Stakeholder Engagement and El Paso Electric Company's 2025 Integrated Resource Plan

Transparency Through Facilitated Dialogue

GRIDWORKS

EXECUTIVE SUMMARY

New Mexico implemented a facilitated stakeholder process for the development of electric utility Integrated Resource Plans (IRPs) in 2023, following rules passed by the New Mexico Public Regulation Commission (PRC) in November 2022. The new facilitation process contributed to the El Paso Electric (EPE) Company filing an IRP that included substantive input from stakeholders. This is the first IRP filed by EPE under the new rules and marks the first experience for the utility and many of its stakeholders with a facilitated engagement process.

Outcomes of the process include:

- The utility analyzed five modeling scenarios suggested by stakeholders to supplement their own modeling runs.
- EPE incorporated several key stakeholder inputs into the statement of need and action plan after the final stakeholder gathering in August.

The facilitator's review of success measures concludes that this stakeholder engagement effort was a success. Stakeholders were heard, understood, and had an impact on the IRP. The utility also reported that stakeholders had a high impact on the IRP. Stakeholders felt that the process was transparent and respectful, applauding the positive attitudes and responsive engagement by EPE.

Recommendations for strengthening stakeholder participation and increasing transparency in New Mexico's IRP process are:

1. **Extend the minimum timeline for the facilitated stakeholder process from 6 months to 9 months.**
2. **Offer a more time-efficient option for stakeholder engagement.**
3. **Set an expectation that utilities will incorporate information about ongoing and new resource solicitations and procurement activities taking place during IRP planning discussions.**
4. **Clarify the role of the PRC Utility Division staff.**

New Mexico is well served by stakeholder engagement thanks to the 112 participating stakeholders from 76 different organizations, the dedication of the EPE IRP team, and the leadership of the NM PRC.

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I. OBJECTIVES & PROCESS

A. Background and Objectives

In November of 2022, the New Mexico Public Regulation Commission (PRC) established new rules for the state's Investor-Owned Electric Utilities' Integrated Resource Plans.[1] The new Rule added a mandatory facilitated stakeholder process to the planning steps. The facilitated stakeholder process must commence no later than six months before the filing of the IRP. El Paso Electric Company (EPE) prepared and filed its Integrated Resource Plan (IRP) on September 2, 2025, under PRC case number 24-00260-UT, incorporating input received through this mandatory facilitated stakeholder process.

Key elements of the IRP that require stakeholder input are the **statement of need** and the **action plan**. The statement of need outlines the type and quantity of resources necessary to reliably meet customer demands and comply with state policies. The action plan outlines the specific steps the utility will take over the next three years to implement the resource plan.

Per the IRP rule, the Commission-appointed facilitator is to work with stakeholders to advise the utility and reach potential agreement on the statement of need and action plan.[2] Stakeholder views are critically important as New Mexico strives to achieve its clean energy goals, replace aging infrastructure, and integrate transmission and distribution resources into the planning process, all while maintaining reliability and affordability.

The PRC's objectives, as stated in the IRP Rule, are:

> ***"This rule serves the commission's objectives of***
> - ***increasing transparency,***
> - ***involving stakeholder participation early in the process, and***
> - ***tying the IRP outcome directly to the procurement process."***
>
> *17.7.3.6 NMAC*

Figure 1 depicts stakeholder inputs, as prescribed by the IRP Rule.

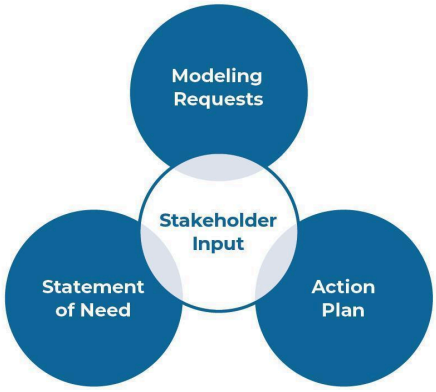


Figure 1. Areas for Stakeholder Input

[1] 17.7.3 NMAC.
[2] 17.7.3.7 NMAC.

Increasing the transparency of modeling activities was supported by three specific provisions in the IRP Rule:[3]

1. providing stakeholders with reasonable access to modeling software,
2. performing a reasonable number of modeling runs, and
3. sharing all modeling information.

MODELING FOR UTILITY INTEGRATED RESOURCE PLANNING

Electric utilities utilize computer simulation models to evaluate options for meeting future electricity system demands. The models simulate the electric system for decades into the future and select among different resources to meet electric demand at the lowest cost while meeting reliability criteria. The models can be programmed to require the utility to meet policy goals, such as a renewable portfolio standard or an emissions limit. The simulations require input information from a broad range of variables, including weather, fuel costs, electric demand, technology costs, and the operating characteristics of generation and energy storage technologies. In the IRP, models are typically used to ***estimate*** *the cost, reliability, and emissions characteristics of different combinations of electricity generation and storage resources.*

The PRC appointed Gridworks to facilitate the stakeholder process for the EPE 2025 Integrated Resource Plan. This document summarizes the stakeholder process and outcomes. Recommendations for future utility IRPs are included in Section III.

B. Process and Logistics

1. Stakeholder Recruitment

Gridworks collaborated with the utility to identify and engage stakeholders from diverse perspectives. Stakeholders attending the first workshop were asked to provide input on additional participants they believed should be invited to the IRP conversations. The facilitation team prioritized recruiting organizations that are not typically involved in utility planning conversations. Invited stakeholders included city, state, and county officials; members of the public; residential customers; private industry representatives; transmission developers; labor unions; nonprofit organizations; advocacy groups; federal agencies; and research organizations.

2. Stakeholder Participation

One of the facilitator's goals was to engage parties involved in past regulatory proceedings and bring new and diverse perspectives to the conversation. A significant effort was made to engage stakeholders who may not have previously been involved in IRP activities.

[3] 17.7.3.9 NMAC.

Gridworks organized, facilitated, and documented nine stakeholder workshops, as well as seven "office hour" conversations,[4] totaling over 40 hours of facilitated conversations between February and August for the EPE IRP. Workshop venues varied to provide opportunities for participation by individuals from diverse locations. Two workshops offered both in-person and virtual involvement, while the remaining 14 gatherings were conducted through a virtual meeting platform. Stakeholder input was also accepted between gatherings through email with the facilitator team.

