BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

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IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S RENEWABLE ENERGY ACT PLAN FOR 2026 AND PROPOSED 2026 RIDER NO. 36 RATE,

Case No. 25-00___-UT

PUBLIC SERVICE COMPANY OF NEW MEXICO,

Applicant

DIRECT TESTIMONY

OF

ARIN R. APODACA

NMPRC CASE NO. 25-00___-UT INDEX TO THE DIRECT TESTIMONY OF ARIN R. APODACA

WITNESS FOR PUBLIC SERVICE COMPANY OF NEW MEXICO

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PNM EXHIBIT ARA-2	Summary 2026 Renewable Rider Revenue Requirement -Projected
PNM EXHIBIT ARA-3	2026 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities
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Self Affirmation	

1		I. INTRODUCTION AND PURPOSE
2	Q.	Please state your name, position, and business address.
3	А.	My name is Arin R. Apodaca. I serve as Manager, Cost of Service, for PNMR Services
4		Company and its affiliates, including Public Service Company of New Mexico ("PNM"
5		or the "Company"). My business address is Public Service Company of New Mexico,
6		414 Silver SW, Mail Stop 0915, Albuquerque, NM 87102.
7		
8	Q.	Please describe your educational background and professional experience.
9	А.	My educational background and professional experience are summarized in PNM
10		Exhibit ARA-1.
11		
12	Q.	Have you prepared additional exhibits?
13	А.	Yes, they are as follows:
14		• PNM Exhibit ARA-2: Summary 2026 Renewable Rider Revenue Requirement –
15		Projected;
16		• PNM Exhibit ARA-3: 2026 Estimated Annual Revenue Requirement for the PNM-
17		Owned 2011 Facilities;
18		• PNM Exhibit ARA-4: 2026 Estimated Annual Revenue Requirement for the PNM-
19		Owned 2013 Facilities;
20		• PNM Exhibit ARA-5: 2026 Estimated Annual Revenue Requirement for the PNM-
21		Owned 2014 Facilities;

1		• PNM Exhibit ARA-6: 2026 Estimated Annual Revenue Requirement for the PNM-
2		Owned 2019 Facilities;
3		• PNM Exhibit ARA-7: 2026 Estimated Annual Revenue Requirement for Purchased
4		Power Agreements and Renewable Energy Certificate ("REC") Purchases;
5		• PNM Exhibit ARA-8: December 31, 2024 Year End Weighted Average Cost of
6		Capital ("WACC");
7		• PNM Exhibit ARA-9: Estimated Annual Revenue Requirement for the Sky Blue
8		Regulatory Asset; and
9		• PNM Exhibit ARA-10: Estimated Balance of the Sky Blue Regulatory Asset
10		Related to the Unused 2022Vintage Sky Blue RECs.
11		
12	Q.	What is the purpose of your direct testimony?
12 13	Q. A.	What is the purpose of your direct testimony? The purpose of my testimony is to provide the revenue requirement components of
13		The purpose of my testimony is to provide the revenue requirement components of
13 14		The purpose of my testimony is to provide the revenue requirement components of PNM's Renewable Energy Rider No. 36 ("Rider 36" or "Rider") rate to be effective
13 14 15		The purpose of my testimony is to provide the revenue requirement components of PNM's Renewable Energy Rider No. 36 ("Rider 36" or "Rider") rate to be effective January 1, 2026 ("2026 Rider Rate"). I also discuss the annual earnings test and the
13 14 15 16		The purpose of my testimony is to provide the revenue requirement components of PNM's Renewable Energy Rider No. 36 ("Rider 36" or "Rider") rate to be effective January 1, 2026 ("2026 Rider Rate"). I also discuss the annual earnings test and the
13 14 15 16 17		The purpose of my testimony is to provide the revenue requirement components of PNM's Renewable Energy Rider No. 36 ("Rider 36" or "Rider") rate to be effective January 1, 2026 ("2026 Rider Rate"). I also discuss the annual earnings test and the Rider 36 true-up procedures.
13 14 15 16 17 18	Α.	 The purpose of my testimony is to provide the revenue requirement components of PNM's Renewable Energy Rider No. 36 ("Rider 36" or "Rider") rate to be effective January 1, 2026 ("2026 Rider Rate"). I also discuss the annual earnings test and the Rider 36 true-up procedures. II. REVENUE REQUIREMENT COMPONENTS OF THE 2026 RIDER
 13 14 15 16 17 18 19 	Α.	The purpose of my testimony is to provide the revenue requirement components of PNM's Renewable Energy Rider No. 36 ("Rider 36" or "Rider") rate to be effective January 1, 2026 ("2026 Rider Rate"). I also discuss the annual earnings test and the Rider 36 true-up procedures. II. REVENUE REQUIREMENT COMPONENTS OF THE 2026 RIDER Please identify the revenue requirement components of the proposed 2026 Rider

1	be collected under the 2026 Rider Rate is \$54,323,667 and is comprised of the
2	following:
3	
4	1. \$4,318,301 for PNM-Owned 2011 Solar Facilities;
5	2. \$3,445,079 for PNM-Owned 2013 Solar Facilities;
6	3. \$3,866,469 for PNM-Owned 2014 Solar Facilities;
7	4. \$6,975,364 for PNM-Owned 2019 Solar Facilities;
8	5. \$822 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 Project ¹ ;
12	7. \$3,663,773 for the purchases under the Lightning Dock purchased power
13	agreement ("PPA"), based on the projected purchase of 33,786 MWh;
14	8. \$6,492,455 for the purchases under the Red Mesa Wind PPA, based on the
15	projected purchase of 187,000 MWh;
16	9. \$15,058,520 for the purchases under the New Mexico Wind Energy Center
17	("NMWEC") PPA, based on the projected purchase of 552,444 MWh;
18	10. \$7,872,474 for the purchases under the La Joya II PPA, based on the projected
19	purchase of 450,267 MWh;
20	11. \$2,292 for the WREGIS REC fees associated with the output from Community
21	Solar facilities located in PNM's service area;

¹ Formerly Mesa del Sol.

1	12. \$1,066 for WREGIS REC fees associated with the purchases under the Jicarilla
2	Solar I PPA, based on the projected purchase of 133,214 MWh;
3	13. \$5,444 for WREGIS REC fees associated with the purchases under the Arroyo
4	Solar PPA, based on the projected purchase of 680,514 MWh;
5	14. \$4,521 for WREGIS REC fees associated with the purchases under the San
6	Juan 1 Solar PPA, based on the projected purchase of 565,112 MWh;
7	15. \$6,958 for WREGIS REC fees associated with the purchases under the Atrisco
8	Solar PPA, based on the projected purchase of 869,810 MWh;
9	16. \$1,481 for WREGIS REC fees associated with the purchases under the Quail
10	Ranch purchased power agreement, based on the projected purchase of
11	185,073 MWh;
12	17. \$2,562,633 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	18. \$0 for the revenue requirement associated with the 2022 vintage RECs
16	associated with the 1.5 MW solar facility that sources the Sky Blue voluntary
17	renewable energy program;
18	19. \$4,070 reduction for the estimated WREGIS fees associated with projected
19	banked RECs;
20	20. \$50,000 of estimated costs associated with providing public notice of the 2026
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	21. PNM's annual WREGIS fee of \$83.

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

2 **2026** Plan.

3 A. PNM Table ARA-1 below identifies the differences between the revenue requirements

4 between the 2025 Plan, updated as of February 28, 2025, for PNM's annual Rider true-

5 up filing, and the 2026 Plan.

PNM Table ARA-1			
	2025 Revenue	2026 Revenue	
Description	Requirement	Requirement	Change
PNM-Owned Facilities			
PNM-Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$ 4,237,064	\$ 4,318,301	\$ 81,237
PNM-Owned 2013 Facilities Revenue Requirement - 20 MW	3,453,555	3,445,079	(8,476
PNM-Owned 2014 Facilities Revenue Requirement - 23 MW	3,860,499	3,866,469	5,970
PNM-Owned 2019 Facilities Revenue Requirement - 50 MW	7,005,851	6,975,364	(30,488
Total REC Fees for PNM-Owned 2015 Facilities - 40MW	747	822	75
Tierra Que Can Microgrid	-	-	-
Total PNM Owned Facilities Revenue Requirement	18,557,716	18,606,035	48,320
Purchased Power Agreements			
Lightning Dock PPA	3,619,528	3,663,773	44,245
Red Mesa PPA	6,739,588	6,492,455	(247,133
New Mexico Wind Energy Center (NMWEC)	15,685,617	15,058,520	(627,097
La Joya II	8,760,000	7,872,474	(887,526
REC Fees for Community Solar I	1,627	2,292	665
Jicarilla Solar I PPA	1,069	1,066	(3
Arroyo Solar PPA	6,485	5,444	(1,041
San Juan Solar PPA	4,540	4,521	(19
Atrisco Solar PPA	7,159	6,958	(200
Quail Ranch PPA	-	1,481	1,481
Total PPA Revenue Requirement	34,825,613	33,108,985	(1,716,628
Renewable Energy Certificates			
DG Programs REC Purchases	5,569,967	2,562,633	(3,007,334
Compliance REC Purchases	-	-	-
Total REC Revenue Requirements	5,569,967	2,562,633	(3,007,334
Sky Blue RECs Revenue Requirement	-	-	-
WREGIS Fee Adjustment (Estimated Banked RECs)	(4,280)	(4,070)	210
Renewable Filing and Reproduction Costs	50,000	50,000	-
WREGIS Annual Registration Fee	83	83	-
(Over) /Under Collection from 2024	(4,787,240)	-	4,787,240
Carrying Charges	(87,766)	-	87,766
Total 2024 (Over) /Under Collection	(4,875,006)	-	4,875,006
Total Revenue Requirement	\$ 54,124,093	\$ 54,323,667	\$ 199,574

6

Q. Please explain the change in the revenue requirement for the PNM-owned solar facilities in 2026 compared to 2025.

3 A. In general, the estimated annual revenue requirements for PNM-Owned Solar Facilities 4 is expected to increase between 2025 and 2026. These increases are primarily due to 5 expected higher operating and maintenance expenses and increased weighted average 6 cost of capital ("WACC"), mostly offset by declining rate base caused by normal, 7 ongoing depreciation. PNM Exhibit ARA-3, PNM Exhibit ARA-4, PNM Exhibit 8 ARA-5, and PNM Exhibit ARA-6 present the calculation of the 2026 annual revenue 9 requirement for the PNM-Owned 2011 Solar Facilities, PNM-Owned 2013 Solar 10 Facilities, PNM-Owned 2014 Solar Facilities, and PNM-Owned 2019 Solar Facilities, 11 respectively. The costs of registering and retiring RECs in WREGIS are also included 12 in the 2026 revenue requirement for these facilities.

