for customers and service providers alike.

Q. Can you describe the strategies and measures included in the Market Transformation budget?

A. The Market Transformation budget is intended to support activities that improve long-term transportation electrification adoption by addressing market readiness,

customer understanding, and operational learning. As proposed, this category includes continued support for residential managed charging efforts, customer engagement and self-exploration tools to help customers evaluate the benefits of transportation electrification, technical advisory services to support non-residential fleet electrification, and incentives aimed at electrifying ride-share and app-based delivery driving. Collectively, these activities are intended to support broader transportation electrification adoption while establishing foundational market capabilities that can evolve over time.

Q. What strategies and measures are included in the proposed TEP to incentivize the electrification of ride-sharing?

A. PNM proposes to incentivize the electrification of ride-share and app-based delivery activity by providing an incentive of $0.10 per electric mile driven within PNM's service territory. This strategy is intended to encourage electrification among high-mileage drivers, where vehicle electrification can produce meaningful fuel cost savings and emissions benefits while increasing zero-emission miles traveled in New Mexico. This proposed measure also satisfies the Rule 574 requirement that the Company include strategies and measures for ride-sharing programs in its proposed three-year plan.

Q. Does PNM propose any market transformation activities in this TEP to support increased education for local businesses that sell EVs?

A. Yes. PNM proposes market transformation activities that include customer engagement and self-exploration tools, as well as technical and informational strategies intended to improve the broader transportation electrification ecosystem. These activities are designed not only to help customers better evaluate transportation electrification options, but also to strengthen market participants' understanding of available technologies, incentives, and adoption pathways. In that regard, the Program contemplates activities that can support improved education and engagement among local businesses that sell EVs and related transportation electrification products.

Q. Why has PNM proposed strategies and measures in support of local businesses that sell EVs?

A. PNM has proposed strategies and measures that support local businesses that sell EVs because those businesses play an important role in how customers learn about, evaluate, and ultimately adopt transportation electrification technologies. Customers often encounter transportation electrification for the first time through vehicle retailers and related market participants. Improving the availability and quality of information in those settings can help reduce confusion, improve customer decision-making, and increase awareness of the financial and operational benefits of EV adoption. Supporting these market actors therefore advances the Program's broader objective of overcoming persistent barriers to transportation electrification in PNM's service territory.

F. Program Budget

Q. Please provide detail on the three-year $32,950,000 TEP budget.

A. PNM proposes a total three-year TEP budget of $32,950,000. Of that amount, 60%, or $19,770,000, is allocated to EVSE and vehicle incentives. Within that category, 45%, or $8,896,500, is designated for residential incentives and 55%, or $10,873,500, is designated for non-residential incentives. PNM further proposes to allocate 15%, or $4,942,500, to Market Transformation activities, 10%, or $3,295,000, to Education, Marketing, and Outreach, and 15%, or $4,942,500, to Administrative Infrastructure. As designed, the Program includes a 40% low-income budgetary carveout, and if the Program budget is fully exhausted, $8,481,330 would be delivered directly to low-income customers or non-residential properties in underserved areas, with additional funds deployed through Market Transformation, Education, Marketing, and Outreach, and Administrative Infrastructure in ways that support low-income customers and underserved communities.

Q. Please provide a visual breakdown of the TEP budget.

A. Please see PNM Table JEW-2 below:

PNM Table JEW-2: TEP Budget Summary

Program Component	Total Cost	Attributed to Low-Income
Residential EV & EVSE Incentives *(Level 2 home charger incentives, electric bicycle incentives, and EV purchase incentives)*	$8,896,500	$4,893,075 (55%)

Non-Residential EVSE Incentives *(DCFC and Level 2 for multifamily, public, workplace, fleet, and mass transit charging)*	$10,873,500	$3,588,255 (33%)
Market Transformation *(Rideshare and app-based delivery, managed charging, fleet advisory, self-exploration and EVSE support)*	$4,942,500	$1,483,325 (30%)
Education, Marketing, and Outreach *(Education, TEP awareness, direct outreach, and engagement)*	$3,295,000	$1,318,000 (40%)
Administrative Infrastructure *(12 ¼ Full Time Employees plus loading)*	$4,942,500	$1,977,000 (40%)
TOTAL	**$32,950,000**	**$13,259,655 (40%)**

Q. Does PNM propose any budget flexibility in case the proposed budgetary limits are reached prior to the end of the three-year timeline?

A. Yes. PNM proposes budget flexibility within the overall approved three-year TEP budget in order to respond to changing customer demand and evolving market conditions. Because transportation electrification adoption remains dynamic and somewhat unpredictable, fixed participation levels by offering may not reflect actual market response over the Program term. Consistent with Rule 574, PNM seeks the flexibility to shift budget among Program components as needed so long as the overall Program continues to satisfy statutory and regulatory objectives, including support for low-income customers and underserved communities.

Q. What cost-recovery mechanisms does PNM propose for its TEP?

A. Please refer to the testimony of PNM Witness Casas for a discussion of the proposed recovery of all TEP costs.

Q. Please describe the New Mexico Clean Transportation Fuel Program and explain whether PNM expects to participate in that program.

A. The New Mexico Clean Transportation Fuel Program ("CTFP") is a statewide program established to reduce the carbon intensity of transportation fuels used in New Mexico over time. The Program creates a market in which transportation fuels with carbon intensity below the applicable standard generate credits, while fuels above the standard generate deficits that must be addressed through credit acquisition or other compliance measures. The Program became effective April 1, 2026, and is intended to reduce the carbon intensity of transportation fuels by at least 20% below 2018 levels by 2030 and at least 30% below 2018 levels by 2040. Electricity is one of the lower-carbon transportation fuels contemplated by the Program.

PNM expects that transportation electrification activities in its service territory may create opportunities to generate credits under the CTFP, subject to the Program's implementation requirements and any registration, reporting, verification, or pathway approval requirements applicable to participating entities. Because the Program was only recently launched, PNM's approach to participation will necessarily evolve as implementation proceeds and market conditions develop. Nevertheless, the CTFP is potentially important to PNM's broader transportation electrification efforts because it may provide an additional source of support for

qualifying transportation electrification and other transportation decarbonization activities in PNM's service territory.

Q. If PNM generates and sells credits under the Clean Transportation Fuel Program, how does PNM propose to use the resulting revenues?

A. If PNM generates and sells credits under the Clean Transportation Fuel Program, PNM proposes to use the resulting revenues in a manner consistent with the requirements of the CTFP statute and its implementing rule and in support of transportation decarbonization in its service territory. The governing requirements provide that revenues from the sale of credits must be invested in qualifying transportation decarbonization purposes and must be used in a manner that is supplemental and additional to approved funding. PNM would therefore treat any such revenues as supplemental and additional to approved TEP funding, and not as a substitute for funding otherwise approved in this proceeding.

Consistent with that framework, PNM would expect to apply any such revenues to eligible transportation decarbonization purposes, which may include supporting EV charging infrastructure, related distribution and grid modernization investments, and other transportation electrification strategies and measures that expand access to electricity as a transportation fuel. PNM would also ensure that any use of such revenues appropriately reflects applicable statutory and regulatory requirements, including requirements related to low-income customers and underserved

communities. Because the Program is newly launched and the magnitude and timing of any future credit revenues are uncertain, PNM is not proposing in this proceeding to rely on any specific amount of CTFP credit revenue to fund the proposed 2027-2029 TEP budget. Instead, any future revenues would provide a supplemental and additional source of support for qualifying transportation decarbonization activities as the Program develops.

G. Customer Education, Marketing, and Outreach

Q. Does the TE Statute encourage the inclusion of strategies and measures intended to provide customer education and outreach programs that increase awareness of TEPs and the benefits of transportation electrification?

A. Yes. The TE Statute expressly contemplates customer education and outreach programs that increase awareness of transportation electrification programs and the benefits of transportation electrification. In evaluating TEP applications, the statute directs consideration of whether proposed investments, incentives, programs, and expenditures reasonably support increased consumer choices, private capital investment, skilled jobs, and customer information and education. Accordingly, education and outreach are not ancillary to the Program; they are an indispensable part of how the Program advances transportation electrification in PNM's service territory.

Q. How does the Company distinguish between efforts intended to provide education as opposed to marketing or outreach?

A. PNM distinguishes education from marketing and outreach based on the primary objective of the activity. Education is intended to improve customer understanding by providing information about transportation electrification technologies, charging options, costs, benefits, and program participation requirements. Educational efforts are designed to help customers make informed decisions by reducing knowledge barriers and clarifying how transportation electrification can fit their circumstances. These activities may include informational materials, explanatory tools, and content intended to improve customer literacy regarding EVs, EVSE, rates, and related incentives.

Q. How does the Company distinguish between efforts intended to provide marketing as opposed to education or outreach?

A. PNM views marketing as activities primarily intended to increase awareness of the TEP and motivate customer engagement with the Program. While education focuses on informing and outreach focuses on targeted engagement, marketing is generally designed to drive customer attention, interest, and participation. Marketing activities may include campaign development, audience targeting, promotional messaging, and communications intended to increase visibility of transportation electrification opportunities and encourage eligible customers to take the next step toward participation.

Q. How does the Company distinguish between efforts intended to provide outreach as opposed to education or marketing?

A. PNM distinguishes outreach as the targeted effort to connect with specific customer groups, communities, organizations, or market participants that may benefit from transportation electrification but may not otherwise engage with the Program. Outreach is especially important for reaching low-income customers, underserved communities, multifamily properties, commercial businesses, and ride-share or public transit participants. Whereas education focuses on conveying information and marketing focuses on generating awareness and interest, outreach focuses on relationship-building, trusted communication channels, and audience-specific engagement strategies that improve equitable access to the Program.

Q. Can you describe strategies and measures that have been used in previous TEPs to increase awareness of the TEP?

A. Yes. In previous TEPs, PNM used a combination of outreach, education, and marketing strategies to increase awareness of transportation electrification and available Program offerings. These included program-specific education and marketing materials, broader outreach regarding the benefits of transportation electrification, and efforts intended to improve awareness among customers who may face greater barriers to participation. PNM also paired these awareness-building activities with implementation experience from pilot programs and

customer feedback mechanisms, such as quarterly surveys, to better understand how customers learn about and respond to transportation electrification opportunities.

Q. What strategies and measures intended to increase awareness have been successful? How does PNM measure success?

A. PNM evaluates the success of awareness-building strategies by examining customer engagement and participation trends, along with customer feedback gathered through quarterly surveys and other program interactions. Over time, these tools help the Company understand customer awareness of EVs, awareness of the TEP, and the barriers customers continue to report. PNM uses that information to refine Program messaging, improve customer-facing tools, and adjust education, marketing, and outreach strategies to better meet customer needs. In this way, success is measured not only by immediate participation, but also by improved customer understanding, increased engagement, and better alignment between Program offerings and customer-reported barriers.

Q. How did PNM estimate the budget for the Education, Marketing, and Outreach activities?

A. PNM estimated the Education, Marketing, and Outreach budget as part of the overall TEP design process, taking into account the persistent customer barriers identified through quarterly surveys, the need to improve awareness of transportation electrification and Program offerings, and the importance of reaching

low-income customers and underserved communities. This level of funding reflects PNM's view that customer awareness, understanding, and targeted engagement are essential to overcoming non-financial barriers to transportation electrification adoption.

Q. Does PNM intend to use the proposed marketing budget to help automakers and auto dealers sell EVs?

A. No. PNM does not propose to use the marketing budget to promote particular automakers, vehicle brands, or dealerships. Rather, the proposed Education, Marketing, and Outreach budget is intended to help customers understand the benefits of transportation electrification, learn about available TEP offerings, and better evaluate whether EV adoption is appropriate for their circumstances. Any benefits to automakers or auto dealers would be incidental to the Program's broader purpose of reducing customer barriers and expanding access to transportation electrification.

Q. How does PNM evaluate which education, marketing, and outreach strategies and tactics are funded?

A. PNM evaluates which education, marketing, and outreach strategies to fund based on whether those proposed activities are reasonably expected to reduce customer barriers, increase awareness of the TEP and transportation electrification, improve access for low-income customers and underserved communities, and support the

goals of the TE Statute and TE Rule. The Company also considers prior implementation experience, customer feedback, stakeholder input, and the need to adapt to evolving market conditions. Through this approach, PNM seeks to fund activities that are practical, targeted, and likely to improve customer understanding and Program participation.

H. Program Administration

Q. How is the TEP currently staffed?

A. The TEP is currently supported by a combination of internal personnel and third-party support. Program administration requires staff to manage customer participation, process applications, coordinate vendors and contractors, support outreach and reporting, and oversee implementation across multiple Program components. PNM's experience implementing prior TEPs has shown that effective administration requires dedicated staffing as well as outside support for certain functions, particularly as the Program grows in complexity and scale.

Q. Has PNM estimated the personnel required to support the proposed TEP?

A. Yes. PNM has estimated the personnel required to support the proposed TEP, and that staffing need is reflected in the Administrative Infrastructure component of the Program budget. As described in Section 3.6.1. of Exhibit JEW-2, the proposed TEP contemplates a total of 12.25 full-time employees to support implementation and administration of the Program. These personnel support program management,

customer participation and application processing, vendor and contractor coordination, education, marketing, and outreach activities, reporting and compliance, and other administrative functions necessary to operate the TEP effectively over the three-year period. The staffing estimate reflects the broader scope and complexity of the proposed 2027-2029 TEP and the level of effort required to administer multiple incentive pathways, market transformation activities, and ongoing program oversight.

Q. Will PNM continue to enlist the support of third parties for any program administration duties?

A. PNM will continue to enlist the support of third parties for program administration duties where doing so improves implementation efficiency, customer experience, technical execution, reporting, or administrative cost-effectiveness. Third-party support may be especially important in areas such as contractor coordination, customer application support, incentive processing, outreach implementation, and other specialized administrative functions. PNM's experience implementing prior TEPs has shown that a combination of internal staff and outside support is often the most practical and effective approach for administering a program of this scope and complexity.

I. Progress Reports and Evaluation

Q. Does the TE Rule require investor-owned utilities to file annual progress reports?

A. Yes. Rule 574 requires investor-owned utilities to prepare and file annual progress reports related to their approved transportation electrification programs. These reporting requirements are intended to promote transparency and provide information that can inform future program design and Commission policy.

Q. What specific elements must PNM include in its annual progress reports?

A. PNM's annual progress reports must provide information sufficient to inform the Commission and stakeholders regarding Program implementation, participation, and performance. Consistent with the TE Statute and Rule 574, those reports are intended to support transparency and help inform future program design and Commission policy. In practice, this includes reporting on participation, expenditures, progress toward Program objectives, and other information relevant to evaluating whether approved strategies and measures are functioning as intended. For a comprehensive list of the data points required, please refer to Exhibit JEW-2, Section 2.2.

Q. How will PNM use participation data, customer feedback, and annual progress reporting to refine implementation of the 2027-2029 TEP over time?

A. PNM intends to use participation data, customer feedback, and annual progress reporting as important tools to evaluate and refine implementation of the 2027-2029 TEP over time. Transportation electrification remains a developing market, and actual customer participation, project costs, and customer needs may differ from initial planning assumptions. For that reason, PNM expects to monitor participation trends across Program offerings, customer classes, and market segments throughout the implementation period.

In addition, PNM will continue to consider customer feedback, including feedback gathered through quarterly surveys and program interactions, to better understand the barriers customers continue to experience and the effectiveness of the Program's strategies and measures in addressing those barriers. This information can help the Company identify where outreach, education, participation pathways, or implementation processes may need to be adjusted to improve customer access and program performance.

Annual progress reporting will also support this process by providing a structured opportunity to evaluate Program implementation, participation, expenditures, and other relevant outcomes. Taken together, these tools will help PNM manage the Program in a responsive and informed manner and make prudent adjustments, where appropriate, as the transportation electrification market continues to evolve.

Q. Please summarize your testimony.

A. My testimony provides an overview of PNM's proposed 2027-2029 Transportation Electrification Program and explains how the Program is designed to address customer and market barriers to transportation electrification in PNM's service territory. I describe the Program's major components, including residential and non-residential incentives, market transformation activities, education, marketing, and outreach, administrative infrastructure, and the proposed budget. I also explain how the Program reflects stakeholder input, lessons from previous TEPs, and the requirements of the TE Statute and Rule 574, including the Program's focus on low-income customers, underserved communities, and multiple EV classes and market segments.

Q. Does this conclude your testimony?

A. Yes.

GCG#535335

PNM Exhibit JEW-1

John E. Williamson Educational and Professional Summary

Is contained in the following 1 page.

John E. Williamson III
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: John E. Williamson III

Address: PNM Resources, Inc.
MS 0605
414 Silver SW, Albuquerque, NM 87102

Position: Manager, Transportation Electrification

Education: Bachelor of Arts, Religion and Philosophy
Texas Christian University, 2008

Post Graduate Diploma in Social Anthropology
School of Social Sciences, University of Manchester, Manchester UK, 2010

Master of Business Administration, Strategic Management and Policy
University of New Mexico, 2024

Employment: Employed by PNM Resources since 2019
Positions held at PNM include:
- Strategic Account Manager
- Senior Strategic Account Manager
- Program Manager, TEP
- Manager, Transportation Electrification

Pioneer Natural Resources 2013-2019
- Senior Site Coordinator
- Site Coordinator

Rio Grande Jewelry 2012-2013
- Inventory Control Specialist

Carmeuse Industrial Sands, Inc. 2011
- Wet and Dry Plan Operator

R.S. Peveto Operating, Inc. 2008-2009
- Independent Petroleum Landman

Certifications:
- "The Basics" Practical Regulatory Training for the Electric Industry
- CONNECT New Mexico Certificate of Achievement

PNM Exhibit JEW-2

PNM Transportation Electrification Program Overview

Is contained in the following 50 pages.

PNM Transportation Electrification Program

Implementation Date: January 1, 2027 (*expected*)

Public Service Company of New Mexico

Table of Contents

1. Executive Summary

Pursuant to House Bill 521 ("TE Statute"), Public Service Company of New Mexico's ("PNM") 2027-2029 Transportation Electrification Program ("2027-2029 TEP" or "Program") includes infrastructure and vehicle incentives for residential customers; infrastructure incentives for non-residential customers; a continuation of previously approved pilot rates to shift charging to off-peak periods; funding for market transformation activities; funding for education, marketing, and outreach ("EMO") activities, and an administrative infrastructure budget to support and sustain program implementation and management. PNM proposes to continue recovering TEP costs through the Fourth Revised Rider No. 53 ("Rider 53" or "TEP Rider"), except for costs associated with the advanced cellular meters which will be recovered through a general rate case.

Transportation electrification is in the public interest for many reasons. Electric vehicles ("EVs") have no tailpipe emissions and operate more efficiently than internal combustion engine vehicles, resulting in a lower carbon footprint when using energy from the electric grid. This is especially pertinent in New Mexico, which has adopted an aggressive decarbonization policy for the electricity sector. To fulfill the legislative mandate to expand transportation electrification, PNM's Application seeks approval of a broad range of incentives designed to make it easier and more economic for customers to choose EVs to meet their unique transportation needs.

The market and policy landscapes have shifted significantly since seeking approval of the 2024-2026 Transportation Electrification Program ("2024-2026 TEP"). Shifting federal policy and the resulting market uncertainty has placed renewed importance on the role utility incentives play in supporting and furthering transportation electrification across New Mexico. Consequently, the 2027-2029 TEP has been designed to meet gaps left by changing federal policy while addressing barriers to customer adoption that persist.

PNM's 2027-2029 TEP includes the following to facilitate adoption of transportation electrification within PNM's service territory:

(a) $8,896,500 to support residential incentives for Level 2 chargers, customer make-ready costs, electric bicycles, and EV purchases, including a $4,893,075 (55%) budgetary carve-out for low-income customers;
(b) $10,873,500 for non-residential incentives to support EVSE at multifamily and commercial properties in the form of turnkey projects and customer make-ready and line extension rebates for Level 2 and Direct-Current Fast Charging ("DCFC") chargers, including a $3,588,255 (33%) budgetary carve-out for charging infrastructure in underserved areas;
(c) $4,942,500 for market transformation activities, which is intended to develop a robust and sustainable transportation electrification ecosystem for the benefit of residential and non-residential customers;
(d) $3,295,000 for education, outreach, and marketing to educate customers on the benefits of transportation electrification and the TEP, a minimum of $1,318,000 (40%) of which is intended for efforts to reach low-income customers and those living in underserved areas; and,
(e) $4,942,500 for administration infrastructure, which is necessary to properly implement, sustain, and manage the TEP for the duration of the program.

As designed, the 2027-2029 TEP delivers $19,770,000, or 60% of the total proposed budget, directly to customers adopting transportation electrification and installing electric vehicle supply equipment ("EVSE"). The TEP devotes 40% of the overall budget to increasing EV and EVSE access to low-income customers and customers who live in underserved communities. The TEP provides budgetary carveouts and, in some cases, enhanced rebates and incentives for low-income residential customers to purchase and install EV charging infrastructure at their residential service address in addition to rebates for the purchase of an electric bicycle or an electric car. All non-residential incentive programs have a budgetary carve-out to support the development of EV charging infrastructure in underserved communities to improve transportation electrification for low-income customers and those living in underserved communities.

Taken together, we are proud that these investments will facilitate an equitable distribution of transportation electrification benefits to PNM customers. The 2027-2029 TEP presents a holistic plan and necessary investments to expand transportation electrification in New Mexico. PNM looks forward to implementing the TEP and continuing to support the State of New Mexico's vision for a cleaner and more efficient transportation future.

2. Background

2.1. NMSA 1978, Section 62-8-12 (2019)

On April 3, 2019, Governor Michelle Lujan Grisham signed the TE Statute into law, which incorporated a new section into the Public Utilities Act of 1978. The TE Statute implemented two primary objectives. First, it required all public utilities to file an application with the New Mexico Public Regulation Commission ("NMPRC" or "Commission") to expand transportation electrification no later than January 1, 2021. Second, it clarified that any person or entity selling electricity as a transportation fuel is not defined as a "public utility" pursuant to the Public Utility Act, effectively creating a competitive retail market for the sale of electricity as a transportation fuel.

In addition, the TE Statute identified six criteria to be used in evaluating an application to expand transportation electrification. Accordingly, plans to expand transportation electrification should be:

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[1] and users in underserved communities; [2]
3. designed to contribute to the reduction of air pollution and greenhouse gases;
4. reasonably expected to support increased consumer choice 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.

