

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE JOINT APPLICATION)
OF AVANGRID, INC., AVANGRID NETWORKS,)
INC., NM GREEN HOLDINGS, INC., PUBLIC)
SERVICE COMPANY OF NEW MEXICO AND PNM)
RESOURCES, INC., FOR APPROVAL OF THE)
MERGER OF NM GREEN HOLDINGS, INC. WITH)
PNM RESOURCES, INC.; APPROVAL OF A)
GENERAL DIVERSIFICATION PLAN; AND ALL)
OTHER AUTHORIZATIONS AND APPROVALS)
REQUIRED TO CONSUMMATE AND IMPLEMENT)
THIS TRANSACTION)
)
AVANGRID, INC., AVANGRID NETWORKS, INC.,)
NM GREEN HOLDINGS, INC., PUBLIC SERVICE)
COMPANY OF NEW MEXICO AND PNM)
RESOURCES, INC.,)
)
JOINT APPLICANTS.)
)

---**

Case No. 20-00222-UT

NOTICE OF FILING SECOND AMENDED STIPULATION

Public Service Company of New Mexico (“PNM”), in accordance with 1.2.2.20 NMAC, hereby gives notice of the filing of a Second Amended Stipulation entered into between PNM, PNM Resources, Inc., Avangrid, Inc., Avangrid Networks, Inc., NM Green Holdings, Inc., the Attorney General of the State of New Mexico, Western Resource Advocates, the International Brotherhood of Electrical Workers Local 611, Dine Citizens Against Ruining Our Environment, Nava Education Project, San Juan Citizens Alliance, To Nizhoni Ani, and the Coalition for Clean Affordable Energy, Interwest Energy Alliance, Walmart, Inc., Onward Energy Holdings, LLC, and M-S-R Public Power Agency, and the Incorporated County of Los Alamos resolving the substantive issues in this proceeding among these parties. The copy of the signed Second Amended Stipulation among the stipulating parties is attached hereto as Exhibit 1.

Respectfully submitted this 4th day of June, 2021.

PUBLIC SERVICE COMPANY OF NEW MEXICO AND
PNM RESOURCES, INC.

By: /s/ Stacey Goodwin
Patrick V. Apodaca
Senior Vice President and General Counsel
PNM Resources, Inc.
Stacey Goodwin, Associate General Counsel
PNM Services Company
Corporate Headquarters- Legal Department
Albuquerque, New Mexico 87158-0805
Telephone: (505) 241-4927
Fax: (505)242-2883
Patrick.Apodaca@pnmresources.com
Stacey.Goodwin@pnmresources.com

Richard L. Alvidrez
Miller Stratvert P.A.
500 Marquette NW, Suite 1100
P.O. Box 25687
Albuquerque, New Mexico 87125
Telephone: (505) 842-1950
RALvidrez@mstlaw.com

GCG#528289

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE JOINT APPLICATION)
OF AVANGRID, INC., AVANGRID NETWORKS,)
INC., NM GREEN HOLDINGS, INC., PUBLIC)
SERVICE COMPANY OF NEW MEXICO AND PNM)
RESOURCES, INC., FOR APPROVAL OF THE)
MERGER OF NM GREEN HOLDINGS, INC. WITH)
PNM RESOURCES, INC.; APPROVAL OF A)
GENERAL DIVERSIFICATION PLAN; AND ALL)
OTHER AUTHORIZATIONS AND APPROVALS)
REQUIRED TO CONSUMMATE AND IMPLEMENT)
THIS TRANSACTION)
)
AVANGRID, INC., AVANGRID NETWORKS, INC.,)
NM GREEN HOLDINGS, INC., PUBLIC SERVICE)
COMPANY OF NEW MEXICO AND PNM)
RESOURCES, INC.,)
)
JOINT APPLICANTS.)
)**

Case No. 20-00222-UT

SECOND AMENDED STIPULATION

Public Service Company of New Mexico (“PNM”), PNM Resources, Inc. (“PNMR”), Avangrid, Inc. (“Avangrid”), Avangrid Networks, Inc. (“Networks”), NM Green Holdings, Inc. (“NM Green”),¹ the Office of the Attorney General of the State of New Mexico, Western Resource Advocates, International Brotherhood of Electrical Workers Local 611, Dine Citizens Against Ruining Our Environment, Nava Education Project, San Juan Citizens Alliance, To Nizhoni Ani, the Coalition for Clean Affordable Energy, Interwest Energy Alliance, Walmart, Inc., Onward Energy Holdings, LLC, M-S-R Public Power Agency, and the Incorporated County of Los Alamos (collectively, the “Signatories”, each a “Signatory”), and subject to the approval of by the New Mexico Public Regulation Commission (“NMPRC” or the “Commission”), through their

¹ PNM, PNMR, Avangrid, Networks, and NM Green are collectively referred to as “Join Applicants.”

undersigned authorized representatives, have reached agreement on substantive issues that would cause them to support the proposed merger. The Signatories agree and stipulate as follows:

INTRODUCTION

A. In the Joint Application filed on November 23, 2020, Joint Applicants requested the Commission approve: (1) the merger of NM Green with and into PNMR, under NMSA 1978, Sections 62-6-12 and 62-6-13, following which PNMR will be the surviving corporation and will be a wholly-owned subsidiary of Avangrid (“Merger”); (2) Avangrid’s transfer of 100% ownership in PNMR to Networks subsequent to the Merger (together with the Merger, the “Proposed Transaction”); (3) PNM’s 2021 General Diversification Plan (“2021 GDP”), which replaces any previous diversification plans and is filed in connection with the Class II transaction contemplated by the Proposed Transaction pursuant to 17.6.450 NMAC (“Rule 450”); and (4) such other and further approvals, consents, authorizations, and relief that may be required under the New Mexico Public Utility Act (the “PUA”), including a limited variance to information required to be provided by Rule 450.10(B)(1) and Rule 450.13(A)(2), to consummate and implement the Proposed Transaction.

B. Staff and Intervenors filed direct testimony on April 2, 2021, raising various concerns and objections to the Joint Application.

C. On April 21, 2021, certain of the Signatories entered into an Initial Stipulation.

D. On April 23, 2021, certain of the Signatories entered into an Amended Stipulation, which replaced in whole the Initial Stipulation.

E. On April 25, 2021, the Hearing Examiner entered his Order Vacating Prehearing Conference and Procedural Schedule and Providing for Settlement Discussions, ordering the Joint

EXHIBIT 1

Applicants to meet with all parties to this proceeding to discuss and negotiate in good faith a potential stipulation.

F. On May 7, 2021, through the meetings ordered by the Hearing Examiner, certain of the Signatories entered into the Stipulation.

G. Through continued negotiations, the Signatories were able to arrive at this Second Amended Stipulation, which replaces the Initial Stipulation, the Stipulation, and the Amended Stipulation. The Signatories believe the Second Amended Stipulation: a) is fair, just and reasonable; b) meets the statutory test for approval pursuant to Sections 62-6-12 and 62-6-13 that the proposed merger of NM Green with PNMR, and the subsequent transfer of PNMR's stock to Networks, is neither unlawful nor inconsistent with the public interest; and, c) meets the requirements of Rule 450.10, including that the level of investment appears reasonable and that PNM's ability to provide reasonable and proper utility service at fair, just and reasonable rates will not be adversely and materially affected by the merger of NM Green with PNMR or the transfer of PNMR's stock to Networks.