13

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

A. Pursuant to paragraph 2 of the stipulation approved by the Commission in Case No.
14-00158-UT, PNM recovers the majority of costs associated with the PNM-Owned
2015 Solar facilities through base rates. PNM has historically recovered the WREGIS
fees on the RECs associated with these facilities through the renewable rider rather than
base rates because these costs are necessary for demonstrating RPS compliance.
Therefore, for the PNM-Owned 2015 solar facilities, the WREGIS fees are included in
the Rider 36 annual revenue requirement.

1		Similarly, PNM is requesting to recover only WREGIS fees associated with the Arroyo,
2		Jicarilla, and San Juan 1 solar projects (approved in Case No. 19-00195-UT), the
3		Atrisco Solar project (approved in Case No. 21-00215-UT), and the Quail Ranch Solar
4		Project (approved in Case No. 23-00353-UT) in this case. PNM is including the
5		associated WREGIS fees in the Rider 36 revenue requirement because the RECs
6		generated from these projects are necessary to demonstrate RPS compliance.
7		
8	Q.	Please explain the change in PPA revenue requirements between the 2025 Rider
9		and the 2026 Rider.
10	A.	The amounts included in the 2026 rider revenue requirement are based on PNM's
11		current projections of purchases under the PPAs. These projections can be found in
12		PNM Exhibit ARA-7. La Joya II Wind and New Mexico Wind Energy Center PPAs
13		are expected to have lower production compared to 2025. The revenue requirement for
14		Red Mesa wind is expected to decrease due to projected lower production, despite the
15		annual price escalation included in the PPA agreement. The Lightning Dock
16		Geothermal PPA revenue requirement is expected to increase in 2026 due to annual
17		price escalation included in the PPA agreement, partially offset with lower projected
18		production. Please refer to PNM witness Gutierrez's Direct Testimony for further
19		discussion of the projected MWh of all PPA facilities.
20		
21	Q.	Please describe the change in the DG REC Purchase amounts between the 2025
22		Rider revenue requirement and the 2026 Rider revenue requirement.

7

1	А.	The amounts included in the 2026 Rider Revenue Requirement are based on PNM's
2		current projections of DG REC purchases. As seen in PNM Table ARA-1, DG REC
3		purchases in 2026 are projected to be \$3,007,334 lower compared to 2025. The DG
4		REC forecasts are described by PNM witness Gutierrez. PNM Exhibit ARA-7 presents
5		the estimated annual revenue requirement for the DG REC purchases.
6		
7	Q.	Has PNM included any REC costs related to Community Solar?
8	А.	Yes. The 2026 revenue requirement includes \$2,292 in WREGIS fees related to
9		Community Solar RECs. Please see the Direct Testimony of PNM witness Gutierrez
10		for further discussion of the use of Community Solar RECs for RPS compliance.
11		
12	Q.	Does PNM have any 2022 vintage Sky Blue RECs that it proposes to retire for
13		RPS purposes and include in the 2025 Rider?
14	A.	No. Historically, PNM has requested to recover the costs of unused Sky Blue RECs
15		before they reach the end of their four-year life and retire. PNM has not identified any
16		2022 Sky Blue RECs available to be utilized for RPS compliance.
17		
18		III. OTHER MATTERS
19		
20	Q.	Please describe the true-up or reconciliation process for the 2026 Rider.
21	А.	Pursuant to Paragraph 8 of the Recommended Decision approved by the Commission
22		in Case No. 12-00007-UT, PNM will file a report by February 27, 2026, that will
23		include the following items:

1		1. Reconciliation of actual 2025 Rider revenues to actual 2025 procurement costs, and
2		2. True-up of projected costs included in the 2026 Rider with actual costs to the extent
3		available, including an update to the 2025 year-end WACC as shown in PNM
4		Exhibit ARA-8, based on the 2025 year-end WACC. PNM will propose a true-up
5		to the rider based on the amounts calculated above.
6		
7	Q.	Please explain the earnings test that was put in place in Case No. 12-00007-UT.
8	А.	Pursuant to Paragraph H of the Recommended Decision in Case No. 12-00007-UT,
9		PNM will file a pro forma cost of service based on actual accounting records for the
10		2025 calendar year by April 1, 2026, that will reflect appropriate cost of service
11		adjustments in accordance with the final order in PNM's most recent general rate case,
12		Case No. 24-00089-UT. If PNM's retail earned Return on Equity ("ROE") exceeds the
13		currently approved ROE by 50 basis points or more, the 2026 Rider will be adjusted to
14		refund the amount of PNM's earnings in excess of 50 basis points above its authorized
15		ROE.
16		
17		
18	Q.	Does this conclude your direct testimony?
		X7

A. Yes.

GCG#533803v2

Resume of Arin R. Apodaca

PNM Exhibit ARA-1

Is contained in the following 1 page.

PNM EXHIBIT ARA-1 PAGE 1 OF 1

ARIN R. APODACA EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Arin R. Apodaca Address: TXNM Energy Inc. MS 0915 414 Silver SW Albuquerque, NM 87102 Position: Manager, Cost of Service Education: Master of Accountancy, University of New Mexico, 2014 Bachelor of Business Administration, University of New Mexico, 2011 Certified Public Accountant in the State of New Mexico, 2017 Project Management Professional (PMP), Project Management Institute, 2024 Employment: Employed by PNMR Services Company since 2017. Positions held within the Company include: Manager, Cost of Service Project Manager, Special Projects Sr. Analyst, Cost of Service Analyst, Cost of Service Analyst, State and Local Tax

Testimony and Affidavit Filed:

New Mexico Public Regulation Commission

• In the Matter of the Application of Public Service Company of New Mexico for Approval of Renewable Energy Rider No. 36 Pursuant to Advice Notice No. 439 and for Variances from Certain Filing Requirements, NMPRC Case No. 12-00007-UT, filed February 28, 2025

Texas Public Utility Commission

• In the Matter of the Application of Texas-New Mexico Power Company for A Distribution Cost Recovery Factor, PUCT Docket No. 57816, filed March 14, 2025

Summary 2026 Renewable Rider Revenue Requirement -Projected

PNM Exhibit ARA-2

Is contained in the following 1 page.

Page 1 of 1

Line		20	26 Revenue	
No.	Description		equirement	Reference
1	PNM-Owned Facilities			
2	PNM-Owned 2011 Facilities Revenue Requirement - 22.5 MW	\$	4,318,301	PNM Exhibit ARA-3, page 3, Column M, Line 130
3	PNM-Owned 2013 Facilities Revenue Requirement - 20 MW		3,445,079	PNM Exhibit ARA-4, page 2, Column M, Line 83
4	PNM-Owned 2014 Facilities Revenue Requirement - 23 MW		3,866,469	PNM Exhibit ARA-5, page 2, Column M, Line 83
5	PNM-Owned 2019 Facilities Revenue Requirement - 50 MW		6,975,364	PNM Exhibit ARA-6, page 2, Column M, Line 78
6	Total REC Fees for PNM-Owned 2015 facilities - 40 MW		822	Note 1
7	REC Fees for Tierra Que Can Microgrid		-	Note 1
8	Total PNM Owned Facilities Revenue Requirement		18,606,035	
9				
10	Purchased Power Agreements			
11	Geothermal PPA		3,663,773	PNM Exhibit ARA-7, page 1, Line 9
12	Red Mesa PPA		6,492,455	PNM Exhibit ARA-7, page 1, Line 20
13	New Mexico Wind Energy Center (NMWEC)		15,058,520	PNM Exhibit ARA-7, page 1, Line 31
14	La Joya II		7,872,474	PNM Exhibit ARA-7, page 1, Line 42
15	REC Fees for Community Solar I		2,292	Note 1
16	REC Fees for Jicarilla Solar I PPA		1,066	Note 1
17	REC Fees for Arroyo Solar PPA		5,444	Note 1
18	REC Fees for San Juan Solar PPA		4,521	Note 1
19	REC Fees for Atrisco Solar PPA		6,958	Note 1
20	REC Fees for Quail Ranch PPA		1,481	Note 1
21	Total PPA Revenue Requirement		33,108,985	
22				
23	Renewable Energy Certificates			
24	DG Programs REC Purchases		2,562,633	PNM Exhibit ARA-7, page 2, Line 48
25	2024 Compliance REC Purchases		-	PNM Exhibit ARA-7, page 2, Line 58
26	Total REC Revenue Requirements		2,562,633	
27				
28	2022 Sky Blue RECs Revenue Requirement		-	PNM Exhibit ARA-9, Line 18
29				
30	WREGIS Fee Adjustment (Estimated 2025 Banked RECs)		(4,070)	PNM Exhibit SG-2
31				
32	Renewable Filing and Reproduction Costs		50,000	
33				
34	WREGIS Annual Registration Fee		83	
35				
36	Total 2026 Revenue Requirement	\$	54,323,667	
37	(Line 8 + Line 21 + Line 26 + Line 28 + Line 30 + Line 32 + Line 34)			

