

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)	Case No. 24-00271-UT
CONVENIENCE AND NECESSITY FOR SYSTEM)	
RESOURCES IN 2028)	
)	
PUBLIC SERVICE COMPANY OF NEW MEXICO,)	
)	
Applicant)	
<hr/>		

**UNOPPOSED MOTION TO FILE TESTIMONY
IN SUPPORT OF UNOPPOSED STIPULATION**

Comes now Public Service Company of New Mexico (“PNM”) and requests to file testimony in this matter in support of the Unopposed Comprehensive Stipulation reached in this matter on March 12, 2025. As grounds for this motion, PNM states as follows:

1. On November 22, 2024, PNM filed its Application for Approval of a Purchased Power Agreement (“PPA”), Energy Storage Agreements (“ESA”), and Certificates of Public Convenience and Necessity (“CCN”) for System Resources in 2028 (“Application”).
2. PNM requested approval of one PPA, two ESAs, and CCN in its Application.¹
3. The Hearing Examiners issued a Procedural Order setting a schedule and deadlines on December 23, 2024 (“Procedural Order”).
4. The Procedural Order set a deadline of March 10, 2025, for filing of motions to intervene and protests.²
5. As of March 12, 2025, the following parties are the only persons to have intervened in this

¹ See Application, pp. 1-2.
² Case No. 24-00271-UT, *Procedural Order*, ¶¶(A)(5) and (6).

matter.

- New Mexico Department of Justice (“NMDOJ”)
- Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”)
- Coalition for Clean Affordable Energy (“CCAIE”)
- New Energy Economy (“NEE”)
- New Mexico Affordable Reliable Energy Alliance (“NMAREA”)
- Western Resource Advocates (“WRA”)
- Prosperity Works
- Bernalillo County
- Bernalillo Solar, LLC
- Central Consolidated School District (“CCSD”)

6. Together with PNM and New Mexico Public Regulation Commission Staff (“Staff”), these persons are the Parties in this matter.

7. As of March 11, 2025, no party or person has protested or opposed PNM’s Application.

8. On March 12, 2025, the following Parties signed an Unopposed Comprehensive Stipulation (“Stipulation”) to support the requests made in PNM’s Application: Staff, CCAIE, NEE, NMAREA, Prosperity Works, and WRA. In addition, the following parties have intervened and are not taking a position at this time: ABCWUA; Bernalillo County; Bernalillo Solar, LLC; and NMDOJ. CCSD states that it supports the Stipulation.

9. The Procedural Order does not contemplate submittal of testimony in support of a stipulation.

10. Pursuant to 1.2.2.20(A)(3) NMAC, “...proponents of a stipulation have the burden of supporting the stipulation with sufficient evidence and legal argument to allow the [C]ommission to approve it.”

11. Pursuant to paragraph 33 of the Stipulation, PNM has agreed to present testimony in support of the Stipulation to ensure that there is sufficient evidence in the record to allow the Commission to approve the Stipulation.

12. Pursuant to paragraph 35 of the Stipulation, the Parties have agreed to admission of this

testimony in support of the Stipulation into the record.

13. PNM intends to submit testimony that supports approval of the Stipulation, including addressing the CCN for the Sunbelt Project in particular and the additional 20 MW energy storage option presented in the Application. Specifically, PNM proposes to Direct Testimony of Henry E. Monroy supporting the Stipulation.

14. The testimony in support of the Stipulation is attached hereto as Exhibit 1.

15. In addition to PNM's pre-filed direct testimony, inclusion of PNM's testimony in support of the Stipulation will provide the necessary information for the Commission to properly consider approval of the Stipulation.

16. The Party positions are as follows: CCSD, NEE, NM AREA, CCAE and Prosperity Works, and Staff support the Motion. NMDOJ and ABCWUA stated it does not oppose. No other party provided a position by the time this Motion was filed.

WHEREFORE PNM respectfully requests that the Hearing Examiners allow filing PNM witness Henry E. Monroy's Testimony in Support of Stipulation and admission to the record of the same.

Respectfully submitted this 12th day of March 2025.

PUBLIC SERVICE COMPANY OF NEW MEXICO

/s/ Stacey J. Goodwin

Stacey J. Goodwin,
Associate General Counsel
414 Silver Avenue SW MS 805
Albuquerque, New Mexico 87158
Phone: 505-241-4927
Fax: 505-241-2338
Stacey.Goodwin@txnmenergy.com

/s/ Christopher Atencio
Christopher Atencio,
Corporate Counsel
PNMR Services Company
Corporate Headquarters – Legal Department
Albuquerque, NM 87158-0805
(505) 241-4929
(505) 241-2338
christopher.atencio@pnmresources.com
Attorney for Public Service Company of New Mexico

GCG#533571

EXHIBIT 1

Direct Testimony in Support of Stipulation of Henry E. Monroy
Consisting of 19 pages

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) Case No. 24-00271-UT
AGREEMENTS, AND CERTIFICATE OF)
ONVENIENCE AND NECESSITY FOR SYSTEM)
RESOURCES IN 2028 PUBLIC SERVICE)
COMPANY OF NEW MEXICO,)
Applicant)

DIRECT TESTIMONY
IN SUPPORT OF STIPULATION
OF
HENRY E. MONROY

March 12, 2025

NMPRC CASE NO. 24-00271-UT
INDEX TO THE DIRECT TESTIMONY IN SUPPORT OF STIPULATION OF
HENRY E. MONROY
WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO

I.	INTRODUCTION AND PURPOSE	1
II.	SUMMARY OF PNM’S APPLICATION	3
III.	COMMISSION STANDARDS FOR APPROVAL OF GENERAL RATE CASE APPLICATIONS AND STIPULATIONS	4
IV.	STIPULATION TERMS	13
V.	CONCLUSION.....	17

PNM Exhibit HEM-1 Stipulation

Self Affirmation

1 **I. INTRODUCTION AND PURPOSE**

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

3 **A.** My name is Henry E. Monroy. I am the Vice President, Regulatory, for Public
4 Service Company of New Mexico (“PNM” or “Company”). My business address
5 is 414 Silver SW, Albuquerque, NM 87102.
6

7 **Q. Have you previously provided testimony in this case?**

8 **A.** Yes. I filed Direct Testimony in support of PNM’s application on November 22,
9 2024 in Case No. 24-00271-UT (“Application”).
10

11 **Q. What is the purpose of this testimony?**

12 **A.** The purpose of my testimony is to provide support for the approval of the
13 Unopposed Comprehensive Stipulation filed on March 12, 2025 (“Stipulation”). A
14 copy of the Stipulation is attached as PNM Exhibit HEM-1 Stipulation. The
15 signatories to the Stipulation include: Utility Division Staff of the New Mexico
16 Public Regulation Commission; Public Service Company of New Mexico;
17 Coalition for Clean Affordable Energy; New Energy Economy; New Mexico
18 Affordable Reliable Energy Alliance; Prosperity Works; and Western Resource
19 Advocates (collectively, the “Signatories”). In addition to the Signatories, the
20 following parties have intervened and are not taking a position at this time:
21 Albuquerque Bernalillo County Water Authority; Bernalillo County; Bernalillo
22 Solar, LLC; and New Mexico Department of Justice.
23

1 **Q. Were you actively involved in the settlement discussions that led to the**
2 **Stipulation?**

3 **A.** Yes, I was directly involved in the settlement discussions that led to the Stipulation.
4 PNM attempted a new approach in the preparation and filing and ultimately the
5 resolution of this proceeding. Prior to filing the Application, PNM provided updates
6 to stakeholders throughout the resource evaluation and selection process. PNM
7 received input from stakeholders and that input contributed to the proposed
8 portfolio presented in this proceeding, specifically around the inclusion of the
9 Sunbelt Project. PNM held settlement discussions on February 28, 2025 between
10 PNM and the parties that intervened in this case and determined that parties wished
11 to settle any potential issues in this case and document their support for PNM's new
12 resource additions through a formal Stipulation. Subsequent to the initial settlement
13 meeting, the parties continued to discuss terms and conditions of settlement, which
14 culminated in filing the unopposed Stipulation. Throughout this process, PNM
15 provided responses to informal requests for information, in addition to responding
16 to formal discovery requests that were issued prior to the settlement discussions.
17 All parties participated in the discussions and had input into the terms of the
18 Stipulation.

- 1 through base rates.
- 2 • recover the ESA costs pursuant to the proposed outcome of recovery of ESA
 - 3 costs in Case No. 24-00089-UT. Pursuant to its stipulation in Case No. 24-
 - 4 00089-UT, PNM proposed to recover the ESA costs through base rates when
 - 5 they are operational.¹
 - 6 • seek recovery of the Sunbelt Project in a PNM general rate review filing
 - 7 where PNM seeks to adjust its base rates.

