

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S APPLICATION)
FOR APPROVAL OF PURCHASED POWER)
AGREEMENTS, ENERGY STORAGE)
AGREEMENTS, AND CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR 2029-2032)
SYSTEM RESOURCES AND THE ABANDONMENT)
OF THE FOUR CORNERS POWER PLANT)
)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
)
Applicant.)
_____)**

Docket No. 26-0000 __

**DIRECT TESTIMONY
OF
ERFAN HAKIMIAN**

May 29, 2026

NMPRC DOCKET NO. 26-0000
INDEX TO THE DIRECT TESTIMONY OF ERFAN HAKIMIAN

WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

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PNM EXHIBIT EH-1	Education and Professional Qualifications of Erfan Hakimian
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I. INTRODUCTION AND PURPOSE

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

A. My name is Erfan Hakimian. I am the Director of Transmission/Distribution Planning and Contracts for Public Service Company of New Mexico (“PNM” or “Company”). My business address is 2401 Aztec Road NE, Albuquerque, NM 87107.

Q. Please summarize your education and professional qualifications.

A. PNM Exhibit EH-1 describes my educational and professional qualifications.

Q. Have you previously testified in regulatory proceedings?

A. Yes. The cases in which I have testified before the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) are listed in PNM Exhibit EH-1.

Q. Please describe your responsibilities as the Director of Transmission/Distribution Planning and Contracts.

A. As Director of Transmission/Distribution Planning and Contracts, I am responsible for overseeing the evaluation of PNM’s existing transmission and distribution system planning functions, analyzing system deficiencies, and creating plans for the capital expansion of these systems. I manage the Distribution Energy Engineering department which oversees the interconnection of generator to the PNM system under 17.9.568 NMAC (“Rule 568”). Additionally, I am also responsible for overseeing the administration of the Federal Energy Regulatory Commission Open-Access Transmission Tariff which governs transmission

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1 delivery services, processing and conducting generation interconnection studies, and
2 executing agreements for both generation interconnections and transmission service.

3
4 **Q. What is the purpose of your direct testimony?**

5 **A.** The purpose of my testimony is to:

- 6 1) Discuss the large generator interconnection process, provide an overview of how the
7 process works, and provide the status of interconnection agreements/studies for the
8 projects that make up the proposed portfolio;
- 9 2) Discuss the large generator interconnection agreement for each of the projects that are
10 included in the 2029-2032 resource plan in detail, including the cost, and description
11 of each transmission facility;
- 12 3) Discuss the transmission-related requirements under 17.9.551 NMAC (“Rule 551”) as
13 they relate to transmission for each project; and
- 14 4) Discuss other matters including maintenance costs for the projects.

15
16 **II. LARGE GENERATOR INTERCONNECTION PROCEDURES AND**
17 **INTERCONNECTION AGREEMENT STATUS**

18
19 **Q. Are there any terms you will use in your testimony that you would like to define now?**

20 **A.** Yes. I would like to define the following terms:

- 21 1) PNM’s Open Access Transmission Tariff (“OATT”). It is the Federal Energy
22 Regulatory Commission (“FERC”) tariff that governs how PNM provides
23 non-discriminatory transmission service over its transmission system to eligible
24 customers. All FERC regulated utilities that own, control, or operate transmission are

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1 required to have an OATT. The OATT is approved by FERC and provides the rates
2 and terms that determine how a utility runs its transmission business.

3 2) Open Access Same-Time Information System (“OASIS”) is where all transmission
4 requests, posting, availability, and the OATT are listed and publicly available.

5 3) A “large generator” is defined by FERC to have a capacity of greater than 20 MW.

6 4) A “small generator” is defined by FERC to have a capacity of 20 MW or less.

7 5) Large Generator Interconnection Procedure (“LGIP”) and Large Generator
8 Interconnection Agreement (“LGIA”), which are attachment N in the OATT, provide
9 the procedure for the large generator procedures and agreements. The LGIP describes
10 the procedures PNM must follow to interconnect Large Generating Facilities to its
11 transmission system. The LGIP includes the standard LGIA, which is the agreement
12 that PNM enters into with Interconnection Customers. The LGIA provides the terms,
13 conditions, and costs applicable to the interconnection.

14 6) Point of Interconnection (“POI”) is the physical and electrical point between the
15 transmission network and the interconnection customer facility for the purposes of this
16 testimony.

17 7) A Power Purchase Agreement (“PPA”) is a contract between the generator owner and
18 PNM to purchase power for a specified time and price over a defined term. The owner
19 owns, operates, and maintains the PPA facilities and the buyer, PNM, agrees to
20 purchase the output of the facility.

21 8) An Energy Storage Agreement (“ESA”) is a contract where the storage facility owner
22 finances, constructs, and owns the storage equipment and PNM pays for usage of the
23 equipment in the form of an availability price per MW hour.

