

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S)
RENEWABLE ENERGY ACT PLAN)
FOR 2025 AND PROPOSED 2025 RIDER)
RATE UNDER RATE RIDER NO. 36,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant.)
_____)**

Case No. 24-00 ____-UT

**DIRECT TESTIMONY
OF
BRIAN G. BUFFINGTON**

June 3, 2024

NMPRC CASE NO. 24-00 ____-UT
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1

I. INTRODUCTION AND PURPOSE

2 **Q. Please state your name, position, and business address.**

3 **A.** My name is Brian G. Buffington. I serve as Manager, Cost of Service, for PNMR
4 Services Company and its affiliates, including Public Service Company of New Mexico
5 (“PNM” or the “Company”). My business address is Public Service Company of New
6 Mexico, 414 Silver SW, Mail Stop 0915, Albuquerque, NM 87102.

7

8 **Q. Please describe your educational background and professional experience.**

9 **A.** My educational background and professional experience are summarized in PNM
10 Exhibit BGB-1, which includes a list of cases in which I have testified before the New
11 Mexico Public Regulation Commission (“Commission” or “NMPRC”).

12

13 **Q. Have you prepared additional exhibits?**

14 **A.** Yes, as follows:

- 15 • PNM Exhibit BGB-2: Summary 2025 Renewable Rider Revenue Requirement –
16 Projected;
- 17 • PNM Exhibit BGB-3: 2025 Estimated Annual Revenue Requirement for the PNM-
18 Owned 2011 Facilities;
- 19 • PNM Exhibit BGB-4: 2025 Estimated Annual Revenue Requirement for the PNM-
20 Owned 2013 Facilities;
- 21 • PNM Exhibit BGB-5: 2025 Estimated Annual Revenue Requirement for the PNM-
22 Owned 2014 Facilities;

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- 1 • PNM Exhibit BGB-6: 2025 Estimated Annual Revenue Requirement for the PNM-
2 Owned 2019 Facilities;
- 3 • PNM Exhibit BGB-7: 2025 Estimated Annual Revenue Requirement for Purchased
4 Power Agreements and Renewable Energy Certificate Purchases;
- 5 • PNM Exhibit BGB-8: December 31, 2023 Year End Weighted Average Cost of
6 Capital.
- 7 • PNM Exhibit BGB-9: Estimated Annual Revenue Requirement for the Sky Blue
8 Regulatory Asset; and
- 9 • PNM Exhibit BGB-10: Estimated Balance of the Sky Blue Regulatory Asset
10 Related to the Unused 2021 Vintage Sky Blue RECs.

11

12 **Q. What is the purpose of your direct testimony?**

13 **A.** The purpose of my testimony is to provide the revenue requirement components of
14 PNM’s Renewable Energy Rider No. 36 (“Rider 36” or “Rider”) rate to be effective
15 January 1, 2025 (“2025 Rider Rate”). I also discuss the annual earnings test and the
16 Rider 36 true-up procedures.

17

18 **II. REVENUE REQUIREMENT COMPONENTS OF THE 2025 RIDER**

19 **Q. Please identify the revenue requirement components of the proposed 2025 Rider**
20 **Rate.**

21 **A.** PNM Exhibit BGB-2 summarizes the annual revenue requirement used in the
22 derivation of the 2025 Rider Rate. The total estimated annual revenue requirement to

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1 be collected under the 2025 Rider Rate is \$58,749,246, and is comprised of the
2 following:

- 3
- 4 1. \$4,316,762 for PNM-Owned 2011 Solar Facilities;
- 5 2. \$3,379,769 for PNM-Owned 2013 Solar Facilities;
- 6 3. \$3,770,821 for PNM-Owned 2014 Solar Facilities;
- 7 4. \$6,839,763 for PNM-Owned 2019 Solar Facilities;
- 8 5. \$747 for PNM-Owned 2015 Facilities Western Renewable Energy Generation
9 Information System (“WREGIS”) REC fees;
- 10 6. \$0 for the WREGIS REC fees associated with the output from the solar
11 resources at the Tierra Que Can Microgrid Project¹;
- 12 7. \$3,619,528 for the purchases under the Lightning Dock purchased power
13 agreement (“PPA”), based on the projected purchase of 34,212 MWh;
- 14 8. \$6,739,588 for the purchases under the Red Mesa Wind PPA, based on the
15 projected purchase of 198,000 MWh;
- 16 9. \$15,685,617 for the purchases under the New Mexico Wind Energy Center
17 (“NMWEC”) PPA, based on the projected purchase of 575,450 MWh;
- 18 10. \$8,760,000 for the purchases under the La Joya II PPA, based on the projected
19 purchase of 501,030 MWh;
- 20 11. \$1,627 for the WREGIS REC fees associated with the output from Community
21 Solar;

¹ Formerly Mesa del Sol

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- 1 12. \$1,069 for WREGIS REC fees associated with the purchases under the Jicarilla
2 Solar I PPA, based on the projected purchase of 133,623 MWh;
- 3 13. \$6,485 for WREGIS REC fees associated with the purchases under the Arroyo
4 Solar purchased power agreement, based on the projected purchase of 810,602
5 MWh;
- 6 14. \$4,540 for WREGIS REC fees associated with the purchases under the San
7 Juan 1 Solar purchased power agreement, based on the projected purchase of
8 567,484 MWh;
- 9 15. \$7,159 for WREGIS REC fees associated with the purchases under the Atrisco
10 Solar purchased power agreement, based on the projected purchase of 894,840
11 MWh;
- 12 16. \$5,569,967 for the REC purchases under PNM’s Distributed Generation
13 (“DG”) REC Purchase Programs as described in the direct testimony of PNM
14 witness Shane Gutierrez;
- 15 17. \$0 for the revenue requirement associated with the 2021 vintage RECs
16 associated with the 1.5 MW solar facility that sources the Sky Blue voluntary
17 renewable energy program;
- 18 18. \$4,280 reduction for the estimated WREGIS fees associated with projected
19 banked RECs;
- 20 19. \$50,000 of estimated costs associated with providing public notice of the 2025
21 Renewable Energy Act (“REA”) Plan filing and the proposed revision of Rider
22 36, and for other direct costs of this filing; and
- 23 20. PNM’s annual WREGIS fee of \$83.