8

9 **III. COMMISSION STANDARDS FOR APPROVAL OF GENERAL RATE**
10 **CASE APPLICATIONS AND STIPULATIONS**

11 **Q. Under what standards does the Commission evaluate stipulations?**

12 **A.** The Commission’s procedural rules at 1.2.2.20 NMAC recognize that parties and
13 Staff may reach compromises and settle some or all of the issues in a proceeding.
14 Paragraph 1.2.2.20(A)(3) NMAC states the signatories to a stipulation have the
15 burden of supporting it with “sufficient evidence and legal argument to allow the
16 Commission to approve it.”

17

18 **Q. What do you believe is meant by the phrase “sufficient evidence and legal**
19 **argument to allow the Commission to approve [the stipulation]”?**

20 **A.** I interpret this to mean that, based on the testimony and exhibits presented to the
21 Commission, a decision maker could find the Stipulation results in a reasonable
22 outcome. So, while there could be any number of ways to resolve the case that could
23 be subjectively “better” or “worse” (or simply different) than the Signatories’

¹ See Case No. 24-00089-UT, Unopposed Stipulation, ¶ 9 (Nov. 26, 2024).

1 solution, overall the settlement will result in the addition of new resources needed
2 for system reliability and to serve customer loads and therefore are in the public
3 interest.² I will discuss the public interest later in my testimony.

4

5 **Q. Does the Stipulation fully satisfy these factors for Commission approval?**

6 **A.** Yes. As detailed in my testimony, the Stipulation satisfies all of the applicable
7 factors for Commission approval of a stipulation. The terms of the Stipulation are
8 supported by the direct testimonies and exhibits filed with the Application, as well
9 as this testimony. The uncontested evidence that supports the stipulated new
10 resource additions satisfies the Commission’s rules for approving stipulations.

11

12 **Q. What factors are considered by the Commission with respect to approval of a**
13 **Stipulations?**

14 **A.** The Commission considers the following factors:

- 15 1) Is the settlement a product of serious bargaining among capable,
16 knowledgeable parties?
17 2) Does the settlement, as a whole, benefit customers and the public interest?
18 3) Does the settlement violate any important regulatory principle or practice?³

19 I address each of these factors below.

² See Case No. 08-00078-UT, *Certification of Stipulation* at 3 (Nov. 24, 2008), Final Order Partially Approving Certification of Stipulation (Dec. 11, 2008).

³ Case No. 23-00255-UT, *Certification of Stipulation* at 20 (June 6, 2024), approved by Final Order (July 25, 2024).

1 **Q. Is the Stipulation a product of serious bargaining among capable,**
2 **knowledgeable parties?**

3 **A.** Yes. Matters related to PNM’s resource acquisitions are of interest to many
4 stakeholders and the Signatories have actively participated in resource planning
5 proceedings, including PNM’s integrated resource plans. Since 2023, PNM has
6 been holding bi-weekly meeting to keep interested stakeholders apprised of PNM’s
7 system needs and plans for resource acquisitions. As a result, the Signatories are
8 knowledgeable about PNM’s operations, resources, and ETA policy
9 considerations; and some of the Signatories also engage expert consultants who
10 have industry knowledge in these areas. While the Signatories may have divergent
11 interests, in this proceeding they focused on the need to acquire resources that
12 would be available to serve the range of customers served by PNM, while also
13 fulfilling energy transition goals that are laid out in the Energy Transition Act
14 (“ETA”).

15 In this case, Staff and the intervenors engaged in discovery, both formally
16 and informally during settlement discussions. The Signatories have had the benefit
17 of consultations with PNM’s subject matter experts both before and after PNM filed
18 its Application. The Signatories are represented by experienced counsel, and the
19 Stipulation reflects that the Signatories analyzed PNM’s filing and discovery
20 materials to develop their respective positions regarding the resource acquisitions
21 requested in this case.

1 **Q. Were the discussions comprehensive in scope?**

2 **A.** Yes. The Signatories came to the table well-informed and, by engaging in serious
3 discussions, determined that submitting a comprehensive resolution of all of the
4 issues encompassed in this proceeding was the preferred course of action and would
5 be administratively efficient. The parties worked collaboratively to develop a
6 Stipulation that would result in the approval of resources deemed lowest reasonable
7 cost for the PPA and two ESAs and well as the approval for the Sunbelt Project,
8 including the enhancement of the 20 MW of battery storage.

9

10 **Q. Is the portfolio of resources requested in this proceeding and recommended**
11 **for approval in the Stipulation in the public interest?**

12 **A.** Yes. Both PNM's direct testimonies and this testimony demonstrate that the
13 resources proposed through this Application are in the public interest. These
14 resources will allow PNM to continue to deliver safe and reliable electric service,
15 while also meeting the State's public policy objectives and allow PNM to continue
16 its transition to a carbon-free portfolio. More specifically, benefits of the proposed
17 resources include:

- 18 1. Supporting system reliability and adding resources needed to meet existing and
19 anticipated growth in customer loads;
- 20 21 2. Reducing costs to ratepayers by including energy storage that avoids or defers
22 the need for additional investment in new generation and upgrades to systems
23 for the transmission and distribution of energy;
- 24 25 3. Reducing the use of fossil fuels for meeting demand during peak load periods
26 and for providing ancillary services;
- 27 28 4. Assisting with ensuring grid reliability, including transmission and distribution
29 system stability, while integrating sources of renewable energy into the grid;
- 30

- 1 5. Supporting diversification of energy resources and enhancement of grid
2 security;
3
4 6. Reducing greenhouse gases and other air pollutants resulting from power
5 generation; and
6
7 7. Providing PNM with the discretion, subject to applicable laws and rules, to
8 operate, maintain and control the energy storage system so as to ensure reliable
9 and efficient service to customers.

10

11 **Q. Turning more specifically to the Sunbelt Project, is it in the public interest?**

12 **A.** Yes. The Sunbelt Project is in the public interest. While not included in the resource
13 portfolio that was initially selected as the most cost-effective among feasible
14 alternatives, the Sunbelt Project is the lowest-cost resource within the CCSD.
15 Including the Sunbelt Project in the overall addition of new resources supports
16 expected additional future growth while adhering to the initial locational
17 preferences of the ETA. This resource also helps move PNM forward to a
18 carbon-free portfolio and to comply with the emissions limitation of the ETA by
19 adding a 100 MW solar energy resource to PNM's generating portfolio.

20

21 **Q. Was the option to increase the Sunbelt Project battery storage from 30 MW to
22 50 MW part of the RFP bid?**

23 **A.** No. This option came about after talking to stakeholders who were interested in
24 seeing more resources located in the CCSD.

25

26 **Q. Did the Signatories to the stipulation agree to include the additional 20 MW
27 battery to the Sunbelt project?**

28 **A.** Yes.

1 **Q. Does the enhanced option to increase the Sunbelt Project battery storage from**
2 **30 MW to 50 MW provide system benefits?**

3 **A.** Yes. These benefits include:

4 • **Enhanced system reliability:** moving from 30 MW to 50 MW of battery
5 storage include the improvement of Loss of Load Expectation from 0.064
6 days/year to 0.055 days/year in 2028 and a projected planning reserve
7 margin of 18.2% and 16.6% in 2028 and 2029, respectively.

8 • **Decreased projected curtailment:** The 2028 system curtailment are
9 projected to decrease by 6,286 MWh, based on model runs. PNM
10 reasonably believes that the added capacity of the Sunbelt Project can be
11 beneficial when system resources are available to participate in regional
12 markets, both in the existing intra-hour imbalance market and for future
13 day-ahead trading.

14 • **Pricing economies of scale:** On a per MW basis, the capital costs of the
15 energy storage component of the Sunbelt Project are lower under the 50
16 MW size compared to the 30 MW size. The total capital cost for the storage
17 facility of the Sunbelt project is estimated to be approximately \$1.9M per
18 MW for the 30 MW battery and \$1.77M per MW for the 50 MW battery.
19 The primary reason for the improvements in \$ per MW is the improved
20 pricing on a per unit basis for battery storage that was negotiated at
21 arms-length and reflects the ability to spread fixed costs of the Sunbelt
22 Project over a bigger base. The total Year 1 annual revenue requirement for
23 the Sunbelt Project with the additional 20 MW (total of 50 MW) battery is

1 \$15.1M, compared to \$14.2 million for the Sunbelt Project with 30 MW
2 battery.

