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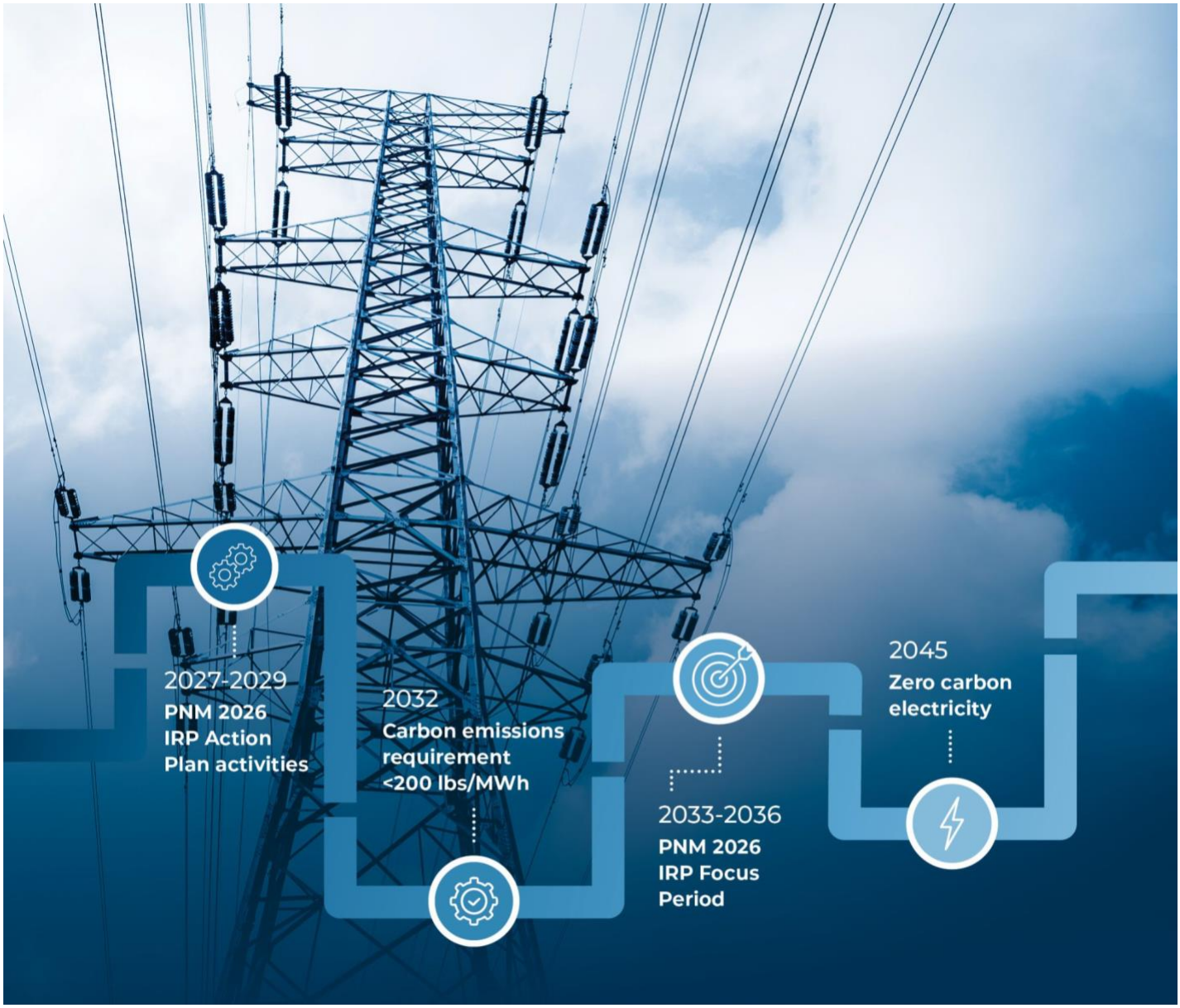
Subject: Facilitators' Report on Stakeholder Engagement, PNM 2026 IRP, Case No 25-00022-UT

Gridworks, the NM PRC-appointed facilitator for the PNM 2026 IRP Stakeholder Process, requests that you accept the attached report, entitled "Planning Through Change: The Facilitated Stakeholder Process for Public Service Company of New Mexico's 2026 Integrated Resource Plan," for filing and posting under Case No. 25-00022-UT.