Figure 2 illustrates the sequence of conversations intended to build a shared understanding among stakeholders as they developed input for the modeling analyses, statement of need, and action plan. The nine workshop dates, with the number of participating stakeholders, are shown. Participation declined over the course of the process; this pattern is consistent with the facilitator's experiences with two prior IRPs in New Mexico. (See Section III for recommendations regarding the diversity and sustained engagement of stakeholders.)

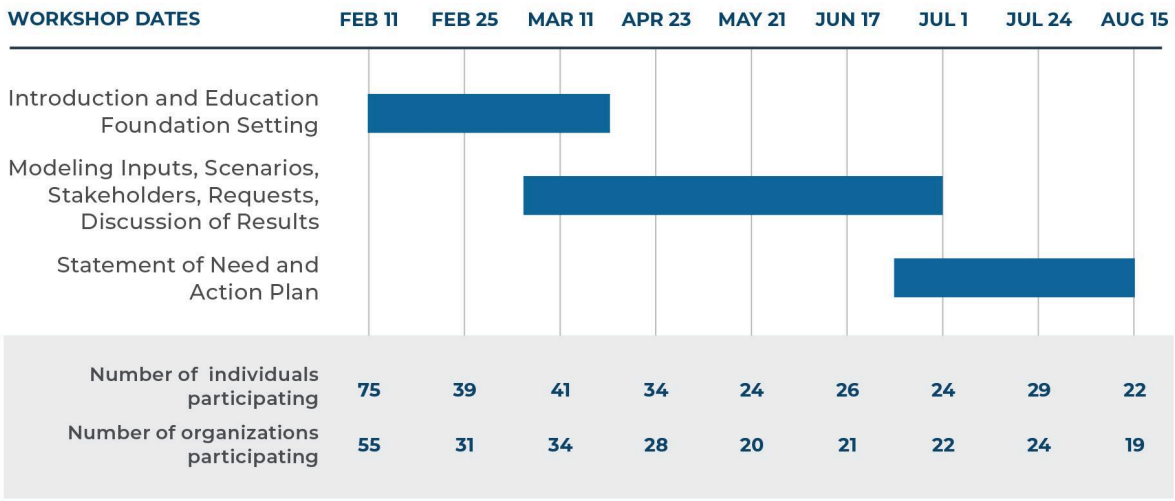


Figure 2. EPE Stakeholder Engagement Summary

Figure 3 summarizes the levels of stakeholder engagement, and the list of 76 organizations attending one or more workshops is presented on page 8.

[4] Office hours, held virtually, were optional sessions for interested stakeholders to discuss specific topics. Topics included demand-side resources, modeling run request parameters, long duration energy storage, the Eddy County HVDC tie, social cost of carbon, ELCCs, and a modeling scenario results as a preview to Workshop #8. A specific session for PRC Utility Division staff was also held.

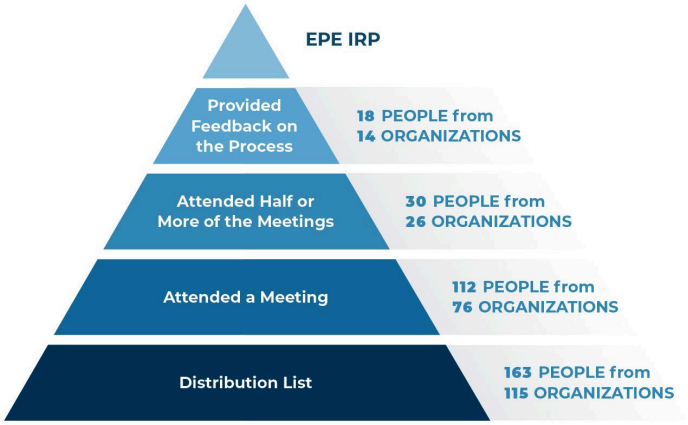


Figure 3. Stakeholder Engagement

Stakeholders attending more than half of the workshops included residential customers, state agencies, industrial developers/investors, clean energy advocates, labor unions, potential vendors, and municipal and federal customers. Residential customers, PRC utility division staff, and clean energy advocates offered the most input throughout the process. Elected officials, environmental advocacy organizations, and income-limited stakeholders were less vocal throughout the process.

Figure 4. Attendees at a Stakeholder Workshop Held in Las Cruces

Stakeholder knowledge varied considerably. One-fourth of the attendees at the first workshop reported having no knowledge about the resource planning process for New Mexico electric utilities. Stakeholders who participated in the entire process reported a high level of knowledge by the end of the process.

THANK YOU TO PARTICIPATING STAKEHOLDERS

350 NM
Advanced Energy United
Air Force*
Alta Mesa Estates
Apex Clean Energy
Army
Assistant Director of El Paso TX
Base Power
Black Forest Partners*
Blacktail Energy
Blue Road Investments
Borderplex Alliance*
Borderplex Digital Assets
Bradfute Sayer, Consulting & Legal Services
CBRE, Inc
City of El Paso
City of Las Cruces*
Coalition for Clean Affordable Energy*
Colliers
Creation Energy*
Customers (5 Residential Customers)*
DOD/FEA
Dona Ana County
Eco El Paso
Energy Consultant
Form Energy
Fort Bliss, MWR
Global Perspectives Integrated, Inc.
Grid United
GSA
Help NM
IBEW
IBEW Local Union 611
IBEW, 7th District*
Independent consultant/researcher*
Innergex
Interwest Energy Alliance
Iron Horse Resources*
Las Cruces Sun News
Life is Good*
MMR Power Solutions
Modrall Law Firm
Mesilla Valley Economic Development Alliance
NASA
NextEra Energy Resources
NM Attorney General
NM DOT
NM EMNRD
NM RETA*
NM State Land Office*
New Mexico International Business Accelerator
NM PRC*
NMSU*
Nucleus Digital Assets, Inc.
Organ Mountain Solar & Electric*
Pattern Energy
Raith Capital Partners*
Renewable Energy Industries of NM
Santa Teresa Land, LLC
SCCOG-NM
Southwest Energy Efficiency Project
Southwest Power Pool
Southwestern Power Group
Spenser Fane
NM DOT
Stelzner Law*
SWEEP*
Third Act NM*
Unitarian Universal Church/Climate Action Committee
Western Resource Advocates
White Sands Missile Range

** Organizations in attendance at half or more stakeholder meetings.*

3. Engagement Themes and Sequencing

Stakeholder engagement activities initially focused on building a foundation of common knowledge before gathering input on modeling requests, the statement of need, and the action plan, as shown in Figure 2 above.

