

NOTICE OF PROCEEDING AND HEARING

To customers of Public Service Company of New Mexico (“PNM” or “Company”): this document is required by the New Mexico Public Regulation Commission (“Commission” or NMPRC). The purpose of this document is to provide you with notice of PNM’s Application requesting NMPRC approval of the Company’s 2024-2026 Transportation Electrification Program (“TEP”) and associated relief. This notice:

- Describes the PRC process for considering PNM’s Application; and
- Describes how you can participate in this process if you wish to do so.

If you would like to participate in this process, the information below details how you may participate. **IF YOU DO NOT WANT TO PARTICIPATE IN THIS PROCESS, NO ACTION IS REQUIRED ON YOUR PART.**

Therefore, **NOTICE** is given by the PRC of the following:

On June 1, 2023, PNM filed its Application for Approval of its 2024-2026 TEP. The Application is made pursuant to NMSA 1978, Section 62-8-12 (the “TE Statute”), which was enacted by the New Mexico Legislature in 2019 to expand the electrification of the transportation sector in New Mexico, and 17.9.574 NMAC (“Rule 574”) governing applications to expand transportation electrification. PNM’s Application asks the Commission to approve the following:

- 1) PNM’s TEP for 2024 through 2026;
- 2) Continuation of PNM’s currently approved TEP for an additional 90 days after approval, into 2024, as necessary, to allow for implementation of the TEP approved as part of this case;
- 3) PNM’s proposed TEP budget and budget flexibility proposal;
- 4) Continuation of PNM’s Whole Home Electric Vehicle Charging Rate Pilot, a rate option under current Rate No. 1A – Residential Service;
- 5) Continuation of PNM’s proposed time-of-use pilot rate for non-residential customers under Rate No. 3F – Non-Residential Charging Station Pilot.
- 6) Continuation of PNM’s proposed Transportation Electrification Program Rider (“TEP Rider”), which will allow PNM to recover the costs of the TEP as authorized by NMSA 1978, Section 62-8-12(C);
- 7) Continuation of PNM’s previously approved regulatory asset in order to implement the TEP Rider;
- 8) A variance, if necessary, from Commission Rule 17.9.530, which prescribes minimum data requirements to be filed in support of a tendered new rate schedule; and
- 9) Any other approvals, authorizations, and actions that may be required under the Public Utility Act or the TE Statute to implement PNM’s proposed TEP.

PNM requests approval of its proposed TEP budget of \$37,053,850 covering program years 2024 through 2026 with budget flexibility, as allowed by Rule 574.14. Commission Rule 574.12(C) NMAC requires that the Commission complete its review of a public utility’s TEP application no later than six months after the filing of the Application but allows the Commission to extend the review period for an additional three months, should the Commission find that a longer review period is required. PNM requests that it be allowed to continue its currently approved TEP for an additional ninety days after a Final Order in this docket, into 2024, to allow for implementation of the approved 2024-2026 TEP.

PNM’s proposed TEP presents the following portfolio that targets customers in residential and non-residential segments:

A. Residential Charging Incentives:

- i. Charger rebates for the cost of 4,500 Level 2 chargers, which includes 225 rebates reserved for low-income customers;
- ii. Make-ready rebates for 2,100 new home construction installations to incentivize infrastructure to support future EV charging;
- iii. Level 2 residential charger installation rebates for 2,425 customers, 225 of which are intended for low-income customers, to offset costs required to install a qualified charger;
- iv. Electric bicycle rebates for 450 customers, 150 of which are intended for low-income customers, to offset the purchase price of a qualifying electric bicycle;
- v. EV purchase rebates for 225 low-income customers toward the purchase of a qualifying new or used electric vehicle; and,
- vi. A managed Charging Pilot Program consisting of 1,000 available incentives for passively managed participants and 1,000 available incentives for actively managed participants.