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1 **Q. Please compare the revenue requirement from the 2024 REA Plan to the proposed**
2 **2025 Plan.**

3 **A. PNM Table BGB-1 below identifies the differences between the revenue requirements**
4 **between the 2024 Plan, updated as of February 28, 2024, for PNM’s annual Rider true-**
5 **up filing, and the 2025 Plan.**

PNM Table BGB-1				
	Description	2024 Revenue Requirement *	2025 Revenue Requirement	Change
PNM-Owned Facilities				
	PNM-Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$ 4,266,777	\$ 4,316,762	\$ 49,985
	PNM-Owned 2013 Facilities Revenue Requirement - 20 MW	3,399,585	3,379,769	(19,816)
	PNM-Owned 2014 Facilities Revenue Requirement - 23 MW	3,777,129	3,770,821	(6,308)
	PNM-Owned 2019 Facilities Revenue Requirement - 50 MW	6,934,849	6,839,763	(95,086)
	Total REC Fees for PNM-Owned 2015 Facilities - 40MW	713	747	34
	Tierra Que Can Microgrid	-	-	-
	Total PNM Owned Facilities Revenue Requirement	18,379,054	18,307,862	(71,192)
Purchased Power Agreements				
	Geothermal PPA	4,270,447	3,619,528	(650,919)
	Red Mesa PPA	6,941,165	6,739,588	(201,577)
	New Mexico Wind Energy Center (NMWEC)	15,590,928	15,685,617	94,689
	La Joya II	8,594,811	8,760,000	165,189
	REC Fees for Community Solar I	-	1,627	1,627
	Jicarilla Solar I PPA	1,090	1,069	(21)
	Arroyo Solar PPA	6,674	6,485	(189)
	San Juan Solar PPA	3,211	4,540	1,329
	Atrisco Solar PPA	360	7,159	6,799
	Total PPA Revenue Requirement	35,408,686	34,825,613	(583,073)
Renewable Energy Certificates				
	DG Programs REC Purchases	4,017,630	5,569,967	1,552,337
	Compliance REC Purchases	-	-	-
	Total REC Revenue Requirements	4,017,630	5,569,967	1,552,337
	SkyBlue RECs Revenue Requirement	-	-	-
	WREGIS Fee Adjustment (Estimated Banked RECs)	(6,172)	(4,280)	1,893
	Renewable Filing and Reproduction Costs	50,000	50,000	-
	WREGIS Annual Registration Fee	83	83	-
	(Over) /Under Collection from 2023	5,008,123	-	(5,008,123)
	Carrying Charges	91,816	-	(91,816)
	Total 2023 (Over) /Under Collection	5,099,939	-	(5,099,939)
	Total Revenue Requirement	\$ 62,949,219	\$ 58,749,246	\$ (4,199,973)

6 * 2024 Revenue Requirement is updated for PNM's February 28, 2024 Rider True-up filing

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1 **Q. Please explain the change in the revenue requirement for the PNM-Owned solar**
2 **facilities in 2025 compared to 2024.**

3 **A.** In general, the estimated annual revenue requirements for PNM-Owned Solar Facilities
4 will decrease between 2024 and 2025. These decreases are due primarily to declining
5 rate base caused by normal, ongoing depreciation. These decreases are offset by higher
6 operating expenses and increased weighted average cost of capital (“WACC”). The
7 PNM-Owned 2011 Solar Facility will see an increase due to higher operating expenses
8 and increased WACC. PNM Exhibit BGB-3, PNM Exhibit BGB-4, PNM Exhibit
9 BGB-5, and PNM Exhibit BGB-6 present the calculation of the 2025 annual revenue
10 requirement for the PNM-Owned 2011 Solar Facilities, PNM-Owned 2013 Solar
11 Facilities, PNM-Owned 2014 Solar Facilities, and PNM-Owned 2019 Solar Facilities,
12 respectively. The costs of registering and retiring RECs in WREGIS are also included
13 in the 2025 revenue requirement for these facilities.

14

15 **Q. Why does PNM only include WREGIS fees in the revenue requirement for the**
16 **PNM-Owned 2015 Solar Facilities and the Arroyo, Jicarilla, San Juan, and**
17 **Atrisco solar projects?**

18 **A.** Pursuant to paragraph 2 of the stipulation approved by the Commission in Case No.
19 14-00158-UT, PNM recovers the majority of costs associated with the PNM-Owned
20 2015 Solar facilities through base rates. PNM has historically recovered the WREGIS
21 fees on the RECs associated with these facilities through the renewable rider rather than
22 base rates because these costs are necessary for demonstrating RPS compliance.

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1 Therefore, for the PNM-Owned 2015 solar facilities, the WREGIS fees are included in
2 the Rider 36 annual revenue requirement.

3
4 Similarly, PNM is requesting to recover only WREGIS fees associated with the Arroyo,
5 Jicarilla, and San Juan 1 solar projects (approved in Case No. 19-00195-UT), and the
6 Atrisco Solar project (approved in Case No. 21-00215-UT) in this case. PNM is
7 including the associated WREGIS fees in the Rider 36 revenue requirement because
8 the RECs generated from these projects are necessary to demonstrate RPS compliance.

9

10 **Q. Please explain the change in PPA revenue requirements between the 2024 Rider**
11 **and the 2025 Rider.**

12 **A.** The amounts included in the 2025 rider revenue requirement are based on PNM's
13 current projections of purchases under the PPAs. These projections can be found in
14 PNM Exhibit BGB-7. La Joya II Wind and New Mexico Wind Energy Center PPAs
15 are expected to have higher production compared to 2024. The revenue requirement
16 for Red Mesa wind is expected to decrease due to projected lower production, despite
17 the annual price escalation included in the PPA agreement. Similarly, the Lightning
18 Dock Geothermal PPA revenue requirement has decreased in 2025 due to lower
19 projected production, despite the annual price escalation included in the PPA
20 agreement. Please refer to PNM witness Gutierrez's Direct Testimony for further
21 discussion of the projected MWh of all PPA facilities.

22

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1 **Q. Please describe the change in the DG REC Purchase amounts between the 2024**
2 **Rider revenue requirement and the 2025 Rider revenue requirement.**

3 **A.** The amounts included in the 2025 Rider Revenue Requirement are based on PNM's
4 current projections of DG REC purchases. As seen in PNM Table BGB-1, DG REC
5 purchases in 2025 are projected to be \$1,552,337 more compared to 2024. The DG
6 REC forecasts are described by PNM witness Gutierrez. PNM Exhibit BGB-7 presents
7 the estimated annual revenue requirement for the DG REC purchases.

8
9 **Q. Has PNM included any REC costs related to Community Solar?**

10 **A.** Yes. The 2025 revenue requirement includes \$1,627 in WREGIS fees related to
11 Community Solar RECs. Please see the Direct Testimony of PNM witness Gutierrez
12 for further discussion of the use of Community Solar RECs for RPS compliance.

13
14 **Q. Does PNM have any 2021 vintage Sky Blue RECs that it proposes to retire for**
15 **RPS purposes and include in the 2025 Rider?**

16 **A.** No.

17
18 **III. OTHER MATTERS**

19
20 **Q. Please describe the true-up or reconciliation process for the 2025 Rider.**

21 **A.** Pursuant to Paragraph 8 of the Recommended Decision approved by the Commission
22 in Case No. 12-00007-UT, PNM will file a report on February 28, 2025 that will
23 include the following items:

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- 1 1. Reconciliation of actual 2024 Rider revenues to actual 2024 procurement costs, and
2 2. True-up of projected costs included in the 2025 Rider with actual costs to the extent
3 available, including an update to the 2024 year-end Weighted Average Cost of
4 Capital (“WACC”) as shown in PNM Exhibit BGB-8, based on the 2024 year-end
5 WACC. PNM will propose a true-up to the rider based on the amounts calculated
6 above.

7

8 **Q. Please explain the earnings test that was put in place in Case No. 12-00007-UT.**

9 **A.** Pursuant to Paragraph H of the Recommended Decision in Case No. 12-00007-UT,
10 PNM will file a pro forma cost of service based on actual accounting records for the
11 2024 calendar year by April 1, 2025, that will reflect appropriate cost of service
12 adjustments in accordance with the final order in PNM’s most recent general rate case,
13 Case No. 22-00270-UT. If PNM’s retail earned Return on Equity (“ROE”) exceeds
14 the currently approved ROE by 50 basis points or more, the 2025 Rider will be adjusted
15 to refund the amount of PNM’s earnings in excess of 50 basis points above its
16 authorized ROE.