Modeling discussions were featured in six workshops and seven office hour sessions. Modeling inputs, assumptions, scenarios, and sensitivities related to resource modeling were essential topics, as the results inform decisions regarding resource needs. (See Section I.B.5 for more information about how modeling topics were addressed.) Two key issues throughout the facilitated stakeholder process included the role of demand side resources and the challenges associated with serving new large load customers (such as data centers).

The final phase of IRP facilitation focused on stakeholder input to the statement of need and action plan. Candidate actions were offered by the utility and stakeholders, discussed during a late July workshop, modified by the utility, and then presented to the stakeholders in mid-August. Both the statement of need and action plan were modified between the final stakeholder gathering in August and the filing of the IRP.

4. Information Sharing

Information developed during the facilitated meetings was posted on the Gridworks website[5] as the primary repository. During the last few months of the process, requests for information, questions, and responses to these requests were posted under the heading of “punch lists” on the Gridworks website.

Access to modeling information was provided through EPE presentation materials as well as via a shared file system (SharePoint) for stakeholders who requested access. Seventeen stakeholders requested access to the SharePoint site, which contained detailed modeling information.

5. Modeling Activities

Stakeholders with diverse interests and backgrounds expressed an interest in modeling activities. All stakeholders were given access to modeling information and had the opportunity to suggest additional modeling runs to supplement those conducted by the utility. Stakeholders found it challenging to articulate their desired model runs. A factor contributing to this challenge was the availability of the base case model results, which were not available until midway through the facilitated stakeholder process.

Modeling run suggestions were submitted through “modeling request forms.” The utility received 25 unique model requests from nine different stakeholders, seven of which were deemed “non-conforming.” Non-conforming requests included analyses that were not supported by the utility’s current modeling tools. Non-conforming requests included predicting the impact of

[5] https://gridworks.org/

an energy storage device on a specific distribution feeder, assigning a “resiliency” metric to a set of resource options, and including the cost of transporting and storing carbon dioxide for a carbon capture and sequestration resource. The 18 “conforming” requests fell into the following categories:

- Demand-side options (11 requests)
- Load growth and electrification (2 requests)
- Supply-side options (2 requests)
- Transmission and distribution interventions (2 requests)
- Cost of carbon analysis (1 request)

Stakeholders with similar requests were encouraged to attend special “office hours” to help refine model parameters. These facilitated conversations resulted in parameters for five consolidated stakeholder-requested modeling scenarios, listed below:[6]

- Addition of specific residential demand-side resources, including time of use rates, distributed energy resources (behind-the-meter solar and batteries), and demand response (load curtailment)
- Evaluation of expanded commercial and industrial demand-side resources
- Examination of the impact of including the social cost of carbon
- Exploration of the benefits associated with improved power transfer capacity to and from the Southwest Power Pool
- Investigation of the practicality and necessary attributes of incorporating new, flexible, large customer loads into the system

A sixth scenario focused on evaluating grid-enhancing technologies was originally envisioned but not analyzed. The model did not select transmission solutions under any scenario, hence there was no opportunity for consideration of these technologies.

The IRP Rule states that the utility *“shall provide stakeholders reasonable access to the same modeling software used by the utility.”*[7] The facilitator is not aware of any stakeholder who requested this access.

Modeling as a tool for informing the statement of need is a complex and highly technical topic. Stakeholders gained a deeper understanding of the complexities associated with predicting and satisfying future needs. Some stakeholders expressed a desire to spend less time on the modeling mechanics and more time discussing modeling results and implications for the statement of need. Others wanted to dig more deeply into the modeling process. Recommendations for managing this tension are included in Section III.

[6] An April poll of stakeholders indicated that 14 of 17 respondents were in agreement with the direction the stakeholder requested model runs were taking.
[7] 17.7.3.9 NMAC.

II. OUTCOMES

The facilitation process contributed to EPE filing an IRP that includes input from stakeholders. The stakeholder and utility conversations increased the transparency of the planning process. The utility considered numerous contributions from the 112 participating stakeholders as it works to meet state energy policy goals while maintaining a reliable and affordable electric system. The ultimate costs of the plan will depend on the results of future solicitations for energy resources and the successful implementation of programs identified in the action plan. Each of these steps requires further regulatory review by the PRC.

The sections below describe outcomes of the facilitation process for the utility statement of need and action plan. Measures of success regarding stakeholder engagement are also presented.

A. Statement of Need

EPE incorporated several key stakeholder inputs into the statement of need after the final stakeholder gathering in August.

Polls conducted in July and August to assess the level of stakeholder agreement revealed a lack of agreement with the utility's proposed statement of need.[8] Unresolved issues at that time are described below. EPE was responsive to stakeholder concerns, which were brought into focus during the July and August gatherings, and addressed many of them in the final IRP.

Key Stakeholder Issues

- The utility's commitment to utilizing demand-side resources was insufficient.

Of primary concern to stakeholders was the utility's lack of recognition of the potential benefits of demand-side resources. One stakeholder said, "EPE ultimately included an amount of demand response and demand-side resources in their statement of need. The path to that outcome was not always straightforward. What was needed was an open and in-depth exploration of the EPE utility system from the demand-side perspective: the key end uses, their locations and timing; and EPE's existing and planned demand-side programs."

The utility's decision to include demand-side resources in Table 35 on page 118 of the IRP was critical to stakeholders.

Table 35: Aggregate Resource Additions for New Mexico

Resource Type	By 2030	By 2045
Supply-Side Renewable	39 MW to 462 MW	666 MW to 1,328 MW
Supply-Side BESS	142 MW to 659 MW	372 MW to 854 MW
DR	Up to 88 MW	Up to 175 MW
DERs	Up to 81 MW	Up to 163 MW
LDES	Up to 200 MW	Up to 200 MW
CC with Carbon Capture	Up to 200 MW	Up to 200 MW

[8] Statement of need stakeholder agreement data: July, 20% disagree, 53% agree; August, 47% disagree, 36% agree.

Stakeholder feedback collected after the filing of the IRP included positive comments from several individuals supporting the utility's final approach to addressing this issue.

- A lack of clarity on how the utility will meet resource needs between now and 2030, the soonest that significant new resources are expected to come online.

Stakeholders requested a detailed explanation of how the utility planned to address EPE's New Mexico system capacity shortfall of approximately 254 MW between now and 2030. Modeling focused on utility needs between 2030 and 2045, yet stakeholders asked for clarity on the near-term plan. This request was not satisfied in the filed IRP.

- The impression that EPE was not committed to New Mexico's Renewable Portfolio Standard (RPS).