H. The agreements set forth in this Second Amended Stipulation reflect good faith negotiations, with reasonable "give and take" on issues by the Signatories and result in a bargained-for resolution to this proceeding.

I. Through this Second Amended Stipulation, the Signatories intend to resolve all issues they have raised in this proceeding and agree that the Commission should approve the Proposed Transaction, PNM's proposed 2021 GDP and associated Class II transaction, and the variance to Rule 450.10(B)(1) and Rule 450.13(A)(2).

STIPULATION

1. The Signatories agree that the Joint Application should be approved, and all approvals and authorizations sought by Joint Applicants should be granted.

2. In support of the Second Amended Stipulation, the Signatories have agreed to the Stipulated Regulatory Commitments contained in Exhibit A. The Stipulated Regulatory Commitments supersede and replace the Regulatory Commitments included with the Joint Application and all Regulatory Commitments included in prior stipulations in this case. The Stipulated Regulatory Commitments are hereby incorporated into this Second Amended Stipulation by reference.

3. The Signatories agree that the Joint Application combined with the Stipulated Regulatory Commitments constitute a benefit to PNM's customers, preserve the Commission's jurisdiction, ensure the quality of PNM's service will not be diminished, will not result in improper subsidization of non-utility activities, and provide adequate protections against harm to customers.

4. The Signatories further agree that Avangrid, Networks, and Iberdrola S.A. are qualified and financially healthy public utility holding companies.

5. The Signatories agree that Joint Applicants and Iberdrola S.A. have made all of the affirmations and other requirements of Rule 450.10 for approval of a Class II transaction and the 2021 GDP.

6. The Signatories concur in granting the variance to Rule 450.10 and Rule 450.13 allowing PNM to exclude reporting information related to Iberdrola, S.A.'s subsidiaries which: 1) operate completely outside of the United States and 2) have no contact with PNM. The Signatories agree that a variance is appropriate as such information is of limited value to stakeholders and the Commission, and would likely be burdensome on the Commission's staff to track.

EXHIBIT 1

7. The Signatories agree that this Second Amended Stipulation is made and filed solely in connection with the settlement among the Signatories with respect to the matters in this proceeding only, and is unique to the circumstances presented in this proceeding.

8. Except as specifically stated in the language of this Second Amended Stipulation, the provisions of this Second Amended Stipulation have no precedential effect and the Signatories do not waive rights they may have in any other pending or future proceeding and will not be deemed to have approved, accepted, agreed to or consented to the application of any concept, principle, theory or method in any future proceeding. In accordance with 1.2.2.20(D) NMAC, by approving this Second Amended Stipulation the Commission will be neither granting any approval nor creating any precedent regarding any principle or issue in this or any other proceeding, except as provided in the Final Order.

9. The Second Amended Stipulation contains the full intent, understanding, and the entire agreement of the Signatories and no implication should be drawn on any matter not addressed in the Second Amended Stipulation. There are not and have not been any representations, warranties, or agreements other than those specifically set in this Second Amended Stipulation.

10. This Second Amended Stipulation reflects a negotiated settlement. The Signatories agree that they will use their best efforts to obtain expeditious approval of this Second Amended Stipulation by appropriate final order of the Commission in this proceeding. If the Second Amended Stipulation is not adopted in its entirety by the Commission, without modification, the Second Amended Stipulation will be voidable by any Signatory. In order to void the Second Amended Stipulation and the agreements made in this Second Amended Stipulation, a Signatory must file a formal statement with the Commission rejecting one or more of the Commission's

EXHIBIT 1

modifications and stating that the Signatory intends to void the Second Amended Stipulation if the Commission does not withdraw the rejected modification. The formal statement shall be filed within the time allotted by the Commission for filing amendments to the Second Amended Stipulation or, if no time is specified by the Commission, no later than fifteen days after the Commission's order. Any statement made or positions taken by the Signatories during the course of negotiations regarding this Second Amended Stipulation will not be admissible before any regulatory agency or court.

11. The Signatories agree that this Second Amended Stipulation in its entirety represents a fair, just, and reasonable resolution of the issues presented in this proceeding.

12. This Second Amended Stipulation may be executed through one or more counterparts or separate signatures, including, but not limited to, electronic signature, each of which will be deemed to be an original and all of which will constitute one of the same agreement.

Dated as of June 3, 2021

PUBLIC SERVICE COMPANY OF NEW MEXICO AND
PNM RESOURCES, INC.

By: /s/ Stacey Goodwin
Patrick V. Apodaca
Senior Vice President and General Counsel
PNM Resources, Inc.
Stacey Goodwin, Associate General Counsel
PNM Services Company
Corporate Headquarters- Legal Department
Albuquerque, New Mexico 87158-0805
Telephone: (505) 241-4927
Fax: (505)242-2883
Patrick.Apodaca@pnmresources.com
Stacey.Goodwin@pnmresources.com

STIPULATED REGULATORY COMMITMENTS

1. **Rate Benefits.** Joint Applicants¹ commit to provide a total of \$73 million in rate benefits, deployed in the following manner:
 - \$50 million in rate credits to PNM’s customers over a three-year period following the closing of the Proposed Transaction;
 - \$6 million for residential customer arrearages forgiveness within 90 days from closing of the Proposed Transaction;
 - \$2 million in funds for assisting in providing electricity to new customers in remote areas (as described in Section 11 below); and
 - \$15 million for low-income energy efficiency (as described in Section 8 below).
2. **Economic Development.** Joint Applicants make the following commitments regarding economic development:
 - Joint Applicants will create or bring an additional 150 full-time jobs in total to New Mexico over the three-year period following the closing of the Proposed Transaction, and would not include costs of any of those jobs in rates without New Mexico Regulation Commission (“NMPRC” or the “Commission”) review and approval. The 150 new jobs will remain for no less than five years thereafter. Joint Applicants commit to file an annual compliance report in this merger proceeding showing the number of full-time jobs created or brought to New Mexico, identifying the employer, salary, description of benefits and whether the job is performed remotely or in an office location. No more than 20 of these jobs will be

¹ Public Service Company of New Mexico (“PNM”), PNM Resources, Inc. (“PNMR”), NM Green Holdings, Inc., Avangrid Networks, Inc. (“Networks”), and Avangrid, Inc. (“Avangrid”) are collectively referred to as Joint Applicants.

at PNM. Joint Applicants will target 20 of these jobs to be electric service business unit craftsmen at PNM, and will prioritize hiring personnel that have been or will be displaced as a result of San Juan Generating Station closure for those positions.

- Joint Applicants commit that they will make contributions to economic development projects or programs in New Mexico, at shareholder expense, totaling \$7.5 million over the three years following the closing of the Proposed Transaction. The Joint Applicants commit that these economic development funds will not be used for fossil fuel use or related projects. The \$7.5 million commitment to promote economic development in New Mexico will be disbursed through an independent fund (“Fund”) to which shareholders will contribute \$2.5 million per year for a period of 3 years. The Fund will be administered independent of Joint Applicants.
- Additionally, within 90 days of closing of the Proposed Transaction, Joint Applicants will allocate at shareholder expense \$2.5 million each year for five years following closing, for a total of \$12.5 million, for the benefit of impacted indigenous community groups in the Four Corners region, as designated by intervening Community Groups. This amount is not related in any way to, and will not impact, the amounts required to be transferred to the energy transition funds pursuant to NMSA 1978, Section 62-18-16(J) in relation to the abandonment of any coal-fired generation facility in New Mexico. The Joint Applicants commit to engage in periodic meetings, at least twice annually, with impacted community stakeholders in the Four Corners region and the Office of the Attorney General for the State of New Mexico (“NM AG”) to discuss community interests regarding

Joint Applicants operations and renewable energy and storage development in the Four Corners region.