17

18 **Q. Does this conclude your direct testimony?**

A. Yes.

GCG#532519

BRIAN G. BUFFINGTON
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Brian G. Buffington

Address: PNM Resources Inc.
MS 0915
414 Silver SW
Albuquerque, NM 87102

Position: Manager, Cost of Service

Education: Master of Business Administration, University of Illinois- Urbana-
Champaign, 2018
Master of Arts, Economics, New Mexico State University, 2010
Bachelor of Arts, Economics, University of New Mexico, 2007

Employment: PNM/PNMR:
Manager, Cost of Service
Sr. Project Manager, Regulatory
Project Manager, Regulatory
Xcel Energy/Southwestern Public Service Company
Transmission Tariff Consultant, Strategic Planning
Regulatory Case Specialist

Filed Testimony:

- Application of Texas-New Mexico Power Company for Interim Update of Wholesale Transmission Rates Pursuant to 16 Tex. Admin. Code 25.192 (h), PUCT Docket 56155, Filed January 24, 2024.
- Public Service Company of New Mexico, Limited-Scope, Single Issue Section 205 Filing to Revise Depreciation Rates in PNM's Transmission Formula Rate, Federal Energy Regulatory Commission, ER24-813-000, filed January 3, 2023.
- In the Matter of Southwestern Public Service Company's Application Requesting: (1) Acceptance of its 2013 Annual Renewable Portfolio Report; (2) Approval of its Annual Renewable Energy Portfolio Procurement Plan for 2015; and (3) Other Associated Relief, NMPRC Case No. 14-00198-UT, filed July 1, 2014.
- In the Matter of Southwestern Public Service Company's Application Requesting: (1) Acceptance of its 2012 Annual Renewable Portfolio Report; (2) Approval of its Annual Renewable Energy Portfolio Procurement Plan for 2014; and (3) Other Associated Relief, NMPRC Case No. 13-00222-UT, filed July 1, 2013.
- In the Matter of Southwestern Public Service Company's Application Requesting: (1) Authorization to Enter Into a Purchased Power Agreement for the Purchase of 0.8 MW of Nominal Solar Capacity and Associated Energy for Windsource; (2) Approval of a Proposed Methodology for Calculating and Annually Adjusting the Windsource Rate; (3) Authorization to Flow Through All the Windsource Costs

and Revenues Through its Fuel and Purchased Power Cost Adjustment Clause;
and (4) Approval to Purchase a Limited Number of RECs on an Annual Basis to
Mitigate Any Customer Demand Imbalance, NMPRC Case No. 12-00323-UT
(docket filed on September 14, 2012, testimony filed on May 10, 2013).

PNM Exhibit BGB-2
2025 Renewable Energy Rider
Summary 2025 Renewable Rider Revenue Requirement - Projected

Line No.	Description	2025 Revenue Requirement	Reference
1	PNM-Owned Facilities		
2	PNM-Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$ 4,316,762	PNM Exhibit BGB-3, page 3, Column M, Line 130
3	PNM-Owned 2013 Facilities Revenue Requirement - 20 MW	3,379,769	PNM Exhibit BGB-4, page 2, Column M, Line 83
4	PNM-Owned 2014 Facilities Revenue Requirement - 23 MW	3,770,821	PNM Exhibit BGB-5, page 2, Column M, Line 83
5	PNM-Owned 2019 Facilities Revenue Requirement - 50 MW	6,839,763	PNM Exhibit BGB-6, page 2, Column M, Line 78
6	Total REC Fees for PNM-Owned 2015 facilities - 40 MW	747	Note 1
7	REC Fees for Tierra Que Can Microgrid	-	Note 1
8	Total PNM Owned Facilities Revenue Requirement	<u>18,307,862</u>	
9			
10	Purchased Power Agreements		
11	Geothermal PPA	3,619,528	PNM Exhibit BGB-7, page 1, Line 9
12	Red Mesa PPA	6,739,588	PNM Exhibit BGB-7, page 1, Line 20
13	New Mexico Wind Energy Center (NMWEC)	15,685,617	PNM Exhibit BGB-7, page 1, Line 31
14	La Joya II	8,760,000	PNM Exhibit BGB-7, page 1, Line 42
15	REC Fees for Community Solar I	1,627	Note 1
16	REC Fees for Jicarilla Solar I PPA	1,069	Note 1
17	REC Fees for Arroyo Solar PPA	6,485	Note 1
18	REC Fees for San Juan Solar PPA	4,540	Note 1
19	REC Fees for Atrisco Solar PPA	7,159	Note 1
20	Total PPA Revenue Requirement	<u>34,825,613</u>	
21			
22	Renewable Energy Certificates		
23	DG Programs REC Purchases	5,569,967	PNM Exhibit BGB-7, page 2, Line 48
24	2023 Compliance REC Purchases	-	PNM Exhibit BGB-7, page 2, Line 58
25	Total REC Revenue Requirements	<u>5,569,967</u>	
26			
27	2021 Sky Blue RECs Revenue Requirement	-	PNM Exhibit BGB-9, Line 18
28			
29	WREGIS Fee Adjustment (Estimated 2024 Banked RECs)	(4,280)	PNM Exhibit SG-2
30			
31	Renewable Filing and Reproduction Costs	50,000	
32			
33	WREGIS Annual Registration Fee	83	
34			
35	Total 2025 Revenue Requirement	<u>\$ 58,749,246</u>	
36	(Line 8 + Line 20 + Line 25 + Line 27 + Line 29 + Line 31 + Line 33)		

Note 1: Retail share of REC costs associated with PNM-Owned 2015 facilities are estimated to be: 93,348 MWh * \$.008/MWh = \$747 REC Fee.
Retail share of REC costs associated with Tierra Que Can Microgrid Facility are estimated to be: 0 MWh * \$.008/MWh = \$0 REC Fee.
Retail share of REC costs associated with Community Solar I Facility are estimated to be: 203,373 MWh * \$.008/MWh = \$1,627 REC Fee.
Retail share of REC costs associated with Jicarilla Solar I Facility are estimated to be: 133,623 MWh * \$.008/MWh = \$1,069 REC Fee.
Retail share of REC costs associated with Arroyo Solar Facility are estimated to be: 810,602 MWh * \$.008/MWh = \$6,485 REC Fee.
Retail share of REC costs associated with San Juan Solar Facility are estimated to be: 567,484 MWh * \$.008/MWh = \$4,540 REC Fee.
Retail share of REC costs associated with Atrisco Solar Facility are estimated to be: 894,840 MWh * \$.008/MWh = \$7,159 REC Fee.

