2024

ENERGY EFFICIENCY AND

LOAD MANAGEMENT

PROGRAM PLAN

NMPRC CASE NO. 23-00___-UT

APRIL 17, 2023

Table of Contents

1 EXECUTIVE SUMMARY

PNM began offering Energy Efficiency (EE) and Load Management (LM)[1] programs to residential and commercial customers in October 2007, with the approval of the New Mexico Public Regulation Commission (NMPRC) in Case No. 07-00053-UT. The NMPRC approved subsequent EE programs in Case No. 08-00204-UT in May 2009, in Case No. 10-00280-UT in June 2011, in Case No. 12-00317-UT in November 2013, in Case No. 14-00310-UT in April 2015, in Case No. 16-00096-UT in January 2017, in Case No. 17-00076-UT in January 2018, and in Case No. 20-00087-UT in October 2020. Table 1-1 summarizes EE and LM program performance from 2008 through 2022. Detailed analyses of the most recent year's (2022) performance are available in PNM's annual EE and LM program report and measurement and verification report, which are filed concurrently with the 2024 Energy Efficiency and Load Management Program Plan (2024 Plan) and are available at www.pnm.com/regulatory.

[1] Load Management is also referred to as Demand Response (DR), and in this filing, PNM uses the terms 'load management' and 'demand response' interchangeably.

Table 1-1

Year	Portfolio Benefit Cost Ratio**	Incremental Annual Energy Savings*	Peak Demand Reduction*	Dispatchable Capacity (DR)	Total Program Expenses ($M)
2008	2.71	35.2GWh	7.5 MW	47 MW	$8.0
2009	1.56	39.9 GWh	6.3 MW	53 MW	$12.0
2010	2.2	58.8 GWh	9.9 MW	67 MW	$16.6
2011	1.78	57.6 GWh	9.7 MW	57 MW	$16.6
2012	2.85	79.3 GWh	13.6 MW	57 MW	$17.3
2013	1.91	75.6 GWh	11.8 MW	62 MW	$18.1
2014	1.74	74.8 GWh	12.0 MW	61 MW	$21.7
2015	1.79	79.3 GWh	12.1 MW	57 MW	$24.3
2016	1.75	82.0 GWh	13.0 MW	57 MW	$25.6
2017	1.74	74.4 GWh	11.9 MW	60 MW	$25.8
2018	1.67	70.8 GWh	12.5 MW	57 MW	$23.5
2019	1.93	78.2 GWh	13.7 MW	44 MW	$24.0
2020	2.32	87.1 GWh	15.0 MW	44 MW	$26.0
2021	1.48	107.1 GWh	18.8 MW	51.6 MW	$29.5
2022	1.77	96.1 GWh	13.9 MW	51.7 MW	$30.9

* Savings at the customer meter. Savings at the generator include an additional 8% system losses.

** Utility Cost Test applied beginning in 2015; Total Resource Cost applied in prior years.

The 2024 Plan describes PNM's portfolio of EE and LM programs, and also presents updated participation targets and budgets for the EE and LM programs currently in effect, that were approved by the NMPRC in Case No. 20-00087-UT. PNM is filing the 2024 Plan pursuant to the Efficient Use of Energy Act, NMSA 1978 §§ 62-17-1 to -11 (2005, as amended through 2020), (EUEA or Act) and the NMPRC's Energy Efficiency Rule, 17.7.2 NMAC (Rule). The 2024 Plan includes proposed budgets and savings for calendar years 2024, 2025 and 2026.

PNM is proposing to continue all of its existing EE and LM programs, with the modifications described in this Plan. All programs proposed in the 2024 Plan were selected based on the criteria detailed below, including that the portfolio of programs pass the Utility Cost Test (UCT). PNM also carefully considered public comments and suggestions, as described in Section 3, especially from the members of the public advisory group, concerning the reasonableness of program changes. PNM developed the portfolio of programs to appeal to various segments of residential customers, including low-income customers. The 2024 Plan includes low-cost and no-cost programs to achieve broad participation among all residential customers. In addition, every commercial or industrial customer who pays the energy efficiency rider is

eligible to participate in the programs for non-residential customers. The proposed 2024 Plan has a total projected 12-month budget of $34,517,198 for calendar year 2024 with projected energy savings of approximately 95.1 gigawatt-hours (GWh). Tables 1-2, 1-3, and 1-4 show the projected annual budgets, energy and demand savings, participation targets and the UCT ratios for each program and the total portfolio.

Table 1-2

2024 Programs	Budget	Annual kWh Savings	Lifetime kWh Savings	Annual kW Savings	UCT	Participation /Units
Residential Comp.	$ 6,808,220	16,433,453	142,475,934	2,185	1.04	40,198
Commercial Comp.	$ 10,006,176	38,607,755	409,242,200	7,305	2.22	576
Behavioral Comp.	$ 1,039,052	5,743,750	13,215,750	1,281	0.96	219,456
Residential Products	$ 4,444,957	24,515,684	325,077,968	1,335	2.16	309,551
Easy Savings	$ 328,898	2,024,750	22,616,458	242	3.38	3,500
Energy Smart (MFA)	$ 964,909	1,438,245	23,227,657	373	1.61	458
New Home Const.	$ 575,090	650,756	9,761,335	209	1.13	1,195
Home Works	$ 784,382	2,860,200	31,948,434	135	1.32	14,000
Power Saver (LM)	$ 5,445,888	1,600,000	1,600,000	40,000	1.18	
Peak Saver (LM)	$ 4,119,626	1,200,001	1,200,001	30,000	1.17	
Total	**$ 34,517,198**	**95,074,594**	**980,365,736**	**83,065**	**1.60**	

Table 1-3

2025 Programs	Budget	Annual kWh Savings	Lifetime kWh Savings	Annual kW Savings	UCT	Participation /Units
Residential Comp.	$ 7,175,099	16,159,657	140,423,201	1,781	0.87	41,438
Commercial Comp.	$ 10,379,672	39,959,026	423,565,677	7,422	2.17	581
Behavioral Comp.	$ 1,154,423	6,327,250	15,223,250	1,416	0.94	219,456
Residential Products	$ 4,505,684	24,515,684	325,077,968	1,335	2.05	309,551
Easy Savings	$ 282,709	1,735,500	19,385,535	207	3.29	3,000
Energy Smart (MFA)	$ 1,145,223	1,704,074	27,520,800	458	1.66	520
New Home Const.	$ 599,911	702,751	10,541,268	223	1.16	1,255
Home Works	$ 803,658	2,860,200	31,948,434	135	1.23	14,000
Power Saver (LM)	$ 5,507,779	1,600,000	1,600,000	40,000	1.35	
Peak Saver (LM)	$ 3,813,078	1,200,001	1,200,001	30,000	1.47	
Total	**$ 35,367,236**	**96,764,144**	**996,486,134**	**82,976**	**1.59**	

Table 1-4

2026 Programs	Budget	Annual kWh Savings	Lifetime kWh Savings	Annual kW Savings	UCT	Participation /Units
Residential Comp.	$ 7,891,239	18,138,879	158,733,847	1,846	0.91	46,933
Commercial Comp.	$ 10,639,693	41,157,797	436,272,647	7,534	2.25	587
Behavioral Comp.	$ 1,026,434	5,971,750	14,391,750	1,371	1.26	219,456
Residential Products	$ 4,548,682	24,515,684	325,077,968	1,335	2.09	309,551
Easy Savings	$ 235,256	1,446,250	16,154,613	173	3.42	2,500
Energy Smart (MFA)	$ 1,320,454	1,969,319	31,804,505	543	1.74	582
New Home Const.	$ 607,016	725,768	10,886,526	233	1.24	1,317
Home Works	$ 819,907	2,860,200	31,948,434	135	1.24	14,000
Power Saver (LM)	$ 5,547,244	1,600,000	1,600,000	40,000	1.40	
Peak Saver (LM)	$ 3,843,112	1,200,001	1,200,001	30,000	1.52	
Total	**$ 36,479,038**	**99,585,648**	**1,028,070,291**	**83,168**	**1.64**	

1.1 SUMMARY OF CHANGES FROM PREVIOUS PLAN

PNM is not proposing new programs in the 2024 Plan and has evaluated existing programs and explored strategies and tactics to increase program effectiveness. Therefore, PNM is proposing the following additions and modifications in the 2024 Plan:

- The total first year budget for the 2024 Plan is $34,517,198. This annual budget and the 2025 and 2026 budget targets comply with the EUEA of no less than 3% and no more than 5% funding requirement.

- The total 2024 budget for the energy efficiency portfolio has increased from the 2023 Program budget by approximately 20%, due to continued supply chain issues, cost increases due to inflation, and enhancements to existing programs.

- PNM issued a request for proposals (RFP) for residential and commercial demand response and load management programs and met with the EE public advisory group on February 28, 2023 and April 6, 2023, to discuss the responses to the RFP and the feasibility of implementing new programs. Based on the responses to the RFP and consultation with stakeholders, PNM has determined that implementing new residential and commercial demand response and load management programs is in the public interest and plans to propose the demand response EE programs in the 2024 EE application.
- In addition to serving single family customers, PNM will continue to expand the Energy Smart weatherization program offering to eligible multifamily properties in PNM's service area.
- PNM will incorporate an all-electric pilot beginning in 2024 which will solely utilize a performance path approach in the New Home Construction Program, in addition to, the existing prescriptive path which will help to mitigate EISA lighting standards and building code changes.

- LM program terms are being modified to provide a firm capacity resource and improve cost-effectiveness. Cost effectiveness will be improved by aligning the payment price to the capacity realized on an hourly basis as opposed to a fifteen minute maximum.
- Results from an updated potential study performed in 2022, along with other industry research, will be utilized when planning further residential program offerings.

2 PROGRAM GOALS

2.1 LEAST-COST RESOURCE PLANNING

PNM EE and LM programs benefit the PNM system, participating customers, non-participating customers, the environment and the New Mexico economy. The programs were identified as a key resource in the PNM 2020 Integrated Resource Plan (2020 IRP)[2]. The 2020 IRP examined many different portfolios of options that could be implemented to meet expected growth in the demand for electricity from 2020 to 2039. EE and LM programs were consistently found to be cost-effective alternatives for meeting system needs when compared with traditional supply-side resources. The most cost-effective resource portfolio is defined as "those supply-side resources and demand-side resources that minimize the net present value of revenue requirements proposed by the utility to meet electric system demand during the planning period consistent with reliability and risk considerations, as defined in the IRP Rule."[3] PNM is currently preparing its 2023 Integrated Resource Plan, the 2024 Energy Efficiency Plan will once again be utilized as a key resource. The 2024-2026 Plan includes a revised estimate of avoided costs which were used to calculate cost-effectiveness of the EE programs.

2.2 REQUIREMENTS OF THE EFFICIENT USE OF ENERGY ACT

Projected growth of PNM's EE and LM programs will allow PNM to achieve the minimum energy saving goals at the budget levels specified in the EUEA. The Act required that PNM achieve cumulative savings of at least 411 GWh in 2014, equivalent to five percent (5%) of PNM's retail sales in 2005, which PNM met.[4] In 2020 PNM is required to achieve cumulative savings of 658 GWH, or 8% of 2005 retail sales and has exceeded that goal. The next compliance year is 2025, when PNM is required to achieve an estimated cumulative savings of 395 GWH, or 5% of 2020 retail sales. In 2021 and 2022, PNM achieved annual savings of 203.3 GWH.

New programs are developed according to the specifications included in the Act and the Rule, which include passing the UCT standard at a portfolio level, and meeting or exceeding the EUEA goals. As of year-end 2022, PNM's approved EE programs are achieving cumulative annual net energy savings of about 750 GWh since 2008. (Net savings are determined by applying reductions to gross savings accounting for free-rider impacts and the effective useful life [EUL] of the programs, as determined by the independent evaluator).

---

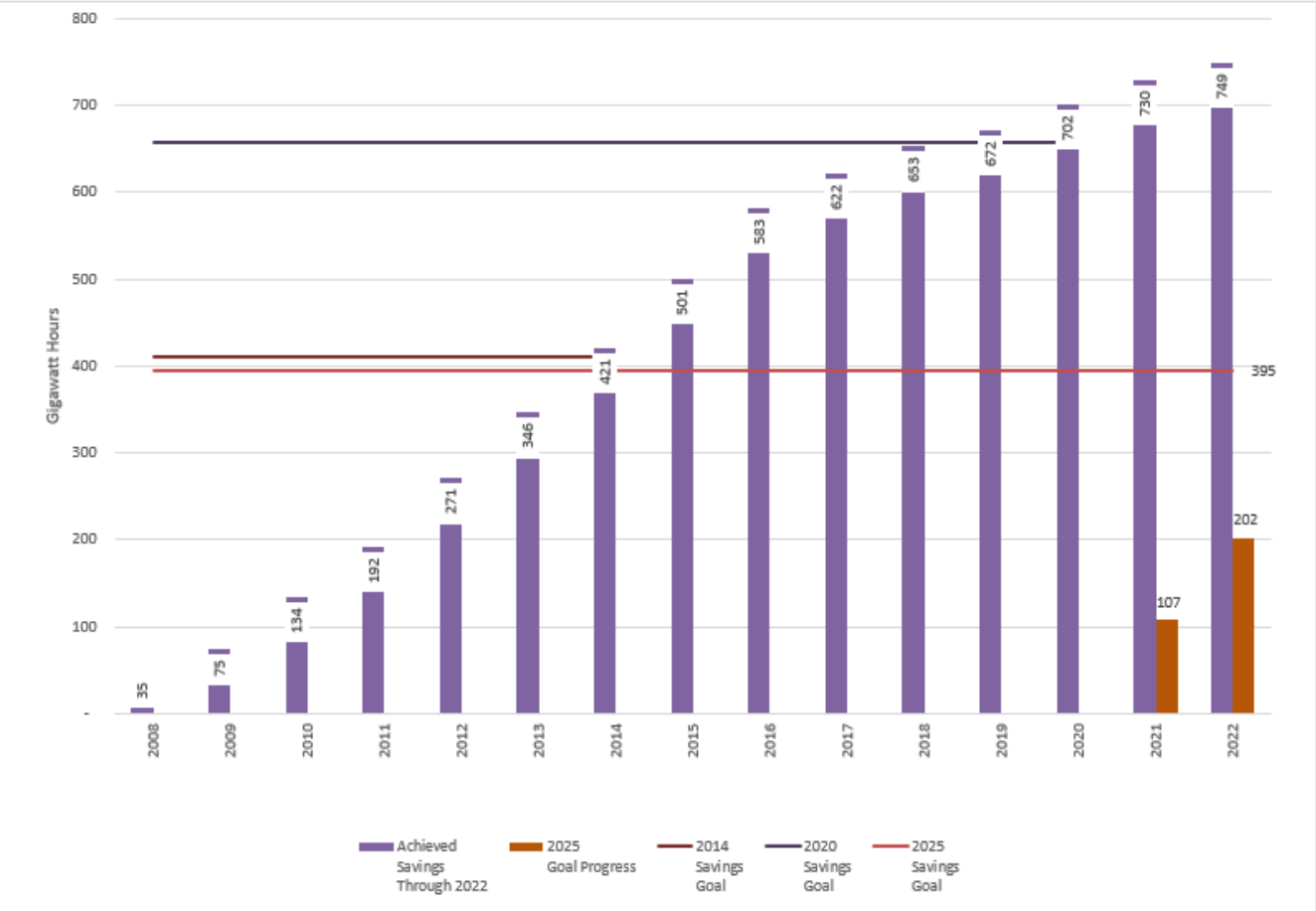
[2] "PNM 2020-2039 Integrated Resource Plan" July 2020. Also found at http://www.pnm.com/regulatory https://www.pnmforwardtogether.com/assets/uploads/PNM-2020-IRP-EXECUTIVE-SUMMARY-NEW-COVER.pdf

[3] Ibid, page 82

[4] "PNM Energy Efficiency Program 2015 Annual Report", April 15, 2016.