2.2. NMPRC Rule 17.9.574

On December 14, 2022, the Commission issued a final order in Case No. 22-00085-UT adopting Rule 17.9.574, the TE Rule, which established additional compliance requirements for investor-owned utilities ("IOUs") and TEP applications. The TE Rule established requirements for all IOUs to file three-year TEP applications, filing dates and review timelines, and annual progress reporting requirements among other items. Germane to this 2027-2029 TEP overview document, the TE Rule established the following additional program requirements for all transportation electrification program applications:

1. strategies and measures for expanding transportation electrification among low-income customers and underserved communities, including but not limited to:
    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; and
    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;
2. 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;
3. expected customer participation estimates and the methods used to derive such estimates;
4. 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;

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[1] NMSA 1978, Section 62-8-12 defines "low-income" as annual household adjusted gross income, as defined in the Income Tax Act [Chapter 7, Article 2 NMSA 1978], of equal to or less than two hundred percent of the federal poverty level.

[2] NMSA 1978, Section 62-8-12 defines "underserved community" as an area in this state, including a county, municipality or neighborhood, or subset of such area, where the median income of the area is low-income.

5. strategies and measures for coordinating with State or federal EV infrastructure planning;
6. strategies and measures for coordinating with existing business locations that sell and dispense transportation fuel to the public; and
7. identification of key performance indicators for program success and how these indicators are utilized to further the success of the program.

The 2027-2029 TEP, as described throughout this document, has been especially formulated to ensure all required statutory and regulatory obligations are met, as outlined by the following matrix of TE Rule requirements and associated program components:

TE Rule Requirements	**Associated Program Components**
1(a): Low-income budgetary carveout	3.1. Residential EV and EVSE Incentives 3.2. Non-Residential EVSE Incentives
1(b): Low-income outreach and marketing	3.5. Education, Marketing, and Outreach
1(c): Mass transit, ride-share, and multi-family dwellings serving low-income customers	3.2. Non-Residential EVSE Incentives 3.4.1. Rideshare $/Electric Mile Incentive
2: Measures for multiple EV classes and eBikes	3.1. Residential EV and EVSE Incentives 3.2. Non-Residential EVSE Incentives 3.3. EV Charging Rate Design
3: Participation estimates	3.1. Residential EV and EVSE Incentives 3.2. Non-Residential EVSE Incentives 3.3. EV Charging Rate Design 5. Budget Summary
4: Measures for multiple market segments	3.1. Residential EV and EVSE Incentives 3.2. Non-Residential EVSE Incentives 3.3. EV Charging Rate Design
5: State/federal EV coordination	3.6. Administrative Infrastructure
6: Coordination with existing fuel dispensing businesses	3.2. Non-Residential EVSE Incentives 3.3.2. Non-Residential EV Charging Station Pilot Rate
7: Key performance indicators	3.6. Administrative Infrastructure

Definition of Low-Income and Underserved Communities

NMSA 1978, Section 62-8-12(E) (2019) defines low-income as a person with an "annual adjusted gross income, as defined in the Income Tax Act [Chapter 7, Article 2 NMSA 1978], of equal to or less than two hundred percent of the federal poverty level." Statute further defines an underserved community as "an area in this state, including a county, municipality or neighborhood, or subset of such area, where the median income of the area is low-income." Furthermore, NMAC 17.9.574.11(C) requires that "strategies and measures for low-income customers shall permit self-

certification of eligibility." During the application process, low-income residential customers seeking to participate in the Program are provided a form displaying the eligibility requirements by household size and asked to certify that they meet the income requirements for participation as a low-income customer; PNM does not request or review any income information but relies on the customer's self-certification to confirm eligibility.

PNM notes that, for the purposes of assessing underserved community eligibility, a zip-code level analysis of income status conceals a significant level of variability in status that can be revealed at higher levels of granularity, for example, at the neighborhood or census tract level. In Case No. 23-00195-UT, the NMPRC approved continued use of a tool called EJScreen, provided by the Environmental Protection Agency, to determine whether individual non-residential projects met the requirements to participate as low-income or underserved communities in the 2024-2026 TEP. EJScreen provided a higher level of granularity than zip-code level analysis and allowed the user to input a specific service address to determine whether it fell into an underserved community. However, this tool has been made unavailable by the current federal administration, which may affect PNM's future ability to assess whether a project falls in an underserved community at a level of granularity higher than the zip-code level.

A group of environmental researchers and organizations has built a reconstructed version of the EJScreen tool (hereafter referred to as "EJScreen Mirror") and hosts it online through the Public Environmental Data Partners.[3] PNM proposes to utilize EJScreen Mirror for as long as it remains available to continue to verify underserved community eligibility status for non-residential projects in the 2027-2029 TEP; however, for the purposes of the analysis described below, the use of the higher granularity available through EJScreen Mirror is not feasible for assessing the entire population of multifamily buildings, residential customers, and commercial customers in PNM's service territory given that each premises address would need to be entered into the portal individually. A zip-code level analysis was therefore the most feasible method for conducting the analysis described below.

PNM utilized data from the United States Census Bureau's 2024 American Community Survey 1-Year Estimate, Subject Table S1701, Poverty Status in the Past 12 Months, to identify zip codes in PNM's service territory that qualify as underserved communities per the definition provided in NMSA 1978, Section 62-8-12(E)(3). Using PNM customer premises zip code data, we estimate that 8.4% of multifamily buildings,[4] 10.6% of residential accounts, and 15.0% of commercial accounts (excluding multifamily buildings) are located in underserved communities as defined at the zip-code level.

[3] https://pedp-ejscreen.azurewebsites.net/

[4] Multifamily buildings identified using North American Industry Classification System (NAICS) codes assigned to commercial customer accounts.

2.3. Previous Transportation Electrification Programs

In accordance with NMSA 1978, Section 62-8-12 (2019),[5] PNM filed its inaugural Transportation Electrification Program application with the Commission on December 18, 2020, Case No. 20-00237-UT. The Commission issued its Final Order approving PNM's Transportation Electrification Program (2022–2023) on November 10, 2021, effective following the Order on Motion for Rehearing, dated December 8, 2021. The (2022-2023) Transportation Electrification Program was implemented on December 15, 2022. Pursuant to NMAC 17.9.574.12(A), PNM filed its (2024-2026) Transportation Electrification Program application with the Commission on June 1, 2023, Case No. 23-00195-UT. The Commission issued its Final Order approving PNM's (2024-2026) Transportation Electrification Program application on February 23, 2024, and the Program, as approved, was implemented on June 1, 2024.

PNM's inaugural TEP ("2022-2023 TEP") was founded on four primary pillars. First, PNM proposed rebates and incentives to reduce cost barriers for customers installing qualified EV charging infrastructure. Second, PNM proposed EV charging rates for residential and non-residential customers to encourage customers to charge EVs during off-peak hours. Third, PNM proposed market transformation activities to educate customers on the benefits of electric vehicles and to promote the TEP's rebates and incentives. Finally, PNM proposed a program administration structure to support the successful deployment of the other three pillars.

PNM's 2024-2026 Transportation Electrification Program ("2024-2026 TEP") continued and expanded many of the program components originally implemented in the 2022-2023 TEP. Customers consistently reported that upfront costs of electric vehicles and related infrastructure represented a significant barrier to transportation electrification, so the 2024-2026 TEP maintained and expanded many of the incentives aimed at reducing cost barriers for customers installing EV charging infrastructure, while also launching vehicle-specific incentives for residential customers. Additionally, the 2024-2026 TEP included a Market Transformation budget category primarily intended to drive improved learnings from managing residential EV charging behavior ("Active Managed Charging Program") and commercial fleet electrification ("Fleet Electrification Advisory Services Pilot Program"). The EV charging rate pilots for residential and non-residential customers continued unchanged from the 2022-2023 TEP to the 2024-2026 TEP,[6] and education, marketing, and outreach activities were maintained to ensure customers were able to learn about the environmental and economic benefits associated with transportation electrification as well as how to participate in the Program.

[5] https://nmonesource.com/nmos/nmsa/en/item/4407/index.do#!b/62-8-12

[6] The only requested modification to the Whole-House EV Rate Program Pilot was to increase the participation cap from 4,900 participants to 10,000 participants.

2.4. Current Electric Vehicle Market and Electric Vehicle Market Projections

Electric vehicle technologies have progressed significantly since the 2024-2026 TEP was filed in June 2023, but the market for electric transportation is uncertain. On the national level and in PNM's service territory, the rate of growth in EV adoption has fluctuated significantly month-to-month over the past several years due to a variety of factors, including macroeconomic conditions and federal policy decisions such as the rollback of the federal EV purchase tax credit in September 2025.

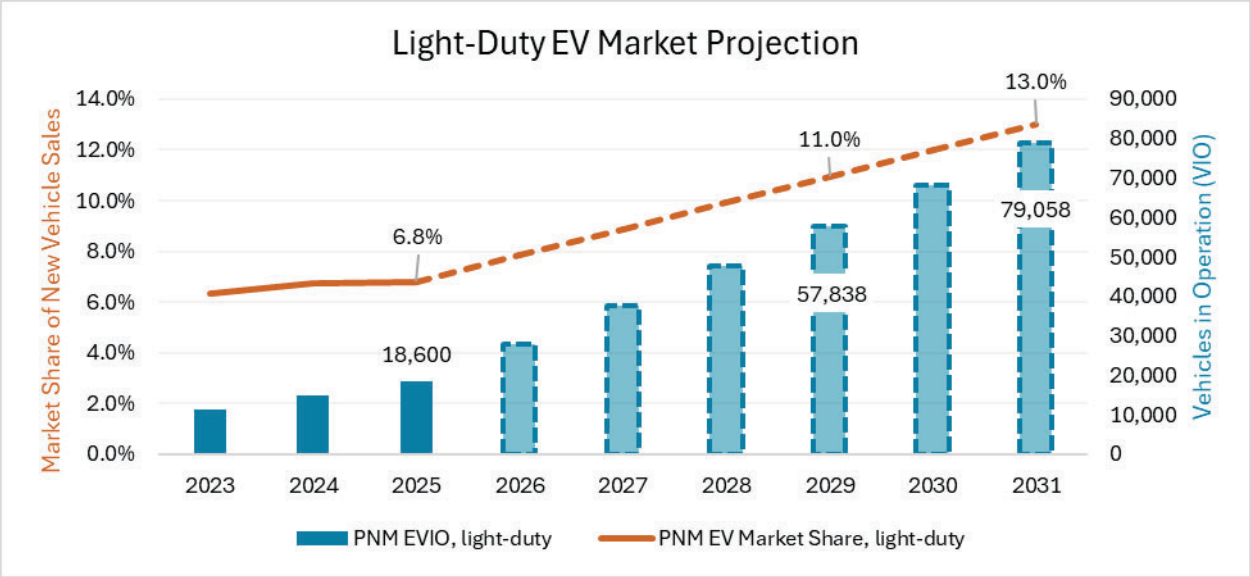
Two of the most common measures of EV adoption are the market share of new vehicle sales and the number of electric vehicles in operation ("EVIO"). Market share is a leading indicator that quantifies the popularity of EVs among consumers in the market for a new vehicle, while EVIO is a lagging indicator which provides context for how the total on-road vehicle fleet has changed in composition over time as new vehicles enter the fleet and old vehicles age out. When PNM filed its 2022-2023 TEP in December 2021, the light-duty vehicle ("LDV") EV market share in PNM's service territory was less than 3%. In 2025, LDV EV market share averaged 6.8% for the full year, and single-month market share peaked at 9.0% in September 2025 in advance of the expiration of the federal EV purchase tax credit. Based on PNM's analysis of proprietary data from the Electric Power Research Institute (EPRI), month-to-month EV market share in PNM's service territory has averaged about 1 percentage point higher than the New Mexico statewide EV market share, and about 2 percentage points lower than the US national EV market share. By the end of 2025, LDV EVIO in PNM's service territory exceeded 18,500 vehicles, a significant increase from fewer than 6,000 vehicles recorded at the end of 2021.

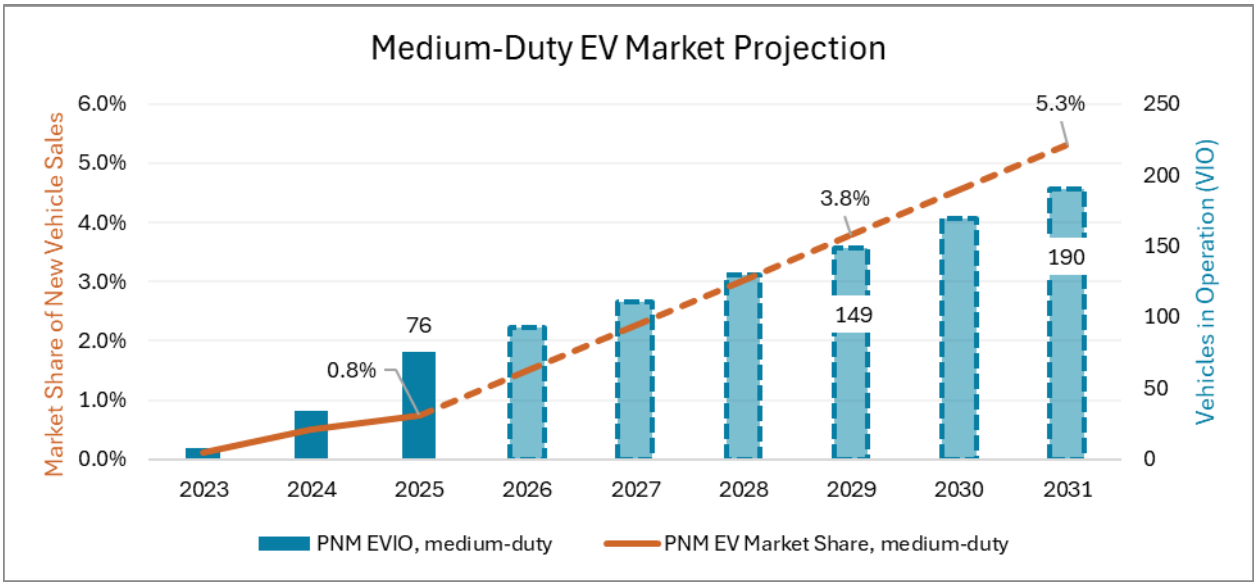
The table and charts below provide additional detail regarding estimated historical EV adoption metrics in PNM's service territory and projected adoption over the three-year plan (2027-2029) and the additional two-year planning outlook (2030-2031), listed by light-duty, medium-duty, and heavy-duty EV classes, pursuant to NMAC 17.9.574.11(D)(1). Light-duty data for 2023-2025 are sourced from an EPRI analysis of Experian Data, 2026, and are rounded to hundreds. Medium-duty and heavy-duty vehicle data for 2023-2025 are sourced from Atlas Public Policy's *EvaluateNM*[7] data portal. Data for 2026 – 2031 are based on PNM's model of EV adoption, informed by projections made by the U.S. Energy Information Administration (EIA) in the 2026 Annual Energy Outlook (AEO2026) Alternative Transportation case. To project EV market conditions in PNM's service territory, we began with PNM's historical metrics and projected that we would match the national EV market share and EV share of VIO by 2045 as projected by EIA.

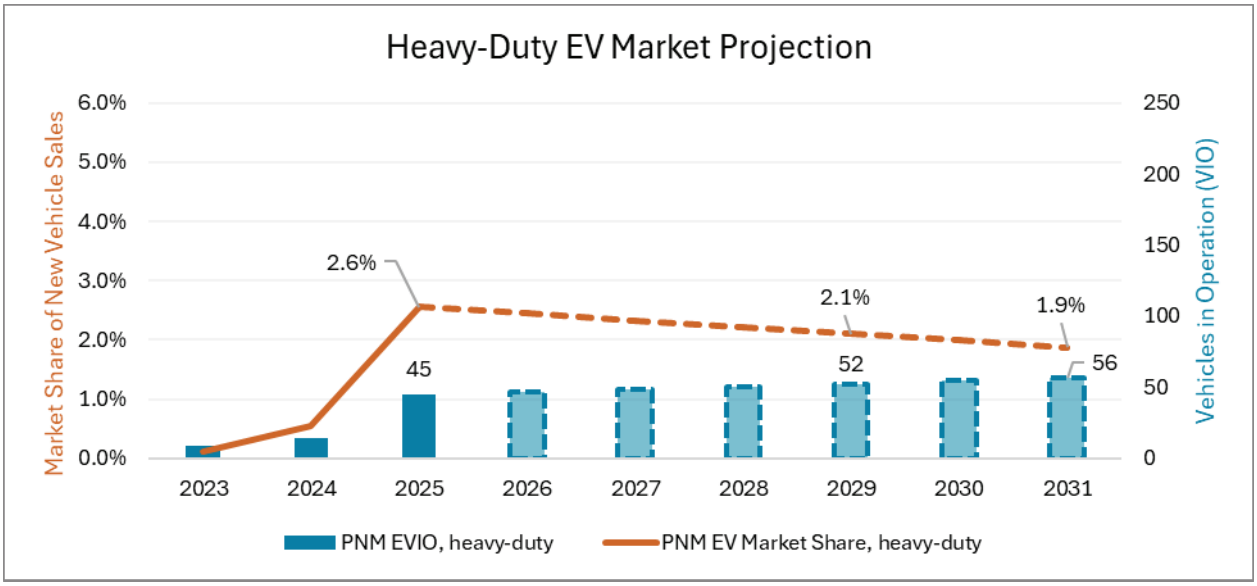
	Light-duty EV market share	**Light-duty EVIO**	**Medium-duty EV market share**	**Medium-duty EVIO**	**Heavy-duty EV market share**	**Heavy-duty EVIO**
2023	6.3%	11,400	0.1%	8	0.1%	10

[7] https://atlaspolicy.com/evaluatenm/

2024	6.7%	14,900	0.5%	34	0.6%	15
2025	6.8%	18,600	0.8%	76	2.6%	45
2026	7.8%	28,094	1.5%	93	2.4%	47
2027	8.9%	37,747	2.3%	111	2.3%	48
2028	9.9%	47,664	3.0%	130	2.2%	50
2029	11.0%	57,838	3.8%	149	2.1%	52
2030	12.0%	68,316	4.5%	169	2.0%	54
2031	13.0%	79,058	5.3%	190	1.9%	56







An analysis[8] performed by the Alliance for Automotive Innovation with data acquired from S&P Global Mobility and the U.S. Department of Energy's Alternative Fuels Data Center shows that as of December 31, 2025, New Mexico was ranked 18th in the United States (50 states plus the District of Columbia) as measured by the ratio of registered light-duty EVs to non-residential, public EV charging ports (EVs per public charging port) with 21 EVs per public charging port. New Mexico needs to attain a ratio of 17 EVs per public charging port to move into the top quartile of states as ranked by this metric. Based on proprietary data from EPRI and public data from Atlas Public Policy's *EvaluateNM*[9] data portal, as of December 31, 2025, in PNM's service territory there were 29 EVs per public charging port (18,600 EVs to 645 public charging ports). To meet the goal ratio of 17 EVs per public charging port in our service territory by 2029, when we project that approximately 57,800 light-duty EVs will be in operation, PNM anticipates the need for an additional 2,757 public charging ports to be installed in our service territory. PNM anticipates that the proposed 2027-2029 Transportation Electrification Program, as described below, may incentivize the installation of an estimated 20% of the market need within its service territory via incentives, which is anticipated to provide enough support to persuade those who might otherwise be disincentivized by the upfront costs to install EVSE and to encourage the deployment of private capital in pursuit of transportation electrification.[10]

[8] https://www.autosinnovate.org/posts/papers-reports/get-connected-ev-quarterly-2025-q4

[9] https://atlaspolicy.com/evaluatenm/

[10] Assumes all EVSE installed through the Commercial Design, Build, Transfer Incentive offering are Level 2 chargers, and that all EVSE installed through the Non-Residential Customer-Built Incentive are 150kW DCFC. Anticipated number of charging ports installed are 865 multifamily Level 2 ports, 519 workplace and public Level 2 ports, and 48 public or fleet DCFC ports; incentivized ports at multifamily properties are not included in the projected support of public charging stations but are provided here for context.

2.5. Stakeholder Engagement and Program Design

During the development of this program proposal, PNM sought feedback from and engaged with many stakeholders to ensure the program will serve customer needs. The stakeholder engagement process has been critical to ensuring the proposed TEP ("2027-2029 TEP") addresses all compliance requirements while addressing barriers to adoption and prioritizing equity requirements and customer needs. Throughout the course of the TEP design, PNM sought and incorporated feedback into the proposed program below. Although almost every component of this program has been influenced in some way by collaboration with stakeholders, the program offerings most significantly improved include the electric bicycle rebate, the new construction residential rebate, the residential EV charger installation rebate, the low-income EV purchase rebate, the non-residential line extension rebates, and the car-share program. PNM is grateful for those who contributed to the 2027-2029 TEP.

Invited stakeholders included the following entities:

- Albuquerque Public Schools
- Autel
- AMM Consulting, LLC
- Bernalillo County
- City of Albuquerque
- City of Santa Fe
- Coalition for Clean Affordable Energy
- Land of Enchantment Clean Cities Coalition
- New Mexico Attorney General's Office
- New Mexico Automotive Dealers Association
- New Mexico Department of Transportation
- New Mexico Environment Department
- New Mexico Public Regulation Commission Staff
- Prosperity Works
- University of New Mexico
- Western Resource Advocates
- Sandoval County
- Santa Fe County
- Tesla

3. The 2027-2029 Transportation Electrification Program

PNM issues a quarterly survey to customers to assess their interest in EVs and awareness of PNM's transportation electrification programs. Over the past year, 55% of customers reported that they are unlikely to buy or lease an EV in the next three years. These customers report that their primary barriers to EV adoption are range and mileage concerns,[11] charging equipment availability,[12] and vehicle price. [13] Of the customers who reported that they were unlikely to buy or lease an EV in the next three years, 33% selected range and mileage concerns as a primary barrier, 24% selected charging equipment availability, and 23% selected vehicle price.

In response to these findings and in alignment with the TE Statute and TE Rule, PNM proposes the 2027-2029 Transportation Electrification Program to expand transportation electrification across PNM's service territory. First, the Residential Incentives are intended to reduce barriers for residential PNM customers who adopt transportation electrification technologies, with enhanced incentives for low-income residential customers. Second, the Non-Residential Incentives are intended to reduce barriers for commercial PNM customers who install EV chargers at their properties for the benefit of their tenants, employees, customers, and the public. Third, the Market Transformation components will be leveraged to develop market inertia in support of transportation electrification for the benefit of PNM customers and the electric grid. Fourth, Education, Marketing, and Outreach is critical to increase customer awareness of the benefits of transportation electrification and how to participate in the Program. Finally, the strategies, measures, and incentives described herein require staffing to implement, administer, and manage, referred to as Administrative Infrastructure. Each portfolio component is described in greater detail below.

The table below provides a budgetary overview of the TEP incentives by portfolio component, and the remainder of this section provides details regarding how each of these strategies and measures are intended to expand transportation electrification and the corresponding requirements to participate.

