

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF PUBLIC SERVICE )  
COMPANY OF NEW MEXICO’S )  
APPLICATION FOR APPROVAL OF PURCHASED )  
POWER AGREEMENTS, ENERGY STORAGE )  
AGREEMENTS, AND CERTIFICATES OF PUBLIC )  
CONVENIENCE AND NECESSITY FOR SYSTEM ) Case No. 23-00xxx-UT  
RESOURCES IN 2026 )  
)  
)  
PUBLIC SERVICE COMPANY OF NEW MEXICO, )  
)  
Applicant )  
\_\_\_\_\_ )**

**PUBLIC SERVICE COMPANY OF NEW MEXICO’S APPLICATION FOR APPROVAL OF PURCHASED POWER AGREEMENTS, ENERGY STORAGE AGREEMENTS, AND CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR SYSTEM RESOURCES IN 2026**

Public Service Company of New Mexico (“PNM” or the “Company”) files its *Application for Approval of Purchased Power Agreements, Energy Storage Agreements, and Certificates of Public Convenience and Necessity for System Resources in 2026*. New Mexico’s Energy Transition Act (“ETA”) requires PNM to supply one hundred percent of all retail electricity sales with zero carbon resources by January 1, 2045. To meet this goal, PNM has engaged in comprehensive efforts to retire existing carbon-emitting resources and replace them with carbon-free generation and battery storage. This Application represents PNM’s next step toward meeting the ETA requirements while maintaining resource adequacy sufficient to meet modern reliability standards.

This Application requests the Commission approve the resource additions necessary to meet peak load requirements in 2026. PNM is seeking to add approximately 100 MW of solar and 310 MW of battery energy storage—250 MW through energy storage agreements (“ESAs”) and 60 MW through a certificate of public convenience and necessity (“CCN”) for a utility-owned

battery energy storage system (“BESS”)—to meet system requirements. These resources will serve to move PNM to an industry standard loss of load expectation (“LOLE”) equal to one-day-in-ten-years, *i.e.*, a 0.1 LOLE. The portfolio of resources included in this Application will provide cost effective and reliable service while keeping on track to meet the ETA requirements and PNM’s target to provide service from 100% carbon-free generation by 2040.

## **I. SUMMARY AND TIMING OF REQUESTED APPROVALS**

PNM’s Application seeks Commission approval of a proposed resource portfolio that includes: a long-term solar Power Purchase Agreement (“PPA”) for Quail Ranch solar project with a 100 MW nameplate capacity; three Long-Term ESAs for the Sky Ranch II, Route 66 and Quail Ranch four-hour battery projects with a combined 250 MW capacity; and a CCN to construct the 60 MW four-hour BESS Sandia Storage Project.

PNM is requesting approval of the PPA and ESAs pursuant to 17.9.551 NMAC, Prior Approval of Power Purchase Agreements (the “PPA Rule”). The PPA Rule requires the Commission to issue its final order acting on an application for approval of a PPA or ESA within six months of the date the application is filed, or the application is deemed approved. PNM is requesting approval of the PPA and ESAs within this six-month timeframe.

PNM is requesting approval of the CCN for the Sandia Storage Project pursuant to N.M. Stat. Ann. § 62-9-1 (1978), which requires the Commission issue an order granting or denying an application for a CCN within nine months of the initial filing date, unless the Commission extends the nine-month statutory period for an additional six months for good cause shown. PNM entered an Engineering, Procurement, and Construction (“EPC”) contract with DEPCOM Power Inc. to build the Sandia Storage Project. While the Public Utility Act provides

for a nine-month approval process for CCN approval, the Sandia Storage Project EPC agreement requires an unappealable order approving PNM's application for CCN by June 1, 2024, to achieve a commercial operation date prior to the 2026 summer peak season. To meet this timeline, PNM requests the Commission issue a final order approving the CCN within the same six-month timeline as the PPA and ESAs requested in this proceeding, which is by May 1, 2024.

## **II. SUPPORT FOR APPLICATION**

1. PNM's Application is filed pursuant to and in accordance with 17.9.551 NMAC and N.M. Stat. Ann. § 62-9-1 (1978). 17.9.551 NMAC outlines the general requirements for filing an application for approval of long-term PPAs and ESAs and N.M. Stat. Ann. § 62-9-1 (1978) outlines the requirements for a CCN application. The testimonies and exhibits filed with this Application discuss how PNM's proposed portfolio of resources satisfy these regulatory and statutory requirements.