Line No.	2025												2025 Projected Revenue Requirement	
	A	B	C	D	E	F	G	H	I	J	K	L		M
	January	February	March	April	May	June	July	August	September	October	November	December		
54	Other Allowable Expenses													
55	Amortization - NM Advanced Energy Credit	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(183,576)
56	Total Other Allowable Expenses	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(183,576)
57	Federal Income Tax													
58	Total Net Original Cost Rate Base	22,751,204	22,702,787	22,654,370	22,605,953	22,557,536	22,509,119	22,460,702	22,412,285	22,363,868	22,315,451	22,267,034	22,218,617	22,218,617
59	Weighted Cost of Capital (PNM Exhibit BGB-8, line 4)	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>	<u>6.38%</u>
60	Return on Rate Base	120,881	120,624	120,367	120,109	119,852	119,595	119,338	119,080	118,823	118,566	118,309	118,051	1,433,594
61	Less: Return Adjustments													
62	Interest on Long Term Debt	(32,616)	(32,546)	(32,477)	(32,407)	(32,338)	(32,268)	(32,199)	(32,130)	(32,060)	(31,991)	(31,921)	(31,852)	(386,805)
63	Tax/Book Adjustments													
64	AFUDC Equity	19	19	19	19	19	19	19	19	19	19	19	19	227
65	Flow Thru Item - ITC - 22 MW Solar	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	38,929	467,148
66	Flow Thru Item - ITC - Energy Storage	-	-	-	-	-	-	-	-	-	-	-	-	-
67	Total Permanent Tax/Book Differences	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	467,375
68	Depreciation	206,104	206,104	206,104	206,104	206,104	206,104	206,104	206,104	206,104	206,104	206,104	206,104	2,473,244
69	AFUDC Debt	654	654	654	654	654	654	654	654	654	654	654	654	7,850
70	New Mexico Advanced Energy Credit	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(15,298)	(183,576)
71	Deferred State Income Tax	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(128,001)
72	Total Temporary Tax/Book Differences	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	2,169,516
73														
74	Total Return Adjustments	187,125	187,195	187,264	187,334	187,403	187,472	187,542	187,611	187,681	187,750	187,820	187,889	2,250,086
75														
76	Net Taxable Equity Return	308,006	307,819	307,631	307,443	307,255	307,067	306,879	306,692	306,504	306,316	306,128	305,940	3,683,680
77														
78	Federal Income Tax Adjustments													
79	Total Investment Tax Credit or Grant Amortization	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(962,888)
80	Amortization of Excess Deferred Federal Taxes	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(550,770)
81	Deferred Federal Income taxes before NOL	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(455,598)
82	Total Federal Income Tax Adjustments before NOL	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(164,105)	(1,969,256)
83														
84	Adjusted Equity Return before NOL	143,902	143,714	143,526	143,338	143,150	142,963	142,775	142,587	142,399	142,211	142,023	141,836	1,714,424
85	Net Operating Loss Carryover	-	-	-	-	-	-	-	-	-	-	-	-	-
86	NOL Deferred State Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
87	NOL Deferred Federal Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
88														
89	Adjusted Current Equity Return After NOL	143,902	143,714	143,526	143,338	143,150	142,963	142,775	142,587	142,399	142,211	142,023	141,836	1,714,424
90	Federal Tax Factor (Rate/1-Rate)	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>	<u>26.5823%</u>
91	Current Federal Income Tax	38,252	38,202	38,153	38,103	38,053	38,003	37,953	37,903	37,853	37,803	37,753	37,703	455,733
92	Add:													
93	Amortization of Excess Deferred Federal Taxes	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(45,898)	(550,770)
94	Total Provision for Deferred Income Tax	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(37,967)	(455,598)
95	Total Investment Tax Credit or Grant Amortization	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(80,241)	(962,888)
96														
97	Net Allowable Federal Income Tax	(125,852)	(125,902)	(125,952)	(126,002)	(126,052)	(126,102)	(126,152)	(126,202)	(126,252)	(126,302)	(126,352)	(126,402)	(1,513,523)
98														
99	State Income Tax													
100	Return on Rate Base	120,881	120,624	120,367	120,109	119,852	119,595	119,338	119,080	118,823	118,566	118,309	118,051	1,433,594
101	Less: Return Adjustments													
102	Interest on Long Term Debt	(32,616)	(32,546)	(32,477)	(32,407)	(32,338)	(32,268)	(32,199)	(32,130)	(32,060)	(31,991)	(31,921)	(31,852)	(386,805)
103	Permanent Tax/Book Adjustments	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	38,948	467,375
104	Temporary Tax/Book Adjustments	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	180,793	2,169,516
105	Add: Net Allowable FIT	(125,852)	(125,902)	(125,952)	(126,002)	(126,052)	(126,102)	(126,152)	(126,202)	(126,252)	(126,302)	(126,352)	(126,402)	(1,513,523)
106	Production Tax Credits (PTC)	-	-	-	-	-	-	-	-	-	-	-	-	-
107	State Taxable Income	182,154	181,916	181,679	181,441	181,203	180,965	180,728	180,490	180,252	180,014	179,776	179,539	2,170,157
108	State Tax Factor (Rate/1-Rate)	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>
109	State Income Tax	10,747	10,733	10,719	10,705	10,691	10,677	10,663	10,649	10,635	10,621	10,607	10,593	128,039
110	Provision for Deferred State Income Tax	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(10,667)	(128,001)
111	Amortization of Excess Deferred Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
112	Add: State Renewable ITC and PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
113														
114	Net Allowable State Income Tax	80	66	52	38	24	10	(4)	(18)	(32)	(46)	(60)	(74)	38

PNM Exhibit BGB - 3
 2025 Renewable Energy Rider
 2025 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

Line No.	2025												2025 Projected
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
115	Revenue Requirement Summary												
116	120,881	120,624	120,367	120,109	119,852	119,595	119,338	119,080	118,823	118,566	118,309	118,051	1,433,594
117	394,793	299,592	438,620	298,920	298,920	471,440	314,693	319,476	424,855	372,413	329,711	411,008	4,374,442
118	(125,852)	(125,902)	(125,952)	(126,002)	(126,052)	(126,102)	(126,152)	(126,202)	(126,252)	(126,302)	(126,352)	(126,402)	(1,513,523)
119	80	66	52	38	24	10	(4)	(18)	(32)	(46)	(60)	(74)	38
120	389,902	294,380	433,086	293,066	292,744	464,943	307,875	312,336	417,395	364,632	321,608	402,583	4,294,551
121	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
122	1,983	1,497	2,203	1,490	1,489	2,365	1,566	1,588	2,123	1,854	1,636	2,047	21,841
123													
124	Revenue Requirements	391,885	295,877	435,289	294,556	467,308	309,441	313,925	419,517	366,486	323,244	404,631	4,316,392
125													
126	MWh output expected												46,274
127	WREGIS fee \$/MWh												0.008
128	WREGIS Registration Fee												370
129													
130	Total Revenue Requirements												4,316,762

PNM Exhibit BGB-2, line 2

PNM Exhibit BGB - 4
2025 Renewable Energy Rider
2025 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities

Line No.	2025												2025 Projected
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
	1												
2	Plant in Service												
3	20 MW PV Solar	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366	44,173,366
4	20 MW PV Solar - 2022 Addition	312,847	312,847	312,847	312,847	312,847	312,847	312,847	312,847	312,847	312,847	312,847	312,847
5	AFUDC Debt	234,575	234,575	234,575	234,575	234,575	234,575	234,575	234,575	234,575	234,575	234,575	234,575
6	AFUDC Equity	356,185	356,185	356,185	356,185	356,185	356,185	356,185	356,185	356,185	356,185	356,185	356,185
7	20 MW PV Solar	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972	45,076,972
8	Land	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400	665,400
9	Total Gross Plant in Service	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372	45,742,372
10	Accumulated Depreciation 20 MW	(16,405,519)	(16,528,266)	(16,651,012)	(16,773,759)	(16,896,505)	(17,019,251)	(17,141,998)	(17,264,744)	(17,387,491)	(17,510,237)	(17,632,984)	(17,755,730)
11	Accumulated Depreciation 20 MW - 2022 Addition	(21,890)	(22,766)	(23,642)	(24,518)	(25,394)	(26,270)	(27,146)	(28,021)	(28,897)	(29,773)	(30,649)	(31,525)
12	Accumulated Depreciation AFUDC Debt	(87,768)	(88,420)	(89,072)	(89,723)	(90,375)	(91,026)	(91,678)	(92,329)	(92,981)	(93,633)	(94,284)	(94,936)
13	Accumulated Depreciation AFUDC Equity	(133,286)	(134,275)	(135,265)	(136,254)	(137,244)	(138,233)	(139,222)	(140,212)	(141,201)	(142,191)	(143,180)	(144,169)
14	Accumulated Depreciation	(16,648,463)	(16,773,727)	(16,898,990)	(17,024,254)	(17,149,517)	(17,274,780)	(17,400,044)	(17,525,307)	(17,650,571)	(17,775,834)	(17,901,097)	(18,026,361)
15	Net Plant in Service	29,093,909	28,968,646	28,843,382	28,718,119	28,592,855	28,467,592	28,342,329	28,217,065	28,091,802	27,966,538	27,841,275	27,716,012
16	Accumulated Deferred Income Taxes												
17	Tax Depreciation	(37,774,128)	(37,777,131)	(37,780,134)	(37,783,138)	(37,786,141)	(37,789,144)	(37,792,148)	(37,795,151)	(37,798,154)	(37,801,158)	(37,804,161)	(37,807,164)
18	Deferred	23,954,353	23,851,495	23,748,636	23,645,777	23,542,919	23,440,060	23,337,201	23,234,342	23,131,484	23,028,625	22,925,766	22,822,908
19	Flow- Through AFUDC Equity and ITC Basis Diff	6,848,903	6,847,914	6,846,925	6,845,935	6,844,946	6,843,956	6,842,967	6,841,978	6,840,988	6,839,999	6,839,009	6,838,020
20	ADIT Balance as of 12/31/2017	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)	(12,374,365)
21	Excess Deferred Federal Income Taxes (EDFIT)	1,398,526	1,424,471	1,450,416	1,476,361	1,502,307	1,528,253	1,554,198	1,580,143	1,606,089	1,632,034	1,657,980	1,683,925
22	Excess Deferred State Income Taxes (EDSIT)	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608	231,608
23	Deferred Tax - Plant	1,937,107	1,963,233	1,989,359	2,015,485	2,041,611	2,067,737	2,093,863	2,119,990	2,146,116	2,172,242	2,198,368	2,224,494
24	Total Accumulated Deferred Income Taxes	(8,807,125)	(8,755,054)	(8,702,982)	(8,650,911)	(8,598,839)	(8,546,768)	(8,494,696)	(8,442,625)	(8,390,553)	(8,338,481)	(8,286,410)	(8,234,338)
25	Other Rate Base Additions (Deductions) Prepaid Insurance												
26		20,577	20,577	20,577	20,577	20,577	20,577	20,577	20,577	20,577	20,577	20,577	20,577
27	Total Rate Base	20,307,361	20,234,169	20,160,977	20,087,786	20,014,594	19,941,402	19,868,210	19,795,018	19,721,826	19,648,634	19,575,443	19,502,251
28	Weighted Cost of Capital (PNM Exhibit BGB-8, line 4)	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%
29	Return on Rate Base	107,896	107,508	107,119	106,730	106,341	105,952	105,563	105,174	104,785	104,397	104,008	103,619
30	Operations & Maintenance Expense	54,746	17,346	71,964	17,082	17,082	84,858	23,278	25,157	66,556	45,954	29,178	61,116
31	Depreciation 20 MW	122,746	122,746	122,746	122,746	122,746	122,746	122,746	122,746	122,746	122,746	122,746	122,746
32	Depreciation 20 MW - 2022 Addition	876	876	876	876	876	876	876	876	876	876	876	876
33	Depreciation AFUDC Debt	652	652	652	652	652	652	652	652	652	652	652	652
34	Depreciation AFUDC Equity	989	989	989	989	989	989	989	989	989	989	989	989
35	Depreciation and Amortization Expense	125,263	125,263	125,263	125,263	125,263	125,263	125,263	125,263	125,263	125,263	125,263	125,263
36	Property Taxes	14,462	14,462	14,462	14,462	14,462	14,462	14,462	14,462	14,462	14,462	14,462	14,462
37	Federal Income Tax												
38	Return Adjustments												
39	Interest	(29,112)	(29,007)	(28,902)	(28,797)	(28,692)	(28,587)	(28,483)	(28,378)	(28,273)	(28,168)	(28,063)	(27,958)
40	Tax/Book Adjustments												
41	Flow Thru Item - ITC												
42	AFUDC Equity	989	989	989	989	989	989	989	989	989	989	989	989
43	Investment Tax Credits												
44	Total Permanent Differences	989	989	989	989	989	989	989	989	989	989	989	989
45	Depreciation & AFUDC Debt	102,859	102,859	102,859	102,859	102,859	102,859	102,859	102,859	102,859	102,859	102,859	102,859
46	Deferred State Income Tax	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)
47	Total Temporary Differences	97,128	97,128	97,128	97,128	97,128	97,128	97,128	97,128	97,128	97,128	97,128	97,128
48	Amortization of Excess Deferred Federal Income Taxes (EDFIT)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)
49	Deferred Federal Taxes before NOL	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)
50	Adjusted Current Equity Return before NOL	130,560	130,276	129,992	129,708	129,424	129,140	128,856	128,572	128,288	128,004	127,720	127,436
51	Net Operating Loss Carryover												
52	NOL Deferred State Income Tax												
53	NOL Deferred Federal Income Tax												
54	Net Current Taxable Equity Return	130,560	130,276	129,992	129,708	129,424	129,140	128,856	128,572	128,288	128,004	127,720	127,436
55	Federal Tax Rate	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%	26.5823%
56	Total Current Federal Income Tax	34,706	34,630	34,555	34,479	34,404	34,328	34,253	34,177	34,102	34,026	33,951	33,875
57	Total Provision for Deferred Federal Income Tax	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)	(20,397)
58	Amortization of Excess Deferred Federal Income Taxes (EDFIT)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)	(25,945)
59	Investment Tax Credits												
60	Total Federal Income Tax	(11,637)	(11,712)	(11,788)	(11,863)	(11,939)	(12,014)	(12,089)	(12,165)	(12,240)	(12,316)	(12,391)	(12,467)

PNM Exhibit BGB - 4
2025 Renewable Energy Rider
2025 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities

58	State Income Tax													
59	Net Current Taxable Equity Return	165,265	164,906	164,546	164,187	163,828	163,468	163,109	162,749	162,390	162,030	161,671	161,312	1,959,461
61	State Tax Rate	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>	<u>5.9000%</u>
62	Total Current State Income Tax	9,751	9,729	9,708	9,687	9,666	9,645	9,623	9,602	9,581	9,560	9,539	9,517	115,608
63	Total Deferred State Income Tax	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(5,731)	(68,767)
64	Amortization of Excess Deferred Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
65	State Renewable PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
66	Total State Income Tax	4,020	3,999	3,978	3,956	3,935	3,914	3,893	3,872	3,850	3,829	3,808	3,787	46,841
67														
68	Revenue Requirement Summary													
69	Return on Rate Base	107,896	107,508	107,119	106,730	106,341	105,952	105,563	105,174	104,785	104,397	104,008	103,619	1,269,091
70	Total Operating Expenses	194,471	157,071	211,689	156,807	156,807	224,583	163,004	164,882	206,282	185,679	168,904	200,841	2,191,020
71	Net Allowable Federal Income Tax	(11,637)	(11,712)	(11,788)	(11,863)	(11,939)	(12,014)	(12,089)	(12,165)	(12,240)	(12,316)	(12,391)	(12,467)	(144,621)
72	Net Allowable State Income Tax	<u>4,020</u>	<u>3,999</u>	<u>3,978</u>	<u>3,956</u>	<u>3,935</u>	<u>3,914</u>	<u>3,893</u>	<u>3,872</u>	<u>3,850</u>	<u>3,829</u>	<u>3,808</u>	<u>3,787</u>	<u>46,841</u>
73	Total Revenue Requirements before Revenue Tax	294,751	256,865	310,998	255,630	255,145	322,435	260,370	261,763	302,677	281,589	264,328	295,780	3,362,332
74	Revenue Tax Factor	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
75	Revenue Tax	1,499	1,306	1,582	1,300	1,298	1,640	1,324	1,331	1,539	1,432	1,344	1,504	17,100
76														
77	Revenue Requirements for PNM Owned 2013 Facilities	296,250	258,172	312,580	256,930	256,442	324,075	261,694	263,095	304,216	283,021	265,672	297,284	3,379,432

PNM Exhibit BGB - 4
2025 Renewable Energy Rider
2025 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities

	A	B	C	D	E	F	G	H	I	J	K	L	M
	2025												2025 Projected
Line No.	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
78													
79													42,144
80													0.008
81													337
82													
83	<i>Total Revenue Requirements for PNM-Owned 2013 Facilities</i>												PNM Exhibit BGB-2, line 3 3,379,769

PNM Exhibit BGB-5
2025 Renewable Energy Rider
2025 Estimated Annual Revenue Requirement for the PNM-Owned 2014 Facilities

Line No.	2025												2025 Projected
	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
1													
2	Plant In Service												
23	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527	44,150,527
23	176,964	176,964	176,964	176,964	176,964	176,964	176,964	176,964	176,964	176,964	176,964	176,964	176,964
	260,713	260,713	260,713	260,713	260,713	260,713	260,713	260,713	260,713	260,713	260,713	260,713	260,713
	371,104	371,104	371,104	371,104	371,104	371,104	371,104	371,104	371,104	371,104	371,104	371,104	371,104
3	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308	44,959,308
4	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747	1,714,747
5	Total Gross Plant In Service												
	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055	46,674,055
	(14,743,724)	(14,865,946)	(14,988,167)	(15,110,389)	(15,232,611)	(15,354,832)	(15,477,054)	(15,599,276)	(15,721,497)	(15,843,719)	(15,965,941)	(16,088,162)	(16,088,162)
	(12,276)	(12,767)	(13,258)	(13,749)	(14,241)	(14,732)	(15,223)	(15,714)	(16,205)	(16,696)	(17,187)	(17,678)	(17,678)
	(87,629)	(88,353)	(89,077)	(89,801)	(90,525)	(91,250)	(91,974)	(92,698)	(93,422)	(94,146)	(94,871)	(95,595)	(95,595)
	(124,732)	(125,763)	(126,794)	(127,825)	(128,856)	(129,886)	(130,917)	(131,948)	(132,979)	(134,010)	(135,041)	(136,071)	(136,071)
6	(14,968,361)	(15,092,829)	(15,217,297)	(15,341,764)	(15,466,232)	(15,590,700)	(15,715,168)	(15,839,636)	(15,964,103)	(16,088,571)	(16,213,039)	(16,337,507)	(16,337,507)
7	Net Plant In Service												
	31,705,694	31,581,227	31,456,759	31,332,291	31,207,823	31,083,355	30,958,888	30,834,420	30,709,952	30,585,484	30,461,016	30,336,549	30,336,549
8													
9	Accumulated Deferred Income Taxes												
10	(37,650,337)	(37,652,036)	(37,653,735)	(37,655,434)	(37,657,133)	(37,658,831)	(37,660,530)	(37,662,229)	(37,663,928)	(37,665,627)	(37,667,326)	(37,669,025)	(37,669,025)
11													
12	25,278,980	25,175,575	25,072,170	24,968,765	24,865,361	24,761,956	24,658,551	24,555,146	24,451,741	24,348,336	24,244,932	24,141,527	24,141,527
13	6,868,951	6,867,920	6,866,889	6,865,858	6,864,827	6,863,797	6,862,766	6,861,735	6,860,704	6,859,673	6,858,642	6,857,612	6,857,612
14	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)	(12,054,527)
15	1,362,378	1,387,653	1,412,928	1,438,202	1,463,477	1,488,752	1,514,027	1,539,302	1,564,577	1,589,851	1,615,126	1,640,401	1,640,401
16	225,621	225,621	225,621	225,621	225,621	225,621	225,621	225,621	225,621	225,621	225,621	225,621	225,621
17	1,362,855	1,389,120	1,415,385	1,441,650	1,467,915	1,494,179	1,520,444	1,546,709	1,572,974	1,599,239	1,625,504	1,651,768	1,651,768
18	(9,103,672)	(9,052,133)	(9,000,593)	(8,949,053)	(8,897,514)	(8,845,974)	(8,794,434)	(8,742,895)	(8,691,355)	(8,639,816)	(8,588,276)	(8,536,736)	(8,536,736)
19													
20	Other Rate Base Additions (Deductions) Prepaid Insurance												
	37,991	37,991	37,991	37,991	37,991	37,991	37,991	37,991	37,991	37,991	37,991	37,991	37,991
21													
22	Total Rate Base												
	22,640,013	22,567,085	22,494,157	22,421,229	22,348,300	22,275,372	22,202,444	22,129,516	22,056,588	21,983,660	21,910,731	21,837,803	21,837,803
23													
24	Weighted Cost of Capital (PNM Exhibit BGB-8, line 4)												
	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%	6.38%
25													
26	Return on Rate Base												
	120,290	119,903	119,515	119,128	118,740	118,353	117,965	117,578	117,190	116,803	116,415	116,028	1,417,909
27													
28	Operations & Maintenance Expense												
	74,654	23,653	98,133	23,294	23,294	115,715	31,743	34,306	90,759	62,665	39,789	83,341	701,345
29													
	122,222	122,222	122,222	122,222	122,222	122,222	122,222	122,222	122,222	122,222	122,222	122,222	1,466,660
	491	491	491	491	491	491	491	491	491	491	491	491	5,893
	724	724	724	724	724	724	724	724	724	724	724	724	8,690
	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	12,370
30	124,468	124,468	124,468	124,468	124,468	124,468	124,468	124,468	124,468	124,468	124,468	124,468	1,493,614
31													
32	Property Taxes												
	15,686	15,686	15,686	15,686	15,686	15,686	15,686	15,686	15,686	15,686	15,686	15,686	188,235
33													
34	Federal Income Tax												
35	Return Adjustments												
36	(32,456)	(32,352)	(32,247)	(32,142)	(32,038)	(31,933)	(31,829)	(31,724)	(31,620)	(31,515)	(31,411)	(31,306)	(382,573)
37													
38	Tax/Book Adjustments												
39	Flow Thru Item - ITC												
	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	12,370
40													
41	Investment Tax Credits												
	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	12,370
42	103,405	103,405	103,405	103,405	103,405	103,405	103,405	103,405	103,405	103,405	103,405	103,405	1,240,858
43	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(69,132)
44	97,644	97,644	97,644	97,644	97,644	97,644	97,644	97,644	97,644	97,644	97,644	97,644	1,171,726
45	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(303,298)
46	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(246,063)
47	140,729	140,446	140,163	139,880	139,597	139,314	139,031	138,748	138,465	138,182	137,899	137,617	1,670,072
48	-	-	-	-	-	-	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-	-	-	-	-	-	-
50	-	-	-	-	-	-	-	-	-	-	-	-	-
51	140,729	140,446	140,163	139,880	139,597	139,314	139,031	138,748	138,465	138,182	137,899	137,617	1,670,072
52	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%	26,58233%
53	37,409	37,334	37,259	37,183	37,108	37,033	36,958	36,882	36,807	36,732	36,657	36,582	443,944
54	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(20,505)	(246,063)
55	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(25,275)	(303,298)
56	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Total Federal Income Tax												
	(8,371)	(8,446)	(8,521)	(8,597)	(8,672)	(8,747)	(8,822)	(8,898)	(8,973)	(9,048)	(9,123)	(9,198)	(105,417)
58													
59	State Income Tax												
60	178,138	177,780	177,421	177,063	176,705	176,347	175,989	175,631	175,273	174,914	174,556	174,198	2,114,016

