

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

Advice Notice No. 575

February 26, 2021

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**NEW MEXICO PUBLIC REGULATION COMMISSION**

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

<b><u>RATE NUMBER</u></b>	<b><u>TITLE OF RATE</u></b>	<b><u>CANCELING RATE NUMBER</u></b>	<b><u>DATE EFFECTIVE</u></b>
	Table of Contents	Advice Notice No. 574	March 31, 2021
Original Rider No. 50	Voluntary Solar Renewable Energy Program – PNM Solar Direct For Governmental and Large Commercial Customers		March 31, 2021

Advice Notice No. 575

**EFFECTIVE**

March 31, 2021

Replaced by NMPRC

By: Commission Final Order

Case No. 19-00158-UT

/s/Mark Fenton

Mark Fenton

Executive Director, Regulatory Policy and Case Management

GCG #527697

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Small Power Service	23 <sup>rd</sup> Revised 2A
Small Power Service Time-of-Use Rate	23 <sup>rd</sup> Revised 2B
General Power Service Time-of-Use Rate	22 <sup>nd</sup> Revised 3B
General Power Service (Low Load Factor) Time-of-Use Rate	5 <sup>th</sup> Revised 3C
Pilot Municipalities and Counties General Power Service Time-Of-Use Rate	1 <sup>st</sup> Rate 3D
Pilot Municipalities and Counties General Power Service Non-Residential Charging Station – Pilot (Low Load Factor) Time-Of-Use Rate	1 <sup>st</sup> Rate 3E
Large Power Service Time-of-Use Rate	Original Rate 3F
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≥ 8,000 kW Minimum at 115kV, 69kV, 46kV or 34.5kV	23 <sup>rd</sup> Revised 5B
Private Area Lighting Service	15 <sup>th</sup> Revised 6
Irrigation Service	21 <sup>st</sup> Revised 10A
Irrigation Service Time-of-Use Rate	21 <sup>st</sup> Revised 10B
Water and Sewage Pumping Service Time-of-Use Rate	20 <sup>th</sup> Revised 11B
Cogeneration and Small Power Production Facilities	49 <sup>th</sup> Revised 12
Large Service for Public Universities ≥ 8,000 kW Minimum with Customer-Owned Generation Facilities Served at 115 kV	11 <sup>th</sup> Revised 15B
Special Charges	9 <sup>th</sup> Revised 16
Integrated System Streetlighting and Floodlighting Service	16 <sup>th</sup> Revised 20
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Small Photovoltaic Renewable Energy Certificate	2 <sup>nd</sup> Revised 24
Large Service for Manufacturing for Service	11 <sup>th</sup> Revised 30B
≥ 30,000 kW Minimum at Distribution Voltage	
Large Photovoltaic Renewable Energy Certificate	1 <sup>st</sup> Revised 31
Solar Renewable Energy Certificate Purchase Program	5 <sup>th</sup> Revised 32
Large Service for Station Power (Time-Of-Use)	3 <sup>rd</sup> Revised 33B
Large Power Service ≥ 3,000 kW Time-of-Use Rate	2 <sup>nd</sup> Revised 35B
Special Service Rate – Renewable Energy Resources (including attached Special Service Contract)	3 <sup>rd</sup> Revised 36B
Incremental Interruptible Power Applicable to Rate Nos. 3B, 3C, 4B and 35B	12 <sup>th</sup> Revised Rider 8
Energy Efficiency Rider	24 <sup>th</sup> Revised Rider 16
Fuel and Purchased Power Costs Adjustment Clause (“FPPCAC”) Applicable to Retail Energy Rate Schedules	8 <sup>th</sup> Revised Rider 23
Net Metering Service	Original Rider 24
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2014 City of Rio Rancho Underground Project Rider	1 <sup>st</sup> Revised Rider 39	
2014 City of Albuquerque Underground Projects Rider	1 <sup>st</sup> Revised Rider 40	
Economic Development Rider Applicable to Rate Nos. 4B, 5B, 30B and 35B	1 <sup>st</sup> Revised Rider 45	
Economic Development Rider Contract (American Gypsum)	Original Rider 45A	
2016 City of Rio Rancho UG Project	1 <sup>st</sup> Revised Rider 46	
Green Energy Rider	1 <sup>st</sup> Revised Rider 47	
Production Cost Allocation Rider	1 <sup>st</sup> Revised Rider 49	
Voluntary Solar Renewable Energy Program – PNM Solar Direct for Governmental and Large Commercial Customers	Original Rider 50	x