For cost-effectiveness analysis and for determining the cumulative savings that contribute to meeting the EUEA goals, PNM calculates the average EUL of the portfolio, this value is determined by dividing the total lifetime savings by the annual savings, resulting in an average estimate of how long measures will continue to provide savings. The average portfolio EUL for the 2022 Program was 13.1 years. The cumulative savings for 2022 are the sum of all annual savings for the nine years from 2014 through 2022. Beginning in 2022, the 2013 annual savings will no longer contribute to cumulative savings. Based on the annual savings achieved through 2022, PNM programs must achieve an average of 49 GWh of annual savings in years 2024 and 2025 to achieve the 2025 minimum savings goal of 395 GWh. Figure 2-1 shows the annual cumulative savings achieved through 2022.

Figure 2-1



2.3 INCREASED ADOPTION OF ENERGY EFFICIENCY TECHNOLOGIES

In addition to meeting the requirements of the Act, PNM's EE programs encourage lasting structural and behavioral changes in the New Mexico economy through the process of market transformation. This is accomplished by promoting the purchase of energy efficient products and services, increasing customer awareness of energy efficiency measures, providing incentives to change behaviors, and removing market barriers. Over time, distributors will stock more efficient equipment, contractors will promote more efficient equipment to their customers, and customers will become more inclined to purchase efficient equipment. The programs included in the 2024 Plan address the market transformation objectives and strategy by continuing initiatives launched in 2017, including continuing to work with organizations such as Design Lights Consortium to incorporate the latest in efficient lighting technology into our Commercial Comprehensive portfolio, along with the continuous fine tuning of program design and delivery elements in the other PNM EE programs including, but not limited to:

- Implementing multi-channel promotional campaigns that increase customer awareness of EE products and their benefits
- Educating the vendor community of retailers and installation contractors who provide EE products and services, to build awareness, encourage participation and promote consistency in business operations and customer service within PNM's service area
- Partnering with community-based organizations to educate customers
- Using rebates to shift the focus from the initial cost of installing measures to the long-term savings in operating costs
- Simplifying rebates for customers by offering multiple rebate channels, such as online rebate submittal, instant in-store discounts, and mail-in and electronic rebate forms as applicable
- Increasing awareness of low-income programs by expanding the Energy Smart program to include additional measures for deeper energy savings, and continuing to monitor and adjust the other low-income programs to encourage broad participation across PNM's service area
- Implementing educational programs for different customer segments about the benefits of the EE programs

3 PROGRAM SELECTION

3.1 PROGRAM RESEARCH

In 2020, and updated in 2022, Applied Energy Group (AEG) completed an energy efficiency potential study (AEG Potential Study), which identified categories of energy efficient equipment and the estimated technical, economic and market potential for adoption of that equipment in the state. The updated potential study will be used as a reference for future program design and analysis and in preparing the 2024 plan. PNM also completed an updated residential appliance and socket saturation survey in 2021 to be utilized in future program design.

Much of the research for the 2024 Plan was done in conjunction with other electric utilities and through participation in national organizations concerned about energy efficiency such as E Source, Consortium for Energy Efficiency (CEE), American Council for an Energy-Efficient Economy (ACEEE), Southwest Energy Efficiency Project (SWEEP) and Electric Power Research Institute (EPRI).

PNM also solicited input regarding existing and new programs from a public advisory stakeholder group. A list of those invited to the advisory group meetings is provided in Appendix B. The public advisory group met on February 28, 2023 and again on April 6, 2023 to discuss the development of the 2024 Plan. Individual members of the public advisory group provided comments and information at other times during the Plan development process.

3.2 SELECTION CRITERIA

The following criteria were considered when evaluating and considering modifications to existing programs:

A. Cost effectiveness – The Act establishes the Utility Cost Test (UCT) as the standard to be used in determining the cost-effectiveness of energy efficiency or load management programs. The UCT, as defined in the Act, "means a standard that is met if the monetary costs that are borne by the public utility and that are incurred to develop, acquire and operate energy efficiency or load management resources on a life-cycle basis are less than the avoided monetary costs associated with developing, acquiring and operating the associated supply-side resources."[5]

   1. Costs are identified by the following categories: PNM program administration costs, promotion, third-party implementation, participant rebates/incentives, market transformation, and measurement and verification.

[5] NMSA 1978 § 62-17-4(K*)*

2. Benefits include avoided costs to the utility for energy demand and reductions in CO_2 emissions. PNM's EE avoided costs are provided in Appendix A.

3. Not all programs in the 2024 Plan are cost-effective because they do not individually have a UCT greater than 1.0. However, the overall portfolio of programs does have a UCT greater than 1.0.

B. System benefits – programs should deliver system benefits through demand and energy savings or the ability to dispatch load or shift it to off-peak times.

The programs selected for the 2024 Plan provide significant energy and demand savings as shown in Table 4-2 below.

C. Broad participation potential – programs should provide the opportunity for broad participation among eligible customer classes targeting residential, commercial, industrial and low-income customers.

The 2024 Plan includes programs for residential customers, low-income customers, homebuilders, commercial and industrial customers.

D. Energy and demand savings – collectively, the proposed programs will contribute to meeting the 2025 savings requirements as set forth in the Act.

E. Non-energy benefits – programs should create significant non-energy benefits, including lower bills for customers, increased consumer awareness and adoption of energy efficient technologies, removal or minimization of market barriers to adoption of energy efficiency products and technologies, and environmental benefits through the reduction in emissions and water use associated with the production of electricity. Programs in the 2024 Plan provide significant non-energy benefits including:

1. Lower bills for those who participate. Energy savings for the measures in each program are shown in Table 4-2. These savings will result in lower bills for those who participate.

2. Increased awareness and adoption of technologies. The programs include substantial promotional efforts designed to increase customer awareness and understanding of energy efficiency. The participation goals, shown in Table 4-1, will ensure increased adoption of measures.

3. Water use and CO_2 reduction. The programs result in significant water savings and reduction in greenhouse gases that would not have occurred absent the programs. The estimated reductions are described in Section 4.2.2.

F. Implementation – Programs should have a proven track record in other utility markets and a defined target market within PNM service areas that ensures straightforward program implementation.

Programs are implemented and managed by PNM staff and third-party contractors who are experienced with specific programs and technologies, and who leverage the existing market experience by implementing programs that attract customers and encourage them to save additional money and energy. Table 3-4 lists the parties responsible for program implementation.

G. Measurement and verification (M&V) – Each program implemented should have a defined method for measuring and verifying savings to determine the contribution to overall energy efficiency goals.

PNM has worked closely with independent M&V evaluators since 2008 and will continue to work with the state-appointed evaluator when they examine the 2024 Plan programs. Section 4.4 provides a description of the important elements of program M&V.

H. Performance risk of the technologies – None of the products promoted by any of the programs should rely on unproven technologies.

Each program contained in the 2024 Plan is based on proven measures that have been implemented successfully by other utilities.

3.3 PROGRAM BUDGETS AND COST-EFFECTIVENESS

3.3.1 UCT MODEL

PNM has developed a spreadsheet model for performing the UCT calculation. The input assumptions and UCT results are shown in Appendix E – Technical Manual. Inputs to the UCT model include measure life, per-unit energy and capacity savings, forecasted participation rates, rebate costs, administration costs and M&V costs. These inputs are based on independent measurement and verification reports for past program years, New Mexico Technical Resources Manual (TRM), research on programs at other utilities, and standards set by ENERGY STAR, Consortium for Energy Efficiency (CEE) and other energy efficiency organizations.

Several factors were considered in estimating portfolio participation targets, including past program performance, the potential participation rates identified in past potential studies, participation targets identified in responses to RFPs issued by PNM, and third-party contractor estimates. PNM also considered participation rates at other utilities and the cost impact to participants of installing efficiency measures.

3.3.2 PROGRAM BENEFITS

Program benefits are determined by multiplying the annual program energy and demand savings by the annual avoided costs for energy and demand, over the useful life of the program, and taking the net present value of the sum. The avoided costs used in the UCT model are provided in Appendix A.

3.3.3 PROGRAM COSTS

Tables 3-1, 3-2, and 3-3 show the estimated annual costs to implement the 2024 Plan programs (for 12 months of implementation). The total 2024 Plan budget amount of $34,517,198 for calendar year 2024 is based on 3.94% of projected 2023 revenues adjusted for an over-collection of program costs in 2022 (see Section 4.3 below). Likewise, the $35,367,236 budget for 2025 is based on 4.04% of projected revenue for 2023. Finally, the $36,479,038 budget for 2026 is based on 4.17% of projected revenue for 2023. Costs are presented in six categories which are described in detail following the table.

Table 3-1

2024 Program	Admin	Third Party	Rebates	Promotion	M&V	Market Transformation	Total
Commercial Comprehensive	$ 333,750	$ 3,230,227	$ 5,928,840	$ 169,619	$ 178,465	$ 165,274	$ 10,006,176
Residential Comprehensive	$ 220,481	$ 2,906,627	$ 3,341,978	$ 112,054	$ 117,897	$ 109,183	$ 6,808,220
Behavioral Comprehensive	$ 33,218	$ 912,379	$ 42,360	$ 16,882	$ 17,763	$ 16,450	$ 1,039,052
Residential Products	$ 148,174	$ 1,468,943	$ 2,599,925	$ 75,305	$ 79,233	$ 73,376	$ 4,444,957
Easy Savings Kit	$ 10,876	$ 144,021	$ 157,273	$ 5,527	$ 5,816	$ 5,386	$ 328,898
Energy Smart (MFA)	$ 32,961	$ 150,000	$ 731,250	$ 16,751	$ 17,625	$ 16,322	$ 964,909
New Home Construction	$ 18,918	$ 291,263	$ 235,809	$ 9,615	$ 10,116	$ 9,368	$ 575,090
Home Works	$ 26,794	$ 201,040	$ 515,335	$ 13,617	$ 14,328	$ 13,268	$ 784,382
Power Saver	$ 173,547	$ 5,005,400	$ -	$ 88,200	$ 92,800	$ 85,941	$ 5,445,888
Peak Saver	$ 131,282	$ 3,786,413	$ -	$ 66,720	$ 70,200	$ 65,011	$ 4,119,626
TOTALS	**$ 1,130,002**	**$ 18,096,312**	**$ 13,552,770**	**$ 574,292**	**$ 604,242**	**$ 559,580**	**$ 34,517,198**

Table 3-2

2025 Program	Admin	Third Party	Rebates	Promotion	M&V	Market Transformation	Total
Commercial Comprehensive	$ 346,725	$ 3,307,753	$ 6,165,994	$ 201,312	$ 184,646	$ 173,243	$ 10,379,672
Residential Comprehensive	$ 232,679	$ 2,990,669	$ 3,576,486	$ 135,095	$ 123,911	$ 116,259	$ 7,175,099
Behavioral Comprehensive	$ 36,708	$ 1,004,789	$ 54,480	$ 20,203	$ 19,718	$ 18,525	$ 1,154,423
Residential Products	$ 150,316	$ 1,513,012	$ 2,599,925	$ 87,275	$ 80,050	$ 75,106	$ 4,505,684
Easy Savings Kit	$ 9,360	$ 123,446	$ 134,806	$ 5,435	$ 4,985	$ 4,677	$ 282,709
Energy Smart (MFA)	$ 39,167	$ 180,938	$ 861,951	$ 22,740	$ 20,858	$ 19,570	$ 1,145,223
New Home Construction	$ 19,800	$ 286,948	$ 261,228	$ 11,496	$ 10,545	$ 9,893	$ 599,911
Home Works	$ 27,485	$ 201,040	$ 530,805	$ 15,958	$ 14,637	$ 13,733	$ 803,658
Power Saver	$ 175,761	$ 5,048,550	$ -	$ 102,048	$ 93,600	$ 87,820	$ 5,507,779
Peak Saver	$ 121,681	$ 3,495,150	$ -	$ 70,649	$ 64,800	$ 60,798	$ 3,813,078
TOTALS	**$ 1,159,683**	**$ 18,152,293**	**$ 14,185,675**	**$ 672,212**	**$ 617,749**	**$ 579,624**	**$ 35,367,236**

Table 2-3

2026 Program	Admin	Third Party	Rebates	Promotion	M&V	Market Transformation	Total
Commercial Comprehensive	$ 352,914	$ 3,373,908	$ 6,350,974	$ 194,229	$ 189,572	$ 178,098	$ 10,639,693
Residential Comprehensive	$ 253,789	$ 3,091,285	$ 4,142,089	$ 139,675	$ 136,326	$ 128,075	$ 7,891,239
Behavioral Comprehensive	$ 32,648	$ 889,706	$ 52,100	$ 17,968	$ 17,537	$ 16,476	$ 1,026,434
Residential Products	$ 150,590	$ 1,558,402	$ 2,599,925	$ 82,879	$ 80,891	$ 75,995	$ 4,548,682
Easy Savings Kit	$ 7,733	$ 102,872	$ 112,338	$ 4,256	$ 4,154	$ 3,903	$ 235,256
Energy Smart (MFA)	$ 44,837	$ 211,875	$ 992,355	$ 24,676	$ 24,085	$ 22,627	$ 1,320,454
New Home Construction	$ 19,900	$ 286,948	$ 268,484	$ 10,952	$ 10,690	$ 10,043	$ 607,016
Home Works	$ 27,840	$ 201,040	$ 546,700	$ 15,322	$ 14,955	$ 14,050	$ 819,907
Power Saver	$ 175,739	$ 5,091,700	$ -	$ 96,719	$ 94,400	$ 88,686	$ 5,547,244
Peak Saver	$ 121,751	$ 3,527,513	$ -	$ 67,007	$ 65,400	$ 61,442	$ 3,843,112
TOTALS	**$ 1,187,742**	**$ 18,335,247**	**$ 15,064,964**	**$ 653,683**	**$ 638,009**	**$ 599,393**	**$ 36,479,038**

THIRD PARTY IMPLEMENTATION

PNM is the administrator for its entire portfolio of EE and LM programs, but has engaged third-party contractors with proven expertise to implement the programs because of the many advantages that this approach provides, including:

- *Selecting contractors through an RFP process allows PNM to determine the most qualified contractor and best proposal for program implementation.*
- *Proven expertise and experience in delivering similar programs by the selected contractor reduces the risk associated with implementing a program and achieving participation and savings goals.*
- *Program scale can be adjusted up or down quickly using contractor personnel.*
- *Contracts can be designed to limit PNM and customer risk by including provisions to pay for performance achieved.*

Third-party implementation costs are the costs paid by PNM to the third-party contractors. These costs can include contractor labor, development of promotional material, marketing, customer outreach, development of program processes and customer enrollment procedures, trade ally recruitment and other program specific costs. Table 3-4 lists each program and the contractor responsible for implementation.