Portfolio Component	Subtotal	Low Income	Low Income (%)
3.1. Residential Incentives	$8,896,500	$4,893,075	55%
3.2. Non-Residential Incentives	$10,873,500	$3,588,255	33%
3.4. Market Transformation	$4,942,500	$1,482,750	30%

[11] The Transportation Energy Data Book: Edition 40—2022, the most recent edition hosted by Oak Ridge National Laboratory, shows that 95% of vehicle trips are less than 30 miles (Figure 9.3); the daily vehicle miles of travel per driver for the most recent data set are 25.9 miles (Table 9.12).

[12] See section 2.4. above for an analysis of the ratio of EVs per public charging port in New Mexico and in PNM's service territory.

[13] According to Cox Automotive, in January 2026 the average transaction price ("ATP") for a new EV was $55,715, and the EV premium over ICEVs narrowed to $7,098. <https://www.coxautoinc.com/insights/ev-market-monitor-january-2026/>

3.5. Education, Marketing, and Outreach	$3,295,000	$1,318,000	40%
3.6. Administrative Infrastructure	$4,942,500	$1,977,000	40%
Total	**$32,950,000**	**$13,259,080**	**40%**

3.1. Residential EV and EVSE Incentives

More than 85% of charging for privately-owned EVs occurs at home.[14] However, many residential properties are not equipped with specialized EV charging equipment, often referred to as electric vehicle supply equipment ("EVSE"), resulting in extended charging periods and potentially disincentivizing the adoption of transportation electrification. For many New Mexicans, the costs associated with installing the appropriate electric facilities to adequately serve EVSE can be prohibitively expensive as much of the existing housing stock in PNM's service territory was not constructed with sufficient capacity for the needs of modern electrical appliances, especially Level 2 home chargers. Furthermore, many residential customers require technical installation support as home charger installations must be completed by a licensed electrician or a homeowner subject to the limitations set forth in 14.5.2.18 NMAC.[15]

PNM's proposed residential incentives reduce technical and cost barriers for the purchase and/or installation of qualifying Level 2 EV chargers and, as such, the incentives described below are intended to offset a significant amount of the cost to purchase and/or install a Level 2 charger for residential use. Level 2 chargers operate at 240V, allowing customers to recharge their EVs from 0% to 80% in 4 – 10 hours. In contrast, the Level 1 (120V) charger that often comes with an EV as standard equipment might require 40 hours or more to recharge from 0% to 80%.[16] The installation of the Level 2 charger complements the WHEV rate (*see* Section 3.3.1.) as it allows customers to fully charge their EV during the overnight EV charging window, letting customers maximize their savings and shift all of their EV charging load to a period when PNM's system is typically underutilized.

Increasingly, automotive original equipment manufacturers ("OEMs") are including a Level 2 home EV charger with the purchase of an EV; however, this practice is not universal amongst OEMs and is also subject to changing market conditions since OEMs use incentives to bolster lagging sales volumes.[17] Consequently, the incentives described below are intended to offer residential customers increased flexibility in purchasing and/or installing a Level 2 home charger that meets their unique fueling needs by allowing for participation in the program components most aligned with their specific barriers. Customers can apply the EVSE incentives to the purchase

[14] https://www.jdpower.com/business/press-releases/2026-us-electric-vehicle-experience-evx-home-charging-study

[15] 14.5.2.8(B) NMAC, <https://nmonesource.com/nmos/nmac/en/item/18052/index.do#s14_5_2_8>, retrieved on 05/05/2026.

[16] Time to charge depends on charger specifications and vehicle state of charge, among other considerations. Additional information can be found at https://www.transportation.gov/rural/ev/toolkit/ev-basics/charging-speeds.

[17] https://www.kbb.com/car-advice/kelley-blue-book-complete-guide-to-incentives/

of a Level 2 charger and/or the installation costs of a Level 2 charger at their residential PNM service address; additional participation requirements are included in the relevant sections below.

PNM also proposes incentives intended to offset the purchase price of an electric vehicle, as the purchase price for many electric vehicles is often more than comparable internal combustion engine vehicles ("ICEVs")[18]; although the total cost of ownership for many consumers is reduced through lower maintenance and fueling costs,[19] low-income customers are often unable to overcome the upfront price premium of an EV. For low-income customers, the vehicle purchase incentives include the EV Down Payment Assistance Incentive and the eBike Purchase Incentive; for market-rate customers, the Program proposes the eBike Purchase Incentive.

3.1.1. EV Equity: Low-Income Residential Incentives

The TE Statute and TE Rule place significant importance on the role of public utilities in supporting low-income customers and those living in underserved areas to learn about, evaluate and, where appropriate, adopt transportation electrification technologies like EVs and eBikes. The TE Statute, in NMSA Section 62-8-12(B), establishes criteria by which the Commission is expected to evaluate TEPs and specifically refers to increasing access to electricity as a transportation fuel "with consideration given for increasing such access to low-income users and users in underserved communities." The TE Rule, in NMAC Sections 17.9.574.11(B)(1) and 17.9.574.11(C), outlines requirements for TEPs to include "strategies and measure for expanding transportation electrification among low-income customers and underserved communities" and requires that TEP "strategies and measures for low-income customers shall permit self-certification of eligibility and shall be provided with public-facing materials in English and Spanish, and any incentives shall be made available prior to or at the time of purchase."

Analyses indicate that many customers who adopt transportation electrification technologies have lower total transportation costs after offsetting the often higher vehicle purchase price and equipment installation costs with the fuel and maintenance savings resulting from adopting an EV. However, these upfront costs can price low-income customers out of the transportation electrification market as the price premium for an EV or the upfront costs to install a Level 2 home charger is often too great a barrier to overcome. These barriers are exacerbated by the fact that many low-income customers often reside in older housing stock, which may not have been built with sufficient electrical capacity to meet the incremental needs of charging an EV at home. Indeed, survey results, industry reports, and in-person conversations held with customers in PNM's service territory often indicate that many customers believe EVs are inaccessible for low-income customers.

Consequently, PNM proposes three incentive offerings to support low-income customers who adopt transportation electrification technologies. First, PNM proposes the Level 2 Home Charger Incentive to support customers who are unable to overcome the costs associated with

[18] https://www.coxautoinc.com/insights/ev-market-monitor-january-2026/

[19] https://atlaspolicy.com/wp-content/uploads/2022/01/Total-Cost-of-Ownership-Analysis.pdf

purchasing and/or installing a Level 2 home charger. Second, PNM proposes the EV Down Payment Assistance Incentive to reduce the price disparity between ICEVs and comparable BEVs. Finally, PNM proposes the Low-Income eBike Purchase Incentive for customers who seek to replace vehicle miles travelled with eBike miles traveled. Additional details and participation requirements for each incentive offering are provided below.

Level 2 Home Charger Incentive

Customers who have reliable, consistent access to EV charging at their primary residence often report consistently higher satisfaction with how an EV meets their transportation needs.[20] Those without access to home charging often report transitioning back to an ICEV; access to public charging and the amount of time a typical charge requires is often too great a barrier for these customers to overcome.[21] Consequently, PNM proposes a budget of $1,957,230 to fund rebates up to $3,500 for the purchase and/or installation of a Level 2 home EV charger for customers who meet the qualifications and choose to self-certify as low-income, and PNM estimates that 559 incentives could be claimed if all applicants claimed the maximum incentive. These funds are intended to offset the costs to purchase and/or install a Level 2 home charger at the customer's residential service address. These incentives will be cross-promoted with the EV Down Payment Incentive described below; participation in the EV Down Payment Assistance Incentive does *not* require the claimant to also claim the Level 2 Home Charger Incentive.

Customers can participate in two ways. First, the customer can engage PNM to initiate the installation of a Level 2 home charger at the customer's residential service address (Turnkey Option). Customers choosing this participation modality can receive up to 100% of installation costs up to $3,500. Customers choosing the Turnkey Option must agree to pay the electrical contractor for any anticipated costs in excess of the eligible rebate amount *before* PNM will initiate the purchase and/or installation of the Level 2 home charger.[22] Second, the customer can initiate the installation of a Level 2 home charger (Self Install Option) to receive up to $3,500 or 80% of project costs, whichever is less. Customers choosing the Self Install Option may be required to provide an itemized quote and corresponding invoice as evidence of project costs incurred and may not be eligible to apply incentives at the time of purchase.

No single service address can qualify for more than one Level 2 Home Charger Incentive for the duration of the Program. To qualify, the customer must:

- Have an active residential PNM electric account where the charger is installed;
- Self-certify as low-income;
- Allow installation of a Level 2 home charger that

[20] https://www.kbb.com/car-news/study-ev-owners-happy-with-charging-at-home/

[21] https://www.nature.com/articles/s41560-021-00814-9

[22] Actual costs often vary from expected costs; in situations where projects are completed under the expected costs and customers have made payment to the electrical contractor, PNM shall request the electrical contractor to refund the difference to customers so that the incentive amount the customer receives is maximized.

- Is listed by a Nationally Recognized Testing Laboratory ("NRTL");
- Has smart charging capabilities to program charging windows and utilize communications protocol compatible with utility systems to respond to signals. Current protocols include OpenADR, OCPP, and IEEE; others may be evaluated upon request;
- Was purchased and installed after the latter of the effective date of this TEP or January 1, 2027; and

- Provide proof of completed installation, such as a signed statement, if choosing the Self Install Option.

EV Down Payment Assistance Incentive

Equitable access to affordable EV options is a key barrier to the adoption of transportation electrification, especially for low-income customers who may not have access to affordable and clean transportation technologies. To support the adoption of new and used EVs for low-income customers, PNM proposes a total budget of $2,446,537.50 to fund rebates up to $4,000 for the purchase or lease of a qualifying new or used EV, and PNM estimates that 611 incentives could be claimed if all applicants claimed the maximum incentive. This incentive has been aligned to the New Mexico Clean Car Tax Credit Program,[23] which allows New Mexicans to claim a refund on the purchase of a qualifying EV, to facilitate and enable incentive stacking to further improve the price parity between BEVs and ICEVs.

No single service address may qualify for more than one rebate for the duration of the Program. To qualify, the customer must meet the following eligibility requirements:

- Have an active, residential PNM electric account;
- Purchase or lease[24] a qualifying Battery Electric Vehicle ("BEV") from an automotive dealer registered with the New Mexico Motor Vehicles Department; private vehicle sales are not eligible for incentives; a qualifying vehicle is:
  - A new BEV that has a base manufacturer suggested retail price ("MSRP"),[25] before destination charges and before any taxes are imposed, of $55,000 or less; or
  - A previously-owned BEV that has a sale price of $25,000 or less that is a model year at least two years prior to the calendar year at the time of the vehicle sale;
- Self-certify as low-income.

[23] PNM's incentive offering differs from the NM Clean Car Tax Credit in that it *does not* require the dealer to provide a one-year extended manufacturer's warranty against defects and repairs.

[24] Lease terms must be for a minimum of two (2) years.

[25] PNM defines MSRP in alignment with the definition used by New Mexico Environment & Natural Resources Department as the "total vehicle price minus destination charge, regulatory fees, tax, title, and license fees" <https://www.emnrd.nm.gov/ecmd/clean-car-charging-unit-tax-credit/>.

PNM will work with a network of participating automotive dealers and lending institutions within PNM's service territory to provide access to these incentives at the point of purchase.

eBike Purchase Incentive

For some customers, alternative modes of electric transport may provide additional environmental benefits at a reduced cost to entry. Electric bicycles represent such an alternative and, in compliance with NMPRC Rule 574.11(B)(2), PNM proposes a total incentive budget of $489,307.50; customers claiming the incentive are eligible to receive up to $750 toward the purchase of a qualifying electric bicycle, and PNM estimates that 652 incentives could be claimed if all applicants claimed the maximum incentive.

No single service address can qualify for more than one rebate for the duration of the Program. To qualify, the customer must purchase the electric bicycle through a participating bicycle retailer, which will facilitate delivery of the incentive to the customer at the point of purchase. To qualify for the incentive, the electric bicycle must:

- Be primarily intended to be used for transportation needs; purely recreational electric bicycles will not be incentivized;
- Utilize an electric motor to provide full or partial propulsion;
- Have an attached or detachable battery capable of being recharged via an external electrical source; and
- Self-certify as low-income.

Participation eligibility will be verified through local, participating electric bicycle retailers and funds will be delivered to customers at the point of purchase.

3.1.2. EV Ready: Market-Rate Residential Incentives

Residential customers who adopt transportation electrification often enjoy lower total transportation costs and reduced household greenhouse gas emissions; however, most cost savings result from reduced fueling and maintenance expenses which are realized slowly over time. Consequently, many residential customers considering transportation electrification may not be able to overcome the vehicle price premium often associated with EVs and the costs of installing EVSE and supporting infrastructure. Those who may have sufficient financial resources to adopt may lack the technical expertise or time to estimate the installation costs of a Level 2 home charger, select a competitive vendor, make their property available at the time of installation, and submit the application materials necessary to participate in the Program. Consequently, PNM proposes two incentive offerings for market-rate residential customers.[26] First, PNM proposes the Level 2

[26] These incentives have been sized to support market-rate customers; however, low-income customers who may not self-identify as such may choose to participate in this incentive offering instead of the EV Equity Level 2 Home Charger Incentive. Because PNM does not collect any documentation related to a customer's income eligibility, PNM is unable to review and assign a categorization for customers who meet the income eligibility requirements to

Home Charger Incentive aimed at supporting customers through the financial and technical barriers associated with adopting transportation electrification. Second, PNM proposes the eBike Purchase Incentive for customers who seek to replace vehicle miles travelled with eBike miles traveled. Additional details and participation requirements for each incentive offering are provided below.

Level 2 Home Charger Incentive

Customers who have reliable, consistent access to EV charging at their primary residence often report consistently higher satisfaction with how an EV meets their transportation needs. Those without access to home charging often report transitioning back to an ICEV; access to public charging and the amount of time a typical charge requires is often too great a barrier for these customers to overcome. Consequently, PNM proposes a total budget of $3,402,911.25 to fund rebates up to $1,500 for the purchase and/or installation of a Level 2 home EV charger for market-rate customers, and PNM estimates that 2,268 incentives could be claimed if all applicants claim the maximum incentive. These funds are eligible to offset the costs to purchase and/or install a Level 2 home charger at the customer's residential service address.

Customers can participate in two ways. First, the customer can engage PNM to initiate the installation of a Level 2 home charger at the customer's residential service address (Turnkey Option). Customers choosing this participation modality can receive up to 100% of installation costs up to $1,500. Customers choosing the Turnkey Option must agree to pay the electrical contractor for any anticipated costs in excess of the eligible rebate amount *before* PNM will initiate the purchase and/or installation of the Level 2 home charger.[27] Second, the customer can initiate the installation of a Level 2 home charger at the customer's residential service address (Self Install Option) to receive up to $1,500 or 60% of project costs, whichever is less. Customers choosing the Self Install Option may be required to provide an itemized quote and corresponding invoice as evidence of project costs incurred and may not be eligible to apply the incentives at the point of purchase.

No single service address can qualify for more than one Level 2 Home Charger Incentive for the duration of the Program. To qualify, the customer must:

- Have an active residential PNM electric account;
- Allow installation of a Level 2 home charger that
    - Is listed by a Nationally Recognized Testing Laboratory ("NRTL");

participate as low-income. Consequently, PNM anticipates that some low-income customers may choose to participate as market-rate participants, and the numbers and percentages of Program participants classified as low-income may be understated in annual progress reports and other program reporting.

[27] Actual costs often vary from expected costs; in situations where projects are completed under the expected costs and customers have made payment to the electrical contractor, PNM shall request the electrical contractor to refund the difference to customers so that the incentive amount the customer receives is maximized.

    - Has smart charging capabilities to program charging windows and utilize communications protocol compatible with utility systems to respond to signals. Current protocols include OpenADR, OCPP, and IEEE; others may be evaluated upon request; and
- Provide proof of completed installation, such as a signed statement, if choosing the Self Install Option.

eBike Purchase Incentive

For some customers, alternative modes of electric transport may provide additional environmental benefits at a reduced cost to entry. Electric bicycles represent such an alternative and, in compliance with NMPRC Rule 574.11(B)(2), PNM proposes a total incentive budget of $600,513.75; customers claiming the incentive are eligible to receive up to $250 toward the purchase of a qualifying electric bicycle, and PNM estimates that 2,402 incentives could be claimed if all applicants claim the maximum incentive.

No single service address can qualify for more than one rebate for the duration of the Program. To qualify, the customer must purchase the electric bicycle through a participating bicycle retailer, which will facilitate delivery of the incentive to the customer at the point of purchase. To qualify for the incentive, the electric bicycle must:

- Be primarily intended to be used for transportation needs; purely recreational electric bicycles will not be incentivized;
- Utilize an electric motor to provide full or partial propulsion; and
- Have an attached or detachable battery capable of being recharged via an external electrical source.

Participation eligibility will be verified through local, participating electric bicycle retailers and funds will be delivered to customers at the point of purchase.

3.2. Non-Residential EVSE Incentives

The dispersal of Level 2 ("L2") charging and Direct Current Fast Charging ("DCFC") stations throughout New Mexico is critical to reducing range anxiety and increasing customer confidence in EV technologies. A longer charging period makes L2 charging ideal for any place where an EV will be parked for at least two hours, while DCFC is more appropriate for quick recharges, typically while traveling or when time does not permit the use of an L2 charger. The most practical locations for Level 2 charging include multifamily parking spaces, public parking spaces, workplace parking spaces, and fleet parking spaces; DCFC is more appropriate along travel corridors and at fuel dispensing locations.

PNM proposes three incentive offerings to meaningfully address the barriers non-residential PNM customers experience when considering the installation of EVSE at their property, which includes the Multifamily Design, Build, Transfer incentive offering, the Commercial Design, Build, Transfer incentive offering, and the Non-residential Customer-Built EVSE

incentive offering. The PNM Multifamily Design, Build, Transfer Incentive is specifically designed to address barriers to the installation of EVSE at existing multifamily properties for the benefit of tenants and their guests. The PNM Commercial Design, Build, Transfer Incentive is intended to support the proliferation of L2 charging and DCFC for public or workplace use. The Non-Residential Customer-Built EVSE Incentive is intended to support L2 charging and DCFC for multifamily, public, workplace, and fleet use. Additional details and participation requirements are described in greater detail below.

3.2.1. PNM Multifamily Design, Build, Transfer

Addressing multifamily charging is key to ensuring that customers who live in multifamily housing units can charge at home. Multifamily charging presents unique challenges because it can be very difficult to install typical residential chargers behind a specific resident's service panel, and it is typically more cost-effective for residents of multifamily housing units to share infrastructure. As a result, multifamily incentives are included in the Non-Residential EVSE Incentives because it is expected that chargers at multifamily properties will be placed behind the commercial property meter. In circumstances where a resident places a Level 2 charger behind their residential electric service meter, customers are eligible to participate in the programs described above as a residential applicant.

Many new multifamily properties are required by the New Mexico Construction Industries Division to install EVSE or future-proof parking spaces for future EVSE during construction.[28] However, pre-existing properties often find it difficult to overcome technical and cost barriers to install EVSE. Furthermore, many properties are unable to justify the capital costs of a retrofit EVSE project given the relatively meager forecasted returns from the current number of electric vehicles owned by their residents. On the other hand, many multifamily dwellers who may be interested in adopting transportation electrification are not confident that an EV will meet their regular transportation needs without access to reliable charging infrastructure at their residence. To expand transportation electrification within this market segment, PNM proposes a budget of $5,436,750 to fund the Multifamily Design, Build, Transfer Program with a 40% budgetary carveout ($2,174,700) for projects located in underserved areas.

In previous TEP-funded multifamily charging installation projects, participating properties installed anywhere from one to four Level 2 EV chargers, with an associated two to eight charging ports per project. The project cost per port for these multifamily installations averaged around $6,282, but individual project costs ranged widely around that average: $2,500 per port at the low end, and $14,795 per port at the high end. Using the historical average project cost per port of $6,282, we estimate that the proposed budget could fund the installation of up to 865 additional Level 2 charging ports at multifamily properties.

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[28] https://www.rld.nm.gov/wp-content/uploads/2024/01/RELEASE-Construction-Industries-Commission-votes-to-adopt-new-energy-efficient-building-codes.pdf

The PNM Multifamily Design, Build, Transfer Program will be administered through a grant application process, and PNM will seek participation by performing direct outreach within the market segment, communicating through trusted channels like trade groups and associations, and advertising through traditional marketing channels. PNM will host the grant application process within one year of the effective date of the Program; iterative, quarterly application cycles will be pursued until funding is exhausted or the Program's end date is reached. Successful projects will be selected by a panel based on a comparison of cost and impact with special consideration given to properties located in underserved areas. Projects will be constructed through a competitive solicitation process, and all infrastructure beyond the service entrance will be conveyed to the property owner upon successful EVSE commissioning. As a condition of participation, successful applicants must purchase a 5-year maintenance and repair package.

3.2.2. PNM Commercial Design, Build, Transfer

Many new commercial properties are required by the New Mexico Construction Industries Division to install EVSE and future-proof parking spaces for future EVSE during construction. However, pre-existing properties often find it difficult to overcome technical and cost barriers to install EVSE. Furthermore, many site hosts are unable to justify the capital costs of a retrofit EVSE project given the relatively meager forecasted returns from the current number of electric vehicles on the road. Conversely, consumers considering transportation electrification may be more likely to believe that an EV will meet their transportation needs when they are able to access EV charging infrastructure at places where they typically park their vehicle for two hours or more, thereby increasing the propensity for EV adoption within PNM's service territory. Public (L2/DCFC) and Workplace (L2) charging are ideal for meeting these community charging needs. To expand transportation electrification within this market segment, PNM proposes a budget of $3,262,050 to fund the Commercial Design, Build, Transfer Program with a 30% budgetary carveout ($978,615) for projects located in underserved areas.[29]

The PNM Commercial Design, Build, Transfer Program will be administered through a grant application process, and PNM will seek participation by performing direct outreach within the market segment, communicating through trusted channels like trade groups and associations, and advertising and posting through typical marketing channels. PNM will host the grant application process within one year of the effective date of the Program; iterative, quarterly application cycles will be pursued until funding is exhausted or the Program's end date is reached. Successful projects will be selected by a panel based on a comparison of cost and impact, with special consideration given for EVSE projects in underserved areas. Projects will be constructed through a competitive solicitation process, and all infrastructure beyond the service entrance will be conveyed to the property owner upon successful EVSE commissioning. As a condition of participation, successful applicants must purchase a 5-year maintenance and repair package.

[29] Only EVSE infrastructure in excess of the minimum requirements under 14.7.9. NMAC will be incentivized and PNM will prioritize retrofit projects as opposed to new construction projects through the application process.