Sincerely,

Matthew Tisdale
Executive Director
Gridworks



Planning Through Change:

The Facilitated Stakeholder Process for Public Service Company of New Mexico's 2026 Integrated Resource Plan

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EXECUTIVE SUMMARY

The 2026 facilitated stakeholder process brought Public Service Company of New Mexico (PNM) and interested stakeholders together to examine resource needs, modeling assumptions, technology options, and the proposed Statement of Need and Action Plan before PNM filed its Integrated Resource Plan (IRP) in September 2026. The process generated substantial technical engagement and generally met the objectives prescribed by the New Mexico Public Regulation Commission (PRC) and most industry-standard engagement best practices.

The PRC appointed Gridworks to facilitate the stakeholder process for the PNM 2026 IRP. Although participants did not agree on every issue, stakeholder comments suggest that many left the process better informed, with a clearer understanding of PNM's planning rationale, and an appreciation for the meaningful exchange.

PROCESS

The nine-month engagement took place from December 2025 to August 2026 and included nine multi-hour workshops and eight one-hour "office hour" events, totaling over 46 hours of direct engagement and discussion. More than 200 stakeholders from 100 organizations participated in at least one meeting. 19 organizations participated in more than half of the events.

OUTCOMES

Several discussion themes emerged as priority concerns among stakeholders. These included compliance with clean energy goals, the role of emerging technologies, data center load growth, and the relationship between resource planning and procurement. Section II discusses each theme and provides supporting details on how PNM addressed it.

In addition to discussion themes, a core group of stakeholders also engaged extensively on modeling. Stakeholders submitted 14 requests for model runs that examined a wide range of issues, including distributed energy resources, generic resource cost assumptions, transmission additions, carbon requirements, and the exclusion of new thermal resources. PNM worked with stakeholders to understand each request's purpose, define modeling parameters, and refine the original requests into 12 additional runs that met stakeholders' modeling interests.

In the previous facilitator report, Gridworks identified best practices and success metrics for stakeholder engagement, based on a framework developed by the National Association of

Regulatory Utility Commissioners.[1] By these measures, this process's strongest features included extensive dialogue, responsiveness to questions and modeling requests, documentation of how stakeholder input was addressed, and neutral facilitation. The principal limitations were uneven representation, stakeholder attrition, inconsistent advance distribution of materials, and some areas of disagreement.

RECOMMENDATIONS

Gridworks has now facilitated five stakeholder engagement processes for New Mexico's investor-owned utilities. Based on these experiences, the facilitation team offers the following recommendations for consideration:

A. Better define and disclose mid-cycle changes to utility resource plans

Clarify the metrics and thresholds for determining when a material event has occurred and require utilities to disclose ongoing and anticipated resource acquisition activities at the start of the facilitated stakeholder process. These steps would help stakeholders establish a shared planning baseline and understand how resource decisions between IRP cycles relate to the filed plan.

B. Explore more time-efficient options to increase participation

Retain the nine-month process needed for meaningful technical work, while adding lower-burden ways for stakeholders who do not work on utility resource planning professionally to participate. Options include open houses, web-based educational materials, a condensed workshop series, public forums at key milestones, or an explicit public comment period before finalizing the Statement of Need and Action Plan. Multiple participation pathways could reduce attrition and broaden access beyond stakeholders interested in detailed modeling discussions.

C. Support preparation for the 2045 zero-carbon future

Independent of the IRP process, the PRC might participate in, or lead, a proposed working group on strategic public and private partnerships to support emerging clean energy resources and transmission expansion. PNM proposed forming this group as part of its 2026 IRP action plan. The effort would aim to reduce development risk and manage customer costs as utilities evaluate carbon-free, firm, dispatchable resources that are not yet appearing in resource solicitations.

D. Clarify access to modeling software and protected information

Clarify what constitutes reasonable access to the same modeling software on equal footing, including whether access requires licenses, model files, training, or other support. A future rule revision might also clarify how the requirement to share all modeling information applies to proprietary, commercially sensitive, or otherwise protected information, particularly detailed transmission analyses.

[1] See Gridworks, Stakeholder Engagement and El Paso Electric Company's 2025 Integrated Resource Plan, Sep. 30, 2025.

E. Support consumer advocate participation in the facilitated stakeholder process

Provide resources for sustained participation by a state-supported consumer advocate in IRP stakeholder discussions. Recent facilitated processes have lacked a dedicated consumer advocate, despite targeted outreach in the PNM process. As utilities weigh significant capital investments with long-term affordability implications, a consumer advocate would help ensure consumer interests inform planning assumptions, resource choices, and procurement priorities.