Table 3-4

Program	Primary Implementer	Program Type			
		Commercial	Residential	Low Income	Load Management
Commercial Comprehensive	DNV-GL	X			
Comm. Comp. - Multifamily	DNV-GL	X	X	X	
Res. Comp. - Refrigerator Recycling	ARCA	X	X		
Res. Comp. - Home Energy Checkup	Franklin Energy Services		X	X	
Res. Comp. - Midstream Cooling	CLEAResult		X		
Residential Products	CLEAResult		X		
New Home Construction	ICF	X	X		
PNM Home Works	NEF		X	X	
Energy Smart (MFA)	NM MFA			X	
Easy Savings Kit	AM Conservation Group			X	
Behavioral Comp.	Bidgely and Strategic Energy Group	X	X		
Power Saver	Itron	X	X		X
Peak Saver	Itron	X			X

CUSTOMER INCENTIVES (REBATES)

One of the barriers to energy efficiency deployment is that, although high efficiency options are cost-effective on a life-cycle basis, initial costs may be higher than they are for less efficient options. Customer incentives or rebates are designed to help overcome this barrier. Rebates provided in the 2024 Plan are designed to provide between 25% and 50% of the incremental cost of purchasing the energy efficiency measure over the standard non-energy efficient option. This range is typical of EE programs offered in the industry. Exceptions to this are the programs that target low-income customers and other hard-to-reach customer segments, such as small-business customers. The low-income programs are offered at no cost to income-qualified participants, and the small-business component of the Commercial Comprehensive program provides higher incentives to encourage greater participation. In addition to using the general guideline of 25% to 50% of incremental cost, rebate amounts are set for each measure in a program based on a market assessment of what it will take to achieve the participation targets for the program. For some programs, such as the Home Energy Checkup component of the Residential Comprehensive program, the rebates are determined in part on past participation rates at a given rebate level and the need to increase participation.

INTERNAL ADMINISTRATION

The primary internal administrative cost is the labor associated with program management and administration, including program development, tracking, reporting and the time needed to oversee and interact with third-party contractors and stakeholders. Additional costs include incidental costs, such as travel and membership fees for energy efficiency organizations. Internal administrative costs are proportionally allocated to the energy efficiency programs based on the direct costs associated with each program with some adjustments for known dedicated costs. Direct costs are the costs specific to individual

programs such as third-party costs, rebates, and promotional costs. Administrative costs represent less than five percent of the total 2024 Plan costs.

MEASUREMENT AND VERIFICATION

The budget for independent M&V of the programs is estimated to be about two percent of the total program budget, based on the current contract approved by the NMPRC. The EE portfolio M&V is discussed in more detail in Section 4.4.

3.4 PROMOTION

Effective promotion and marketing are critical to the success of the EE programs. PNM oversees planning for program marketing across its EE portfolio, and continuously monitors each program's promotional plans. The day-to-day management of marketing depends on each program's needs. Where third-party contractors are responsible for marketing the programs they administer, their promotional costs are recorded in the third-party expense category. In some cases, where contractors do not have the necessary marketing capabilities, PNM directly manages marketing for these programs. PNM also produces its own marketing materials to use in a variety of customer outreach channels where appropriate. These marketing channels include program marketing materials (such as case studies, bill inserts or brochures), direct mail, email, outreach events (including events focusing on low-income customers), customer communications with call center staff, the PNM website, social media, digital advertising, outdoor advertising, and television and radio commercials.

To increase customer awareness and participation for the coming years, the marketing plan has expanded to include a microsite that ties directly to the core message for the campaign: Check with PNM before making an appliance purchase. Throughout 2022, the primary brand campaign directing customers to visit CheckWithPNM.com[6] was very successful with over 60,000 unique views to the site, which directs customers to all PNM energy efficiency programs from a single landing page.

Additionally, to make communications more equitable and increase program awareness on a larger scale, PNM has pivoted to produce dual language bill inserts to ensure both English and Spanish speaking customers are aware of the EE offerings. Spanish is available in most of PNM's EE programs through one or more of the following channels: online rebate applications, online appointment scheduling, call center representatives and installation contractors, and marketing collateral.

[6] https://www.checkwithpnm.com/

TRADE ALLY NETWORK STRATEGY

As of 2023, over 550 businesses, or trade allies, will actively participate in PNM's EE programs by delivering program services and incentives to customers (see Appendix D for a list of current EE trade ally businesses). By consolidating synergies where appropriate and consolidating the trade ally network across almost all of its EE programs, PNM is able to support the many businesses that drive energy efficiency implementation in its service area. This trade ally network strategy offers services and incentives in addition to those already offered by third party program implementation contractors, including market research, public recognition and sales training. Other utilities have shown that such efforts result in increased trade ally engagement with programs and improved program outcomes, including increased customer participation and energy savings.

4 2024 PROGRAM PLAN SUMMARY

4.1 SUMMARY TABLES

The tables in this section present the key performance measures and assumptions for each program in the 2024 Plan. Table 4-1 shows the customer participation and unit targets forecasted for each program.

Table 4-1

Programs	Unit Type	2024	2025	2026
Residential Comprehensive		**40,198**	**41,438**	**46,933**
Res. Comp. - Refrigerator Recycling	Unit	6,200	6,200	6,200
Res. Comp. - Home Energy Checkup	Participant	18,895	19,060	18,665
Res. Comp. - LI Home Energy Checkup	Participant	11,985	12,940	18,650
Res. Comp. - Midstream Cooling	Unit	3,118	3,238	3,418
Residential Products	Unit	309,551	309,551	309,551
Commercial Comprehensive		**576**	**581**	**587**
Comm. Comp. - Retrofit/NC/Mid	Participant	238	240	243
Comm. Comp. - QuickSaver	Participant	248	250	253
Comm. Comp. - Bldg Tune-Up	Participant	29	29	29
Comm. Comp. - Multifamily	Participant	61	62	63
Behavioral Comprehensive		**219,476**	**219,476**	**219,476**
Behavioral - Residential	Participant	219456	219456	219456
Behavioral - Commercial	Participant	20	20	20
Easy Savings	Participant	3,500	3,000	2,500
Energy Smart (MFA)	Participant	458	520	582
New Home Construction	Unit	1,195	1,255	1,317
Home Works	Participant	14,000	14,000	14,000

Table 4-2 shows the effective useful life (EUL), energy and demand savings, and average rebate cost per unit for each program.

Table 4-2

Programs	EUL	Per Unit Net kWh Savings	Per Unit Net kW Savings	Per Unit Average Rebate Amount
Refrigerator Recycling	5	1089	0.26	$82
Home Energy Checkup (Mkt)	9	322	0.01	$44
Home Energy Checkup (LI)	9	385	0.01	$96
Residential Midstream Cooling	15	836	0.37	$294
Residential Products	13	116	0.01	$8
Retrofit/NC/Mid	11	137448	26.21	$14,062
QuickSaver	11	29182	7.10	$5,947
Bldg Tune-Up	11	21978	3.13	$4,650
Multifamily	11	81627	5.10	$18,508
Easy Savings	11	579	0.07	$45
Energy Smart (MFA)	16	3267	0.88	$1,653
New Home Const.	15	756	0.24	$203
Behavioral Res	1	9	0.00	$0
Behavioral Com	3	206567	39.25	$2,482
Home Works	11	204	0.01	$38

Tables 4-3, 4-4, and 4-5 show the net present value (NPV) of program costs, the NPV of program benefits, and the ratio of benefits to costs, which is the UCT for each program. NPV Costs are different from program budgets because they are discounted for the time value of money. Additional detail on the UCT calculations for each program is in Appendix E.

Table 4-3

2024 Programs	NPV Benefits	NPV Costs	2024 UCT
Residential Comp.	$ 7,066,016	$6,808,220	1.04
Refrig. Recycl.	$ 1,273,225	$1,472,559	0.86
HEC - Mkt	$ 1,677,749	$1,781,148	0.94
HEC - LI	$ 1,760,812	$1,864,819	0.94
Midstream Cooling	$ 2,187,960	$1,689,694	1.29
Residential Products	$ 9,582,248	$4,444,957	2.16
Commercial Comp.	$ 22,220,562	$10,006,176	2.22
Easy Savings	$ 1,110,471	$328,898	3.38
Energy Smart (MFA)	$ 1,552,895	$964,909	1.61
New Home Const.	$ 649,856	$575,090	1.13
Behavioral (Residential)	$ 146,327	$664,664	0.22
Behavioral (Commercial)	$ 635,949	$374,388	1.70
Home Works	$ 1,032,552	$784,382	1.32
Power Saver (LM)	$ 6,440,751	$5,445,888	1.18
Peak Saver (LM)	$ 4,830,563	$4,119,626	1.17
Total	$ 55,101,920	$ 34,517,198	1.60

Table 4-4

2025 Programs	NPV Benefits	NPV Costs	2025 UCT
Residential Comp.	$ 6,252,560	$7,175,099	0.87
Refrig. Recycl.	$ 1,218,454	$1,476,674	0.83
HEC - Mkt	$ 1,238,628	$1,797,207	0.69
HEC - LI	$ 1,232,845	$2,104,354	0.59
Midstream Cooling	$ 2,292,335	$1,796,864	1.28
Residential Products	$ 9,227,669	$4,505,684	2.05
Commercial Comp.	$ 22,548,983	$10,379,672	2.17
Easy Savings	$ 929,824	$282,709	3.29
Energy Smart (MFA)	$ 1,900,469	$1,145,223	1.66
New Home Const.	$ 695,954	$599,911	1.16
Behavioral (Residential)	$ 144,003	$665,559	0.22
Behavioral (Commercial)	$ 809,223	$488,864	1.66
Home Works	$ 985,256	$803,658	1.23
Power Saver (LM)	$ 7,453,713	$5,507,779	1.35
Peak Saver (LM)	$ 5,590,285	$3,813,078	1.47
Total	$ 56,267,641	$ 35,367,236	1.59

Table 4-5

2026 Programs	NPV Benefits	NPV Costs	2026 UCT
Residential Comp.	$ 7,175,954	$7,891,239	0.91
Refrig. Recycl.	$ 1,236,588	$1,474,597	0.84
HEC - Mkt	$ 1,296,454	$1,936,854	0.67
HEC - LI	$ 1,786,573	$2,616,160	0.68
Midstream Cooling	$ 2,518,798	$1,863,630	1.35
Residential Products	$ 9,489,210	$4,548,682	2.09
Commercial Comp.	$ 23,911,886	$10,639,693	2.25
Easy Savings	$ 803,856	$235,256	3.42
Energy Smart (MFA)	$ 2,298,789	$1,320,454	1.74
New Home Const.	$ 754,645	$607,016	1.24
Behavioral (Residential)	$ 172,527	$665,559	0.26
Behavioral (Commercial)	$ 814,424	$360,875	2.26
Home Works	$ 1,020,279	$819,907	1.24
Power Saver (LM)	$ 7,767,317	$5,547,244	1.40
Peak Saver (LM)	$ 5,825,488	$3,843,112	1.52
Total	$ 59,696,836	$ 36,479,038	1.64

4.2 NON-ENERGY BENEFITS

4.2.1 ECONOMIC BENEFITS

The PNM Energy Efficiency Program has a positive economic impact on New Mexico through the creation of new jobs associated with delivering efficiency products, services and incentives to customers. As determined by the independent M&V evaluation of the programs, most projects would not have been completed without the program incentives. For every dollar spent in EE programs, a portion of it remains within the state as wages and payment for local equipment and services. As this money gets re-spent within the state, it increases its overall benefit through a multiplier effect. The incentive levels in the 2024 Plan are designed to cover between 25% and 50% of the incremental cost of performing retrofits and encourage investments that would otherwise not be made. Although PNM is not aware of specific studies that quantify additional economic benefits due to funding energy efficiency improvements in New Mexico, one conservative approach to estimating the increased investment caused by the rebate payments would be to assume that the rebates cause spending on retrofits valued at twice the rebate

level, assuming the rebates cover about half of the incremental cost. Based on the estimated annual average of customer incentives totaling approximately $14,200,000, this would result in about $28,400,000 in investment in energy efficiency improvements that would otherwise not have been made.

The number of direct jobs created by the existing PNM Energy Efficiency Program is shown in Table 4-6. These jobs are full-time positions created by the third-party contractors to implement the programs. The Commercial Comprehensive program, for example, directly employs nine people locally. In addition to the jobs shown in Table 4-6, many additional jobs are being supported in the trade ally and contractor community to install the measures associated with PNM's EE programs. According to a national study completed in 2022, there are over 4,000 energy efficiency-related jobs in PNM's service area.[7]

Table 4-6

Program	Direct Energy Efficiency Jobs
Residential Comp. Refrigerator Recycling	6
Residential Comp. Home Energy Checkup	4
Residential Comp. Midstream Cooling	2
Residential Products	3
Commercial Comp.	10
Home Works	1
Energy Smart (MFA)	1
New Home Const.	2
Power Saver (LM)	9
Peak Saver (LM)	3
Total	**41**

4.2.2 EMISSIONS REDUCTIONS

The energy savings attributed to the proposed 2024 Plan, if approved and implemented, would result in significant reductions of various environmental emissions and in water needed for the generation of electricity. The cumulative CO_2 reduction is estimated to save 360,000 metric tons for the planning years 2024, 2025, and 2026. The cumulative water reduction is estimated at about 138,800,000 gallons for the

[7] https://e4thefuture.org/wp-content/uploads/2022/12/EE-Jobs-in-America_All-States_2022.pdf.

planning years 2024, 2025, and in 2026, assuming the 2022 PNM average generation portfolio production values.

4.3 TARIFF RIDER AND CUSTOMER BILL IMPACT

PNM Rate Rider No. 16 (Rider) recovers the program costs and approved profit incentive associated with the PNM's EE and LM programs. Beginning in January 2023, the program cost element of the Rider is set to 3.177% percent of bills and the profit incentive element set at 0.219% percent[8]. PNM is filing a reconciliation of 2022 program costs and profit incentive concurrently with the 2024 Plan on April 15, 2023. The reconciliation of program costs shows an over collection in 2022 compared to actual 2022 program costs. The 2024 Plan budget has been adjusted to reflect the under-spent amount using the method prescribed by 17.7.2.8(E) NMAC. The reconciliation filing also includes a proposed adjustment to the Rider to account for under-collection of profit incentive costs in 2022. In 2024 the total program cost element is set to 3.707% of bills and the base level profit incentive element is set to 0.246% of bills totaling 3.952% in cost elements.

4.4 MEASUREMENT AND VERIFICATION (M&V)

The Act requires that M&V be performed by an independent program evaluator that, pursuant to the Rule, is approved by the NMPRC. The independent evaluator prepares a report that documents the total portfolio and individual program-level expenditures, measured and verified savings, and cost-effectiveness of all the EE and LM programs plus self-direct programs. The report includes deemed savings assumptions and all other assumptions determined by the evaluator. Objectives of the M&V process include verifying that measures were installed and documentation matches rebate applications; and that measures are operating properly within program quality standards and expected to generate the predicted savings. In addition to providing measured and verified information regarding PNM's programs, the M&V report also provides guidance for how PNM can assess its own program metrics, and informs future program design and budget allocation decisions.

PNM will work closely with Ecometric as the evaluator approved by the NMPRC for evaluation of the 2024 Plan programs.

4.5 REPORTING

[8] Advice Notice 585, Effective May 31, 2022.

PNM will make annual filings, currently required on April 15 of each year, that will provide program evaluation information, as required by 17.7.2.14 NMAC, and tariff rider collections. The filings will also include the M&V reports completed by the independent evaluator. Concurrently with filing the annual report, PNM will request any needed reconciliation of the tariff Rider to reflect actual participation levels and actual expenditures made in implementation of the programs. Annual reports are available through the PNM web site at: www.pnm.com/regulatory.

