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November 22, 2023

Melanie Sandoval
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New Mexico Public Regulation Commission

*RE: Public Service Company of New Mexico, Grid Modernization Application
Cost-Benefit Analysis
NMPRC Case No. 22-00058-UT*

Dear Ms. Sandoval:

Public Service Company of New Mexico (“PNM”) is filing in the New Mexico Public Regulation Commission’s (“NMPRC” or “Commission”) Case No. 22-00058-UT, the Supplemental Testimony in Support of Cost-Benefit Analysis of PNM witnesses Omni B. Warner, James W. Shields, Mario A. Cervantes, Jonathan C. Hawkins, Eric C. Morgan, and Michael J. Settlage. This Supplemental Testimony supports the Cost-Benefit Analysis for PNM’s proposed Grid Modernization plan and was filed in response to the NMPRC’s May 31, 2023 *Order Regarding Cost Benefit Analysis* and the Hearing Examiner’s July 10, 2023 *Order Staying Proceeding*.

A copy of this information is being provided to the individuals listed on the service list for Case No. 22-00058-UT. If you have any questions regarding this filing, please contact me at 505-241-4733.

Respectfully,

/s/ Carey Salaz

Carey J. Salaz

Director, Regulatory Policy and Case Management

Cc: COS for Case No. 22-00058-UT

GCG#531803

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE COMPANY OF)
NEW MEXICO'S APPLICATION FOR AUTHORIZATION)
TO IMPLEMENT GRID MODERNIZATION)
COMPONENTS THAT INCLUDE ADVANCED)
METERING INFRASTRUCTURE AND APPLICATION)
TO RECOVER THE ASSOCIATED COSTS THROUGH)
A RIDER, ISSUANCE OF RELATED ACCOUNTING)
ORDERS, AND OTHER ASSOCIATED RELIEF)**

Case No. 22-00058-UT

**SUPPLEMENTAL TESTIMONY
IN SUPPORT OF COST-BENEFIT ANALYSIS
OF
JONATHAN C. HAWKINS**

November 22, 2023

**NMPRC CASE NO. 22-00058-UT
INDEX TO THE SUPPLEMENTAL TESTIMONY IN SUPPORT OF COST-
BENEFIT ANALYSIS OF
JONATHAN C. HAWKINS**

**WITNESS FOR
PUBLIC SERVICE COMPANY OF NEW MEXICO**

I. INTRODUCTION AND PURPOSE 1

II. INFORMATION PROVIDED TO BLACK & VEATCH..... 2

III. RESULTS OF CBA..... 3

Self-Verification

**SUPPLEMENTAL TESTIMONY IN SUPPORT OF COST-BENEFIT ANALYSIS
OF JONATHAN C. HAWKINS
NMPRC CASE NO. 22-00058-UT**

I. INTRODUCTION AND PURPOSE

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Jonathan C. Hawkins. I am the Associate Director of Innovation and Communications for Public Service Company of New Mexico (“PNM” or “Company”). My address is 4201 Edith Blvd NE, Albuquerque, NM 87107.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes, I filed Direct Testimony in support of PNM’s Application on October 3, 2022, Rebuttal Testimony on February 8, 2023, and Supplemental Testimony on March 8, 2023.

Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?

A. My testimony supports portions of PNM’s Cost-Benefit Analysis (“CBA”), filed in response to the New Mexico Public Regulation Commission’s (“Commission” or “NMPRC”) May 31, 2023 *Order Regarding Cost Benefit Analysis* and the Hearing Examiner’s July 10, 2023 *Order Staying Proceeding*.

Specifically, my testimony describes my role in providing information to Black & Veatch to conduct its CBA in support of PNM’s filing.

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1 **II. INFORMATION PROVIDED TO BLACK & VEATCH**

2 **Q. PLEASE EXPLAIN THE INFORMATION THAT YOU PROVIDED TO**
3 **BLACK & VEATCH FOR THE CBA.**

4 **A.** I provided cost data for the technical equipment and software for areas of the Grid
5 Modernization plan associated with my previous testimony as well as additional
6 information to support incremental benefit calculations.

7
8 **Q. WHAT GRID MODERNIZATION PROGRAMS DO THE DATA YOU**
9 **PROVIDED TO BLACK & VEATCH SUPPORT?**

10 **A.** I provided data related to Advanced Metering Infrastructure (“AMI”) and all five
11 programs related to the CBA. As part of supporting information related to these
12 programs, I provided supporting data for all foundational components of these five
13 programs. PNM’s Grid Modernization CBA Report, which is attached to the CBA
14 Testimony of PNM witness James W. Shields as PNM Exhibit JWS-2 (CBA),
15 explains how these foundational components or programs were factored into the
16 CBA study of five specific programs.