3.2.3. Non-Residential Customer-Built EVSE

For customers who may not be selected to participate through the Multifamily or Commercial Design, Build, Transfer Incentive offerings or for those who may wish to facilitate their own EVSE project(s), PNM proposes the Non-Residential Customer-Built EVSE Incentive. Many locations, especially high-traffic areas along transportation corridors, are ideal locations for public DCFC and may not require the type of assistance provided in other incentive offerings to overcome barriers to installing EVSE. To expand transportation electrification for customers in this market segment, PNM proposes a budget of $2,174,700 to fund the Non-Residential Customer-Built EVSE Incentive with a 20% budgetary carveout ($434,940) for projects located in underserved areas. Eligible EVSE includes Level 2 ports intended for multifamily, public, workplace, and fleet use and DCFC stations intended for public or fleet use.

Incentives will be awarded in proportion to the amount of EVSE capacity installed at the service address. Customers are eligible to receive up to $300 per kW of installed capacity, with a maximum incentive amount of $300,000 per service address, regardless of the type or numbers of EV chargers installed, or up to 60% of the reported project costs, whichever is less. Eligible expenses include utility line extension costs for which the customer would normally be responsible and site make-ready costs up to the base of the charger. EVSE required for new construction will not be incentivized unless it is in excess of the New Mexico Construction Industries Division code requirements at the time of application submittal. Incentive funds will be awarded on a first-come, first-served basis.

To qualify, the equipment installed must meet the following criteria:

- If installing Level 2 chargers, the maximum nameplate capacity for the port shall not be more than 30kW;
- If installing DCFC, the minimum nameplate capacity for the port shall not be less than 150 kW, unless the intended application is fleet charging;
- If a fee is to be charged to end users, EVSE shall have at least two payment methods, such as Europay, MasterCard, Visa (EMV) chip reader, app-based payment, or contactless credit card;
- Regardless of the level of EVSE, it must
    - Be listed by a Nationally Recognized Testing Laboratory;
    - Provide a non-proprietary charging plug and, if public, available for use by anyone willing to provide payment at the time of fueling;
    - Has smart charging capabilities to program charging windows and utilize communications protocol compatible with utility systems to respond to signals. Current protocols include OpenADR, OCPP, and IEEE; others may be evaluated upon request; and
- Must be installed and commissioned on or after January 1, 2027, or the effective date of the 2027-2029 TEP, whichever is later.

Proof of completed installation, such as a signed statement, may be required, and PNM reserves the right to complete site inspections to confirm equipment eligibility. PNM will receive incentive applications through an online application portal.

3.3. EV Charging Rate Design

Rate design is the most direct way to communicate price signals to the customer to influence charging behavior. Proper rate design can incentivize customers to charge during off-peak times, thereby increasing the efficiency of the grid and allowing for greater penetration of EVs and other variable resources while reducing the need for costly system upgrades.

Both residential and non-residential rates described below were approved in 20-00237-UT as an integral part of the 2022-2023 TEP; the participation cap was expanded for the WHEV Pilot Rate through the 2024-2026 TEP, and the Non-Residential EV Charging Station Pilot Rate was approved to continue as previously approved. PNM proposes to continue both rates as currently in effect, with an additional change to the participation cap requested in this Program. Both rates are designed to address possible barriers to EV adoption and benefit the system by shifting demand to off-peak hours.

3.3.1. Whole-House EV Pilot Rate

Qualifying residential customers are currently able to participate in the pilot residential Whole-House EV, or WHEV, rate, which does not require a separate sub-meter or separate service for PNM. Using a single meter keeps customer costs low by obviating the need for a separate sub-meter that would add cost to the installation. The WHEV rate requires installation of an advanced meter to record both time-period and interval data. Although it is possible for a customer to shift all load to the off-peak period, this would still benefit the system by reducing demand on the system during peak periods.

PNM is currently authorized to offer the WHEV rate to 10,000 EV owners to charge their EVs between 10:00 PM and 5:00 AM year-round. The number of participants was capped to limit the expense of the new meters, which were not included in the budget for the 2022-2023 TEP. Rather, PNM proposed to recover the cost of these meters in the next general rate case. The table below provides a description of the WHEV base rates.

Time period		**Rate 1A WHEV $/kWh Rate (June, July, August)**	**Rate 1A WHEV $/kWh Rate (All Other Months)**
05:00 AM - 10:00 PM Electricity Usage	Block 1	$0.0896783/kWh	$0.0896783/kWh
	Block 2	$0.1486546/kWh	$0.1282683/kWh
	Block 3	$0.1994661/kWh	$0.1701214/kWh
10:00 PM – 05:00 AM WHEV Electricity Usage		$0.057500/kWh	

PNM proposes to eliminate the participation cap for WHEV participants; however, PNM proposes that all participants in excess of the previously approved 10,000 be deferred until such time as (1) their residence receives an AMI meter, or (2) another participant's residence which is already on WHEV receives an AMI meter and an advanced cellular meter is made available for refurbishment and redeployment.[30] This arrangement balances the capital requirements for using legacy advanced cellular meters with the customer benefits that result from participating in WHEV. This further expands the number of EV owners who are incentivized to charge their EVs during off-peak hours, thereby providing system benefits by increasing off-peak utilization of the electric system. Furthermore, the simplicity of scheduling EV charging behavior during a consistent time paired with a predictable per kWh cost provides additional clarity to customers who may be considering transportation electrification.

Qualification for applicants will be verified through an online application process. The customer will be required to submit proof of an EV regularly parking at their PNM service address, typically a current New Mexico vehicle registration or an insurance card showing the applicant's address. To remain enrolled in the rate, PNM will verify that the customer still qualifies for participation on an annual basis.

3.3.2. Non-Residential EV Charging Station Pilot Rate

One of the most considerable hurdles to non-residential EV charging is electric demand charges that many non-residential customers incur when charging stations are installed on their existing service. While Level 2 charging typically will only increase demand by up to 10kW, DCFCs can increase demand by well over 100kW. For example, a customer on rate 3B with a PNM-owned transformer pays a demand charge of $27.83/kW during non-summer months. This means the highest demand for the billing period is charged this amount. If a customer installs a DCFC with 100kW capacity that is charging an EV at the same time they hit their facility's highest demand for the month, their monthly bill could increase by $2,783.00 before taxes and fees. Understandably, this is a reason many customers avoid large charging loads.

While the current utilization rates for public chargers are low, a single charge using a DCFC could result in thousands of dollars in demand charges, even though less than 100kWh were delivered to the vehicle. To address this concern, PNM proposes to continue the 3F Non-residential EV Charging Station Pilot rate, which has no demand charges, regardless of the connected charger capacity. PNM believes this is the best way to support the deployment of non-residential charging infrastructure. As EV adoption increases, demand charges may no longer be burdensome to the business model for EV charging. PNM will continue to monitor charging data from incentivized stations to understand how this trend is progressing.

The 3F Non-residential EV Charging Station Pilot rate is also designed, like WHEV, to incentivize charging during off-peak hours; however, unlike WHEV, a dedicated service is

[30] AMI meter deployment is scheduled to begin in Q3 2026. PNM currently estimates full deployment across all residential customers will be completed by the end of 2028.

required to remove demand charges. The non-residential rate varies between summer and non-summer months and is based on the cost of energy, which may be modified by action of the Commission. The table below shows the current time windows and the associated energy costs for the 3F Non-residential EV Charging Station Pilot rate. The pricing ratios of on-peak to off-peak of approximately 2:1 in the non-summer months and approximately 3:1 in the summer months should be sufficient price signals to encourage customers to prioritize charging during off-peak periods; however, it should be noted that EV drivers who utilize public DCFC will charge at the time and location their schedule allows, regardless of the underlying rate structure.

	TOU Hours for Rate 3F	Energy Rate
On-Peak		
Summer	5:00pm- 10:00pm, Mon-Sun (35 hours/week)	$0.1997250/kWh
Non-summer	5:00am-08:00am and 5:00pm-8:00hrs, Mon-Sun (42 hours/week)	$0.1478538/kWh
Off-Peak		
Summer	All other hours (133 hours/week)	$0.0687672/kWh
Non-summer	All other hours (126 hours/week)	$0.0687672/kWh

3.4. Market Transformation

Transportation electrification in New Mexico remains an emerging market characterized by evolving technologies, limited customer familiarity, infrastructure deployment challenges, and varying levels of market readiness across customer segments and geographic regions. In this environment, customer adoption is influenced not only by vehicle and charging equipment costs, but also by customer awareness, installation complexity, infrastructure accessibility, and the availability of qualified service providers and supporting resources. Accordingly, PNM's proposed market transformation activities are designed to support the development of a functional and sustainable transportation electrification ecosystem in New Mexico. These activities are intended to improve the customer transportation electrification adoption journey, reduce barriers to participation, increase customer confidence, support equitable access to transportation electrification opportunities, and facilitate the long-term maturation of the state's EV market.

Market transformation requires sustained changes in customer behavior, increased EV and charger availability, and grid-integrated charging practices that persist beyond direct utility incentives. Strategies and measures to expand transportation electrification must provide some of the impetus to create durable market capabilities and system value to ratepayers while addressing equity and access for all customers. Consequently, PNM's market transformation strategy focuses

on customer education, stakeholder coordination, technical assistance, workforce and contractor engagement, infrastructure readiness, and ecosystem development across both residential and non-residential customer segments. Collectively, these activities are intended to support broader transportation electrification adoption while establishing foundational market capabilities that can evolve over time.

3.4.1. Electric Rideshare and App-based Delivery Incentive Pilot

Rideshare and app-based delivery platforms are increasingly influencing vehicle utilization patterns and transportation fuel consumption in New Mexico. Due to high vehicle utilization characteristics associated with rideshare and delivery operations, electrification of these vehicle segments may provide an opportunity to accelerate transportation electrification adoption and realize greenhouse gas reductions that result while supporting increased EV utilization and visibility within PNM's service territory. To support increased transportation electrification participation in the market segment and in compliance with 17.9.574.11(B)(4), PNM proposes an Electric Rideshare and Mobility Incentive Pilot designed to encourage electric miles traveled through qualifying rideshare and delivery platform activity. The pilot program is intended to support broader transportation electrification through increased exposure to EV technologies across diverse customer populations and encourage the use of EVs in high-mileage transportation applications.

Under the proposed pilot structure, eligible participants may be eligible to receive incentives based on verified electric miles traveled associated with rideshare or delivery platform activity within PNM's service territory. PNM proposes to incentivize up to 5,000,000 electric rideshare and app-based delivery miles by providing incentives of up to $0.10 per verified electric mile traveled until approved pilot funding is exhausted. Mileage verification may be supported through participating platform data, participant-provided reporting, telematics information, or other reasonable verification methodologies determined by PNM. Eligible platforms may include rideshare, platforms like Uber and Lyft, and app-based delivery providers, like GrubHub and Door Dash.

Pilot objectives for the Electric Rideshare and App-based Delivery Incentive Pilot may include:

- Encouraging increased EV adoption among high-mileage rideshare and app-based delivery drivers;
- Supporting increased utilization of EVs within rideshare and app-based delivery platforms;
- Expanding customer familiarity with and exposure to transportation electrification technologies through rideshare and mobility services;

- Supporting transportation electrification adoption among income-generating vehicle users who are often low income;[31]
- Evaluating customer participation and operational considerations associated with mileage-based transportation electrification incentives; and
- Informing future transportation electrification program design.

PNM anticipates that the pilot may also support broader market transformation objectives by increasing the visibility and normalization of EV technologies within everyday transportation activity. The pilot is intended to function as a market transformation and customer engagement initiative and may provide valuable information regarding customer participation, operational feasibility, mileage verification methodologies, and transportation electrification adoption trends amongst high-mileage rideshare and app-based delivery drivers.

3.4.2. Residential Market Transformation

Residential customers represent a significant opportunity for transportation electrification adoption in New Mexico, but they also encounter a variety of barriers related to customer awareness, charging installation complexity, housing characteristics, and infrastructure accessibility. PNM's residential market transformation activities are designed to improve the residential EV customer experience by supporting customers throughout the EV adoption and charging journey. PNM's residential market transformation strategy focuses on reducing customer friction, increasing access to reliable information and support, assisting in infrastructure readiness, and facilitating greater customer confidence in capabilities and longevity of EV ownership and charging technologies.

Customer Experience and Adoption Support

Residential customers considering transportation electrification often encounter informational, logistical, and experiential barriers during the vehicle research, purchase, and charging installation process. These barriers may include limited familiarity with EVs, uncertainty regarding the charging requirements to meet their transportation needs, inconsistent information from market participants, and limited understanding of available incentives and charging options. The Program's Customer Experience and Adoption Support initiatives are intended to improve the residential EV customer journey by increasing access to reliable information, simplifying customer self-exploration, and supporting broader market awareness and engagement. The Program's proposed activities are designed to support customer confidence in transportation electrification

[31] PNM does not have sociodemographic information on rideshare and app-based delivery drivers; however, the US Bureau of Labor Statistics reports that the annual median pay in 2024 for delivery truck drivers and driver/sales workers was $42,770, <https://www.bls.gov/ooh/transportation-and-material-moving/delivery-truck-drivers-and-driver-sales-workers.htm>. Furthermore, NPR reported in 2018 that Uber and Lyft drivers earn a median profit of $3.37 per hour after expenses <https://www.npr.org/sections/thetwo-way/2018/03/02/590168381/uber-lyft-drivers-earning-a-median-profit-of-3-37-per-hour-study-says>.

technologies while facilitating a more informed EV adoption experience for residential customers across PNM's service territory.

Self-Service Customer Education and Exploration Tools

PNM proposes to support customer self-education and transportation electrification exploration through the deployment of digital self-service customer engagement tools. These tools are intended to provide customers with accessible, centralized, and user-friendly information regarding EV ownership, charging technologies, infrastructure requirements, operational considerations, and available incentives. Potential customer-facing resources may include:

- EV comparison and vehicle exploration tools;
- Personalized cost-of-ownership calculators;
- Fuel cost savings estimators;
- Charging equipment education resources;
- Home charging readiness information and resources;
- Available federal, state, and utility incentive information;
- Public charging locator integration;
- Frequently asked questions and digitally-accessible educational content; and
- Customer guidance related to residential charging installation.

PNM anticipates these tools will support customers during the early stages of EV consideration and ownership by reducing informational barriers and enabling customers to independently evaluate transportation electrification opportunities based on their unique driving needs, housing characteristics, and charging preferences. In addition to improving customer awareness, these self-service resources are intended to support broader market transformation by increasing customer familiarity with transportation electrification technologies and normalizing EV adoption across residential customer segments.

Auto Dealer Education and Market Engagement

Auto dealers and their sales personnel represent a significant point of customer interaction during the EV adoption process and can substantially influence customer understanding of transportation electrification technologies. However, customer experience related to EV education and charging guidance may vary across dealership and sales staff depending on familiarity with EVs and associated infrastructure and fueling considerations. To support a more consistent and informed customer experience, PNM proposes to develop educational resources and collaborative engagement opportunities intended to assist auto dealers and dealership personnel in understanding transportation electrification programs, charging considerations, and available customer support resources. Potential activities may include:

- Transportation electrification informational materials for dealership personnel;

- Educational webinars and/or workshops to improve familiarity with and understanding of charging technologies;
- Program and incentive awareness materials;
- Customer referral resources;
- EV charging and infrastructure informational guides; and
- Coordination with dealer associations and market stakeholders.

These activities are intended to support greater consistency in customer education during the vehicle purchase process while improving customer and market participant awareness of charging options, infrastructure considerations, and available transportation electrification resources. PNM anticipates that increased dealer familiarity with EV technologies and EVSE may contribute to improved customer confidence and a more seamless transition to EV ownership.

Electrical Contractor Education and Market Engagement

Electrical contractors play a critical role in the residential transportation electrification customer journey, particularly with respect to customer education, charging installation, infrastructure readiness, and overall confidence in EV charging technologies. Residential customers frequently rely on electrical contractors to evaluate site conditions, recommend charging equipment, explain installation requirements, and support EVSE deployment. As transportation electrification continues to develop in New Mexico, increased familiarity with EV charging technologies and installation practices among electrical contractors may help reduce customer uncertainty and improve the overall charging installation experience.

To support the continued development of a qualified and informed residential charging installation ecosystem, PNM proposes to implement education and market engagement activities intended to support contractor awareness of transportation electrification technologies, residential charging considerations, program requirements, and customer support resources. Potential activities include:

- Outreach to contractors serving rural, underserved, and multifamily markets;
- Educational workshops or informational sessions related to residential EV charging infrastructure;
- Technical guidance regarding charging equipment and installation considerations;
- Program participation guidance and informational resources on the Program's incentives;
- Best practice resources related to permitting, code compliance, and charging installation safety;
- Customer referral or contractor resource listings; and
- Coordination with trade organizations, workforce development entities, and industry stakeholders.

These activities are intended to support greater consistency and quality within the residential EVSE installation market while improving customer access to qualified installation

resources. PNM anticipates that increased contractor familiarity with transportation electrification technologies may contribute to reduced customer friction during the charger installation process, improved customer confidence, and broader transportation electrification market readiness throughout New Mexico.

Residential Active Managed Charging Pilot – Continuation

PNM currently administers an active residential managed charging pilot program designed to evaluate customer interest, residential charging behavior, and potential customer and system benefits associated with residential EV charging during off-peak times. As transportation electrification expands in New Mexico, residential EV charging patterns may become an increasingly important consideration in long-term distribution planning. Continuation of the pilot program will allow PNM to further assess customer interest in and tolerance for managed charging and gather additional operational and customer experience information that may inform future transportation electrification program development. Furthermore, continuation of the active managed charging pilot program through this program cycle will align well with the roll-out of AMI meters, which PNM anticipates will enable future managed charging programs not currently available with today's technology.

Primary program objectives of the Active Managed Charging Program Pilot include the following:

- Enroll 1,000 actively managed charging program participants who agree to allow PNM to manage the rate,[32] duration, and time of EV charging behavior;
- Provide enrolled customers with proactive communications and increased insight into their EV charging behavior and the corresponding cost impacts to vehicle fueling;
- Develop and improve customer trust in PNM's ability to effectively manage EV state of charge;
- Identify, test, and document effective strategies for managing EV charging load using proactive communication and technological solutions;
- Deliver actionable insight into residential EV charging behavior to inform future rate and program design;
- Evaluate the capability, potential, and impact of managed charging for load shifting; and
- Build toward a robust active managed charging capability to realize distribution system benefits and meet customer expectations.

[32] In this context, "rate" refers to the power output of the EVSE. Utilities and vendors engaged in active managed charging often reduce the power output of the charger to flatten demand spikes and to maximize the efficient use of utility-owned distribution infrastructure on heavily loaded distribution feeders.

3.4.3. Non-Residential Market Transformation

Non-residential customers, including multifamily properties, fuel dispensing businesses, property owners, fleet operators, public entities, community organizations, and others, play a critical role in the development of a comprehensive transportation electrification ecosystem in New Mexico. However, these customer segments often face unique challenges related to infrastructure planning, operational considerations, cost uncertainty, charging deployment complexity, and organizational readiness. PNM's Non-Residential Market Transformation activities are designed to support the development of organizational knowledge, technical capability, infrastructure readiness, and stakeholder coordination necessary to facilitate broader transportation electrification across commercial and institutional sectors. Non-residential customers considering transportation electrification investments often face operational, technical, and financial uncertainties regarding fleet electrification planning, charging infrastructure deployment, vehicle selection, site readiness, and long-term infrastructure scalability.

- fleet electrification planning,
- charging infrastructure deployment,
- vehicle selection,
- site readiness, and
- long-term infrastructure scalability.

These considerations may be particularly significant for commercial customers, public entities, multifamily property owners, and fleet operators evaluating the costs and benefits transportation electrification investments for the first time. PNM's non-residential market transformation activities are designed to support customers through real-world transportation electrification focused decision-making processes and improve customer readiness for EV infrastructure deployment. The activities described below are intended to support customer self-exploration, improve awareness of transportation electrification opportunities, reduce project development uncertainty, and facilitate customer participation in PNM's proposed Non-Residential EVSE Incentives. Furthermore, non-residential market transformation as proposed below is designed to support customers across varying stages of transportation electrification readiness, ranging from early-stage informational exploration to more detailed consultative engagement associated with infrastructure deployment and fleet planning.

<u>Self-Service Fleet Electrification Exploration Tools</u>

PNM proposes to provide self-service educational and planning resources intended to help non-residential customers independently evaluate fleet electrification and charging infrastructure opportunities. These resources are intended to reduce informational barriers while fostering customer understanding of transportation electrification technologies, infrastructure considerations, and potential project development opportunities. The potential self-service tools and resources described below are intended to help customers evaluate their:

- Fleet electrification readiness;

- Electric vehicle capabilities against the fleet's duty cycle requirements;
- Electric vehicle total cost of ownership for fleet assets as they are replaced;
- Fleet depot / site readiness;
- Appropriate charging infrastructure sizing for their fleet needs;
- Typical infrastructure upgrade costs; and
- Ability to incorporate managed charging into fleet operations.

PNM anticipates that these tools and resources will support customers through the early stages of adoption by enabling organizations to independently explore electrification opportunities prior to engaging in more detailed planning activities.

Consultative Fleet Electrification Advisory Services

In addition to self-service resources, PNM proposes to offer custom consultative transportation electrification advisory services to assist customers requiring more detailed evaluation of fleet electrification and charging infrastructure opportunities. These services are intended to support non-residential customer readiness, improve customer understanding of infrastructure deployment considerations, and reduce EVSE project development uncertainty for potential transportation electrification investments. Potential consultative advisory activities may include:

- Preliminary fleet electrification planning discussions;
- Charging infrastructure deployment guidance;
- Site readiness and infrastructure consideration reviews;
- Charging use case evaluation support;
- Collaborative discussions regarding charging technologies and operational considerations;
- Guidance regarding scalable and future-ready infrastructure planning approaches;
- Information regarding available incentives and program participation opportunities; and
- Referral to participating vendors, contractors, or implementation resources, where appropriate.

The Consultative Fleet Electrification Advisory Services are intended to support customers in identifying transportation electrification opportunities that align with their operational needs, site characteristics, and long-term infrastructure planning outlook.

Non-Residential Market Transformation and Business Development

The development of non-residential EV charging infrastructure within New Mexico remains dependent upon the continued development of a capable and informed market ecosystem of electrical contractors, infrastructure developers, equipment vendors, fuel dispensing businesses, property owners, and other industry stakeholders. While interest in transportation electrification has been increasing across the non-residential market segment, many market participants may have limited familiarity with EV charging technologies, business models, infrastructure deployment

considerations, operational requirements, and available incentive opportunities. The activities described in this section are intended to increase awareness of transportation electrification opportunities, improve market and stakeholder familiarity with EVSE technologies and deployment considerations, and support the long-term development of a sustainable transportation electrification ecosystem across PNM's service territory.