B. Non-Residential Charging Incentives:

- i. Rebates for customer make-ready infrastructure and line extension costs for 125 public Direct Current Fast Charging (“DCFC”) chargers and 50 fleet DCFC chargers;
- ii. Rebates for customer make-ready infrastructure and line extension costs for 445 Level 2 chargers, in the following categories:
 - a. 70 multifamily housing Level 2 charging ports;
 - b. 125 public Level 2 charging ports;
 - c. 125 workplace Level 2 charging ports; and
 - d. 125 fleet Level 2 charging ports.
- iii. A budget to facilitate the electrification of institutional and municipal mass transit by providing funding for the customer make-ready and line extension costs necessary to serve en route (DCFC) and depot chargers (DCFC and/or Level 2) used for EVs that provide transportation to underserved communities;
- iv. Funding to support half of the annual budget of the Affordable Mobility Platform in PNM’s service area for calendar year 2026, which will provide continuity for a car-share program in underserved communities through the end of PNM’s 2024-2026 TEP; and,
- v. A fleet advisory services pilot program to provide additional support to fleets in PNM’s service area that are seeking to better understand how to sustainably transition their fleets to EVs.

C. EV Rates:

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

D. Marketing, Education, and Outreach:

- i. Customer education and outreach programs to increase the awareness of transportation electrification as required by the TE Statute, including media engagement, community outreach, and website development; and
- ii. Emphasis on outreach to low-income customers and underserved communities.

E. Program Administration

- i. In-house and third-party administrative support; and
- iii. Software tools.

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

Program Component	Total Cost	Attributed to Low-Income
Residential Incentives	\$7,833,750	\$2,006,250
Non-residential Infrastructure Rebate	\$14,225,000	\$5,025,000
Market Transformation	\$1,000,000	\$0
Marketing, Education, and Outreach	\$3,945,000	\$1,174,500
Program Administration	\$10,050,100	\$0
TOTAL	\$37,053,850	\$8,017,500 (22%)

As part of the Application, PNM requests Commission approval of the continuation of its currently effective TEP Rider. The TEP Rider will collect the actual known costs and expenses of implementing the TEP through a non-bypassable \$/kWh charge to all non-lighting rate schedules. In conjunction with approval of the TEP Rider, PNM requests approval of a regulatory asset to collect program costs as they are incurred until the time they are collected through the TEP Rider. To estimate the possible bill impact of the TEP, PNM has assumed the approximately one-third of the budget will be collected annually, and the following potential bill impacts are provided for informational purposes:

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	\$68.76	\$70.31	\$1.55	2.250%
750 kWh	\$107.23	\$109.55	\$2.32	2.164%
1,000 kWh	\$147.49	\$150.58	\$3.09	2.098%

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	\$95.87	\$97.42	\$1.55	1.614%
750 kWh	\$130.10	\$132.42	\$2.32	1.784%
1,000 kWh	\$164.33	\$167.42	\$3.09	1.883%

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	\$85.67	\$86.38	\$0.70	0.819%
1,500 kWh	\$224.41	\$226.52	\$2.11	0.938%
5,000 kWh	\$709.98	\$717.00	\$7.02	0.989%

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	\$228.42	\$230.53	\$2.11	0.922%
5,000 kWh	\$723.34	\$730.36	\$7.02	0.970%
10,000 kWh	\$1,430.36	\$1,444.40	\$14.04	0.981%

3B / 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	\$2,952.83	\$2,963.39	\$10.56	0.358%
50,000 kWh and 75 kW	\$4,670.07	\$4,687.68	\$17.61	0.377%
75,000 kWh and 150 kW	\$7,825.05	\$7,851.46	\$26.41	0.338%

3C / 3E - General Power Low Load Factor 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	\$1,628.16	\$1,631.67	\$3.51	0.215%
12,000 kWh and 50 kW	\$1,853.34	\$1,857.54	\$4.21	0.227%
15,000 kWh and 75 kW	\$2,399.89	\$2,405.15	\$5.26	0.219%

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	\$1,608.06	\$1,612.26	\$4.21	0.262%
30,000 kWh	\$3,893.09	\$3,903.61	\$10.52	0.270%
72,000 kWh	\$9,224.83	\$9,250.08	\$25.25	0.274%

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	\$20,021.58	\$20,068.65	\$47.07	0.235%
500,000 kWh and 1,500 kW	\$61,744.63	\$61,901.54	\$156.91	0.254%
1,500,000 kWh and 2,500 kW	\$140,368.39	\$140,839.11	\$470.72	0.335%