Note 1: Estimated retail share of REC costs associated with the listed lo			
	Planned MWh	REC Cost per MWh	

	Planned MWh	REC	Cost per MWh	Estimated REC Fee
	A		В	A*B
PNM-Owned 2015 Facilities:	102,730	\$	0.008	822
Tierra Que Can Microgrid Facility:	-	\$	0.008	-
Community Solar I Facility:	286,543	\$	0.008	2,292
Jicarilla Solar I Facility:	133,214	\$	0.008	1,066
Arroyo Solar Facility:	680,514	\$	0.008	5,444
San Juan Solar Facility:	565,112	\$	0.008	4,521
Atrisco Solar Facility:	869,810	\$	0.008	6,958
Quail Ranch Facility	185,073	\$	0.008	1,481

2026 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

PNM Exhibit ARA-3

Is contained in the following 3 pages.

PNM Exhibit ARA - 3 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

		A	В	с	D	E	F	G	н	I	J	К	L	м
							2026							2026 Projected
Line No.		January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
1	Plant In Service													
3	22 MW Solar Facilities - Generation													
4	Land	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397	3,928,397
5	Total Generation	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743	83,445,743
6	Total Gross Plant - 22 MW Solar Generation	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140	87,374,140
7	Total Accumulated Depreciation	(42,355,304)	(42,576,113)	(42,796,923)	(43,017,732)	(43,238,541)	(43,459,351)	(43,680,160)	(43,900,969)	(44,121,779)	(44,342,588)	(44,563,397)	(44,784,207)	(44,784,207)
8	Net Plant In Service - 22 MW Solar Generation	45,018,836	44,798,027	44,577,217	44,356,408	44,135,598	43,914,789	43,693,980	43,473,170	43,252,361	43,031,552	42,810,742	42,589,933	42,589,933
9														
10	Solar Facilities - Transmission & Distribution													
11	Total Gross Plant - T&D	909,968	909,968	909,968	909,968	909,968	909,968	909,968	909,968	909,968	909,968	909,968	909,968	909,968
12	Accumulated Depreciation	(306,251)	(308,323)	(310,396)	(312,468)	(314,541)	(316,613)	(318,686)	(320,759)	(322,831)	(324,904)	(326,976)	(329,049)	(329,049)
13 14	Net Plant in Service - T&D	603,718	601,645	599,572	597,500	595,427	593,355	591,282	589,210	587,137	585,064	582,992	580,919	580,919
14	Frank Street Backet													
15	Energy Storage Project PV	3.564.859	3.564.859	3.564.859	3.564.859	3.564.859	3.564.859	3.564.859	3,564,859	3.564.859	3.564.859	3.564.859	3.564.859	3.564.859
10	DOE Battery	2.814.484	2.814.484	2,814,484	2.814.484	2.814.484	2,814,484	2.814.484	2.814.484	2.814.484	2.814.484	2,814,484	2.814.484	2,814,484
18	Total Gross Plant - Energy Storage	6.379.343	6,379,343	6.379.343	6,379,343	6.379.343	6.379.343	6.379.343	6.379.343	6.379.343	6.379.343	6.379.343	6.379.343	6.379.343
19	Accumulated Depreciation	(4.691.964)	(4.703.815)	(4.715.665)	(4,727,515)	(4,739,366)	(4.751.216)	(4,763,066)	(4.774.917)	(4,786,767)	(4.798.618)	(4.810.468)	(4.822.318)	
20	Net Plant in Service - Energy Storage	1,687,379	1,675,528	1,663,678	1,651,827	1,639,977	1,628,127	1,616,276	1,604,426	1,592,576	1,580,725	1,568,875	1,557,024	1,557,024
20	net han in service Energy storage	1,007,575	1,075,520	2,003,070	1,001,027	2,035,577	1,010,117	1,010,270	1,004,420	2,352,570	1,500,725	1,500,075	2,557,524	2,007,024
22	Total Net Plant In Service - Renewables	47,309,932	47,075,200	46.840.467	46,605,735	46,371,003	46,136,270	45,901,538	45,666,806	45,432,074	45,197,341	44,962,609	44.727.877	44,727,877
23		,,	,====		,,		,===,===		,,	,	,	.,,	.,,	,. =. ,=
24	Accumulated Deferred Income Taxes													
25	ADIT Balance as of 12/31/2017	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)	(21,890,280)
26	Liberalized Depreciation - 22 MW Solar	4,647,814	4,693,457	4,739,100	4,784,742	4,830,385	4,876,028	4,921,671	4,967,314	5,012,957	5,058,600	5,104,242	5,149,885	5,149,885
27	Liberalized Depreciation - T&D	49,643	50,170	50,696	51,223	51,749	52,276	52,802	53,329	53,855	54,382	54,908	55,435	55,435
28	Liberalized Depreciation - Energy Storage	494,364	497,374	500,384	503,395	506,405	509,415	512,425	515,435	518,445	521,456	524,466	527,476	527,476
29	Excess Deferred Federal Income Taxes (EDFIT)	3,022,677	3,068,491	3,114,305	3,160,119	3,205,933	3,251,747	3,297,561	3,343,374	3,389,188	3,435,002	3,480,816	3,526,630	3,526,630
30	Excess Deferred State Income Taxes (EDSIT)	409,714	409,714	409,714	409,714	409,714	409,714	409,714	409,714	409,714	409,714	409,714	409,714	409,714
31	Unamortized NM Advanced Energy Credit ADIT	387,329	391,215	395,101	398,986	402,872	406,758	410,643	414,529	418,415	422,300	426,186	430,072	430,072
32	Total Accumulated Deferred Income Taxes	(12,878,738)	(12,779,859)	(12,680,980)	(12,582,101)	(12,483,222)	(12,384,343)	(12,285,463)	(12,186,584)	(12,087,705)	(11,988,826)	(11,889,947)	(11,791,068)	(11,791,068)
33														
34	Other Rate Base Additions (Deductions)													
35	Prepaid Insurance	41,959	41,959	41,959	41,959	41,959	41,959	41,959	41,959	41,959	41,959	41,959	41,959	41,959
36	Unamortized ARRA Section 1603 Grant	(10,142,059)	(10,061,818)	(9,981,577)	(9,901,337)	(9,821,096)	(9,740,855)	(9,660,615)	(9,580,374)	(9,500,134)	(9,419,893)	(9,339,652)	(9,259,412)	
37	Unamortized NM Advanced Energy Credit	(1,932,710)	(1,917,412)	(1,902,114)	(1,886,816)	(1,871,518)	(1,856,220)	(1,840,922)	(1,825,624)	(1,810,326)	(1,795,028)	(1,779,730)	(1,764,432)	
38 39	Total Other Rate Base Additions (Deductions)	(12,032,810)	(11,937,271)	(11,841,733)	(11,746,194)	(11,650,656)	(11,555,117)	(11,459,578)	(11,364,040)	(11,268,501)	(11,172,962)	(11,077,424)	(10,981,885)	(10,981,885)
40	Total Rate Base	22,398,383	22,358,069	22,317,754	22,277,440	22,237,125	22,196,811	22,156,496	22,116,182	22,075,867	22,035,553	21,995,238	21,954,924	21,954,924
41														
42	Operations & Maintenance Expenses													
43	Total Operations & Maintenance Expense	141,555	44,065	189,909	41,730	41,730	221,802	62,778	58,228	176,782	116,310	73,242	164,299	1,332,430
44														
45	Depreciation & Amortization Expense													
46	Depreciation Expense - 22 MW Solar	220,165	220,165	220,165	220,165	220,165	220,165	220,165	220,165	220,165	220,165	220,165	220,165	2,641,984
47	Depreciation Expense - 22 MW Solar 2022 Addition	644	644	644	644	644	644	644	644	644	644	644	644	7,728
48	Depreciation Expense - T&D	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	2,073	24,871
49	Depreciation Expense - Energy Storage	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	11,850	142,205
50	Total Depreciation & Amortization Expense	234,732	234,732	234,732	234,732	234,732	234,732	234,732	234,732	234,732	234,732	234,732	234,732	2,816,787
51														
52	Property Taxes	20	20.247	20 70-	20 705	20 707	20 205	20 707	20.25	20.767	20.207	20.207		
53	Total Property Taxes	28,788	28,788	28,788	28,788	28,788	28,788	28,788	28,788	28,788	28,788	28,788	28,788	345,452

