

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S)
CONSOLIDATED APPLICATION FOR)
APPROVALS FOR THE ABANDONMENT,) 19-____-UT
FINANCING, AND RESOURCE REPLACEMENT)
FOR SAN JUAN GENERATING STATION)
PURSUANT TO THE ENERGY TRANSITION ACT)**

DIRECT TESTIMONY

OF

MARK A. FENTON

July 1, 2019

**NMPRC CASE NO. 19-____-UT
INDEX TO THE DIRECT TESTIMONY OF
MARK FENTON**

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

I. INTRODUCTION 1

II. REGULATORY FRAMEWORK FOR REPLACEMENT RESOURCES 10

III. REGULATORY FRAMEWORK FOR THE FINANCING ORDER 15

PNM Exhibit MAF-1 Educational Background and Relevant Employment
Experience

AFFIDAVIT

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 **Q. PLEASE STATE YOUR NAME AND YOUR POSITION AT PNM.**

2 **A.** My name is Mark A. Fenton. I am the Executive Director of Regulatory Policy and Case
3 Management for Public Service Company of New Mexico (“PNM”). In this role, one of
4 my primary responsibilities is to direct PNM’s regulatory and case management
5 department, which actively participates in all PNM regulatory proceedings before the
6 New Mexico Public Regulation Commission (“NMPRC” or “Commission”) and the
7 Federal Energy Regulatory Commission. My business address is Public Service
8 Company of New Mexico, 414 Silver Avenue, SW, Albuquerque, New Mexico 87102.
9 For more about my qualifications, please see PNM Exhibit MAF-1.

10

11

I. INTRODUCTION

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 **A.** My testimony addresses how PNM’s Consolidated Application addresses the directives
14 of the Energy Transition Act in seeking approval of the abandonment of the San Juan
15 coal plant, approvals of replacement resources and approval of a financing order
16 providing for recovery of energy transition costs on favorable financial terms providing
17 net benefits to New Mexicans.

18

19 **Q. WHAT IS THE REGULATORY FRAMEWORK IN WHICH PNM IS SEEKING**
20 **APPROVAL TO ABANDON THE SAN JUAN COAL PLANT?**

21 **A.** The Energy Transition Act definition of a “qualifying generating facility” includes the
22 San Juan coal plant and the ETA sets forth the process for abandoning the facility,

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 acquiring replacement resources and issuing a financing order to recover energy
2 transition costs. The Energy Transition Act, the Public Utility Act, NMSA 1978, §§ 62-
3 1-1 to -6-28 and 62-8-1 to -13-15, as well as the Commission’s rules and orders inform
4 this Consolidated Application. Nonetheless, the Energy Transition Act sets forth the
5 comprehensive framework for this Consolidated Application.

6
7 **Q. HOW DO PRIOR COMMISSION ORDERS AND RULES INFORM PNM’S**
8 **CONSOLIDATED APPLICATION?**

9 **A.** Though the Energy Transition Act sets the framework for this Consolidated Application,
10 the Commission has adopted general standards for the abandonment and procurement of
11 generating resources in various rules and orders. Case No. 13-00390-UT concerned
12 abandonment of the San Juan coal plant. That case and its resolution in a Modified
13 Stipulation set forth requirements pertaining to PNM’s 2017 Integrated Resource Plan
14 (“2017 IRP”) and a replacement resource solicitation. Meanwhile, Case No. 17-00174-
15 UT considered PNM’s 2017 IRP, which concluded that abandoning the San Juan coal
16 plant in 2022 would result in cost savings to customers.

17
18 **Q. HOW DOES THE CONSOLIDATED APPLICATION RELATE TO THE 2017**
19 **IRP?**

20 **A.** The Consolidated Application is aligned with the 2017 IRP, and adds the overlay of the
21 Energy Transition Act. The 2017 IRP contemplated that PNM would further investigate
22 the potential shutdown of the San Juan coal plant and would issue a competitive All
23 Resource Request for Proposals (“All Resource RFP”) for replacement resources after

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 filing the IRP, which PNM has done. The Energy Transition Act, which was signed into
2 law by the Governor on March 22, 2019, has provided factors for replacement resources
3 and energy storage resources that are consistent with the types of actions PNM proposed
4 to take in its 2017 IRP.