5 PROGRAM DESCRIPTIONS

Continuing programs and enhancements are described in the following sections:

5.1 – Commercial Programs

5.2 – Residential Programs

5.3 – Low-Income Programs

5.4 – *Behavioral Programs*

5.5 – Load Management Programs

5.6 – Market Transformation Program

5.1 COMMERCIAL PROGRAMS

5.1.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 20-00087-UT

COMMERCIAL COMPREHENSIVE

The Commercial Comprehensive program is PNM's flagship program for non-residential customers. The program provides incentives for the retrofit or installation of both prescriptive and non-prescriptive measures that decrease demand and save energy. The program is designed to be a "one-stop-shop" for commercial customers interested in improving the efficiency of their existing or planned new facilities. Examples of measures include a prescriptive list of lighting upgrades, building controls, compressed air and fan systems, and HVAC and refrigeration upgrades, as well as incentives for custom measures. This program also includes a new construction option that offers incentives for buildings constructed to exceed local building code energy requirements and special incentives for small businesses. In addition, the program offers training programs and on-site audits.

One important aspect of the Commercial Comprehensive program is its reliance on the participation of local energy efficiency vendors, suppliers and contractors who install the energy saving equipment. These businesses are critical "trade allies" and the program would not be successful without their enthusiastic

support. PNM conducts several training sessions each year for participating trade allies in which the program processes are reviewed, and technical training is provided on new efficiency approaches.

The Commercial Comprehensive program is implemented for PNM by DNV-GL. In collaboration with DNV-GL, PNM continuously monitors market conditions and changes in the status of commercial and industrial technologies in order to keep the list of eligible upgrades current and the rebates appropriate. For example, PNM regularly consults the DesignLights Consortium[9] web site to search for new energy efficient lighting technologies that could be added to the program. The DesignLights Consortium is a non-profit membership organization that promotes quality, performance, and energy efficient commercial sector lighting solutions.

The Commercial Comprehensive program has six components: Retrofit Rebates, New Construction, Building Tune-Up, Distributor Discount, Multifamily and PNM QuickSaver™ for small business customers. Each of these is described in detail below. Complete program details, including the customer application and a list of all rebates, is available on the PNM web site.[10]

RETROFIT REBATES

The Retrofit Rebate is the largest component of the Commercial Comprehensive program in terms of total savings. The Retrofit Rebate component offers two options for a PNM business customer: 1) a pre-set menu of rebates for installing qualifying equipment in new and existing buildings; and 2) custom rebates for reducing energy use with a system improvement that is not included on the pre-set menu. Custom rebates are based on the estimated first-year energy savings. Complete program details including a list of all rebates are available on the PNM web site.[11]

NEW CONSTRUCTION

Customers that build new facilities or make major renovations of existing buildings can receive an incentive if they install equipment or systems that result in surpassing existing building code requirements and save additional energy. Savings are determined by following American Society of Heating, and the latest Refrigerating and Air-Conditioning Engineers' (ASHRAE) Standards and must be validated using a standard modeling tool, such as DOE-2, BLAST, EnergyPlus or eQUEST, capable of hourly calculations and modeling multiple thermal zones. The tool used must be approved by PNM staff.

The whole-building New Construction component provides an incentive based on the amount of annual energy saved due to constructing the building to standards at least 10% better than local building code,

[9] https://www.designlights.org/

[10] https://www.pnm.com/bizrebates

[11] https://www.pnm.com/bizrebates

which is currently the ASHRAE 90.1 2016 – IECC 2018 standard. There are two levels of incentives available based on the following conditions:

- Surpass ASHRAE 90.1 2016 on a new building by 10 percent and receive an incentive based on first-year kilowatt-hours saved.
- Surpass ASHRAE 90.1 2016 on a new building by 20 percent and receive a higher incentive based on first-year kilowatt-hours saved.

BUILDING TUNE-UP

Building tune-up refers to the process of bringing a building's mechanical and electrical systems, including building controls, to peak performance. Existing systems are analyzed, parameters are adjusted and equipment repaired as necessary. Low-cost operational improvements that deliver high energy savings are also identified. For more complex systems, a building analysis may be performed. In return for the building analysis, the customer is required to install all identified energy efficient measures that have a two-year payback or less and cost less than $5,000. After system improvements are identified and prior to any system modifications, a baseline of electricity consumption is estimated. PNM pays a rebate based on the one-year annualized rate of energy savings. For more complicated buildings, the program also provides a rebate for a portion of the study expenses.

The Building Tune-Up component of the Commercial Comprehensive program differs from the Retrofit Rebate component in that the primary goal is to identify low-cost operational improvements that deliver energy savings. Existing mechanical and electrical systems and building controls will be adjusted, typically with minimum capital cost. To the extent a building tune-up incorporates prescriptive elements included in the Retrofit Rebate component, the customer will generally receive rebates through the Retrofit Rebate component.

DISTRIBUTOR (MIDSTREAM) INCENTIVES

In 2015, PNM expanded program outreach through "midstream" marketing for HVAC measures that are also available through the Retrofit Rebate component. In 2019, commercial cooking measures were added to the program. Midstream refers to providing incentives at the distribution level rather than, or in addition to, the customer. As pointed out in a SWEEP report[12], deeper market penetration of certain energy efficient products is possible if this approach is used. Without midstream incentives, distributors tend to stock basic equipment that is less expensive to install. Energy efficient alternatives are generally more expensive and must be "special ordered." Therefore, if a customer's piece of equipment fails and it must be replaced under time constraints, the energy efficient alternative is often not installed. Moreover,

[12] Upstream Utility Incentive Programs: Experience and Lessons Learned, Maureen Quaid and Howard Geller, May 2014. Available at http://swenergy.org/publications/documents/Upstream_Utility_Incentive_Programs_05-2014.pdf.

the midstream model allows for incentives to be paid to the counter sales staff. This further motivates sales staff to promote efficient equipment. Also, midstream incentives show the point-of-sale discount on the quotation or invoice which will further motivate contractors and customers to select the energy efficient choice. The current list of equipment included in Distributor Incentives is based on an assessment of technologies that are not readily available or stocked in the high efficiency option. The program currently provides incentives for HVAC equipment and vending machine controls. Additional items will be considered for 2024 based on market conditions. The program will also work to recruit additional distributors throughout PNM's service area.

MULTIFAMILY

The Multifamily program targets a unique and hard-to-reach customer segment. The target audience consists of owners of multifamily (apartment) dwellings, who are eligible to receive rebates and direct-install measures for energy efficiency upgrades in common areas and residential housing units. For the purpose of this program, PNM defines multifamily dwellings as those that include five or more residential housing units. The goal is to offer a program that is streamlined and offers a simple approach to participation, and that will make their buildings more energy efficient. Making recommended, cost-effective energy efficiency upgrades, including lighting retrofits, appliance upgrades, and direct installation of smaller measures, is a good investment for the property owner and will also benefit tenants and property owners with lower utility bills, increased comfort, and improved security. The program is administered by DNV-GL, a third-party implementer. DNV-GL manages all components of the program, including marketing, outreach, and rebate processing. A central part of the program delivery includes utilizing a primary point of contact or liaison either employed by or contracted with the implementer to assist the property manager throughout the entire project.

The program has special incentives available to multifamily participants with a majority of low-income tenants, defined as being at or below 200% of the federal poverty level. These properties are typically operated by a recognized low-income housing provider including, but not limited to, government entities, nonprofit agencies, and private-market Section 8 providers.

Energy savings are achieved through both prescriptive and custom measures. Projects that include custom measures that are not included in the prescriptive list can receive rebates provided that building system analysis shows them to be cost-effective. The program will soon add new construction to the performance incentive path for multifamily properties that include up to three floors, in addition to trade ally performance incentives to encourage contractor engagement, deeper achieved energy savings, and for quality assurance purposes. PNM will continuously monitor participation in the program and make

modifications to the measure list and rebate amounts as needed to achieve participation and budget goals. Complete program details including a list of all rebates are available on the PNM website.[13]

PNM QUICKSAVER

The PNM QuickSaver component provides special incentives for PNM small-business customers who are considered a hard-to-reach segment because of their limited access to capital and other barriers to participation. Beginning In 2015, the upper threshold for eligibility in QuickSaver was increased from business accounts with peak demand of 100 kW to those with 200 kW in 2016 to reach even more small business customers and has maintained this level since. Qualifying businesses contact an approved PNM QuickSaver contractor to schedule an energy efficiency evaluation. The PNM QuickSaver-approved contractor then provides an on-site evaluation and a written proposal for the energy efficiency equipment upgrades for which the facility qualifies. Using this information, a contract between the customer and the contractor is drafted with the costs and final project completion payment clearly defined. The contractor handles all of the project paperwork. PNM QuickSaver covers on average about 65% of the project cost, which makes improved efficiency more affordable and attractive to the hard-to-reach small business customer. PNM pays the rebate to the contractor and, for many projects, utility savings will pay back out-of-pocket costs incurred by the business participant in less than one year.

Fewer energy savings measures are available under the QuickSaver component as compared to the Retrofit or New Construction components. However, QuickSaver focuses on measures that are the most common and cost-effective measures for the typical small business such as refrigeration components, lighting fixtures and lamps, and lighting control upgrades. These measures are also ones that can be installed quickly and provide immediate electric cost savings to participating small business owners. Many of the retrofits that have been done have focused on lighting, but contractors are also promoting more refrigeration and controls retrofits. In addition, PNM's third-party contractor is providing analytics to support targeted marketing of the program to increase participation and engagement of eligible customers.

REFRIGERATOR RECYCLING

The Refrigerator Recycling program is primarily a residential program but is also available to commercial customers. Please see the residential Refrigerator Recycling program description for more detail.

SELF-DIRECT

[13] https://www.pnm.com/bizrebates

This program allows large customers (with energy usage greater than 7 million kWh per year) to receive credits for qualifying incremental expenditures made towards energy efficiency measures at the customers' facilities. Credits for approved self-direct programs may be used to offset up to seventy percent of the energy efficiency tariff Rider until the credit is exhausted. Qualifying customers apply for the credit through submitting a proposed EE project they intend to implement at their facility. The PNM Self-Direct program manager reviews the application. If the project meets the program requirements the application is approved and the customer's electric bill is credited. Projects must not utilize funding from any other PNM EE program in order to be eligible.

5.2 RESIDENTIAL PROGRAMS

5.2.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 20-00087-UT

RESIDENTIAL COMPREHENSIVE

The Residential Comprehensive program is the primary incentive program for residential customers. The program has three components; Home Energy Checkup (including a low-income option), Residential Midstream Cooling, and Refrigerator Recycling. All of these programs provide energy efficiency options for customers' homes and have similar offers and benefits. For example, cooling options are available through Home Energy Checkup and Residential Midstream Cooling and customers recycling their refrigerators may also wish to take advantage of rebates on new appliances. PNM will continue to monitor the market for efficient appliances and HVAC equipment and make additions and modifications to the rebates to reflect market conditions and achieve budget and savings targets. Complete program details including customer applications and a list of all rebates is available on the PNM web site[14].

HOME ENERGY CHECKUP

Home Energy Checkup, managed by Franklin Energy Services, provides PNM residential customers, including low-income customers, the opportunity to participate in a Home Energy Checkup to save money and energy by choosing between two individually priced direct installation packages. The Home Energy Checkup applies a one-stop-shop approach at no charge to the customer that includes a walk-through assessment and informative discussion between the program participant and energy specialist explaining the assessment results, while also providing additional educational materials including conservation tips, ENERGY STAR appliance rebate eligibility, weatherization eligibility, and information about other energy efficiency programs available to participants. Once the assessment has been completed and the results and educational materials have been presented, the specialist installs applicable energy efficiency measures, from the direct installation package provided. Each package contains a varied mix of the

[14] https://www.checkwithpnm.com/

following measures: weather stripping, door sweeps, outlet gaskets, big gap filler, LEDs, and advanced power strips. Weatherization upgrades, AC diagnostic performance testing and smart thermostat installation are available for additional copays. Other low-cost measures may also be introduced if they are cost-effective, can be delivered within the program budget and help achieve the program savings goals. Franklin Energy Services' duties include recruitment and training of contractors, energy specialists and retailers (trade allies), rebate fulfillment, marketing and advertising, data tracking, reporting, and quality assurance. PNM is collaborating and cost-sharing with the New Mexico Gas Company (NMGC) and Prosperity Works on this program for an even more robust program offering to customers, including tribal customers.

Income qualified customers do not pay a copay for weatherization or the installation of smart thermostats that market rate customer pay and may also qualify to receive an ENERGY STAR refrigerator to replace an older, inefficient model. For income-qualified participants, the energy specialist determines if the home's primary refrigerator is eligible for replacement.

Rebates are also provided for the purchase of ENERGY STAR appliances, heat pump water heaters, replacement of existing and working HVAC units with more efficient units and adding insulation for homes with refrigerated air-conditioning. The program identifies customers who may qualify for additional incentives on advanced evaporative cooling.

To encourage even greater energy and cost savings, participants also receive tailored combinations of rebate applications for ENERGY STAR qualified appliances and HVAC replacement to higher efficiency equipment as applicable. Appliances and HVAC equipment that qualify for rebates currently include the following:

- *Standard size refrigerator*
- *Freezer*
- *Clothes washer*
- *Clothes dryer*
- *Air Purifier*
- *Insulation Rebates*
- *Dishwasher*
- *Smart Thermostat*
- *Air Conditioning Tune-Up*
- *HVAC Early Replacement*
- *HVAC Replacement with CEE Tier I*
- *HVAC Replacement with CEE Tier 2*
- *HVAC Replacement with CEE Tier 3*
- *Heat Pump Water Heater*

To offer a more robust program and deeper savings, customers will also receive a breakdown of weatherization upgrades available to them for an additional co-pay. Upgrades will include a range of

comprehensive envelope measures and smart thermostats delivered by local contractors. The assessment will include a blower door test. Scheduling for upgrades is managed by the implementer.

As with the other programs in the portfolio, PNM will continue to monitor and evaluate the market for high-efficiency appliances and other efficient measures that could be included as rebate options, provided they are cost-effective and can be provided within the program budget.

RESIDENTIAL MIDSTREAM COOLING

The Residential Midstream Cooling program, formerly the Residential Cooling and Pool Pump program, offers distributors and contractors incentives to stock highly efficient cooling equipment so it is readily available for a broader customer reach. The program also offers contractors incentives to install highly efficient units. Qualifying equipment includes CEE Tier one, two and advanced tier refrigerated air conditioning equipment, ducted and non-ducted heat pumps, heat pump water heaters, smart thermostats and any additional measures that pass cost effectiveness analysis. Discounts are passed through to customers having this equipment installed.

Refrigerated AC tune-ups are also offered to customers free of charge through this program when the ambient temperature reaches 55 degrees Fahrenheit or above. The tune-ups help systems maintain optimal performance to save customers more energy and money on their utility bills. Advanced evaporative and other cooling equipment incentives are now offered through the Residential Products program discussed later in the Plan.

REFRIGERATOR RECYCLING

The Refrigerator Recycling component is designed to encourage retirement of old or unnecessary second refrigerators and freezers. A refrigerator manufactured before 1995 can use up to three times more energy than a newer model. By retiring and not replacing an extra working unit, a PNM residential customer can save up to $175 a year in electricity costs. This program is also available to PNM business customers, although only residential size and type refrigerators and freezers are accepted. The program provides a rebate for each unit that is recycled. The rebate amount is currently $75 per refrigerator or freezer.