PNM Exhibit ARA - 3 2026 Renewable Energy Rider

2026 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

							2026							2026 Projected
Line No.		January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
54	Other Allowable Expenses													
55 56	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) (15,298)	(15,298)	(15,298)	(15,298)	(183,576) (183,576)
55	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)
58	Federal Income Tax													
59	Total Net Original Cost Rate Base	22,398,383	22,358,069	22,317,754	22,277,440	22,237,125	22,196,811	22,156,496	22,116,182	22,075,867	22,035,553	21,995,238	21,954,924	21,954,924
60	Weighted Cost of Capital (PNM Exhibit ARA-8, line 4)	<u>6.66%</u>	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	<u>6.66%</u>	6.66%	6.66%	<u>6.66%</u>
61	Return on Rate Base	124,384	124,160	123,936	123,712	123,488	123,264	123,040	122,817	122,593	122,369	122,145	121,921	1,477,828
62 63	Less Return Adjustments Interest on Long Term Debt	(31,507)	(31,451)	(31,394)	(31,337)	(31,281)	(31,224)	(31,167)	(31,110)	(31,054)	(30,997)	(30,940)	(30,884)	(374,346)
64	Tax/Book Adjustments	(51,507)	(51,451)	(51,594)	(51,557)	(51,261)	(31,224)	(51,107)	(51,110)	(51,054)	(50,997)	(30,940)	(30,884)	(574,540)
65	AFUDC Equity	19	19	19	19	19	19	19	19	19	19	19	19	227
66	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
67	Flow Thru Item - ITC - Energy Storage	-	-	-	-	-	-	-	-	-	-	-	-	-
68 69	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
70	Depreciation AFUDC Debt	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	195,130 654	2,341,562 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)
72	Deferred State Income Tax	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(120,665)
73	Total Temporary Tax/Book Differences	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	2,045,171
74														
75	Total Return Adjustments	177,871	177,928	177,985	178,042	178,098	178,155	178,212	178,268	178,325	178,382	178,439	178,495	2,138,201
76 77	Net Taxable Equity Return	302,255	302,088	301,921	301,754	301,586	301,419	301,252	301,085	300,918	300,751	300,583	300,416	3,616,029
78	Net Taxable Equity Neturn	302,233	502,000	501,521	301,734	301,380	301,415	501,252	301,083	500,518	500,751	300,383	500,410	5,010,025
79	Federal Income Tax Adjustments													
80	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)
81	Amortization of Excess Deferred Federal Taxes	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(549,768)
82	Deferred Federal Income taxes before NOL	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(429,486)
83 84	Total Federal Income Tax Adjustments before NOL	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(161,845)	(1,942,141)
85	Adjusted Equity Return before NOL	140,410	140,243	140,076	139,909	139,741	139,574	139,407	139,240	139,073	138,906	138,738	138,571	1,673,887
86	Net Operating Loss Carryover	-	-	-	-	-		-	-	-	-	-		-
87	NOL Deferred State Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
88	NOL Deferred Federal Income Tax	· · · · · ·		<u> </u>		-				<u> </u>	<u> </u>	-	-	-
89	Adjusted Current Equity Return After NOL	140,410	140,243	140,076	139,909	139,741	139,574	139,407	139,240	139,073	138,906	138,738	138,571	1,673,887
90 91	Federal Tax Factor (Rate/1-Rate) Current Federal Income Tax	26.5823% 37,324	26.5823% 37,280	26.5823% 37,235	26.5823% 37,191	26.5823% 37,146	26.5823% 37,102	26.5823% 37,058	26.5823% 37,013	26.5823% 36,969	26.5823% 36,924	26.5823% 36,880	26.5823% 36,835	26.5823% 444,958
91	Add:	57,524	57,280	57,255	57,191	57,140	37,102	57,056	57,015	50,909	50,924	30,660	50,055	444,956
93	Amortization of Excess Deferred Federal Taxes	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(45,814)	(549,768)
94	Total Provision for Deferred Income Tax	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(35,790)	(429,486)
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 98	Net Allowable Federal Income Tax	(124,521)	(124,565)	(124,610)	(124,654)	(124,699)	(124,743)	(124,788)	(124,832)	(124,876)	(124,921)	(124,965)	(125,010)	(1,497,183)
98	State Income Tax													
100	Return on Rate Base	124,384	124,160	123,936	123,712	123,488	123,264	123,040	122,817	122,593	122,369	122,145	121,921	1,477,828
101	Less: Return Adjustments													
102	Interest on Long Term Debt	(31,507)	(31,451)	(31,394)	(31,337)	(31,281)	(31,224)	(31,167)	(31,110)	(31,054)	(30,997)	(30,940)	(30,884)	(374,346)
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	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	170,431	2,045,171
105 106	Add: Net Allowable FIT Production Tax Credits (PTC)	(124,521)	(124,565)	(124,610)	(124,654)	(124,699)	(124,743)	(124,788)	(124,832)	(124,876)	(124,921)	(124,965)	(125,010)	(1,497,183)
106	State Taxable Income	177,734	- 177,523	- 177,311	- 177,099	176,888	176,676	176,465	176,253	176,041	- 175,830	175,618	175,407	2,118,845
108	State Tax Factor (Rate/1-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%
109	State Income Tax	10,486	10,474	10,461	10,449	10,436	10,424	10,411	10,399	10,386	10,374	10,361	10,349	125,012
110	Provision for Deferred State Income Tax	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(10,055)	(120,665)
111	Amortization of Excess Deferred Taxes	-	-	-	-	-	-	-	-	-	-		-	-
112	Add: State Renewable ITC and PTC	· · · · ·			-					-	<u> </u>	-	-	
113 114	Net Allowable State Income Tax	431	418	406	393	381	368	356	344	331	319	306	294	4,347
114	Het Anowable state income tax	431	418	400	222	201	506	000	544	166	519	506	294	4,547

PNM Exhibit ARA - 3 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2011 Facilities

		A	в	c	D	E	F	G	н	i.	J	к	L	м
							2026							2026 Projected
Line No.		January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
115	Revenue Requirement Summary													
116	Return on Rate Base	124,384	124,160	123,936	123,712	123,488	123,264	123,040	122,817	122,593	122,369	122,145	121,921	1,477,828
117	Total Operating Expenses	389,777	292,287	438,131	289,952	289,952	470,024	311,000	306,450	425,004	364,532	321,464	412,521	4,311,093
118	Net Allowable Federal Income Tax	(124,521)	(124,565)	(124,610)	(124,654)	(124,699)	(124,743)	(124,788)	(124,832)	(124,876)	(124,921)	(124,965)	(125,010)	(1,497,183)
119	Net Allowable State Income Tax	431	418	406	393	381	368	356	344	331	319	306	294	4,347
120	Total Revenue Requirements before Revenue Tax	390,070	292,300	437,863	289,403	289,123	468,914	309,609	304,778	423,051	362,299	318,950	409,726	4,296,085
121	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%
122	Revenue Tax	1,984	1,487	2,227	1,472	1,470	2,385	1,575	1,550	2,152	1,843	1,622	2,084	21,849
123														
124	Revenue Requirements	392,054	293,786	440,090	290,875	290,593	471,298	311,183	306,328	425,202	364,141	320,572	411,810	4,317,934
125														
126	MWh output expected													45,964
127	WREGIS fee \$/MWh													0.008
128	WREGIS Registration Fee													368
129														
130	Total Revenue Requirements											PNM Ex	hibit ARA-2, line 2	4,318,301

2026 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities



Is contained in the following 2 pages.