5
6 **Q. DID PNM MAKE THE DECEMBER 31, 2018 FILING REQUIRED BY THE**
7 **MODIFIED STIPULATION IN CASE NO. 13-00390-UT?**

8 **A.** Yes, on December 31, 2018, PNM filed its Compliance Filing. PNM reported that,
9 because of the updated coal pricing, PNM was not proposing a new coal supply
10 agreement that would allow the San Juan coal plant to continue serving PNM customers
11 post-2022.

12
13 **Q. HAS PNM COMPLIED WITH THE OTHER RELEVANT REQUIREMENTS**
14 **FROM THE MODIFIED STIPULATION?**

15 **A.** Yes. PNM issued an All-Resource RFP in October 2017 for possible San Juan coal plant
16 replacement resources after consulting with signatories to the Modified Stipulation.
17 PNM Witness Fallgren and PNM Witness Nagel discuss the RFP process and the analysis
18 of the bids received in their direct testimonies. PNM has also committed to providing
19 participants in the IRP process and parties to the review of the December 31, 2018
20 Compliance Filing reasonable access to inputs, assumptions and constraints regarding
21 Strategist runs, and to perform a reasonable number of Strategist runs using practical
22 assumptions.

23

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 On June 5, 2019, PNM set up a website to share inputs, assumptions, and constraints used
2 in PNM's resource modeling and emailed the website address and instructions for
3 accessing the website to a broad group of stakeholders. This website will be updated to
4 provide electronic data and documentary support for this filing. PNM also intends to use
5 its Collaboration site which is typically used to provide access to discovery materials
6 during the course of proceedings.

7
8 Additionally, PNM will schedule stakeholder outreach meetings in July to further discuss
9 this filing. A stakeholder portal on the PNM website will be used to provide general
10 information to PNM's customers and other stakeholders.

11
12 **Q. IS THE CONSOLIDATED APPLICATION CONSISTENT WITH THE**
13 **REQUIREMENTS OF THE MODIFIED STIPULATION?**

14 **A.** Yes. The resources in the scenarios identified in the Consolidated Application were
15 identified through the All Resources RFP, as supplemented. PNM has continuously
16 updated its analysis of shutting down the San Juan coal plant in 2022; the analysis
17 presented in the Consolidated Application includes the updated coal pricing referred to in
18 the Compliance Filing as well as the results of the All Resources RFP. The Consolidated
19 Application presents the culmination of the analyses that PNM began in 2008 and the
20 Commission-approved process that began in Case No. 13-00390-UT.

21
22 **Q. TURNING NOW TO THE SPECIFIC APPROVALS REQUESTED IN THE**
23 **CONSOLIDATED APPLICATION, CAN YOU SUMMARIZE THE STANDARDS**

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 **THE COMMISSION HAS APPLIED TO PROPOSED ABANDONMENTS OF**
2 **GENERATING RESOURCES?**

3 **A.** The Energy Transition Act provides a path for qualifying generating facilities to be
4 abandoned and replaced on timetables set forth in the Act. Meanwhile, the Public Utility
5 Act includes a specific statutory provision, NMSA 1978, Section 62-9-5, relating to plant
6 abandonment outside the ordinary course of business which provides that: “The
7 commission shall grant such permission and approval, after notice and hearing, upon
8 finding that the continuation of service is unwarranted or that the present and future
9 public convenience and necessity do not otherwise require the continuation of the service
10 or use of the facility [.]” In addition in: “considering the present and future public
11 convenience and necessity, the commission shall specifically consider the impact of the
12 proposed abandonment of service on all consumers served in this state, directly or
13 indirectly, by the facilities sought to be abandoned.”