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I. PROCESS

A. Background and Objectives

The New Mexico Public Regulation Commission's Integrated Resource Planning rule requires the state's Investor-Owned Utilities to engage stakeholders as advisors in the resource planning process. The Public Service Company of New Mexico (PNM) conducted this process in the months leading up to filing its 2026 Integrated Resource Plan (IRP). The process is intended to support the objectives listed below:

> ***"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(B) NMAC, 10/27/2022*

A key part of achieving these objectives includes reaching a potential agreement between stakeholders and the utility on the Statement of Need and Action Plan.[2] The facilitated stakeholder process also gives stakeholders opportunities to provide input on the modeling assumptions and analyses. Figure 1 depicts areas for stakeholder input, as prescribed by the IRP rule.

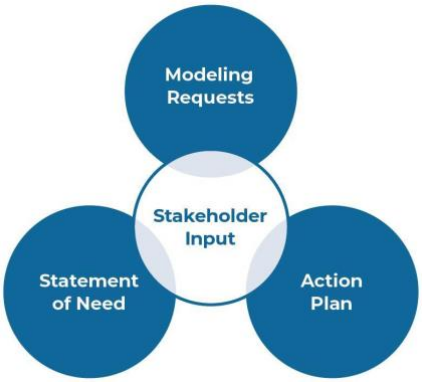

Figure 1. Areas for Stakeholder Input

The New Mexico Public Regulation Commission (PRC) appointed Gridworks[3] to facilitate the stakeholder process for the PNM 2026 IRP. This document summarizes the process, outcomes, and the facilitator's recommendations for the PRC's consideration.

[2] 17.7.3.9 (A) NMAC.

[3] Gridworks is a non profit organization that leads collaboration to build a stronger, more modern energy grid, www.gridworks.org.

B. Timeline

The stakeholder process included 17 gatherings between December 2025 and August 2026, before PNM filed the IRP on September 1, 2026. Stakeholders spent over 46 hours discussing topics during nine multi-hour workshops and eight one-hour “office hour” events. Figure 2 shows the timeline and stakeholder participation in the workshops.

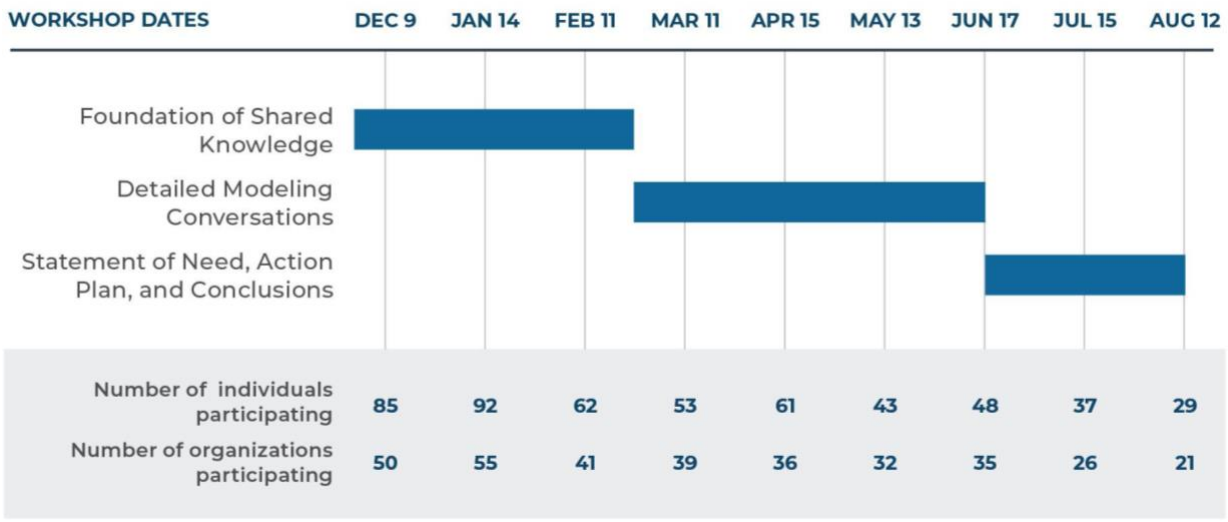

Figure 2. PNM 2026 IRP Timeline and Stakeholder Participation

C. Stakeholder Participation

The facilitation team, supported by PNM, made significant efforts to engage a broad range of interests. Approximately 100 organizations participated in at least one gathering in the process (see page 9). Stakeholder participants included industrial and residential customers, non-profit advocacy organizations, regulatory agencies, research groups, and energy technology developers/vendors. Several tribal organizations also participated in early workshops through collaboration between the utility’s tribal relations team and the facilitation team. One-on-one meetings to explain the process and why it might interest tribal communities, along with opportunities to ask questions outside the larger events, also seemed helpful. Two interests missing from the conversation included consumer advocates and economic development representatives.