PNM Exhibit ARA - 4 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities

Image: Constraint of the state of			A	В	с	D	E	F 2026	G	н	1	J	К	L	M 2026 Projected
Johnson State State State </th <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>2020</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>2020 Projected</th>								2020							2020 Projected
Amomina Status	Line No	a.	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
Amomina Status	1	Plant In Service													
strip High High <thhigh< th=""> High High <th< td=""><td></td><td></td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td><td>45.076.972</td></th<></thhigh<>			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	45.076.972
Inclusion procession OBUSING 001299 O	4	Land		665,400		665,400	665,400	665,400		665,400	665,400	665,400	665,400		
Just Heat Indice JUSIAN JUSIAN <thjusian< th=""> <th< td=""><td>5</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<></thjusian<>	5														
A marked determines Control and marked determines Control and marked determine	6														
Barbonic [102.028] [102.028] [102.028] [024.08] [024.08] [024.08] [024.08] [024.08] [024.08] [024.08] [024.08] [024.08] [024.08] [024.08] [024.08] </td <td>7</td> <td>Net Plant In Service</td> <td>27,532,668</td> <td>27,405,082</td> <td>27,277,495</td> <td>27,149,908</td> <td>27,022,322</td> <td>26,894,735</td> <td>26,767,149</td> <td>26,639,562</td> <td>26,511,976</td> <td>26,384,389</td> <td>26,256,802</td> <td>26,129,216</td> <td>26,129,216</td>	7	Net Plant In Service	27,532,668	27,405,082	27,277,495	27,149,908	27,022,322	26,894,735	26,767,149	26,639,562	26,511,976	26,384,389	26,256,802	26,129,216	26,129,216
1 Normal 22.000 <	10		(37,810,168)	(37,813,171)	(37,816,174)	(37,819,178)	(37,822,181)	(37,825,184)	(37,828,188)	(37,831,191)	(37,834,194)	(37,837,198)	(37,840,201)	(37,843,204)	(37,843,204)
Image: International Control (19)(19)(19) (0.2)33(20) (0.2)34(20)	12														
1 Date when the electron the (2017) United in the sector the (2017) United in the (2017) Unit															
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Mathematical solutions in particular solutions in parti		Total Accumulated Deferred Income Taxes													
1 1	20	Other Rate Base Additions (Deductions) Prepaid Insurance	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813	23,813
1 Magned Cord Cog Machene Machene Machene 1640 6400	22	Total Rate Base	19,385,573	19,310,512	19,235,452	19,160,391	19,085,330	19,010,269	18,935,209	18,860,148	18,785,087	18,710,027	18,634,966	18,559,905	18,559,905
Amount number 100,03 202,04 30,040 205,05 105,05 100,05 100,015		Weighted Cost of Capital (PNM Exhibit ARA-8, line 4)	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%
Distribute Advances Legional So.51 Distribute Advances Distribute Advances <thdistrib< td=""><td></td><td></td><td>107,653</td><td>107,236</td><td>106,819</td><td>106,402</td><td>105,985</td><td>105,569</td><td>105,152</td><td>104,735</td><td>104,318</td><td>103,901</td><td>103,484</td><td></td><td>1,264,323</td></thdistrib<>			107,653	107,236	106,819	106,402	105,985	105,569	105,152	104,735	104,318	103,901	103,484		1,264,323
Bepertidie in al Americania Americania Agenerational Agenerational Americania Agenerational Agenerational Americania Agenerational Americania Agenerational Agenetagenerational Agenerational Agenerational Agenerationa		Operations & Maintenance Expense	55,611	17,311	74,607	16,394	16,394	87,137	24,663	22,875	69,450	45,693	28,774		523,455
Image Junc Junc <thjunc< th=""> Junc Junc <th< td=""><td>29</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>,</td><td></td><td></td><td></td><td></td></th<></thjunc<>	29										,				
Jack Additional Tax Additional Tax Additional Tax Additional Tax Jack Main and Maina	31														
15 Heim Adjustments Price Adj	33		,	,	,	,	,	,	,	,	,		,	,	,
5 Interial Paralytics Algorithm (p2.20) (p2.12) (p2.50) (p2.51) (p2.50) (p3.50)															
10 Taylox Adjustments 10000 10			(27.269)	(27 164)	(27.058)	(26.953)	(26.847)	(26.741)	(26,636)	(26.530)	(26.425)	(26.319)	(26,213)	(26.108)	(320.263)
10 AttOC (zm, r) 100 900 900 900			(=:,===;	(=-,==-,)	(=:)===)	(==)===)	((20). (2)	())	(20)000)	(20) (20)	(())	(==)===)	())
40 Instantin Tar-Cesits	38	Flow Thru Item - ITC													-
4.1 Trail Permanent Offerences 969 </td <td></td> <td></td> <td>989</td> <td>11,873</td>			989	989	989	989	989	989	989	989	989	989	989	989	11,873
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$															-
4.1 Deferred State fromory Therears: (5,44) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,48) (5,44) (5,41)															
4 Total Hompsony Differences 98,993															
4 Amortstalin of texes before 1 feeds intoome Taxes (LDFIT) [25,889] [25,8															
6 Deferred Federal Taxes before NOL. 10,0,288 (20,288) (2															
47 Adjusted Current Equity Return borkor NOL 133,679 133,687 132,745 132,745 132,414 132,122 131,182 130,078 130,057 130,255 1,558,06 40 NOL Deferred State Income Tax															
4 Not Operating Size Incomer Tax															
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $															
1 Net Current Taxable Equity Neturn 133,877 133,387															-
92 Federal Task Rate 26.5823% 26.5833% 102.0788			· · · · · ·	<u> </u>	<u> </u>	<u> </u>		<u> </u>	· .	<u> </u>	· .	· .	· .		
53 Total Current Federal Income Tax 93,53 35,24 35,369 35,247 35,249 34,956 34,973 34,970															
54 Total Provision for Deferred Federal Income Tax (20,788) (25,898) (25,898) (25,898) (25,898) (25,898) (21,997) (11,997) (11,997) (11,997) (11,997) (11,997) (11,997) (11,997) (21,962) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898) (25,898)															
S5 Anortizzion of Excess Deferred Federal Income Taxes (EDFT) (25,898) (25															
57 Total Federal Income Tax (11,152) (11,123) (11,131) (11,483) (11,515) (11,483) (11,513) (11,131) (11,134) (11,139) (11,199) (12,062) (13,02,81) 5 State Income Tax -	55	Amortization of Excess Deferred Federal Income Taxes (EDFIT)													
99 State Income Tax 99 State Income Tax 90 State Current Taxable Equivy Return 165,274 165,268 165,274 162,293 112,229 112,229 112,229 112,229 112,229 112,229 112,229 112,229 112,243 126,433 126,433 126,433 126,433 126,433 126,433 126,433 126,433 126,433 126,433 126,433 126,433 126,43	57		(11,152)	(11,234)	(11,317)	(11,400)	(11,483)	(11,565)	(11,648)	(11,731)	(11,814)	(11,896)	(11,979)	(12,062)	(139,281)
60 Net Current Taxable Guip Return 169,224 169,224 168,820 167,248 167,248 166,650 166,662 166,662 165,668 165,678 166,682 165,678 166,682 165,678 166,682	59	State Income Tax													
62 Total Current State Income Tax 9.984 9.9937 9.9.94 9.881 9.967 9.844 9.821 9.978 9.774 9.731 9.728 9.774 9.731 9.731 9.728 9.774 9.731 9.731 9.728 9.774 9.731 9.731 9.728 9.774 9.731 9.733 9.731															
63 Total Deferred State Income Tax (5,841)															
64 Amortization of Excess Deferred Taxes 1 1 1 1 1 1 1 1 65 State Reveable PTC - - - - - - - - 66 Total State Reveable PTC - - - - - - - - - 67 Total State Reveable PTC - - - - - - - - - 68 Reverue Requirement Summary - - 105,663 105,569 105,152 104,735 104,318 103,901 103,484 103,066 1,264,323 69 Return on Rate Base 107,653 107,236 106,613 105,613 213,555 164,881 167,094 213,669 189,912 172,992 208,765 2,254,078 71 Net Allovable State Income Tax (11,152) (11,152) (11,431) (11,400) (11,483) (11,563) (11,648) (11,711) (11,866) (11,979) (12,662) (139,281) 73 Total Revenue Requirement Station one Tax 300,473 26,1651 318,424 259,688 259,166 329,385 266,389 264,078 310,130 228,851 268,															
66 Total State Income Tax 4,143 4,120 4,097 4,073 4,050 4,027 4,004 3,980 3,957 3,934 3,911 3,887 48,182 67 Revenue Requirement Summary 107,653 107,236 106,619 105,659 105,559 106,132 213,355 104,735 104,318 103,061 1,264,323 70 Total Operating Expresses 199,829 161,530 218,826 100,613 231,355 168,881 167,094 213,669 189,912 172,992 206,765 2,254,078 71 Net Allowable State Income Tax (11,152) (11,137) (11,400) (11,400) (11,483) (11,284) (11,286) (11,979) (12,662) (13,887) 48,182 73 Total Revenue Tax 300,473 2,61,615 318,424 259,688 259,166 329,385 266,389 264,078 310,130 228,851 268,408 30,3653 3,427,34 0.908573% 0.908573% 0.908573% 0.908573% 0.908573% 0.908573% </td <td></td> <td></td> <td></td> <td>-</td>				-	-	-	-	-	-	-	-	-	-	-	-
67 Revenue Baguirement Summary 68 Revenue Baguirement Summary 68 Revenue Baguirement Summary 68 Return on Nate Base 107,653 107,256 106,819 106,6402 105,569 105,152 104,735 104,318 103,901 103,484 103,068 1,264,323 70 Total Operating Expenses 199,829 165,150 218,826 160,613 231,955 106,819 11,664 11,711 11,144 (11,866) (11,72,992 208,765 2,254,078 11 Net Allowable Ederal Income Tax 4,143 4,100 4,097 4,073 4,050 4,027 4,004 3,980 3,957 3,934 3,911 3,887 44,123 7 Total Devenue Equirements before Revenue Tax 4,143 4,102 4,097 4,073 4,050 4,027 4,004 3,980 3,957 3,934 3,911 3,887 44,123 7 Revenue Equirements before Revenue Tax 30,073 261,651 318,444 256,665 329,385 265,637% 0,508573% 0,508573% 0,508573% 0,508573% 0,508573% 0,508573%	65	State Renewable PTC	-				-		-	-	-	-			-
69 Return on Rate Base 107,653 107,263 106,819 106,629 105,585 104,735 104,118 103,001 103,484 1,264,233 70 Total Operating Expension 199,829 161,510 218,325 166,613 231,355 164,881 167,094 218,925 126,923 2,254,078 71 Net Allowable Federal Income Tax (11,152) (11,24) (11,317) (11,400) (11,463) (11,155) (11,144) (11,844) (11,844) (11,846) (11,77) (11,814) (11,846) (11,77) (11,814) (11,846) (11,731) (11,814) (11,846) (11,731) (11,814) (11,846) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731) (11,814) (11,864) (11,731)		Total State Income Tax	4,143	4,120	4,097	4,073	4,050	4,027	4,004	3,980	3,957	3,934	3,911	3,887	48,182
70 Total Operating Expenses 199,829 161,530 218,826 160,613 231,355 168,881 167,094 213,669 189,912 172,992 208,765 2254,078 11 Net Allowable Ederal Income Tax (11,152) (11,123) (11,124) <td>68</td> <td>Revenue Requirement Summary</td> <td></td>	68	Revenue Requirement Summary													
71 Net Allowable Faderal Income Tax (11,122) (11,127) (11,407) (11,408) (11,71) (11,121) (11,127) (11,407) (11,408) (11,71) (11,121) (11,127) (11,127) (11,121) (11,121) (11,127) (11,121) <td></td>															
72 Net Allowable State Income Tax 4.13 4.10 4.097 4.073 4.020 4.027 4.004 3.80 3.87 3.934 3.911 3.887 4.812 73 Total Revenue Requirements before Revenue Tax 30.0473 261,651 318,414 259,688 259,166 320,385 266,389 264,073 310,130 285,851 286,408 30,658															
73 Total Revenue Requirements before Revenue Tax 300,473 261,651 318,424 259,686 329,385 266,389 264,078 310,130 225,851 268,408 303,558 74 Revenue Tax 0.508573%															
74 Revenue Tax Factor 0.508573%															
75 Revenue Tax 1,528 1,331 1,619 1,321 1,318 1,675 1,355 1,343 1,577 1,454 1,365 1,544 17,430															
	75														
		Revenue Requirements for PNM Owned 2013 Facilities	302,002	262,982	320,044	261,009	260,484	331,060	267,743	265,421	311,707	287,305	269,773	305,202	3,444,732