14
15 **Q.** **WHAT FACTORS HAS THE COMMISSION USED TO DETERMINE IF**
16 **ABANDONMENT SHOULD BE AUTHORIZED?**

17 **A.** The Commission requires a factual showing that abandonment “is consistent with the
18 present and future public convenience and necessity, and that the public interest
19 otherwise will in no way be disserved by the proposed abandonment.” In cases prior to
20 the Energy Transition Act, the Commission has consistently applied four factors used in
21 *Commuters’ Committee v. Pennsylvania Pub. Util. Comm’n*,¹ which specifically related
22 to the discontinuance of rail service by a railway carrier, in determining whether the

¹ 88 A.2d 420, 424 (Pa. Super. Ct. 1952).

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 proposed abandonment is consistent with the public convenience and necessity. These
2 factors are: (1) the extent of the carrier's loss on the particular branch or portion of the
3 service, and the relation of that loss to the carrier's operation as a whole; (2) the use of
4 the service by the public and prospects for future use; (3) a balancing of the carrier's loss
5 with the inconvenience and hardship to the public upon discontinuance of service; and (4)
6 the availability and adequacy of substitute service. The Commission's test is a flexible
7 one that can and should be adapted to meet the specific facts and circumstances being
8 evaluated. In the Consolidated Application here, witnesses Phillips, Monroy, Settlage
9 and Fallgren show the net benefit to customers in abandoning the San Juan coal plant,
10 meaning that customers will be better off by following the path presented in the
11 Consolidated Application as opposed to going with the status quo. Further public benefit
12 from abandonment of the San Juan coal plant, approval of the proposed replacement
13 resources and issuance of the financing order as proposed by the Consolidated
14 Application are shown by witnesses Darnell, Fallgren and Phillips.

15
16 **Q. ARE THE *COMMUTERS' COMMITTEE* FACTORS FOR ABANDONMENT**
17 **MET IN THIS CASE?**

18 **A.** They are, but as noted previously, the Energy Transition Act provides independent
19 grounds for the abandonment of coal generation resources for purposes of facilitating the
20 development of renewable resources in the state.

21

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 **Q. PLEASE ADDRESS THE FIRST *COMMUTERS' COMMITTEE* FACTOR IN**
2 **THE CONTEXT OF PNM'S APPLICATION TO ABANDON UNITS 1 AND 4.**

3 **A.** The first factor relating to a loss on the service provided is not applicable to the
4 abandonment of Units 1 and 4 of the San Juan coal plant. Both units are in rate base and
5 are currently serving customers. The Commission has granted PNM an opportunity to
6 receive its authorized rate of return on its investments, and these units are no more or less
7 profitable than any other assets included in PNM's rate base from that perspective. In
8 addition, PNM's current rates provide for cost recovery of a representative amount of
9 PNM's annual revenue requirement associated with the reasonable operating and
10 maintenance expenses associated with Units 1 and 4, in accordance with the
11 Commission's ratemaking determinations. Thus, financial losses to PNM from operating
12 Units 1 and 4 are not a consideration and not a reason for seeking abandonment.

13

14 **Q. IS THE SECOND *COMMUTERS' COMMITTEE* FACTOR APPLICABLE?**

15 **A.** Yes. The second factor concerns the use of the service by the public and the prospects
16 for future use. Units 1 and 4 are certificated utility plant and are currently used and
17 needed to serve PNM's customers. As reflected in the testimony of PNM Witness
18 Fallgren, the future availability of these units to serve PNM's customers after 2022 is in
19 doubt because a majority of the San Juan coal plant owners do not intend to continue to
20 operate the plant after the ownership operating agreements and the current coal supply
21 agreement expire. The City of Farmington is interested in continuing San Juan coal plant
22 operations after 2022. PNM's analyses, which utilize reasonable future operating
23 assumptions, show that it will be beneficial to customers if Units 1 and 4 are retired in

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 2022 before the end of the facilities' operable life and replaced with other resources.