PNM is contracted with ARCA, Inc. to implement the program, which includes picking up old units and transporting them to the local recycling facility. Approximately 95% of each refrigerator or freezer is recycled. The unit must be in working condition and be between 10 and 30 cubic feet in size. There is a limit of two refrigerators and/or freezers per household, and more than two refrigerators and/or freezers for business customers with PNM program manager approval. PNM is increasing marketing efforts going forward to maintain adequate participation and cost effectiveness in this legacy program.

RESIDENTIAL PRODUCTS

Beginning in 2021, the Residential Products program, formerly the Residential Lighting program, incorporated additional retail products such as advanced power strips, evaporative cooling equipment and room air conditioners and other measures, in addition to, the current residential lighting discounts. PNM will continue to expand the program with additional cost-effective products as advised by results of a residential appliance and socket saturation survey conducted in 2020 and current market conditions. Incorporating additional offerings has provided customers with a more comprehensive program of discounted products at the point of sale and will also assist in offsetting reduced lighting savings in the future due to the forthcoming EISA standard changes.

A list of retailers that offer discounts is available at https://www.pnm.com/instantdiscounts. The list of participating retailers is also shown in Appendix D.

The residential lighting market has been undergoing transformative change over the last few years and change is expected to continue as LEDs become more affordable and new halogen incandescent bulbs continue to claim market share. The Energy Independence and Security Act of 2007 (EISA) prescribed minimum efficacy standards (lumens per watt) for regular duty light bulbs and required the phase-out of inefficient lighting technologies beginning in 2012 with the elimination of the 100 watt (W) incandescent bulb and then the 75W, 60W and 40W bulbs, respectively, in subsequent years; although certain specialty bulbs are exempt, including candelabra bulbs, reflectors, and three-way bulbs.

A second phase of the EISA was due to begin in January of 2020 requiring general service lamps (GSL) to be approximately 65% more efficient than the traditional incandescent bulbs by including a "back stop" provision requiring a 45 lumen/watt minimum efficiency standard on sales of GSLs.[15] However, in 2019 the U.S. Department of Energy rolled back this phase and standards were not put in place as initially required but will now take full effect beginning in 2024 except for proven halogen replacement in homes.

Despite the major lighting market change driven by EISA as a whole, there may still be a continued need for some specialty LED and/or lighting fixture promotions not impacted by the EISA standard changes. Independent M&V will determine impacts on the free-rider rates or net energy savings. PNM will continue to make necessary modifications to the non-lighting measure mix incentivized to help mitigate any negative impacts to cost effectiveness due to changes in EISA standards.

PNM HOME WORKS (AND ENERGY INNOVATION)

PNM Home Works and Energy Innovation are an energy savings and education program that combines energy efficiency curriculum for teachers with easy-to-install energy efficiency and water-saving measures

[15] https://www.energystar.gov/sites/default/files/asset/document/3.%20%20Claire%20Miziolek_NEEP%20-%20Plenary.pdf

for students to install at home with their parents. The program has two main goals: energy savings and market transformation through student education.

PNM contracted with National Energy Foundation (NEF) to implement this program which consists of general program oversight, student and teacher presentations, web design, kit production, warehousing and distribution, marketing, program tracking, data tabulation, and reporting. This program is designed to generate immediate and long-term savings by sending energy savings measures and interactive hands-on education home with motivated students. The 2024 Plan program will continue to have two presentations and kits designed for 5th grade students and high school students. Each student will receive educational materials designed to build knowledge and demonstrate simple ways to save by changing habits in conjunction with easy-to-install measures. The teacher and student kit materials support state and national educational standards, which allow the program to easily fit into teachers' existing schedules and requirements. The total cost of providing the program, including all presentation time and materials is about $88 per kit.

The program begins with an interactive presentation at a school assembly or similar event teaching the importance of using water and energy efficiently, followed by hands-on, creative problem solving. Next, participating students take home an activity kit that includes high efficiency water, lighting, and weatherization measures. With the help of their parents or caregivers, the students install the measures at home and complete a home survey. The high school presentation includes a special emphasis on sustainability and on the unique energy usage footprint of a high school-aged student in the home. The high school kits contain a Tier two advanced power strip. The NEF staff tabulates all the responses, including home survey information, teacher responses, student input and parent responses, and generates a program summary report. Teachers receive a small mini grant to purchase supplies and materials for their classrooms. The amount of the mini grant is calculated based on the completed percentage of Home Energy Worksheets (HEWS) returned by each teacher. PNM will target approximately, 8,500 5th grade students and 5,500 high school students each year across the service area.

The educational and energy awareness training is a crucial part of the PNM Home Works program but is not directly linked to specific energy savings. Rather, the education builds awareness of the importance of energy efficiency in general and supports the goals of the 2024 Plan in general. Therefore, PNM funds the general energy efficiency educational materials and presentations activities of the program, about 35-40% of the program cost, through the Market Transformation (MT) program, which is described in the MT section of the 2024 Plan below.

NEW HOME CONSTRUCTION

ICF International is the third-party implementer managing this turnkey program which includes marketing and outreach, builder and HERS rater outreach and training, quality assurance, data tracking and

reporting, and rebate processing. PNM is collaborating and cost-sharing with the New Mexico Gas Company (NMGC) on this program for an even more robust program offering to home builders.

The target audience consists of custom, semi-custom, and production home builders and includes consumers, realtors, trade allies, raters, developers and architects. The goal is to offer a streamlined program that offers participants incentives for highly efficient new single-family residential construction through either a prescriptive or a performance path.

The combined prescriptive and performance program approach has proven less stringent than the previous ENERGY STAR-only approach because homebuilders could choose to install a list of efficient prescriptive measures that meet or exceed efficiency goals or choose a whole home performance path approach for properties exceeding the (previous) IECC 2009 building code while continuing to encourage home builders to participate in ENERGY STAR®, Zero Energy Ready Homes (ZERH) and Build Green NM initiatives.

With the EISA Lighting Backstop taking effect in this program on January 1st, 2024, the New Home Construction Program will lose the ability to claim savings on LED lighting. These savings currently account for approximately half of the total kWh savings for performance homes. ICF analyzed the impact of the LED savings due to EISA changes on all 2018 IECC homes submitted in PY2022 and determined that 99% of all performance homes submitted would fail to meet the 10% above code threshold, and only 10% of submitted homes would qualify for the 5% above code threshold.

With these considerations, PNM believes higher per home savings would be best achieved by utilizing the performance path solely through an all-electric home pilot. Therefore, PNM is proposing to include an all-electric pilot in the 2024 Plan. PNM will continue to offer a prescriptive measure path to achieve energy savings and continued engagement with the homebuilder community. Builders will have the option to use a rater to submit the home via the performance path or self-submit through the prescriptive path.

The interest in all-electric homes is beginning to grow with New Mexico builders, and the addition of an all-electric homes pilot in this program will accelerate the adoption of technologies like heat pump water heaters and air source heat pumps in new homes. The proposed 2024 participation goal is 1,195 homes.

Currently, the average savings per newly constructed home is approximately 1,158 kWh, however, the removal of lighting as a measure is anticipated to decrease the average savings per home to 750 kWh. The initial prescriptive incentive path as listed below in Table 5-1 requires that home builders install at least two measures to qualify. PNM will monitor market conditions and will adjust the incentive amounts as needed to meet program performance goals while maintaining cost-effectiveness of the program.

Table 5--1

PNM Prescriptive Incentives	2024-2026
Air Conditioning	
16 SEER (from 15 SEER)	$25 per ton
17 SEER (from 15 SEER)	$50 per ton
18 SEER (from 15 SEER)	$70 per ton
ENERGY STAR Air Source Heat Pump	
ENERGY STAR® ASHP: HVAC Split System (Seer 16+≥ 10.0 HSPF)	$170 per ton
ENERGY STAR® ASHP: HVAC Split System (Seer 18+≥ 10.0 HSPF)	$167 per ton
ENERGY STAR® ASHP: HVAC Split System (Seer 20+≥ 10.0 HSPF)	$200 per ton
ENERGY STAR® ASHP: HVAC Mini Split, ducted/ductless System (Seer 16+≥ 10.0 HSPF)	$170 per ton
ENERGY STAR® ASHP: HVAC Mini Split, ducted/ductless System (Seer 16+≥ 10.0 HSPF)	$167 per ton
ENERGY STAR® ASHP: HVAC Mini Split, ducted/ductless System (Seer 16+≥ 10.0 HSPF)	$200 per ton
Water Heating: Heat Pump > 2.0 UEF	$700 per unit
Radiant Barrier: 100% Radiant Barrier (from None)	$60 per home
ENERGY STAR® Certified Smart Thermostat	$50 per unit
ENERGY STAR Appliance	
Refrigerator: ENERGY STAR® Refrigerator (from Standard Refrigerator)	$15 per unit
Washing Machine: ENERGY STAR® Washing Machine (from Standard Washing Machine)	$75 per unit
Dryer: ENERGY STAR® Electric Dryer (from Standard Electric Dryer)	$25 per unit
Solar Attic Fan	$50 per unit

MULTIFAMILY

The Multifamily program is described in detail in the previous Commercial section and has also been added as a component to the current NM MFA administered Energy Smart program. The ultimate participant in the program is the property owner rather than the residents. However, the residents benefit directly from the program, especially if they have PNM electric accounts. Therefore, the Multifamily program benefits both commercial and residential customers.

5.3 LOW INCOME PROGRAMS

5.3.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 20-00087-UT

EASY SAVINGS KIT

The Easy Savings Kit program provides free LED lightbulbs (both standard and specialty bulbs), LED nightlights, advanced power strip, weatherization measures and educational materials on saving energy to low-income PNM customers. This program currently targets low-income PNM customers through direct mail and email.

Customers who receive the enrollment postcard in the mail or via email can request the energy efficiency kit. Customers can order by mail, over the phone, or online at the program website printed on the enrollment card.

The targeted population customers have the flexibility to choose a pre-packaged "Quickpick" kit or a "KitPick" configuration by mail, phone or online. The KitPick option gives customers the flexibility to choose from a menu of energy saving measures. Informative educational materials, conservation tips and installation instructions are also included in each kit. The addition of the KitPick kit option creates a customized experience for the customer and allows PNM to quickly add additional efficient measures that could be included, provided they are cost-effective and can be provided within the program budget. Kits are also distributed by non-profit agencies throughout PNM's service area. For those customers that prefer the conventional utility provided kit, that option is still available with the addition of an advanced power strip.

ENERGY SMART – MFA

The Energy Smart program provides funding to the New Mexico Energy$mart weatherization program implemented by New Mexico Mortgage Finance Authority (MFA). PNM funding is used by MFA to supplement federal and state funding they receive to administer the low-income weatherization program. In recent years, the program has focused on installation of LED bulbs, weatherization, and replacement of older inefficient refrigerators with ENERGY STAR qualified models. In 2017, the program was expanded to include a number of additional items for PNM customers who have electric space heating, electric water heating or refrigerated air-conditioning. These additional options include: attic and wall insulation, duct and air sealing, hot water heater pipe and tank insulation, programmable thermostats, low-flow showerheads and aerators, and door and window replacement. The expanded offerings allowed federal funding to be leveraged to assist more homeowners and multifamily residents who are at or below 200% of the federal poverty level. PNM will continue to evaluate opportunities for additional efficient measures that could be included, provided they are cost-effective and can be provided within the program budget.

HOME ENERGY CHECKUP (LOW-INCOME)

This program is a component of the Home Energy Checkup program described in the Residential Programs section above. The program is the same as the Home Energy Checkup program with the exception that the copay for the smart thermostat and weatherization measures, which include installation, are waived and a free replacement refrigerator may be available through the program if eligibility criteria are met.

To be eligible, participants must have incomes relative to family size at or below 200% of the federal poverty level. A program participant's refrigerator must meet the following criteria to be eligible for replacement:

- Be in working condition.
- Be the primary refrigerator used in the home.
- Be at least 10-30 cubic feet to qualify for replacement.
- Be at least ten years old, or 12 years or older if it is ENERGY STAR.
- Consumption must be at least twice that of the efficient model being installed or have an observed physical condition causing excessive consumption such as poor door seal and an inability to cool.

PNM actively seeks out ways to collaborate in the community. PNM is collaborating with New Mexico Gas Company (NMGC) to offer Home Energy Checkup to income qualified residential customers living in Native American communities. For several years in a row PNM has partnered with Prosperity Works and Energy Works to offer income qualified Home Energy Checkups and will continue to look for more opportunities to collaborate with community organizations.

PNM HOME WORKS (LOW INCOME)

The PNM Home Works program is described in detail in the previous Residential section. Although it is not a low-income program specifically, because so many students are from low-income families, this program benefits many low-income PNM customers. PNM estimates that at least 40% of students are from families with annual income below 200% of the federal poverty level.

MULTIFAMILY (LOW INCOME)

The Multifamily program is described in detail in the previous Commercial section and has been added as a component to the NM MFA administered Energy Smart weatherization program. Behavioral-Based Energy Efficiency Programs

5.4 BEHAVIORAL PROGRAMS

5.4.1 CONTINUING PROGRAMS – APPROVED IN CASE NO. 20-00087-UT

5.4.1.1 BEHAVIORAL COMPREHENSIVE

In Case No. 17-00076-UT, PNM was ordered to issue an RFP for a behavioral-based energy efficiency program. Through an RFP committee process in the fall of 2019, PNM chose two vendors to offer two separate programs, a residential behavioral home energy reports (HER) and commercial behavioral strategic energy management (SEM) program. These programs were presented and discussed at a public advisory stakeholder meeting on February 20, 2020, and the determination was made that these programs are in the interest of customers and were proposed and approved in the 2021 – 2023 program plan filing.

The SEM program approach emphasized the importance of equipping and enabling plant management and staff to impact energy consumption through behavioral and operational change and structured planning of commercial and industrial facility upgrades and process improvements. The projected participation goal (pre-COVID-19) included up to 45 customers' sites grouped into cohorts to encourage collaborative and interactive learning to identify and act upon savings opportunities within these customer sites. Customer recruitment efforts included: webinars, Lunch & Learns, Email newsletters, PNM Key Account Manager outreach, SEM program webpage information, Case Studies, and Trade Ally cross-promotion. Customers targeted included: government, healthcare, education, manufacturing, retail, aviation, water utilities and tribal segments.

While the program is offered at no cost to participants, personnel commitments from the participant is required. Due to staffing and labor challenges recognized during COVID-19, participant resources were limited and as a result only five participants were enrolled during the initial three-year deployment. While participating customers did recognize energy saving through their participation, the savings achieved was much lower than anticipated due to the factors mentioned above. Also as a result of these factors, the program approach was forced to be more of a direct one-on-one customer engagement versus the original intended cohort model. Going forward however, PNM is planning to recruit customers through the cohort approach and will offer customers milestone and performance incentives for more sustained participation and greater energy savings.

In addition to a commercial SEM program, PNM also launched a behavioral-based residential Home Energy Report program in 2021. This program is delivered through a combination of customizable and personalized home energy reports (both paper and digital), a customer survey to enhance and further customize future report content, a customer web portal with specific and personalized insights and cross-promotion of other relevant energy efficiency rebate programs, and an online marketplace offering discounts on energy efficient measures. The treatment group consists of approximately 70% of PNM residential customers, with the remaining 30% in the control group.

This platform can function with either non- AMI or AMI enabled metering, however, with the existing non-AMI structure, customers can still receive information about their consumption through higher- level end use disaggregation.