PNM Exhibit ARA - 4 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2013 Facilities



2026 Estimated Annual Revenue Requirement for the PNM-Owned 2014 facilities

PNM Exhibit ARA-5

Is contained in the following 2 pages.

PNM Exhibit ARA-5 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2014 Facilities

Page 1 of 2

17 Deferred Tax- Punt 1608,574 1,727,576 1,779,346 1,847,127 1,841,27	K <u>November</u>	L December	M 2026 Projected
Inter No. Inter No. <t< th=""><th><u>November</u></th><th>December</th><th>2026 Projected</th></t<>	<u>November</u>	December	2026 Projected
Put in Service 44,999,308 44,	November	December	
Puest in Service 21 MV PT Solar 44,599,308 <			Revenue Requirement
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$			
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$			
5 Trail Gos Phain in Service 46,574,055		44,959,308	44,959,308
			1,714,747
r Net Plant In Service 30,116,476 29,988,184 29,859,882 29,731,600 29,03,005 29,475,015 29,346,724 29,218,432 29,009,100 28,000 Accomulated Defended Income Taxes		46,674,055 (17,968,791)	46,674,055 (17,968,791)
Accommutated Deferred Income Taxes (17,670,723) (12,64,527) (12,645,27) (12,645,27) (12,645,27) (12,645,27) (12,645,27) (12,645,27) (12,645,27) <th< td=""><td></td><td></td><td>28,705,264</td></th<>			28,705,264
10 Tax Depreciation (37,67,22) (37,67,22) (37,67,22) (37,67,22) (37,67,22) (37,67,23) (32,67,23) (32,67,23) (32,67,23) (32,67,23) (32,67,23) (32,67,23) (32,67,23) (32,67,23) (32,67,23	20,033,330	28,703,204	28,703,204
11 Deferred 23,956,858 23,850,203 23,743,547 23,369,265 23,210,210 23,210,316 22,210,210 23,210,316 22,210,210 23,210,316 22,210,210 23,210,210			
12 Deferred 23,956,858 23,973,957 23,656,859 23,23,02,95 23,423,581 23,310,956 23,202,057 22,003,058 23,004,055 25,004,055 25,051,05 65,055,05 65,055,05 65,055,05 65,055,05 65,055,05 65,055,07 (65,05,027) (12,054,527) <t< td=""><td>6,013) (37,687,712)</td><td>(37,689,411)</td><td>(37,689,411)</td></t<>	6,013) (37,687,712)	(37,689,411)	(37,689,411)
13 Flow-Through AFUCE Equity and ITC Easis Diff 6.856,581 6.856,581 6.856,581 6.856,581 6.856,581 6.836,581 6.836,581 6.836,381 720,255 725,621 725,631 720,255 725,631 720,837 720,837 720,837 720,837 720,837 720,838 720,837 720,831 720,837 720,837 720,837 720,837 720,837 720,837 720,837 720,837 720,837 720,837 720,837 721,937,837 721,937,837 721,93			
14 AOT Balance as of 12/3/20/7 (12,054,527)		22,783,649	22,783,649
15 Excess Deferred facteral Income Taxes (EDFIT) 1.664.526 1.689.755 1.714.933 1.740.212 1.765.441 1.700.670 1.815.899 1.841.122 1.866.356 1.86 16 Excess Deferred facter Income Taxes (EDSIT) 1.266.356 1.225.621 225.611 25.61 25.61<			6,845,241 (12,054,527)
16 Excess Deferred Taxe (EDSIT) 225, 621 626, 61 105, 60 105, 70 105, 60 105, 70 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 105, 71 <td></td> <td></td> <td>1,942,043</td>			1,942,043
18 Total Accumulated Deferred Income Taxes (8,465,705) (8,413,386) (8,351,067) (8,308,748) (8,254,428) (8,204,109) (8,099,470) (8,09,41,61) <	5,621 225,621	225,621	225,621
19 Other Rate Base Additions (Deductions) Prepaid Insurance 42,891	2,489 1,969,579	1,996,670	1,996,670
0 Other Rate Base Additions (Deductions) Prepaid Insurance 42,801 <td>4,832) (7,942,513]</td> <td>(7,890,193)</td> <td>(7,890,193)</td>	4,832) (7,942,513]	(7,890,193)	(7,890,193)
1121 22 24 24 24 24 24 24 Trail Rate Base Weighted Cost of Capital (PNM Exhibit ARA-8, line 4) 21,693,662 21,617,689 21,547,7689 21,545,744 21,389,771 21,313,798 21,237,826 21,161,833 21,085,880			
12 Total Rate Base 21,693,682 21,617,689 21,547,746 21,457,740 21,313,798 21,237,826 21,151,853 21,085,880 21,003,5880 21,003,58	2,891 42,891	42,891	42,891
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		20.057.052	00.057.050
24 Weighted Cost of Capital (PNM Exhibit ABA-8, line 4) 6.66% 6	9,907 20,933,935	20,857,962	20,857,962
25 20 120,0470 120,048 119,026 119,204 118,783 118,361 117,939 117,517 117,095 117,205 26 Return on Rate Base 75,833 23,666 101,737 22,355 22,355 118,823 33,631 31,194 94,704 66 28 Operations & Maintenance Expense 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,292 128,040 18,040	6.66% 6.66%	6.66%	6.66%
27 75,833 23,666 101,737 22,355 22,355 118,823 33,611 31,194 94,704 62 29 Depreciation and Amortization Expense 128,292			
28 Operations & Maintenance Expense 75,833 23,666 101,737 22,355 118,823 33,631 31,194 94,704 94,704 30 Depreciation and Amortization Expense 128,292 128,940	6,673 116,251	115,829	1,417,797
29 128,292 128			
30 Depreciation and Amortization Expense 128,292 <t< td=""><td>2,309 39,237</td><td>88,017</td><td>713,802</td></t<>	2,309 39,237	88,017	713,802
31 18,040	8,292 128,292	128,292	1,539,504
32 Property Taxes 18,040 <td>5,252 120,252</td> <td>120,252</td> <td>1,555,504</td>	5,252 120,252	120,252	1,555,504
33	8,040 18,040	18,040	216,485
35 Return Adjustments (30,516) (30,409) (30,032) (30,059) (29,982) (29,975) (29,768) (29,661) (20,661) 37 Tax/Book Adjustments (30,516) (30,015) (30,015) (30,089) (29,982) (29,975) (29,976) (29,661) (20,661) 37 Tax/Book Adjustments 1,031			
36 Interest 7 Tat/globa Adjustments 38 (30,516) (30,409) (30,302) (30,105) (30,089) (29,875) (29,768) (29,611) (2 38 Flow Thru them - ITC 1 1 1 1 1 1 1 39 AFUDC Equity 40 1.031 1.031 1.031 1.031 1.031 1.031 1.031 1.031 40 Investment Tax Credits - - - - - - 42 Depreciation & AFUDC Debt 10,655 106,655			
37 Tax/Book Adjustments 38 Flow Thui tem - TC 39 AFUDC Equity 1,031 1,031 1,031 1,031 1,031 1,031 40 Investment Tax Credits - - - - - 41 Total Permanent Differences 1,031 1,031 1,031 1,031 1,031 1,031 42 Deprecision & AFUDC Debt 106,655 106,			
38 Flow Thru Item - ITC 39 AFUDC Equity 1,031	9,554) (29,447)	(29,341)	(359,139)
39 40 AFUDC Equity 1,031			
Au Investment Tax Credits Investment Tax Credits Investment Tax Credits Investment Tax Credits 41 Total Permanent Differences 1,031	1,031 1,031	1.031	12,370
41 Total Permanent Differences 1,031 1,0	1,051 1,051	1,051	12,570
42 Depreciation & AFUDC Debt 106,655 <td>1,031 1,031</td> <td>1,031</td> <td>12,370</td>	1,031 1,031	1,031	12,370
43 Deferred State Income Tax (5,942) (5.655 106.655	106.655	1,279,865
	5,942) (5,942)		(71,305)
	0,713 100,713		1,208,560
	5,229) (25,229)		(302,746)
	1,150) (21,150)		(253,798)
47 Adjusted Current Equity Return before NOL 145,320 145,005 144,690 144,375 144,060 143,745 143,429 143,114 142,799 14	2,484 142,169	141,854	1,723,044
48 Net Operating Loss Carryover		-	
49 NOL Deferred State Income Tax	· ·	-	-
50 NOL Deferred Federal Income Tax	<u> </u>		
	2,484 142,169	141,854	1,723,044
	<u>26.5823%</u>		
	7,876 37,792 1,150) (21,150)	37,708 (21,150)	458,025 (253,798)
	5,229) (25,229)		
56 Investment Tax Credits		-	
	8,503) (8,587)	(8,670)	(98,519)
58	, (2,507)	(0,070)	(,)
59 State Income Tax			
	0,360 179,961		2,181,069
	<u>0000%</u> <u>5.9000%</u>		5.9000%
	0,641 10,618 5,942) (5,942)	10,594 (5,942)	128,683 (71,305)
د () به در () به د	- (5,942)	(5,942)	(/1,305)
	4,699 4,676	- 4,652	- 57,378
66 Total State Income Tax 4,911 4,887 4,864 4,840 4,817 4,793 4,770 4,746 4,723 67	4,033 4,676	4,652	57,378
or / 68 Revenue Requirement Summary			
	6,673 116,251	115,829	1,417,797
70 Total Operating Expenses 222,165 169,939 248,069 168,688 168,688 265,155 179,963 177,526 241,037 200	8,641 185,569	234,350	2,469,790
	8,503) (8,587]	(8,670)	
	4,699 4,676	4,652	57,378
	1,511 297,909	346,161	3,846,446
	3573% 0.508573%		0.508573%
75 Revenue Tax	1,635 1,515	1,760	19,562
	3,146 299,424	347,921	3,866,008
11 REKEINE REQUIREIRENTS JUL FAMILY VILLES 200,201 300,201 200,200 200,201 200,200 300,217 292,917 292	3,140 299,424	547,921	3,600,008