2 PNM Witness Phillips discusses these analyses in more detail.

3
4 **Q. PLEASE ADDRESS THE THIRD AND FOURTH *COMMUTERS' COMMITTEE***
5 **FACTORS WITH RESPECT TO UNITS 1 AND 4 OF THE SAN JUAN COAL**
6 **PLANT.**

7 **A.** The third factor requires a balancing of the carrier's loss with the inconvenience and
8 hardship to the public upon discontinuance of service. This factor is directly related to
9 the fourth *Commuters' Committee* factor which is the availability of substitute service.
10 As described in the testimonies of PNM Witnesses Phillips and Fallgren, PNM has
11 determined that it is economically beneficial for customers if Units 1 and 4 are retired in
12 2022 and replaced with more flexible and more environmentally sustainable replacement
13 resources. The Energy Transition Act helps to save customers money, while not harming
14 utility shareholders.

15
16 **Q. IS THE ANTICIPATED COST SAVINGS TO CUSTOMERS RELEVANT TO**
17 **THE *COMMUTERS' COMMITTEE* FACTORS?**

18 **A.** Yes. Cost savings for customers is inherently considered in the last three *Commuters'*
19 *Committee* factors when those factors are properly analyzed. PNM's analyses show that
20 the abandonment of Units 1 and 4 by June 30, 2022, and the replacement of these units
21 with more flexible and environmentally sustainable resources, will save customers'
22 money over the long-term.

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 **Q. ARE ENVIRONMENTAL CONSIDERATIONS RELEVANT TO DETERMINING**
2 **WHETHER THERE IS A NET PUBLIC BENEFIT FROM THE RETIREMENT**
3 **OF THE SAN JUAN COAL PLANT?**

4 **A.** Yes. As discussed by PNM Witness Fallgren, the retirement of the San Juan coal plant
5 will reduce PNM’s carbon footprint and facilitate the deployment of renewable resources
6 on PNM’s system. This is consistent with the resource selection criteria found in the
7 Commission’s IRP Rule, 17.7.3 NMAC, which states: “[f]or resources whose costs and
8 service quality are equivalent, the utility should prefer resources that minimize
9 environmental impacts.”²

10
11 **Q. WILL THE RETIREMENT OF THE SAN JUAN COAL PLANT FURTHER THE**
12 **PUBLIC INTEREST AND THE PUBLIC POLICY UNDER THE ENERGY**
13 **TRANSITION ACT?**

14 **A.** Yes. The Energy Transition Act makes clear that there will be public benefits arising
15 from abandonment of coal-fired generation using securitization, and establishes new
16 emissions and renewable energy standards that make abandonment of the San Juan coal
17 plant consistent with the state’s newly adopted energy policy. The Energy Transition Act
18 provides factors for the Commission to consider when applying the terms of the Public
19 Utility Act’s Abandonment Statute, which states that the Commission “shall specifically
20 consider the impact of the proposed abandonment of service on all consumers served in
21 this state, directly or indirectly, by the facilities sought to be abandoned.”³

² 17.7.3.6 NMAC

³ NMSA 1978, § 62-9-5 (2005)

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 Additionally, the Energy Transition Act allows, and the Commission has previously
2 required, PNM to identify replacement resources as part of an abandonment request.
3 PNM has done so here, and the alternative scenarios presented in this case give the
4 Commission information about replacement scenarios that take into consideration the
5 factors identified in Section 3 of the Energy Transition Act.

6
7 **Q. IN DETERMINING THE PUBLIC INTEREST, SHOULD THE COMMISSION**
8 **ALSO CONSIDER THE IMPACTS TO THE FOUR CORNERS REGION AND**
9 **THE STATE ASSOCIATED WITH THE CLOSURE OF THE SAN JUAN COAL**
10 **PLANT?**

11 **A.** Yes, the Energy Transition Act specifically focuses the Commission’s attention on the
12 economic impacts of the closure of the San Juan coal plant on the Four Corners region by
13 expressing a preference for replacement resources located in the region, as well as
14 creating an economic development assistance fund for the affected region.