24

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1 **Q. Is PNM’s OATT publicly accessible?**

2 **A.** Yes. The complete OATT is available on PNM’s OASIS website, at
3 <http://www.oatioasis.com/pnm/>.

4
5 **Q. What is the process required to interconnect a new generation facility to the PNM
6 transmission system?**

7 **A.** An interconnection customer submits a request to interconnect through the LGIP. PNM’s
8 Transmission Planning group, along with its consultants, then conduct a technical
9 evaluation of the project to identify any required transmission upgrades and associated
10 costs. PNM performs these studies in clusters. Upon completion of this process, if the
11 customer decides to move forward with the project, PNM and the interconnection customer
12 execute a LGIA that documents the project specifications and study results.

13
14 **Q. Is PNM required to enter into an LGIA with an interconnection customer regardless
15 of whether PNM purchases the power from the generator?**

16 **A.** Yes.. PNM is obligated by federal law to provide generator interconnection service and to
17 construct the required Transmission Provider Interconnection Facilities and station
18 network upgrades when an interconnection customer satisfies the terms of the LGIP.
19 FERC Order No. 2003 establishes a standardized, independent study process for evaluating
20 interconnection requests to ensure that access to the transmission system is provided on a
21 non-discriminatory basis and separate from any evaluation of PNM’s own generation
22 resources. The transmission customer can transport its energy via the PNM system to
23 another entity, or it can sell its energy to PNM if it is selected as a PNM resource via the
24 integrated resource planning (“IRP”) and procurement process.

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Q. What is the difference between network upgrades and interconnection facilities related to LGIAs?

A. Network upgrades are upgrades to the existing transmission system, and they include station network upgrades and transmission system network upgrades. Station network upgrades are facilities needed at the POI to physically connect the generation facility. Transmission system network upgrades are upgrades to the transmission system to move power and energy beyond the POI to PNM’s load or beyond. Network upgrade costs are shared by all transmission customers because they enable increased energy delivery to PNM’s customers and generally the system as a whole. Under the FERC policy, the generators initially pay the cost to construct required network upgrades to interconnect their generator but are eligible to have that cost reimbursed as a lump sum or receive transmission service credits once the generation facility is in-service. The costs are ultimately recovered from all users of the transmission system.

Interconnection facilities include all facilities and equipment between the generating facility and the POI to the transmission system. Most of the interconnection facilities are the interconnection customer’s facility needed to reach the POI with PNM’s transmission system. These typically include generator step-up transformers, generation tie lines, and the generation facility breakers. These facilities represent the Interconnection Customer’s Interconnection Facilities (“ICIF”) and remain assets that are part of the interconnection customer facility and are owned by the interconnection customer. All ICIF and associated costs are the responsibility of the interconnection customer, and such costs are determined by the interconnection customer. A portion of the facilities just beyond the POI are the

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1 Transmission Provider’s Interconnection Facilities (“TPIF”) and are owned by PNM. TPIF
2 includes equipment such as protection, control, metering equipment and substation side
3 interconnection equipment. TPIF represents sole use facilities, which means their costs are
4 recovered directly from the interconnection customer.

5

6 **Q. Has PNM executed an LGIA for any of the planned resources?**

7 **A. Yes. PNM Table EH-1 below provides the status of the execution of an LGIA for each**
8 project.

9

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PNM Table EH-1 – LGIA Execution Dates

Project	PNM Interconnection Agreement (“IA”) Number	LGIA Status / Execution Date
40 MW La Luz II Gas	IA-PNM-2013-01	8/20/2014
60 MW Britton BESS	IA-PNM-2015-02	7/29/2025
110 MW Encino BESS	IA-PNM-2015-03 and IA-PNM-2017-08	7/29/2025
90 MW TAG II BESS	IA-PNM-2017-10	7/29/2025
50 MW Wildcat BESS / 90 MW Wildcat Solar	IA-PNM-2020-12	9/3/2024
150 MW Gila Monster BESS	IA-PNM-2021-16	1/29/2025
150 MW Cat Hills BESS / 150 MW Cat Hills solar	IA-PNM-2021-19	Solar 3/27/2025 BESS 6/6/2025
400 MW Palomas Wind	IA-PNM-2025-19	Study completed, expected to be executed by early July 2026
250 MW Palomas 2 Wind	IA-PNM-2025-18	Study completed, expected to be executed by early July 2026
150 MW Surplus Wind	TBD	To be submitted to the LGIP In July 2026

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III. DESCRIPTION AND COST OF THE INTERCONNECTION FACILITIES AND NETWORK UPGRADES

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Q. Does interconnection of the proposed resources require construction of new transmission facilities?

