

**PUBLIC SERVICE COMPANY OF NEW MEXICO
NMPRC CASE NO. 24-00271UT
EXECUTIVE SUMMARY**

PNM is requesting approval for resources to be available to meet summer 2028 customer needs. PNM has selected resources that facilitate PNM's move towards one hundred percent zero carbon resources under the New Mexico's Energy Transition Act ("ETA") while helping to meet modern reliability standards.

PNM requests approval for the following resource additions necessary to meet peak load requirements in 2028. These resources include:

- a Long-Term Purchase Power Agreement ("PPA") for the Valencia Power Plant through 2039;
- the addition of approximately 300 MW 4 hour battery energy storage through energy storage agreements ("ESAs"); and
- a certificate of public convenience and necessity ("CCN") for a utility-owned 100 MW solar / 30 MW battery energy storage system ("BESS") located in the Central Consolidated School District ("CCSD").

Additionally, PNM's request provides the opportunity to increase the 30 MW battery located in the CCSD by an additional 20 MW BESS, for a total of 50 MW BESS.

The 2028 Resource Portfolio meets the Commission's standards for approval. The approval of the PPA and ESA are consistent with Rule 17.9.551 NMAC. That rule outlines the requirements for filing an application for approval of long-term PPAs, which the Commission also applies when reviewing ESAs. The utility-owned combined solar and battery storage meets the requirements for a certificate of public convenience and necessity ("CCN") under Section 62-9-1 of the Public Utility Act which outlines the requirements for an energy storage system CCN application. PNM's Application also seeks recovery of the costs associated with these new resources through available ratemaking mechanisms.

A Portfolio Based on a Robust, Competitive and Resource Modeled Process

PNM used a robust and competitive Request for Proposals ("RFP") and resource modeling analysis to identify, evaluate, and select 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. PNM's expert witnesses support the all-resource request for proposals, the analysis of the bids received, and the selection of the most cost-effective portfolio of resources that are proposed. Their analyses was designed to achieve the optimum mix of generation resources that can be available by the 2028 summer peak to serve retail customers economically and reliably.

A Portfolio Based on Best Practices Industry Standard

The resulting dynamic portfolio of resources meets the industry's best practice resource adequacy standard, ensures adequate capacity exists to meet customers' needs in a safe and reliable manner, and supports a public policy objective of locating resources within the CCSD. PNM is committed to providing dependable service today and in the future, while pursuing the clean energy goals that our customers and communities value. The requested 2028 Resource Plan portfolio is necessary for PNM to meet its peak load requirements in 2028; to provide safe and reliable service including meeting a "best practices" industry standard; and facilitates PNM's continue progress toward meeting the ETA requirements while economically and reliably serving our customers.

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