PNM Exhibit ARA-5 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2014 Facilities

2020 Estimated Annual Revenue Requirement for the Privi-Owned 20	14 Facilities												Page 2 of 2
	A	в	с	D	E	F	G	н	I	L	к	L	м
						20	126						2026 Projected
Line No.	January	February	March	April	May	June	July	August	September	October	November	December	Revenue Requirement
78													
79 MWh output expected													57,627
80 WREGIS fee \$/MWh													0.008
81 WREGIS Registration Fee													461
82													
83 Total Revenue Requirements for PNM-Owned 2014 Facilities											PNM	Exhibit ARA-2, line	4 3,866,469

2026 Estimated Annual Revenue Requirement for the PNM-Owned 2019 Facilities

PNM Exhibit ARA-6

Is contained in the following 2 pages.

PNM Exhibit ARA-6 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2019 Facilities

		of	

													,	Page 1 of 2
		A	в	с	D	E	F	G	н	1	J.	к	L	м
							2026							2026 Projected
														Revenue
Line No	D.	January	February	March	April	May	June	July	August	September	October	November	December	Requirement
2	Plant In Service													
3	50 MW PV Solar	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371	69,947,371
4	Land	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493	1,408,493
5	Total Gross Plant in Service	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864	71,355,864
6	Accumulated Depreciation	(14,829,474)	(15,024,616)	(15,219,758)	(15,414,901)	(15,610,043)	(15,805,185)	(16,000,327)	(16,195,469)	(16,390,611)	(16,585,753)	(16,780,895)	(16,976,037)	(16,976,037)
7	Net Plant In Service	56,526,390	56,331,248	56,136,106	55,940,963	55,745,821	55,550,679	55,355,537	55,160,395	54,965,253	54,770,111	54,574,969	54,379,827	54,379,827
8	Accumulated Deferred Income Taxes													
10	Tax Depreciation	(56,600,302)	(56,618,249)	(56,636,196)	(56,654,142)	(56,672,089)	(56,690,036)	(56,707,983)	(56,725,930)	(56,743,876)	(56,761,823)	(56,779,770)	(56,797,717)	(56,797,717)
11		(,,	(00)000,000,000,000,000,000,000,000,000,	())	(==)== -;= -=;	(==)===)	(//	((())	((00)	(00).01,.01,	(==).=.,
12	Deferred	44,304,528	44,155,853	44,007,179	43,858,505	43,709,831	43,561,156	43,412,482	43,263,808	43,115,133	42,966,459	42,817,785	42,669,111	42,699,496
13	Flow- Through AFUDC Equity and ITC Basis Diff	10,108,983	10,107,531	10,106,079	10,104,627	10,103,176	10,101,724	10,100,272	10,098,820	10,097,369	10,095,917	10,094,465	10,093,013	10,093,013
14	Deferred Tax - NOL	(44.050.050)	(44.245.507)	(44,477,024)	(44 440 000)	(44,402,207)	(44.004.004)	(44.026.770)	(40.000.007)	(40.054.044)	(40.040.404)	(10.075.747)	(40.007.05.0)	(40.045.673)
15 16	Deferred Tax - Plant Total Accumulated Deferred Income Taxes	(11,253,350) (11,253,350)	(11,215,587) (11,215,587)	(11,177,824) (11,177,824)	(11,140,060) (11,140,060)	(11,102,297) (11,102,297)	(11,064,534) (11,064,534)	(11,026,770) (11,026,770)	(10,989,007) (10,989,007)	(10,951,244) (10,951,244)	(10,913,481) (10,913,481)	(10,875,717) (10,875,717)	(10,837,954) (10,837,954)	(10,845,672) (10,845,672)
10	Total Accumulated Deletted income taxes	(11,255,550)	(11,213,387)	(11,177,824)	(11,140,000)	(11,102,237)	(11,004,554)	(11,020,770)	(10,565,007)	(10,551,244)	(10,913,401)	(10,075,717)	(10,037,334)	(10,843,072)
18														
19	Other Rate Base Additions (Deductions) Prepaid Insurance	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531	59,531
20														
21	Total Rate Base	45,332,571	45,175,192	45,017,813	44,860,435	44,703,056	44,545,677	44,388,298	44,230,919	44,073,540	43,916,162	43,758,783	43,601,404	43,593,686
22 23	Weighted Cost of Capital (PNM Exhibit ARA-8, line 4)	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	6.66%	C (()	6.66%
23	weighten cost of capital (PNW Exhibit ARA-6, IIIIE 4)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.00%	0.06%	0.06%	6.66%	0.00%
25	Return on Rate Base	251,743	250,869	249,995	249,121	248,247	247,373	246,499	245,625	244,751	243,877	243,003	242,129	2,963,232
26				.,	.,	-,	,	.,		, -		.,		
27	Operations & Maintenance Expense	50,555	15,737	67,825	14,904	14,904	79,215	22,421	20,796	63,136	41,539	26,158	58,678	475,868
28														
29	Depreciation and Amortization Expense	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	195,142	2,341,705
30 31	Property Taxes	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	33,242	398,906
32	Property Taxes	33,242	33,242	33,242	33,242	33,242	55,242	55,242	55,242	33,242	55,242	33,242	33,242	358,500
33	Federal Income Tax													
34	Return Adjustments													
35	Interest	(63,768)	(63,547)	(63,326)	(63,104)	(62,883)	(62,662)	(62,440)	(62,219)	(61,997)	(61,776)	(61,555)	(61,333)	(750,611)
36	Tax/Book Adjustments													
37 38	Flow Thru Item - ITC AFUDC Equity	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	17,421
39	Investment Tax Credits	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	17,421
40	Total Permanent Differences	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	17,421
41	Depreciation & AFUDC Debt	468,807	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	148,674	2,104,224
42	Deferred State Income Tax	(26,119)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(8,283)	(117,233)
43	Total Temporary Differences	442,688	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	140,391	1,986,992
44	Deferred Federal Taxes before NOL	(92,965)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(417,268)
45 46	Adjusted Current Equity Return before NOL	539,150	299,683	299,030	298,377	297,725	297,072	296,420	295,767	295,114	294,462	293,809	293,157	3,799,766
40	Net Operating Loss Carryover NOL Deferred State Income Tax													
48	NOL Deferred Federal Income Tax													
49	Net Current Taxable Equity Return	539,150	299,683	299,030	298,377	297,725	297,072	296,420	295,767	295,114	294,462	293,809	293,157	3,799,766
50	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%	26.5823%
51	Total Current Federal Income Tax	143,318	79,663	79,489	79,316	79,142	78,969	78,795	78,622	78,448	78,275	78,101	77,928	1,010,065
52	Total Provision for Deferred Federal Income Tax Investment Tax Credits	(92,965)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(29,482)	(417,268)
53 54	Total Federal Income Tax	50,354	50,180	50,007	49,833	49,660	49,486	49,313	49,140	48,966	48,793	48,619	48,446	- 592,797
55		50,354	50,200	50,007	-5,655	45,000	43,400	-3,313	-3,140	40,500	-0,733	40,015	-0,-40	552,757
56	State Income Tax													
57	Net Current Taxable Equity Return	682,468	379,345	378,519	377,693	376,867	376,041	375,215	374,389	373,563	372,737	371,911	371,085	4,809,831
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 60	Total Current State Income Tax	40,266	22,381	22,333	22,284 (8,283)	22,235	22,186	22,138	22,089	22,040	21,991	21,943 (8,283)	21,894 (8,283)	283,780
60 61	Total Deferred State Income Tax Total State Income Tax	(26,119) 14,147	(8,283) 14,098	(8,283) 14,050	(8,283) 14,001	(8,283) 13,952	(8,283) 13,903	(8,283) 13,855	(8,283) 13,806	(8,283) 13,757	(8,283) 13,708	(8,283) 13,660	(8,283) 13,611	(117,233) 166,548
61		14,14/	14,096	14,050	14,001	13,932	12,902	13,833	13,000	13,/3/	15,706	15,000	13,011	100,346
63	Revenue Requirement Summary													
64	Return on Rate Base	251,743	250,869	249,995	249,121	248,247	247,373	246,499	245,625	244,751	243,877	243,003	242,129	2,963,232
65	Total Operating Expenses	278,940	244,122	296,209	243,288	243,288	307,599	250,805	249,180	291,521	269,924	254,542	287,063	3,216,479
66	Net Allowable Federal Income Tax	50,354	50,180	50,007	49,833	49,660	49,486	49,313	49,140	48,966	48,793	48,619	48,446	592,797
67	Net Allowable State Income Tax	14,147	14,098	14,050	14,001	13,952	13,903	13,855	13,806	13,757	13,708	13,660	13,611	166,548
68 69	Total Revenue Requirements before Revenue Tax Revenue Tax Factor	595,183 0.508573%	559,269 0.508573%	610,260 0.508573%	556,243 0.508573%	555,147 0.508573%	618,362 0.508573%	560,471 0.508573%	557,750 0.508573%	598,995 0.508573%	576,302 0.508573%	559,824 0.508573%	591,248 0.508573%	6,939,055 0.508573%
69 70	Revenue Tax Factor Revenue Tax	3,027	2,844	3,104	2,829	2,823	3,145	2,850	2,837	3,046	2,931	2,847	3,007	0.508573%
71		.,						,		-,				,
72	Revenue Requirements for 50 MW Facilities	598,210	562,114	613,364	559,072	557,970	621,507	563,322	560,587	602,041	579,233	562,671	594,255	6,974,346
			-									-		