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	\$233,047.43	\$234,501.95	\$1,454.53	0.624%
2,500,000 kWh and 10,000 kW	\$288,976.50	\$290,794.65	\$1,818.16	0.629%

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	\$184.80	\$185.57	\$0.77	0.418%
3500 kWh	\$417.29	\$419.09	\$1.80	0.432%
6000 kWh	\$707.90	\$710.99	\$3.09	0.437%

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	\$300.95	\$303.53	\$2.58	0.856%
7500 kWh	\$446.21	\$450.08	\$3.86	0.866%
10000 kWh	\$591.47	\$596.62	\$5.15	0.871%

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	\$6,727	\$6,749	\$22.47	0.334%
120,000 kWh	\$10,480	\$10,516	\$35.95	0.343%
175,000 kWh	\$15,067	\$15,120	\$52.43	0.348%

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	\$226,974.60	\$227,756.26	\$781.66	0.344%
4,500,000 kWh and 12,000 kW	\$406,635.62	\$408,394.36	\$1,758.74	0.433%

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	\$2,043,947.25	\$2,047,981.62	\$4,034.36	0.197%
25,000,000 kWh and 45,000 kW	\$2,160,793.70	\$2,164,828.06	\$4,034.36	0.187%
30,000,000 kWh and 50,000 kW	\$2,493,566.39	\$2,498,407.62	\$4,841.23	0.194%

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	\$13,442.56	\$13,542.57	\$100.01	0.744%
300,000 kWh and 500 kW	\$18,665.28	\$18,815.30	\$150.02	0.804%
400,000 kWh and 750 kW	\$25,160.01	\$25,360.04	\$200.03	0.795%

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	\$151,054.70	\$151,743.55	\$688.85	0.456%
3,000,000 kWh and 5,000 kW	\$233,765.44	\$234,766.96	\$1,001.53	0.428%
4,000,000 kWh and 7,000 kW	\$314,825.25	\$316,160.62	\$1,335.37	0.424%

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
38,963,000 kWh and 60,000 kW	\$1,208,701	\$1,210,098	\$1,397.36	0.116%
57,618,000 kWh and 90,000 kW	\$1,790,601	\$1,792,667	\$2,066.40	0.115%
78,000,000 kWh and 120,000 kW	\$2,415,539	\$2,418,337	\$2,797.38	0.116%

On June 21, 2023 the Commission entered an Initial Order in this case. The Initial Order found good cause to extend the review period for PNM's Application to the nine-month maximum under Rule 574.12(C). The Commission also appointed the undersigned as Hearing Examiner to preside over this matter and issue a recommended decision with findings of fact and conclusions of law on the merits of the Application.

Further information regarding this case can be obtained by contacting PNM or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 23-00195-UT to this proceeding and all inquiries or written comments concerning this matter should refer to that case number.

The present procedural schedule for this case established in the Hearing Examines July 21, 2023 Procedural Order is as follows:

a. Any person desiring to become a party ("intervenor") to this case must file a motion for leave to intervene in conformity with NMPRC Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before September 29, 2023. All motions for leave to intervene shall be served on all existing parties and other proposed intervenors of record.

b. Staff shall and any intervenor may file direct testimony by October 20, 2023.

c. Any rebuttal testimony shall be filed on or before November 8, 2023.

d. Any stipulation entered into among some or all parties may be filed no later than November 17, 2023.

e. Should a stipulation be entered into, testimony in support of that stipulation shall be filed on or before December 1, 2023. If Staff is a stipulating party, Staff shall file direct testimony.

f. Any response testimony regarding a stipulation shall be filed by December 8, 2023.

g. A prehearing conference is tentatively scheduled for December 11, 2023, commencing at 2:00 p.m. Mountain Time ("MT") on the Zoom videoconference platform. The purpose of that conference is to address, among other things, the following matters:

i. The order of presentation of the parties and their respective witnesses.

ii. Designation by each party of the witnesses they intend to cross-examine and for what length of time.

iii. Any other matters that may expedite orderly conduct and disposition of this proceeding.

