

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE
COMPANY OF NEW MEXICO'S 2017
INTEGRATED RESOURCE PLAN**

Case No. 17-000174-UT

NOTICE OF HEARING TO PNM CUSTOMERS

NOTICE is given by the New Mexico Public Regulation Commission ("Commission" or "NMPRC") of the following:

A public hearing is set to commence at 9:30 A.M. on June 4, 2018, and continue thereafter, if necessary, at the Commission's offices in the P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, to hear and receive testimony, exhibits, arguments and other appropriate matters relevant to Public Service Company of New Mexico's ("PNM") 2017 Integrated Resource Plan (the "2017 IRP") filed to comply with the requirements of the Efficient Use of Energy Act, NMSA 1978, Section 62-17-1, *et seq.* ("EUEA") and the Commission's IRP Rule 17.7.3 NMAC.

PNM's 2017 IRP proposes, among other things, that as part of its most cost-effective resource mix, PNM intends to retire its 497 MW share of San Juan Generating Station (SJGS) in 2022 and exit from its 13% share in the Four Corners Power Plant (FCPP) upon the expiration of the FCPP Coal Supply Agreement in 2031. PNM would entirely shift its generation from existing base load coal based generation to resources that "better match varying loads and are better equipped to work with renewable energy." PNM expects that these

new resources would be primarily a mix of solar energy, natural gas-fired peaking capacity, and energy storage.

PNM further proposes to retain existing supply side resources through 2022 and to retain its interests in Palo Verde Nuclear Generating Station (PV) including any leases that expire in 2023 and 2025. In addition, PNM proposes to utilize energy purchases and sales from the wholesale market and to consider possible technological improvements to phase out older generating resources.

In addition to compliance with all legal requirements of EUEA and the Commission's IRP Rule, the scope of the evaluation of whether PNM's 2017 IRP complied with the objective of the Commission's IRP Rule "to identify the most cost effective portfolio of resources to supply the energy needs of customers, and for resources whose costs and service quality are equivalent, the utility should prefer resources that minimize environmental impacts," shall be examined as follows:

1) PNM shall provide all of the assumptions, studies, and forecasts used in the development of the utility's selected resource portfolio in a manner transparent enough to demonstrate and to explain how its modeling processes and inputs utilized in the IRP complied with the IRP objective;

2) PNM shall provide all of the assumptions, studies, and forecasts used in the planning process development, not just those that were selected in the final resource portfolio; and

3) PNM shall provide transparent and clarifying information regarding the IRP evaluation of costs, cost components, and cost comparisons.

Additionally, the Commission will review how PNM considered public advisory input and any affect that the public advisory input had on the

development of PNM's IRP. The Commission will also consider PNM's assessment on the issues of transmission constraints and solutions, and energy storage.

The Commission's Rules of Procedure 1.2.2 NMAC shall apply except as modified by order of the Commission or the Hearing Examiner. These Rules of Procedure may be obtained from the Commission or are available online at the official NMAC website, <http://www.nmcpr.state.nm.us/nmac/>.

Interested persons may appear at the time and place of hearing and make written or oral comments without becoming intervenors. Written comments, which shall reference Case No. 17-00174-UT, also may be sent to the Commission at the following address: New Mexico Public Regulation Commission (ATTN: Records Management Bureau), P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, NM 87504-1269, telephone (505) 827-6968. Pursuant to 1.2.2.23(F) NMAC, all comments governed by this paragraph shall not be considered as evidence in this case.

Interested persons may examine PNM's IRP together with any exhibits and related papers filed in the public record of this case at the Commission's address set out above or online at the Commission's website, <http://www.nmprc.state.nm.us/> under "Case Lookup EdoCKET" or at PNM's principal office in New Mexico located at 414 Silver Ave, SW, Albuquerque, New Mexico 87102, telephone (505) 241-2700 or PNM's website at <http://www.pnm.com/regulatory>.

Any person filing pleadings may file in person or by mail at the Commission's address set out above and shall serve copies on all parties of record, Staff, and the Hearing Examiner at Elizabeth.Hurst@state.nm.us on the date of filing. All documents emailed to the Hearing Examiner shall include versions in Microsoft Word or other native formats if available.

Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission at (505)-827-6956 as soon as possible prior to the commencement of any public hearing.

ISSUED at Santa Fe, New Mexico this 29th day of January 2018.

NEW MEXICO PUBLIC REGULATION COMMISSION

Elizabeth C. Hurst
Hearing Examiner