2. PNM is a New Mexico corporation that owns, operates and controls public utility plant, property and facilities, including generation, transmission and distribution facilities that provide retail and wholesale electric service in New Mexico. PNM is a duly incorporated public utility subject to the jurisdiction of the Commission pursuant to the Public Utility Act, NMSA 1978, §§ 62-1-1 to 62-6-28 and §§ 62-8-1 to 62-13-15 ("PUA"). PNM is authorized to provide utility service within multiple municipalities and communities in various service areas throughout the state. As a public utility, PNM is required to provide adequate, efficient, and reasonable electric service pursuant to NMSA 1978, Section 62-8-2.

3. The testimonies and exhibits filed with this Application provide substantial factual support for PNM's request for approval of 1) one long-term solar PPA; 2) three ESAs comprising projects

totaling 250 MW of four-hour battery energy storage; and 3) a CCN for the 60-MW Sandia four-hour BESS.

4. Each of the Application's requested approvals is summarized below.

***Power Purchase Agreement:***

***Quail Ranch Solar Project.*** A long-term PPA between PNM and Quail Ranch Solar LLC for all the output of the Quail Ranch solar photovoltaic facility over a twenty-year term at a rate of \$29.84/MWh, which has a nameplate capacity of 100 MW, will be located in Bernalillo County, New Mexico, and is expected to have a Commercial Operation Date ("COD") of November 2, 2025.

***Energy Storage Agreements:***

***Quail Ranch Energy Storage Project.*** A long-term ESA between PNM and Quail Ranch Energy Storage LLC for the capacity and energy storage of the Quail Ranch Energy Storage Project over a twenty-year term at a volumetric rate of \$49.20/MWh, a 100 MW four-hour battery storage facility co-located with the Quail Ranch solar facility, expected to have a COD of November 2, 2025.

***Sky Ranch Energy Storage Project.*** An ESA between PNM and Sky Ranch II Energy Storage LLC for the capacity and energy storage of the Sky Ranch II Energy Storage Project over a twenty-year term at a volumetric rate of \$28.04/MWh, a 100 MW four-hour battery storage facility co-located with the Commission-approved Sky Ranch solar project in Valencia County, New Mexico, and expected to have a COD of February 1, 2026.

***Route 66 Energy Storage Project.*** An ESA between PNM and Route 66 Energy Storage LLC for the capacity and energy storage of the Route 66 Energy Storage Project over its contractual (approximately 20 year) term at a volumetric rate of \$48.95/MWh, a 49.5 MW four-

hour battery storage facility co-located with the Commission-approved Route 66 solar facility in Cibola County, New Mexico, expected to have a COD of February 1, 2026.

***Certificate of Convenience and Necessity***

***Sandia Storage Project.*** A certificate of public convenience and necessity (“CCN”) for the Sandia Storage Project, a 60 MW four-hour battery storage facility located near PNM’s existing Sandia Substation in southeast Albuquerque, New Mexico. PNM entered an Engineering, Procurement, and Construction (“EPC”) contract with DEPCOM Power Inc. to build the facility, which will be owned by PNM, is anticipated to cost approximately \$131 million, and is expected to have a COD of May 1, 2026

5. PNM used a robust and competitive Request for Proposals (“RFP”) and resource modeling analysis to identify, evaluate, and select for Commission approval the portfolio of resources presented in this Application. PNM enlisted the services of qualified experts to assist and conduct portions of the solicitation and evaluation processes. These analyses determined that the proposed portfolio of resources is the optimum mix of generation resources that can be available by May 2026 to economically and reliably serve retail customers.

6. PNM’s RFP resulted in a range of bid proposals to meet 2026 reliability needs. PNM’s economic modeling and resource adequacy and reliability modeling demonstrate that the selected resources meet system reliability and customer load needs in 2026 at a lower cost than other resources bid into the portfolio. As a result, customers will benefit from PNM entering into agreements at issue in this Application.

7. PNM’s analysis supports the selection of the PPA, ESA, and CCN resources that in combination with each other and when combined with PNM’s generation portfolio will result in adequate and reliable service to customers at a fair and reasonable cost.