PNM Exhibit BGB-5

2025 Renewable Energy Rider

2025 Estimated Annual Revenue Requirement for the PNM-Owned 2014 Facilities

61	State Tax Rate	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%
62	Total Current State Income Tax	10,510	10,489	10,468	10,447	10,426	10,404	10,383	10,362	10,341	10,320	10,299	10,278
63	Total Deferred State Income Tax	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)	(5,761)
64	Amortization of Excess Deferred Taxes	-	-	-	-	-	-	-	-	-	-	-	-
65	State Renewable PTC	-	-	-	-	-	-	-	-	-	-	-	-
66	Total State Income Tax	4,749	4,728	4,707	4,686	4,665	4,643	4,622	4,601	4,580	4,559	4,538	4,517
67													
68	Revenue Requirement Summary												
69	Return on Rate Base	120,290	119,903	119,515	119,128	118,740	118,353	117,965	117,578	117,190	116,803	116,415	116,028
70	Total Operating Expenses	214,808	163,808	238,287	163,448	163,448	255,869	171,897	174,460	230,913	202,819	179,943	223,495
71	Net Allowable Federal Income Tax	(8,371)	(8,446)	(8,521)	(8,597)	(8,672)	(8,747)	(8,822)	(8,898)	(8,973)	(9,048)	(9,123)	(9,198)
72	Net Allowable State Income Tax	4,749	4,728	4,707	4,686	4,665	4,643	4,622	4,601	4,580	4,559	4,538	4,517
73	Total Revenue Requirements before Revenue Tax	331,476	279,992	353,987	278,664	278,181	370,118	285,663	287,741	343,711	315,133	291,773	334,841
74	Revenue Tax Factor	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
75	Revenue Tax	1,686	1,424	1,800	1,417	1,415	1,882	1,453	1,463	1,748	1,603	1,484	1,703
76													
77	Revenue Requirements for PNM-Owned 2014 Facilities	333,162	281,416	355,788	280,082	279,595	372,000	287,116	289,205	345,459	316,736	293,257	336,544

3,770,358

PNM Exhibit BGB-5
2025 Renewable Energy Rider
2025 Estimated Annual Revenue Requirement for the PNM-Owned 2014 Facilities

	A	B	C	D	E	F	G	H	I	J	K	L	M
	2025												2025 Projected
Line No.	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
78													57,830
79													0.008
80													463
81													
82													
83	<i>Total Revenue Requirements for PNM-Owned 2014 Facilities</i>												PNM Exhibit BGB-2, line 4 3,770,821

PNM Exhibit TSB-6
2025 Renewable Energy Rider

2025 Estimated Annual Revenue Requirement for the PNM-Owned 2019 Facilities

54	Total Federal Income Tax	49,061	48,901	48,742	48,583	48,423	48,264	48,104	47,945	47,786	47,626	47,467	47,307	578,209
55														
56	State Income Tax													
57	Net Current Taxable Equity Return	439,649	368,858	368,099	367,340	366,581	365,822	365,063	364,303	363,544	362,785	362,026	361,267	4,455,337
58	State Tax Rate	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%	5.9000%
59	Total Current State Income Tax	25,939	21,763	21,718	21,673	21,628	21,583	21,539	21,494	21,449	21,404	21,360	21,315	262,865
60	Total Deferred State Income Tax	(12,156)	(8,024)	(8,024)	(8,024)	(8,024)	(8,024)	(8,024)	(8,024)	(8,024)	(8,024)	(8,024)	(8,024)	(100,416)
61	Total State Income Tax	13,784	13,739	13,694	13,649	13,605	13,560	13,515	13,470	13,425	13,381	13,336	13,291	162,449
62														
63	Revenue Requirement Summary													
64	Return on Rate Base	250,773	249,951	249,130	248,309	247,487	246,666	245,845	245,023	244,202	243,381	242,559	241,738	2,955,065
65	Total Operating Expenses	269,837	235,837	285,489	235,597	235,597	297,211	241,230	242,938	280,574	261,844	246,594	275,628	3,108,375
66	Net Allowable Federal Income Tax	49,061	48,901	48,742	48,583	48,423	48,264	48,104	47,945	47,786	47,626	47,467	47,307	578,209
67	Net Allowable State Income Tax	13,784	13,739	13,694	13,649	13,605	13,560	13,515	13,470	13,425	13,381	13,336	13,291	162,449
68	Total Revenue Requirements before Revenue Tax	583,454	548,428	597,056	546,137	545,112	605,701	548,694	549,377	585,987	566,232	549,956	577,964	6,804,097
69	Revenue Tax Factor	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%	0.508573%
70	Revenue Tax	2,967	2,789	3,036	2,778	2,772	3,080	2,791	2,794	2,980	2,880	2,797	2,939	34,604
71														
72	Revenue Requirements for 50 MW Facilities	586,422	551,218	600,092	548,915	547,884	608,781	551,485	552,171	588,967	569,112	552,752	580,904	6,838,701

PNM Exhibit TSB-6
2025 Renewable Energy Rider
2025 Estimated Annual Revenue Requirement for the PNM-Owned 2019 Facilities