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**PUBLIC SERVICE COMPANY OF NEW MEXICO  
ELECTRIC SERVICES  
ORIGINAL RIDER NO. 50**

**VOLUNTARY SOLAR RENEWABLE ENERGY PROGRAM – PNM SOLAR DIRECT FOR  
GOVERNMENTAL AND LARGE COMMERCIAL CUSTOMERS**

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1. **EXPLANATION OF RIDER:** Public Service Company of New Mexico (the “Company” or “PNM”) is offering to eligible customers the option to purchase solar energy in addition to the solar energy provided by PNM pursuant to the renewable portfolio standard (“RPS”). A Customer’s receipt of service under this Rider is voluntary and on a contractual basis. PNM Form No. 106, PNM Solar Direct Service Agreement – Governmental Entities; Form No. 107, PNM Solar Direct Service Agreement – Non-Governmental Entities; and the New Mexico Public Regulation Commission’s final order in Case No. 19-00158 establish the terms and conditions of a Customer’s receipt of service under this Rider.
  
2. **DEFINITIONS:**
  - a. **Aggregated Billable Demand:** The sum of the billable demand assessed to all of the Customer’s electric service accounts subject to an on-peak demand charge per the terms of the applicable tariff, expressed in kilowatts (“kW”).
  - b. **Administrative Charge:** The total cost of program administration divided by the term in months divided by the Solar Facility’s nameplate capacity, expressed in \$/kW-Month. This Charge is assessed to Customers receiving service under this Rider to recover the administrative costs associated with the program. The Administrative Charge will be \$0.0553758/kW-month and will remain the same over the term of the Service Agreement.
  - c. **Contract Rider Rate:** The cost per kWh assessed to Customers receiving service under this Rider over the term of the Service Agreement. Contract Rider Rate will be \$0.0217300/kWh over the term of the Service Agreement.
  - d. **Customer:** Any person, firm, association or corporation being supplied with and responsible for payment for service for one or more electric service accounts under any eligible rate schedule, including Governmental Customers unless otherwise indicated.
  - e. **Early Termination Fee:** The charge assessed to any Customer that terminates service under this Rider before the term of the Service Agreement. The charge collects any remaining Solar Production Charges and Monthly Administrative Charge as described in Section 8.
  - f. **Governmental Customer:** Any Customer that is a political subdivision of the state, including public school districts; an educational institution designated in Article 12, Section 11 of the constitution of New Mexico; a federally recognized Indian nation, tribe or pueblo; an entity controlled by a federally recognized Indian nation, tribe or pueblo; or a department of the federal government.
  - g. **Renewable Allocation Factor:** Percentage of the Renewable Energy Production that will be allocated to each Customer and that will be used to calculate monthly billing charges and credits as applicable in this Rider. It is calculated as the Customer’s Renewable Energy Subscription divided by the Solar Facility’s nameplate capacity expressed in kW. The Renewable Allocation Factor will remain constant as per the terms of the Service Agreement.
  - h. **Renewable Energy Production:** The amount of actual renewable energy produced per month by the Solar Facility expressed in kilowatt-hours (“kWh”).