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1 **A.** It varies by project. The following is a breakdown of the transmission interconnection
2 facilities required for each project:

3 1) **40 MW La Luz II Project:**

4 The 40 MW La Luz II Project will interconnect using the existing POI at the La Luz
5 Energy Center in Belen, New Mexico and does not require any new transmission
6 facilities. There will be TPIF costs that are the responsibility of the interconnection
7 customer.

8 2) **60 MW Britton battery energy storage system (“BESS”):**

9 The 60 MW Britton BESS project will interconnect using the existing POI at the Britton
10 Station and does not require any new transmission facilities. There will be TPIF costs that
11 are the responsibility of the interconnection customer.

12 3) **110 MW Encino BESS:**

13 The 110 MW Encino BESS project will utilize the existing POI at the Rio Puerco Station
14 and does not require construction of new transmission facilities. There will be TPIF costs
15 that are the responsibility of the interconnection customer.

16 4) **90 MW TAG II BESS:**

17 The 90 MW TAG II BESS project will interconnect at the existing POI at the Rio Puerco
18 Station and does not require new transmission facilities. There will be TPIF costs that are
19 the responsibility of the interconnection customer.

20 5) **50 MW Wildcat BESS / 90 MW Wildcat Solar:**

21 The 50 MW Wildcat BESS and 90 MW Wildcat solar project require construction of a
22 new three breaker ring bus switching station on the Yah Ta Hey to Coal Mine (“YN”)

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1 115 kV transmission line. There will be TPIF costs that are the responsibility of the
2 interconnection customer.

3 **6) 150 MW Gila Monster BESS:**

4 The 150 MW Gila Monster BESS project requires construction of one breaker at the
5 existing Rio Puerco 115kV Station. There will be TPIF costs that are the responsibility of
6 the interconnection customer.

7 **7) 150 MW Cat Hills BESS / 150 MW Cat Hills Solar:**

8 The 150 MW Cat Hills BESS and 150 MW Cat Hills solar project requires construction
9 of one breaker at the existing Hidden Mountain 115kV Station. There will be TPIF costs
10 that are the responsibility of the interconnection customer.

11 **8) 800 MW Palomas Wind**

12 The 800 MW Palomas Wind Project, consisting of 400 MW Palomas Wind, 250 MW
13 Palomas 2 Wind, and 150 MW Palomas Surplus, requires construction of new 345kV
14 transmission facilities to enable delivery of the output associated with those resources.
15 Those facilities include a new approximately 103-mile, 345 kV transmission line between
16 PNM's Western Spirit to Hidden Mountain substations, which I refer to in my testimony
17 as the Mid-State Transmission Project.

18
19 The Mid-State Transmission Project also includes expansion at the Western Spirit and
20 Hidden Mountain stations and the installation of switchable shunt reactors at both stations;
21 updates to the eastern New Mexico remedial action scheme; and construction of one
22 intermediate series compensation station in Socorro County. As discussed by PNM witness
23 Williams, PNM will work with Pattern Energy to construct the facilities required for the
24 Mid-State Transmission Project and will request the necessary regulatory approvals from

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1 the Commission. PNM witness Williams also discusses the term sheet between PNM and
2 Pattern Energy that provides the commercial framework for development of those
3 transmission facilities.

4

5 **Q. What is the estimated cost to interconnect the proposed resource facilities to PNM’s**
6 **transmission system?**

7 **A.** PNM Table EH-2 below summarizes the TPIF and network upgrade costs for each project.

8

PNM Table EH-2 – TPIF and Network Upgrade Costs

Project	Approximate TPIF Costs	Approximate Network Upgrade Costs
40 MW La Luz II Gas	\$2,800,000	\$0
60 MW Britton BESS	\$1,700,000	\$0
110 MW Encino BESS	\$1,700,000	\$0
90 MW TAG II BESS	\$1,700,000	\$0
50 MW Wildcat BESS / 90 MW Wildcat Solar/BESS	\$1,700,000	\$28,000,000
150 MW Gila Monster BESS	\$1,700,000	\$8,000,000
150 MW Cat Hills BESS / 150 MW Cat Hills Solar/BESS	\$1,700,000	\$8,000,000
800 MW Palomas Wind, Palomas 2 Wind and Palomas Surplus	\$3,700,000	\$595,000,000

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1 **Q. Will PNM notify the Commission prior to proceeding with the transmission facilities**
2 **for any of the facilities?**

3 **A.** Yes. PNM will submit timely notice in accordance with 17.5.440.8 NMAC and file the
4 appropriate regulatory filings.
5

IV. RULE 551 REQUIREMENTS

7
8 **Q. Please describe the network upgrade costs PNM will incur or pay to receive the**
9 **purchased power pursuant to 17.9.551.8(D)(3) NMAC.**

10 **A.** Rule 551, specifically 17.9.551.8(D)(3) NMAC, requires a description of transmission
11 costs the electric utility will incur or pay to receive the purchased power, which may
12 include the costs of third-party transmission wheeling, or construction of transmission to
13 facilitate purchases under the LTPPA or both. A breakdown of the network upgrades costs
14 is provided above in PNM Table EH-2 of my testimony. Those costs reflect the
15 transmission upgrades identified through the applicable interconnection studies conducted
16 under PNM's FERC-approved OATT.