	A	B	C	D	E	F	G	H	I	J	K	L	M
	2025												2025 Projected
Line No.	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
73													
74													132,726
75													0.008
76													1,062
77													
78	<i>Total Revenue Requirements for PNM-Owned 2019 Facilities</i>												PNM Exhibit BGB-2, line 5 6,839,763

PNM Exhibit BGB - 7
2025 Renewable Energy Rider
2025 Estimated Annual Revenue Requirement for Purchased Power
Agreements and Renewable Energy Certificate Purchases

Line No.	Purchased Power Agreement	Amount	
1	Geothermal PPA		
2	Annual Sales (MWh)	34,212	
3	Price (\$/MWh)	\$ 105.79	
4	Energy/REC Cost	\$ 3,619,391	
5			
6	WREGIS cost per MWh	\$ 0.004	
7	WREGIS fees	\$137	
8			
9	Total Geothermal PPA	\$3,619,528	PNM Exhibit BGB-2, line 11
10	Total Geothermal PPA Cost per MWh	\$ 105.80	
11			
12	Red Mesa PPA		
13	Annual Sales (MWh)	198,000	
14	Price (\$/MWh)	\$ 34.03	
15	Energy/REC Cost	\$ 6,738,796	
16			
17	WREGIS cost per MWh	\$ 0.004	
18	WREGIS fees	\$792	
19			
20	Total Red Mesa PPA	\$6,739,588	PNM Exhibit BGB-2, line 12
21	Total Red Mesa PPA Cost per MWh	\$ 34.04	
22			
23	New Mexico Wind Energy Center (NMWEC) PPA		
24	Annual Sales (MWh)	575,450	
25	Price (\$/MWh)	\$ 27.25	
26	Energy/REC Cost	\$ 15,681,014	
27			
28	WREGIS cost per MWh	\$ 0.008	
29	WREGIS fees	\$4,604	
30			
31	Total NMWEC PPA	\$15,685,617	PNM Exhibit BGB-2, line 13
32	Total NMWEC PPA Cost per MWh	\$ 27.26	
33			
34	La Joya II Wind PPA		
35	Annual Sales (MWh)	501,030	
36	Price (\$/MWh)	17.48	
37	Energy/REC Cost	\$ 8,757,996	
38			
39	WREGIS cost per MWh	\$ 0.004	
40	WREGIS fees	\$2,004	
41			
42	Total La Joya II PPA	\$8,760,000	PNM Exhibit BGB-2, line 14
43	Total La Joya II PPA Cost per MWh	\$ 17.48	

PNM Exhibit BGB - 7
 2025 Renewable Energy Rider
 2025 Estimated Annual Revenue Requirement for Purchased Power
 Agreements and Renewable Energy Certificate Purchases

Line No.

44			
45	REC Purchases		
46	DG Programs		
47	DG Annual Purchases (MWh)		54,865
48	Total DG Programs REC Purchases		\$5,569,967 PNM Exhibit BGB-2, line 22
49	Total DG Programs REC Cost per MWh	\$	101.52
50			
51	2023 Compliance REC Purchases -MWh		-
52	Total REC Costs		\$0
53	Average Price (\$/MWh)		\$1.00
54			
55	WREGIS cost per MWh		\$0.004
56	WREGIS fees		\$0
57			
58	2023 Compliance REC Purchases - True-Up	\$	- PNM Exhibit BGB-2, line 24

PNM Exhibit BGB - 8
 2025 Renewable Energy Rider
 December 31, 2023 Year End Weighted Average Cost of Capital

Line No.	Capital Component	A Total Capitalization Base Period	B Percentage of Total Capitalization	C Capital Component Cost	D Weighted Average Cost
1	Long Term Debt	1,929,345	49.58%	3.47%	1.72%
2	Preferred Stock	11,529	0.30%	4.62%	0.01%
3	Common Equity	1,950,817	50.13%	9.26%	4.64%
4	Total	<u>3,891,691</u>	<u>100.00%</u>		<u>6.38%</u>

Composite Tax Rate:	25.40%
Tax Gross-Up	
Debt	1.72%
Preferred	0.02%
Common	<u>6.22%</u>
Total	7.96%

PNM Exhibit BGB - 9
2025 Renewable Energy Rider
Estimated Annual Revenue Requirement for the Sky Blue Regulatory Asset

Amortization Period (Years)

1

Line No.	2025 Revenue Requirement	
1		
2	-	PNM Exhibit BGB-10, line 19
3		
4	-	
5		
6	-	
7		
8	-	
9		
10	0.00%	
11		
12	-	
13		
14	-	
15		
16	-	
17		
18	-	PNM Exhibit BGB-2, line 27

PNM Exhibit BGB-10
2025 Renewable Energy Rider
Estimated Balance of the Sky Blue Regulatory Asset

	F	G	H	I
	2021 Actuals	2022	2023	2024
Line No.				
1				
2 PNM 8 MW Manzano Solar Facility RECs (MWh)	16,233			
3 Remove: 6.5 MW of Manzano Solar Facility Recovered Through Rider 36	(13,189)			
4 PNM 1.5 MW Manzano Solar Facility Sky Blue RECs (MWh)	3,044			
5 Remove: Sky Blue RECs utilized in Sky Blue Program	(3,044)			
6 Remove: RECs sold	-			
7 Remaining Sky Blue RECs (Banked)	-			
8				
9 Cost per MWh	\$ 63.63			
10				
11 Sky Blue Regulatory Asset (Under Collection)	-			
12				
13 WREGIS Fee to Register RECs (\$0.005/REC)	-	-	-	-
14 Sky Blue Regulatory Asset (Under Collection) with WREGIS Fees	-	-	-	-
15				
16 Carrying Charges - 0.00%	-	-	-	-
17 (Over)/Under Collection including Carry Charges	-	-	-	-
18				
19 Cumulative (Over)/Under Collection	-	-	-	-
20				
21				
22 <u>Assumptions:</u>				
23 Carrying Charges		0.00%		
24				
25				
26 Manzano Solar Facility 2021 Revenue Requirement (8 MW)	\$ 1,035,212			
27 Manzano Solar Facility 2021 Energy MWh (8 MW)	16,269			
28 Manzano Solar Facility 2021 Cost/REC	\$ 63.63			
29				
30				
31 Proof of Reasonableness:				
32 PNM Owned 2013 Solar - 2021 Actual Revenue Requirement	\$ 3,974,833			
33 PNM Owned 2013 Solar - 2021 Actual Energy (MWh)	43,876			
34 PNM Owned 2013 Solar - 2021 Actual Cost/REC	\$ 90.59			

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
RENEWABLE ENERGY ACT PLAN)
FOR 2025 AND PROPOSED 2025 RIDER)
RATE UNDER RATE RIDER NO. 36,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
)
Applicant.)
_____)**

Case No. 24-00 ____-UT

SELF AFFIRMATION

BRIAN G. BUFFINGTON, Manager, Cost of Service, PNMR Services Company,
upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing
Direct Testimony of Brian G. Buffington.

I further affirmatively state that I know the contents thereof and that they are true and correct to the best of my knowledge and belief.

DATED this 3rd day of June, 2024.

/s/ Brian Buffington _____
BRIAN BUFFINGTON