8. The PPA and ESAs are sponsored by PNM Witness Jeremy Heslop and are further supported by analyses detailed in other witness testimonies and exhibits. PNM's supporting testimonies and exhibits provide the necessary detail concerning the terms and conditions of the PPA and each ESA and the associated costs. The evidence presented shows that the PPA and ESAs are consistent with the provision of safe and reliable service at the lowest reasonable cost, considering both short- and long-term costs and other relevant factors set forth in the PPA Rule.

9. PNM's supporting testimony and analysis shows that the PPA and ESAs presented in this Application meet the public convenience and necessity standard applicable under the PPA Rule and Commission precedent. PNM has satisfied the information requirements of 17.9.551.8 NMAC and the agreements are needed, reasonable, and in the public interest.

10. PNM is proposing, for the first time, a volumetric pricing structure for the ESAs. This pricing structure bases the price of the ESAs dependent upon the output of co-located solar production facilities. Consequently, every unit of solar energy produced justifies a dollar per MWh price for both solar energy and battery usage. As such, facilities with a higher ratio of solar-to-battery capacity will have a lower per-unit price; however, there will be no disparate effects on the notional value of the contract. Furthermore, this pricing structure still allows for a fully controllable tolling agreement between PNM and the counterparty for use of the battery facility.

11. PNM conducted rigorous modeling and review to determine the optimal pricing structure for the ESAs. The volumetric pricing structure avoids any recognition of lease liability and associated imputed debt. PNM compared the cost of the volumetric priced ESAs to fixed-price option by considering the effects of imputed debt on the PNM's capital structure. The analysis presented in this Application shows that the volumetric-priced ESAs provide the most cost-

effective option when making conservative assumptions regarding the impact of imputed debt associated with fixed-price ESAs.

12. PNM will recover the energy costs associated with the Quail Ranch PPA through its Fuel and Purchased Power Cost Adjustment Clause in accordance with Rule 551.9(A). PNM will seek recovery of the ESA costs in a PNM general rate review filing in which PNM seeks to adjust its base rates.

13. The Sandia Storage Project meets the statutory criteria for issuance of a CCN for an energy storage system under NMSA 1978, Section 62-9-1(D). The project will reduce costs to ratepayers by locating the facility near an existing PNM substation, limiting transmission and substation expansion requirements. By utilizing the Sandia Storage Project to store energy produced from renewable resources during off-peak load periods for discharge during peak, PNM can reduce the use of fossil fuels for meeting demand. The Sandia Storage Project will also aid in ensuring grid reliability, support increased diversification of energy resources, contribute to the reduction of air pollutants resulting from power generation, and ensure efficient service to PNM's customers. The Sandia Storage Project is also the most cost-effective among feasible alternatives. PNM requests that the Commission grant PNM a CCN because the public convenience and necessity require the construction, ownership, and operation of the Sandia Storage Project, which will ensure PNM's ability to provide reliable and efficient service at the most cost-effective rate.

14. PNM will seek recovery of the Sandia Storage Project costs in a PNM general rate review filing in which PNM seeks to adjust its base rates.

15. Each of these resources proposed in this Application have approval date provisions written into their associated contracts to ensure project engineering and equipment purchases can occur to meet the 2026 installation dates. It is important to meet these deadlines because the costs of the

projects otherwise may increase or become unavailable. These specified approval dates are outlined below:

- The Quail Ranch Solar Project: June 3, 2024
- The Quail Ranch Storage Project: June 3, 2024
- The Sky Ranch Storage Project: October 1, 2024
- The Route 66 Storage Project: October 1, 2024
- The Sandia Storage Project: June 1, 2024

16. Under the PPA Rule, an electric utility is required to obtain the Commission’s written approval before becoming irrevocably bound under a long-term PPA, which is defined as a PPA with a term of five years or more and for which the utility intends to seek rate recovery from New Mexico retail customers. 17.9.551.7(E)-8(A) NMAC. The PPA Rule also requires that a utility file an application for approval with the Commission within thirty days after the execution of a long-term PPA. 17.9.551.8(B). The PPA and ESAs presented in this application are for a term greater than five years. All of these agreements were executed on or after September 27, 2023, so PNM’s Application is filed timely. In addition, under Section 6.1 of each of the agreements, they become effective only after satisfaction of conditions precedent, including Commission approval.