- The New Mexico Energy Transition Act (“ETA”) requires that 3.35% of the amount securitized from the closure of the San Juan Generating Station be provided to an “energy transition displaced worker assistance fund” run by NM Workforce Solutions. Joint Applicants commit to work with PNM to ensure that this program provides the maximum possible employment opportunities for displaced workers, and will look for opportunities to improve that program. Joint Applicants commit to provide progress reports on the effectiveness of the program each six months following execution of this Stipulation to the NM AG and other stakeholders that are signatories to this Stipulation until three years following closing of the Proposed Transaction.
- PNM will provide local government entities access to PNM-owned wooden streetlighting poles within 1/2 mile of public schools and government-owned or authorized low-income facilities for the purpose of enabling the installation by the governmental entity of equipment to provide wireless internet access to students and residents of such facilities. Access will be provided pursuant to written agreements identifying the streetlighting poles eligible for attachments and on PNM’s standard pole attachment or other applicable terms and conditions, except that annual pole rental fees will not be charged for a period of 3 years from November 1, 2021. All standard charges under PNM’s streetlighting rates and tariffs, and for make-ready and other PNM services associated with such access will apply].

3. **Albuquerque Streetlighting.** Joint Applicants agree to work with the City of Albuquerque to provide park streetlighting. Joint Applicants agree that if there is any failure with respect to that streetlighting, if PNM does not fix it within 24 hours, the City of Albuquerque can contract to fix the streetlighting and submit an invoice to PNM for the repairs.
4. **Albuquerque Airport Substation.** Joint Applicants commit to work with the City of Albuquerque to complete by July 1, 2022 the construction of a PNM-owned substation that will be a part of PNM's distribution system serving the southeast area of Albuquerque, including the Albuquerque International Sunport, as well as existing privately owned residences, businesses, and projected private development in this quadrant consistent with Joint Applicants' general obligations to prevent major interruptions of service as set out in 17.9.560 NMAC (2020).
5. **Charitable Contributions.** Joint Applicants commit that PNM and PNMR's charitable contributions in New Mexico will be maintained at historical levels identified in the Joint Applicants' direct testimony for a minimum of five years following closing of the Proposed Transaction, with a similar expectation for the PNM Resources Foundation's separate charitable activities.
6. **Minority- and Woman-Owned Business Procurement Program.** Joint Applicants commit to work closely with the NM AG to arrive at and initiate an effective Minority- and Woman-Owned Business Procurement Program within six months following closing of the Proposed Transaction. The goal of this program will be to increase the contract opportunities for minority- and woman-owned businesses in New Mexico in conjunction with PNM contracts to procure goods and services. The program will have three

components: (i) Early Outreach (to maximize participation of minority- and woman-owned businesses in requests for proposals (“RFPs”)); (ii) RFP Weighting (to strongly consider the benefits of contracting with a minority- or woman-owned New Mexico business, along with price, experience, capability, timing and other factors); and (iii) Annual Review (to evaluate the success of the program) for a minimum of five years following closing of the Proposed Transaction. Each year for at least five years following such closing, the Joint Applicants commit to provide data from its Annual Review to the NM AG and to other stakeholders that are signatories to this Stipulation and will modify the program as needed based upon input from and discussions with the NM AG and other stakeholders that are signatories to this Stipulation.

7. **Low-Income Customer Assistance Programs.** Joint Applicants commit that PNM will maintain its existing low-income customer assistance programs, including the Good Neighbor Fund, for a minimum of five years following the closing of the Proposed Transaction.
8. **Low-Income Energy Efficiency Program.** Joint Applicants commit to evaluate PNM’s current low-income energy efficiency program. Within six months following closing of the Proposed Transaction, Joint Applicants will work with the NM AG and other stakeholders that are signatories to this Stipulation to propose improvements to the program, to result in their passing the Utility Cost Test, which PNM will then incorporate in its next Energy Efficiency program filing with the Commission. Joint Applicants will have PNM commit to propose increased spending on all cost-effective low-income energy efficiency and weatherization programs up to the statutory limit on energy efficiency spending, so long as such spending does not cause the overall energy efficiency plan to fail

the Utility Cost Test. In addition, Applicants will commit \$15 million in total over a five-year period in shareholder expense to increase cost-effective low-income energy efficiency and weatherization (\$5 million in first year, and \$2.5 million in each of the next four years), with any remaining unspent amounts to be applied in the sixth year.

9. **Local Energy Efficiency Procurement.** Joint Applicants commit to work closely with stakeholders to have local New Mexico businesses manage PNM's energy efficiency programs. The Joint Applicants commit that within six months following closing of the Proposed Transaction, PNM will include in its RFPs for managing its energy efficiency programs weighting that considers the benefits of contracting with local New Mexican businesses, as well as price, experience, capability, and other relevant factors to maximize the participation of local businesses in the provision of these services.
10. **Diversity of PNM Management Team.** Joint Applicants commit that within six months following closing of the Proposed Transaction, they will implement a new program for PNM in consultation with the NM AG and the other stakeholders that are signatories to this Stipulation to increase diversity on the PNM management team (Executives, Vice-Presidents, and Directors). Among other considerations such as qualifications, capabilities, and credentials, the Joint Applicants commit that diversity (gender, race, ethnicity, etc.) will be a key priority for management hiring efforts at PNM. Joint Applicants commit to report annually on the progress and success of this program for five years. During the five-year reporting period, in any given year in which management diversity is reduced by more than 10% from the prior year, the Joint Applicants commit to contribute \$250,000 to designated scholarship(s).

11. **“Electrification for All” Program.** Joint Applicants will work with NMPRC Utility Division Staff (“Staff”) and the NM AG to propose a low-income “Electrification for All” program to improve the access that low-income New Mexicans have to electricity, particularly in remote areas. Joint Applicants commit to report on the results of the program annually to signatories to the Stipulation for three years from closing of the Proposed Transaction to evaluate its success and to entertain modifications to improve effectiveness. The low-income electrification fund as described above in Section 1 will remain open for three years from such closing or until fully deployed, whichever occurs first; in the event that the low-income electrification fund is not fully deployed at the end of the three-year period, Joint Applicants will work with the NM AG and other stakeholders that are signatories to this Stipulation to determine how to deploy any residual funding that has not been utilized. Joint Applicants will fund the program with \$2 million that will not be passed through in rates to customers and will count toward the rate benefits described above. As needed, Joint Applicants commit to work toward electrification during this three-year period for up to \$2 million of electrification.
12. **Transaction and Transition Costs.** Joint Applicants commit that PNM will not, directly or indirectly, seek to recover in any future rate case filing, any acquisition premium, or transaction costs, or merger transition costs resulting from the Proposed Transaction and allocated to PNM.
 - a. Neither PNM nor any affiliate or subsidiary of PNM, Avangrid, or Iberdrola, S.A. (“Iberdrola”), will seek recovery of transaction costs in PNM’s rates. None of the transaction costs will be borne by PNM’s customers, nor will PNM seek to include transaction costs in its rates. Transaction costs are those incremental costs paid to

advance or consummate the transaction. Transaction costs do not include PNM and shared services employee time but must include any form of incentive compensation associated with the Proposed Transaction, regardless of whether Avangrid, PNMR, or their affiliates and subsidiaries internally refer to it as incentive compensation.

