

STAKEHOLDER QUESTIONS 20230504

Offered by Barbara Chatterjee, Community Member, prior to March 28, 2023, Stakeholder Meeting.

Question: What is the relationship between PNM and PNMR and what is the role of each in the IRP process and implementation?

Response: PNM is a wholly owned subsidiary of PNM Resources. PNM is a regulated utility subject to the rules and procedures of the New Mexico Public Regulation Commission. The IRP rule applies only to PNM, not PNM Resources. PNM Resources is a publicly traded company not directly subject to the regulatory oversight of the NMPRC. PNM is responsible for developing the IRP and must make filings and gain approval from the NMPRC to acquire any resources subject to the NMPRC's Certificate of Convenience and Necessity ("CCN"), Power Purchase Agreement ("PPA"), and other applicable rules.

Question: What PNMR businesses are within or outside the IRP process? What percentage of PNMR are in each of these categories?

Response: The only business subject to the IRP rule is PNM.

Question: Does anything in the non-regulated sector impact PNM's planning and/or operations? If so, how?

Response: Many things in unregulated sectors impact PNM's planning and operations, such as the price for new resources, the cost of natural gas, the cost of capital, regional markets, and other factors – all are not regulated by the NMPRC. Most all the fundamental drivers in the planning and operations process are things beyond PNM's and the NMPRC's direct control. PNM plans in uncertain environments to best meet its customer's needs. PNM's rates, procurements and operations are regulated by the NMPRC.

Question: How do unregulated activities relate to the IRP process?

Response: See response to the previous question.

Question: What are the PRC's objectives and expectations for the IRP process?

Response: The NMPRC IRP rule provides for its objectives.

Question: In the revised IRP rule 17.7.3.1 NMAC of 10/27/2022, which parts are new and which carry over from before? A table showing the changes could be helpful.

Response: Please find attached Exhibit B which is a redline of the previous rule to the new rule which was filed in the IRP Rulemaking Docket

Question: Where are the stakeholders defined in the new Rule?

Response: Stakeholder is not a defined term in NMAC 17.7.3

Question: How do the commission or PNM know when the enough varied stakeholders are participating to meet requirements?

Response: The facilitated stakeholder process that is currently being conducted by Gridworks has been sent to a very broad group determined by the facilitated stakeholder.

Question: What happens if no stakeholders can be enlisted from a given key sector?

Response: The Commission determined in its rulemaking that the Commission appointed stakeholder process is appropriate to receive public input to the IRP.

Question: How does the Statement of Need relate to PNM's business plan and operations?

Response: The Statement of Need defines requirements that PNM must meet in the future; however, prior to pursuing any new resources, PNM must seek subsequent approvals from the NMPRC through filings for a CCN, PPA or other applicable approvals. Therefore, the Statement of Need outlines a high-level roadmap for future procurements and investments by PNM, but actual outcomes may vary when specific market bids are sought to inform procurement analyses and filings.

Question: Is the Independent Monitor for RFP's a new element under 17.7.3?

Response: Yes

Question: Under 17.7.3.12.F (4) What is meant by “resources be able to operate under automatic dispatch control”?

Response: Resources that have Automatic Generation Control (AGC) can follow a dispatch signal sent by the remote system operator to vary its output to a desired set point.