Commitment to New Mexico's RPS was an important issue. Stakeholders opposed the inclusion of a particular disclaimer in the early drafts of the statement of need, which read: "Beyond just meeting demand, EPE must meet New Mexico's Renewable Portfolio Standard (RPS). This means a significant portion of future energy must come from renewable sources. **However, affordability and reliability considerations may act as a limitation to EPE's degree of compliance with the RPS over time**." The utility responded to this concern and removed this latter sentence from the statement of need in the filed IRP.

- An inadequate description of transmission, distribution, and grid modernization strategies.

EPE described their current journey of evolving from Integrated Resource Planning to Integrated System Planning, which will include more detailed consideration of transmission and distribution assets, as well as grid modernization work. Many stakeholders were supportive of this approach and look forward to seeing progress toward EPE's Integrated System Plan.

B. Action Plan

EPE adjusted the action plan following the final stakeholder gathering in August to address stakeholder input.

Stakeholder gatherings in July and August provided opportunities for refinements to the action plan. Unresolved issues regarding the action plan, as listed by stakeholders at the end of the stakeholder gatherings, were:

- a lack of dates/deadlines and clear, tangible deliverables for many action items, and
- a desire for changes to the time-varying rate pilot program action item.

In addition, actions to address the unresolved issues mentioned in Section II. A were missing from the plan. Polls conducted in both July and August to assess the level of stakeholder agreement with the utility's proposed action plan reflected a reduced level of agreement

between the July and August meetings.[9] Gridworks infers that this reduced level of agreement is derived from stakeholder frustration that successive drafts did not adequately reflect their key issues.

Several action plan topics were common to both stakeholders and the utility. The process for collecting ideas for action plan items resulted in 13 items from the utility and 119 stakeholder suggestions. All ideas were consolidated into themes as depicted in Figure 4, and common topics are shown with connecting arrows.

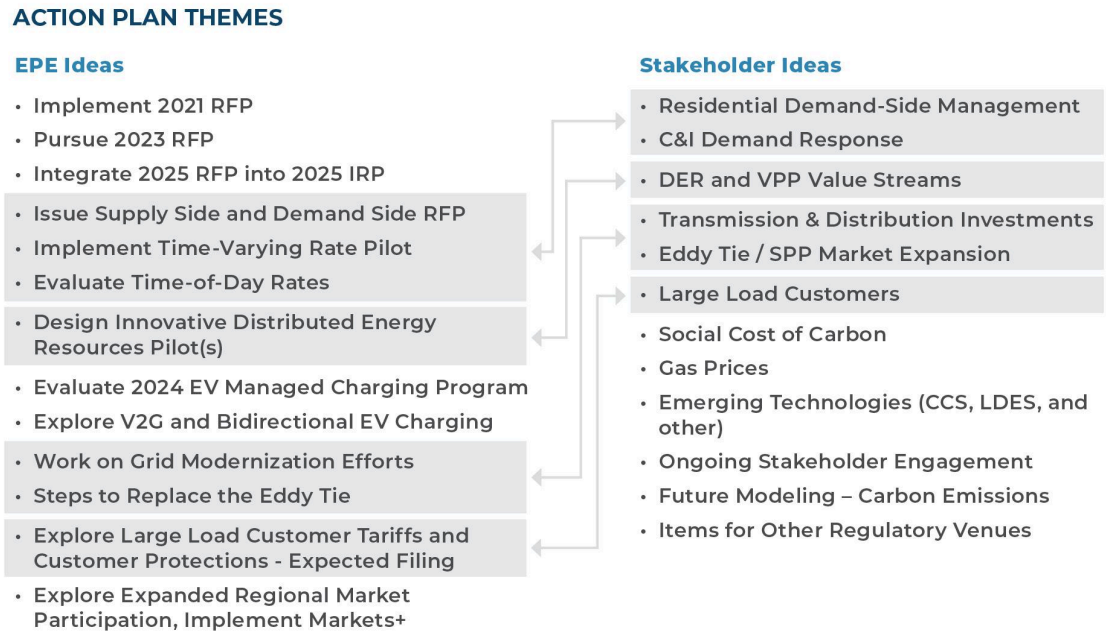


Figure 4. Action Plan Themes

C. Stakeholder Engagement Success Measures

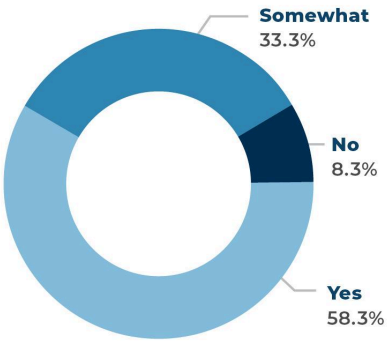
While stakeholder engagement has become a recognized tool in utility regulatory processes, defining what makes engagement meaningful and effective can be challenging. During this work, Gridworks considered what makes for successful stakeholder engagement.

Gridworks reviewed recent reports on stakeholder engagement, aiming to gain a deeper understanding of how researchers define and establish best practices for success. The review is included in its entirety in Appendix V.C. Borrowing from the National Association of Regulatory

[9] Action plan stakeholder agreement data: July, 7% disagree, 73% agree; August, 50% disagree, 25% agree.

Utility Commissioners' stakeholder engagement framework, Gridworks applies best practices to the facilitated process for EPE below.

BEST PRACTICE	EPE PROCESS EXPERIENCE
SCOPE	
Did the process increase transparency, involve stakeholder participation early in the process, and tie the IRP outcome directly to the procurement process?	Yes. Stakeholders applauded the transparency; stakeholders participated early; and the utility reported that the number of engaged stakeholders exceeded that of prior EPE experiences. However, ties between planning and procurement processes were incomplete.
FACILITATION APPROACH	
Did a neutral entity facilitate the process?	Yes. Both stakeholders and the utility agreed that Gridworks fulfilled the role of the independent facilitator. To quote a stakeholder survey response: "Overall, the professionalism of the Gridworks staff and the consistently respectful and engaging participation of EPE created a strong feeling that we were engaged in a serious task with eventual real-world results, of benefit to all concerned."
ENGAGEMENT APPROACH	
Was the process transparent and respectful?	Yes. Feedback from stakeholders and EPE indicates that the process was transparent and that interactions were respectful.
Were participants representative of the utility's customers?	No. Stakeholder feedback indicated that small businesses and environmental advocacy representatives were lacking. The facilitator's view is that, in addition, consumer advocates, income-limited representatives, and elected officials, when present, were less vocal.
Did stakeholders feel heard and understood?	Yes. Data from the end-of-process survey indicated that 25% of respondents felt "mostly heard and understood," and 75% felt "fully heard and understood." In addition,