17
18 **Q. HOW DID BLACK & VEATCH USE THIS INFORMATION IN THE CBA?**

19 **A.** Black & Veatch used this information in aggregate with other data from other
20 witnesses as inputs into the Copperleaf decision analytics software, as further
21 described in the testimony of PNM witness Shields.

22

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III. RESULTS OF CBA

Q. ARE THE RESULTS OF THE CBA CONSISTENT WITH THE DATA YOU PROVIDED AND THE INCREMENTAL BENEFITS YOU MIGHT HAVE EXPECTED?

A. Yes, they are. As an example, PNM will realize over \$22 million in avoided capital costs to replace meters that are already at end of life due to failing periodic sample testing. If AMI is not approved, 195,000 electric meters will have to be immediately replaced with non-communicating meters, with the capital cost of those replacements being immediately spent. Additionally, sample testing will then begin again on the balance of PNM’s meters, resulting in additional end of life meters being identified over the next 20-year useful life of those legacy meters. The AMI project avoids these replacement costs because the entire fleet of meters will be upgraded to AMI meters as part of the Grid Modernization plan.

Q. DO THE RESULTS ALTER ANY OF YOUR TESTIMONY THAT PNM MUST MOVE FORWARD WITH THE GRID MODERNIZATION PROJECTS?

A. No, they do not. If anything, reviewing the CBA drove home the interrelatedness of all the different projects that PNM has proposed as part of its overall plan. The Grid Modernization statute requires the Commission to consider investments that will enable the utility to meet energy demands through a flexible, diversified and distributed energy portfolio. The Grid Modernization programs for which I

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1 provided data are foundational to the other projects that other PNM witnesses
2 provided data for. To put it another way, without projects like AMI, the subsequent
3 projects PNM has proposed (and the incremental benefits associated with them) are
4 simply not viable.

5

6 **Q. DID THE CBA ELUCIDATE ANY QUALITATIVE BENEFITS THAT**
7 **CANNOT EASILY BE DISTILLED DOWN TO DOLLARS AND CENTS?**

8 **A.** Yes. Some examples of non-quantifiable benefits are as follows:

- 9 • AMI will support customer programs that have yet to be developed, and therefore
10 not yet quantified, such as utilizing the AMI system for Home Area Networking
11 (HAN) functionality using the IEEE 2030.5 protocol to support customer side
12 device automation.
- 13 • The AMI system will be able to improve power quality by alerting the utility to
14 problems such as low Voltage conditions, high Voltage conditions, momentary
15 outages, and poor power factor conditions.
- 16 • The communication system for the AMI system is planned to provide the
17 communication backbone for the distribution automation components (Integrated
18 Volt/VAR Management and Fault Location Isolation & Service Restoration) of the
19 plan, thus reducing the cost of communications associated with those programs.
- 20 • The AMI meters themselves will serve as sensors within the distribution feeders to
21 provide data to the distribution automation components, reducing or eliminating the

**SUPPLEMENTAL TESTIMONY IN SUPPORT OF COST-BENEFIT ANALYSIS
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1 need to purchase supplemental sensors to support distribution automation
2 functions.

3 • The communication system will also serve as the communication backbone for
4 Distributed Energy Resources in support of the recently amended NMPRC
5 interconnection rule¹ for smart inverters using the IEEE 2030.5 protocol.

6 • Finally, PNM will be able to detect, mitigate and reduce theft and tamper, which
7 cannot be accurately quantified today, with savings passed through to customers as
8 a reduction in system losses.

9

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 **A. Yes, it does.**

12

GCG#531800

¹ See 17.9.568 NMAC, available at <https://www.srca.nm.gov/parts/title17/17.009.0568.html>.

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ORDERS, AND OTHER ASSOCIATED RELIEF)**

Case No. 22-00058-UT

SELF AFFIRMATION

JONATHAN HAWKINS, Associate Director of Innovation and Communications for Public Service Company of New Mexico, upon penalty of perjury under the laws of the State of New Mexico, affirm and state: I have read the foregoing **Supplemental Testimony in Support of Cost Benefit Analysis of Jonathan Hawkins** and it is true and accurate based on my own personal knowledge and belief.

DATED this 22nd day of November, 2023.

/s/Jonathan Hawkins

JONATHAN HAWKINS

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RECOVER THE ASSOCIATED COSTS THROUGH A)
RIDER, ISSUANCE OF RELATED ACCOUNTING)
ORDERS, AND OTHER ASSOCIATED RELIEF)
)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
)
Applicant)
)
_____)**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of **Public Service Company of New Mexico’s Supplemental Testimony in Support of Cost Benefit Analysis of Johnathan C. Hawkins** was emailed to the parties listed below on November 22, 2023:

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Dated this 22nd day of November, 2023.

By: /s/Carey Salaz
Carey Salaz, Director
PNM Regulatory Policy & Case Management
Public Service Company of New Mexico