- b. Any goodwill associated with the transaction will not be included in rates, rate base, cost of capital, or operating expenses in future PNM ratemaking proceedings. Write-downs or write-offs of goodwill associated with the transaction will not be included in the calculation of net income for dividend payment purposes.
- c. No time and expenses, third party costs, fees, expenses, or costs of the transition (transition costs) incurred by any party to the Transaction (including Avangrid and its subsidiaries and PNMR and its subsidiaries) will be borne by PNM's customers, nor will PNM seek to include transition costs in rates. Transition costs are those costs necessary to integrate PNM into the holdings of Avangrid Networks, whether incurred before or after closing of the Proposed Transaction, including one-time transition costs being incurred whether directly or indirectly through affiliate charges, to integrate PNM's operations and systems with those of Avangrid Networks. Provided, however, that transition costs do not include PNM and shared services employee time, or costs that reflect reasonable and necessary costs in providing service to the public.
- d. Neither PNM nor any of its affiliates will elect to apply pushdown accounting for the transaction (i.e., the transaction will have no accounting impact on PNM's

assets). Any incremental goodwill will not be allocated to, nor recognized within, PNM's financial statements.

- e. Joint Applicants commit to file with the Commission a comprehensive compliance report about actual acquisition premium, transaction costs, and/or merger transition costs allocated to PNM not later than six months following the publication of PNMR's audited financial statements for the fiscal year during which the Proposed Transaction closes.

13. No New Debt From Proposed Transaction. Joint Applicants commit that PNM and PNMR will not take on any new debt in conjunction with the Proposed Transaction.

14. Avangrid Controlling Ownership Interest. Joint Applicants commit that Avangrid will maintain an indirect controlling ownership interest in PNM for not less than ten years following the closing of the Proposed Transaction.

15. Commission Jurisdiction. The Commission jurisdiction over PNM remains and will not be adversely affected in any manner by the Proposed Transaction, as PNM will continue to abide and to be bound by existing applicable NMPRC rules, regulations, and orders. Additionally, Avangrid agrees, and Iberdrola authorizes Avangrid to represent that Iberdrola agrees, to submit to New Mexico jurisdiction with respect to the enforceability of these regulatory commitments and the services each may provide in New Mexico and to PNM.

16. Commitment Duration. Joint Applicants commit that PNM will continue to abide and be bound by the commitments set forth in all stipulations that are currently in effect until the commitments expire on their own accord or the Commission enters any order that supersede such commitments.

17. Management. In recognition of the importance of having a utility board that has a significant local voice, Joint Applicants make the following commitments to local management:

- PNM’s Board of Directors will have decision-making authority over PNM dividend policy, issuance of dividends (except for contractual tax payments), debt issuance, capital expenditures, management and services fees, PNM director and officer compensation and benefits, and operation and maintenance expenditures;
- PNM’s Board of Directors will be comprised entirely of New Mexico residents, at least 40% of whom (e.g., 2 of 5 or 3 of 7 directors) shall qualify as “independent” as defined in the rules and regulations of the New York Stock Exchange and “disinterested” as defined as follows: A disinterested director will qualify as independent in all material respects in accordance with the rules and regulations of the New York Stock Exchange (NYSE) (which are set forth in section 303A of the NYSE listed company manual) from Avangrid, and its subsidiaries or affiliated entities and any entity with a direct or indirect ownership interest in PNM, will have no material relationship with Avangrid or Iberdrola or their subsidiaries or affiliated entities or any entity with a direct or indirect ownership interest in PNM, currently or within the previous five years, and will have no ownership interest, including shares (over which they have control to buy or sell), in PNM, Avangrid, Iberdrola, NM GREEN HOLDINGS, Inc. or any affiliated company and/or subsidiary of any of the aforementioned companies or their parent companies or any company or holding company that is created after the acquisition;

EXHIBIT A

- Local management will continue to have day-to-day control over PNM's operations;
- PNM's Board of Directors meetings will be held in New Mexico or virtually;
- Other than in conformance with all applicable rules, regulations and orders of the Commission based upon a Commission-approved cost allocation methodology, Avangrid, Iberdrola and any other intermediary holding companies do not intend to charge PNM for a share of executive, management or administrative costs;
- PNM's day-to-day operations will be conducted by PNM's local management and employees, and PNM's local management will continue to establish company priorities and respond to local conditions;
- PNM's Board of Directors, including the affirmative vote of a majority of independent and disinterested directors, will have the sole right to determine dividends, except for contractual tax payments;
- Any amendments or changes to the dividend policy must be approved by a majority vote of the directors, including the affirmative vote of a majority of independent and disinterested directors;
- The independent and disinterested directors, acting by majority vote (*i.e.*, if there are only two independent and disinterested directors, both must agree for a vote to constitute a "majority"), shall have the authority to prevent PNM from making any dividend, except for contractual tax payments, if they determine that it is in the best interest of PNM to retain such amounts to meet expected future requirements of PNM;

- The Compensation Committee of the PNM Board of Directors shall have sole responsibility to set the compensation and benefits for all directors and officers of PNM, in accordance with the provisions of this Stipulation. The Compensation Committee will be made up exclusively of the three independent and disinterested directors;
- PNM's headquarters will remain in Albuquerque, New Mexico for so long as Avangrid owns PNM; and
- This provision in the Stipulated Regulatory Commitments shall not be construed as agreement by any Party to the Stipulation concerning the prudence of any costs associated with the Board.

18. **Authorized Purpose of PNM.** The sole authorized purpose of PNM shall be the provision of electric utility service and the performance of activities reasonably necessary and appropriate thereto.

19. **Best Interests of PNM and Customers.** The Board of Directors and officers of PNM are obligated to act in the best interests of PNM and its customers, consistent with the terms of this settlement and order.

20. **Extinguishment of Debt.** Avangrid will extinguish all debt at PNMR, reducing it to zero within 90 days following the closing of the Proposed Transaction and maintaining it at zero going forward for as long as Avangrid has an indirect ownership interest in PNMR unless authorized in advance by the Commission.

21. **Terminations and Reductions of Wages or Benefits.** Joint Applicants commit that there will be no involuntary terminations except for cause or performance (other than those associated with the planned closure of the San Juan Generating Station) and no reductions

of wages or benefits to union or non-union employees for a minimum of three years following the closing of the Proposed Transaction.

22. **Collective Bargaining Agreement and Pension.** Joint Applicants will honor PNM's current collective bargaining agreement and will use good faith in any future collective bargaining agreement negotiation. Within six (6) months following closing of the Proposed Transaction, PNM will study the pension for union employees to evaluate whether the pension is fully funded, and will work with the union to ensure that the pension remains fully funded.
23. **Affiliate Lending and Borrowing.** Joint Applicants commit that PNM will not lend money to or borrow money from any of its affiliates, other than as permitted by the Commission.
24. **Affiliate Credit Facilities.** Joint Applicants commit that PNM will not share credit facilities with any affiliates other than as approved by the Commission.
25. **Affiliate Cross-Default Provisions.** Joint Applicants commit that PNM will not include in any of its debt or credit agreements cross-default provisions relating to any of its affiliates. Under no circumstances will any debt of PNM become due and payable or otherwise be rendered in default because of any cross-default, financial covenants, rating agency triggers or similar provisions of any debt or other agreement of any of its affiliates.
26. **Affiliate Material Asset Transfers.** Joint Applicants commit that PNM will not acquire or transfer material assets from or to any of its affiliates, except on an arm's length basis, and except with prior Commission approval, in accordance with the Commission's affiliate transaction standards and requirements.

