

PUBLIC SERVICE COMPANY OF NEW MEXICO
NMPRC CASE NO. 25-000__-UT
EXECUTIVE SUMMARY

PNM is requesting approval for 30 MW of battery energy storage systems that support PNM's long-term grid modernization plan and facilitates the integration of renewable energy and enhanced system resilience.

Battery Energy Storage Systems

PNM's application is for a certificate of public convenience and necessity ("CCN") pursuant to NMSA 1978, Section 62-9-1 (2025) and NMSA 1978, Section 62-9-6 (1967) to construct, own and operate 30 MW of battery energy storage systems ("BESS"). The application consists of 6 MW, 4-hour batteries located on PNM distribution feeders at five existing PNM-owned solar facility sites located in Otero County, San Miguel County, Luna County and two sites in Valencia County (the "BESS Project").

The site locations include feeders that are at or near hosting capacity limits and are most cost effective for a BESS. PNM intends for the BESS Project to be operational by mid-2027, in time for the 2027 summer peak season, assuming approval by the New Mexico Public Regulation Commission no later than May 2026. The estimated cost of the project is \$78.7 million. PNM plans to recover the costs in a future rate case.

Serves The Public Interest

The BESS Project serves the public interest through reduced costs to customers by providing an alternative to new generation and deferring or avoiding otherwise needed upgrades to PNM's current distribution system. By locating the batteries on overloaded feeders with existing large solar installations, PNM can reduce the use of fossil fuels for meeting demand beginning in 2027. The project advances the public interest by enabling greater renewable integration at both the system and feeder level, supports grid reliability, and helps PNM achieve its long-term decarbonization objectives while delivering enhanced service quality to customers.