PNM proposes to support ongoing market development and engagement with electrical contractors, trade organizations, fuel dispensing businesses, site hosts, equipment vendors, and related industry stakeholders through informational, educational, and business development activities to improve market familiarity and infrastructure deployment readiness. Potential strategies and tactics may include:

- Consultative business development activities to support market awareness, infrastructure deployment opportunities, and EVSE business model development for non-residential customers;
- Coordination with trade organizations, chambers of commerce, economic development entities, and workforce development organizations to improve awareness of the benefits of transportation electrification and available resources;
- Industry stakeholder coordination and relationship development;
- Direct outreach and engagement with fuel dispensing businesses and convenience retail operators;
- Educational workshops and informational sessions related to EV charging infrastructure technologies, deployment considerations, and business model design; and,
- Participation in and support of local industry conferences, trade events, and stakeholder meetings, where appropriate.

These proposed activities are intended to support the long-term expansion of EV charging accessibility and contribute to the development of a more comprehensive and interconnected transportation electrification ecosystem throughout PNM's service territory. Collectively, PNM's non-residential market transformation activities are expected to support broader market capability, improve stakeholder familiar with transportation electrification opportunities and resources, and reduce informational and organizational barriers to EVSE deployment. These activities are critical to the continued growth of EV charging infrastructure availability across New Mexico.

3.5. Education, Marketing, and Outreach

The average privately-owned, light-duty vehicle age has grown substantially over preceding decades. Recent data indicates that the average age of a vehicle in 2020 was 12.1 years; furthermore, only 2.9% of the vehicle population in 1970 was 15 years or older but by 2013, 18.8% of the vehicle population was 15 years or older.[33] This trend indicates that passenger vehicles are

[33] https://afdc.energy.gov/files/u/publication/TEDB_Ed_40.pdf

being used for longer periods of time before being retired, which suggests customer education is especially important for customers who may have vehicles approaching the end of their useful life. Indeed, an internal combustion vehicle purchased today may still be in use in 2038, so educating customers on the economic and environmental benefits of EVs today may prevent substantial greenhouse gas emissions over the coming decades.[34]

A well-structured education, outreach, and marketing plan empowers customers to improve their financial position by taking advantage of reduced fuel and maintenance costs while helping New Mexico achieve environmental targets and greenhouse gas emissions reductions. Consequently, PNM proposes a budget of $3,295,000 to support customer education, marketing, and outreach activities, of which an estimated 40% will be used to reach low-income customers. Additionally, PNM will further explore partnerships with community-based organizations performing transportation-related direct outreach to low-income customers in PNM's service territory. As this market develops, PNM's TEP must engage customers in ways that are familiar and engaging by using the most up-to-date education, marketing, and outreach techniques.

The distinctions between education, marketing, and outreach are often mutually supportive as many of the strategies and measures deployed to educate customers about the environmental benefits of transportation electrification, for example, may also be categorized as outreach, depending on the mode of content delivery. Furthermore, outreach events, like EV test ride events, often require marketing tactics to inform customers about their existence, and many of the anticipated outcomes are education related. Consequently, there are synergies associated with coordinating efforts across each category, even if the distinction is unclear. Further descriptions of the proposed activities in each category are described in detail below.

3.5.1. Education

Transportation electrification represents a significant shift in vehicle technologies, fueling practices, charging behaviors, and transportation energy consumption patterns. As a result, customer familiarity with EVs, charging infrastructure, operational considerations, and related resources continues to evolve across New Mexico. Educational activities are intended to support customer understanding of transportation electrification technologies and reduce informational barriers that may limit customer participation in EV adoption and charging infrastructure opportunities. PNM's education activities are designed to provide customers, students, businesses, and community stakeholders with accessible, objective, and practical information about transportation electrification. As such, they are intended to improve customer confidence and increased familiarity with the benefits of transportation electrification across residential and non-residential customer segments.

Educational activities may include:

[34] According to the Environmental Protection Agency, the typical passenger vehicle emits about 4.6 metric tons of carbon dioxide per year <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle>.

- Development and distribution of educational materials, in English and Spanish, related to the benefits of transportation electrification and charging infrastructure;
- Digital educational content and online transportation electrification resources;
- Customer informational guides and charging education materials;
- Educational webinars, workshops, and presentations;
- School-based transportation electrification education initiatives; and
- Community-based educational partnerships.

PNM anticipates that these educational activities may contribute to improved customer understanding of transportation electrification technologies, increased awareness of charging infrastructure considerations, and broader familiarity with EV adoption opportunities throughout New Mexico.

3.5.2. Marketing

As transportation electrification technologies and customer opportunities continue to expand, customer awareness of available programs, incentives, charging infrastructure, and transportation electrification resources remains an important component of market development. Effective marketing enables the Program to deliver information to customers in ways that are personalized and relevant to them, using both targeted messaging and data-informed outreach to align communications with customer needs, interests, and readiness. By tailoring content across digital and physical channels, marketing efforts help ensure that customers receive timely, meaningful information that supports informed decision-making and fosters deeper engagement with transportation electrification opportunities. Marketing activities are intended to increase customer awareness of the Program and encourage participation in available transportation electrification programs and services by communicating program availability, supporting customer engagement with transportation electrification resources, and promoting broader familiarity with EV charging infrastructure and transportation electrification technologies.

In marketing, a customer goes through different stages before acting, whether it's participating in a program or making a purchase. On average, consumers need to see an ad or engage with a brand 7 to 20 times before making a purchase. However, the exact frequency depends on the cost of the product and the level of consumer trust required. An individual's decision-making journey can be viewed as a funnel. The highest and widest part of the funnel brings general awareness of an offering, the middle of the funnel is where interest in the offering has been generated and more information is necessary, and the lowest part of the funnel means enough education has been provided and enough interest generated for an individual to take action.

An omnichannel approach is necessary to ensure customers can be reached where they are without causing fatigue or being intrusive. Below is an explanation of conversion costs in a digital ad campaign with a summary table.

Display ads provide high-level awareness and impressions with an industry benchmark of 0.1% of individuals clicking for more information, 0.01% moving toward taking action, and a cost

per conversion of $9.41. Online Video ads are short-form videos that provide a higher level of education with a benchmark of 70% viewing completions, about 10% clicking for more information, and a cost per conversion of $24.71. Connected TV or Streaming TV are similar to broadcast ads in that they lend credibility to the brand and offers highlighted with a benchmark of 95% viewing completions, 0.1% of customers clicking for more information, and a cost per conversion of $58.82. Facebook and Instagram (Meta) allow for interest-based targeting with a benchmark of 0.9% clicks through to a site, 0.1% diving deeper for information, and a cost per conversion of $29.41. This means that if a customer saw our ads 8 times before taking action, the average cost of a single customer conversion for a comprehensive digital campaign would be $244.70.[35]

Tactic	Benchmark CTR (Click Through Rate)	Benchmark VCR (Video Completion Rate)	Conversion Rate	Cost Per Conversion
Display Ads	0.10%		0.01%	$ 9.41
Online Video (OLV)		70%	10%	$ 24.71
Connected/Streaming TV (CTV)		95%	0.10%	$ 58.82
Meta	0.90%		0.10%	$ 29.41

Marketing activities may include:

- Digital advertising campaigns;
- Radio, television, newspaper, and streaming media advertising;
- Social media and digital communications;
- Program awareness campaigns;
- Customer-focused transportation electrification messaging;
- Website and online content promotion;
- Bill Inserts, mailers, and newsletters;
- Promotional materials development and distribution;
- Targeted communications supporting specific customer segments or geographic areas; and
- Marketing activities associated with transportation electrification events, initiatives, and incentive opportunities.

Marketing strategies may also support customer awareness regarding:

- EV charging availability;
- Transportation electrification incentives;
- Managed charging participation opportunities;
- Fleet electrification resources; and

[35] Cost of conversion is typically proportional to the cost of the item being purchased; for significant investments like vehicle purchases or EV charger installation, the upfront costs associated with transportation electrification require significant marketing efforts to educate and generate interest to drive adoption and participation in the Program.

- Multifamily, workplace, and public charging opportunities.

PNM anticipates that these marketing activities may support increased customer engagement, improve awareness of available transportation electrification programs and services, and encourage adoption throughout its service territory.

3.5.3. Outreach

Direct customer engagement and experiential interaction continue to play an important role in transportation electrification adoption and customer familiarity with EV technologies. Many customers may have limited direct experience with EVs, charging infrastructure, or transportation electrification technologies prior to participating in TEPs or considering EV adoption. Outreach activities are intended to provide opportunities for direct customer interaction, experiential learning, stakeholder engagement, and community-based transportation electrification awareness.

PNM's proposed outreach activities are designed to facilitate direct engagement with customers, businesses, community organizations, educational institutions, industry stakeholders, and local communities throughout its service territory. Outreach efforts are intended to support transportation electrification awareness, improve customer familiarity with EV technologies, and encourage broader participation in transportation electrification opportunities. Outreach activities may include:

- Participation in community events and public engagement activities;
- EV test drive and vehicle demonstration opportunities;
- Transportation electrification informational booths and exhibits;
- Transportation electrification focused community partnership activities;
- Local government and stakeholder engagement;
- School and educational outreach events;
- Customer workshops and public information sessions;
- Outreach activities targeting rural, underserved, tribal, and low-income communities; and
- Collaborative transportation electrification awareness initiatives with community organizations and market stakeholders.

PNM anticipates that experiential outreach activities may reduce customer uncertainty associated with EV technologies by providing opportunities for customers to directly interact with EVs, charging equipment, and transportation electrification resources in a familiar setting. Indeed, a joint project between Electrify America, Valley Clean Air Now, and Charge Across Town studying the impact of EV test drive events indicates that 90% of EV test drive attendees reported a positive impression of EVs, up from a predominantly neutral stance.[36] Outreach activities are also intended to support broader transportation electrification market transformation objectives by facilitating stakeholder coordination, improving transportation electrification visibility within

[36] https://media.electrifyamerica.com/releases/248

local communities, and encouraging greater familiarity with transportation electrification technologies and infrastructure opportunities.

3.6. Administrative Infrastructure

3.6.1. Internal Personnel

The proposed Program has been designed to effectuate the installation of EVSE in market segments most critical to the proliferation of transportation electrification across PNM's service territory. The 2022-2023 and 2024-2026 TEPs were designed for a technology poised on the precipice of exponential adoption. State and federal policy, industry reports, and market projections pointed to an accelerated adoption of transportation electrification across the country, such that the primary role of previous TEPs were to act as an accelerant to a growing market segment while improving access to the environmental and economic benefits for low-income residential customers and those living in historically disadvantaged and underserved areas. However, recent policy shifts at the federal level and current market projections indicate a depressed level of adoption in the US for the next 3-6 years, as described in detail above.

The previous TEPs were designed around a utility-incentive model, whereby customer barriers to installing EVSE were reduced or eliminated through financial incentives. Given the headwinds, PNM proposes a significantly more involved role helping customers overcome their financial, technical, and other resource barriers to installing EV chargers. Indeed, in many of the incentives described above, PNM initiates the installation of EVSE for the benefit of the applicant. This alternative approach requires significantly more effort by PNM to effectively implement the program and drive substantial participation, and the team described below has been sized accordingly.

Application Processing and Residential Infrastructure Incentive Coordination

First, PNM expects to receive and review approximately 6,500 residential incentive applications and a significant volume of EV Charging Rate applications throughout this program cycle.[37] Personnel are required to design, develop, build, and maintain a digital incentive and participation application to receive customer documents and to facilitate timely communications about application status and resolution.[38] Recent improvements in artificial intelligence are expected to improve application processing time, accuracy, and cost; however, many AI deployments used in application processing still require human oversight and review and may be prohibitively expensive. To perform the essential functions associated with application processing and coordinating the low-income and market-rate Level 2 Home Charger Incentive Turnkey Option participation modality, PNM requires additional staff as many of these functions were

[37] Applications to participate in PNM's EV charging rates are more difficult to estimate; however, PNM projects that, if interest in the program remains consistent with historical participation, PNM may process 10,000 additional applications for customers seeking to participate in WHEV and 3F.

[38] PNM will make available to customers who require it a paper version of any rebate application and hands-on support to complete and submit.

performed by a third-party administrative support vendor in the 2022-2023 and 2024-2026 TEPs.[39] Consequently, PNM's staffing plan includes a TEP Residential Program Manager, TEP Specialist, and TEP Program Coordinator to coordinate the installation of EVSE, support residential incentive application processing, and to coordinate enrollment and participation in the EV charging rates. Each position is described in greater detail below.

The TEP Residential Program Manager is responsible for the digital application's development and maintenance as well as coordinating cross-functional efforts associated with application processing and incentive disbursement; for example, initiating and coordinating the accounts payable processes for incentive recipients. The TEP Residential Program Manager will also be responsible for ensuring an adequate number of visual inspections and application audits to ensure cost control and quality of service for residential customers choosing to participate in the Level 2 Home Charger incentive. The TEP Residential Program Manager will be responsible for coordinating education, marketing, and outreach activities with the TEP Marketing Specialist and TEP Outreach Coordinator to ensure adequate residential customer awareness and participation over the program cycle. Additional duties include regular audits of applications processed to ensure adherence to Program requirements, as approved by the Commission, and coordinating and supporting the efforts of other personnel associated with application processing for residential incentive applicants.

The TEP Specialist is an existing position in the current TEP and is responsible for reviewing applications for customers requesting to enroll in the EV charging rates described above, coordinating with internal departments and processes to effectuate the installation of advanced cellular meters, and acting as an internal subject matter expert for customer service and transactional functions as related to the Program. The TEP Specialist is tasked with advising customers and other PNM billing functions regarding complex transactional and technical issues, including rate review and recommendations for applicants to the WHEV and 3F rates, with a focus on customer experience and satisfaction. The TEP Specialist also supports incentive application review, processing, and quality control for residential incentive applications for those choosing the Self Install Option participation modality and provides back-up support to the TEP Program Coordinator. Finally, the TEP Specialist works with the TEP Analyst to ensure adequate incentive application data collection, data quality, and data retention to inform regular reporting and future program development and design needs.

The TEP Program Coordinator is responsible for day-to-day coordination for customers choosing to participate in the Level 2 Home Charger Incentive through the Turnkey Option participation modality. This participation modality will require the customer to provide basic information about existing on-site infrastructure, including a picture of the service panel, meter, and EVSE installation location, as well as project-specific information like preferred date of installation and equipment requirements. The TEP Program Coordinator will be responsible for

[39] The 2022-2023 and 2024-2026 TEPs did not provide a Turnkey Option participation modality for residential infrastructure incentive applicants; however, incentive applications were received and reviewed by a third-party administrative support vendor.

collecting application information and reviewing for completeness and eligibility before coordinating project cost estimation activities, procurement, and installation of the equipment with the customer and successful vendor. The TEP Program Coordinator will also be responsible for cross-promoting and facilitating participation in additional program components like the WHEV rate. The TEP Program Coordinator will work with the TEP Residential Program Manager to support regular audits and quality assurance checks on services provided through the Level 2 Home Charger Incentive – Turnkey Option. The TEP Program Coordinator will also provide back-up support to the TEP Specialist during periods of high incentive application volume or when he or she is out of the office.

Non-Residential Grant Application, Infrastructure Installation, and Incentive Application Processing and Coordination

While most EV charging is expected to happen at home, there is still a considerable need for non-residential EVSE to provide access to customers who do not have access to charging at their residence.[40] Furthermore, increased public access to charging stations improves consumer confidence that, if they choose to electrify their modes of transportation, charging is available should their battery's capabilities be insufficient to meet their driving needs on those occasions when they exceed the range of their chosen EV.[41] However, many potential EVSE site hosts are unconvinced of the technology's long-term viability and unable to justify the capital costs and technical challenges of installing EVSE. The Non-Residential EVSE incentives are designed to overcome these barriers, and the staffing requirements described below are necessary to adequately implement and administer these incentives. Consequently, PNM's staffing plan includes a TEP Non-Residential Program Manager, TEP Engineer, and TEP Project Manager(s) to manage the customer application user process, coordinate the installation of EVSE, oversee engineering work relating to non-residential projects, and support non-residential project management. Each position is described in greater detail below.

The TEP Non-Residential Program Manager is responsible for managing and overseeing the design, development, and implementation of the Non-Residential EVSE Incentive application and review processes described in Section 3.3., specifically regarding the grant application and selection process. Additionally, he or she will be accountable for providing oversight to the administration of the Non-Residential EVSE Incentives, especially the grant application process for the Multifamily Design, Build, Transfer and Commercial Design, Build, Transfer Incentives, and ensuring infrastructure incentivized through the non-residential incentives are in compliance with the Program as approved by the Commission. The TEP Non-Residential Program Manager will be responsible for coordinating education, marketing, and outreach activities with the TEP

[40] According to the Prof. Serge Martinez with the New Mexico Center for Housing Law, 32% of New Mexicans rent or live in multifamily properties <https://www.nmlegis.gov/handouts/LHHS%20080723%20Item%209%20NMCHL%20Presentation.pdf>.

[41] This is especially important to support an equitable transition to transportation electrification as many used vehicles, which are more accessible to low-income customers due to their lower purchase price, may not have the mileage range of a new EV.

Marketing Specialist and TEP Outreach Coordinator to ensure adequate non-residential customer awareness and participation over the program cycle. Finally, the TEP Non-Residential Program Manager will coordinate with the TEP Analyst to ensure adequate application data collection and retention to facilitate annual KPI reporting.

The TEP Engineer is responsible for planning, scheduling, conducting, and coordinating the engineering work associated with building the utility-owned infrastructure to serve non-residential EVSE projects participating in the Program.[42] The TEP Engineer provides proactive consultative services for the TEP Non-Residential Program Manager and the TEP Project Manager(s) during the process of reviewing applications for the proposed Multifamily Design, Build, Transfer and the Commercial Design, Build, Transfer incentive offerings, as upgrade costs (utility and customer) will be a significant consideration to ensure prudent use of the approved funds. The TEP Engineer is also responsible for supporting customers who seek to understand the utility-side upgrades and associated costs for projects being considered by customers and providing technical support to the Transportation Electrification Team regarding engineering and new service delivery.

The TEP Project Manager(s) are responsible for overseeing the design, build, and transfer activities associated with the Multifamily and Commercial Design, Build, Transfer incentive offerings. To bring a commercial EVSE project from concept to commissioning requires significant coordination and project management activities across multiple PNM and other vendor or contractor functions, including project design[43] and cost estimating, coordinating vendor services and inspections, and documenting, communicating, and confirming customer and site host requirements alongside Program requirements as approved by the Commission. The TEP Project Manager(s) will be responsible for overseeing construction activities while monitoring and ensuring project scope, timeline, and cost. Finally, the TEP Project Manager(s) will support application review and visual inspection for customers choosing to participate in the Non-Residential Customer-Built EVSE incentive offering and will coordinate data reporting requirements with the TEP Analyst.

The staffing plan provided here anticipates the need for two project managers to adequately manage the implementation and administration of the Program's non-residential offerings. However, demand in previous TEPs has been unpredictable for the reasons described above, so PNM will add staff in alignment with the Program's needs and in response to market developments. It is anticipated that the first project manager will be hired in early 2027; if participation in these incentive offerings is sufficient, a second Project Manager will be added in early 2028.

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[42] Where appropriate, time and labor for this employee will be charged to capital expense for recovery through a future rate case; work that is completed in support of Program implementation will be charged to Administrative Infrastructure and recorded in the regulatory asset, if approved.

[43] The TEP Engineer is primarily responsible for designing the utility line extension associated with serving the site; design work must still be completed for upgrades required on the customer's side of the meter, and the customer's requirements will dictate the utility line extension needs.

Education, Marketing, and Outreach

The TE Statute refers to "investments or incentives to facilitate the deployment of charging infrastructure and associated electrical equipment that support transportation electrification… and *customer education and outreach programs that increase awareness of such programs and of the benefits of transportation electrification*" (NMSA 62-8-12, emphasis added). Throughout the implementation and administration of previous TEPs, PNM found that many customers, roughly 77% of customers surveyed, do not visit PNM's website to learn about transportation electrification or the benefits of electric vehicles. Furthermore, PNM's 2024-2026 TEP staff found through talking with customers at outreach and in-person events that many customers are generally unaware of the economic and environmental benefits associated with transportation electrification or the support to which they may be entitled through PNM's Transportation Electrification Programs. Many customers also expressed general confusion or misunderstandings about EV technologies and their capabilities or fueling requirements.

Consequently, PNM anticipates increased efforts in Education, Marketing, and Outreach ("EMO") through the 2027-2029 TEP to ensure customers are more likely to learn about the benefits of transportation electrification and the resources available to them through the Program. PNM proposes hiring a TEP Marketing Specialist and maintaining a TEP Outreach Coordinator position to adequately support EMO activities. Personnel in these positions are expected to increase customer awareness of the benefits of transportation electrification and to drive participation in the proposed Program. Additional responsibilities for each position are described in greater detail below.

The TEP Marketing Specialist is responsible for coordinating the overall marketing, advertising, and branding efforts for the Program by developing, designing, and implementing marketing and advertising strategies to support the Program and the benefits of transportation electrification. The TEP Marketing Specialist must work with PNM's Corporate Communications and Marketing departments to advocate internally for the Program's message and to incorporate the Program into the Company's overall messaging strategy. He or she is also responsible for supporting the TEP Outreach Coordinator by marketing outreach events coordinated on behalf of the Program and supporting logistics leading up to and throughout event(s). Finally, the TEP Marketing Specialist provides back-up support to the TEP Outreach Coordinator during high-volume event periods and to facilitate adequate data collection to measure the efficacy of outreach strategies and measures.

The TEP Outreach Coordinator is an existing position in the current TEP and is responsible for building, managing, and maintaining productive relationships with stakeholders in the transportation electrification market segment while identifying and pursuing potential partnership and engagement opportunities with communities across PNM's service territory for the benefit of the Program. He or she is also responsible for maintaining a calendar of Program outreach events and working closely with internal and external partners to plan and execute Program outreach activities. The TEP Outreach Coordinator will work closely with the TEP Marketing Specialist to

align EMO activities for maximum participation while prudently managing the education and outreach budgets.

Program Analysis, Key Performance Indicator Measurement and Validation, and Clean Transportation Fuels Program Administration

NMAC 17.9.574.13 sets forth annual reporting requirements for public utility TEPs and includes a variety of industry, market, and program participation metrics:

- An estimate of EV adoption, including estimated changes in EV adoption since the utility's most recently approved TEP;
- An estimate of the number and type of TEP-funded EV charging stations and ports and an estimate of the required maintenance, frequency of repairs, and station outages;
- The number of participants in TEP programs, including:
    - Estimated low-income customer participation; and
    - Participation by customer rate class.
- An estimate of usage or of the amount of energy sold to program participants during off-peak and on-peak hours, as well as the change in usage since the last annual progress report;
- TEP spending by measure;
- Estimated electricity consumption by participating EV charging stations in kWh;
- Estimated load from incentivized EV charging infrastructure in kW;
- Geographical distribution of participants and infrastructure investments;
- Descriptions of average load data and load profiles of TEP programs;
- A listing and summary of all customer outreach activities, the cost of those activities, an estimate of the number of customers reached, and an assessment of the effectiveness of each activity; and
- Readily available data that may inform future measures to help better understand the impact of EV charging on the electric grid.