3
4 **Q. Does the Sunbelt Project have any features that may help prevent potential**
5 **defaults, recognizing the issues PNM has had in the past with project defaults?**

6 **A.** Yes. PNM is concerned about the impact of any potential tariffs. If any changes are
7 implemented, PNM will review their impact. However, PNM is using its contractor
8 Gridworks, a New Mexico Company, to help mitigate these concerns. According
9 to Gridworks, Gridworks uses a diversified supply chain to manage tariff risk.
10 Notable module supplier partners like Boviet have cell and module manufacturing
11 facilities outside of China and outside of other countries that have been subject to
12 recent tariff proceedings like Vietnam. For example, Boviet and other suppliers
13 have extensive cell and module manufacturing in Indonesia and are also
14 establishing module production in the United States. For Boviet, a new facility in
15 North Carolina and existing facilities in Indonesia allow for supply chain
16 diversification, supply flexibility, and the ability to mitigate known tariff risk to the
17 extent possible. For batteries, Gridworks works closely with Tesla, who
18 manufactures the Megapack battery units in Lathrop, CA, and are increasing supply
19 of LFP cell production in Sparks, NV. This diversification should help to alleviate
20 impacts from tariff changes. Having a local contractor allows quicker decisions and
21 faster response to issues as they develop.

1 **Q. What other benefits would result from approval of the Sunbelt Project?**

2 **A.** Construction of the Sunbelt Project provides benefits to New Mexico’s economy.
3 Gridworks is New Mexico founded, headquartered, and owned. Gridworks
4 employees hundreds of people in New Mexico and has a robust certified
5 apprenticeship program to foster career growth for New Mexican employees.
6 Gridworks, being a local company, pays taxes into the State of New Mexico. It also
7 works with New Mexico-based suppliers like Array Technologies for solar tracker
8 system supply. These are some of the benefits envisioned by the ETA.

9

10 **Q. How does the 50 MW proposed battery storage of the Sunbelt Project compare**
11 **to the Corazon and Sun Lasso ESA pricing?**

12 **A.** The 50 MW proposed battery storage component of the Sunbelt Project is more
13 comparably priced on a per MWh basis than the smaller-sized Sunbelt Project. The
14 stipulated Sunbelt Project is priced at approximately \$15.45 per MWh, which is
15 reasonably competitive with the other projects estimated \$15.40 per MWh
16 (Corazon) and \$14.45 per MWh. (Sun Lasso). In addition, there are benefits of
17 utility owned storage that were discussed in PNM’s direct application in this
18 proceeding.

19

20 **Q. Does the settlement violate any important regulatory principle or practice?**

21 **A.** No. In fact, the Commission’s stated practice is to favor settlements because they
22 avoid costly and protracted litigation and generally are more effective in reconciling
23 the interests of all parties than if the parties engaged in polarized, adversarial

1 proceedings.⁴ The Stipulation reflects the support of the Signatories for all of the
2 resources requested in PNM’s Application, including the Sunbelt Project of 100
3 MW solar and 50 MW battery storage. The Stipulation also addresses the locational
4 preferences discussed in the ETA and provides assurance that approval of this
5 project, while in the public interest for the reasons outlined in the Stipulation, does
6 not create a new precedential standard or criteria for evaluation of resources in
7 future proceedings.

8

9 **Q. Does the Stipulation reflect a change to PNM’s Application that relates to a**
10 **proposed regulatory practice in PNM’s pending rate case?**

11 **A.** Yes. The Stipulation accounts for the fact that in PNM’s Application, PNM
12 originally requested rate treatment for the ESAs through its Fuel and Purchased
13 Power Cost Adjustment Clause, consistent with PNM’s originally filed requests in
14 its pending rate case, Case No. 24-00089-UT. In that proceeding, PNM and other
15 parties stipulated to recover of ESA costs through PNM’s base rates, and the
16 Stipulation reflects that PNM would request future rate recovery for the ESAs
17 approved in this case that would be consistent with the outcome of the rate case.

18

19 **Q. What other important regulatory principle do you believe the Stipulation**
20 **affirmatively meets?**

21 **A.** PNM believes that the Stipulation addresses an important regulatory principle
22 regarding the energy transition that was articulated by the Commission when

⁴ See Case No. 23-00255-UT, *Certification of Stipulation*, at 21-25 (June 6, 2024), approved by Final Order (July 25, 2024).

1 approving replacement resources for the abandoned San Juan Generation Station
2 under the ETA. Specifically, the Commission selected a replacement portfolio that
3 met certain locational preferences for new resources to be located in the Central
4 Consolidated School District (“CCSD”) in the Four Corners area. One of the
5 selected resources located in the CCSD defaulted, which reduced the anticipated
6 replacement tax base and other economic benefits for the CCSD. The Signatories
7 believe that the approval of the Sunbelt Project addresses the regulatory principles
8 reflected in the San Juan Generating Station abandonment and replacement
9 proceedings that were subsequently affected by the default of the Rockmont
10 Project.

11 12 **IV. STIPULATION TERMS**

13 **Q. Please provide an overview of the Stipulation.**

14 **A.** The Stipulation consists of an introductory section and nine enumerated sections
15 that I will cover in more detail.

16 **I. Standards applicable to the Application.**

17 This section consists of paragraphs 1 through 6 and outlines the relevant
18 statutes and rules that govern approval of the resources requested in the
19 Application and supported in the Stipulation.

20 **II. Summary of PNM’s Application.**

21 This section consists of paragraphs 7 through 16 and summarizes PNM’s
22 original Application and requested resource approvals.

1 **III. Settlement Negotiations and Participation of Parties.**

2 This section consists of paragraphs 17 through 20 and discusses the process
3 of settlement discussions by the parties to the Signatories

4 **IV. Approvals.**

5 This section consists of paragraphs 21 through 32 and addresses the
6 requested approval of resources in the Stipulation, which align with the
7 requested resources in the Application, including the Sunbelt Project of 100
8 MW solar and 50 MW battery storage.

9 **V. Other Stipulated Terms.**

10 This section consists of paragraph 33 and 34 identifies that the Signatories
11 believe a hearing is not required in this matter and identifies a process if any
12 contractual agreements are renegotiated or altered, PNM shall make a
13 compliance filing, which I provide more detail below.

14 **VI. Admission of Pre-filed Testimony into Record.**

15 This section consists of paragraph 35 and provides for the admission into
16 the case record for background information consisting of PNM's pre-filed
17 direct testimonies and exhibits, and further agrees to the admission into the
18 case record of PNM's and any other Signatory's testimonies and exhibits
19 filed in support of this Stipulation.

20 **VII. Basis and Scope of Stipulation.**

21 This section consists of paragraphs 36 and 37 that explain the Signatories'
22 intent and basis for reaching the terms of the Stipulation.

1 **VIII. Support for and Binding Nature of Stipulation.**

2 This section consists of paragraphs 38 through 41 and outlines the rights
3 and agreements of the Signatories in compromising their positions for the
4 purposes of settlement and addresses the non-binding or non-precedential
5 nature of the Stipulation on Signatories outside of this proceeding.

6 **IX. Compliance with Commission Requirements and Procedural Orders.**

7 This section consists of paragraphs 42 through 44 and describes the process
8 and procedural steps proposed if the Stipulation is not approved.

9 **X. Multiple Counterparts and Signatories.**

10 This section consists of paragraphs 45 and 46 and includes execution of the
11 Stipulation by the Signatories.

12

13 **Q. Why do the Signatories to the Stipulation believe a hearing is not required, as**
14 **discussed in Paragraph 36 of the Stipulation?**

15 **A.** PNM's application was supported by the parties who have intervened in this
16 proceeding. Given the lack of opposition to PNM's proposed resource acquisitions,
17 including the Sunbelt Project, the procedural schedule in this case already
18 contemplated that a hearing could be waived in accordance with the provisions of
19 the CCN statute (Section 62-9-1-(C)). Because the Stipulation affirmatively
20 documents either support for or non-opposition to the proposed resources by all of
21 the parties, PNM does not believe a hearing is warranted under the circumstances
22 of this case.

23 Moreover, the Stipulation makes clear that the outcome of this proceeding
24 is not intended to have precedential impacts relating to the standards applied in

1 future resource acquisition cases, particularly as it relates to the circumstances
2 surrounding the inclusion and approval of the Sunbelt Project, which was not part
3 of the lowest-cost resource portfolio. The Signatories do not believe a hearing is
4 required as the record in this proceeding, including the direct testimony and exhibits
5 filed by PNM, the Stipulation, and the testimony in support of stipulation provide
6 a sound and substantial basis for approval of the Application in this proceeding.
7 Paragraph 36 memorializes this belief held by the Signatories. The paragraph also
8 acknowledges that if the Commission determines additional evidence is necessary,
9 the Signatories agree to provide additional evidence.

10

11 **Q. Can you explain in more detail the agreement reached in Paragraph 37 of the**
12 **Stipulation?**

13 **A.** PNM agrees that if the terms of any of the agreements are renegotiated or altered
14 following approval, PNM shall make a compliance filing identifying any changes
15 in the terms and include copies of revised contracts. The agreement also provides
16 that the Commission, Staff, and the Parties shall have ten days from such
17 compliance filing and service to object to such terms. If no objections are raised,
18 the terms are deemed to be approved consistent with the Commission's Final Order
19 in this matter. This paragraph memorializes a practice that has been outlined in
20 certain previous PNM resource application cases⁵.