	Gridworks asked stakeholders if their priorities (as identified during workshop #1) were addressed. Responses are shown in Figure 5 below.
 *Figure 5. "Were Stakeholders' Priorities Addressed?"*	
Were stakeholder requests for modeling runs incorporated, and were answers provided to stakeholder questions/requests for data?	Yes, mostly; see Sections II.C.5 regarding modeling runs and II.C.4 regarding requests for data. One stakeholder out of a group of 12 felt the facilitators did a poor job of facilitating the flow of information and responding to questions and data needs.
MEETING AND INFORMATION ACCESSIBILITY	
Were educational modules provided to build a foundation of common knowledge?	Yes, these materials were provided in utility presentations and informal conversations with subject matter experts.
Were targeted conversations for more knowledgeable participants accommodated?	Yes, office hour sessions were organized for specific topics, and utility representatives also followed up with specific stakeholders on particular issues.
Were data-rich presentations broken down into manageable pieces?	Yes. Data from the end-of-process survey indicated that over 80% of respondents felt materials were presented in an understandable format. However, the facilitator notes, the core group of committed participants was the majority of respondents to this final survey. Presentation materials may need to be adjusted for a broader audience.

Was time allowed for comments and questions?	No, stakeholder feedback indicated the need for more time for comments and questions. Stakeholder feedback also indicated that more time was needed for discussion on the implications and utility decisions resulting from modeling.
Were materials circulated in advance so stakeholders could review and prepare for meetings?	No, key presentations from the utility were made available 0-2 days before the workshops.
Was a repository of meeting information available, and were meeting summaries created and shared?	Yes, see El Paso Electric Company (EPE) - Gridworks (https://gridworks.org/initiatives/epe-irp/)
Did the process incorporate both in-person and virtual formats to accommodate diverse needs and preferences?	Yes, the two in-person workshops include virtual participation options.
Did stakeholders have multiple avenues to provide suggestions and input	Yes, avenues included verbal and chat input during workshops and office hours, email input to the facilitator, and polls and surveys during and after some gatherings.
TIMELINE	
Was the work completed in time for consideration in the utility's IRP?	Yes.
OUTCOMES AND FOLLOW-UP	
Were stakeholders informed about where their input was incorporated or addressed in the IRP?	Yes, for modeling requests. No, for input to the statement of need and action plan.
Did the utility report on all resolved and unresolved issues from the facilitated process?	Yes.
Did the utility commit to providing status reports and updates to stakeholders after IRP submission to the PRC	Yes, the utility included an action plan item to meet with stakeholders to discuss IRP annual reports.
Did stakeholder engagement impact the IRP?	Yes, Figure 6 below indicates that stakeholders who provided feedback at the end of the process felt that they had an

	impact on the IRP, except for one person. The EPE team reported that stakeholders had a significant impact on the IRP.

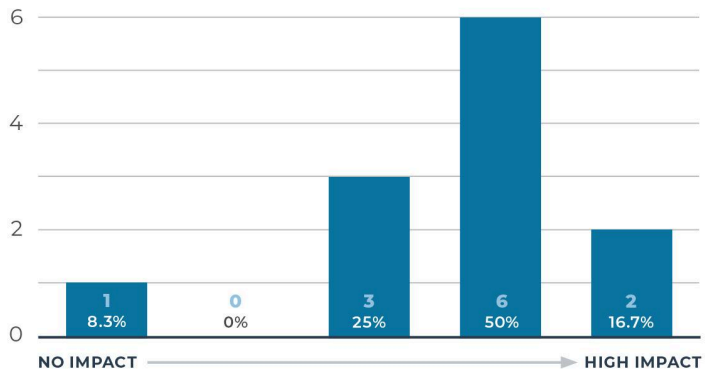


Figure 6. "To What Extent Do You Feel Your Contributions Made an Impact on EPE's IRP?"

One stakeholder said, "I think stakeholder input brought a lot more attention to Demand Resources, Grid Enhancing Technologies, and transmission planning in general, DER before and behind the meter, and the potentially large contributions to load management available through large load customers participating in Demand Response programs."

On balance, stakeholder feedback and survey responses indicate stakeholders felt heard, understood, and had an impact on the IRP. EPE also reported that stakeholders had a high impact on the IRP. Stakeholders felt that the process was transparent and respectful. In the final feedback meeting, stakeholders also recognized the positive attitudes and responsive engagement by the EPE team.

III. RECOMMENDATIONS

Stakeholders, the utility, and the facilitation team provided recommendations aimed at further increasing transparency and making the process more accessible to a diverse set of stakeholders. Suggestions focus on extension of the process timeline, developing efficient options for stakeholder engagement, and reinforcing utilities' inclusion of current market activities in IRP discussions.

- **Extend the timeline for the facilitated stakeholder process**. Extend the minimum stakeholder engagement timeline from 6 months to 9 months. As noted in Gridworks' Report to NM PRC 2024, 6 months is too short for the stakeholder engagement effort. Experience with three stakeholder engagement processes in New Mexico provides a

basis for this recommendation. The current IRP rule states “not later than 6 months after the facilitated stakeholder process commences, the utility shall file the IRP…” (17.7.3.9 NMAC). Based on experience, our suggested 9-month timeline is shown below:

  - Months 1 and 2 – negotiate roles between facilitator and utility, and identify and recruit stakeholders
  - Months 3 and 4 – orient stakeholders and solicit priority topics orientation; present utility system overview and update on the most recent action plan; and present base case model results
  - Months 5 and 6 - develop stakeholder-requested model runs; present model results; and present key decisions by the utility as a result of analyses
  - Months 7 and 8 - draft statement of need and action plan based on model results; iterate with stakeholder input;
  - Month 9 - utility finalizes and files the IRP with the NM PRC.

In the month following the filing of the plan, the facilitator collects feedback on the process and writes the report.

