

PUBLIC SERVICE COMPANY OF NEW MEXICO
NMPRC CASE NO. 25-00 ___-UT
EXECUTIVE SUMMARY

PNM is requesting approval for additional renewable energy resources to support the ongoing expansion load of the Greater Kudo LLC (“Customer”) for Meta’s Data Center near Los Lunas, New Mexico.

Renewable Energy Resources

PNM requests approval for the following resource additions to meet the additional Customer load. Approval of these resources is necessary to ensure PNM meets its Special Service Contract (“SSC”) contractual obligations to provide sufficient renewable energy to meet the Customer’s Data Center load. These resources include:

- three 20-year Purchase Power Agreements (“PPAs”) for 290 MW total of solar resources; and
- three 20-year Energy Storage Agreements (“ESAs”) for approximately 268 MW total of four-hour battery energy storage systems.

PNM’s application seeks approval of these additional resources pursuant to 17.9.551 NMAC, which outlines the requirements for filing an application for approval of long-term PPAs and ESAs. Costs for the PPAs and ESAs will be paid by the Customer as required by the SSC.

An Amended Special Service Contract

Additionally, PNM also requests approval for a Third Amended and Restated SSC, updates to the Special Service Rate – Renewable Energy Resources (“Rate No. 36B”), the Green Energy Rider (“Rider No. 47”) and the Production Cost Allocation Rider (“Rider No. 49”).

- The amendments to the SSC are needed to accommodate the additional renewable energy resources and battery storage facilities, including pricing terms of incremental resources, contractual obligations arising from the operation and dispatch of the resources, and to incorporate revised language to clarify the cost allocation process to ensure No Net Adverse Impact to PNM’s other retail customers. Specifically, this includes clarifying, but not changing, the methodology for the contribution to production calculation.
- Updates to Rate No. 36B are non-substantive changes to clarify qualification language for the rate.
- Updates to Rider Nos. 47 and 49 are to more accurately reflect eligibility items and contribution to production.

In The Public Interest

Since the New Mexico Public Regulation Commission’s initial approval of the special service contract in Case No. 16-00191-UT, the special service contract has provided a number of net

benefits to PNM's customers and the New Mexico economy, including this expansion of the data center which is projected to approximate \$2.5 billion of total investment in construction equipment, an estimate of over 1,100 skilled trade workers on site daily during peak construction and ongoing phases of buildout, and over 400 direct operational jobs following completion. This will also result in a total of more than \$5 million in direct grant funding to over 115 Valencia County area schools and nonprofits since 2019.

The Customer participates in a voluntary renewable energy resources program under the Renewable Energy Act, and through that program, PNM is committed to matching one hundred percent of the Customer's energy consumption on an annual basis with renewable energy resources paid for by the Customer so that there is No Net Adverse Impact on other retail customers.