27. **Stand-Alone Bond Credit and Debt Ratings.** Joint Applicants commit to take the actions necessary to ensure the existence of PNM's standalone bond credit and debt ratings. PNM will, except as otherwise approved by the Commission, be registered with at least two nationally recognized statistical ratings organizations that are registered with the United States Securities and Exchange Commission, which must include two of Moody's, Fitch, or Standard and Poor's. The Joint Applicants shall take the actions necessary to ensure that PNM's credit ratings reflect the ring-fence provisions adopted in this order such that the credit rating agencies provide PNM with a standalone credit rating. These credit rating agencies are specifically identified for the purposes of this paragraph as Moody's, Standard & Poor's, and Fitch.
28. **Restrictions on Dividends or Distributions Related to Debt Rating.** Joint Applicants commit that PNM will not pay dividends or distributions, except for contractual tax payments, at any time that PNM's debt rating is at BBB- or its equivalent with any of the credit-rating agencies with a negative watch, unless approved by the Commission in a proceeding opened for that purpose. PNM shall promptly notify the Commission if PNM's credit rating falls to an investment grade credit rating of BBB- with a negative watch (or its equivalent) with any of the credit-rating agencies.
29. **Dividend Payment Limitation.** PNM will limit its payment of dividends, except for contractual tax payments, to an amount not to exceed its net income as determined in accordance with GAAP. PNM, however, shall be permitted to rollover under-utilized dividending capacity to subsequent periods for payment for the number of years the Commission allows for rollovers.

30. **Minimum Common Equity Ratio.** PNM shall maintain a minimum common equity ratio (measured using a trailing 13-month average) in compliance with the equity ratio established from time to time by the Commission for ratemaking purposes. The equity ratio shall be calculated in the same manner as used by the Commission in PNM's most recent rate case. The minimum equity ratio will start with the Commission approved ratemaking equity ratio set by the Commission in PNM's most recent rate case. PNM will make no payment of dividends, except for contractual tax payments, where such dividends would cause PNM to be below the Commission approved equity ratio (measured using a trailing 13-month average).
31. **Affiliate Pledge Restriction.** Joint Applicants commit that PNM's assets, or revenues shall not be pledged by any of its affiliates for the benefit of any entity other than PNM.
32. **Shared Services.** In Class I transactions involving shared services provided by any Avangrid/Iberdrola affiliate to PNM or through PNMR to PNM, PNM shall file for the PRC's approval of such shared services and the Cost Allocation Manual for each such affiliate. PNM's request for approval of shared services from Avangrid/Iberdrola affiliates shall include the requested accounting requirements for such shared services, consistent with the Federal Energy Regulatory Commission's ("FERC") uniform system of accounts, including applicable restrictions on the exchange of competitively sensitive, proprietary data.
33. **Incremental New Debt.** Without prior approval of the Commission, neither Avangrid nor any affiliate of Avangrid (excluding PNM) will incur, guaranty, or pledge PNM assets in respect of any incremental new debt at the closing of the Proposed Transaction or thereafter

that is dependent on: (1) the revenues of PNM in more than a proportionate degree than the other revenues of Avangrid; or (2) the stock of PNM.

34. Independent Evaluator. Whenever PNM proposes a procurement of energy resources, power supply, energy storage, or any related utility equipment intended to become a part of utility plant in service (Energy or Storage RFP), including whenever an affiliate expresses interest in participating in an RFP for a Class I transaction or any extension of an existing affiliate power purchase agreement through a repowering or otherwise, PNM will choose and retain an Independent Evaluator (“IE”) in order to ensure a fair RFP process and that there is no favoritism in the evaluation of proposals and selection of the winning bidder(s). The IE shall be retained on behalf of the Commission and shall report to the Commission. PNM shall provide the IE with the RFP and all necessary information during the RFP process in order for the IE to file a report to the Commission within fifteen days of any required application filed by PNM for approval of such procurement. The IE Report shall outline the substance of the RFP process and provides an independent assessment of the development and implementation of the RFP process, including whether the bid proposals were evaluated on a fair, consistent, and comparable basis. The IE shall not have any affiliation with the owner’s engineer or other consultant used by PNM in the development and implementation of the RFP process. PNM shall include in its Annual Report its list of qualified IE candidates from which PNM will select the IE for the following year. Joint Applicants agree that shareholders will pay the cost for the services provided by the IE when an affiliate participates in an RFP. To the extent that PNM retains an Independent Evaluator where there is not an affiliate participating in the RFP, the parties to the Stipulation agree that all of the reasonable costs of the Independent Evaluator are

properly recoverable through PNM rates. All parties will retain rights to oppose any new projects proposed and to oppose any affiliate contracts proposed.

35. Affiliate Contracts Other Than Shared Services. Joint Applicants commit that PNM will implement policies with respect to existing and/or potential future affiliate contracts that would accomplish the following:

- PNM has the burden of proving that any new affiliate transactions are based on reasonable charges for services rendered and that the services received benefit ratepayers;
- No PNM affiliate can obtain a new affiliate power purchase agreement (“PPA”) with PNM or an extension of an existing affiliate Purchase Power Agreement (including through repowering) without winning a competitive RFP (with an Independent Evaluator) with evidence of direct head-to-head competition with non-Iberdrola or non-Avangrid affiliates, and will be subject to obtaining Commission approval;
- Any information that PNM provides to its affiliate with respect to any such RFP (including with respect to any extension of an existing PPA, such as through a repowering) must simultaneously be provided to all bidders;
- No other non-public information about a competitive RFP (including with respect to any extension of an existing PPA, such as through a repowering) will be shared between PNM and affiliates at any time, unless as described in this paragraph;
- All executed contracts between PNM and any affiliated interest must be managed and enforced on an arm’s length basis as if they were contracts with a non-affiliated entity; and

- PNM and Avangrid will comply with all affiliate transaction requirements under New Mexico and federal laws and regulations.

36. Reliability and Safety. Joint Applicants commit that:

- PNM will invest in its system to ensure reliability and safety;
- The Joint Applicants commit that PNM will file a detailed report with the Commission by April 1 of each year identifying the system-wide SAIDI and SAIFI performance and identifying the SAIDI and SAIFI performance for each feeder that serves 10 or more customers. PNM will provide information by feeder for SAIFI and SAIDI separately. PNM will provide the information by feeder by rank order from worst performing to best performing feeders for the reporting year and will include each feeder's ranking for that index for the previous year.
- The system-wide standards will be the average SAIDI and SAIFI based on the five-calendar year period for 2016-2020, identified as the base period. Within 180 days of submitting its annual service reliability report, PNM will develop and submit a plan to address the service reliability issues for any distribution feeders that have SAIFI or SAIDI indices that are in the worst 10% of reported feeders for four or more consecutive years. The plan shall provide the estimated cost and benefit or remediating a feeder's performance and shall also include a feeder performance improvement plan for any distribution feeder with ten or more customers that sustains a SAIDI or SAIFI value for a reporting year that is more than 300% greater than the system average of all feeders during any two consecutive reporting years.
- Any person, including the Utility Division Staff, may petition the Commission for appropriate enforcement action regarding the stipulated reliability performance

standards, including proposed fines or penalties, taking into consideration a distribution feeder's operation and maintenance history, causes of service interruptions, PNM's responsive actions, and any other relevant factors.