Program ramp-up took longer than anticipated due to attrition and other mitigating factors such as COVID-19. This program achieved lower than anticipated energy savings however, is ranked in the top three in customer satisfaction with PNM customers in learning more about their usage and ways to save energy

and money on their bills. The total 2024 annual budget for this program is approximately $660,000. The projected annual energy savings equals just over 2 GWh in 2024.

5.5 LOAD MANAGEMENT PROGRAMS

CONTINUING PROGRAMS – APPROVED IN CASE NO. 20-00087-UT

The load management programs provide PNM with a demand-side resource that can be used to meet peak demand requirements for up to 100 hours per year, June 1 through September 30, 1pm to 8pm, Monday through Friday, excluding holidays and weekends. PNM has successfully dispatched the load management resource for peak reduction during each summer season beginning in 2008. Table 5-2 below lists the dates and times in which PNM utilized load management in 2022.

Table 5-2

Date	Start Time (MDT)	End Time (MDT)	Duration (Hr)
6/10/2022	3:00 PM	7:00 PM	4
7/11/2022	3:00 PM	7:00 PM	4
9/2/2022	5:00 PM	7:00 PM	2

PEAK SAVER

The PNM Peak Saver program targets non-essential electric loads that can be reduced during periods of peak system demand and is available to commercial and industrial customers with peak loads of 150 kW or greater. Participating customers receive an incentive based on their level of load reduction at the end of each control season.

PNM selected a new third-party contractor, Itron, to manage and market this program. Itron is responsible for building and operating a direct load control system that provides PNM with the ability to achieve contracted load reductions through control of end-use equipment at participating businesses. Itron's responsibilities include marketing, installing load control equipment, data collection and analyses required for validating the contract capacity.

ENHANCEMENTS AND GROWTH

The Peak Saver program will retain the same program elements that are currently available to existing customers. Itron has a strong technology offering via their proprietary IntellSOURCE platform that could be used in the future to help integrate distributed energy resources, including: controllable load, batteries, smart inverters, and electric vehicles. Itron intends to automate as many participant sites as possible

within IntellSOURCE. Itron has Program capabilities that have the potential to grow the resource over time.

POWER SAVER

The PNM Power Saver program is the load management program for residential customers and small commercial customers who are not served by the Peak Saver program. This program cycles non-critical loads, such as refrigerated air conditioning units, on and off during summer peak hours. Thermostats that are participating in the program will be set to a warmer temperature during an event. Participating customers receive a modest incentive at the end of each control season. PNM retained its third-party contractor, Itron, to manage this program. Itron is responsible for marketing the program to customers, installing load control equipment, data collection and analyses required for validation of the contract capacity.

ENHANCEMENTS AND GROWTH

The Power Saver program will now offer a firm capacity commitment of 20MW. Also, the Peak Saver program has a contract firm capacity of 15MW. There are penalty provisions that will keep PNM whole if Itron is unable to deliver the minimum (firm) capacity commitments. Appendix C has additional detail.

The Power Saver program will retain the same program elements that are currently available to customers. The existing switch network, representing about 40 MW of reliable capacity, will be maintained and a new, attractive Wi-Fi thermostat option will be marketed to customers who have previously dropped out and offered as an option to new participants. Customers with existing thermostats are also allowed to participate under the bring-your-own-thermostat ("BYOT") option. Wi-Fi enables a more enhanced customer experience by interactively engaging the customer via any internet connected device (such as a mobile phone or computer). Participants will have the option of a thermostat installed at no charge or enrolling in the program using their own qualifying thermostat. In either case, Itron will initiate control events through interacting with the thermostats through the participants' home Wi-Fi networks. The thermostat option provides the additional benefits of potential energy savings through using verifiable set-back strategies and providing a higher level of customer satisfaction. PNM and Itron anticipate that new participants will be attracted to the thermostat option and that some participants that have previously left the program will reenroll, thereby increasing the resource over time.

5.6 MARKET TRANSFORMATION

OVERVIEW AND DESCRIPTION

The goals of the Market Transformation (MT) strategy are to 1) achieve a measurable increase in awareness of the importance of energy efficiency; 2) encourage behavior changes that result in the

adoption of energy efficient measures; and 3) promote emerging technologies that are not part of existing EE programs but have the potential to be included in programs in the future. MT uses mass-market advertising channels and conducts targeted efforts aimed at specific customer segments, including hard-to-reach segments and schools. In addition to current awareness-building activities that are ongoing. MT costs are allocated on a pro rata basis across the portfolio.

2024 PLAN PROGRAM SCOPE

In prior years, PNM's MT strategy has focused on EE promotional events including community events and presentations, engaging customers on energy efficiency through on-line PNM channels and tools, funding the educational component of the PNM Home Works and Energy Innovation school kit program, and supporting a modest level of mass market advertising to promote energy efficiency and highlight selected program offers, and any potential studies or residential saturation surveys to assist in designing attractive and cost effective programs. PNM will continue to use Market Transformation funding to provide these awareness building services as well as fund updates to the energy efficiency potential study, residential appliance and socket saturation surveys, and continuing funding for other educational efforts. Although it is outside the scope of the EUEA requirements, PNM is providing web links to state and federal websites for information on additional tax credits and incentives available. PNM is providing this information as a courtesy and is not responsible for the validation and maintenance of the content on state and federal websites. Third-party implementers also reference state and federal government links when training participating trade allies who work with PNM customers.

PNM will continue funding the general energy efficiency educational activity that is currently part of the PNM Home Works and Energy Innovation program with Market Transformation funding. While PNM has received very positive feedback from teachers and students on the education component of the program, the training by itself is not directly linked to energy savings. Rather, the education builds awareness of the importance of energy efficiency in general and supports the goals of the 2024 Plan.

ONGOING RESEARCH AND DEVELOPMENT

PNM understands that its energy efficiency plans and programs will need to continue being responsive to evolving markets and technologies. PNM will maintain an active research and program design effort throughout the next planning cycle and for the foreseeable future. While specific initiatives may be modified over time to reflect the changing needs of the energy efficiency portfolio, the anticipated initiatives that may be developed over the next year or two include:

- Continued collaboration with New Mexico Gas Company and other community organizations and public entities where appropriate to encourage robust and comprehensive program offerings with maximum customer appeal.
- Continued expansion of outreach/education-based initiatives either through Market Transformation or within specific programs.

- Increasing incentive budgets in programs with higher energy savings and participation potential and lower market saturation.
- Continued monitoring of any potential new program design concepts being developed or offered in similar utility programs.
- Expansion of direct marketing for efficiency programs – finding customers that need efficiency improvements and that are most likely to participate in programs is becoming more difficult.

6 APPENDICES

6.1 APPENDIX A – AVOIDED COSTS

The benefits of energy efficiency and load management are evaluated over the life of the programs in the UCT model using PNM avoided costs and a discount rate of 7.20%. Avoided costs are the costs that PNM would not incur as a result of lower energy consumption and demand resulting from implementation of energy efficiency and load management measures. Energy efficiency avoided cost forecasts were developed by the staff of the PNM Planning and Resources department and are shown in Table 6-1 below.

Table 6--1

Avoided Energy and Capacity Costs EE and DR	EE Total Capacity MW ($/kW-yr)	EE Energy (incl CO2) ($/kWh)	DR MW ($/kW-yr)	Avoided Energy Cost (DR) $/kWh
2024	$166.19	$0.051	$9.07	$0.000
2025	$167.89	$0.026	$147.14	$0.000
2026	$223.60	$0.026	$194.28	$0.000
2027	$232.96	$0.026	$194.29	$0.000
2028	$220.60	$0.027	$193.76	$0.000
2029	$199.24	$0.028	$194.29	$0.000
2030	$173.00	$0.027	$194.29	$0.000
2031	$263.22	$0.034	$213.21	$0.000
2032	$261.10	$0.032	$229.08	$0.000
2033	$252.75	$0.037	$229.91	$0.000
2034	$252.15	$0.038	$221.18	$0.000
2035	$255.48	$0.034	$215.97	$0.000
2036	$254.64	$0.037	$215.48	$0.000
2037	$256.39	$0.035	$218.51	$0.000
2038	$255.52	$0.034	$219.27	$0.000
2039	$242.41	$0.034	$219.45	$0.000
2040	$302.52	$0.046	$294.91	$0.000
2041	$184.30	$0.053	$135.98	$0.000
2042	$175.46	$0.043	$106.60	$0.000

6.2 APPENDIX B – PUBLIC ADVISORY GROUP MEMBERS

Table 6-2 lists the organizations that have been invited to participate in the energy efficiency advisory group and who receive regular updates on the status and progress of PNM's energy efficiency efforts.

Table 6--2

Name	Organization
Aaron Gould	Western Resource Advocates (WRA)
Allison McIntire	Xcel Energy
Amanda Evans	Santa Fe Community College
Camilla Fiebelman	Sierra Club
Cara Lynch	Coalition for Clean Affordable Energy (CCAE)
Cassandra Valencia	New Mexico Gas Gompany
Chuck Noble	Retired Coalition for Clean Affordable Energy (CCAE)
Christopher Dunn	NM Public Regulation Commission Staff
Cissy McAndrew	Southwest NM Green Chamber of Commerce
Crystal Enoch	El Paso Electric
Cydney Beadles	Western Resource Advocates (WRA)
Dana Howard	NM Energy, Minerals & Natural Resources Dept.
Dave Nelson	American Association of Retired Persons (AARP)
Ed Rilkoff	NM Public Regulation Commission Staff
Eli LaSalle	NM Public Regulation Commission Staff
Gideon Elliot	NM Attorney General
Jeremy Lovelady	SPS - Xcel Energy
Jim Folkman	Foundation for Building/Green Building Foundation
Joan Brown	Interfaith Power & Light
Justin Brant	Southwest Energy Efficiency Project
Kelly Gould	NM Area
Ken Baker	Walmart
Ken Walsh	Excel Energy
Keven Gedko	NM Attorney General
Kurt Albershardt	Southwest Energy Generators (Silver City)
Michael Pascucci	Xcel Energy
Michael Kenney	Coalition for Clean Affordable Energy (CCAE)
Ona Porter	Prosperity Works
Pat Cardona	American Association of Retired Persons (AARP)
Peter Gould	NM Area
Rick D. Chamberlain	Behrens, Wheeler & Chamberlain
Rick Rennie	Downtown Improvement District
Robb Hirsch	Santa Fe Green Chamber of Commerce
Robert Mang	Smart Home Project
Steve Casey	NM Gas Company
Tammy Fiebelkorn	Southwest Energy Efficiency Project
Tom Singer	Western Environmental Law Center
Wayne Hofeldt	Retired So. Cal Edison

6.3 APPENDIX C – LOAD MANAGEMENT CONTRACT TERMS

Table 6-3

Implementer	ITRON	
Program	**Power Saver**	**Peak Saver**
Contract Term	Three 3-year terms; requires PRC re-approval for each 3-year term.	Three 3-year terms; requires PRC re-approval for each 3-year term.
Contract Effective Date	January 1, 2024	January 1, 2024
Contract Start Date	January 1, 2024 or date of PRC approval, whichever is later	January 1, 2024 or date of PRC approval, whichever is later
Projected Total Contract Cost	$42.12M over 9 years	$29.46M over 9 years
Contract Pricing	All-inclusive pay-for-performance pricing. Payment per MW of delivered capacity.	All-inclusive pay-for-performance pricing. Payment per MW of delivered capacity.
Basis of Capacity Payments	12 monthly payments based on installed monthly capacity for that month.	12 monthly payments based on installed monthly capacity for that month.
Customer Incentives (paid to participants)	Incentives for residential and small commercial customers are approximately $31.25/kWyr new installation and annual incentives.	Large customers are paid for approximately $45.00/kWyr of available capacity.
Minimum Contract Capacity	20 MW	15 MW
Maximum Contract Capacity	40 MW	30 MW
Control Season (for dispatch)	June 1st - September 30	January - December
Control Times	1:00 PM – HE 9:00 PM M-F (excluding holidays)	1:00 PM – HE 9:00 PM M-F (excluding holidays)
Dispatch Limits	Maximum of 100 hours per control season. Maximum 4 hours per day. Capacity is temperature dependent.	Maximum of 100 hours per control season. Maximum 4 hours per day. Capacity is temperature dependent.
Minimum Response Time	10 minutes	10 minutes
Method of Event Activation	Web-based application	Web-based application and direct customer notification for non Auto-DR sites.
Verification of Actual Capacity	Regression analysis of sample population based on prior day non-event kWh usage when compared to event-day kWh use. This reduction will be applied to overall population based on device type.	A baseline of energy use on non-event days will be compared to the energy use on an event day.
Penalty for Not Meeting Minimum Contract Capacity	Schedule of liquidated damages applied to the capacity deficit per year.	Schedule of liquidated damages applied to the capacity deficit per year.
Early Termination Costs	There are no "early termination" costs.	There are no "early termination" costs.
Target Customers	Residential and small commercial less than 150 kW peak demand plus apartment complexes.	Commercial customers with a demand greater than 150 kW per month.
Target Loads	Central refrigerated AC units. Potentially, electric water heating, pool pumps, and other small commercial loads may be considered in future.	Building management systems, industrial pumping loads, battery storage capacity, and other systems, including other motor loads.
Technology Employed	1) Pager or radio controlled switches installed on exterior AC units. Controlled through web-based activation system. AC compressor is cycled, fans remain on. 2) Wi-Fi thermostats controlled through web application at time of dispatch.	Some sites will enable direct-load control, others will employ direct communication with the customer where sensitive loads cannot be third-party controlled, and others will use Web systems when controlling building load such as thermostats.
Local Office	Local office to manage recruiting, installation and maintenance using local staffing and contractors. Regional call center to respond to customer inquiries and initiate dispatch events	Local office to manage recruiting, installation and maintenance using local staffing and contractors. Regional call center to respond to customer inquiries and initiate dispatch events
Marketing Plan	Multi-channel approach including direct mail, bill inserts, radio, print, web and co-marketing. All materials approved by PNM.	Direct customer contact, and utilizing PNM account managers. All materials approved by PNM.