h. The August 31, 2023 prehearing conference may be vacated by the Hearing Examiners if they determine that the conference is not necessary.

i. A public hearing will be held beginning on December 13, 2023 and will continue through December 14, 2023, as determined to be necessary by the Hearing Examiner. Each hearing session shall commence at 9:00 a.m. MT unless otherwise ordered. The evidentiary hearing shall be conducted via the Zoom videoconference platform. Access to and participation in the evidentiary hearing shall be limited to party-participants (i.e., counsel and witnesses), the Commissioners, and other essential Commission personnel. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission's website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as an attorney or witness may view the hearing on the Commission's website and shall not join the hearing via Zoom except to provide oral comment as allowed below.

The procedural dates and requirements currently set in this case are subject to further Order of the Commission or the Hearing Examiner. Interested persons should review the July 21, 2023 Procedural Order for further procedural requirements and details.

Interested persons who are not affiliated with a party may make written comment as allowed by Rule 1.2.2.23(F) NMAC. The Commission may also schedule one or more public comment hearings at a place and time to be determined in the Commission's discretion. However, as Rule 1.2.2.23(F) provides, "commenters are not parties and shall not have the right to introduce evidence, to examine or cross-examine witnesses, to receive copies of pleadings and documents, to appeal from any decisions or orders, or to otherwise participate in the proceeding other than making their comments."

The Commission's Rules of Procedure at 1.2.2 NMAC will apply to this case except as modified by order of the Commission or Hearing Examiner. The Rules of Procedural and other NMPRC rules may be obtained from the official NMAC website, <https://www.srca.nm.gov/nmac-home/nmac-titles/>.

Anyone filing pleadings, documents, or testimony in this case shall comply with the Commission's electronic filing policy which is amended from time to time. This includes compliance with the following (not exhaustive) set of requirements. Filings must be in .pdf format. They must include an electronic signature and be sent to the Records Management Bureau's email address, PRC.Records@prc.nm.gov, or to another Records Bureau address as set out on the Commission's webpage. Any filing must be submitted within regular business hours of the due date to be considered timely filed. Documents received after regular business hours will be considered filed the next business day. Regular Commission business hours are from 8:00 a.m. to 5:00 p.m. MT. Parties shall serve a copy on all parties of record and Staff. Copies of all filings shall also be e-mailed on the date of filing and service to the presiding Hearing Examiner by no later than 5:00 p.m. MT. Any filing emailed to the Hearing Examiner shall include the Word or other native version of the filing (e.g., Excel or Power Point) if created in such format. Any filings not emailed to the Hearing Examiner in compliance with the requirements of this order and Commission rules are subject to being summarily rejected and stricken from the record at the Hearing Examiner's discretion.

Any interested person may examine PNM's filing in this case together with any exhibits and related papers which may be filed in this case at PNM Headquarters, Main Offices, Albuquerque, New Mexico 87158, telephone: (505) 241-2700, website www.pnm.com, or on the Commission's website at www.nmprc.state.nm.us under "Case Lookup – eDocket."

Any person whose testimony has been filed must attend the hearing and submit to examination under oath.

Interested persons should contact the Commission at (505) 690-4191 or Ana.Kippenbrock@prc.nm.gov for confirmation of the hearing date, time, and place, since hearings are occasionally rescheduled or canceled if deemed not required in the discretion of the Hearing Examiner or the Commission.

PERSONS WITH DISABILITIES

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION'S ADA COORDINATOR AT (505) 412-3502 TO REQUEST SUCH ASSISTANCE AS SOON AS POSSIBLE, PREFERABLY AS SOON AS THE PERSON RECEIVES NOTICE OF THIS PROCEEDING TO ALLOW CONSIDERATION OF THE REQUEST AND TO ARRANGE FOR A POTENTIAL REASONABLE ACCOMMODATION.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico this 21st day of July 2023.



NEW MEXICO PUBLIC REGULATION COMMISSION

Handwritten signature of Anthony F. Medeiros in black ink, written over a horizontal line.

**Anthony F. Medeiros
Christopher P. Ryan
Hearing Examiners**