⁵ See Case Nos. 21-00215-UT and 23-00162-UT.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

V. CONCLUSION

Q. Please summarize your conclusions and reasons for requesting that the Commission approve the unopposed Stipulation.

A. Approval of the Stipulation, as demonstrated through PNM’s testimonies, is in the public interest. The requested approvals in the Stipulation meet all of the Commission’s requirements for approval of a stipulation. All parties participated in reaching an unopposed and comprehensive settlement of the issues raised in PNM’s 2028 resource filing. The Signatories are knowledgeable and expert parties who engaged in intensive and well-informed arms-length discussions, with resolution of the issues of concern that was necessary to reach an integrated, interdependent outcome with which all Signatories agree, and no parties oppose. The resources approved in this Application are needed to meet our customers’ needs and serve to address policy goals related to the ETA and are in the public interest.

Q. Does this conclude your Direct Testimony in Support of the Stipulation?

A. Yes.

GCG#533570

Stipulation

PNM Exhibit HEM- 1 Stipulation

Is contained in the following 20 pages.

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)	Case No. 24-00271-UT
CONVENIENCE AND NECESSITY FOR SYSTEM)	
RESOURCES IN 2028)	
)	
PUBLIC SERVICE COMPANY OF NEW MEXICO,)	
)	
Applicant)	
)	

UNOPPOSED COMPREHENSIVE STIPULATION

The signatories to this Unopposed Comprehensive Stipulation (“Stipulation”) dated March 12, 2025, consist of the following parties (collectively, the “Signatories”):

- Utility Division Staff of the New Mexico Public Regulation Commission (“Staff”)
- Public Service Company of New Mexico (“PNM”)
- Coalition for Clean Affordable Energy (“CCAEE”)
- New Energy Economy (“NEE”)
- New Mexico Affordable Reliable Energy Alliance (“NMAREA”)
- Prosperity Works
- Western Resource Advocates (“WRA”)

In addition to the Signatories, the following entities have intervened or have pending motions to intervene: Albuquerque Bernalillo County Water Authority (“ABCWUA”); Bernalillo County; Bernalillo Solar, LLC; New Mexico Department of Justice (“NMDOJ”); and the Central Consolidated School District (“CCSD”). CCSD states that it supports the Stipulation. The following have not taken a position on the Stipulation as of this filing date: ABCWUA, Bernalillo County, Bernalillo Solar, LLC and NMDOJ.

The Stipulation represents the comprehensive support and settlement of this case agreed to by the Signatories, which is encompassed in this Stipulation. The Stipulation consists of consecutively numbered paragraphs organized in the following sections, which incorporate

relevant summary case information, and the substantive terms and conditions agreed to by the Signatories.

Collectively the term “Parties” refers to PNM, Staff, and the following persons that moved to intervene as parties in this case and whose intervention was granted by rule or order: ABCWA; Bernalillo County; Bernalillo Solar, LLC; CCA; NEE; NMAREA; NMDOJ; Prosperity Works; and WRA.

The Signatories submit this Stipulation to the New Mexico Public Regulation Commission (“Commission”) as a comprehensive settlement of all issues raised in PNM’s Application. Among other things, the Signatories hereby represent to the Commission that the proposed resource additions, including the proposed utility-owned resource with the additional 20 MW bid enhancement: 1) meet the statutory and regulatory requirements for their acquisition; 2) are necessary to the public convenience or necessity; and 3) provide a net public benefit that supports their approval and the issuance of a Certificate of Convenience and Necessity (“CCN”).

Further, the storage portion of the utility-owned resource meets the requirements outlined in NMSA 1978, Section 62--9--1(-D), paragraphs 1-6, and provides the lowest cost resource within the Central Consolidated School District (“CCSD”) that supports future, additional growth while adhering to the initial locational preferences of the Energy Transition Act (“ETA”), set forth in Section 62-18-3(F), in moving PNM to a carbon-free portfolio.

The Signatories further submit this Stipulation to the Commission as representing that PNM has presented one long-term purchased power agreement (“PPA”) and two long-term energy storage agreements (“ESA”). The PPA Rule, 17.9.551 NMAC, does not directly address the ESAs, but the Commission affirmed through its decision in Case No. 23-00353-UT that both long-term

PPAs and ESAs must be approved under the PPA Rule.¹ The Signatories represent that PNM has provided all the necessary documentation required by 17.9.551.8(D) NMAC and that the PPA and ESAs are necessary and in the public interest.

The Signatories request that the Commission issue a Final Order in this case that approves this Stipulation with all necessary findings, conclusions and ordering paragraphs that resolve in full all issues in this proceeding in accordance with the provisions of the Stipulation.

I. Standards applicable to the Application

1. The Commission has statutory authority over the construction and operation of utility-owned generation and battery storage resources pursuant to Section 62-9-1 of the Public Utility Act.
2. The Public Utility Act requires public utilities to obtain a CCN before constructing or operating any new utility plant or system.²
3. The utility must also show that it has considered alternatives before going forward with a project.³ Thus, the utility must show that the resource alternative it proposes “is the most -cost-effective among feasible alternatives.”⁴
4. The Commission must also review a CCN application for energy storage systems

¹ See Case No. 23-00353-UT, 19-00195-UT, *In the Matter of Pub. Serv. Co. of N.M.’s Application for Approval of a Purchased Power Agreement, Energy Storage Agreements, and a Certificate of Public Convenience and Necessity for System Resources in 2026*, Recommended Decision, Section 3.1.3 (requiring Commission approval before becoming irrevocably bound to long-term purchased power or energy storage agreements pursuant to 17.9.551 NMAC).

² NMSA 1978, § 62-9-1(A). A public utility may, but is not required to, request a determination of ratemaking principles and treatment for the proposed facilities; the utility must have its articles of incorporation on file with the Commission and make a showing that it has received the consent and franchise from the municipality where the construction and operation is proposed. NMSA 1978, § 62-9- 1(B).

³ See Case No. 22-00270-UT, *Recommended Decision*, p. 42 (Dec. 8, 2023) (“[U]tilities must conduct reasonable alternatives analyses before selecting resources. Deficiencies in analyses may warrant nonrecovery of all or a portion of the costs of resources imprudently selected.”) (*approved Final Order*, pp. 20-24 (Jan. 03, 2024)); Case No. 15-00261-UT, *Corrected Recommended Decision*, pp. 96-99 (Aug. 15, 2016) (*approved Final Order Partially Adopting Corrected Recommended Decision* (Sept. 28, 2016)); Case No. 2382, *Final Order Approving Recommended Decision* pp. 48-49 (Nov. 20, 1995).

⁴ Case 19-00349-UT, *Recommended Decision*, pp. 16-17 (Nov. 16, 2020) (*citing* Case Nos. 15-00261-UT, 13-00390-UT, 15-00205-UT, and Case No. 2382) (*adopted* by order of the Commission (Dec. 16, 2020)).

consistent with NMSA 1978, Section 62-9-1(D).

5. The Commission regulates certain PPAs pursuant to 17.9.551.8(A) NMAC, which states that no electric utility shall become irrevocably obligated under a PPA without first obtaining the Commission's written approval of the agreement.

6. The Commission has held that the review and approval procedure for a PPA is similar to the review and approval procedure for a CCN pursuant to NMSA 1978, Section 62-9-1, and that utilities must demonstrate by a preponderance of the evidence that the proposed PPA complies with 17.9.551 NMAC and is in the public interest.⁵ This includes filing a copy of the PPA, explaining its key terms, and describing the benefits of entering into the PPA. The Commission equates "public convenience and necessity" with "public interest" and equates "public interest" with "a net public benefit".⁶

II. SUMMARY OF PNM'S APPLICATION

7. On November 22, 2024, PNM filed its Application for Approval of a PPA, two ESAs, and a CCN for System Resources in 2028 ("Application").

8. In its Application and supporting testimonies, PNM requested Commission approval of:

Power Purchase Agreement:

Valencia Power Plant PPA – A new PPA for the Valencia Power Plant that would add an additional term to PNM's association at this facility until December 31, 2039. The Valencia Power Plant PPA is between PNM, as buyer, and Valencia Power LLC, as seller, for 167 MW of natural gas-fired generation at a rate of \$9.20/kW/month, a variable operations and maintenance charge of \$5.00/MWh, and a start charge of \$8,000 per start. This facility is already constructed and operating.

Energy Storage Agreements:

Sun Lasso ESA – A long-term ESA between PNM, as buyer, and Sun Lasso LLC, as seller, for the capacity of 150 MWAC 4-hour battery storage at a rate of \$14.55/MWh over a

⁵ Case No. 15-00083-UT, *Recommended Decision*, pp 18-25 (Sept. 21, 2015) (*adopted by Final Order* (Oct. 7, 2015)).

⁶ *Id.*

twenty-year term. This project is located in Bernalillo County with an expected Commercial Operation Date (“COD”) of January 15, 2028.