17. PNM is requesting approval of the PPA and ESAs pursuant to 17.9.551(10) NMAC. The PPA Rule requires the Commission to issue its final order acting on an application for approval of a PPA or ESA within six months of the date the application is filed, or the application is deemed approved. PNM is requesting approval of the PPA and ESAs within this six-month timeframe.

18. N.M. Stat. Ann. § 62-9-1 (1978) requires the Commission issue an order granting or denying an application for a CCN within nine months of the initial filing date, unless the Commission extends the nine-month statutory period for an additional six months for good cause



shown. PNM is requesting the Commission issue an order granting a CCN for the Sandia Storage Project concurrent with the six-month timeframe provided in the PPA Rule. Approving a CCN for the Sandia Storage Project withing a six-month timeframe is appropriate because the resource is needed for summer 2026 and it meets each of the requirements for a CCN for a battery storage system under Section 62-9-1(D).

19. Time is of the essence in reviewing and approving the PPA, ESAs and CCN presented in this Application. For solar and battery project developers for the PPA and ESAs and the EPC contractor for the Sandia Storage Project to meet COD in advance of the 2026 summer peak, PNM requests the Commission issue a final decision approving its Application by May 1, 2024.

### **III. NOTICE AND PROCEDURAL REQUIREMENTS**

20. PNM's proposed form of Notice is attached to the Application as Exhibit 2. PNM will publish the approved Notice as may be issued by the Commission in the manner so directed.

21. PNM has served a copy of this Application and supporting pre-filed direct testimony on the New Mexico Attorney General, the Commission's Utility Division Staff, and parties to Case No. 22-00270-UT (PNM's most recent rate case).

22. The following designated corporate representatives and legal counsel for PNM should receive all notices, discovery requests, objections and responses, briefs, and all other documents related to this case:

Christopher Atencio, Esq.  
Corporate Counsel  
PNM Resources, Inc.  
Corporate Offices – Legal Dept.  
Albuquerque, New Mexico 87158-0805  
Phone: 505-241-4929  
Christopher.atencio@pnmresources.com

Stacey J. Goodwin  
Associate General Counsel  
PNM Resources, Inc.  
Corporate Offices – Legal Dept.  
Albuquerque, New Mexico 87158-0805  
Phone: 505 241-4927  
Stacey.Goodwin@pnmresources.com

All pleadings, correspondence and other documents should be delivered electronically to the following email addresses:

Steven Schwebke  
Senior Project Manager, Regulatory  
PNM  
Corporate Offices – Regulatory  
Albuquerque, NM 87158-1105  
Phone: 505 241-2881  
[Steven.schwebke@pnm.com](mailto:Steven.schwebke@pnm.com)

Mark Fenton  
Executive Director, Regulatory Policy  
and Case Management  
PNM  
Corporate Offices – Regulatory  
Albuquerque, NM 87158-1105  
Phone: 505 241-2498  
Mark.Fenton@pnm.com

23. The following witnesses provide testimonies and exhibits in support of the Application. The testimonies and exhibits are incorporated by reference herein. The application elements that they support are outlined in Exhibit 1 to this Application.

- a. Henry E. Monroy, Vice President, Regulatory and Corporate Controller
- b. Nicholas Phillips, Director, Atrium Economics, LLC
- c. Roger W. Nagel, Principal, Aion Energy, LLC
- d. Nick Wintermantel, Principal Consultant and Partner, Astrapé
- e. Thomas P. Duane, PNM Manager of Transmission Planning
- f. R. Brent Heffington, PNM Managing Director of Generation
- g. Jeremy W. Heslop, PNM Senior Contracts Manager, Generation Engineering Group
- h. Tim Nichols, PNM Principal of Finance and Special Projects
- i. Thomas M. Feldman, Director, Atrium Economics, LLC

**WHEREFORE**, PNM respectfully requests that the Commission issue a notice of this proceeding, conduct all necessary hearings in accordance with pertinent statutory deadlines, approve the Application and among other things determine that:

A) PNM's request for regulatory approval of the executed long-term PPA with the 100-MW Quail Ranch Solar Project, and request for regulatory approval of the executed long-term

ESAs with the 100-MW Quail Ranch Energy Storage Project, the 100-MW Sky Ranch Energy Storage Project, and the 50-MW Route 66 Energy Storage Project are in the public interest and should be granted, in accordance with the PPA Rule.