In addition to these annual reporting requirements, weekly, monthly, and quarterly internal reporting is necessary to understand the Program's current level of participation and to assess how PNM can adapt to changing market conditions in pursuit of full Program subscription. Finally, with the recent launch of the Clean Transportation Fuels Program,[44] additional reporting obligations are necessary to leverage CTFP credits and their anticipated revenues for the expansion of transportation electrification across PNM's service territory.

The TEP Analyst is an existing position in the current TEP and is responsible for providing specialized, technical, and analytical support to the TEP Manager by designing, implementing, and overseeing data collection, compilation, and verification activities associated with Program participation, evaluating issues and potential solutions, and recommending solutions related to the design and implementation of the Program. The TEP Analyst works with the staff outlined here to

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[44] <https://www.env.nm.gov/wp-content/uploads/2026/01/2026-01-22-COMMS-New-Mexico-officially-adopts-first-clean-fuel-market-in-Southwest-Final.pdf>

ensure adequate data collection and quality assurance is in place to gather the information necessary to report to the Commission and to inform implementation activities and future transportation electrification program designs. The TEP Analyst also provides specialized support related to program design, and application materials preparation in advance of regular triennial TEP filings.

In addition to these duties, the TEP Analyst will also be responsible for the day-to-day activities associated with PNM's participation in the newly launched Clean Transportation Fuels Program ("CTFP"). Expected duties include coordinating reporting and compliance obligations to receive Clean Transportation Fuels Credits ("CTFP Credits" or "Credits"), collecting information from internal departments responsible for the sale of CTFP credits, reviewing and recommending the disbursement of CTFP revenues for 2027-2029 TE program components, and documenting CTFP funds disbursed through the Program. While PNM anticipates that the TEP Analyst will be able to fulfill responsibilities under the CTFP for the time being, administering the CTFP may eventually require a full-time, dedicated program manager. Until that time, PNM is allowed to offset CTFP administration costs through the use of CTFP revenues; PNM will record the costs of labor associated with administering the CTFP separately and will add an FTE when justified by the efforts required to adequately administer the CTFP.

Market Transformation and Business Development

Successful implementation of PNM's proposed transportation electrification portfolio will increasingly depend on proactive stakeholder engagement, market coordination, customer support, and EVSE ecosystem development activities. In addition to customer incentives and infrastructure deployment support, realization of the market transformation objectives described throughout this Program requires dedicated engagement with businesses, property owners, fleet operators, fuel dispensing businesses, electrical contractors, equipment vendors, community organizations, and other market participants to influence market and infrastructure readiness. Accordingly, PNM proposes the addition of a TEP Business Development Specialist position to support implementation of the Program's market transformation activities.

The TEP Business Development Specialist will primarily support transportation electrification market development and non-residential customer engagement activities intended to increase awareness of EV charging infrastructure opportunities, improve stakeholder familiarity with EVSE technologies and business models, and facilitate participation in PNM's programs and incentives. Responsibilities may include direct engagement with commercial customers, fleet operators, multifamily property owners, fuel dispensing businesses, electrical contractors, vendors, and community stakeholders; support for transportation electrification advisory and consultative services; coordination of education, marketing, and outreach activities with relevant personnel to facilitate market transformation activities; and support for EVSE business model awareness with non-residential customers across PNM's service territory who may seek to evaluate the potential of transportation electrification.

Departmental Management

The TEP Manager is an existing position in the current TEP and is responsible for selecting, hiring, training, managing and leading the team described above in pursuit of expanding transportation electrification across PNM's service territory; he or she is responsible for overseeing the design, approval, implementation, reporting, and evaluation of transportation electrification programs in accordance with the TE Statute and TE Rule with an emphasis on equity and customer-centricity. The TEP Manager ensures compliance with all statutory and regulatory requirements imposed through the TE Statute, the TE Rule, or through order or action of the Commission while monitoring the external environment to proactively identify and respond to market or industry trends which could hinder or accelerate transportation electrification within PNM's service territory.

The Director of Customer Energy Solutions is an existing position supported by the current TEP and is responsible for coordinating the management activities of the Program in alignment with the statutory mandate, regulatory requirements, and organizational priorities of the Company. The Director is accountable for coordinating and supporting the needs of the Program and staff while facilitating cross-organizational alignment in pursuit of the goals, objectives, and deliverables described above. The Director of Customer Energy Solutions also oversees PNM's energy efficiency programs, demand response programs, voluntary renewables programs, and new program and product design; PNM proposes to recover 25% of the Director's salary through the TEP.

3.6.2. External Support

The budget for the Program's Administrative Infrastructure has been sized based on anticipated personnel requirements to effectively implement and manage the Program as described above. Vendor services may be required for highly specialized work that does not require a full-time internal employee on an on-going basis. Alternatively, third-party program administration, in whole or in part, will be considered where, through their unique market position and economies of scale, vendors can provide savings to customers by implementing and administering the Program more cost-effectively than can be done with internal, permanent employees.

4. Recovery of Program Costs

4.1. Rate Rider No. 53

NMSA 1978, Section 62-8-12(C) specifically allows for the recovery of costs associated with the implementation of the TEP. PNM proposes to continue recovering program costs through Rate Rider No. 53 – Transportation Electrification Program ("TEP Rider"), which was initially approved by the Commission in 20-00237-UT and implemented on April 28, 2023. The TEP Rider is applicable to all non-lighting rate classes on a $/kWh basis, which is updated annually based on the regulatory asset balance. PNM is required to file an Advice Notice and supporting testimony

to justify the TEP rate for the upcoming 12 months. The annual TEP rate adjustment, unless suspended, goes into effect with the first billing cycle in May of each year.
Approved funds that are not used are not included in the regulatory asset and are not eligible for recovery.

4.2. Electric Meter Costs

PNM proposes that all costs for the advanced cellular electric meters, as well as any costs required to implement and distribute the necessary electric meters, be recovered through base rates, as was previously approved in 20-00237-UT. In addition to the WHEV participants from the previous TEP, PNM proposes to remove the participation cap of 10,000 participants but to incorporate new participants through AMI deployment as described in greater detail above.

4.3. Clean Transportation Fuels Funding

On January 22, 2026, the New Mexico Environment Department unanimously adopted regulations establishing the Clean Transportation Fuel Program ("CTFP"),[45] the first clean fuel market in the Southwest. PNM has enrolled to participate as an electric distribution utility, which provides for the allotment of CTFP credits associated with a portion of residential EV charging in PNM's service territory. As a new program, the anticipated revenues are unproven but expected to be significant, and 100% of all revenues received through the sale of CTFP credits, less reasonable administration expenses, must be reinvested in transportation electrification, with 50% dedicated to projects intended to support low-income customers and users in underserved areas.

According to 20.9.92.305(B), PNM shall use revenues from the sale of CTFP credits, as a source of additional and supplemental funding, to support projects listed under Subsection B of 17.9.574.11 NMAC and included within the approved and current three-year plan for transportation electrification. PNM is excited about the potential this program represents; however, the revenue potential in this inaugural year, 2026, are unproven. Consequently, PNM proposes that funds received from the sale of CTFP credits, minus reasonable administration expenses, be used to provide additional and supplemental funding support to the incentives described above. PNM will deploy the revenues received through the sale of these credits as incentive budgets are exhausted,[46] with at least 50% of revenues being deployed to support low-income customers and EVSE projects in underserved areas. The deployment of this funding as well as current account balances of available funding will be reported in the annual progress report, which PNM must file by June 1 each year.

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[45] https://www.env.nm.gov/wp-content/uploads/2026/01/2026-01-22-COMMS-New-Mexico-officially-adopts-first-clean-fuel-market-in-Southwest-Final.pdf

[46] PNM will utilize the 10% budgetary flexibility described in 17.9.574.14(B) before utilizing CTFP revenues.

4.4. Flexibility of Program Funding

NMPRC Rule 17.9.574.14(A) outlines budget flexibility for TEPs. Specifically, the rule states that a public utility shall be granted flexibility to shift up to 20% of a program's budget to another program with the following qualifications:

- Inter-program budget flexibility may not be used to shift funding from a dedicated low-income program to (a) a program for standard customers or (b) any customer outreach and education program;
- Inter-program budget flexibility between different low-income programs, or into low-income programs from other programs, including low-income programs, is permissible; and,
- A public utility is authorized to exceed a particular program's original budget by up to 10% to supplement funding for that program, except for (a) pilot programs with participation caps; (b) a program for which that program's budget was reduced pursuant to subsection A of 17.9.574.14 NMAC; or (c) any customer outreach and education program.

Consequently, PNM requests approval to operationalize the budget flexibility found at 17.9.574.14(C) NMAC subject to the requirements and limitations set forth by the Commission to reduce the administrative burden on all parties to the case and to ensure PNM can adequately and quickly adapt to market demand. PNM understands the limitations imposed on budget flexibility in 17.9.574.14 NMAC, and will comply with those limitations. PNM further commits to filing notice within this docket when exercising budget flexibility in order to keep the Commission apprised of PNM's activity.

5. Budget Summary

Portfolio Component	Subtotal	Low-income	LI %
Residential Incentives	$8,896,500	$4,893,075	55%
Non-Residential Incentives	$10,873,500	$3,588,255	33%
Market Transformation	$4,942,500	$1,482,750	30%
Education, Marketing, and Outreach	$3,295,000	$1,318,000	40%
Administrative Infrastructure	$4,942,500	$1,977,000	40%
Total	**$32,950,000**	**$13,259,080**	**40.2%**

Program Budget & Incentives Overview

	Estimated No. of Rebates	Rebate Amount	Subtotal	Low-income
Residential EV and EVSE Incentives			**$8,896,500.00**	**55%**
Residential Low-Income (EV Equity)			**$4,893,075.00**	**100%**
EV Down Payment Assistance Incentive	611	$4,000	$2,446,537.50	100%
L2 Home Charger Incentive	559	$3,500	$1,957,230.00	100%
eBike Purchase Incentive	652	$750	$489,307.50	100%
Residential Market-Rate (EV Ready)			**$4,003,425.00**	**0%**
L2 Home Charger Incentive	2,268	$1,500	$3,402,911.25	0%
eBike Purchase Incentive	2,402	$250	$600,513.75	0%
Non-Residential EVSE Incentives			**$10,873,500.00**	**33%**
PNM Multifamily Design, Build, Transfer			$5,436,750.00	40%
PNM Commercial Design, Build, Transfer			$3,262,050.00	30%
Non-Residential Customer-Built EVSE			$2,174,700.00	20%
Market Transformation Budgets			**$4,942,500.00**	**30%**
Electric Rideshare and App-based Delivery Incentive Pilot	5,000,000 miles	$0.10	$500,000.00	50%
Residential Market Transformation			$1,724,125.00	40%
Non-Residential Market Transformation			$2,718,375.00	20%
Education, Marketing, Outreach			**$3,295,000.00**	**40%**
Administrative Infrastructure			**$4,942,500.00**	**40%**
Total			**$32,950,000.00**	**40.2%**

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR APPROVAL OR ITS 2027-2029 TRANSPORTATION ELECTRIFICATION PROGRAM	)	**Docket No. 26-00001XX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant	)	

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

JOHN E. WILLIAMSON, Manager Transportation Electrification, Public Service Company of New Mexico, upon penalty of perjury under the laws of the State of New Mexico, affirms and states: I have read the foregoing **Direct Testimony and Exhibits of John E. Williamson** which are true and correct based on my personal knowledge and belief.

DATED 1st day of June, 2026.

/s/ *John E. Williamson*
JOHN E. WILLIAMSON

GCG # 535268

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,	)	**CASE NO. 26-00000XX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant	)	

DIRECT TESTIMONY

OF

ALARIC J. BABEJ

June 1, 2026

NMPRC DOCKET NO. 26-00000XX
INDEX TO THE DIRECT TESTIMONY OF
ALARIC J. BABEJ

WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

NMPRC DOCKET NO. 26-00000XX
DIRECT TESTIMONY
OF ALARIC J. BABEJ

I. INTRODUCTION AND PURPOSE

Q. Please state your name, title, and business address.

A. My name is Alaric J. Babej. I am the Director of Customer Energy Solutions for Public Service Company of New Mexico ("PNM"). My business address is Public Service Company of New Mexico, 414 Silver Ave SW, Albuquerque, NM 87102.

Q. What are your qualifications to support this testimony?

A. I have served as the Director of Customer Energy Solutions at PNM since October 2024. My responsibilities include overseeing multiple customer programs offered by PNM, including Energy Efficiency, Transportation Electrification, voluntary renewable energy tariffs such as PNM Sky Blue® and PNM Solar Direct, Community Solar, and new program design. A copy of my resume is attached as PNM Exhibit AJB-1.

Q. What is the purpose of your testimony?

A. I support PNM's application for approval of its 2027-2029 Transportation Electrification Program ("TEP") filing. Specifically, I:

- Discuss PNM's requested approvals in this filing;
- Introduce other PNM witnesses;
- Discuss the relevant statutory and New Mexico Public Regulation Commission ("NMPRC" or "Commission") rules and how PNM's plan meets those rules; and

- Support the planning outlook required under NMPRC Rule 17.9.574 ("Rule 574" or "TEP Rule").

Q. What approvals is PNM requesting from the Commission in this filing?

A. PNM requests the Commission approve its proposed 2027-2029 TEP and allow PNM to continue to recover costs through the previously approved TEP Rider. PNM further requests continuation of the regulatory asset needed to implement the rider.

Q. Is PNM requesting any variances from NMPRC rule requirements in this application?

A. Yes. PNM is requesting that the Commission grant a variance from the data filing requirements of Rule 530 to the extent required. Rule 530 requires the filing of extensive data schedules that are unnecessary for review and approval of the proposed Rider in this case. The Commission has granted similar variances from Rule 530 in the past for rate changes that were not part of a general rate case (*e.g.*, previous approvals of the PNM TEP in Case No. 20-00237-UT and Case No. 23-00195-UT).

Q. What is PNM's overall budget for its TEP?

A. The total proposed budget that PNM is requesting is $32,950,000 for the triennial plan between 2027-2029. Each year, PNM recovers only the previous year's actual

spend. The budget approval will not be exceeded without prior commission approval pursuant to NMPRC Rule 574.

Q. Please introduce the other PNM witnesses presenting direct testimony in this case.

A. The following witnesses are filing direct testimony on behalf of PNM:

- Mr. John Williamson, Manager of Transportation Electrification
- Mr. Abraham Casas, Lead Pricing Analyst

II. TRANSPORTATION ELECTRIFICATION STATUTE AND COMMISSION RULE 574

A. The Transportation Electrification Statute

Q. Please describe the transportation electrification legislation.

A. House Bill 521 was passed by the New Mexico Legislature during the 2019 legislative session. It is now codified at NMSA 1978, Section 62-8-12 ("TE Statute"). Under the TE Statute, investor-owned electric utilities in New Mexico were required to file an application to expand transportation electrification no later than January 1, 2021, and thereafter upon request by the Commission, but no more frequently than every two years. Pursuant to the TE Statute, applications for transportation electrification may include investments or incentives to facilitate the deployment of charging infrastructure and associated electrical equipment that supports transportation electrification. The TE Statute allows utilities to recover

reasonable costs of transportation electrification programs through a Commission-approved tariff rider, base rates, or both. As discussed below, the TE Statute provides several factors for the Commission to consider in reviewing a transportation electrification program.

Q. What must the commission consider when evaluating a transportation electrification program?

A. The TE Statute requires the Commission consider whether investments, incentives, or expenditures for a proposed TE Program 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 choice 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.[1]

Q. How is the proposed TEP 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?

A. The TEP addresses these requirements in three ways: continuation of EV pilot rates, incentives for smart charging infrastructure, and the continuation of the managed charging pilot.

First, the TEP proposes to extend both pilot rate designs encouraging residential and non-residential EV charging when the grid is underutilized or when there is abundant generation from variable resources. The existing pilot residential EV rate design promotes both overnight EV charging and shifting household energy usage to 10:00 p.m. to 5:00 a.m. though a Whole House EV ("WHEV") charging rate. This incentivizes load shifting to the period of low demand on PNM's system. The pilot non-residential charging station rate, Rate 3F, incentivizes customers with charging station dedicated service to avoid charging during the peak hours, i.e., 5:00 p.m. to 10:00 p.m. in the summer months and 5:00 a.m. to 8:00 a.m. and 5:00 p.m. to 8:00 p.m. in the non-summer months. This approach allows for lower-cost charging during times of plentiful solar and wind generation, while avoiding the

[1] NMSA 1978, § 62-8-12(B) (2019).

negative impacts of charging during the peak period. PNM witness Abraham Casas describes the rates in detail in his testimony.

Second, all TEP incentives for charging infrastructure require the installation of "smart" chargers that can be programmed for specific charging times, such as the pilot EV rates described above, and respond to external signals through communication protocols. These networking capabilities can also be used for managed charging programs so that customers can participate in active load management and provide PNM with additional operational flexibility.

Third, the 2027-2029 TEP is proposing to continue the managed charging pilot. The pilot is still in the early stages of recruitment and allows the utility to actively manage charging in response to system needs. The managed charging pilot will provide PNM with increased operational flexibility and key insights regarding how to structure future rates and demand response programs.

Collectively, the TEP rate options, incentives, and pilots will improve PNM's electric system efficiency, integration of variable resources, operational flexibility, and system utilization during off-peak hours.

Q. How is the proposed TEP 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?

A. The TEP addresses the use of electricity as a transportation fuel for multiple use cases, including incentivizing infrastructure for residential and non-residential customer classes, EV-specific electric rates that increase the cost-effectiveness of driving electric, and direct vehicle rebates such as electric bicycle and EV purchase incentives.

For market-rate residential customers, the TEP will incentivize installation of an estimated 2,268 Level 2 residential chargers and provide 2,402 electric bicycle incentives. For low-income residential customers, PNM will incentivize installation of an estimated 559 Level 2 residential chargers, provide 652 enhanced electric bicycle incentives, and provide 611 EV purchase incentives for down payment assistance. Overall, 55% of the residential incentive budget is dedicated to low-income customers.

The TEP also provides incentives for non-residential customers to increase the use of electricity as a transportation fuel. Overall, PNM proposes $10.8 million in non-residential incentives, which includes multifamily design-build-transfer, commercial design-build-transfer, and non-residential customer-built make-ready incentives. These programs are described in detail by PNM witness John

Williamson and will remove barriers to infrastructure installation across industries. Overall, 33% of the non-residential incentives are designed to facilitate charging infrastructure in underserved communities.

The 2027-2029 TEP also includes categories for market transformation and rideshare. Within the market transformation section, PNM plans to continue the managed charging pilot as well as offer new tools for customers to evaluate EVs and support a fluctuating market. PNM is also proposing to incentivize electric miles driven by rideshare and app-based delivery vehicles to further transform the market and increase the number of zero emission miles driven in New Mexico. Overall, 30% of the market transformation budget is dedicated to improve access to electricity as a transportation fuel for low-income customers.

Finally, 40% of the total education and outreach budget will be targeted at low-income users and underserved communities. Overall, over 40% of the total TEP budget is reserved to promote equity by engaging low-income users and underserved communities.

Q. How is the proposed TEP designed to contribute to the reduction of air pollution and greenhouse gases?

A. Increasing the use of electricity as a fuel for transportation will reduce GHG emissions from the transportation sector. Using the U.S. EPA GHG Emissions

calculator[2], all-electric vehicles generally have less than half the total GHG emissions—including both upstream and tailpipe emissions—compared to similar gasoline-powered counterparts. Not only is this an improvement over traditional internal combustion engine vehicles today, but this number will improve as PNM's generation mix transitions to carbon-free resources under the Energy Transition Act ("ETA").

Furthermore, local air quality can be improved by increasing the adoption of zero-emission vehicles. This is of particular importance in underserved communities, which often suffer from lower air quality due to their proximity to heavily traveled corridors.[3] By increasing the adoption rate of zero-emissions vehicles, including both personal and mass-transit vehicles along corridors, underserved communities will be less subject to the air quality issues inherent with internal combustion engines.

Q. How does the proposed TEP increase consumer choices in electric vehicle charging and related infrastructure and services, allow for private capital investments, and provide skilled jobs in related services?

A. PNM's proposed TEP builds on the prior program cycles' utility investment strategy, which does not require specific brands or contractors to be used, but rather

[2] Accessible at: https://www.fueleconomy.gov/feg/Find.do?action=bt2
[3] https://www.ucsusa.org/resources/inequitable-exposure-air-pollution-vehicles-california-2019.

offers choice to the customer for the preferred installation method and equipment. Under this modified approach, PNM will continue to distribute incentive funds to customers to install infrastructure, and the customers will choose the owner and/or operator of the infrastructure at their discretion. As long as the charger complies with the operational requirements, any brand of networked charger may be installed by an installer that the customer chooses. PNM witness John Williamson discusses new participation pathways for residential customers (*see* Exhibit JEW-2, Section 3.1.1. and Section 3.1.2.) and non-residential customers (*see* Exhibit JEW-2, Section 3.2.1 and Section 3.2.2.) which employ a more direct approach to charging infrastructure installation through a competitive solicitation process. These strategies allow the TEP to support increased consumer choice in EV charging and allows for private capital investment (*see* Exhibit JEW-2, Section 3.2.3.) and skilled jobs in related services.

Q. How is the proposed TEP transparent, incorporating public reporting requirements to inform program design and Commission policy?

A. Rule 574 requires the TEP to identify and annually report on key performance indicators ("KPIs") to inform the Commission and the public about the status of the program. PNM witness Williamson further discusses the KPIs in his testimony.

Q. Is the proposed TEP designed to be reasonable and prudent, pending determination by the Commission?

A. Yes. As described throughout this filing, PNM's TEP is reasonable, prudent, and in the public interest, and should be approved by the Commission.

B. Commission Rule 574

Q. What are the requirements for a TEP application under Rule 574?

A. Rule 574.11(E) requires a TEP application include the following:

(1) testimony and exhibits providing a full explanation of the public utility's determination of the plan years' transportation electrification expansion measures to be undertaken and their corresponding budgets;

(2) the costs of transportation electrification measures in the plan years;

(3) whether the public utility intends to recover costs through a tariff rider, base rates, or both;

(4) testimony and exhibits demonstrating how the cost and amount specified in Paragraphs (2) and (3) were determined;

(5) testimony demonstrating that the proposed transportation electrification plan is reasonably and prudently designed and expected to accomplish any or all of the goals of the TEP pursuant to Paragraphs (1) through (6) of Subsection B of Section 62-8-12 NMSA 1978 and 17.9.574 NMAC.