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- i. **Renewable Energy Subscription:** The amount of capacity from the Solar Facility contracted by Customer, expressed in kW.
  - j. **Service Agreement:** The written, fully-executed agreement between the Customer and the Company that establishes the contract period for the Renewable Energy Subscription, the Contract Rider Rate, the applicable Early Termination Fee and other terms and conditions relating to Customer's participation in the Voluntary Renewable Energy Program and receipt of service under this Rider.
  - k. **Solar Facility:** The utility-scale solar photovoltaic facility or facilities that supply renewable energy to the Voluntary Renewable Energy Program.
  - l. **Total Energy Usage:** All of the Customers' aggregated monthly or annual energy usage subject to service under this Rider.
  - m. **Voluntary Renewable Energy Program:** A program offered to eligible Customers, pursuant to NMSA 1978, Section 62-16-7, this Rider and the Service Agreement, who wish to purchase solar renewable energy in addition to the solar energy provided by PNM pursuant to the RPS. Customers participating in the Voluntary Renewable Energy Program receive service under this Rider and pursuant to the terms of the Service Agreement.
  - n. **WREGIS Fee:** The fee charged by the Western Renewable Energy Generation Information System ("WREGIS") to PNM to: a) retire a renewable energy certificate ("REC") on behalf of a customer; or b) transfer a REC to a customer's WREGIS account. This passthrough charge, currently \$0.000005/kWh, may change from time to time when WREGIS updates their fee matrix.
3. **ELIGIBILITY:** Service under this Rider is available to:
- a) Governmental Customers taking permanent retail metered service under any of PNM's retail rate schedules and
  - b) Customers taking permanent retail metered service under PNM's retail rate schedules 3B, 3C, 3D, 3E, 4B, 5B, 15B, 30B and 35B, with electric service accounts with a monthly average Aggregated Billable Demand of at least 2,500 kW, in the calendar year prior to the Customer's application, or for new PNM Customers, as projected for the subsequent 12 month period.
4. **TERRITORY:** All territory served by the Company.
5. **CONDITIONS OF SERVICE:** Capacity will be available for Renewable Energy Subscriptions as follows:
- a) A Customer that desires to participate in the Voluntary Renewable Energy Program must submit and execute a Notice of Intent ("NOI") to Participate.
  - b) In its NOI, the Customer must designate its requested Renewable Energy Subscription, which shall not exceed the limitation provided in paragraph 5(g).
  - c) At least 30 MW of the Solar Facility's capacity will be reserved for Governmental Customers.
  - d) Before the execution of the Service Agreement, PNM will confirm the final Renewable Energy Subscription amount with the eligible Customers.

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- e) No individual Customer's Renewable Energy Subscription may exceed 60% of the capacity of the Solar Facility.
- f) Service under this Rider will be available to Customers after entering into a Service Agreement with the Company with a contract term of 15 years.
- g) A Customer's Renewable Allocation Factor times the Renewable Energy Production may not exceed the Customer's Total Energy Usage.
- h) If in any given month, the Renewable Energy Production times the Renewable Allocation Factor exceeds the Customer's Total Energy Usage, all applicable charges and credits will be billed and subject to the rates in effect at that time and will not be carried over to subsequent month.
- i) In the event changes in the Customer's Total Energy Usage during the term of the Service Agreement result in the Customer not meeting the eligibility criteria, PNM may terminate the customer's participation in the Voluntary Renewable Energy Program and receipt of service under this Rider.
- j) In accordance with the terms of the Service Agreement, a participating Customer may transfer all or a portion of its Renewable Energy Subscription to another eligible Customer that is either (i) not receiving service pursuant to this Rider or (ii) meets the limitation provided in paragraph 5(g). A Customer taking the transfer of the Renewable Energy Subscription must (i) submit an application and (ii) sign transfer documents required by PNM. PNM will verify that the electric usage of the new Subscribed Accounts meets the eligibility criteria and the limitation provided in paragraph 5(g).
- k) Any Customer that wishes to terminate service before the term of the Service Agreement under this Rider must provide written notice to the Company at least 60 days before the expected termination date and may be subject to an Early Termination Fee. Customers that terminate service under this Rider who wish to participate in this Rider once again will be required to reapply for a new Renewable Energy Subscription.

**6. CHARGES AND FEES:**

- a) Customers receiving service under this Rider will be required to pay the Solar Production Charge.
- b) Customers receiving service under this Rider will be required to pay the Monthly Administrative Charge.
- c) Customers receiving service under this Rider will be required to pay the Monthly WREGIS Fee to retire RECs on behalf of the customer or to transfer RECs to customer's account.

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See table below for the calculation of the charges and fees:

<i>Contract Rider Rate</i>	*	<i>Renewable Energy Production</i>	*	<i>Customer's Renewable Allocation Factor</i>	=	<i>Solar Production Charge</i>
<i>Administrative Charge</i>			*	<i>Customer's Renewable Energy Subscription</i>	=	<i>Monthly Administrative Charge</i>
<i>WREGIS Fee</i>	*	<i>Renewable Energy Production</i>	*	<i>Customer's Renewable Allocation Factor</i>	=	<i>Monthly WREGIS fee</i>

- d) Customers who elect to terminate service under this Rider prior to the Expiration Date will be subject to an Early Termination Fee. If PNM terminates service under this Rider because Customer no longer meets eligibility requirements or due to Customer's material default, Customer will be subject to an Early Termination Fee.

