

**PUBLIC SERVICE COMPANY OF NEW MEXICO
ELECTRIC SERVICES**

Advice Notice No. 623

April 15, 2024

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NEW MEXICO PUBLIC REGULATION COMMISSION

Public Service Company of New Mexico hereby gives notice to the New Mexico Public Regulation Commission and to the public of the filing and publishing of the following revisions in its Rates that are attached hereto:

<u>RATE NUMBER</u>	<u>TITLE OF RATE</u>	<u>CANCELING RATE NUMBER</u>	<u>DATE EFFECTIVE</u>
	Table of Contents	Amended Advice Notice No. 621	May 28, 2024
30 th Revised Rider No. 16	Energy Efficiency Rider	29 th Revised Rider No. 16	May 28, 2024

Advice Notice No. 623

/s/ Mark Fenton
Mark Fenton
Executive Director, Regulatory Policy and Case Management

EFFECTIVE

May 28, 2024

Replaced by NMPRC

By: Commission Final Order

Case No. 20-00087-UT

GCG #532369

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Residential Service	25 th Revised 1A	
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General Power Service Time-of-Use Rate	23 rd Revised 3B	
General Power Service (Low Load Factor) Time-of-Use Rate	6 th Revised 3C	
Pilot Municipalities and Counties General Power Service Time-Of-Use Rate	2 nd Revised 3D	
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Large Power Service Time-of-Use Rate	22 nd Revised 4B	
Large Service for Customers ≥ 8,000 kW Minimum at 115kV, 69kV, 46kV or 34.5kV	24 th Revised 5B	
Private Area Lighting Service	16 th Revised 6	
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Water and Sewage Pumping Service Time-of-Use Rate	21 st Revised 11B	
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Special Charges	9 th Revised 16	
Integrated System Streetlighting and Floodlighting Service	18 th Revised 20	
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Small Photovoltaic Renewable Energy Certificate	2 nd Revised 24	
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Special Service Rate – Renewable Energy Resources (including attached Special Service Contract)	4 th Revised 36B	
Incremental Interruptible Power Applicable to Rate Nos. 3B, 3C, 4B and 35B	13 th Revised Rider 8	
Energy Efficiency Rider	30 th Revised Rider 16	x
Fuel and Purchased Power Costs Adjustment Clause ("FPPCAC") Applicable to Retail Energy Rate Schedules	10 th Revised Rider 23	
Net Metering Service	Original Rider 24	
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Economic Development Rider Applicable to Rate Nos. 4B, 5B, 30B and 35B	2 nd Revised Rider 45
Economic Development Rider Contract (American Gypsum)	Original Rider 45A
Economic Development Rider Contract (Bueno Foods)	Original Rider 45B
Economic Development Rider Contract (Intel Corporation)	Original Rider 45C
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Voluntary Solar Renewable Energy Program – PNM Solar Direct for Governmental and Large Commercial Customers	Original Rider 50
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San Juan ETA Settlement Credit and Excess Interest Rate Credit	3 rd Revised Rider No. 55
2022 City of Rio Rancho Underground Project Rider	Original Rider No. 58
Palo Verde Credit Rider	Original Rider No. 59

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**30th REVISED RIDER NO. 16
CANCELING 29th REVISED RIDER NO. 16**

ENERGY EFFICIENCY RIDER

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DESCRIPTION: This Energy Efficiency Surcharge is a mechanism for recovery of costs associated with energy efficiency programs approved by the New Mexico Public Regulation Commission. The surcharge may also include the costs associated with removal of disincentives to, and a provision of incentives for, expenditures on energy efficiency and load management measures.

APPLICABILITY: This Rider shall be applicable to all PNM retail customers receiving electric service, with an opportunity to participate in the energy efficiency programs approved by the Commission, except the following: 6, 10A/10B, 20, 33B, and 36B.

APPLICATION: The energy efficiency surcharge shall be added to each customer's bill. The surcharge shall be calculated by multiplying the total charges other than franchise fees and taxes by the surcharge rate approved by the Commission. The Program Plan Costs amount of the energy efficiency surcharge shall not exceed \$75,000 per year.

RATES, TERMS AND PROCEDURES:

I. Purpose

This Rider establishes detailed procedures which will permit the Company to recover from its customers Rider No. 16 Amounts as determined and ordered by the Commission to be administered through this mechanism. This mechanism is specific as to Amounts pertaining to Affected Customer Classes.

II. Definitions

The following definitions shall apply to this Rider:

1. **Affected Customer Classes:** Customer classes subject to Rider No. 16.
2. **Amortization Period:** The Amortization Period for program costs approved by the Commission will comply with the period specified in the respective Commission Order for each Rider No. 16 Amount.
3. **Annual Projected Sales Revenues:** Revenues for the Company projected for the Amortization Period, which includes Revenue, excluding franchise fees and taxes, for Affected Customer Class.
4. **Billing Cycle:** A period of time employed by the Company's billing system and used by the Company to render bills for service to customers. The Company employs twenty-one (21)

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billing cycles, which constitute a billing month and may or may not coincide with a calendar month.

5. M&V Report: The annual monitoring and verification report of the independent evaluator for the prior calendar year.
6. Rider No. 16 Amounts: The dollar amounts of Rider No. 16, shall be approved by the Commission, and will be collected from Electric Service Customers within the Affected Customer Classes. A separate pool of dollar amounts will be set up for each identified component of this rider identifying the dollars to be recovered compared to the actual Dollars recovered for each rider component.
7. Reconciliation Amounts: Consists of Rider No. 16 Amounts that were under-recovered/credited or over-recovered/credited during their respective amortization terms.
8. Electric Service Customer: A customer receiving electric service directly from the Company within the Company's New Mexico service territory.