Q. Does PNM's proposed TEP comply with these provisions?

A. Yes. PNM witness John Williamson provides detailed testimony as required by Rule 574.11(E)(1) and (2). PNM witness John Williamson also discusses how the plan was designed to meet the statutory and regulatory requirements per Rule 574.11(E)(5). PNM witness Abraham Casas provides testimony regarding the overall cost and recovery mechanism for compliance with Rule 574.11(E)(3) and (4).

III. DEVELOPMENT OF PNM'S TRANSPORTATION ELECTRIFICATION PLAN

Q. Please describe the development strategy of the proposed 2027-2029 TEP.

A. The EV market has undergone significant fluctuation over the past year, which has necessitated a fresh look at the development strategy. In past years, the budget for the TEP was determined by setting a goal for the amount of charging infrastructure needed to push New Mexico into the top quartile of states when measured by a ratio of EVs to charging infrastructure. This model works well when EV adoption generally follows the accepted S-Curve model for disruptive technology adoption. However, the market has become much more unpredictable due to recent policy shifts and global developments, including the removal of federal tax credits depressing vehicle demand, as well as rising gasoline prices which are currently contributing to increased interest in EVs. To illustrate this uncertainty, within the year 2025, PNM saw both the highest and lowest EV market share observed during

the current program implementation cycle, 9.2% in January 2025 and 4.4% in December 2025, respectively.

Due to unpredictability in the market, the need to offer continued support for transportation electrification in the absence of other funding, and the desire to maintain previously-approved customer bill impacts, PNM designed the 2027-2029 TEP to maintain the approximate budget of the 2024-2026 TEP. Then, PNM allocated portions of the budget to different industry segments in order to meet market needs and regulatory requirements, while also maintaining a strong focus on low-income customers.

Q. How many electric vehicles are currently in the state of New Mexico and how many are in PNM's service territory?

A. As of the end of 2025, there were approximately 23,300 EVs in New Mexico and approximately 18,600 of these were in PNM's service territory.

Q. What is PNM's expected customer participation estimate and how did PNM derive those estimates per Rule 574.11(B)(3)?

A. PNM has used historical participation data as well as future adoption projections to plan and validate the proposed TEP and estimate possible customer participation. For example, between the end of 2023 and 2025, light-duty EV adoption rose from 11,400 EVs in PNM's service territory to 18,600, a growth of 7,200 vehicles.

During that time, PNM paid out 949 residential charging infrastructure rebates, equating to participation of approximately 13% of the actual growth. The proposed TEP projects approximately 30,000 additional light-duty EVs between 2027 and 2029 and proposes 2,827 residential charging infrastructure rebates, which would equate to customer participation just under 10% of expected growth.

Forecasting customer participation is difficult, especially in a fluid market with fluctuating policy both from governmental entities as well as the response from automakers. PNM expects that the current rebate amounts should adequately cover expected participation.

Q. How does PNM's program address the needs of multiple market segments, including commercial businesses, multi-family dwelling units, single-family homes, and ride-sharing and public transit customers, consistent with Rule 574.11(B)(4)?

A. As described by PNM witness John Williamson, PNM is proposing incentives across market segments including commercial, residential, ride-sharing, and public transit.

Q. What strategies does PNM employ to coordinate with state and federal EV infrastructure planning under Rule 574.11(B)(5)?

A. Although public policy changes are common when considering EV infrastructure planning, the proposed TEP includes coordination with state and federal policy where appropriate and feasible.

Regarding state policy and infrastructure planning, PNM has coordinated closely with the State of New Mexico, including the New Mexico Department of Transportation and the New Mexico Environment Department throughout the planning of the proposed TEP. The TEP will also be closely coordinated with the nascent Clean Transportation Fuel Program, and funding from this new program will be used to further support transportation electrification.

At the federal level, PNM will work with applicants that may receive funding from the National Electric Vehicle Infrastructure (NEVI) program to help further offset costs. The possibility of other future federal infrastructure planning is unknown at this time.

IV. PNM'S TEP PLANNING OUTLOOK

Q. Does the TEP Rule include a requirement to provide an outlook beyond the three years PNM is seeking approval in this case?

A. Yes, Rule 574.11(D) requires the TEP to include a planning outlook addressing the two-year period beyond the three-year plan. The planning outlook must include the following:

(1) the public utility's outlook for projected transportation electrification in its service territory, including estimates of the expected numbers of EVs operating in its service territory, listed by light-duty, medium-duty, and heavy-duty EV classes;

(2) expected lead times for coordinating with State and federal EV infrastructure planning, EV charging station operators, existing business locations that sell and dispense transportation fuel to the public, and other stakeholders, and for planned construction or planned deployments, including estimated or expected new or upgraded infrastructure needs;

(3) anticipated requests for regulatory approvals to effectuate a future TEP in the planning horizon, to carry out the three-year plan, to support the transition between TEPs, and to coordinate with State or federal EV infrastructure planning;

(4) planned or potential integration with neighboring public utility transportation electrification planning and possible strategies for coordinating with rural electric cooperatives, tribes, and pueblos, if any;

(5) anticipated grid management requirements and projected peak load requirements to reliably accommodate expanded transportation electrification in the public utility's service territory, and how these requirements may be reduced by improved distribution planning, rate design, or other solutions;

(6) forecasted potential for meeting new load growth associated with EV charging infrastructure with renewable energy; and

(7) any expected or potential policy or statutory issues that could impact expanded infrastructure or network upgrades required by expanded transportation electrification in the public utility's service territory.

I will address each of these components in my testimony below.

Q. What is PNM's outlook for projected transportation electrification in its service territory, including estimates of the expected numbers of EVs operating in its service territory, listed by light-duty, medium-duty, and heavy duty EV classes [Rule 574.11(D)(1)]?

A. The table below provides additional detail regarding estimated historical EV adoption metrics in PNM's service territory and projected adoption over the three-year plan (2027-2029) and the additional two-year planning outlook (2030-2031), listed by light-duty ("LDV"), medium-duty ("MDV"), and heavy-duty ("HDV") vehicle classes, pursuant to NMAC 17.9.574.11(D)(1). LDV data for 2025 are sourced from an EPRI analysis of Experian Data, 2026, and are rounded to hundreds. MDV and HDV data for 2023-2025 are sourced from Atlas Public Policy's *EvaluateNM*[4] data portal. Data for 2026 – 2031 are based on PNM's model of EV adoption informed by projections made by the U.S. Energy Information Administration (EIA) in the 2026 Annual Energy Outlook (AEO2026) Alternative

[4] https://atlaspolicy.com/evaluatenm/

Transportation case. To project EV market conditions in PNM's service territory, we began with PNM's historical metrics and projected that we would match the national EV market share and EV share of VIO by 2045 as projected by EIA.

PNM Table AJB-1: Current and Expected Electric Vehicles in Operation (EVIO)

	Light-duty EV market share	Light-duty EVIO	Medium-duty EV market share	Medium-duty EVIO	Heavy-duty EV market share	Heavy-duty EVIO
2023	6.3%	11,400	0.1%	8	0.1%	10
2024	6.7%	14,900	0.5%	34	0.6%	15
2025	6.8%	18,600	0.8%	76	2.6%	45
2026	7.8%	28,094	1.5%	93	2.4%	47
2027	8.9%	37,747	2.3%	111	2.3%	48
2028	9.9%	47,664	3.0%	130	2.2%	50
2029	11.0%	57,838	3.8%	149	2.1%	52
2030	12.0%	68,316	4.5%	169	2.0%	54
2031	13.0%	79,058	5.3%	190	1.9%	56

Q. What are the expected lead times for coordinating with state and federal EV infrastructure planning, EV charging station operators, existing business locations that sell and dispense transportation fuel to the public, and other stakeholders, and for planned construction or planned deployments, including estimated or expected new or upgraded infrastructure needs [Rule 574.11(D)(2)]?

A. There is no current lead time for coordinating with state and federal entities, station operators, businesses that sell fuel to the public, or other stakeholders. In most instances, there are currently open lines of communication. PNM remains open to connecting with all customers about participation in the TEP and collaborating to increase transportation electrification.

Q. What are PNM's anticipated requests for regulatory approvals to effectuate a future TEP in the planning horizon, to carry out the three-year plan, to support the transition between TEPs, and to coordinate with state or federal EV infrastructure planning [Rule 574.11(D)(3)]?

A. Based on the Rule 574 requirements for TEP review, it is possible the Commission will not issue a final approval in this case until early 2027. Due to this fact, PNM requests that the 2024-2026 TEP offerings continue after December 31, 2026, until the 2027-2029 TEP is approved and able to be implemented. PNM requests that the Commission adopt a transition period between the existing TEP and the approved 2027-2029 TEP to allow PNM to implement the updates to existing programs. Specifically, PNM requests up to 90 days after approval of the present case to implement programmatic changes to existing programs.

PNM will file a subsequent TEP by June 1, 2029. PNM is not currently contemplating other regulatory approvals to carry out the TEP, but it is coordinating

efforts with its integrated resource planning team to ensure that TEP and EV infrastructure needs are properly addressed.

PNM has completed the application to opt-in to the Clean Transportation Fuel Program administered by the New Mexico Environment Department and will use revenues from this new state program to further support transportation electrification. PNM will continue to coordinate with other state and federal agencies as opportunities arise to plan and deploy charging infrastructure across New Mexico.

Q. Please describe any planned or potential integration with neighboring public utility transportation electrification planning and possible strategies for coordinating with rural electric cooperatives, tribes, and pueblos, if any [Rule 574.11(D)(4)].

A. Investor-owned utilities in New Mexico routinely communicate to address common problems and brainstorm solutions. On September 4, 2025, PNM and EPE met to discuss performance of current TEPs and preliminary considerations for new program design; a follow-up meeting was hosted on December 16, 2025 between PNM and EPE to further discuss new program design considerations and to share best practices gleaned from previous program performance. Additionally, EPE and SPS presented information on their existing TEPs at PNM's (2027-2029) TEP General Stakeholder Outreach and Feedback Session hosted on April 21, 2026.

These types of coordination resulted in improvements to PNM's design of the Non-Residential EVSE Incentives, specifically the Multifamily Design, Build, Transfer Incentive, the Commercial Design, Build, Transfer Incentive, and the Market Transformation Rideshare and App-Based Delivery Incentive Pilot, with differences to address specific market conditions in PNM's service territory. PNM will also continue to participate with the Transportation Electrification group at the Edison Electric Institute to discuss ongoing policy across other investor-owned utilities. PNM also remains closely engaged with the national industry as PNM Witness Williamson serves as the Industry Chair for the Smart Electric Power Alliance Transportation Electrification Working Group, where utility, regulatory, environmental, and industry representatives collaborate and share best practices regarding charging infrastructure deployment and program design. Additionally, PNM's Transportation Electrification Team presented and participated in the Western Regional Meeting in November 2025, hosted by the National Association of State Energy Officials, American Association of State Highway and Transportation Officials, and the Joint Office of Energy and Transportation, and also participated in the Intermountain West Electric Freight Symposium in March 2026, hosted by the National Association of State Energy Officials and the Colorado Energy Office.

PNM also coordinates with tribes and pueblos through its Native American Governmental Affairs Department. This internal coordination within PNM ensures that programs are designed so that tribes and pueblos can also benefit.

Q. Please describe the anticipated grid management requirements and projected peak load requirements to reliably accommodate expanded transportation electrification in the public utility's service territory, and how these requirements may be reduced by improved distribution planning, rate design, or other solutions [Rule 574.11(D)(5)].

A. The TEP incentives are paired with infrastructure requirements and rate offerings that will enable and encourage residential and commercial customers to charge EVs during off-peak hours and in lower demand conditions, thereby mitigating incremental growth in peak load requirements while increasing system utilization. PNM witness Abraham Casas discusses rate design in more detail. Furthermore, the TEP proposes continuing the managed charging pilot which can help mitigate impacts of EV load on the grid.

Additionally, internal PNM teams consistently coordinate regarding EV adoption and TEP participation. Load forecasts are included in the Integrated Resource Plan process and meter requirements are considered during the grid modernization rollout. Additionally, existing programs such as the Home Energy Report residential behavioral program allow for customers to complete a survey regarding

if they drive an EV to help with disaggregation within the Energy Efficiency portfolio.

Q. Please describe the forecasted potential for meeting new load growth associated with EV charging infrastructure with renewable energy [Rule 574.11(D)(6)].

A. Pursuant to the ETA, PNM is required to obtain electricity from 100 % carbon-free resources by 2045. In 2025, 80% of the energy delivered on PNM's system was carbon-free. This means that the share of energy to meet transportation electrification load growth will increasingly come from renewable and other carbon-free resources over time. PNM will continue to diversify its renewable and carbon-free fleet to ensure that there are resources capable of meeting increasing transportation electrification demand.

The TEP also continues the deployment of two pilot rates: the WHEV rate and Rate 3F, both of which are designed to provide price signals to customers to shift load to times with lower system demand. These rates will continue to evolve over time as the system load and generation evolve. PNM is not proposing to change these rates in this filing. The testimony of PNM witness Abraham Casas provides additional details on these rate offerings.

Q. Please describe any expected or potential policy or statutory issues that could impact expanded infrastructure or network upgrades required by expanded transportation electrification in the public utility's service territory [rule 574.11(D)(7)].

A. Since 2019, there have been numerous pieces of legislation that address EVs at both the state and federal level, including New Mexico HB521 in 2019, the federal Infrastructure Investment and Jobs Act of 2021, the federal Inflation Reduction Act of 2022, and New Mexico HB 140 in 2024. More recently, the federal government terminated the federal EV tax credits for both new and used EVs effective September 30th, 2025. On January 22, 2026, the New Mexico Environment Department unanimously adopted regulations establishing the Clean Transportation Fuel Program,[5] the first clean fuel market in the Southwest. PNM has enrolled to participate as an electric distribution utility and will use the funds from participation to further support transportation electrification as per the statute and rule. The legislative environment for transportation electrification can be difficult to project at both the state and federal level. Policy surrounding EVs remains very fluid at this juncture. PNM's TEP is designed to offer a least regrets approach by incentivizing EV adoption while maintaining flexibility.

V. CONCLUSION

Q. Please summarize your testimony.

[5] https://www.env.nm.gov/wp-content/uploads/2026/01/2026-01-22-COMMS-New-Mexico-officially-adopts-first-clean-fuel-market-in-Southwest-Final.pdf

A. In summary, my testimony covers four main topics: the requested approvals of the 2027-2029 PNM TEP, the introduction of the other witnesses in the case, the statutory and regulatory requirements and how PNM meets them, and the planning outlook required by Rule 574.

Q. Does this conclude your testimony?

A. Yes, it does.

GCG#535334

PNM Exhibit AJB-1

Alaric J. Babej Educational and Professional Summary

Is contained in the following 1 page.

Alaric J. Babej
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Alaric J. Babej

Address: Public Service Company of New Mexico (PNM)
MS 0605
414 Silver SW
Albuquerque, NM 87102

Position: Director, Customer Energy Solutions

Education: Bachelor of Science in Mechanical Engineering
University of Rhode Island, 2008

Master of Science in Mechanical Engineering
University of Washington, 2013

Master of Business Administration
University of New Mexico, 2022

Employment: Employed by PNM since 2017

Positions held within the Company include:
Technical Program Manager, Renewables
Project Manager, Product Development
Manager, Customer Program Marketing and Development
Principal, Customer Energy Solutions
Director, Customer Energy Solutions

NMPRC Testimony:

Case No. 20-00124-UT (2021 Renewable Energy Plan)
Case No. 20-00237-UT (2022-2023 Transportation Electrification Plan).
Case No. 21-00158-UT (Sky Blue Investigation)
Case No. 22-00058-UT (Grid Modernization Implementation)
Case No. 23-00071-UT (Community Solar Implementation)
Case No. 23-00195-UT (2024-2026 Transportation Electrification Plan)
Case No. 25-00049-UT (Grid Modernization Review)

PNM Exhibit AJB-2

Rule 574.11 Compliance Matrix

Is contained in the following 2 pages.

PNM 2027-2029 TEP
PNM Exhibit AJB-2
Rule 574.11 Compliance Matrix

17.9.574.11- Applications to Expand Transportation Electrification		
Subsection		**Witness**
A	In accordance with the filing schedule provided in 17.9.574.12 NMAC, a public utility shall file with the commission an application for approval of a proposed three-year plan to expand transportation electrification in the utility's service area. The three-year plan may include planned investments, incentives, programs, rate designs, and expenditures that are reasonably expected to achieve the goals of Section 62-8-12 NMSA 1978 during the plan years.	Babej Williamson
B	A public utility's proposed three-year plan shall include, at minimum: (1) strategies and measures for expanding transportation electrification among low-income customers and underserved communities, including but not limited to: (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; and (c) strategies and measures for mass transit operations, ride-sharing programs, and multi-family dwelling units	Williamson
B	(2) 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;	Williamson
B	(3) expected customer participation estimates and the methods used to derive such estimates;	Babej
B	(4) 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.	Babej
B	(5) strategies and measures for coordinating with State or federal EV infrastructure planning;	Babej
B	(6) strategies and measures for coordinating with existing business locations that sell and dispense transportation fuel to the public;	Babej
B	(7) identifications of key performance indicators for program success and how these indicators are utilized to further the success of the program.	Williamson
C	Strategies and measures for low-income customers shall permit self-certification of eligibility and shall be provided with public-facing materials in English and Spanish, and any incentives shall be made available prior to or at the time of purchase.	Williamson
D	In addition to the proposed three-year plan, the TEP shall include a planning outlook addressing the two-year period beyond the three-year plan. The two-year planning outlook shall be presented for informational purposes to inform the commission of the utility's vision for the transportation electrification sector during the planning horizon. Planning outlooks shall include:	
D	(1) the public utility's outlook for projected transportation electrification in its service territory, including estimates of the expected numbers of EVs operating in its service territory, listed by light-duty, medium-duty, and heavy-duty EV classes;	Babej
D	(2) expected lead times for coordinating with State and federal EV infrastructure planning, EV charging station operators, existing business locations that sell and dispense transportation fuel to the public, and other stakeholders, and for planned construction or planned deployments, including estimated or expected new or upgraded infrastructure needs;	Babej
D	(3) anticipated requests for regulatory approvals to effectuate a future TEP in the planning horizon, to carry out the three-year plan, to support the transition between TEPs,and to coordinate with State or federal EV infrastructure planning;	Babej

17.9.574.11- Applications to Expand Transportation Electrification		
Subsection		**Witness**
D	(4) planned or potential integration with neighboring public utility transportation electrification planning and possible strategies for coordinating with rural electric cooperatives, tribes, and pueblos, if any;	Babej
D	(5) anticipated grid management requirements and projected peak load requirements to reliably accommodate expanded transportation electrification in the public utility's service territory, and how these requirements may be reduced by improved distribution planning, rate design, or other solutions;	Babej
D	(6) forecasted potential for meeting new load growth associated with EV charging infrastructure with renewable energy; and	Babej
D	(7) any expected or potential policy or statutory issues that could impact expanded infrastructure or network upgrades required by expanded transportation electrification in the public utility's service territory.	Babej
	The Application shall include	
E	(1) testimony and exhibits providing a full explanation of the public utility's determination of the plan years' transportation electrification expansion measures to be undertaken and their corresponding budgets;	Williamson
E	(2) the costs of transportation electrification measures in the plan years;	Williamson
E	(3) whether the public utility intends to recover costs through a tariff rider, base rates, or both;	Casas
E	(4) testimony and exhibits demonstrating how the cost and amount specified in Paragraphs (2) and (3) of this Subsection were determined;	Williamson
E	5) testimony demonstrating that the proposed transportation electrification plan is reasonably and prudently designed and expected to accomplish any or all of the goals of the TEP pursuant to Paragraphs (1) through (6) of Subsection B of Section 62-8-12 NMSA 1978 and 17.9.574 NMAC.	Babej

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR APPROVAL OR ITS 2027-2029 TRANSPORTATION ELECTRIFICATION PROGRAM	)	**Docket No. 26-00001XX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant	)	

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

ALARIC J. BABEJ, Director Customer Energy Solutions, Public Service Company of New Mexico, upon penalty of perjury under the laws of the State of New Mexico, affirms and states: I have read the foregoing **Direct Testimony and Exhibits of Alaric J. Babej** which are true and correct based on my personal knowledge and belief.

DATED 1st day of June, 2026.

/s/ *Alaric J. Babej*
ALARIC J. BABEJ

GCG # 535267

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,	)	**CASE NO. 26-00000XX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant	)	

DIRECT TESTIMONY

OF

ABRAHAM CASAS

June 1, 2026

NMPRC DOCKET NO. 26-00000XX
INDEX TO THE DIRECT TESTIMONY
OF ABRAHAM CASAS

WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

ACRONYM /ABBREVIATION	DESCRIPTION
AMI	Advanced Metering Infrastructure
Commission or NMPRC	New Mexico Public Regulation Commission
DCFC	Direct Current Fast Charger (Level 3)
EV	Electric Vehicle, Plug-In Hybrid or Battery
EVSE	Electric Vehicle Supply Equipment, EV Charger
PNM or Company	Public Service Company of New Mexico
Rider 53	Rider No. 53 Transportation Electrification Program
TEP	Transportation Electrification Program
TOU	Time-of-Use
WHEV	Whole House Electric Vehicle

NMPRC DOCKET NO. 26-00000XX
DIRECT TESTIMONY OF
ABRAHAM CASAS

I. INTRODUCTION AND PURPOSE

Q. Please state your name, title and business address.

A. My name is Abraham Casas. I am a Lead Pricing Analyst for Public Service Company of New Mexico ("PNM" or "Company"). My business address is 414 Silver SW, Albuquerque, NM 87102. A description of my position and background is included in PNM Exhibit AC-1.

Q. Please summarize your educational and professional qualifications.

A. I graduated from New Mexico State University with a bachelor's degree in economics in 2016, and a Master of Arts degree in Economics in 2018. I was hired by PNM as a Pricing Analyst in March of 2019. Please see PNM Exhibit AC-1 for a statement of qualifications. Part of my duties is to provide pricing analyses in support of PNM's regulatory filings.

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

A. My testimony addresses the following:

1. PNM's proposal to continue offering the residential Whole House Electric Vehicle ("WHEV") pilot rate option under 27th Revised Rate 1A and the Non-Residential Charging Station Pilot Rate under 4th Revised Rate 3F.

2. The rationale for continuing Rider 53 and the associated regulatory asset treatment to collect ongoing Transportation Electrification Program ("TEP") costs.

Q. Are you sponsoring any exhibits in addition to PNM exhibit AC-1?

A. Yes. I am sponsoring the following exhibits:

- PNM Exhibit AC-2 Rider 53 Calculation – Illustrative with Proposed Budget; and
- PNM Exhibit AC-3 Rider 53 Illustrative Bill Impacts by Rate Schedule.