6.4 APPENDIX D – TRADE ALLY BUSINESS LIST

Trade Ally Businesses Supporting PNM Residential and Commercial Programs

Name	Area Served			
	Central	Northern	South Central	Southwest
A.B. Plumbing Inc.	X	X		
Absolute Mechanical	X	X		
Aire Mechanical Inc.	X			
Aztec Mechanical, Inc.	X			
Comfort Solutions of New Mexico LLC	X	X		
Daniels Heating & Air Conditioning LLC	X			
Desert Suns Heating & Cooling Inc.	X			
Four Winds Mechanical HTC/AC Inc.	X			
Mechanical Control Solutions LLC	X	X	X	X
Morrison Supply Co	X	X		
Norman S Wright Co	X	X		
RE Michel Co LLC	X	X		
Sigler Inc.	X			
TLC Plumbing & Utility Inc.	X	X	X	X

Trade Ally Businesses Supporting PNM Commercial Programs

Name	Area Served			
	Central	Northern	South Central	Southwest
3B Builders Inc.	X			
3B Electrical LLC	X			
A-1 Electric Inc.	X	X		
Abraxas Electric LLC	X	X	X	X
Albuquerque Plumbing, Heating & Cooling	X	X	X	X
Alderete Electric Service Corp.	X			
Allied Electric Inc.		X		
ARCA Recycling, Inc.	X	X	X	X
AZ Insulation & Energy Solutions dba Tru Lite	X	X	X	X
Aztec Mechanical, Inc.	X			
B&D Industries Inc.	X	X	X	X
Benchmark Group Inc.	X			
Bernard TME LLC	X	X	X	X

Beyond Electric	X			
BP Enterprises LLC dba Batteries Plus #1049	X	X	X	X
Bridgers & Paxton Consulting Engineers	X	X	X	X
Bright Ideas Inc. dba The Lamp shop	X	X	X	X
Building Energy Solutions and Technology, dba Bes-Tech Inc.	X	X	X	X
Bulldog Energy Solutions Inc.	X	X	X	X
Burque Electric Co	X	X		
Carlile Electrical and Mechanical LLC	X	X	X	X
CB Power LLC	X	X	X	X
Colorado Lighting, Inc. dba CLI Services	X	X	X	X
Conti Energy Control LLC	X	X	X	X
Corbins Electric	X	X	X	X
Corrales Electric Inc.	X	X		
DAC Electric	X	X		
Dalkia Energy Solutions	X	X	X	X
Dekker/Perich Sabatini	X	X	X	X
Del Electric LLC	X	X		
DRB Electric Inc.	X	X	X	X
E.R.M. electric LLC			X	
ECOterra Energy Consulting	X			
EEA consulting Engineers	X	X	X	X
Electro Data LLC	X	X	X	X
Energy Design Service Systems	X			
Energy Management Collaborative LLC	X			
EnergyWorks LLC	X	X	X	X
EnerNet Solutions, LLC	X	X	X	X
Engie Insight Services dba Engie Impact	X	X	X	X
Engineering Economics	X	X	X	X
Enterprise Builders Corp	X	X	X	X
Escudo Resturant Solutions, LLC dba Chef Link	X	X	X	X
Facility Solutions Group	X	X	X	X
Financial Energy Management Inc.	X	X	X	X
Fout Electric, LLC	X	X		
Frank's Electric	X	X	X	
Goodmen Electrical Services	X	X	X	X
Graybar Electric Company, Inc	X			
Green Insight LLC	X	X	X	X
Green Rebates LLC	X	X	X	X
Greenleaf Energy Solutions	X	X	X	X
HD Supply Facilities Maintenance	X	X	X	X
HEI Inc.	X			

High Desert Lighting & Electric LLC	X	X	X	X
ICAST	X	X	X	X
Illumetek	X	X	X	X
J & C Ortiz Electric LLC	X	X		
Jesse Arias Electrical Contractor	X			
Johnson Controls	X	X	X	X
L & K Electric		X		
LaMay LLC			X	
Leidos Engineering LLC	X	X	X	X
M Squared Electric LLC				X
McDade-Woodcock Inc	X	X	X	X
Mechanical Systems Inc.	X	X	X	X
Mag Energy	X	X	X	X
Mora Electric LLC	X	X	X	X
Mountain Vector Energy	X	X	X	X
New Generation Electric, LLC	X	X		
New Line Technology Inc.	X	X		
Nex Rev	X	X	X	X
Norman S Wright Co	X	X	X	X
Nowlin Mechanical	X	X	X	X
Omega Contractors	X	X	X	X
Optima Technology dba Bid Energy	X	X	X	X
Phaze One Electric	X	X		
Prime Electric Inc.	X			
Pumps & Service	X			
Randy's Electric Co Inc.	X	X		
RE Michel Co LLC	X	X	X	X
Reliable Electric LLC	X	X		
Reliable Relamping	X	X	X	X
RKL Sales Corporation	X		X	
ROI Energy Investments LLC	X	X	X	X
ROI Energy LLC	X	X	X	X
Royal Pacific, LTD	X			
Russel Sigler Inc.	X			
S.E. Electric & Commercial Maintenance LLC	X			
Schneider Electric Inc	X	X		
SourceOne Solutions	X	X	X	X
SRS Electric	X	X		
Standard Restaurant Supply	X	X	X	X
Stone Electric and Power LLC				X
Strategic Lighting	X	X		

Strongbuilt LLC	X	X	X	X
Summit Electric Supply	X	X	X	X
Sustainable Building Solutions LLC	X	X		
Sustainable Engineering LLC	X	X	X	X
Texal Energy LLC	X	X	X	X
Thompson Construction	X			
TLC Company	X	X	X	X
Tofel Dent Construction	X	X	X	X
Trane SW	X	X	X	X
Travers Mechanical	X			
U.S. Electrical Corp	X	X	X	X
United Refrigeration Inc	X	X	X	X
Voss Lighting	X			
Wesco Energy Solutions	X	X		
Wizer Electric LLC	X	X	X	X
Yearout Energy Services Company	X	X	X	X
Yearout Service LLC	X			

Trade Ally Businesses Supporting PNM Residential Programs

Name	Area Served			
	Central	Northern	South Central	Southwest
#1 Plumbing And Air	X			
1 of a King Heating, A/C and Plumbing	X			
1-Call Mechanical, LLC	X			
3Js Plumbing & Heating	X			
5 Star Services Plumbing, Heating & Cooling	X			
505 M & C	X			
A-Gee Whiz Mechanical	X			
A & G Heating and Air Conditioning, Inc.	X			
A & G Mechanical, Inc.	X			
A & J Services	X			
A And G Heating And Air Conditioning, Inc.	X			
AAG, Inc.		X		
A B Honest 1 Plumbing, Heating & Cooling, LLC	X			
A.B. Plumbing	X			
A.I.O. Trades	X			
A1 Pool Supply	X			
Action Plumbing Heating & Cooling	X			
AAA Master Services	X			
Abel Plumbing & Heating	X			
Able Service Pro's LLC	X			

Abq Temperature Management LLC	X			
Absolute Mechanical	X	X		
AC&R Heating, Cooling and Plumbing Inc.	X			
Academy	X			
Acetech, LLC	X	X		
Active Refrigeration's A/C & Htg Inc.	X			
Advanced Refrigeration & HVAC	X			
Affordable Service, Inc.	X			
Air Comforting Experts, LLC		X		
Air Conditioning & Heating Service Co.		X		
Air Conditioning Systems, Inc.	X			
Air One Cooling And Heating, LLC	X			
Air Pro, Inc.	X			
Air Care New Mexico	X	X		
Air Service of NM, LLC	X			
Albuquerque Plumbing Heating And Cooling	X			
Albuquerque Winair	X			
All Temperature Systems	X			
Alpine Air	X			
Amazon.Com	X	X	X	X
AMI Mechanical Corp	X			
Ancae Heating, Air Conditioning & Plumbing	X			
Anderson Air Corps	X			
Anderson Refrigeration Inc.				X
Aranda's Plumbing, Heating And Supply, Inc.		X		
Arch Design	X			
Atar, Inc.	X			
Axiom Home Services	X			
B Carlson	X	X		
Backyardpoolsuperstore.Com				
Baker Distributing	X			
Barrera's Mechanical	X			
Bel Air Conditioning and Heating Systems, LLC		X		
Bentley Plumbing And Heating			X	
Best Choice Builders, LLC	X			
Black Bear Mechanical, LLC	X			
Blazin Zia Mechanical	X			
Blue Water Pools Inc.	X			
Bopat Mechanical	X			
Bosque Heating Cooling and Plumbing LLC	X			
Brent's HVAC And Plumbing	X			

Brothers Electro Mechanical, Inc.	X			
Bryan Andrade	X			
Budget Climate Control	X			
Budget Climate Control	X			
Builders Mechanical, Inc.	X			
C&L Total Service, LLC	X			
Cait Co. Drain Works		X		
Carlile Electrical & Mechanical	X			
Cartwright's Plumbing & Roto Rooter		X		
Central NM Housing Corporation	X			
Chant Associates	X			
Clean Air Mechanical Inc.	X			
Climate Heating & Air Conditioning				X
Comfort Doctor Heating & Cooling		X		
Comfort Solutions of New Mexico	X			
Comfort Zone Heating and Air Cooling	X			
Controlled Comfort	X			
Copperstone Plumbing & Piping Systems	X			
Corrales Air LLC	X			
Courtesy Plumbing Heating & Air Conditioning Inc.	X			
CR Refrigeration, LLC	X			
Cross Unlimited, LLC				X
Cummings Construction, LLC	X			
Cunningham Distributing, Inc.	X			
Custom Plumbing & Heating LTD Co.	X			
D&L Plumbing and Heating	X			
Dahl Of Santa Fe		X		
Daniels Heating and Air Conditioning LLC	X			
David Holdren Heating	X			
Davis the Plumber	X			
Day & Night Plumbing Heating & Cooling Inc.	X			
Daylight Electric and Appliance			X	
Delta Mechanical	X			
Desert Mountain Plumbing And Heating Inc.		X		
Desert Pools And Spas	X			
Desert Suns Heating & Cooling	X			
Desert Valley Plumbing, Heating, & Cooling LLC	X			
DJ'S Plumbing & Mechanical, LLC	X			
Doc Savage Supply	X			
Doctor Plumbing	X			
Donner Plumbing & Heating Inc.	X			

Dub-L-EE LLC	X			
Duke City Heating And Cooling, LLC	X			
Durano Construction	X			
Eagle Eye Mechanical		X		
Ebay.Com	X	X	X	X
EcoAir	X			
Elevated Mechanical Services	X			
Em Plumbing Heating Mechanical	X			
Enchanted Hills Heating & Cooling	X			
Enchantment Refrigeration, LLC		X		
Energy Works, LLC				X
Exceptional Services	X			
Ferguson	X			
First Rate Plumbing, Heating & Cooling, Inc.	X			
FLM Enterprises	X			
FM Mechanical	X			
Four Seasons Plumbing & Heating		X		
Four Star Mechanical Services Inc.	x	x		
Frigid Mechanical	X			
G C Services, Inc.	X			
Gardner Plumbing	X			
Garley Heating & Cooling	X			
Garrity Insulation, Inc.	X			
Gimmesum HVAC	X			
Golden Sun Solar		X		
Goodman	X			
Gorman Industries	X			
Gustave Larson	X			
H.E.L.P., Inc.	X			
Harder Electrical & Mechanical Services	X			
Harper Heating And Air Conditioning	X			
Hart Heating & Air Conditioning, Inc.	X			
Hausermann Mechanical LLC	X			
Hercules Industries	X			
Hessinger's Plumbing, Heating & Air	X			
High Desert Air Conditioning And Heating		X		
Home Service Contractors, Inc.				X
HomeRun Plumbing Heating Cooling	X			
Hubbell Electro-Mechanical		X		
Husky Refrigeration HVAC & Mechanical		X		
IAB Mechanical	X			

Image Electric and Mechanical	X			
Industrial Commercial Contracting	X			
Innovative Plumbing Systems	X			
Insight Mechanical		X		
Inyopools.Com	X	X	X	X
ISHC	X			
J.C. Heating and Cooling	X			
JAC Heating & Cooling	X			
James Plumbing & Heating		X		
Jerome's Mechanical		X		
JLC Professional Plumbing & Heating, LLC	X			
John's HVAC	X			
Johnstone Supply Co	X			
Johnstone Supply Co		X		
Jones Mechanical, LLC	X			
JP Plumbery, LLC	X			
J&S Plumbing and Heating				X
Just Sprinklers	X			
Kokopelli Pool & Spa LLC		X		
KSM	X			
Lane Plumbing Company, Inc.				X
LC Heating & Cooling, LLC	X			
Lee-Sure Pools, Inc.	X			
Left-Handed Mechanical & Electrical		X		
Lennox Parts Plus	X			
Leonard’s Plumbing And Heating			X	
Leslie’s Pool Supplies	X			
Leslie’s Pool Supplies #036	X			
Leslie’s Pool Supplies #764	X			
Leslie’s Pool Supplies #868				
Limitless Pool And Spa	X			
Lobo Tech, LLC		X		
Lobo Mechanical	X			
Macias Heating & Cooling				X
Magic Mobile Homes, Inc.	X			
Magnoliapools.Com	X	X	X	X
Marathon Mechanical Services	X			
Master Homecrafters, Inc.	X			
Mat's Mechanical	X			
McKee Service Company	X			
Mechanical Concepts Ltd Co	X			

Mechanical Control Solutions	X			
Mechanical Systems	X			
Medlin Mechanical		X		
Mel Muller Repair	X			
Metal Craft Company				
MGP Mechanical	X			
MGS Refrigeration, Heating, & Cooling				X
Mi Casa Heating LLC		X		
Miller's Insulation	X	X		
MMA Mechanical	X			
Modern Creations Construction	X			
Moore Quality Air, LLC	X			
Morrison Supply Co				X
Morrison Supply Santa Fe		X		
MPC Enterprises				X
N Demand Test & Balance LLC	X			
N&J's Plumbing and HVAC			X	
Nativo Development Corporation		X		
Natures Creations Inc.		X		
New Mexico Pools & Spas	X			
Nowlin Mechanical	X			
NRG-Efficient	X			
Omni Mechanical Services	X			
Ortega Quality Mechanical	X			
Ortega's H.P.C.E.	X			
Otero Plumbing & Heating, Inc.				X
Paul's Plumbing & Heating, Inc.		X		
PDR Of Northern New Mexico, Inc.		X		
Pearl Mechanical LLC	X			
Perfection Pools & Plumbing	X			
Perkins Mechanical, LLP		X		
Perry Supply Co	X	X		
PHC Systems			X	
Pinos Altos Plumbing Corp				X
Plumbing Heating Cooling Systems			X	
Pool And Spa Doctor Inc.		X		
Pool Supply Unlimited	X			
Pool Works	X			
Poolcleaningparts.Com	X	X	X	X
Poolplaza.Com	X	X	X	X
Pools Plus	X			

Poolsupply4Less	X	X	X	X
Poolsupplyunlimited.Com	X	X	X	X
Poolsupplyworld.Com	X	X	X	X
Poper Construction LLC	X			
Porky's of Alamogordo				X
Precision Service LLC	X			
Preferred Plumbing, Heating, & Cooling, LLC	X			
Presidio Mechanical	X			
Priority Plumbing and Heating Inc.	X			
Pro-Tech Air Conditioning & Heating		X		
R & R Heating & Air	X			
Ray Sego Insulation, Inc.	X	x		
Redline Mechanical	X			
Reliable Tech Heating, Cooling & Plumbing LLC.		X		
Reliant Services	X			
Rich Duran Plumbing & Heating Inc.		X		
Rick's Heating & Plumbing				
Rio Grande Food Project	X			
RMS Services	X			
Roadrunner Air Conditioning, Heating & Refrigeration		X		
RS Heating & Cooling	X			
RT Biery LC	X			
Salazar Heating Cooling & Plumbing		X		
Salvation Army		X		
Salvation Army		X		
Santa Fe Habitat for Humanity		X		
Santa Fe Winnelson		X		
SCP	X			
S.E. Electric & Commercial Maintenance, LLC	X			
Signature Heating and Cooling	X			
Simmons Plumbing Company	X			
Southwest Heating & Cooling				X
Southwest Service Company	X			
Southwestern Regional Housing Comm. Dev. Corp				X
Sr. Construction	X			
St. Francis Newman Center				X
STM Air Conditioning And Heating		X		
Stockton Mechanical		X		
Storm Electric	X			
Strongbuilt Solar and Air	X			
Sun State Mechanical, Inc.	X			