III. Methodology for Developing and Administering the Rider No. 16 Amounts

1. Effective Date: The date specified by the Commission to begin billing this rate.
2. Rider No. 16 Amounts: The amounts to be collected are approved by the Commission. This mechanism is designed to accommodate only those amounts ordered for collection on a percentage of bill basis whereby the billing factors will be derived using Annual Projected Sales Revenue associated with Electric Service Customers within Affected Customer Classes adjusted for anticipated savings from the energy efficiency programs approved by the Commission.
3. Reconciliation Amounts: Reconciliation Amounts will be summed with and absorbed into existing Rider No. 16 Amounts by pool and will assume that respective amount's collection conditions and terms. This transaction will be specifically noted and identified in the next subsequent Energy Efficiency Surcharge Factor filing.

IV. Calculation of the Energy Efficiency Surcharge Factors

For purposes of determining the Energy Efficiency Surcharge Factors, each of the Rider No. 16 Amounts, is fully amortized (paid) over their respective periods commencing with the first Billing Cycle of the month following approval of any of the Rider No. 16 Amounts or any alternative effective

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date as determined by the Commission. The total combined Energy Efficiency Surcharge Factor is 3.963% of Affected Customer Classes bills in 2024 and 4.057% in 2025. The total Factor is determined as follows: x

(A) Each Energy Efficiency Surcharge Factor for Customers is determined by dividing the annual recovery amounts by the combined total Annual Projected Sales Revenue for Affected Customer Classes;

(B) Reconciliation Amounts incapable of generating a factor out to five (5) decimal places are summed with and absorbed into existing Rider No. 16 Amounts and their disposition is recognized within the existing factor.

(C) The total combined Energy Efficiency Surcharge Factor is comprised of the following elements for bills beginning with the first billing cycle for June 2024: x

<u>Rate Element</u>	<u>Amount to be Recovered</u>	<u>Element Rate</u>	
1) 2024 Total Program Costs	\$34,517,198	3.707%	
2) 2022 Budget Reconciliation	\$ 649,373		x
3) 2024 Net Program Budget (1 + 2)	\$ 35,166,571		x
4) 2024 Base Level Incentive (1 x 7.1%)	\$ 2,450,721	0.245%	
5) 2023 Profit Incentive Reconciliation	\$ 70,001	0.011%	x
Total (1 + 4 + 5)	\$37,037,920	3.963%	x

(D) The total combined Energy Efficiency Surcharge Factor is comprised of the following elements for bills beginning with the first billing cycle for January 2025: x

<u>Rate Element</u>	<u>Amount to be Recovered</u>	<u>Element Rate</u>	
1) 2025 Total Program Costs	\$ 35,367,236	3.805%	x
2) 2023 Budget Reconciliation	\$ 800,170		x
3) 2025 Net Program Budget (1 + 2)	\$ 36,167,908		x
4) 2025 Base Level Incentive (1 x 7.1%)	\$ 2,511,074	0.252%	x
Total (1 + 4)	\$ 37,878,310	4.057%	x

The recovery period will be as specified in the Commission's Final Order approving PNM's energy efficiency plan.

The profit incentive may increase in accordance with the methodology approved by the NMPRC based on actual energy savings as verified by the M&V Report.

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V. Annual Reconciliation Filings

The Company shall file with the Commission an annual report on its energy efficiency programs. The initial report was due on April 1, 2009, and covered the period from the effective date of Rider No. 16 through December 31, 2008. Subsequent reports shall be filed as required by Commission rule or order. These reports will contain:

1. Energy Efficiency Surcharge Factor Report: Schedules shall contain sufficient information describing:
 - a. A Summary of the Energy Efficiency Surcharge Factors;
 - b. Calculation of each Energy Efficiency Surcharge Factor, for each package of programs and Incentive/Disincentive Adder Revenues and by each Affected Customer Class;
 - c. Calculation of the Energy Efficiency Surcharge Factor to be applied for the subsequent 12 months;
 - d. A Summary of Annual Projected Sales Revenue, less anticipated savings;
 - e. A Summary consisting of the beginning balance of each Rider No. 16 Amount, the sum total of the annual transactions, and the ending balance; and
 - f. A detail listing of expenditures and collections for each Rider No. 16 Amount, for each package of programs and Incentive/Disincentive Adder Revenues, by Affected Customer Class.
2. M&V Report: The M&V Report shall be submitted with the annual reconciliation filing as a separate document.
3. Amounts Not Generating a Factor: If the sum of all Rider No. 16 Amounts have been depleted to the extent that an annual factor cannot be calculated out to five (5) decimals, the residual amount will be held by the Company until:
 - a. Additional Rider No. 16 Amounts occur and these amounts can be combined with these existing amounts to create an annual factor; or
 - b. The disposition of this amount is determined in conjunction with a subsequent proceeding before the Commission.
4. Other Annual Reconciliation Filings Content: The Annual Reconciliation Filings shall contain sufficient information describing:
 - a. Any material change in Rider No. 16 Amounts and explanations of the sources of those changes;

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- b. Any material difference in respective annual projected kWhs and anticipated savings, and the reasons for any proposed difference; and
- c. The addition/deletion of and to any individual Rider No. 16 Amounts due to accounting adjustments, the M&V Report or other reasons, including a true-up of the Incentive/Disincentive calculation for M & V and performance results.

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