B) PNM's request for a CCN for the 60-MW, four-hour Sandia Storage Project should be approved and a CCN should be issued.

C) PNM should be granted any other such authorizations necessary to implement the proposed actions in accordance with the requirements of the Public Utility Act, the PPA Rule, and any other applicable Commission rules.

Respectfully submitted this 25<sup>th</sup> day of October 2023.

**PUBLIC SERVICE COMPANY OF NEW MEXICO**

*/s/ Christopher Atencio* \_\_\_\_\_

Christopher Atencio, Esq.

Corporate Counsel

PNMR Services Company

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(505) 241-4929

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Christopher.atencio@pnmresources.com

*Attorney for Public Service Company of New Mexico*

**Rule 551.8 General Requirements for Filing an Application for Approval of a PPA**

		In Testimony Of
<b>551.8(D)</b>	An application for commission review and approval of an LTPPA shall be accompanied by supporting testimony and exhibits that provide:	
<b>1</b>	A copy of the LTPPA; and	Jeremy Heslop
<b>2</b>	An explanation of key terms and conditions of the LTPPA containing:	
<b>a</b>	the term of the LTPPA including any options to extend the agreement;	Jeremy Heslop
<b>b</b>	the size in MW of capacity and the amount of energy in MWh or kWh per month and any conditions regarding the minimum or maximum amount of energy or capacity made available or required to be purchased;	Jeremy Heslop
<b>c</b>	the price or pricing formula under which the electric utility will pay for the power and energy contracted for, including identification of when charges begin to be incurred, any price reopeners and any price escalation provisions;	Jeremy Heslop
<b>d</b>	obligations by the electric utility to pay for any fixed or variable administrative, transactional or operation and maintenance costs incurred through the operation of the generation facility, including start-up costs, taxes, insurance, environmental or reclamation-related costs, fuel costs and any other costs that the electric utility may incur; and	Jeremy Heslop
<b>e</b>	provisions related to non-performance by the counter-party and the remedies provided.	Jeremy Heslop
<b>3</b>	a description of transmission costs the electric utility will incur or pay to receive the purchased power, which may include the costs of third-party transmission wheeling, or construction of transmission to facilitate purchases under the LTPPA or both;	Thomas Duane
<b>4</b>	an explanation of how the electric utility proposes to recover from ratepayers the costs incurred and an estimate of the effect on rates to customers;	Henry Monroy
<b>5</b>	A general description of:	
<b>a</b>	the generating facility or facilities that will generate the purchased power; or	Jeremy Heslop
<b>b</b>	if the power is to be generated from one or more specific generating units to be constructed outside New Mexico, a description of the anticipated siting of the generating unit, expected construction time the expected commercial operation date;	<b>Not Applicable</b>

**Rule 551.8 General Requirements for Filing an Application for Approval of a PPA**

		In Testimony Of
<b>551.8(D)</b>		An application for commission review and approval of an LTPPA shall be accompanied by supporting testimony and exhibits that provide:
<b>5</b>	<b>c</b>	<b>if the power is to be generated from one or more specific generating units to be constructed within New Mexico, a description of:</b>
	<b>i</b>	the approvals required to construct and operate the generating unit, including air quality and other environmental permits;
	<b>ii</b>	the expected construction time;
	<b>iii</b>	the expected commercial operation date;
	<b>iv</b>	the fuel type and supply sources; and
	<b>v</b>	other provisions addressing the electric utility's ownership options for the generating unit during or after the term of the agreement.
<b>6</b>		evidence that entering into the LTPPA is consistent with the provision of safe and reliable electric utility service at the lowest reasonable cost, considering both short and long-term costs and all other relevant factors;
<b>7</b>		evidence of the LTPPA's impact on the electric utility's financial condition and financial metrics;
<b>8</b>		evidence that the LTPPA is consistent with the electric utility's most recent commission-accepted integrated resource plan unless, as described in Section 17.7.3.10 NMAC, material changes that would warrant a different course of action by the electric utility have occurred; in which case, the testimony shall include justification for deviation from the integrated resource plan;
<b>9</b>		evidence addressing whether a utility-owned generation resource could have been constructed as an alternative to the LTPPA with greater benefit to ratepayers;
<b>10</b>		evidence addressing the methodology and criteria by which the purchased power agreement was selected; and
<b>11</b>		any other information or evidence that the electric utility believes will assist the commission in its review of the LTPPA.