Sunshine Plumbing & Heating, Inc.	X			
Tarango Heating & Cooling	X			
Techwest, Inc.	X	X	X	X
Territorial Plumbing, Heating and Electric LLC		X		X
The Storehouse	X			
Thompson Heating And Air Conditioning, Inc.	X			
Top Tier Service Inc.		X		
Total Comfort Heating & Cooling, Inc.	X			
Town & Country Plumbing, Heating, Cooling, LLC	X			
Townsend Pool Specialists	X			
Tru Air Systems	X			
United Refrigeration	X			
Universal Plumbing & Heating		X		
Unlimited Plumbing, LLC	X			
UV Plumbing LLC	X			
Valiant Mechanical & Electrical	X			
Vica Heating & A/C	X			
Viking Air	X			
Wagner Mechanical	X			
Watts Eastside Pools	X			
Weir Plumbing, Heating and Cooling	X			
Williams Mechanical – Alb.	X			
Winnelson- Alamogordo				X
www.Webpoolsupply.Com	X	X	X	X
Wolff Heating, Cooling, and Plumbing	X			
Wong Mechanical	X			

Trade Ally Businesses Supporting Retail Rebate Programs

Retailer	Location
Dollar Tree	Alamogordo
Dollar Tree	Alamogordo
Home Depot	Alamogordo
Lowe's	Alamogordo
Samon's	Alamogordo
Walgreens	Alamogordo
Walmart	Alamogordo
Walmart	Alamogordo
Baillio's	Albuquerque
Batteries Plus Bulbs	Albuquerque
Best Buy	Albuquerque

Best Buy	Albuquerque
Conn's Home Plus	Albuquerque
Costco	Albuquerque
Costco	Albuquerque
Costco	Albuquerque
Do It Best - Raks	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Dollar Tree	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque

Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Family Dollar	Albuquerque
Habitat for Humanity (HFH)	Albuquerque
Home Depot	Albuquerque
Home Depot	Albuquerque
Home Depot	Albuquerque
Home Depot	Albuquerque
Lowe's	Albuquerque
Lowe's	Albuquerque
Lowe's	Albuquerque
Lowe's	Albuquerque
Salvation Army	Albuquerque
Salvation Army	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
Samon's	Albuquerque
Sam's Club	Albuquerque
Sam's Club	Albuquerque
Sam's Club	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque

Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
Smith's Food and Drug	Albuquerque
St. Vincent de Paul	Albuquerque
Target	Albuquerque
Target	Albuquerque
Target	Albuquerque
Target	Albuquerque
Target	Albuquerque
The Lamp Shop	Albuquerque
True Value	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque

Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walgreens	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Walmart	Albuquerque
Family Dollar	Algodones
Ace Hardware	Belen
Dollar Tree	Belen
Family Dollar	Belen
Family Dollar	Belen
St. Vincent de Paul	Belen
Walgreens	Belen
Walmart	Belen
Family Dollar	Bernalillo
Walgreens	Bernalillo
Walmart	Bernalillo
Samon's	Bosque Farms
Family Dollar	Clayton
Dollar Tree	Deming
Family Dollar	Deming
True Value	Deming
Walgreens	Deming
Walmart	Deming
Do It Best - BTU Do It Center!	Las Vegas
Dollar Tree	Las Vegas
Family Dollar	Las Vegas

Walgreens	Las Vegas
Walmart	Las Vegas
Family Dollar	Lordsburg
Ace Hardware	Los Lunas
Do It Best - Raks	Los Lunas
Dollar Tree	Los Lunas
Dollar Tree	Los Lunas
Family Dollar	Los Lunas
Family Dollar	Los Lunas
Family Dollar	Los Lunas
Home Depot	Los Lunas
Lowe's	Los Lunas
Smith's Food and Drug	Los Lunas
St. Vincent de Paul	Los Lunas
Walgreens	Los Lunas
Walgreens	Los Lunas
Walmart	Los Lunas
Walgreens	Los Ranchos
Family Dollar	Peralta
Family Dollar	Pojoaque
Dollar Tree	Rio Rancho
Dollar Tree	Rio Rancho
Dollar Tree	Rio Rancho
Home Depot	Rio Rancho
Lowe's	Rio Rancho
Smith's Food and Drug	Rio Rancho
Target	Rio Rancho
True Value	Rio Rancho
Walgreens	Rio Rancho
Walgreens	Rio Rancho
Walgreens	Rio Rancho
Walgreens	Rio Rancho
Walmart	Rio Rancho
Walmart	Rio Rancho
Walgreens	Ruidiso
Dollar Tree	Ruidoso
Family Dollar	Ruidoso
Family Dollar	Ruidoso
Walmart	Ruidoso Downs

Ace Hardware	Santa Fe
Batteries Plus Bulbs	Santa Fe
Best Buy	Santa Fe
Dollar Tree	Santa Fe
Dollar Tree	Santa Fe
Dollar Tree	Santa Fe
Family Dollar	Santa Fe
Habitat for Humanity (HFH)	Santa Fe
Home Depot	Santa Fe
Lowe's	Santa Fe
Ray of Light	Santa Fe
Salvation Army	Santa Fe
Sam's Club	Santa Fe
Smith's Food and Drug	Santa Fe
Smith's Food and Drug	Santa Fe
Target	Santa Fe
True Value	Santa Fe
Walgreens	Santa Fe
Walgreens	Santa Fe
Walgreens	Santa Fe
Walgreens	Santa Fe
Walmart	Santa Fe
Walmart	Santa Fe
Dollar Tree	Silver City
Family Dollar	Silver City
True Value	Silver City
Walgreens	Silver City
Walmart	Silver City
Family Dollar	Tularosa

The following page shows the UCT calculations for the various programs. These graphs are extracted from the PNM UCT model.

2024

	kWh	kW	Lifetime kWh	EUL	LI%	Total Cost	2024 UCT	kWh & CO_2 NPV Factor	kW NPV Factor
Residential Comp.	16,433,453	2,185	142,475,934	9	28.7%	6,808,220	1.038	$ 0.2152	$ 1,440
Refrig. Recycl.	3,706,738	871	18,237,152	5	0.0%	$ 1,472,559	0.865	$ 0.1381	$ 874
HEC - Mkt	6,426,373	205	57,516,041	9	0.0%	$ 1,781,148	0.942	$ 0.2152	$ 1,440
HEC - LI	4,572,134	336	40,920,601	9	100.0%	$ 1,864,819	0.944	$ 0.2152	$ 1,440
Midstream Cooling	1,728,208	773	25,802,140	15	0.0%	$ 1,689,694	1.295	$ 0.3129	$ 2,131
Residential Products	24,515,684	1,335	325,077,968	13	0.0%	$ 4,444,957	2.156	$ 0.2858	$ 1,930
Commercial Comp.	38,607,755	7,305	409,242,200	11	0.0%	$ 10,006,176	2.221	$ 0.2538	$ 1,701
Easy Savings	2,024,750	242	22,616,458	11	100.0%	$ 328,898	3.376	$ 0.2538	$ 1,701
Energy Smart (MFA)	1,438,245	373	23,227,657	16	100.0%	$ 964,909	1.609	$ 0.3250	$ 2,216
New Home Const.	650,756	209	9,761,335	15	0.0%	$ 575,090	1.130	$ 0.3129	$ 2,131
Behavioral (Residential)	2,007,750	571	2,007,750	1	0.0%	$ 664,664	0.220	$ 0.0257	$ 166
Behavioral (Commercial)	3,736,000	710	11,208,000	3	0.0%	$ 374,388	1.699	$ 0.0719	$ 517
Home Works	2,860,200	135	31,948,434	11	40.0%	$ 784,382	1.316	$ 0.2538	$ 1,701
Power Saver (LM)	1,600,000	40,000	1,600,000	7	0.0%	$ 5,445,888	1.183	$ -	$ 161
Peak Saver (LM)	1,200,001	30,000	1,200,001	7	0.0%	$ 4,119,626	1.173	$ -	$ 161
Total	95,074,594	83,065	980,365,736			$ 34,517,198	1.60		

2024 Programs	NPV Benefits	NPV Costs	2024 UCT
Residential Comp.	$ 7,066,016	$6,808,220	1.04
Refrig. Recycl.	$ 1,273,225	$1,472,559	0.86
HEC - Mkt	$ 1,677,749	$1,781,148	0.94
HEC - LI	$ 1,760,812	$1,864,819	0.94
Midstream Cooling	$ 2,187,960	$1,689,694	1.29
Residential Products	$ 9,582,248	$4,444,957	2.16
Commercial Comp.	$ 22,220,562	$10,006,176	2.22
Easy Savings	$ 1,110,471	$328,898	3.38
Energy Smart (MFA)	$ 1,552,895	$964,909	1.61
New Home Const.	$ 649,856	$575,090	1.13
Behavioral (Residential)	$ 146,327	$664,664	0.22
Behavioral (Commercial)	$ 635,949	$374,388	1.70
Home Works	$ 1,032,552	$784,382	1.32
Power Saver (LM)	$ 6,440,751	$5,445,888	1.18
Peak Saver (LM)	$ 4,830,563	$4,119,626	1.17
Total	$ 55,101,920	$ 34,517,198	1.60

2025

	kWh	kW	Lifetime kWh	EUL	LI%	Total Cost	kWh & CO_2 NPV Factor	kW NPV Factor
Residential Comp.	16,159,657	1,781	140,423,201	9	31.6%	7,175,099	$ 0.1976	$ 1,510
Refrig. Recycl.	3,706,738	871	18,237,152	5	0.0%	$ 1,476,674	$ 0.1150	$ 909
HEC - Mkt	5,705,993	74	51,068,638	9	0.0%	$ 1,797,207	$ 0.1976	$ 1,510
HEC - LI	4,952,206	32	44,322,244	9	100.0%	$ 2,104,354	$ 0.1976	$ 1,510
Midstream Cooling	1,794,720	803	26,795,166	15	0.0%	$ 1,796,864	$ 0.2942	$ 2,197
Residential Products	24,515,684	1,335	325,077,968	13	0.0%	$ 4,505,684	$ 0.2674	$ 2,002
Commercial Comp.	39,959,026	7,422	423,565,677	11	0.0%	$ 10,379,672	$ 0.2351	$ 1,773
Easy Savings	1,735,500	207	19,385,535	11	100.0%	$ 282,709	$ 0.2351	$ 1,773
Energy Smart (MFA)	1,704,074	458	27,520,800	16	100.0%	$ 1,145,223	$ 0.3102	$ 2,304
New Home Const.	702,751	223	10,541,268	15	0.0%	$ 599,911	$ 0.2942	$ 2,197
Behavioral (Residential)	1,879,250	571	1,879,250	1	0.0%	$ 665,559	$ 0.0257	$ 168
Behavioral (Commercial)	4,448,000	845	13,344,000	3	0.0%	$ 488,864	$ 0.0719	$ 579
Home Works	2,860,200	135	31,948,434	11	40.0%	$ 803,658	$ 0.2351	$ 1,773
Power Saver (LM)	1,600,000	40,000	1,600,000	6	0.0%	$ 5,507,779	$ -	$ 186
Peak Saver (LM)	1,200,001	30,000	1,200,001	6	0.0%	$ 3,813,078	$ -	$ 186
Total	96,764,144	82,976	996,486,134			$ 35,367,236		

2025 Programs	NPV Benefits	NPV Costs	2025 UCT
Residential Comp.	$ 6,252,560	$7,175,099	0.87
Refrig. Recycl.	$ 1,218,454	$1,476,674	0.83
HEC - Mkt	$ 1,238,628	$1,797,207	0.69
HEC - LI	$ 1,232,845	$2,104,354	0.59
Midstream Cooling	$ 2,292,335	$1,796,864	1.28
Residential Products	$ 9,227,669	$4,505,684	2.05
Commercial Comp.	$ 22,548,983	$10,379,672	2.17
Easy Savings	$ 929,824	$282,709	3.29
Energy Smart (MFA)	$ 1,900,469	$1,145,223	1.66
New Home Const.	$ 695,954	$599,911	1.16
Behavioral (Residential)	$ 144,003	$665,559	0.22
Behavioral (Commercial)	$ 809,223	$488,864	1.66
Home Works	$ 985,256	$803,658	1.23
Power Saver (LM)	$ 7,453,713	$5,507,779	1.35
Peak Saver (LM)	$ 5,590,285	$3,813,078	1.47
Total	$ 56,267,641	$ 35,367,236	1.59

2026

	kWh	kW	Lifetime kWh	EUL	LI%	Total Cost	kWh & CO_2 NPV Factor	kW NPV Factor
Residential Comp.	18,138,879	1,846	158,733,847	9	38.6%	7,891,239	$ 0.2061	$ 1,584
Refrig. Recycl.	3,706,738	871	18,237,152	5	0.0%	$ 1,474,597	$ 0.1160	$ 926
HEC - Mkt	5,687,214	79	50,900,569	9	0.0%	$ 1,936,854	$ 0.2061	$ 1,584
HEC - LI	6,850,438	49	61,311,420	9	100.0%	$ 2,616,160	$ 0.2061	$ 1,584
Midstream Cooling	1,894,488	848	28,284,706	15	0.0%	$ 1,863,630	$ 0.3051	$ 2,290
Residential Products	24,515,684	1,335	325,077,968	13	0.0%	$ 4,548,682	$ 0.2740	$ 2,077
Commercial Comp.	41,157,797	7,534	436,272,647	11	0.0%	$ 10,639,693	$ 0.2429	$ 1,847
Easy Savings	1,446,250	173	16,154,613	11	100.0%	$ 235,256	$ 0.2429	$ 1,847
Energy Smart (MFA)	1,969,319	543	31,804,505	16	100.0%	$ 1,320,454	$ 0.3239	$ 2,355
New Home Const.	725,768	233	10,886,526	15	0.0%	$ 607,016	$ 0.3051	$ 2,290
Behavioral (Residential)	1,761,750	571	1,761,750	1	0.0%	$ 665,559	$ 0.0255	$ 224
Behavioral (Commercial)	4,210,000	800	12,630,000	3	0.0%	$ 360,875	$ 0.0732	$ 633
Home Works	2,860,200	135	31,948,434	11	40.0%	$ 819,907	$ 0.2429	$ 1,847
Power Saver (LM)	1,600,000	40,000	1,600,000	5	0.0%	$ 5,547,244	$ -	$ 194
Peak Saver (LM)	1,200,001	30,000	1,200,001	5	0.0%	$ 3,843,112	$ -	$ 194
Total	99,585,648	83,168	1,028,070,291			$ 36,479,038		

2026 Programs	NPV Benefits	NPV Costs	2026 UCT
Residential Comp.	$ 7,175,954	$7,891,239	0.91
Refrig. Recycl.	$ 1,236,588	$1,474,597	0.84
HEC - Mkt	$ 1,296,454	$1,936,854	0.67
HEC - LI	$ 1,786,573	$2,616,160	0.68
Midstream Cooling	$ 2,518,798	$1,863,630	1.35
Residential Products	$ 9,489,210	$4,548,682	2.09
Commercial Comp.	$ 23,911,886	$10,639,693	2.25
Easy Savings	$ 803,856	$235,256	3.42
Energy Smart (MFA)	$ 2,298,789	$1,320,454	1.74
New Home Const.	$ 754,645	$607,016	1.24
Behavioral (Residential)	$ 172,527	$665,559	0.26
Behavioral (Commercial)	$ 814,424	$360,875	2.26
Home Works	$ 1,020,279	$819,907	1.24
Power Saver (LM)	$ 7,767,317	$5,547,244	1.40
Peak Saver (LM)	$ 5,825,488	$3,843,112	1.52
Total	$ 59,696,836	$ 36,479,038	1.64