Corazon ESA – A long-term ESA is between PNM, as buyer, and Corazon Energy Storage LLC, as seller, for the capacity of 150 MWAC 4-hour energy storage at a rate of \$15.40/MWh over a twenty-year term. This project is located in Bernalillo County with an expected COD of December 31, 2027.

Certificate of Convenience and Necessity:

Sunbelt Project – A certificate of public convenience and necessity for the Sunbelt Project, a utility self-build project for 100 MW of solar generation facilities coupled with a 30 MWAC 4-hour energy storage system located in the Central Consolidated School District in San Juan County. The overall estimated capital cost for this project is \$220.4 million, with an expected COD of May 1, 2028. Additionally, PNM’s Application provides an option to increase the 30 MW battery by an additional 20 MW, for a total of 50 MW Battery Energy Storage System (“BESS”). The additional 20 MW BESS was not part of the Request for Proposal (“RFP”) bid. This 20 MW BESS bid enhancement increases the capital cost of this project to \$252 million.

9. Apart from the additional 20 MW BESS bid enhancement of the Sunbelt Project (for a total of 50 MW BESS), PNM selected the above projects through a robust and competitive RFP process and conducted resource modelling analysis to develop the optimum mix of generation resources that can be available by summer 2028 to reliably serve customers. The additional 20 MW BESS was not part of the Request for Proposal (“RFP”) bid. Nevertheless, the addition of the 20 MW BESS would provide more reliable service for PNM customers, is cost effective, and would amount to a total of 450 MW in the CCSD.

10. PNM asserts that without approval of these resources, PNM will have a reserve margin of only 0.1% and a loss of load expectation (“LOLE”) of 2.01 days per year in 2028. PNM states that approval of these resources, including the additional 20 MW of battery, will result in a LOLE of 0.055 days per year in 2028 and a projected planning reserve margin of 18.2% and 16.6% in 2028, and 2029 respectively, as PNM experiences load growth.

11. The Application states that the PPA and ESAs are necessary to provide cost-effective and

reliable service while keeping PNM on track to meet the ETA requirements, conform to prior NM PRC Orders,⁷ as well as PNM's target to provide service from 100% carbon-free generation by 2040.

12. PNM also proposed the Sunbelt Project as an additional carbon-free solar energy resource combined with associated battery storage to help firm up capacity during low renewable generation periods and help serve demand and energy requirements reflected in PNM's most recent load forecast. The Sunbelt Project is the lowest cost proposed resource located within the CCSD that allows for additional system growth while adhering to the ETA's initial locational preference. It is the least cost option for adding new resources in the CCSD as soon as practicable.⁸

13. PNM testified that the Sunbelt Project will:

- a. Reduce costs to ratepayers by locating the facility near an existing PNM substation and infrastructure, limiting transmission and substation expansion requirements;
- b. Reduce PNM's use of fossil fuels for meeting demand by allowing storage of energy produced from renewable resources during off-peak load periods for discharge during peak load;
- c. Aid in ensuring grid reliability;
- d. Support increased diversification of energy resources;
- e. Contribute to the reduction of air pollutants resulting from power generation; and
- f. Ensure efficient service to PNM's customers.

14. PNM proposed to recover the energy costs associated with the Valencia Power Plant PPA

⁷ Cases No. 19-00195-UT, *Final Order On Recommended Decision on Replacement Resources - Part II*, 7/29/2020 and No. 23-00353-UT, *Final Order*, (5/30/2024).

⁸ The lowest cost resource within the Central Consolidated School District ("CCSD") approval standard was adopted pursuant to and in order to implement the Energy Transition Act's legislative priority of locating up to 450 MW of resources within the CCSD of San Juan County after abandonment of the San Juan Generating Station. "[T]here is no doubt that the legislature intended the location of resources in the CCSD to be a priority, and potentially the highest priority." Case No. 19-00195-UT, *Recommended Decision on Replacement Resources - Part II*, at 120 (June, 24, 2020) (Adopted by *Order on Recommended Decision on Replacement Resources - Part II* (July 29, 2020)).

through its Fuel and Purchased Power Cost Adjustment Clause (“FPPCAC”) in accordance with Rule 551.9(A). PNM will seek recovery of demand charges associated with the Valencia Power Plant through base rates.

15. Pursuant to its stipulation in Case No. 24-00089-UT, PNM proposed to recover the ESA costs through base rates when they are operational.⁹

16. PNM will seek recovery of the Sunbelt Project in a PNM general rate review filing where PNM seeks to adjust its base rates.

III. SETTLEMENT NEGOTIATIONS AND PARTICIPATION OF PARTIES

17. Pursuant to 1.2.2.16 NMAC, the Parties participated in a settlement conference on February 27, 2025 and on March 7, 2025. Additionally, most of the Parties have actively participated in regular bi-weekly meetings conducted by PNM to apprise interested stakeholders of PNM’s ongoing system needs, competitive bid evaluation processes, and the operational status of previously approved resource additions.

18. The Parties that participated in these settlement meetings are knowledgeable and sophisticated parties and are well-informed on the issues raised by PNM’s Application and supporting testimonies and exhibits. The Parties represent a diverse group of stakeholders with diverse and often divergent or competing positions on the issues at hand. The Parties engaged in formal and informal discovery with PNM regarding the Application and supporting testimonies. As a result, the settlement negotiations between and among themselves and PNM were intended to reach an uncontested agreement for the approval of the entire portfolio of resources requested by PNM, together with related ratemaking set forth herein, without establishing any precedential standards for future resource acquisition requests that may be brought before the Commission by

⁹ See Case No. 24-00089-UT, Unopposed Stipulation, ¶ 9 (Nov. 26, 2024).

PNM.

19. The Signatories agree to resolve all issues among them related to PNM's Application, as provided in the specific terms and conditions of settlement set forth in Sections IV-IX.

20. Pursuant to 1.2.2.20(D) NMAC, this Stipulation shall have no precedential effect regarding the principles contained herein.

IV. APPROVALS

Purchased Power Agreement

21. Based on the evidence presented in PNM's Application and direct testimonies, PNM's request for regulatory approval of an executed long-term PPA with the 167 MW natural gas Valencia Power Plant should be approved.

22. PNM shall recover the energy costs associated with the Valencia Power Plant PPA through its FPPCAC in accordance with 17.9.551.9(A) NMAC.

23. PNM shall seek recovery of demand charges associated with the Valencia Power Plant through base rates.

Energy Storage Agreements

24. Based on the evidence presented in PNM's Application and direct testimonies, PNM's request for regulatory approval of two executed 150 MW ESAs, Sun Lasso and Corazon, should be approved.

25. The Signatories agree that the rate recovery for the ESAs originally proposed by PNM should be modified to reflect the stipulated rate treatment for ESAs submitted to the Commission in PNM's pending rate case, Case No. 24-00089-UT. PNM shall seek recovery of the ESA costs through base rates in a future PNM general rate review filing where PNM seeks to adjust its base rates.

26. PNM shall seek any transmission construction-related cost recovery in a future rate case.

Certificate of Convenience and Necessity

27. Based on the evidence presented in PNM’s Application, direct testimonies, and testimony in support of the Stipulation, the Sunbelt Project meets the statutory requirements for approval of a CCN, and PNM’s request for issuance of a CCN for the Sunbelt Project should be approved, including the additional 20 MW storage bid enhancement. The Signatories acknowledge that the additional 20 MW BESS was not part of the RFP process, but they agree for settlement purposes that this addition component of the Sunbelt Project be approved, along with the other resources requested by PNM.

28. In issuing a CCN, the Commission gives due regard to public convenience and necessity and requires a showing that the requested resources provide net benefits to customers and are in the public interest. The Commission is required to approve a CCN Application for an energy storage system if it satisfies the conditions of NMSA 1978, Section 62-9-1(D). The Sunbelt Project is unique because additional public interest considerations support its approval. The Signatories agree that with regard to the Sunbelt Project, the “net public benefit” includes a broader public interest by helping to mitigate the impact on affected communities for coal plants abandoned by January 1, 2023,¹⁰ consistent with the Commission’s determinations in the San Juan Generating Station (“San Juan”) abandonment proceedings in Case No. 19-000195-UT. Thus, in determining whether approval of the Sunbelt Project produces a net public benefit, the Commission should consider benefits to the affected community in the Four Corners area from locating the Sunbelt Project within the CCSD.