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**PUBLIC SERVICE COMPANY OF NEW MEXICO, )**  
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**Applicant )**  
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Case No. 23-00xxx-UT

**NOTICE TO CUSTOMERS**

To customers of Public Service Company of New Mexico (“PNM” or “Company”): this document is required by the New Mexico Public Regulation Commission (PRC or “Commission”). The purpose of this document is to provide you with notice of PNM’s Application requesting PRC approval of purchased power agreements, energy storage agreements, and certificates of public convenience and necessity for system resources in 2026. This notice:

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

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

**NOTICE** is hereby given that on October 25, 2023, Public Service Company of New Mexico (“PNM” or “Company”) filed an Application with the New Mexico Public Regulation Commission (“Commission” or “NMPRC”) for approval, pursuant to 17.9.551 NMAC, of the following long term purchased power agreement (“PPA”) and energy storage agreements (“ESA”):

1. The Quail Ranch PPA. This PPA provides that Quail Ranch Solar LLC (“Quail Ranch Solar”), will sell PNM the capacity and associated energy from the Quail Ranch Solar Project at the price of \$29.84/MWh over a 20-year term. The 20-year term begins on the facility’s commercial operation date (“COD”), which is expected to be November 2, 2025. The Quail Ranch Solar Project is a new 100 MW solar facility that will be located in Bernalillo County, New Mexico.

2. The Quail Ranch ESA. This ESA provides that Quail Ranch Energy Storage LLC will sell PNM the energy storage capacity provided by the Quail Ranch Energy Storage Project at a volumetric rate of \$49.20/MWh over a 20-year term. The 20-year term begins on the Quail Ranch Energy Storage Project COD, expected to be November 2, 2025. The Quail Ranch Energy Storage facility is a new 100 MW 4-hour battery storage facility co-located with the Quail Ranch Solar Project in Bernalillo County.

3. The Sky Ranch ESA. This ESA is between PNM and Sky Ranch II Energy Storage LLC for the energy storage capacity of the Sky Ranch II Energy Storage Project at a volumetric rate of \$28.04/MWh over a 20-year term, which begins on the expected COD of February 1, 2026. The Sky Ranch Energy Storage Project is a 100 MW 4-hour battery storage facility co-located with the Commission-approved Sky Ranch solar project in Valencia County, New Mexico.

4. Route 66 ESA. The ESA between PNM and Route 66 Energy Storage LLC will provide the energy storage capacity of the Route 66 Energy Storage Project over its contractual (approximately 20 year) term at a volumetric rate of \$48.95/MWh. The Route 66 Energy Storage facility is a 49.5 MW 4-hour battery storage

facility co-located with the Commission-approved Route 66 solar facility in Cibola County, New Mexico, and has an expected COD of February 1, 2026.

Pursuant to 17.9.551 NMAC, PNM must receive Commission approval before becoming irrevocably bound under the PPA and ESAs.

In addition to the PPA and ESAs, PNM's Application seeks approval, pursuant to N.M. Stat. Ann. § 62-9-1 (1978), of a Certificate of Public Convenience and Necessity ("CCN") for the Sandia Storage Project, a 60 MW, 4-hour battery storage facility located near PNM's existing Sandia Substation in southeast Albuquerque, New Mexico. PNM entered an Engineering, Procurement, and Construction ("EPC") agreement with DEPCOM Power Inc. to build the facility, which will be owned by PNM. The Sandia Storage Project is anticipated to cost approximately \$131 million and is expected to have a COD of May 1, 2026.

PNM used a robust and competitive Request for Proposals ("RFP") to solicit bids including a variety of potential resource types. PNM also used extensive economic and reliability modeling analyses to evaluate and select for Commission approval its proposed portfolio of resources, which is the optimum mix of generation resources that can be available by May 2026 to economically and reliably serve PNM retail customers. PNM's Application demonstrates that the selected resources meet system reliability and customer load needs in 2026 at a lower cost than other resources bid into the RFP. The proposed PPA, ESAs and CCN resources will result in a generation portfolio that will provide adequate and reliable service to customers at a fair and reasonable rate.