- **Offer a more time-efficient option for stakeholder engagement.** Explore ideas to increase the participation of previously underrepresented stakeholders and enhance engagement throughout the process. The EPE process involved over 40 hours of stakeholder meetings across seven months; stakeholder participation declined over this 7-month process. Sustained participation came from a core group of individuals who could devote significant amounts of time during the workday. Low-income advocates, elected officials, and environmental advocacy organizations had a limited presence in the process. A variety of ideas to remedy this shortcoming, collected from stakeholders, the utility, and the facilitators, are listed below.
  - Recruit and select one representative from key interest areas to form a “steering group,” which will meet more frequently, provide a diversity of perspectives, and serve as an interface to a larger group of stakeholders.
  - Provide financial support to select stakeholders based on clearly established criteria.
  - Add one or more public evening meetings, hosted by the facilitator, to discuss the key elements of the statement of need and action plan at least two months before filing. The purpose of this meeting would be to expand participation beyond the most active stakeholders and solicit broader input.

    - Organize separate modeling-related meetings with stakeholders who opt to engage in these detailed conversations, then update all stakeholders periodically on modeling topics.

- **Set an expectation that utilities will incorporate information about ongoing and new resource solicitations and procurement activities taking place during IRP planning discussions.** During the spring months, EPE announced it would seek a competitive solicitation under its previous IRP. This announcement led to stakeholder confusion, particularly regarding discussions on total resource need and modeling inputs. A clear expectation that a utility share information about ALL procurement activities during the planning effort would enhance transparency and better align planning with procurement.

- **Clarify the role of the PRC Utility Division staff.** The IRP Rule allows Utility Division Staff to "participate" in the facilitated stakeholder process. However, it is unclear whether participation entails seeking data clarifications, suggesting modeling runs, or advocating for specific objectives. During this process, utility division staff occasionally assumed conflicting roles, which caused confusion among stakeholders and the utility. The PRC is not a stakeholder in this process, so guiding the utility division staff's proper role would be helpful.

IV. CONCLUSION

This report summarizes a successful stakeholder process for EPE under the new IRP Rule. EPE found value in the increased number of engaged stakeholders compared to prior IRP efforts and noted that stakeholders had a significant impact on the content of the plan. Stakeholders enhanced their understanding of the planning process's complexity and reported that their impact on the plan was moderate to high. Stakeholders appreciated the positive attitudes and responsive engagement by the EPE team.

The independent facilitation contributed to EPE filing an IRP that directly addresses several converging trends in the electric utility industry and a period of significant transition in New Mexico. All participants contributed to achieving the goal of increased transparency by providing meaningful input to the IRP. The process also raised, but did not resolve, the need for connecting planning and procurement activities.

V. APPENDIX

A. Summary of Stakeholder Interests

A summary of stakeholder interests is described in this section.

Gridworks and EPE collaborated to identify and contact stakeholders from diverse perspectives. Ultimately, the distribution list included 163 individuals from 115 organizations (excluding 60 individuals from EPE, their consultants, and Gridworks personnel). A group of 112 individuals from 76 organizations attended at least one stakeholder workshop.

Stakeholders offered their priority topics of interest during the first workshop. The most commonly stated topics were:

- 2021 IRP outcomes and how they relate to 2025 planning
- EPE's progress toward New Mexico's resource portfolio standard requirements
- Meeting requirements of the IRP rule: reducing greenhouse gas emissions, fostering clean energy development, and grid modernization
- Transition to a zero-carbon electricity system in the most efficient, affordable, and cost-effective way
- Role of distribution system planning, distributed energy resources, virtual power plants, and demand management in integrated resource planning
- Load growth, electrification, data centers, and power availability to support development
- Treatment of battery energy storage systems in the future resource mix
- Reliability for loads at the end of feeder lines; grid resilience
- Affordability, energy cost burdens for low-income customers
- Regionalization, EPE participation in a wholesale market, transmission needs, and impact on resource requirements
- Rate designs and load management tools to reduce system peak and the need for new resources
- Anticipation of labor needs to build future resources
- Ensuring a transparent and fair competitive solicitation resulting from the action plan

The words cited most often by stakeholders during the introduction of their interests are illustrated in the "word cloud" shown in Figure 7.

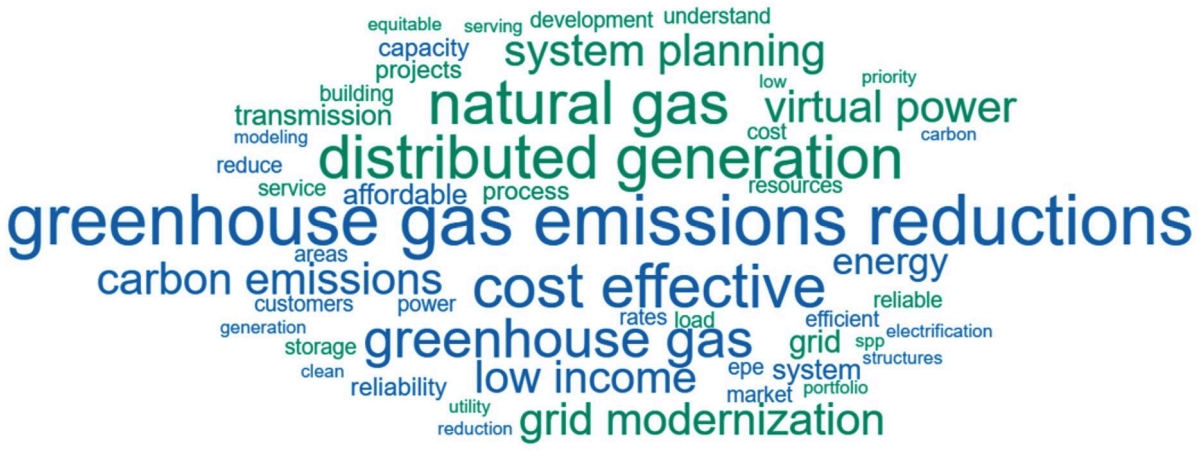


Figure 7. Stakeholder Topics of Interest. Phrases Cited Most Often are Shown in Large Text.

B. Process Timeline

The IRP Rule requires utilities to file their IRPs no later than six months after commencing the facilitated stakeholder process. EPE requested and received approval to initiate the stakeholder process 8 months before filing under NM PRC Case 24-00260-UT. Stakeholder engagement began in January and concluded in August of 2025. The facilitator collected feedback on the process in September 2025.

Figure 8, shown below, illustrates that modeling activities and discussions spanned over 50% of the stakeholder engagement timeline.