The lack of a consistent consumer advocate in this planning process is particularly concerning. As utilities weigh significant capital investments with long-term affordability implications, informed representation of residential customers across New Mexico will be critical going forward. A recommendation for addressing this gap in stakeholder representation is included in Section III. E.

As Figures 2 and 3 illustrate, stakeholder participation was strong at the start of the process but declined over time. The first workshop engaged 85 stakeholders from 50 organizations (excluding PNM and the study consultants). Later workshops had lower participation levels;19 organizations attended more than half of the events.[4] Section III.B discusses recommendations for addressing stakeholder participation challenges.

Figure 3. Stakeholder Engagement

Stakeholders were invited to complete a final survey providing feedback on the facilitated stakeholder process. Input from the six respondents, along with extensive comments collected through the nine-month process, informs this report.

[4] Additional attendance details for each of the 17 stakeholder events are available in Section V, Appendix A.

THANK YOU TO PARTICIPATING STAKEHOLDERS

174 Power Global
350 New Mexico*
Advanced Energy United*
AES Clean Energy
Allium Renewable Energy
Ameren – Lucky Corridor
AzCPA
Bernalillo County Attorney
Bernalillo County Economic Development
Black Forest Partners
Boem, Kurtz and Lowry Law
BP/Shell
CAISO
Citizens for Alternatives to Radioactive Dumping
City of Albuquerque
City of Lordsburg Economic Development
City of Santa Fe
Clean Energy Buyers Association
Clean Energy Coalition of Santa Fe County*
Clenera
Coalition for Clean Affordable Energy*
Coalition for Community Solar Access
Customers (2 Residential Customers)*
Deutsch Domestic Water Company, Inc
El Paso Electric
Energy Futures Group*
Energy Strategies
Eolian Energy
esVolta
Exus Renewables
Form Energy
Geothermal Wells LLC
Goschke Energy Advisors
Gould Law Firm*
Grid United
GridLab*
Hanwha Renewables
Hecate Energy
IEEE
Interwest Energy Alliance*
Invenergy
Jupiter Power
Kindle Energy
Kinetic Power, LLC
Linea Energy
Mescalero Apache Telecom, Inc.
META
MMR Group
Navajo Transitional Energy Company
New Mexico Gas Company*
New Mexico Partnership
NextEra Energy Resources, LLC
NM Affordable Reliable Energy Alliance*
NM DOJ
NM Economic Development Department
NM Energy, Minerals, and Natural Resources Department
NM PRC*
NM RETA*
NM State Land Office
OE Solar
Onward Energy
Ormat
Pacific Fusion*
Pattern Energy
Plus Power
PNE-AG
Prime Technical Services
Public Works of an Undisclosed Tribal Entity
Renewable Energy Industries of New Mexico
Rio Rancho Chamber of Commerce
rPlus Energies
Rye Development
Sandia National Laboratories*
Sandia Pueblo
Sandoval County Economic Development Department
Sandoval Economic Alliance
Santa Ana Pueblo
Santa Fe County Public Works
Santa Fe Economic Development Division
Senate Energy and Natural Resources Committee
Senator Heinrich, Intern
Sierra Club
Single Space Strategies*
Solariant Capital, LLC
Southwest Energy Efficiency Project*
Southwestern Power Group
Sovereign Energy
Sustainable Engineering LLC
Tesuque Pueblo
Third Act NM*
Tierra Adentro Growth Capital
TransAlta
Village of Los Lunas, Economic Development Division
Vote Solar
Walmart
Western Environmental Law Center
Western Resource Advocates*
Xcel Energy
Zanskar Geothermal & Minerals

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

II. OUTCOMES

Although the IRP rule calls for the advisory process to seek potential agreement, the value of facilitation extends beyond consensus. Stakeholders were invited to share their views on the Statement of Need and Action Plan through verbal comments in meetings, written submissions, and polling at key decision points. Although the polling about the level of agreement was not revealing, stakeholder comments indicated general agreement with the direction of the Statement of Need and Action Plan.[5]

Facilitation creates space for constructive dialogue, allowing participants to test assumptions, explore differing perspectives, and work toward reasonable conclusions that many can support. Although participants did not agree on every issue, stakeholder feedback indicates that many left the process better informed, with a clearer understanding of PNM's planning rationale, and an appreciation for the meaningful exchange.