15
16 **II. REGULATORY FRAMEWORK FOR REPLACEMENT RESOURCES**

17 **Q. WHAT ARE THE STANDARDS IN THE ENERGY TRANSITION ACT THAT**
18 **APPLY TO THE SAN JUAN COAL PLANT REPLACEMENT RESOURCES?**

19 **A.** Section 3 of the Energy Transition Act provides that a utility abandoning a qualifying
20 generating facility shall apply for approval of “competitively procured replacement
21 resources.” The Commission is required to “prefer resources with the least
22 environmental impacts, those with higher ratios of capital costs to fuel costs and those

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 able to reduce the cost of reclamation and use for lands previously mined within the
2 county of the qualifying generating facility.” Section 3(A) of the Energy Transition Act
3 directs the Commission to consider not only costs, but also economic development
4 opportunity and jobs with comparable pay to those lost because of the retiring coal plant.
5 Our Consolidated Application provides the Commission with options that satisfy those
6 goals and factors in meeting the standards of the Energy Transition Act. PNM Witness
7 Fallgren presents PNM’s proposed replacement resources as Scenario 1 and evaluates
8 potential alternatives. Each of the alternatives to Scenario 1 presented by PNM Witness
9 Fallgren provides a different approach to considering these factors.

10
11 Section 3(D) requires the Commission to “grant all necessary approvals for replacement
12 resources,” and provides that the Commission may approve an alternative replacement
13 resource that meets the conditions of Section 3. This will require certificates of public
14 convenience and necessity (“CCNs”) to be issued as part of this approval of replacement
15 resources and storage owned by PNM, and purchased power and energy storage
16 agreements (referred to generally as “PPAs”), which require approval under 17.9.551
17 NMAC (“Rule 551”).

18
19 **Q. WHAT STANDARDS APPLY TO PNM’S REQUESTS FOR CCNS?**

20 **A.** Section 62-9-1 of the Public Utility Act provides that “[n]o public utility shall begin the
21 construction or operation of any public utility plant or system or of any extension of any
22 plant or system without first obtaining from the commission a certificate that public
23 convenience and necessity require or will require such construction or operation.” The

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 Commission has historically applied four criteria to determine if a CCN should be issued:
2 (1) there is a need for the facility; (2) the facility is the most economical choice among
3 the feasible alternatives; (3) no environmental violations are noted; and, (4) no valid
4 public opposition is received or the applicant is able to mitigate valid public concerns and
5 impacts, thus making the project in the public interest.

6
7 **Q. IS THERE A NEW STANDARD THAT APPLIES TO PNM'S REQUEST FOR A**
8 **CCN FOR ENERGY STORAGE FACILITIES?**

9 **A.** Yes. As recently amended by the Energy Transition Act, Section 62-9-1(D) of the Public
10 Utility Act provides that the Commission shall approve a CCN for energy storage
11 systems that:

12 (1) reduce costs to ratepayers by avoiding or deferring the need for investment
13 in new generation and for upgrades to systems for the transmission and
14 distribution of energy;

15
16 (2) reduce the use of fossil fuels for meeting demand during peak load periods
17 and for providing ancillary services;

18
19 (3) assist with ensuring grid reliability, including transmission and distribution
20 system stability, while integrating sources of renewable energy into the grid;

21
22 (4) support diversification of energy resources and enhance grid security;

23
24 (5) reduce greenhouse gases and other air pollutants resulting from power
25 generation;

26
27 (6) provide the public utility with the discretion, subject to applicable laws
28 and rules, to operate, maintain and control energy storage systems so as to
29 ensure reliable and efficient service to customers; and

30
31 (7) are the most cost effective among feasible alternatives.
32

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 PNM Witness Fallgren addresses these standards in his direct testimony and explains
2 why a CCN should be issued for the proposed utility-owned energy storage facilities.
3