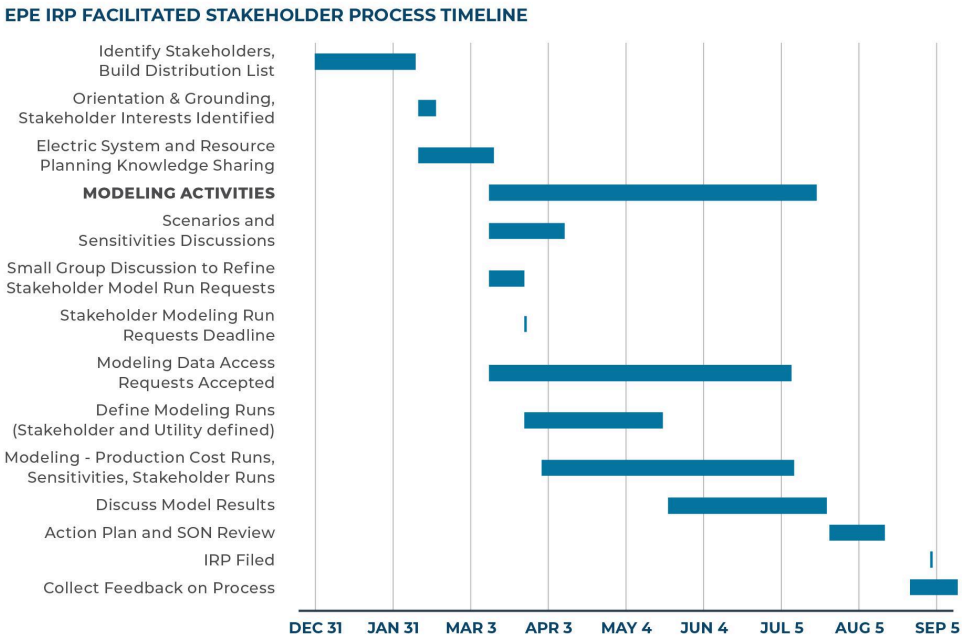


Figure 8. Stakeholder Engagement Timeline

Time spent on modeling discussions included educating stakeholders on the modeling process, discussing assumptions and inputs, formulating modeling runs, and digesting model results. Gridworks' experience from the three New Mexico IRP processes is that modeling discussions spanned between one-third and half of the overall process timeline. Two ways to improve the efficiency of the modeling conversation are 1) to form a modeling working group of knowledgeable stakeholders to serve as the primary interface with the utility, and 2) to introduce the utility's base model run results earlier in the process.

C. Success Measures: A Review of Relevant Works

I. BACKGROUND

While stakeholder engagement has become a recognized tool in utility regulatory processes, defining what makes engagement meaningful and effective can be challenging. During this work, Gridworks considered what makes for successful stakeholder engagement. This section provides a brief literature review and summary of our insights addressing this question based on our work facilitating stakeholder processes for each of New Mexico's investor-owned utilities.

Utility regulation has become increasingly complex. Regulatory goals have expanded beyond the fundamental tenets of safety, reliability, and affordability to include customer choice, environmental standards, technology adoption, and social justice, among others.[10] In this increasingly complex environment, stakeholder engagement can guide the prioritization of goals and serve as an indicator of public interest.

Specifically, stakeholder engagement in regulatory work, when conducted effectively, can lead to better acceptance of the results. For the regulator, successful stakeholder engagement can provide stronger evidence on which to evaluate resource decisions. For a utility, successful stakeholder engagement can provide clearer insights into customers' needs and priorities and build support for regulatory approvals. And for stakeholders, successful stakeholder engagement can lead to higher customer satisfaction and better support for utility programs.[11] One report reviewed for this work summarized these outcomes in one word: trusted.[12]

New Mexico increased its commitment to a facilitated stakeholder process with the implementation of the new integrated planning rules in 2022. This has been a positive development in the planning processes of investor-owned utilities. Both SPS and PNM reached agreement with stakeholders on their 2023 action plans, and SPS said about the process, "...the filed comments demonstrate that the facilitated stakeholder process facilitated by Gridworks was

[10] National Association of Regulatory Utility Commissioners, Public Utility Commission Stakeholder Engagement: A Decision-Making Framework, Jan. 2021, p. 8. (NARUC Report).
[11] RMI, Reimagining Resource Planning, Jan. 2023, p. 35. (RMI Report).
[12] *Id.*

a success."[13] Further, as an indicator of stakeholder impact on the planning processes, PNM, SPS, and EPE collectively modeled 23 additional scenarios in response to stakeholder requests.[14]

Robust stakeholder engagement requirements can also be found in other jurisdictions. To enhance data access and transparency for stakeholders in its integrated grid planning process, the Hawaii state commission, in 2021, directed Hawaiian Electric to provide narrative explanations, live and unlocked workbooks, plain language explanations, citations, and user-friendly formatting in connection with all data and workbooks provided to stakeholders.[15] Law in Washington State requires utilities to seek advisory group input on resource plans, and utilities must communicate whether and how the utility used that input in its analyses and decision-making, and also include explanations for why the utility did not use an advisory group member's input.[16]

To build on this progress, this report summarizes best practices as documented in recent literature on stakeholder engagement, along with insights from Gridworks' experience as an independent facilitator in New Mexico.

II. BEST PRACTICES FROM THE LITERATURE REVIEW

Gridworks reviewed recent reports on stakeholder engagement, aiming to gain a deeper understanding of how researchers define and establish best practices for success. Transparency, accessibility, ongoing communication, responsiveness, and clear role definition are all themes that emerged from this review.

Summary of Recent Reports – Definitions and Best Practices to Foster Meaningful Stakeholder Engagement

National Association of Regulatory Utility Commissioners' Public Utility Commission Stakeholder Engagement: A Decision-Making Framework	
Definitions	**Best Practices**
Scope • Identify the purpose and bounds of stakeholder engagement	• Clearly define the proceeding scope • Communicate the purpose and goals to stakeholders • Assess staff capacity

[13] Gridworks, New Mexico Integrated Resource Planning: Increasing Transparency Through Facilitated Stakeholder Engagement, Jan. 30, 2024, p. 20. (Gridworks' NM Facilitator's Report).
[14] Gridworks' NM Facilitator's Report, p. 11 and EPE, Workshop #7 Presentation, slide 15.
[15] Hawaii Public Utilities Commission, Instituting a Proceeding to Investigate Integrated Grid Planning, Docket No. 2018-0165, Order No. 37730, p. 46.
[16] WAC 480-100-630, accessed August 13, 2025.