V. OTHER MATTERS

18
19 **Q. What are the estimated costs of ongoing operations and maintenance of the**
20 **transmission facilities outlined herein?**

21 **A.** There are approximate operation and maintenance costs of around \$655,700 when applying
22 a 0.1% rule of thumb multiplier to the capital cost of the interconnection facilities described
23 above.
24

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1 **Q. Are the costs of the transmission facilities required to interconnect the large**
2 **generation facilities reasonable?**

3 **A.** Yes. The costs were determined through the interconnection studies under the
4 FERC-approved OATT. For projects that proceed through the LGIP process and satisfy the
5 applicable tariff requirements, those interconnection-related costs are established
6 independent of whether PNM ultimately purchases the output from the facility. In my
7 opinion, the identified costs are reasonable because they are based on the applicable
8 interconnection studies and the facilities required to safely and reliably interconnect the
9 proposed resources to PNM’s transmission system.

10

11 **Q. Why is the Reeves Generating Station Important for maintaining reliability on the**
12 **PNM system?**

13 **A.** Reeves remains important to maintaining near-term transmission reliability on PNM’s
14 system, particularly in the Albuquerque load pocket. Under certain system conditions and
15 certain outage conditions, Reeves provides local voltage support and helps relieve
16 transmission constraints needed for the system to satisfy applicable reliability criteria. The
17 Rio Puerco – Pajarito – Prosperity transmission line, for which PNM has applied for a
18 Certificate of Public Convenience and Necessity (“CCN”) in Docket No. 26-0000041, is
19 expected to reduce that reliance in the long term which would the allow eventual retirement
20 of the plant.

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VI. CONCLUSION

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Q. Please summarize your testimony and recommendations.

A. My testimony explains the LGIP process under PNM’s FERC-approved OATT and identifies the interconnection facilities, network upgrades, and associated costs for the proposed resources. A detailed cost breakdown between network upgrades and TPIF is provided for each project. These requirements and costs were established through Interconnection Studies conducted pursuant to the LGIP and are reflected in executed LGIAs where available, as well as in completed interconnection studies and pending interconnection processes for the other projects. The identified transmission costs are reasonable, comply with Rule 551 requirements, and PNM will provide notice to the Commission prior to proceeding with construction in accordance with applicable laws and regulations.

Q. Does this conclude your Direct Testimony?

A. Yes

GCG#535327

Education and Professional Qualifications of Erfan Hakimina

PNM Exhibit EH-1

Is contained in the following 1 page.

Erfan Hakimian
Educational and Professional Summary

Name: Erfan Hakimian

Address: Public Service Company of New Mexico (PNM)
2401 Aztec Rd NE
MS Z220
Albuquerque, NM 87107

Position: Director, Transmission and Distribution Planning and Contracts

Education: Bachelor of Science in Electrical Engineering, University of New Mexico, 2013
Master of Business Administration, Grand Canyon University, 2018

Employment: Employed by PNM since 2013:
Positions held with the Company include:
Director, Transmission and Distribution Planning and Contracts
Manager, Strategic Asset Management Department
Engineer III, Technical Maintenance Management Department
Senior Key Account Manager, Key Accounts Team
Engineer I, Distribution Engineering

Testimony:

Before the New Mexico Public Regulation Commission

25-00049-UT	PNM's First Annual Grid Modernization Review Filing
25-00055-UT	PNM's Application for a Certificate of Public Convenience and Necessity to Construct, Own, and Operate 30 Megawatts of Battery Energy Storage Facilities
25-00089-UT	PNM's Application for a Certificate of Public Convenience and Necessity to Construct, Own and Operate the Rio Puerco to Pajarito To Prosperity 345 KV Transmission Project
26-0000041	PNM's Application for a Certificate of Public Convenience and Necessity to Construct, Own and Operate the Rio Puerco to Pajarito To Prosperity 345 KV Transmission Project

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_____)

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

ERFAN HAKIMIAN, Director, Transmission/Distribution Planning and Contracts, Public Service Company of New Mexico, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Erfan Hakimian**, and it is true and accurate based on my own personal knowledge and belief.

DATED this 29th day of May, 2026.

/s/ Erfan Hakimian
ERFAN HAKIMIAN