- PNM will meet with representatives from the Commission's Consumer Relations Division and Utility Division Staff to establish a list of other appropriate customer service quality indices and reliability standards and file a report with the Commission as part of its Rule 17.3.510 NMAC annual report that reflects its performance based on these measures. Joint Applicants also commit to work with Staff to support the initiation of a Commission rulemaking proceeding to create customer service quality standards and reliability standards based upon the average SAIDI and SAIFI with appropriate enforcement provisions for under-performance.
- PNM agrees that, for as long as Avangrid or any affiliate owns PNM, it will retain a sufficient number of dedicated operations and maintenance employees to ensure that it can promptly respond to service calls, outages, distribution line knock-downs, substation issues, and similar service issues.

37. Maintenance of Books, Records, and Accounts. Joint Applicants commit that PNM will maintain accurate, appropriate, and detailed books, financial records (including upon request, audited financials), and accounts, including checking and other bank accounts, and custodial and other securities safekeeping accounts that are separate and distinct from those of any other entity.

38. Access to Books, Records, and Accounts and Audits. Joint Applicants commit that the Commission and its Staff will have access to the books, records, accounts, or documents

of PNM, its corporate subsidiaries, and its holding companies, including PNMR, Networks, Avangrid, and Iberdrola, pursuant to NMSA 1978, Sections 62-6-17 and 62-6-19.

39. **Name and Logo.** PNM will maintain a separate name and logo from Avangrid, Iberdrola, and all other Avangrid and Iberdrola subsidiaries and affiliates, but may also include the same Avangrid name and logo for branding (*e.g.*, “an Avangrid company”).
40. **Dividend Notice.** PNM will provide at least 30 days’ notice to the Commission before making any dividend payments. The notice will include the amount of the proposed dividend, the proposed pay-out ratio, and historic pay-out ratios for the preceding three years.
41. **Restriction on Affiliate Commingling.** Except insofar as the Commission may authorize PNM to participate in the Avangrid Networks shared credit facilities or affiliate money pool, PNM shall not commingle its funds, assets, or cash flows with its affiliates.
42. **Regional Transmission Organization.** In recognition of the potential benefits to New Mexico and PNM’s customers of PNM joining a Regional Transmission Organization or Independent System Operator (“RTO”), including the implementation of open and competitive electric generation markets, elimination of barriers to market entry and preclusion of control of bottleneck electric transmission facilities in the provision of retail and wholesale electric service, Joint Applicants shall use all reasonable efforts to find or participate in the development of a viable RTO that it can join by January 1, 2030, or as soon thereafter as possible, subject to Commission review and approval. As soon as possible following the completion of the merger, but not later than January 1, 2022, PNM will organize and convene an RTO stakeholder initiative, to include representatives of interested organizations, to develop and initiate the process by which PNM will explore

and participate in the development of an RTO. PNM will communicate the progress of its exploration and development activities on a regular basis to the members of the stakeholder initiative and the Utility Division Staff. PNM will also participate in and report on any other organized efforts to form an RTO that it could potentially join. PNM will work with stakeholders, including the NM AG, to determine if joining the RTO is in the best interests of customers and the State. The Commission shall make the final determination as to whether joining an RTO is in the public interest, including the interests of customers and the State. Participation in the Western EIM, EDAM, or other similar market would not constitute participation in an RTO.

43. **Carbon Reduction Task Force.** In recognition of the importance of meeting PNM's carbon reduction goals, the Joint Applicants will create a task force within one month following closing of the Proposed Transaction to include stakeholder representatives of environmental interests, clean energy industry representatives, consumer interests and state agencies (NMED, EMNRD, NM AG, NMPRC) ("PNM Carbon Reduction Task Force") to ensure that PNM will not only meet but exceed its zero carbon goals by achieving net zero emissions by or before 2040, and if feasible and otherwise in the public interest, 2035. PNM shall seek opportunities and apply for all available and feasible federal and private funding and grants to leverage outside funding sources to achieve carbon reduction goals, and report to the Carbon Reduction Task Force at each meeting. PNM shall have a dedicated full-time employee who will identify and with the assistance and support of PNM, apply for third party funding opportunities. Within 6 months following the creation of the PNM Carbon Reduction Task Force, and each six-month period thereafter until 2040 (or earlier depending upon when zero carbon goals are achieved), the Joint Applicants will

cause PNM to present a workable step-by-step plan to exceed its carbon reduction goals (“Plan”) to the PNM Carbon Reduction Task Force. The PNM Carbon Reduction Task Force will provide comments and suggestions to PNM with respect to its Plan and Joint Applicants will cause PNM to address each and every comment and suggestion and use all reasonable efforts to improve its Plan. In addition, PNM will work with stakeholders to craft reasonable and appropriate New Mexico legislation in 2022 that would create a market-based credit program to achieve reasonable and consistent progress in reducing emissions to meet the ETA’s 2045 decarbonization requirements. The signatories reserve all positions on all such legislation. PNM will also report to the stakeholders the reduction in emissions resulting from the seasonal operations agreement by the joint owners of the Four Corners Power Plant for so long as PNM remains a joint owner.

44. Compensation and Carbon Reduction Targets. The Joint Applicants agree that the carbon reduction goals set forth above are of preeminent importance. Accordingly the incentive compensation for all relevant PNM executives will include goals related to the achievement of PNM’s 2040 carbon reduction targets (or earlier depending upon when zero carbon goals are achieved), including the PNM President, and senior executive officers (including Chief Financial Officer and Chief Operating Officer to the extent applicable) responsible for operations, planning, and procurement for power generation, and environmental compliance, as well as other executives that PNM’s Board of Directors determine will have a reasonable and achievable impact on carbon reduction. All parties reserve all rights with respect to the prudence of any additional expenditures in conjunction with this provision.

45. **Contract Impacts On Emissions.** For the five calendar years following closing of the Proposed Transaction, the Joint Applicants commit that PNM will file a report with the Commission identifying any material emissions impact resulting from any new contracts signed by PNM during each such calendar year. Each such report will be filed as part of PNM's Rule 17.3.510 Annual Report.
46. **Transportation Electrification.** Joint Applicants commit that PNM will triple its proposed transportation electrification plan budget that would be included in its next transportation electrification plan that will be filed with the Commission, subject to Commission review and approval. The dedicated PNM employee responsible for seeking third-party funding referenced in Section 43 above will also be responsible for seeking grants and funds for transportation electrification to assist PNM in the build-out of transportation electrification, including low-income offerings, which will reduce amounts that PNM may seek to reflect in rates. All parties to this stipulation reserve the right to challenge the increase of this proposed transportation electrification plan budget in PNM's transportation electrification plan filing.
47. **Renewable Resources Development.** Avangrid commits to have one or more affiliates (other than PNM) work with the Navajo Nation toward the development of one or more renewable energy and/or energy storage projects on Navajo Nation land of no less than 200 MW within 2 years of the closing of the Proposed Transaction. Nothing in this section is intended to modify or interfere with any existing PNM request for proposal. Nothing in this section is intended to establish a preference by PNM for the selection of any such projects in any existing or future PNM competitive RFP process that requests resources to replace any existing PNM resources relied on by PNM to provide retail service to its New

Mexico customers or to otherwise meet PNM's retail service needs or any preference by the Commission to approve any such projects if proposed in response to a competitive PNM RFP process.

