

Directions:

Below is a compilation of EPE's proposed Action Plan (numbered items) and paraphrased stakeholder suggestions (bullet points). Source documents can be found at: [EPE Action Plan](#) and [Stakeholder Input - ACTION PLAN](#).

Our goal for the afternoon of July 24 is to work toward an agreed upon Action Plan. Please read this discussion guide and come to Workshop #8 prepared to:

- Identify the highest priority item(s) below you most want to discuss,
- Ask questions and seek clarifications of these items, and
- Share your suggestions for edits of these items.

EPE ACTION PLAN

1. EPE will take the necessary steps to support the practical completion and commercial operation of its resources selected from the **2021 RFP**.
2. EPE will continue to pursue resources selected from its **2023 RFP** and seek all necessary regulatory approvals.
3. EPE will integrate the results of EPE's **2025 RFP** into the needs identified in the 2025 IRP, dependent upon the Commission's action on EPE's Motion for Clarification/Variance in Docket No. 25-00045-UT.
4. EPE will issue an **RFP for supply side and demand side resources** to address the current capacity needs and renewable portfolio standards (RPS) resource needs to meet Renewable Energy Act (REA) targets through 2030.
 - Commit to a defined MW number for DER procurement over the next 10 years
 - i. Set metrics (avoided investment, improved utilization, system efficiency, resilience, social justice)
 - Targeted RFP for future residential demand resources
 - Allow the utility to earn a return on residential DER investments
 - Targeted RFP for future C&I demand resources
 - Commit to a demand resource program that achieves 300 MW of demand side accredited resources by 2029 (all customer classes)
 - i. Peak demand reduction and increased load factor
 - Allow the utility to earn a return on C&I demand response investments
5. EPE will design and implement one or more **pilot programs**, contingent on receiving any necessary regulatory approvals, to explore **innovative distributed energy resources (DER)** configurations to evaluate their potential benefits.
 - Explore implementing/soliciting a robust virtual power plant (VPP) program as well as non-wires alternatives projects
 - Create a Technical Assistance/Technical Incentive (TA/TI) program for

- commercial customers with incentive tiers
 - Refine the incremental value streams that DERs can provide that Plexos does not capture
 - Define a combined value of Solar + Battery for DER (as opposed to central station configuration)
 - Develop a \$KW value to the EPE system for demand side resources - impacts on generation and T&D investment, operating expenses, line losses, etc.
 - Define a 'combined value' of wind + storage similar to solar + storage - complementary benefits for the system
 - Define the 'best case' for DERs - duration of storage, hours for DR, etc. that would best serve EPE now and in the future
6. EPE will evaluate the performance of the **electric vehicle (EV) managed charging** program approved in EPE's Transportation Electrification Plan (TEP) in March 2024 to guide potential expansion and integration into broader demand-side management strategies.
 7. EPE will explore **vehicle-to-grid (V2G) opportunities and bidirectional EV charging**, with the goal of evaluating its potential to support grid operations, enhance customer value, and integration with distributed energy management strategies.
 8. EPE will continue to work on **grid modernization efforts**, including evaluating AMI-enabled capabilities to support DER coordination, demand response, and customer engagement.
 - Require automated controls for all residential upgrades to support utility demand response calls
 - Incentives and approved vendor network for fully automated demand response programs - EPE direct signaling control
 9. EPE will continue to evaluate **time-of-day (TOD) rates** recently approved by the NMPRC in EPE's 2020 rate case for system betterment and utilization for New Mexico customers.
 - Opt out TOU rates for all residential customers in the next rate case
 - More customer education to drive TOU enrollment
 - Opt out TOU rates for all C&I customers in the next rate case
 10. EPE will take steps to initiate **replacing the Eddy Tie** and seek all necessary regulatory approvals.
 - Place a high priority on detailed cost/benefit analysis of Eddy upgrade
 - Explore enlarging the Eddy Tie beyond 200 MW capacity
 11. EPE will explore **tariffs and customer protection mechanisms for large load customers** and other New Mexico rate classes. EPE expects to use this information to inform an expected upcoming filing for a large load tariff.

- Require large customers to provide demand response capacity equal to 20% of their estimated peak load
 - Publish EPE's plan for large load interconnection early before generation resources are obtained to support them - how will EPE address the near term capacity shortfall?
 - Tariff protections for existing customers: temporary self-power, permanent renewable resources, transmission costs to interconnect large customers
 - Design steps for regulatory review of special service contracts
12. EPE will continue to explore **expanded regional market participation** and take proactive measures to implement its selected market, **Markets+**.
- Begin negotiations to purchase renewable contracts with SPP
13. EPE will implement its New Mexico **time varying rate pilot program (TVRPP) filing** that was recently approved by the NMPRC, including recruiting participants, launching the program, and analyzing usage data to inform future TOD rates and other programs.

OTHER STAKEHOLDER IDEAS

Transmission & Distribution Investments

- Assessment of the use of grid enhancing technologies - current installations and future opportunities
 - dynamic line ratings
 - advanced power flow controls
 - other technologies
- Viable, cost-effective technologies included as requirements in RFPs for new T&D resources
- More transparency on EPE's plans for T&D investments

Social Cost of Carbon

- Develop a \$ per ton social cost of carbon - apply to all IRP scenarios to illustrate carbon implications

Gas Prices

- Include a fuel purchasing strategy in the IRP
- Evaluate potential reduction of non-price protected gas purchases
- Investigate the cost impact of purchasing Certified NG (certified to be produced downstream to upstream with controlled losses). Claim the Certified NG benefits as a savings for the Social Cost of Carbon

Emerging Technologies

- Carbon capture: document the 'de-rated' value of the unit for implementing carbon capture and compare fuel use with and without carbon capture
- Long duration storage: needs more analysis to understand operational efficiency, system

and locational value

- Partner with other NM investor-owned utilities and the PRC to issue an annual RFI to timely update generic resource costs and available generation, T&D, and demand management technologies in NM.

Stakeholder Engagement

- On-going engagement with stakeholders, every six months - emerging tech updates, IRP implementation status

Future Modeling

- Report carbon emissions for all model alternatives for both peak and average demand load

Ideas for EPE's consideration in other regulatory venues:

- EPE should explicitly connect the forecasted DSM/DER outcomes of the IRP scenario to the next EE/LM Plan filing (2027).
- Eliminate energy efficiency heating and cooling incentives for gas powered HVAC
- Build price protections into natural gas purchase contracts to protect against emergency/price gouging events like winter storm URI.
- Any determination of cost-effectiveness and viability will include consideration of grid enhancing technology contributions
- Encourage the deployment of heat pumps by educating and incentivizing customers
- Establish incentives for the purchase of Battery Energy Storage Systems (BESS)
- Explore the costs and benefits of incentivizing installation of advanced solar inverters ([IEEE 1547](#) and [UL 1741](#))
- Develop agreements with community low/moderate incomes housing for day-to-day energy savings and utility demand response assets
- Issue an RFP just prior to the next IRP cycle to obtain current (at that time) long duration energy storage cost estimate