

## **NOTICE TO PNM CUSTOMERS OF PROCEEDING AND HEARING**

### **To customers of Public Service Company of New Mexico:**

PNM's customers are here notified of the company's November 22, 2024, application to the Commission requesting approval of a purchased power agreement, energy storage agreements, and a certificate of public convenience and necessity for system resources in 2028. This application has been assigned Commission Case No. 24-00271-UT.

A purchased power agreement (PPA) is a contract between a buyer and a third-party seller for the buyer to purchase electricity at an identified cost over a period of time. An energy storage agreement (ESA) is a battery-storage contract between a buyer and a third-party to allow the buyer to utilize a battery-storage system. A certificate of convenience and necessity (CCN) is a permit granted to an electric utility authorizing it to provide service to a geographic area or construct and operate a new facility or extension of a facility, and when a CCN is filed the Commission must certify that the new service or capital expenditure on new facilities is in the public interest.

This notice:

- Describes the generation and battery facilities for which PNM seeks approval,
- describes the Commission's process for considering PNM's application, and
- describes how you can participate in this process (if you wish to do so).

**The Commission may approve the PPA, ESAs, and CCN requests without a formal hearing if no protest is filed within sixty days of the publication of this notice.**

Any person who is not a party to the case or affiliated with a party may make written comment by e-mailing the Commission's records bureau at [prc.records@prc.nm.gov](mailto:prc.records@prc.nm.gov). Written comments should reference Case No. 24-00271-UT. The Commission may also schedule one or more public comment hearings. Commenters are not parties and comments are not formal "evidence."

Any person who desires more information about the application may contact the Commission by phone at (505) 827-4084 or 1-888-427-5772 or by email at [ryan.jimenez@prc.nm.gov](mailto:ryan.jimenez@prc.nm.gov).

**IF YOU DO NOT WANT TO PARTICIPATE IN THIS PROCESS OR COMMENT ON THE PROCEEDING OR BECOME MORE INVOLVED, THEN NO ACTION IS REQUIRED ON YOUR PART.**

PNM's November 22, 2024, application seeks Commission approval under 17.9.551 NMAC for the long-term Purchase Power Agreement (PPA) and Energy Storage Agreements (ESAs) described immediately below. PNM must receive Commission approval before becoming irrevocably bound under the agreements.

**The Valencia Power Plant PPA**

This PPA provides that Valencia Power, LLC will continue to sell PNM the capacity and associated energy from the Valencia Power Plant at a capacity charge of \$9.20/kW/month, a variable operation and maintenance charge of \$5.00/MWh (in year 1), and a start charge of \$8,000 per start. The PPA is an 11.5-year-term agreement that begins on the expiration of the current Valencia Power Plant PPA.

**The Sun Lasso Storage ESA**

The Sun Lasso Storage facility is a new 150 MW 4-hour battery-storage facility located in Bernalillo County. This ESA provides that Sun Lasso LLC will sell PNM the energy-storage capacity provided by the Sun Lasso Storage project at a pricing based on an availability-rate of \$14.55/MWh over a 20-year term. The 20-year term begins on an expected January 15, 2028, commercial operation date.

**The Corazon ESA**

The Corazon project is a 150 MW 4-hour battery-storage facility located in Bernalillo County. This ESA is between PNM and Corazon Energy Storage LLC for the energy storage capacity of the Corazon project at a pricing based on an availability-rate of \$15.40/MWh over a 20-year term, which begins on the expected operating date of December 31, 2027.

PNM's application also seeks approval of a certificate of convenience and necessity (CCN) as permitted by Section 62-9-1 of the New Mexico Statutes.

### **The Sunbelt Project**

The Sunbelt Project is a hybrid 100 MW solar and 30 MW, 4-hour battery storage facility located within the Central Consolidated School District in San Juan County, New Mexico. PNM has proposed the Sunbelt Project to carry out the intent of the Energy Transition Act and Commission Order 19-00195-UT to site up to 450 MW of clean energy resources in the Central Consolidated School District, San Juan County, New Mexico, where PNM recently closed the San Juan Generating Station. PNM entered an engineering, procurement, and construction agreement with Gridworks to build the facility. It will be owned by PNM. Gridworks will be PNM's contractor. The project is anticipated to cost approximately \$220.4 million and is expected to have a December 31, 2027, commercial operation date. PNM included an option to increase the 30 MW battery to 50 MW with a resulting total capital cost of approximately \$252 million.

Some of the procedural dates for this case are identified below. Individuals interested in these proceedings should review the procedural order issued in this case in its entirety to obtain a complete understanding of the procedures that will govern. **The procedural order is found online at <https://www.prc.nm.gov/case-lookup-e-docket/>.** The procedural dates and requirements set out below may be changed.

Statute and commission rules provide that the Commission may approve the application without a formal hearing if no protest is filed within sixty days of the date this notice is provided to customers.

Anyone wishing to become a party to this case must file a motion for leave to intervene that conforms with 1.2.2.23(A), (B) NMAC on or before **Monday, March 10, 2025**.

Staff shall, and any intervenor may, file direct testimony by **Monday, March 17, 2025**.

Rebuttal testimony must be filed on or before **Monday, March 24, 2025**.

A public hearing will be held beginning on **Wednesday, April 2, 2025**, and will continue as needed through **Friday, April 4, 2025**, beginning at 9 a.m. each day. The hearing may be conducted via the Zoom videoconferencing platform or may be conducted in person.

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

Interested persons desiring more information about this application may contact the Commission by phone at 1-888-427-5772 or 505-827-4084 or by e-mail at [ryan.jimenez@prc.nm.gov](mailto:ryan.jimenez@prc.nm.gov).

### **PERSONS WITH DISABILITIES**

IF YOU ARE AN INDIVIDUAL WITH A DISABILITY WHO IS IN NEED OF A READER, AMPLIFIER, QUALIFIED SIGN LANGUAGE INTERPRETER, OR ANY OTHER FORM OF AUXILIARY AID OR SERVICE TO ATTEND OR PARTICIPATE IN THE HEARING, OR FOR A SUMMARY OR OTHER TYPE OF ACCESSIBLE FORMAT OF PUBLIC DOCUMENTS, PLEASE CONTACT THE DIRECTOR OF ADMINISTRATIVE SERVICES OF THE COMMISSION AT (505) 827-8019 AS SOON AS POSSIBLE PRIOR TO THE HEARING.