The Signatories agree that the Sunbelt Project’s additional carbon-free 100 MW solar

¹⁰ NMSA § 62-18-3.

energy resource combined with a total of 50 MWAC 4-hour battery storage, provides a public benefit from being located within the CCSD in the Four Corners area. The Sunbelt Project will help firm up capacity during low renewable generation periods and help serve demand and energy requirements reflected in PNM's most recent load forecast and thereby directly benefits customers. Further, the Sunbelt Project's BESS approximate cost of \$15.45 per MWh is reasonably competitive with the other ESA projects' estimated costs of \$15.40 per MWh for Corazon and \$14.45 per MWh for Sun Lasso and takes advantage of the currently existing investment tax credits under the IRA. The Sunbelt Project is the lowest cost proposed resource located within the CCSD. Approval of the Sunbelt Project allows for additional system growth anticipated by PNM while also fulfilling the Commission's regulatory intent to locate San Juan replacement resources in the CCSD, based on the ETA's policy goal of mitigating impacts to affected communities resulting from the retirement of coal plants in the Four Corners area. The energy generated by the Sunbelt Project's 100 MW Solar will also contribute to PNM's ability to meet the ETA emissions limitation of "four hundred pounds of carbon dioxide per megawatt-hour" applicable to PNM's generating resources and is the only renewable energy resource for which approval is sought in this docket.¹¹

29. In Case No. 19-00195-UT, the Commission adopted a portfolio that placed 430 MW of resources in the CCSD. Due to the default of the Rockmont Project and its contract termination, only 300 MW of resources to date have been placed in service in the CCSD since the closure of San Juan Generating Station. The Signatories support the approval of the Sunbelt Project which will bring an additional 100 MW of solar and 50 MW of battery storage to the CCSD consistent with the policy intent of 62-18-3(F) of the ETA and the portfolio determinations of the

¹¹ NMSA § 62-18-10(D).

Commission in Case No. 19-00195-UT.¹²

30. In addition to fulfilling an important policy goal of the ETA, the Sunbelt Project is the most feasible and least cost option for adding new resources in the CCSD as soon as practicable and allows for PNM to reliably meet forecasted load growth that may reasonably occur sooner than expected. These policy considerations, combined with the additional headroom to support near-term economic development, support the conclusion that approval of the Sunbelt Project is a benefit to customers, is in the public interest, and produces a net public benefit. The Signatories agree that the Commission should approve the CCN for the Sunbelt Project, including the 20 MW energy storage bid enhancement, and that the Sunbelt Project provides the benefits to the CCSD that were contemplated by the ETA and Cases No. 19--00195-UT, *Final Order on Recommended Decision on Replacement Resources - Part II*, 7/29/2020 and No. 23-00353-UT, *Final Order*, (5/30/2024).

31. PNM shall seek recovery of the costs for the Sunbelt Project, including the additional 20 MW, through base rates in a future PNM general rate review filing where PNM seeks to adjust its base rates.

32. The Certificated Estimated Cost for the Sunbelt Project with the bid enhancement is \$252 million. To the extent that PNM experiences a cost overrun, PNM will provide the information required by the Cost Overrun Rule (17.3.580 NMAC) to request recovery of these costs in a future rate case.

V. OTHER STIPULATED TERMS

33. The Signatories agree that based upon the terms contained herein as well as the testimony

¹² Case No. 19-00195-UT, *Recommended Decision on Replacement Resources, Part II*, at 61-62; *See also*, Case No. 23-00353-UT, *Final Order*, at 18-19 of 23, ¶¶ 39-41, 43. (5/30/2024)

filed in support of the stipulation by PNM, that a hearing is not required in this matter. If the Commission determines that additional evidence is necessary in its review of this stipulation, the Signatories agree to provide additional evidence to support this stipulation.

34. PNM commits that if the contractual terms of any of the agreements are renegotiated or altered following approval, PNM shall make a compliance filing identifying any such changes in the contractual terms and including copies of any revised contracts. The Commission, Staff, and the Parties shall have ten days from the filing and service of such compliance notice to object to such terms or they shall be deemed to be approved consistent with the Commission's Order in this matter.

VI. ADMISSION OF PRE-FILED TESTIMONY INTO RECORD

35. The Signatories agree to the admission into the case record for background information of PNM's pre-filed direct testimony and exhibits; and they further agree to the admission of PNM's and any other Signatory's testimonies and exhibits filed in support of this Stipulation.

VII. BASIS AND SCOPE OF STIPULATION

36. This Stipulation is the result of good faith, arms-length negotiation, settlement, and accommodation among the Signatories with respect to the issues presented in this case. The Signatories agree that the stipulated resolution of this case provides benefits to both PNM and its customers and is necessary for PNM to continue to provide safe and reliable service to customers and accommodate future growth as it moves toward 100% carbon-free generation. The Stipulation is in the public interest and should be accepted and approved by the Commission.

37. The Signatories agree that this Stipulation comprehensively resolves the issues in this case in a manner that promotes collaborative resolution of potential legal or factual disputes, conserves the resources of the Commission and parties and results in an uncontested outcome. Because the

Stipulation is comprehensive, the terms and conditions of the Stipulation are interdependent and the various provisions of this Stipulation are not severable.

VIII. SUPPORT FOR AND BINDING NATURE OF STIPULATION

38. The Stipulation is in the public interest and should be accepted and approved by the Commission. The Signatories agree to affirmatively support this Stipulation, and to undertake necessary and reasonable efforts in good faith before the Commission to obtain approval of the Stipulation without modification.

39. This Stipulation is the product of negotiations among the Signatories and is binding on each of the Signatories only for the purposes of comprehensively settling the issues in this case and for no other purposes. Subject to compliance with a Commission order accepting and approving or enforcing the Stipulation, the positions taken in support of the Stipulation shall not be binding or precedential on a Signatory outside of this proceeding. Because this is a settlement agreement, a Signatory is under no obligation to take the same position as set out in this Stipulation in other dockets not referenced herein, whether those dockets present the same or a different set of circumstances. The Signatories and non-contesting parties reserve all rights in other dockets in which they and PNM are parties.

40. The Signatories acknowledge that in accordance with 1.2.2.20(D) NMAC, that unless the Commission explicitly provides otherwise in the order approving this Stipulation, approval of a stipulation does not constitute Commission approval of or precedent regarding any principle or issue in the proceeding.

41. The Stipulation provisions shall not be operable until approved by the Commission, and upon approval shall be orders and directives of the Commission.

IX. COMPLIANCE WITH COMMISSION REQUIREMENTS

42. The Signatories agree that if, for any reason, the Hearing Examiners or Commission determine that this Stipulation does not satisfy the Commission's requirements for a Stipulation, the Signatories will endeavor in good faith to remedy any deficiencies in order to satisfy those requirements.

43. If the Commission issues an order rejecting this Stipulation or modifying one or more terms of this Stipulation in a way that is unacceptable to one or more Signatory, then each Signatory shall have the right to withdraw from this Stipulation and to advocate for any position it deems appropriate to resolve this case through the litigation process.

44. If the Stipulation is rejected and this matter is to be resolved through litigation, the Signatories agree to make good faith efforts to complete the hearing process as expeditiously as possible in order to allow approval of the PPA, ESAs, and CCN by August 1, 2025.

X. MULTIPLE COUNTERPARTS AND SIGNATURES

45. Each copy of this Stipulation, which may be executed by facsimile transmission or PDF signature, need not bear the signatures of all the Signatories but will be deemed fully executed if all copies together bear the signatures of all Signatories.

46. Fully and duly authorized representatives of the Signatories have signed this Stipulation effective as of the date first set forth above.

Respectfully submitted this 12th day of March 2025.

UTILITY DIVISION STAFF

/s/ Nicholas R Rossi

Nicholas Rossi, NMPRC Legal Division
New Mexico Public Regulation Commission
P.O. Box 1269 | Santa Fe, NM 87504-1269
nicholas.rossi@prc.nm.gov

**PUBLIC SERVICE COMPANY OF NEW
MEXICO**

/s/ Stacey J. Goodwin

Stacey J. Goodwin,
Associate General Counsel
414 Silver Avenue SW MS 805
Albuquerque, New Mexico 87158
Phone: 505-241-4927
Fax: 505-241-2338
Stacey.Goodwin@txnmenergy.com

CCAIE/PROSPERITY WORKS

/s/ Cara R. Lynch

Cara R. Lynch
3105 San Joaquin Avenue SE
Albuquerque, NM 87106
(505)-977-3025
Lynch.cara.nm@gmail.com

Attorney for CCAIE
Attorney for Prosperity Works

NEW ENERGY ECONOMY

/s/ Mariel Nanasi

Mariel Nanasi, Esq.
300 East Marcy St.
Santa Fe, NM 87501
(505) 469-4060
mariel@seedsbeneaththesnow.com

NMAREA

/s/ Electronically Signed by Kelly Gould

Kelly Gould, Esq.
P.O. Box 34127
Santa Fe, New Mexico 87594
Tel: 505.690.1914
kelly@thegouldlawfirm.com

Counsel for New Mexico Affordable Reliable
Energy Alliance

WESTERN RESOURCE ADVOCATES

/s/ Cydney Beadles

Cydney Beadles
Attorney for Western Resource Advocates
141 East Palace Avenue, Suite 220
Santa Fe, NM 87501
505.231.7042
Cydney.Beadles@westernresources.org