Facilitation Approach ● Role of the facilitator Engagement Approach ● Stakeholder outreach, recruitment, education, and consensus-building methods Meeting Format ● Structure and accessibility of meetings and materials Timeline ● Clear schedule Outcomes and Follow-Up ● Interim and final outputs, follow-up activities	● Select a neutral facilitator ● Define the role and communication responsibilities of the facilitator ● Engage stakeholders early and often ● Recruit stakeholders ● Develop ground rules ● Include tools for knowledge building ● Maintain detailed meeting minutes ● Reach consensus in small increments ● Facilitate informal discussions outside of the larger group ● Consider organizational tiers, determined by stakeholders' interest and time ● Evaluate barriers to participation ● Limit the number of participants per meeting ● Offer virtual options ● Consider meeting times outside of regular business hours ● Distribute meeting materials in advance ● Take meeting minutes and distribute notes ● Consider the role of commissioners and staff in meetings ● Establish due dates and plan backwards ● Allow for flexibility in timelines ● Clearly communicate due dates, project outputs, and work milestones ● Clear guidelines for stakeholder contributions and input ● Provide time and resources for follow-up discussions ● Solicit stakeholder feedback on process improvements
Lawrence Berkeley National Lab's Best Practices in Integrated Resource Planning	
Definitions	**Best Practices**
Inclusive stakeholder process ● balances access and transparency with reasonable time commitments	● Establish process and design elements that are effective, including establishing norms, selecting a moderator, sharing materials in advance, and establishing processes for stakeholder input and utility response ● Remove barriers to participation, including remote meeting access, accommodating needs and meeting times, providing core education, not too time-intensive, and providing intervenor compensation funds ● Prioritize transparency, including engaging stakeholders throughout the process, sharing all modeling data and utility assumptions, and

	limiting non-disclosure agreements to only commercially sensitive data ● Support stakeholder technical engagement, including open technical sessions, sharing modeling files, and access to modeling software
FERC's Order 719, Wholesale Competition in Regions with Organized Electric Markets, Section. 477	
Definitions	**Best Practices**
Responsive to customers and other stakeholders	● Inclusiveness ● Fairness in balancing diverse interests ● Representation of minority positions ● Ongoing responsiveness
RMI's Reimagining Resource Planning	
Definitions	**Best Practices**
Trusted ● Prioritize transparency ● Meaningfully engage stakeholders	● Establish rules or guidelines that maximize data transparency ● Use a consistent set of assumptions or scenarios ● Increase stakeholder access to modeling assumptions ● Make plans accessible and relevant to a broad range of stakeholders ● Develop and track metrics across IRPs ● Define how to engage stakeholders before and during plan development ● Create a dedicated IRP advisory group ● Document how stakeholders influenced the plan ● Reduce barriers to participation

III. CRITERIA FOR NEW MEXICO

The New Mexico PRC appointed Gridworks as the facilitator to manage the stakeholder process in each of the state's investor-owned utilities' current (or pending) resource plans. Using NARUC's Stakeholder Engagement Framework, we apply the criteria below to guide our facilitation work in New Mexico. These criteria may help define what constitutes successful stakeholder engagement in New Mexico's integrated resource planning.

NARUC's Stakeholder Engagement Framework and Gridworks' Criteria

Scope

- **Objectives.** Set by New Mexico IRP rules: increase transparency, involve stakeholder participation early in the process, and tie the IRP outcome directly to the procurement process.[17]

Facilitation Approach

- **Neutral facilitator.** Set by New Mexico IRP rules: PRC must appoint a facilitator.[18]

Engagement Approach

- **Transparency.** Set by New Mexico IRP rules: provide stakeholders with reasonable access to modeling software, perform a reasonable number of modeling runs, and share all modeling information.[19]
- **Respectful.** Establish meeting norms, including being respectful in comments and giving each other the benefit of the doubt.
- **Representative of the utility's customers.** Early outreach to unrepresented perspectives from the utility's customer base. Encourage participation, with an emphasis on supporting underrepresented groups, including Tribal, city, and county managers, as well as income-limited and consumer representatives.
- **Responsive.** Ensure that stakeholders are heard by the utility and understood by each other. Incorporate stakeholder requests for modeling runs and provide answers to stakeholder questions/requests for data.

Meeting Format

- **Accessible.** Include educational modules to build a foundation of common knowledge. Be receptive to direct, targeted conversations for more knowledgeable participants. Break down data-rich presentations and allow time for comments and questions. Circulate materials in advance so stakeholders can review and prepare for meetings. Provide a repository of meeting information. Offer both in-person and virtual formats to cater to diverse needs and preferences. Provide multiple avenues for stakeholders to submit suggestions and input. Summarize meetings in notes and document decisions.

Timeline

- **Time-bound.** Set by the IRP rule. Gridworks recommends modifications to this timeline.[20]

Outcomes and Follow-Up

- **Productive.** Inform stakeholders where their input was incorporated or addressed in the IRP document, where stakeholder input shaped the final statement of need and action plan.
- **Reporting.** IRP rule requires the utility to report on all resolved and unresolved issues from the facilitated process.[21]
- **Ongoing communication.** Provide status reports and updates to stakeholders after IRP submission to the PRC.

Ultimately, stakeholders participate in resource planning processes because they care about their utility's decisions. They want to shape those decisions to align with their priorities. That bending may not always be possible, or appropriate, but those stakeholders deserve to know

[17] 17.7.3.6 (B) NMAC.
[18] 17.7.3.7 (F)(1) NMAC.
[19] 17.7.3.9 (A)(1) NMAC.
[20] 17.7.3.9 (E) NMAC. See Section 3.B. for Gridworks' recommendations.
[21] *Id.*

why or why not. These are the insights gained through successful stakeholder engagement: What were stakeholders' concerns? How did the utility try to address them? Did the utility succeed in whole or in part? If not, why not? Securing and reporting that information for the participating stakeholders, utility, and PRC is how we define success.

IV. RESOURCE LIST

Gridworks reviewed the following resources to produce this brief literature review:

1. FERC, Wholesale Competition in Regions with Organized Electric Markets, Docket Nos. RM07-19-000 and AD07-7-000, Order No. 719, Oct. 17, 2008.
2. Gridworks, New Mexico Integrated Resource Planning: Increasing Transparency Through Facilitated Stakeholder Engagement, Jan. 30, 2024.
3. Gridworks, Considerations for a Western Regional Organization Stakeholder Engagement Process, July 2024.
4. Lawrence Berkeley National Lab, Best Practices in Integrated Resource Planning, Nov. 11, 2024.
5. National Association of Regulatory Utility Commissioners, Public Utility Commission Stakeholder Engagement: A Decision-Making Framework, Jan. 2021.
6. RMI, Reimagining Resource Planning, Jan. 2023.