4 **Q. DOES THE COMMISSION REQUIRE ANY FURTHER SHOWING TO OBTAIN**
5 **A CCN?**

6 **A.** Section 62-9-6 of the PUA requires that a corporation that is applying for a CCN must
7 have its articles of incorporation on file with the Commission. The PUA also requires
8 evidence, as the Commission may require, demonstrating the consent and franchise of the
9 municipality where construction and operation of a new facility will occur. PNM's
10 current articles of incorporation were filed as PNM Exhibit GTO-2 in the December 20,
11 2013 Direct Testimony of Gerard T. Ortiz in NMPRC Case No. 13-00390-UT and are
12 therefore on file with the Commission. PNM requests that the Commission take
13 administrative notice of this exhibit. PNM Witness Fallgren addresses the requirement
14 for showing a municipality's consent and franchise for each utility-owned facility for
15 which a CCN is being requested, to the extent such is applicable.
16

17 **Q. IS PNM REQUESTING THAT THE COMMISSION DETERMINE THE**
18 **RATEMAKING TREATMENT THAT WILL APPLY TO THE REPLACEMENT**
19 **RESOURCES IN THIS APPLICATION?**

20 **A.** Yes. Section 62-9-1(B) provides that a public utility may include a request for
21 ratemaking treatment for facilities that are the subject of a CCN application. If a utility
22 requests ratemaking treatment, the statute requires that the Commission shall set forth the
23 ratemaking principles and treatment that will be applied in ratemaking proceedings after

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 the facilities are placed in service. For PPAs, Rule 551.9 provides that energy costs may
2 be recovered through the fuel and purchased power cost adjustment clause (“FPPCAC”)
3 and that capacity costs may be recovered through base rates, and provides that the
4 Commission may determine other ratemaking treatment. As with Section 62-9-1, Rule
5 551.9 provides that the Commission shall determine in its order approving the PPA the
6 appropriate ratemaking treatment if a utility requests a ratemaking determination different
7 from the default ratemaking provided in Rule 551.9.

8
9 PNM requests that the Commission approve recovery of capital costs and return on
10 investment at PNM’s weighted average cost of capital, plus maintenance expenses,
11 through base rates for the PNM-owned resources. For the PPAs, PNM will recover
12 energy costs through the FPPCAC, and requests that the Commission authorize recovery
13 of demand costs through the FPPCAC until such costs are placed in base rates. PNM
14 Witness Monroy addresses PNM’s requested ratemaking treatment in his direct
15 testimony.

16
17 The plant descriptions and cost information in the testimonies and exhibits of PNM
18 Witnesses Fallgren and Monroy will allow the Commission to apply the standards of
19 Rule 17.3.580 NMAC (cost overruns) in a future rate case when PNM requests recovery
20 of the new resources. This information also provides the Commission with general data
21 on new capacity costs in accordance with Rule 17.9.570.11(C)(2) NMAC.

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 **Q. WHAT STANDARDS APPLY TO PNM’S REQUESTS FOR PPA APPROVAL?**

2 **A.** Rule 551 requires that an electric utility obtain the Commission’s written approval before
3 becoming irrevocably bound under a PPA with a term of five years or more. Rule 551
4 contains informational requirements that PNM must address in its Application. In Case
5 No. 15-00083-UT, the Commission held that the standard for approval of a PPA was a
6 “modified version of the ‘public convenience and necessity’ standard for CCNs.” To
7 approve PNM’s proposed PPAs, the Commission must find that PNM has satisfied the
8 informational requirements of Rule 551.8 and that the agreements are needed, reasonable
9 and in the public interest, using the CCN principle that there be a “a net public benefit.”
10 PNM Witness Fallgren addresses PNM’s requested PPA approvals in his direct
11 testimony.

12

13 **III. REGULATORY FRAMEWORK FOR THE FINANCING ORDER**

14 **Q. WHAT STANDARDS APPLY TO PNM’S REQUEST FOR ISSUANCE OF A**
15 **FINANCING ORDER?**

16 **A.** The Energy Transition Act provides that the Commission shall approve a financing order
17 that complies with the requirements of Section 4 of the Act. PNM Witness Eden and
18 PNM Witness Atkins explain PNM’s request for a financing order and address PNM’s
19 compliance with Section 4 in their direct testimonies. Issuance of the requested financing
20 order provides the means for funding the measures and programs designed to mitigate
21 abandonment impacts on tribal and local communities.