48. **PNM Environmental Studies.** Within one year following closing of the Proposed Transaction, PNM will submit to the Commission and stakeholders the following studies regarding: (a) the infrastructure requirements resulting from projected electric vehicle demands; (b) efforts needed to decarbonize commercial buildings in its service territory by 2040; and (c) efforts needed to reach 1.5% annual incremental energy efficiency savings in its service territory. PNM will not request rate recovery from ratepayers for the cost of the studies.
49. **Chief Environmental Officer.** By no later than December 1, 2022, PNM will name a Chief Environmental Officer with significant environmental and climate change experience responsible for meeting PNM's carbon reduction goals. The Chief Environmental Officer will report directly to the PNM President and will present (no less than once each year) to the PNM Board of Directors on PNM's carbon reduction plans and progress. All parties reserve all rights with respect to the prudence of any executive compensation with respect to this new position.
50. **Transmission Plan.** Within one year following closing of the Proposed Transaction, PNM shall develop and complete a 20-year long-term transmission plan for PNM's transmission system, which PNM will subsequently update and shall include in all future Integrated Resource Plans (IRPs) filed with the Commission. Based on the most recently available forecasted future system conditions, the long-term transmission plan will identify the expected material transmission needs of PNM to support the Most Cost Effective

EXHIBIT A

Portfolio(s) of its IRP and the year in which PNM projects the transmission need might be most cost-effectively met. It will also identify each reasonable alternative available to PNM to meet transmission needs including transmission projects that reasonably could be pursued by PNM itself, and publicly identifiable transmission projects known to PNM that could be pursued with other electric utilities in the region or merchant project developers. The plan will identify the most cost effective group of transmission projects that may reasonably meet PNM's transmission needs for reliability and renewable generation integration. In each IRP, PNM shall update the Transmission Plan, and shall include the results of any feasible scenario modeling requested by the Carbon Reduction Task Force with each updated Transmission Plan. As part of each IRP reviewed with public advisory participants and filed with the Commission, PNM shall include the following in its Transmission Plan: (a) PNM shall report its publicly disclosable existing transmission capabilities, and projected future needs during the planning period, for facilities of 115 kilovolts and above, including associated substations and terminal facilities. PNM shall generally identify the location and extent, to the extent publicly disclosable, of transfer capability limitations on its transmission network that may affect the future siting of resources; (b) With respect to future needs, PNM shall submit a description of all new transmission lines and related facilities that are reasonably projected to be placed into service during the action plan period; (c) For each such transmission line and related facility identified, PNM shall include a description of the transmission line's length and location, estimated in-service date, injection capacity, estimated costs, terminal points, and voltage and MW rating; and (d) PNM shall include a report on coordination with other utilities within and outside of New Mexico regarding transmission planning.

51. **Solar Direct Program.** The Joint Applicants commit that, within six months following the closing of the Proposed Transaction, they will work with stakeholders, including large users and governmental customers to develop a second renewable energy resource and participation tranche for the Solar Direct program to be filed within one year of closing.
52. **Current Tariffs and Contracts and Other Proceedings.** Joint Applicants agree to honor and support existing green tariffs and all contracts between PNM and current customers. The parties and intervenors in this case reserve all rights in all other dockets in which PNM is a party. Specifically, nothing in this Stipulation shall affect the rights or limit the positions of any party in Case No. 21-00017-UT regarding any matter or issue in that case or any future case relating to the Four Corners Power Plant. The Parties agree that until closing of the Proposed Transaction, either a non-decision or a dismissal of Case No. 21-00017-UT will not affect this merger. Events that occur after closing of the Proposed Transaction in that Case No. 21-00017-UT will not be deemed to have an impact on the merger.
53. **PNM's 2020-2039 Integrated Resource Planning and Case No. 21-00083-UT Resource Modeling Information.** PNM will supplement its 2020 IRP filed in Case No. 21-00033-UT at least ten business days prior to the deadline for submittal of public comments on that IRP, as currently filed with the Commission in that docket to i) clarify that feasible new resource technology options PNM will consider to meet the resource adequacy requirements and reliability criteria and satisfy PNM's goal of a carbon-free portfolio by 2040 described in that IRP include heavy frame combustion turbines, including such resources currently available to PNM under existing power purchase agreements with PNM that expire prior to December 31, 2039, with or without modifications that would provide

such resources with fast-start capacity, that would not be relied on by PNM for retail service after December 31, 2039 unless modified to be fueled thereafter by a non-CO₂ emitting fuel; and 2) provide portfolios in its Appendices that include modeling of an existing heavy frame combustion turbine located in PNM's northern New Mexico load center, with and without fast-start capacity, that would operate only until December 31, 2039, based on the owner's proposals, including firm pricing, submitted to PNM in response to its June 25, 2020 RFP, that relies on the same cost and other inputs relied on by PNM in that IRP to model its other feasible resource options. Through the discovery process in Case No. 21-00083-UT, PNM agrees to produce, upon request by any party, modeling runs of resource portfolios that include modeling of an existing heavy frame combustion turbine located in PNM's northern New Mexico load center, with and without fast-start capacity, that would not operate after December 31, 2039, based on the owner's proposals, including firm pricing, submitted to PNM in response to its June 25, 2020 RFP that relies on the same cost and other inputs relied on by PNM to model its other feasible resource options to meet its service needs. To the extent such PNM modeling runs disclose specific bidder pricing or other competitively-sensitive information, PNM will only disclose such information to persons who execute and file a confidentiality agreement as required by the protective order issued by the Commission in that case. Nothing in this section shall obligate PNM or other Signatories to endorse or propose any of the above-described informational bids, proposals, resource portfolios or model runs in any pending or future PNM resource planning or procurement cases, nor prevent PNM, other Signatories, or other parties from presenting their own positions to the Commission with regard to that information in those cases. Moreover, nothing in this section shall be interpreted to impair or conflict with Joint

Applicants' sections 43 and 44 commitments for PNM to achieve net-zero emissions by or before 2040, and by 2035 if feasible and otherwise in the public interest.

- 54. Enforceability of Stipulated Commitments.** Joint Applicants and, as applicable, Iberdrola, will fulfill all merger commitments. For the five years following the closing of the Proposed Transaction, PNM will submit with its Annual Report² a report detailing the progress Joint Applicants have made toward meeting each Stipulated Regulatory Commitment. Joint Applicants shall include in that Annual Report information about the capital structure of PNM and the composition of the Board of Directors of PNM (and any changes to each from the previous Annual Report). Joint Applicants acknowledge and agree that to the extent that there is any failure to meet each Stipulated Regulatory Commitment, any stakeholder or the Commission may initiate a proceeding to enforce the merger commitments and Joint Applicants will be subject to potential consequences, including the penalties provided for pursuant to NMSA 1978, Section 62-12-4.
- 55. Effectiveness, Amendments and Modifications.** These regulatory commitments will become effective upon Commission approval. Any amendments or modifications to these regulatory commitments will require prior Commission approval.
- 56. San Juan Decommissioning.** PNM will use its good faith efforts to work with the San Juan Generating Station ("SJGS") owners and former SJGS owners who have an obligation to participate in decommissioning the SJGS to identify and present feasible options for commercially reasonable actions, available under the terms of the SJGS contracts and consistent with the established decommissioning agreement, that would allow decommissioning options, including decommissioning, demolition and site restoration of

² 17.3.510.12 NMAC.