/s/ Electronically Signed by Peter Gould

Peter Gould, Esq.
P.O. Box 34127

Santa Fe, New Mexico 87594
Tel: 505.690.2966
peter@thegouldlawfirm.com

Counsel for New Mexico Affordable Reliable
Energy Alliance

GCG#533572

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE)
 COMPANY OF NEW MEXICO’S)
 APPLICATION FOR APPROVAL OF PURCHASED)
 POWER AGREEMENT, ENERGY STORAGE)
 AGREEMENTS, AND CERTIFICATE OF PUBLIC)
 CONVENIENCE AND NECESSITY FOR SYSTEM)
 RESOURCES IN 2028)
)
 PUBLIC SERVICE COMPANY OF NEW)
 MEXICO,)
)
 Applicant)
 _____)

Case No. 24-00271-UT

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **Unopposed Comprehensive Stipulation** was emailed to parties listed below on March 12, 2025:

PRC Records Management Bureau	Prc.records@prc.nm.gov;
Ana Kippenbrock	Ana.kippenbrock@prc.nm.gov;
Christopher Ryan	Christopher.Ryan@prc.nm.gov;
Hans Muller	Hans.Muller@prc.nm.gov;
John F. Kreienkamp	john.kreienkamp@prc.nm.gov;
PRC ADVISORY STAFF	
Alejandro Rettig y Martinez	Alejandro.martinez@prc.nm.gov;
Robert Lundin	robert.lundin@prc.nm.gov;
Scott Cameron	Scott.cameron@prc.nm.gov;
Cholla Khoury	Cholla.Khoury@prc.nm.gov;
ABCWUA	
Christopher P. Melendrez	cmelendrez@abcwua.org;
Dahl Harris	dahlharris@hotmail.com;
Keith Herrmann	kherrmann@stelznerlaw.com;
L. Erica Flores	eflores@stelznerlaw.com;
Nann M. Winter	nwinter@stelznerlaw.com;
BERNALILLO COUNTY	
Bernice Vigil	bvigil@bernco.gov;
Mateo Dunne	Mateo@transformconsulting.com;
Marah deMeule	mdemeule@bernco.gov;
Maureen Reno	mreno@reno-energy.com;
Natalia Sanchez Downey	ndowney@bernco.gov;
Valerie Joe	vjoe@bernco.gov;

W. Ken Martinez	Kenmartinez@bernco.gov;
BERNAILILLO SOLAR	
Bruce Grabow	BGrabow@sheppardmullin.com;
Daniel Najjar	Dnajjar@virtuelaw.com;
Shane Early	SEarly@sheppardmullin.com;
CITY OF ALBUQUERQUE	
Brent Chapman	bchapman@cabq.gov;
Bryan Rowland	browland@cabq.gov;
Jennifer Lucero	jenniferlucero@cabq.gov;
Larry Blank	lb@tahoeconomics.com;
CCAE	
Cara Lynch	Lynch.Cara.NM@gmail.com;
Caitlin Evans	Evans.ccae@gmail.com;
Charles de Saillan	desaillan.ccae@gmail.com;
Don Hancock	sricdon@earthlink.net;
COALITION FOR COMMUNITY SOLAR ACCESS (CCSA)	
Kevin Cray	kevin@communitysolaraccess.org;
Nick Bowman	nick@communitysolaraccess.org;
Stephanie Dzur	Stephanie@Dzur-Law.com;
CCSD	
Germaine Chappelle	germaine@gchappellelaw.com;
ECOMAXSOLAR	
Brian Harris	brianhatterney@gmail.com;
Rocky Baccus	rockybacchus@gmail.com;
KROGER	
Jody Kyler Cohn	jkylercohn@BKLawfirm.com;
McKenzie St. Denis	mckenzie@legalsolutionsofnm.com;
Justin Bieber	jbieber@energystrat.com;
Kurt J. Boehm	kboehm@bkllawfirm.com;
NEE	
Christopher Sandberg	cksandberg@mac.com;
Mariel Nanasi	mariel@seedsbeneaththesnow.com;
Stephanie Dzur	Stephanie@dzur-law.com;
NM AREA	
Brian Andrews	bandrews@consultbai.com;
James R. Dauphinais	jdauphinais@consultbai.com;
Katrina Reid	office@thegouldlawfirm.com;
Kelly Gould	kelly@thegouldlawfirm.com;
Peter J. Gould	peter@thegouldlawfirm.com;
NMBCTC	
Brian Condit	briancondit@nmbuildingtrades.org;

Stephen Curtice	stephen@youtzvaldez.com;
NMDOJ	
Andrea Crane	ctcolumbia@aol.com;
Arleen Serrato	Aserrato@nm DOJ.gov;
Doug Gegax	dgegax@nmsu.edu;
Gideon Elliot	GElliot@nm DOJ.gov;
Maria Oropeza	MOropeza@nm DOJ.gov;
ONWARD ENERGY HOLDINGS	
Jeffrey Spurgeon	Jeffrey.Spurgeon@onwardenergy.com;
Joseph Yar	joseph@yarlawoffice.com;
Ryan Keefe	Ryan.Keefe@onwardenergy.com;
Shawna Tillberg	Shawna@velardeyar.com;
PRC ADVOCACY STAFF	
Agata Malek	Agata.Malek@prc.nm.gov;
Bryce Zedalis	<u>Bryce.Zedalis1@prc.nm.gov;</u>
Christopher Dunn	Christopher.Dunn@prc.nm.gov;
Daren Zigich	Daren.Zigich@prc.nm.gov;
Ed Rilkoff	Ed.Rilkoff@prc.nm.gov;
Edison Jimenez	Edison.Jimenez@prc.nm.gov;
Elisha Leyba-Tercero	Elisha.leyba-tercero@prc.nm.gov;
Elizabeth Ramirez	Elizabeth.Ramirez@prc.nm.gov;
Felicia Jojola	Felicia.Jojola@prc.nm.gov;
Gabriella Dasheno	Gabriella.Dasheno@prc.nm.gov;
Jack Sidler	Jack.Sidler@prc.nm.gov;
John Bogatko	john.bogatko@prc.nm.gov;
Jonah Mauldin	Jonah.Mauldin@prc.nm.gov;
Marc Tupler	Marc.tupler@prc.nm.gov;
Mary Jane Parks	Maryjane.Parks@prc.nm.gov;
Naomi Velasquez	naomi.velasquez1@prc.nm.gov;
Nicholas Rossi	nicholas.rossi@prc.nm.gov;
Orland Whitney	Orland.Whitney@prc.nm.gov;
Peggy Martinez-Rael	Peggy.Martinez-Rael@prc.nm.gov;
Ryan Friedman	Ryan.Friedman@prc.nm.gov;
PROSPERITY WORKS	
Cara Lynch	Lynch.Cara.NM@gmail.com;
Ona Porter	ona@prosperityworks.net;
PNM	
Christopher Atencio	Christopher.Atencio@pnmresources.com;
Debrea Terwilliger	dterwilliger@wbkllaw.com;
Heather Allen	Heather.allen@pnmresources.com;
John Verheul	John.verheul@pnmresources.com;
Henry Monroy	Henry.Monroy@pnmresources.com;

Lisa Contreras	Lisa.Contreras@pnm.com;
PNM Regulatory	pnmregulatory@pnm.com;
Raymond L. Gifford	rgifford@wbklaw.com;
Rick Alvidrez	ralvidrez@mstlaw.com;
Ruth Townsend	Ruth.Townsend@pnm.com;
Stacey Goodwin, Esq.	Stacey.Goodwin@pnmresources.com;
REIA	
Adam Harper	adamh@oesolar.com;
Debra Doll	oceanblu62@gmail.com;
Dylan Connelly	Dylan.connelly@affordable-solar.com;
Jim DesJardins	Jimdesjardins1@gmail.com;
WALMART	
Julie A. Clark	jclark@clarkflege.com;
Steve W. Chriss	Stephen.chriss@walmart.com;
Jaime McGovern	Jaime.McGovern@walmart.com;
WRA	
AnnaLinden Weller	Annalinden.weller@westernresources.org;
Cydney Beadles	Cydney.Beadles@westernresources.org;
Caitlin Evans	caitlin.evans@westernresources.org;
Gwen Farnsworth	Gwen.Farnsworth@westernresources.org;
Hunter Holman	Hunter.holman@westernresources.org;
Stacy Tellinghuisen	stacy.tellinghuisen@westernresources.org;
OTHER	
Germaine Chappell	gchappelle.law@gmail.com;
Sharon T. Shaheen	sshhaheen@montand.com;
Stephanie Dzur	Stephanie@dzur-law.com;

Dated this 12th day of March, 2025.