PNM Exhibit ARA-6 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for the PNM-Owned 2019 Facilities

Page 2 of 2 M 2026 Projected Revenue Requirement Α B C D F G 2026 Line No. 73 74 February March April May June July September October November January August December MWh output expected WREGIS fee \$/MWh WREGIS Registration Fee 127,245 0.008 1,018 75 76 77 78 Total Revenue Requirements for PNM-Owned 2019 Facilities PNM Exhibit ARA-2, line 5 6,975,364 2026 Estimated Annual Revenue Requirement for Purchased Power Agreements and Renewable Energy Certificate Purchases

PNM Exhibit ARA-7

Is contained in the following 2 pages.

PNM Exhibit ARA - 7 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for Purchased Power Agreements and Renewable Energy Certificate Purchases

Pur	rchased Power Agreement		Amount	Page
Geo	othermal PPA			-
Anr	nual Sales (MWh)		33,786	
Pric	ce (\$/MWh)	\$	108.44	_
Ene	ergy/REC Cost	\$	3,663,638	-
WR	REGIS cost per MWh	\$	0.004	_
WR	REGIS fees		\$135	
				_
Tot	al Geothermal PPA		\$3,663,773	PNM Exhibit ARA-2, line 11
Tot	al Geothermal PPA Cost per MWh	\$	108.44	
Red	d Mesa PPA			
Anr	nual Sales (MWh)		187,000	
Pric	ce (\$/MWh)	\$	34.72	_
Ene	ergy/REC Cost	\$	6,491,707	
WR	REGIS cost per MWh	\$	0.004	_
WR	REGIS fees		\$748	
				_
Tot	al Red Mesa PPA		\$6,492,455	PNM Exhibit ARA-2, line 12
Tot	al Red Mesa PPA Cost per MWh	\$	34.72	
Ne	w Mexico Wind Energy Center (NMWEC) PPA			
	nual Sales (MWh)		552,444	
	ce (\$/MWh)	\$	27.25	_
Ene	ergy/REC Cost	\$	15,054,101	
	REGIS cost per MWh	\$	0.008	-
	REGIS fees		\$4,420	
				-
	tal NMWEC PPA			PNM Exhibit ARA-2, line 13
	tal NMWEC PPA Cost per MWh	\$	27.26	
	Joya II Wind PPA			
	nual Sales (MWh)		450,267	
	ce (\$/MWh)	<u> </u>	17.48	-
	ergy/REC Cost	\$	7,870,673	
	REGIS cost per MWh	\$	0.004	-
	REGIS fees		\$1,801	
				-
Tot	tal La Joya II PPA		\$7,872,474	PNM Exhibit ARA-2, line 14
Tot	tal La Joya II PPA Cost per MWh	\$	17.48	

PNM Exhibit ARA - 7 2026 Renewable Energy Rider 2026 Estimated Annual Revenue Requirement for Purchased Power Agreements and Renewable Energy Certificate Purchases

Line No.			
44			Page 2 of 2
45	REC Purchases		
46	DG Programs		_
47	DG Annual Purchases (MWh)	50,919	
48	Total DG Programs REC Purchases	\$2,562,633	PNM Exhibit ARA-2, line 24
49	Total DG Programs REC Cost per MWh	\$ 50.33	
50			
51	2024 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	2024 Compliance REC Purchases - True-Up	\$ -	PNM Exhibit ARA-2, line 25

December 31, 2024 Year End Weighted Average Cost of Capital
PNNExhibit ARA8

Is contained in the following 1 page.

PNM Exhibit ARA - 8

2026 Renewable Energy Rider

December 31, 2024 Year End Weighted Average Cost of Capital

Page 1 of 1

 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	1,920,958	47.20%	3.58%	1.69%	
2	Preferred Stock	11,529	0.28%	4.62%	0.01%	
3	Common Equity	2,137,299	52.52%	9.45%	4.96%	
4	Total	4,069,787	100.00%		6.66%	

Composite Tax Rate:	25.40%
	Tax Gross-Up
Debt	1.69%
Preferred	0.02%
Common	6.65%
Total	8.36%

Estimated Annual Revenue Requirement for the Sky Blue Regulatory Asset

PNM Exhibit ARA-9

Is contained in the following 1 page.

PNM Exhibit ARA - 9 2026 Renewable Energy Rider Estimated Annual Revenue Requirement for the Sky Blue Regulatory Asset

Amortization Period (Years) 1 Line No. 2026 Revenue Requirement 1 Reg Asset (ARA-10, line 19) 2 PNM Exhibit ARA-10, line 19 _ 3 **Accumulated Amortization** 4 5 **Reg Asset Balance** 6 7 Average Reg Asset Balance 8 9 10 **Carrying Charge** 0.00% 11 12 Carrying Charge on Average Rate Base Balance 13 WREGIS Fee to Retire (\$0.004/REC) 14 15 16 **Depreciation Expense** 17 **Total PNM Non-Fuel Revenue Requirement** PNM Exhibit ARA-2, line 28 18 -

Page 1 of 1

Estimated Balance of the Sky Blue Regulatory Asset

PNM Exhibit ARA-10

Is contained in the following 1 page.

PNM Exhibit ARA-10 2026 Renewable Energy Rider Estimated Balance of the Sky Blue Regulatory Asset

		G	н	I	I	I.
		2022	2023	2024	2025	2026
Line No.						
1						
2	PNM 8 MW Manzano Solar Facility RECs (MWh)	15,792				
3	Remove: 6.5 MW of Manzano Solar Facility Recovered Through Rider 36	(12,818)				
4	PNM 1.5 MW Manzano Solar Facility Sky Blue RECs (MWh)	2,974				
5	Remove: Sky Blue RECs utilized in Sky Blue Program	(2,974)				
6	Remove: RECs sold	-				
7	Remaining Sky Blue RECs (Banked)	-				
8						
9	Cost per MWh	\$ 98.49				
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	Assumptions:					
23	Carrying Charges	-				
24						
25		2022				
26						
27	Manzano Solar Facility Revenue Requirement (8 MW)	\$ 1,562,258				
28	Manzano Solar Facility Energy MWh (8 MW)	15,861				
29	Manzano Solar Facility Cost/REC	\$ 98.49				
30						
31						
32	Proof of Reasonableness:					
33	PNM Owned 2013 Solar - Actual Revenue Requirement	\$ 3,700,768				
34	PNM Owned 2013 Solar - Actual Energy (MWh)	42,075				
35	PNM Owned 2013 Solar - Actual Cost/REC	\$ 87.96				

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

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IN THE MATTER OF PUBLIC SERVICE COMPANY OF NEW MEXICO'S APPLICATION FOR APPROVAL OF ITS RENEWABLE ENERGY ACT PLAN FOR 2026 AND PROPOSED 2026 RIDER NO. 36 RATE,

PUBLIC SERVICE COMPANY OF NEW MEXICO,

Case No. 25-00 -UT

Applicant

SELF AFFIRMATION

ARIN R. APODACA, Manager, Cost of Service for PNMR Services, upon being duly

sworn according to law, under oath, deposes and states: I have read the foregoing Direct

Testimony of Arin R. Apodaca, and it is true and accurate based on my own personal knowledge and belief.

DATED this 30th day of May, 2025.

/s/ Arin R. Apodaca_____ ARIN R. APODACA