Any interested person may examine PNM's filing in this case together with any exhibits and related papers which may be filed in this case at PNM Headquarters, Main



Offices, Albuquerque, New Mexico 87158, telephone: (505) 241-2700, website [www.pnm.com](http://www.pnm.com), or on the Commission's website at [www.nmprc.state.nm.us](http://www.nmprc.state.nm.us) under "Case Lookup – eDocket." This case has been docketed as Case No. 23-00\_\_\_\_-UT and any inquiries or written comments should refer to that case number.

The procedural schedule for this case is as follows:

A. On or before \_\_\_\_\_, 2023, PNM shall cause, at its sole expense, the Notice of Proceeding and Hearing to be published once in a newspaper of general circulation available in every county where PNM provides service in New Mexico. PNM shall ensure that an affidavit confirming such publication is promptly filed in the docket.

B. On or before \_\_\_\_\_, 2023, PNM shall mail (by bill insert or separately at its sole expense) the Notice. PNM shall ensure that an affidavit confirming such mailing is promptly filed in the docket.

C. PNM shall also post as promptly as feasible to the "Regulatory Information" page on the PNM website, <https://www.pnm.com/regulatory>, copies of the Notice as well as the Application, and the supporting pre-filed direct testimony, exhibits, and related papers. PNM shall ensure that an affidavit confirming such posting is promptly filed in the docket.

D. Rule 551 provides that the Commission may approve the Application, as it pertains to the PPA request, without a formal hearing if no protest is filed within 60 days of the filing of the Application. If no written Protests objecting to the requested approval of the Application are filed by \_\_\_\_\_, specifying the grounds for protest and demonstrating the need for a formal hearing on PNM's Application, the Commission may vacate and waive a formal hearing on this matter.

E. Any person desiring to become a party (“intervenor”) to this case must file a motion for leave to intervene in conformity with PRC Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before \_\_\_\_\_. All motions for leave to intervene shall be served on all existing parties and other proposed intervenors of record.

F. Staff shall and any intervenor may file direct testimony by \_\_\_\_\_.

G. With regard to PNM’s direct testimony and Staff and intervenors’ testimony, motions in limine, motions to strike, and other prehearing motions shall be filed on or before \_\_\_\_\_. Responses to such motions shall be filed on or before \_\_\_\_\_.

H. Any rebuttal testimony shall be filed on or before \_\_\_\_\_.

I. Any stipulation entered into among some or all parties may be filed no later than \_\_\_\_\_, together with testimony in support of that stipulation. If Staff is a stipulating party, Staff shall file direct testimony.

J. Solely with regard to rebuttal testimony, motions in limine, motions to strike, and other prehearing motions shall be filed on or before \_\_\_\_\_. Responses to such motions shall be filed on or before \_\_\_\_\_.

K. Any response testimony regarding a stipulation shall be filed by \_\_\_\_\_.

L. Service of all documents filed in this proceeding and discovery requests and responses shall be via e-mail unless a party requests a hard copy or unless otherwise ordered. PNM shall post the discovery requests it receives from the parties or Staff and PNM’s responses to discovery requests, including exhibits, on PNM’s file sharing platform.

M. Responses to discovery shall be produced by close of business on the date that the certificate of service confirming such production is filed in the record. Discovery responses produced after 5:00 p.m. on the date that the certificate of service is filed shall be deemed produced the following day.

N. Responses to discovery requests solely regarding rebuttal testimony shall be served within three (3) days of service of the request unless otherwise agreed or ordered.

O. A prehearing conference is tentatively scheduled for \_\_\_\_\_, commencing at \_\_\_\_ Mountain Time (“MT”) on the Zoom videoconference platform. The prehearing conference may be vacated by the Hearing Examiner if it is determined that the conference is not necessary.

P. A public hearing will be held beginning on \_\_\_\_\_ and will continue through \_\_\_\_\_, or to such further date as may be determined to be necessary by the Hearing Examiner. Each hearing session shall commence at 9:00 a.m. MT unless otherwise ordered.