II. TRANSPORTATION ELECTRIFICATION PROGRAM RATE DESIGN

Q. Please summarize PNM's current TEP related rates.

A. PNM offers two pilot rates to support the residential and non-residential components of the TEP and a rider which is designed to collect TEP expenses. The residential WHEV rate is a pilot rate option under Rate Schedule 1A and is an option for new and current EV owners. Currently, the WHEV rate is available for 10,000 participants.

The non-residential EV rate, 4th Revised Rate 3F, is a pilot rate available for separately metered non-residential EV charging stations. The goal of this rate is to incentivize the installation of charging stations to expand the access to reliable EV charging options in PNM's service territory. This serves to reduce range anxiety for EV owners living or travelling through New Mexico. Currently, Rate 3F is an energy-only rate and will be reevaluated in future general rate cases once PNM has more data on energy usage patterns and demand profiles of the hosting sites.

Lastly, PNM recovers TEP program expenses through Rider 53. This rider is an energy only rider ($/kWh) and is applicable to all non-lighting rate classes. Rider 53 is a

backward-looking rider in that the total balance in the TEP regulatory asset as of December 31st each year is used to calculate the Rider 53 rate for the next year. The rider goes into effect in the first billing cycle in May.

Q. Please briefly describe PNM's current WHEV rate.

A. Rate Schedule 1A WHEV is an optional pilot rate available to qualified EV owners. The WHEV pilot rate includes a low overnight rate that applies to all home energy usage during the seven-hour period of 10:00 pm to 5:00 am, Monday through Sunday, year round. The goal of the low overnight charging rate is to encourage overnight charging of the EV and to encourage load shifting of other household energy use to overnight. In Docket No. 23-00195-UT, the Commission increased the participation limit to 10,000 customers. Customers who receive a PNM rebate for the purchase of a Level 2 charger have the option to participate in (1) the WHEV pilot rate or (2) their current residential rate with a commitment to participate in PNM's managed charging program. There are currently 4,625 customers on WHEV.

Q. Is PNM proposing to revise WHEV participation requirements?

A. Yes. PNM proposes to modify WHEV participation requirements, and the 10,000 WHEV participation limit. PNM is proposing the following:

1. Qualifying residential customers will no longer be required to take service on Rate 1A WHEV, and will not be required to have a cellular interval meter installed due to the the installation of advanced metering infrastructure

("AMI") meters. With AMI meters, PNM will have the ability to collect customer data usage.

2. PNM is proposing to remove the 10,000 cap on WHEV participants and apply it to the number of cellular meters available for install. With PNM's deployment of AMI meters, PNM will not be ordering more cellular meters. AMI meters provide all the functionality needed for customers to take service under WHEV. Customers who choose to opt out of an AMI meter and wish to take service under WHEV, may have a cellular meter installed, subject to availability.

These proposed changes still give PNM customers flexibility, and PNM still maintains the ability to collect customer usage data. PNM will use the customer's meter interval data for load research in the future.

Q. Please briefly describe PNM's rate for the non-residential component of the TEP.

A. PNM's current Non-Residential Charging Station – Pilot or Rate Schedule 3F is available for any customer who installs a separately metered non-residential charging station. It is a time variant pilot rate that consists of a customer charge, and an energy charge. Currently, there is no demand charge for Rate Schedule 3F. The goal of this rate is to incentivize the installation of EV charging stations and expand access of EV charging stations throughout PNM's service territory. Customers who take advantage of PNM's Direct Current Fast Charging ("DCFC") rebates are required to participate in Rate Schedule 3F. There is no limit to the number of charging stations on this rate. There are currently 16 charging stations on Rate Schedule 3F.

Q. Is PNM proposing any changes to the rate design methodology of WHEV or Rate Schedule 3F as part of this filing?

A. PNM is not proposing any changes to the rate design methodology for Rate Schedule 1A WHEV pilot or Rate Schedule 3F. PNM's current base rates were approved in a stipulated agreement in Docket No. 24-00089-UT and implemented in two phases. Phase 1 went into effect on July 1, 2025, and Phase II became effective on April 1, 2026. PNM will only revise rate design and rates to Rate 1A WHEV and Rate Schedule 3F during a general rate case filing.

The effective rate for WHEV is $0.0575000/kWh, 10:00 pm to 5:00 am, Monday through Sunday, year-round. The effective energy rates for Rate Schedule 3F are shown in PNM Table AC-1.

PNM Table AC-1

Line No.	Current Energy Rates for Rate Schedule 3F		
		Summer	Non-Summer
1	On-Peak	$0.1997250 $/kWh	$0.1478538 $/kWh
2	Off-Peak	$0.0687672 $/kWh	$0.0687672 $/kWh

Q. Did PNM consider offering a daytime charging time period for the WHEV pilot in this filing?

A. No, PNM did not consider a daytime charging period with a corresponding low energy $/kWh rate in this filing. PNM agrees that it will be important to incentivize customers to charge their EVs during the daylight hours when solar generation is abundant. This

will be addressed through modifications to PNM's current TOD pilot in the next general rate case as a part of PNM's Roadmap to Default TOD.

Q. What is the Roadmap to Default TOD?

A. As a part of PNM's Grid Modernization plan, PNM plans to make the current TOD pilot into the default TOD rate once AMI is deployed throughout PNM's service territory.

In Docket No. 26-0000069 PNM's Second Annual Grid Mod Compliance filing (April 10, 2026), PNM witness Pitts discusses PNM's Roadmap to Default TOD rates and the modifications needed in the two future general rate cases to achieve default TOD rates. She states that in the next general rate case, PNM will propose to modify the residential TOD pilot to include a super-off peak period from 8:00 am to 5:00 pm Monday-Friday year-round. The overnight WHEV pilot rate will still be available in that rate case. In the general rate immediately after the deployment, PNM will propose the residential TOD rate as the default rate and will close the WHEV rate.

III. RIDER NO. 53 TRANSPORTATION ELECTRIFICATION PROGRAM

Q. Please describe PNM's Rider 53 Transportation Electrification Program.

A. Rider 53 is designed to collect expenses approved for the TEP using an energy charge ($/kWh) that is applied to all non-lighting rate classes. Please refer to PNM witness Williamson's testimony for a list of the expense categories that make up the total TEP expenses. TEP expenses accrue in a regulatory asset with a carrying charge set at the

Customer Deposit Interest Rate set annualy on the NMPRC website[1]. Rider 53 is a backward-looking rider, which means at the end of the calendar year, the cumulative total in the TEP regulatory asset is: (i) allocated among applicable customer classes, and (ii) divided by each customer class's forecast energy usage for the upcoming Rider 53 collection period to derive the $/kWh energy charge that will be proposed. There is a $25,000 cap on annual rider charges that PNM can recover from any individual customer.

Q. How is the transportation electrification rider developed in the annual filing?

A. The regulatory asset balance on December 31st is allocated among customer classes using a weighted allocator from PNM's last approved general rate case filing. The customer class allocation is then divided by the energy forecast for the 12 months of the rider period in order to calculate the Rider 53 charge that will be applied to all non-lighting customers' monthly bills. To adjust for the $25,000 of annual revenue charges per customer, every January, PNM will calculate the amounts paid over $25,000 to credit on the February bills. See PNM Exhibit AC-2 for an illustrative example of the annual Rider 53 calculation. For purposes of this exhibit, the proposed budget of $32,950,000 was evenly allocated across the three program year to arrive at a one-year sample regulatory asset balance of $10,983,333.33. The weighted allocator and the energy forecast are the same as that used in the February 2026 filing that set the

[1] The Customer Deposit Interest Rate for 2026 is 3.74% and is posted at: https://www.prc.nm.gov/utilities/utilities-and-telecommunications-links-and-forms/

currently effective Rider 53. PNM Exhibit AC-2 is for illustrative purposes only and does not reflect a forecast of the regulatory balance in December of any year.

Q. Is PNM proposing any changes to the $25,000 annual revenue rider charge cap?

A. No. In this filing, PNM is not planning on making any changes to the $25,000 annual rider charge cap.

Q. For residential customers with solar, will the Rider 53 energy charge be applied to their net or gross usage?

A. Rider 53 $/kWh energy charge will apply to PNM supplied energy only.

Q. Please describe the weighted allocator PNM uses to allocate the regulatory asset balance amongst customer classes.

A. The weighted allocator chosen was used to allocate customer related O&M expenses in PNM's last general rate case filing. The weighted allocator follows an 80:20 split, 80% customer counts, 20% energy at the meter (kWh). PNM uses this 80:20 to allocate several customer expense accounts including: Supervision-Customer Accounts, Miscellaneous Customer Account Expenses, Customer Service/Information Expenses, Customer Assistance Expenses, Informational/Instructional Advertising Expenses, Demo & Selling Expenses – Excluding Production, Demo & Selling Expenses – Production, and Advertising Expenses.

Q. What is the effective rate for Rider 53?

A. The 4th revised Rider 53 was filed in February 2026 and went into effect on April 27, 2026, which is the first billing cycle of May 2026. The 4th Revised Rider 53 was calculated using the methodology described in earlier testimony, using the regulatory asset balance as of December 31, 2025. The weighted allocator that was used was the weighted allocator approved in PNM's last general rate case filing, Docket No. 24-00089-UT. The effective Residential 1A/1B rate for Rider 53 is $0.0028946 per kWh.

Q. Does continuation of PNM's Rider 53 require approval of a regulatory asset?

A. Yes. In PNM's last TEP filing, Docket No. 23-00195-UT, the Recommended Decision approved Rider 53 only for the duration of the program approved in that case, 2024 – 2026. In this case, PNM is requesting the Commission to approve a continuation of PNM's current Rider 53 and the associated regulatory asset for present TEP.

Q. Will the regulatory asset be subject to carrying charges?

A. Yes. PNM proposes that the regulatory asset continue to use the Customer Deposit Interest Rate as the carrying charge. Revenues collected through Rider 53 will be netted against expenses to calculate the cumulative regulatory asset balance each month. The carrying charge will be calculated against the cumulative regulatory asset balance at the end of each month.

Q. Is there a process to review the expenses accruing in the regulatory asset prior to implementation of the rate update?

A. Yes. PNM proposes to continue the current process of quarterly informational filings on the regulatory asset balance for parties' review prior to the filing of the Rider 53 rate. The informational filings detail expenses recorded per quarter throughout the approved program years, and regulatory asset cumulative balance with carrying charges. Quarterly filings would continue to be made the month following each quarter end.

Q. Does PNM continue to believe that rider recovery is appropriate for TEP cost recovery?

A. Yes. PNM believes it is important to be transparent with customers about the costs of the program. The rider provides transparency as a separate line item on the bill, and Rider 53 is calculated on a yearly basis which will minimize carrying charges accruing on program expenses as compared to if program expenses were to be adjusted every time PNM files a general rate case for which there is no set timeline. Customers are already accustomed to riders for other statutory policy goals such as energy efficiency, the renewable portfolio standard, and Grid Modernization. PNM continues to support recovering Rider 53 expenses through a rider.

Q. Have you assessed the impact of the illustrative Rider 53 rate on customer bills?

A. Yes. While PNM is not updating the Rider 53 amounts in this case, for illustrative purposes, PNM used the proposed budget in this case to estimate annual impacts over the three-year TEP implementation period. To derive an annual rate impact, PNM divided the total proposed budget by three, assuming an equal annual spending over

the three-year TEP period. PNM assumed the regulatory asset balance at the end of each year would be equal to one-third of the proposed TEP budget and did not take into account Rider 53 revenue. PNM Exhibit AC-2 shows the illustrative Rider 53 calculation with the annualized budget.

PNM Exhibit AC-3 shows the rate impact of the illustrative Rider 53 calculations for several usage levels for all the rate schedules subject to Rider 53. The average residential customer using 600 kWh per month would see a total Rider 53 charge of $1.60 per month. For an average small power customer consuming 2,000 kWh per month, the total Rider 53 charge would be $2.29 per month. See PNM Exhibit AC-3 for additional rate impacts by rate schedule.

Q. Does this conclude your direct testimony?

A. Yes.

GCG#535332

PNM Exhibit AC-1

Abraham Casas: Educational and Professional Summary

Is contained in the following 1 page.

Abraham Casas: Educational and Professional Summary

Current Position: Lead Pricing Analyst, Strategic Marketing and Product Management. Public Service Company of New Mexico (PNM) (11/2025 – Present)

Education:

Master of Arts, Economics ("MA") – 2018

Bachelor's in Business Administration ("BA"), Economics – 2016

Experience:

Senior Pricing Analyst, Public Service Company of New Mexico (06/2023 – 11/2025)

Pricing Analyst, Public Service Company of New Mexico (03/2019 – 06/2023)

Project Manager, B and D Industries. (08/2016 - 08/2017)

Testimony: Filed before the New Mexico Public Regulation Commission:

- NMPRC Docket No. 26-0000074. In support of PNM's 2027 (2027-2029) Energy Efficiency and Load Management Plan.
- NMPRC Case No. 12-00007-UT. In support of PNM's 2025 Revised Renewable Energy Rider No. 36 Reconciliation.
- NMPRC Case No. 24-00089-UT. In support of PNM's 2024 General Rate Case.
- NMPRC Case No. 23-00138-UT. In support of PNM's 2024 Energy Efficiency and Load Management Plan.
- NMPRC Case No. 22-00270-UT. In support of PNM's 2022 General Rate Case.
- NMPRC Case No. 22-00276-UT. In support of PNM's 2022 Rio Rancho Underground Rider.
- NMPRC Case No. 17-00076-UT. In support of PNM's 2019, 2020, 2021, 2024, and 2025 Energy Efficiency ("EE") Profit Incentive Reconciliation.

PNM Exhibit AC-2

Rider 53 Calculation

Is contained in the following 1 page.

PNM Exhibit AC-2: Rider 53 Calculation

Regulatory asset balance ending:	Regulatory asset balance amount:
TEP Program Filing 2027-2029	$10,983,333.33
	[A]

Line No.	Customer Class	Weighted Allocator	Customer Class allocated portion of regulatory asset balance	Energy forecast, 12 mos. (kWh)	Rider 53 charge ($/kWh)
		[B]	[C] = [A] * [B]	[D]	[E] = [C] / [D]
1	1A/1B - Residential	78.767%	$8,651,215.10	3,244,185,000	$0.0026667
2	2A/2B - Small Power	10.068%	$1,105,808.72	965,768,590	$0.0011450
3	3B - General Power	3.768%	$413,860.03	1,475,391,290	$0.0002805
4	3C - General Power LLF	0.770%	$84,600.70	273,650,840	$0.0003092
5	3D - General Power Gov't	0.284%	$31,139.50	113,110,020	$0.0002753
6	3E - General Power LLF Gov't	0.040%	$4,413.22	13,917,430	$0.0003171
7	3F - GP Charging Stations	0.014%	$1,491.64	5,551,190	$0.0002687
8	4B - Large Power	2.167%	$238,048.60	946,037,310	$0.0002516
9	5B - Lg. Svc. (8 MW)	0.065%	$7,131.89	28,595,990	$0.0002494
10	10A/10B - Irrigation	0.096%	$10,515.20	22,518,980	$0.0004669
11	11B - Wtr/Swg Pumping	0.411%	$45,181.27	172,081,786	$0.0002626
12	15B - Universities 115 kV	0.158%	$17,407.05	69,886,280	$0.0002491
13	30B - Manufacturing (30 MW)	1.994%	$219,004.10	879,995,270	$0.0002489
14	33B - Lg. Svc. (Station Power)	0.006%	$694.45	2,727,450	$0.0002546
15	35B - Lg. Svc. (3 MW)	0.396%	$43,439.88	174,308,550	$0.0002492
16	36B - SSR - Renew. Energy Res.	0.996%	$109,381.97	350,268,360	$0.0003123
17					
18	Total (non-lighting rate classes)	100%	$10,983,333	8,737,994,336	

PNM Exhibit AC-3

Illustrative Bill Impacts of Rider 53 Under Proposed Budget Assumptions

Is contained in the following 3 pages.

PNM EXHIBIT AC-3 Illustrative Bill Impacts of Rider 53 Under Proposed Budget Assumptions

1A - Residential				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
500 kWh	$74.96	$76.35	$1.39	1.853%
750 kWh	$116.47	$118.55	$2.08	1.789%
1,000 kWh	$162.56	$165.34	$2.78	1.709%

1B - Residential TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
500 kWh	$108.45	$109.84	$1.39	1.281%
750 kWh	$146.12	$148.20	$2.08	1.426%
1,000 kWh	$183.79	$186.57	$2.78	1.512%

2A - Small Power				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
500 kWh	$89.91	$90.50	$0.60	0.663%
1,500 kWh	$220.51	$222.30	$1.79	0.812%
5,000 kWh	$677.63	$683.60	$5.96	0.880%

2B - Small Power TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
1,500 kWh	$225.30	$227.09	$1.79	0.794%
5,000 kWh	$709.98	$715.94	$5.96	0.840%
10,000 kWh	$1,402.37	$1,414.30	$11.93	0.851%

3B - General Power TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
30,000 kWh and 50 kW	$2,617.92	$2,626.69	$8.77	0.335%
50,000 kWh and 75 kW	$4,025.40	$4,040.02	$14.61	0.363%
75,000 kWh and 150 kW	$7,155.49	$7,177.41	$21.92	0.306%

3C - General Power LLF TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
30,000 kWh and 50 kW	$2,839.93	$2,849.59	$9.66	0.340%
50,000 kWh and 75 kW	$4,531.96	$4,548.07	$16.11	0.355%
75,000 kWh and 150 kW	$7,393.28	$7,417.43	$24.16	0.327%

3D - General Power TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
30,000 kWh and 50 kW	$2,644.88	$2,653.48	$8.61	0.325%
50,000 kWh and 75 kW	$4,100.60	$4,114.94	$14.34	0.350%
75,000 kWh and 150 kW	$7,136.51	$7,158.02	$21.51	0.301%

3E - General Power LLF TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
10,000 kWh and 50 kW	$2,840.59	$2,850.50	$9.91	0.349%
12,000 kWh and 50 kW	$4,533.04	$4,549.56	$16.52	0.364%
15,000 kWh and 75 kW	$7,394.95	$7,419.73	$24.78	0.335%

3F - Non-residential Charging Stations				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
12,000 kWh	$1,552.76	$1,556.12	$3.36	0.216%
30,000 kWh	$3,761.26	$3,769.66	$8.40	0.223%
72,000 kWh	$8,914.42	$8,934.58	$20.16	0.226%

4B - Large Power Service TOU (PNM-owned transformer)				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
150,000 kWh and 500 kW	$19,356.76	$19,396.09	$39.33	0.203%
500,000 kWh and 1,500 kW	$58,638.73	$58,769.82	$131.09	0.224%
1,500,000 kWh and 2,500 kW	$124,130.69	$124,523.94	$393.26	0.317%

5B - Large Service for Customers >= 8,000kW				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
2,000,000 kWh and 8,000 kW	$220,752.76	$221,252.86	$500.10	0.227%
2,500,000 kWh and 10,000 kW	$273,755.15	$274,380.27	$625.13	0.228%

10A Irrigation Service				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
1500 kWh	$194.28	$195.01	$0.73	0.376%
3500 kWh	$429.05	$430.76	$1.70	0.397%
6000 kWh	$722.52	$725.44	$2.92	0.404%

10B Irrigation Service TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
5000 kWh	$613.99	$616.42	$2.43	0.396%
7500 kWh	$911.89	$915.54	$3.65	0.400%
10000 kWh	$1,209.79	$1,214.65	$4.87	0.402%

11B Water and Sewage Pumping Service TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
75,000 kWh	$6,808.27	$6,828.79	$20.52	0.301%
120,000 kWh	$10,665.65	$10,698.48	$32.83	0.308%
175,000 kWh	$15,380.23	$15,428.10	$47.87	0.311%

15B Large Service for Public Universities > 8,000kW				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
2,000,000 kWh and 8,000 kW	$202,972.37	$203,471.82	$499.45	0.246%
4,500,000 kWh and 12,000 kW	$378,042.46	$379,166.22	$1,123.76	0.297%

30B Large Service for Manufacturing >= 30,000kW				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
25,000,000 kWh and 40,000 kW	$1,866,856.73	$1,873,094.65	$6,237.92	0.334%
25,000,000 kWh and 45,000 kW	$1,984,925.16	$1,991,163.08	$6,237.92	0.314%
30,000,000 kWh and 50,000 kW	$2,276,159.10	$2,283,644.60	$7,485.50	0.329%

33B Large Service for Station Power TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
200,000 kWh and 500 kW	$14,705.20	$14,758.26	$53.06	0.361%
300,000 kWh and 500 kW	$20,864.04	$20,943.63	$79.59	0.381%
400,000 kWh and 750 kW	$27,987.16	$28,093.28	$106.11	0.379%

35B Large Power Service >= 3,000kW TOU				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
2,000,000 kWh and 3,000 kW	$138,301.17	$138,820.49	$519.31	0.375%
3,000,000 kWh and 5,000 kW	$213,481.59	$214,231.17	$749.58	0.351%
4,000,000 kWh and 7,000 kW	$287,568.08	$288,567.53	$999.44	0.348%

36B Special Service Rate - Renewable Energy Resources				
Consumption Level	Annualized Monthly Bill at Present Rates, without Rider 53 TEP	Annualized Monthly Bill with Rider 53 TEP- illustrative	$ Change	% Change
100,440,000 kWh and 150,000 kW	$1,727,233.85	$1,733,506.94	$6,273.09	0.363%
133,920,000 kWh and 200,000 kW	$2,295,186.44	$2,303,550.56	$8,364.12	0.364%
167,400,000 kWh and 250,000 kW	$2,863,139.03	$2,873,594.18	$10,455.15	0.365%

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

COMPANY OF NEW MEXICO'S APPLICATION FOR APPROVAL OR ITS 2027-2029 TRANSPORTATION ELECTRIFICATION PROGRAM	)	**Docket No. 26-00001XX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant	)	

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

ABRAHAM CASAS, Lead Pricing Analyst, PNMR Services Company, upon penalty of perjury under the laws of the State of New Mexico, affirms and states: I have read the foregoing **Direct Testimony and Exhibits of Abraham Casas** which are true and correct based on my personal knowledge and belief.

DATED 1st day of June, 2026.

/s/ *Abrahm Casas*
ABRAHAM CASAS

GCG # 535266

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR APPROVAL OR ITS 2027-2029 TRANSPORTATION ELECTRIFICATION PROGRAM	)	**Docket No. 26-00001XX**
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
Applicant	)	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **Public Service Company of New Mexico's 2027 Transportation Electrification Plan** was emailed to parties listed below on June 1, 2026:

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Dated the 1st day of June, 2026.

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