EXHIBIT A

the SJGS site to standards applicable to ongoing economic development, commercial and industrial uses of the SJGS plant site, at a cost comparable to the lowest reasonable cost alternative identified in the owners' most recent decommissioning study that applies a whole-life cost analysis

GCG#528291

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION)
OF AVANGRID, INC., NM GREEN HOLDINGS, INC.,)
PUBLIC SERVICE COMPANY OF NEW MEXICO)
AND PNM RESOURCES, INC. FOR APPROVAL OF)
THE MERGER OF NM GREEN HOLDINGS, INC.)
WITH PNM RESOURCES, INC.; APPROVAL OF A)
GENERAL DIVERSIFICATION PLAN; AND ALL) Case No. 20-00222-UT
OTHER AUTHORIZATIONS AND APPROVALS)
REQUIRED TO CONSUMMATE AND IMPLEMENT)
THIS TRANSACTION)
)
)
AVANGRID, INC., NM GREEN HOLDINGS, INC., PUBLIC)
SERVICE COMPANY OF NEW MEXICO AND PNM)
RESOURCES, INC.,)
)
)
JOINT APPLICANTS.)
)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of **Second Amended Stipulation** was emailed to the parties listed below on June 4, 2021:

PRC Records Management Bureau	Prc.records@state.nm.us;
Ashley Schannauer	Ashley.Schannauer@state.nm.us;
Michael C. Smith	MichaelC.Smith@state.nm.us;
Ana Kippenbrock	Ana.kippenbrock@state.nm.us;
Ahtza Dawn Chavez	ahtza@navaeducationproject.org;
Ally Beasley	beasley@westernlaw.org;
Amanda Edwards-Adrian	AE@Jalblaw.com;
Andrea Crane	ctcolumbia@aol.com;
Andrew (Andy) Harriger	akharriger@sawvel.com
Andrew Wernsdorfer	andy@berrendoenergy.com;
April Elliott	april.elliott@westernresources.org
April Elliott	ccae@elliottanalytics.com;
Bradford Borman	Bradford.Borman@state.nm.us;
Brian J. Haverly	bjh@keleher-law.com;
Bruce C. Throne	bthroneatty@newmexico.com;
Camilla Feibelman	Camilla.Feibelman@sierraclub.org;
Carey Salaz	Carey.Salaz@pnm.com;
Cindy A. Crane	ccrane@enchantenergy.com;
Cholla Khoury	ckhoury@nmag.gov;
Christopher Sandberg	cksandberg@me.com
Cydney Beadles	Cydney.Beadles@westernresources.org;

Dahl Harris	dahlharris@hotmail.com ;
Dan Akenhead	DAkenhead@mstlaw.com
Daniel Najjar	dnajjar@virtuelaw.com
David Schwartz	david.schwartz@lw.com ;
Dhiraj Solomon	Dhiraj.solomon@state.nm.us ;
Don Hancock	sricdon@earthlink.net ;
Doug Gegax	dgegax@nmsu.edu ;
Douglas J. Howe	douglas.howe@icloud.com ;
Elisha Leyba-Tercero	Elisha.Leyba-Tercero@state.nm.us ;
Elizabeth Ramirez	Elizabeth.Ramirez@state.nm.us ;
Gabriella Desheno	Gabriella.Dasheno@state.nm.us ;
Gideon Elliot	gelliot@nmag.gov ;
Gilbert Fuentes	GilbertT.Fuentes@state.nm.us ;
Hank Adair	hadair@fmtn.org ;
Heather Allen	Heather.Allen@pnmresources.com
Jack Sidler	Jack.Sidler@state.nm.us ;
James R. Dauphinais	jdauphinais@consultbai.com ;
Jane Yee	jyee@cabq.gov ;
Jason Marks	lawoffice@jasonmarks.com ;
Jeffrey H. Albright	JA@JalbLaw.com ;
Jeffrey Spurgeon	Jeffrey.spurgeon@onwardenergy.com ;
Jennifer Breakell	jbbreakell@fmtn.org ;
Jennifer VanWiel	jvanwiel@nmag.gov
Jessica Keetso	jkeetso@yahoo.com ;
Joan Drake	jdrake@modrall.com ;
Jody García	JGarcia@stelznerlaw.com ;
Jody Kyler Cohn	jkylercohn@BKLlawfirm.com ;
Joel Johnson	joel@berrendoenergy.com ;
John Bogatko	john.bogatko@state.nm.us ;
John Reynolds	John.Reynolds@state.nm.us ;
Joseph Hernandez	joseph@navaeducationproject.org ;
Joseph Yar	joseph@yarlawoffice.com ;
Justin Bieber	jbieber@energystrat.com ;
Julie A. Wolfe	julie@dietzedavis.com ;
Justin Lesky	jlesky@leskylawoffice.com ;
Karl F. Kumli, III,	karlk@dietzedavis.com ;
Katherine Coleman	Katie.coleman@tklaw.com
Katherine Lagen	Katherine.lagen@sierraclub.org ;
Keith Herrmann	kherrmann@stelznerlaw.com ;
K.C. Cunilio	kcunilio@dietzedavis.com ;
Kelly Gould	kelly@thegouldlawfirm.com ;
Kevin Powers	Kevin.Powers@lacnm.us ;

Kurt J. Boehm	kboehm@bkllawfirm.com ;
Kyle Tisdell	tisdell@westernlaw.org
Larry Blank	lb@tahoeeconomics.com ;
Lisa Tormoen Hickey	lisahickey@newlawgoup.com ;
Marc Tupler	Marc.Tupler@state.nm.us ;
Mariel Nanasi	mariel@seedsbeneaththesnow.com ;
Mark Fenton	Mark.Fenton@pnm.com ;
Mark D. Detsky	mdetsky@dietzedavis.com ;
Martin Hopper	mhopper@msrpower.org ;
Matt Dunne	dunneconsultingllc@gmail.com ;
Matt Gerhart	matt.gerhart@sierraclub.org ;
Michael Gorman	mgorman@consultbai.com ;
Maureen Reno	mreno@reno-energy.com ;
Michael I. Garcia	mikgarcia@berneo.gov ;
Mike Eisenfeld	mike@sanjuancitizens.org
Milo Chavez	Milo.Chavez@state.nm.us ;
Nann M. Winter	nwinter@stelznerlaw.com ;
Nicole Horseherder	nhorseherder@gmail.com ;
P. Azagra	azagrap@ibdl.com ;
Pat O'Connell	pat.oconnell@westernresources.org ;
Patrick V. Apodaca	Patrick.Apodaca@pnmresources.com ;
Peggy Martinez-Rael	Peggy.Martinez-Rael@state.nm.us ;
Peter Auh	pauh@abcwua.org ;
Peter J. Gould	peter@thegouldlawfirm.com ;
Philo Shelton	Philo.Shelton@lacnm.us ;
Peter Mandelstam	peterm@enchantenergy.com ;
R. Scott Mahoney	Scott.mahoney@avangrid.com ;
Ramona Blaber	Ramona.blaber@sierraclub.org ;
Randy Bartell	rbartell@montand.com ;
Richard L. C. Virtue	rvirtue@virtuelaw.com ;
Rick Alvidrez	ralvidrez@mstlaw.com ;
Rob Witwer	Rob.witwer@onwardenergy.com ;
Robert Cummins	Robert.Cummins@lacnm.us
Robyn Jackson	Robyn.jackson@dine-care.org
Ryan Jerman	Ryan.Jerman@pnmresources.com ;
Saif Ismail	sismail@cabq.gov ;
Sharon Shaheen	sshaheen@montand.com ;
Stacey Goodwin, Esq.	Stacey.Goodwin@pnmresources.com ;
Stephanie Dzur	Stephanie@Dzur-law.com ;
Steve Schwebke	Steven.Schwebke@pnm.com ;
Steve W. Chriss	Stephen.chriss@wal-mart.com ;
Steven Gross	gross@portersimon.com ;