Q. The evidentiary hearing shall be conducted via the Zoom videoconference platform. Access to and participation in the evidentiary hearing shall be limited to party-participants (i.e., counsel and witnesses), the Commissioners, and other essential Commission personnel. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission’s website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as an attorney or witness may view the hearing on the Commission’s website and shall not join the hearing via Zoom except to provide oral comment as allowed below.

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

S. Since the evidentiary hearing will be conducted via Zoom, the parties and Staff will be required to electronically distribute the exhibits they intend to offer for admission into evidence at the hearing in advance of the hearing. That electronic distribution shall provide the documents to all parties and the Hearing Examiner. The requirements for those and any other necessary submissions shall be set forth in a subsequent prehearing order issued by the Hearing Examiner.

T. Any person filing prepared testimony consistent with 1.2.2.35(I) NMAC on behalf of a party shall attend the hearing and submit to examination under oath and shall appear via the Zoom video feed. All pre-filed testimonies of a witness shall be moved into evidence when the witness is first presented. Unless otherwise ordered or approved by the Hearing Examiner, only pre-filed testimony in question-and-answer form and verified by the witness – and examination of witnesses on such pre-filed testimony – shall be accepted, considered, and received in evidence along with other relevant and otherwise admissible exhibits. Oral testimony elicited by a party or Staff presenting a witness (except for appropriate redirect examination) shall consist solely of the authentication and verification of each pre-filed testimony and identifications of any permitted corrections to that

testimony. The party or Staff shall not elicit oral summaries of pre-filed testimony or other oral testimony.

U. Friendly cross-examination is prohibited. Friendly cross-examination is cross-examination of a witness by a party who does not disagree with the witness's position on an issue.

V. Each witness at the hearing, and each witness's attorney, shall have readily available to him or her at the hearing a copy of the pre-filed testimony of each witness and any related exhibits.

W. Any interested person may examine PNM's application and supporting documents and other documents filed in the public record of this case on the Commission's website, <https://edocket.nmprc.state.nm.us>, or at the offices of PNM at the following address:

Public Service Company of New Mexico  
PNM Headquarters, Main Office  
Albuquerque, New Mexico 87158  
Telephone: (505) 241-2700

X. The procedural dates and requirements provided here are subject to further order of the Hearing Examiner or the Commission.

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

Z. The Commission's Rules of Procedure, 1.2.2.1 NMAC et seq., shall apply in this case except as modified by order of the Hearing Examiner or Commission. The

Rules of Procedure and other NMPRC rules are available online at the New Mexico Compilation Commission at <https://nmonesource.com/nmos/en/nav.do>.

AA. Anyone filing pleadings, documents, or testimony in this case shall comply with the Commission's electronic filing policy which is amended from time to time. This includes compliance with the following (not exhaustive) set of requirements. Filings must be in .pdf format. They must include an electronic signature and be sent to the Records Management Bureau's e-mail address, [PRC.Records@prc.nm.gov](mailto:PRC.Records@prc.nm.gov), or to another Records Bureau address as set out on the Commission's webpage. Any filing must be submitted within regular business hours of the due date to be considered timely filed. Documents received after regular business hours will be considered filed the next business day. Regular Commission business hours are from 8:00 a.m. to 5:00 p.m. MT. Parties shall serve a copy on all parties of record and Staff.

BB. All filings shall be emailed to the Hearing Examiner presiding over this matter on the date filed by no later than 5:00 p.m. MT. Any filing emailed to the Hearing Examiner shall include the Word or other native version of the filing (e.g., Excel or Power Point) if created in such format. Any filings not emailed to the Hearing Examiner in compliance with the requirements of this order and Commission rules are subject to being summarily rejected and stricken from the record at the Hearing Examiner's discretion.

CC. Except as expressly provided in this Order or subsequently ruled, discovery matters and any discovery disputes shall be governed by the Commission's discovery rules at 1.2.2.25 NMAC. The parties shall raise any disputes, questions, or concerns regarding discovery with the Hearing Examiner at the earliest available opportunity so that all such issues may be considered well in advance of the hearing.

DD. An order of the Hearing Examiner or Commission is not required for agreements between or among any of the participants regarding discovery matters. All other participants shall be notified of such agreements.

EE. Motions regarding any discovery dispute shall not be considered unless accompanied by a statement that the participants have made a good faith effort to resolve the dispute but were unable to do so.

FF. This Order is effective immediately.

### **PERSONS WITH DISABILITIES**

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