**7. CREDITS:**

- a) Customers will receive a fuel and purchased power cost credit calculated at the monthly average fuel and purchased power cost per the Fuel and Purchased Power Cost ("FPPCAC") that is paid by the Customer; a system average non-fuel variable cost credit, as calculated and approved in PNM's most recent general rate case proceeding; and a Renewable Portfolio Standard cost credit calculated at the currently applicable Renewable Energy Rider rate approved in PNM's Rider 36 ("RER").

See table below for the calculation of the credits:

<i>Renewable Energy Production</i>	*	<i>Customer's Renewable Allocation Factor</i>	*	<i>Average Fuel and Purchased Power Cost paid by the Customer</i>	=	<i>Fuel and Purchased Power Credit</i>
			*	<i>Average Non-Fuel Variable Cost from Last Rate Case</i>	=	<i>Non-Fuel Variable Cost Credit</i>
			*	<i>Current Calendar Year RER Rider 36 Rate</i>	=	<i>Renewable Portfolio Standard Cost Credit</i>

- b) The average non-fuel variable cost credit rate is from PNM's last approved general rate case.

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- c) For billing purposes, the Company will calculate monthly the Renewable Energy Production generated by the Solar Facility and multiply it by each Customer's specific Renewable Allocation Factor at the end of each calendar month.
- d) Customers that participate in this Rider will receive a separate monthly bill associated with the most recent calendar month charges and credits.
- e) Charges and credits for this Rider will be calculated on a calendar month basis, with rates effective on the date the Renewable Energy Production meter at the Solar Facility is read.
- f) In an event of default by the Solar Facility provider, any damages PNM collects and any termination payment will be refunded to Customers of this Rider proportionally to the Customers Renewable Allocation Factor.

**8. METHOD OF CALCULATING EARLY TERMINATION FEE:**

- a) Customers will be subject to an early termination fee as described in Section (6)(d). Customer will be responsible for the net cost of the remaining renewable energy that was to be delivered to the Customer during the remainder of the Service Agreement.
- b) The fee will be based on (1) the time remaining in the term of the Service Agreement, (2) the forecast annual renewable energy to be generated by the Solar Facility, (3) Customer's Renewable Allocation Factor, and (4) the difference between the Contract Rider Rate and the forecast fuel cost during the term of the Service Agreement, but in no event less than zero dollars, plus Customer's share of the Administrative Fee for the number of months remaining in the Service Agreement.
- c) Customer will not be obligated to pay the Early Termination Fee if another eligible customer fully subscribes to Customer's Renewable Energy Subscription as described in Section (9).

**9. TRANSFER AND ASSIGNMENT:**

- a) Customer may transfer all or a portion of its Renewable Energy Subscription to another eligible Customer that is (i) not receiving service under this Rider, and/or (ii) its Renewable Allocation Factor times the Renewable Energy Production does not exceed 100% of its annual Total Energy Usage established at the time of the proposed transfer.
- b) Customer requesting such transfer must submit a Transfer Notice and Application as set forth in the Service Agreement.
- c) All such proposed transfers shall be subject to prior written approval from PNM as set forth in the Service Agreement.
- d) The customer taking the transfer of the Renewable Energy Subscription must demonstrate that its electric usage meets the eligibility criteria and will accommodate the transfer of the Renewable Energy Subscription.
- e) PNM shall have the sole discretion to approve, deny, or modify a transfer request to meet the requirements of the Program.

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**10. OTHER TERMS AND CONDITIONS:**

- a) Total Energy Usage for Customers participating in this Rider will continue to be subject to all other applicable rates and riders per the terms of the applicable rate schedules as described in the Eligibility section of this Rider.
- b) The Company provides service under this Rider through solar energy resources that are procured by the Company.
- c) All terms and conditions as stated in the Customer's applicable base rate schedule shall apply to the service received under this Rider.
- d) PNM will retire on behalf of the Customer or transfer to Customer's WREGIS account all of the renewable energy certificates ("RECs"), as defined in NMSA 1978, Section 62-16-5, associated with the kWh of renewable energy generated by the Solar Facility that equals the Customer's Renewable Energy Subscription and as further outlined in the Service Agreement. These retirements shall be in addition to any RECs retired by PNM for compliance with the RPS, thus supporting the development of additional renewable energy resources in New Mexico.
- e) At the Company's discretion, Customers may be deemed ineligible for the Rider if it has received a disconnection notice within twelve (12) months preceding Customer's application to receive service under this Rider.

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