22

**DIRECT TESTIMONY
OF MARK A. FENTON
NMPRC CASE NO. 19-____-UT**

1 **Q. WILL PNM TIMELY MAKE ALL REQUIRED COMPLIANCE FILINGS?**

2 **A.** Yes. PNM will timely make all compliance filings with the Commission and other
3 agencies as required by the Public Utility Act, the Energy Transition Act, the
4 Commission's rules and orders, including the Company's Consolidated Application and
5 the Commission's action on its Application and other applicable law.

6

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

8 **A.** Yes.

GCG#525652

Educational Background and Relevant Employment Experience

PNM Exhibit MAF-1

Is contained in the following 1 page.

MARK A. FENTON

I am the Executive Director, Regulatory Policy and Case Management, for Public Service Company of New Mexico (“PNM” or the “Company”). My business address is 414 Silver Avenue, SW, MS-1105, Albuquerque, New Mexico 87102.

EDUCATION

I graduated from the University of New Mexico in May 1986 with a Bachelor of Science Degree in Chemical Engineering. I obtained an Executive Master of Business Administration Degree from the Robert O. Anderson School of Management at the University of New Mexico in December 1993. I am a Registered Professional Engineer in the State of New Mexico (Registration No. 11396).

PROFESSIONAL EXPERIENCE

I have been employed at PNM since May 1985 with the exception of the period from 1993 to 1997, when I was a Vice President at Southwest Water Consultants, Inc. During my employment at PNM, I have held a variety of engineering, supply planning, management and regulatory positions at PNM and its former unincorporated divisions, Sangre De Cristo Water Company in Santa Fe and PNM Gas Services. I was promoted to my current position of Executive Director in February 2019.

In my current position, I oversee and manage:

- The development of regulatory policies and strategies, preparation of PNM’s applications and testimony for regulatory approval, and other case-related filings at the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) and the Federal Energy Regulatory Commission (“FERC”);
- Regulatory compliance with the rules and regulations of the NMPRC and FERC;
- PNM’s participation in rulemakings, investigations and other regulatory proceedings at the NMPRC and FERC; and
- Communications by PNM with external parties on regulatory case matters.

I have prior experience with regulatory matters regarding San Juan Generating Station (“SJGS”). In 2013, and throughout the case, I provided oversight for PNM’s case management of NMPRC Case No. 13-00390-UT which was an application of PNM for approval to abandon San Juan Generating Station Units 2 and 3, issuances of Certificates of Public Convenience and Necessity for replacement power resources, issuance of accounting orders and determination of related Ratemaking Principles and Treatment. I also have experience through my position as Director of Regulatory Policy and Case Management and previously as a case manager on several PNM rate case applications and related filings since 2007. Additionally, I testified in front of the Commission in NMPRC Case No. 15-00134-UT and filed direct testimony in NMPRC Case No. 18-00243-UT.

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AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

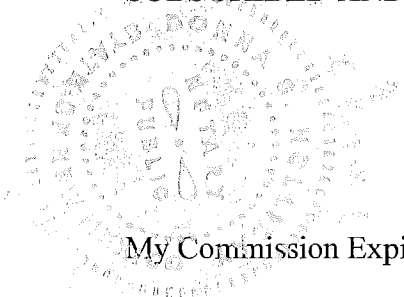
MARK A. FENTON, Executive Director, Regulatory Policy & Case Management, Public Service Company of New Mexico, upon being duly sworn according to law, under oath, deposes and states: I have read the foregoing **Direct Testimony of Mark A. Fenton** and it is true and accurate based on my own personal knowledge and belief.

SIGNED this 28th day of June, 2019.

Mark A. Fenton
MARK A. FENTON

SUBSCRIBED AND SWORN to before me this 28th day of June, 2019.

Donna S. Holliday
NOTARY PUBLIC IN AND FOR
THE STATE OF NEW MEXICO



My Commission Expires:

1. 21. 2020