By: /s/ Justin Rivord
Justin Rivord, Project Manager
PNM Regulatory Policy & Case Management
Public Service Company of New Mexico

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S)
APPLICATION FOR APPROVAL OF PURCHASED)
POWER AGREEMENT, ENERGY STORAGE) Case No. 24-00271-UT
AGREEMENTS, AND CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR SYSTEM)
RESOURCES IN 2028)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant)
)

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

HENRY E. MONROY, Vice President, PNM Regulatory, PNMR Services Company, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony in Support of Stipulation of Henry E. Monroy** and it is true and accurate based on my own personal knowledge and belief.

Dated this 12th day of March, 2025.

/s/ Henry E. Monroy
Henry E. Monroy

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S)
APPLICATION FOR APPROVAL OF PURCHASED)
POWER AGREEMENT, ENERGY STORAGE)
AGREEMENTS, AND CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR SYSTEM)
RESOURCES IN 2028)
)
)
**PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
)
Applicant)
)
)
)****

Case No. 24-00271-UT

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **Public Service Company of New Mexico’s Unopposed Motion to File Testimony in Support of Unopposed Stipulation** was emailed to parties listed below on March 12, 2025:

PRC Records Management Bureau	Prc.records@prc.nm.gov;
Ana Kippenbrock	Ana.kippenbrock@prc.nm.gov;
Christopher Ryan	Christopher.Ryan@prc.nm.gov;
Hans Muller	Hans.Muller@prc.nm.gov;
John F. Kreienkamp	john.kreienkamp@prc.nm.gov;
PRC ADVISORY STAFF	
Alejandro Rettig y Martinez	Alejandro.martinez@prc.nm.gov;
Robert Lundin	robert.lundin@prc.nm.gov;
Scott Cameron	Scott.cameron@prc.nm.gov;
Cholla Khoury	Cholla.Khoury@prc.nm.gov;
ABCWUA	
Christopher P. Melendrez	cmelendrez@abcwua.org;
Dahl Harris	dahlharris@hotmail.com;
Keith Herrmann	kherrmann@stelznerlaw.com;
L. Erica Flores	eflores@stelznerlaw.com;
Nann M. Winter	nwinter@stelznerlaw.com;
BERNALILLO COUNTY	
Bernice Vigil	bvigil@berncogov.gov;
Mateo Dunne	Mateo@transformconsulting.com;
Marah deMeule	mdemeule@berncogov.gov;
Maureen Reno	mreno@reno-energy.com;
Natalia Sanchez Downey	ndowney@berncogov.gov;
Valerie Joe	vjoe@berncogov.gov;

W. Ken Martinez	Kenmartinez@bernco.gov;
BERNAILILLO SOLAR	
Bruce Grabow	BGrabow@sheppardmullin.com;
Daniel Najjar	Dnajjar@virtuelaw.com;
Shane Early	SEarly@sheppardmullin.com;
CITY OF ALBUQUERQUE	
Brent Chapman	bchapman@cabq.gov;
Bryan Rowland	browland@cabq.gov;
Jennifer Lucero	jenniferlucero@cabq.gov;
Larry Blank	lb@tahoeeconomics.com;
CCAE	
Cara Lynch	Lynch.Cara.NM@gmail.com;
Caitlin Evans	Evans.ccae@gmail.com;
Charles de Saillan	desaillan.ccae@gmail.com;
Don Hancock	sricdon@earthlink.net;
COALITION FOR COMMUNITY SOLAR ACCESS (CCSA)	
Kevin Cray	kevin@communitysolaraccess.org;
Nick Bowman	nick@communitysolaraccess.org;
Stephanie Dzur	Stephanie@Dzur-Law.com;
CCSD	
Germaine Chappelle	germaine@gchappellelaw.com;
ECOMAXSOLAR	
Brian Harris	brianhatterney@gmail.com;
Rocky Baccus	rockybacchus@gmail.com;
KROGER	
Jody Kyler Cohn	jkylercohn@BKLLawfirm.com;
McKenzie St. Denis	mckenzie@legalsolutionsofnm.com;
Justin Bieber	jbieber@energystrat.com;
Kurt J. Boehm	kboehm@bkllawfirm.com;
NEE	
Christopher Sandberg	cksandberg@mac.com;
Mariel Nanasi	mariel@seedsbeneaththesnow.com;
Stephanie Dzur	Stephanie@dzur-law.com;
NM AREA	
Brian Andrews	bandrews@consultbai.com;
James R. Dauphinais	jdauphinais@consultbai.com;
Katrina Reid	office@thegouldlawfirm.com;
Kelly Gould	kelly@thegouldlawfirm.com;
Peter J. Gould	peter@thegouldlawfirm.com;
NMBCTC	
Brian Condit	briancondit@nmbuildingtrades.org;

Stephen Curtice	stephen@youtzvaldez.com;
NMDOJ	
Andrea Crane	ctcolumbia@aol.com;
Arleen Serrato	Aserrato@nm DOJ.gov;
Doug Gegax	dgegax@nmsu.edu;
Gideon Elliot	GElliot@nm DOJ.gov;
Maria Oropeza	MOropeza@nm DOJ.gov;
ONWARD ENERGY HOLDINGS	
Jeffrey Spurgeon	Jeffrey.Spurgeon@onwardenergy.com;
Joseph Yar	joseph@yarlawoffice.com;
Ryan Keefe	Ryan.Keefe@onwardenergy.com;
Shawna Tillberg	Shawna@velardeyar.com;
PRC ADVOCACY STAFF	
Agata Malek	Agata.Malek@prc.nm.gov;
Bryce Zedalis	Bryce.Zedalis1@prc.nm.gov;
Christopher Dunn	Christopher.Dunn@prc.nm.gov;
Daren Zigich	Daren.Zigich@prc.nm.gov;
Ed Rilkoff	Ed.Rilkoff@prc.nm.gov;
Edison Jimenez	Edison.Jimenez@prc.nm.gov;
Elisha Leyba-Tercero	Elisha.leyba-tercero@prc.nm.gov;
Elizabeth Ramirez	Elizabeth.Ramirez@prc.nm.gov;
Felicia Jojola	Felicia.Jojola@prc.nm.gov;
Gabriella Dasheno	Gabriella.Dasheno@prc.nm.gov;
Jack Sidler	Jack.Sidler@prc.nm.gov;
John Bogatko	john.bogatko@prc.nm.gov;
Jonah Mauldin	Jonah.Mauldin@prc.nm.gov;
Marc Tupler	Marc.tupler@prc.nm.gov;
Mary Jane Parks	Maryjane.Parks@prc.nm.gov;
Naomi Velasquez	naomi.velasquez1@prc.nm.gov;
Nicholas Rossi	nicholas.rossi@prc.nm.gov;
Orland Whitney	Orland.Whitney@prc.nm.gov;
Peggy Martinez-Rael	Peggy.Martinez-Rael@prc.nm.gov;
Ryan Friedman	Ryan.Friedman@prc.nm.gov;
PROSPERITY WORKS	
Cara Lynch	Lynch.Cara.NM@gmail.com;
Ona Porter	ona@prosperityworks.net;
PNM	
Christopher Atencio	Christopher.Atencio@pnmresources.com;
Debrea Terwilliger	dterwilliger@wbklaw.com;
Heather Allen	Heather.allen@pnmresources.com;
John Verheul	John.verheul@pnmresources.com;
Henry Monroy	Henry.Monroy@pnmresources.com;

Lisa Contreras	Lisa.Contreras@pnm.com;
PNM Regulatory	pnmregulatory@pnm.com;
Raymond L. Gifford	rgifford@wbklaw.com;
Rick Alvidrez	ralvidrez@mstlaw.com;
Ruth Townsend	Ruth.Townsend@pnm.com;
Stacey Goodwin, Esq.	Stacey.Goodwin@pnmresources.com;
REIA	
Adam Harper	adamh@oesolar.com;
Debra Doll	oceanblu62@gmail.com;
Dylan Connelly	Dylan.connelly@affordable-solar.com;
Jim DesJardins	Jimdesjardins1@gmail.com;
WALMART	
Julie A. Clark	jclark@clarkflege.com;
Steve W. Chriss	Stephen.chriss@walmart.com;
Jaime McGovern	Jaime.McGovern@walmart.com;
WRA	
AnnaLinden Weller	Annalinden.weller@westernresources.org;
Cydney Beadles	Cydney.Beadles@westernresources.org;
Caitlin Evans	caitlin.evans@westernresources.org;
Gwen Farnsworth	Gwen.Farnsworth@westernresources.org;
Hunter Holman	Hunter.holman@westernresources.org;
Stacy Tellinghuisen	stacy.tellinghuisen@westernresources.org;
OTHER	
Germaine Chappell	gchappelle.law@gmail.com;
Sharon T. Shaheen	sshahen@montand.com;
Stephanie Dzur	Stephanie@dzur-law.com;

Dated this 12th day of March, 2025.

By: /s/ Justin Rivord
Justin Rivord, Project Manager
PNM Regulatory Policy & Case Management
Public Service Company of New Mexico