The following comments from three stakeholders illustrate this positive experience:

- *"This is a far better model than contested case IRP development. I applaud PNM for developing an interesting and welcoming culture, and encourage them to tell peer utilities that communication and collaboration is more productive and more fun than fighting."*

  - Solar advocate

- *"PNM's 2026 IRP is a great model for true stakeholder engagement in resource planning, and I hope other utilities in the region will adopt a similar approach."*

  - Industry advocate

- *"Over the now six PNM IRPs I've engaged with, I have learned so much about the technical structure that underlies power production–it's been fascinating and given me tremendous appreciation for how PNM works at the ground level--generating power, keeping lines balanced, and delivering to most every switch we customers decide to flip."*

  - Residential Customer

The PNM team appreciated the level of dialogue throughout the process and noted that stakeholder engagement became more collaborative over time. What began as criticism and distrust evolved into constructive dialogue that, in the PNM team's assessment, sharpened the final analysis. The utility team's patient, responsive approach, along with adding "office-hour" events to facilitate discussion of specific key topics, seemed effective in fostering a more collaborative, constructive dialogue.

[5] Respondents represented less than 10% of the 100 participating organizations. See Workshop #8 Summary for details.

A. Discussion Themes

Several recurring themes emerged as priority concerns among stakeholders. These included compliance with clean energy goals, the role of emerging technologies, data center load growth, and the relationship between resource planning and procurement. This section summarizes these themes, the perspectives stakeholders raised, and how PNM addressed them. Themes are organized by resource options, customer needs, and the stakeholder engagement process.

1. Resource Options

Energy Transition Act (ETA) Compliance and New Natural Gas Generation
Stakeholders questioned whether adding new natural gas resources would meet capacity needs and remain compatible with New Mexico's goal of achieving carbon-free status by 2045. Concerns included gas price volatility, pipeline infrastructure, stranded-asset risk, affordability, and the technical and economic viability of converting to green hydrogen. Stakeholders also objected to "locking in" a 2029 gas addition during the 2029-2032 timeframe.

How addressed:

- PNM incorporated hydrogen conversion costs, completed a gas volatility study, and executed stakeholder runs evaluating decarbonization with a gradual step down to the 2045 goal and without new gas or hydrogen conversion capability.
- PNM's final modeling continued to consider new gas generation as a potential resource option, including a significant hydrogen conversion cost in 2044.

Nuclear Generation as a Proxy Resource
The long-term capacity expansion model selected nuclear generation late in the planning horizon as a proxy for firm, dispatchable capacity. Some stakeholders opposed its inclusion, citing local safety and waste disposal concerns.

How addressed:

- PNM clarified that it included nuclear as a generic proxy resource for firm capacity in the long-term expansion model.
- PNM committed to an Emerging Technology Working Group to advance emerging clean energy resources needed to meet the ETA's 2045 carbon-free goal (Action Plan, item 4).[6]
- A few stakeholders continued to oppose nuclear as an acceptable resource option.

[6] See PNM, 2026 IRP, Sep. 1, 2026, pp. 271-274 for a list of Action Plan items. See Section III.C of this document for the wording of Action Plan, item 4.

Distributed Energy Resources (DERs), Virtual Power Plants (VPPs), and Demand Response

Stakeholders observed that customer-sited resources (rooftop solar, batteries, electric vehicles, demand response) were treated as load modifiers rather than fully modeled, dispatchable supply-side resources. Stakeholders asked for explicit commitments to a DER roadmap, community solar, microgrids, and an open-access Grid Services Tariff.

How addressed:

- PNM modeled stakeholder-requested DER sensitivities, including a VPP scenario and a combined run featuring high rooftop solar, managed electric vehicle charging, batteries, and demand response capacity.
- PNM committed to continuing to expand demand-side options through existing Commission proceedings (Action Plan, item 7).
- During the final Action Plan review, stakeholders noted that the plan still lacked explicit commitments or policy targets for a DER roadmap, community solar, or a Grid Services Tariff.

Cost and Integration of Emerging Clean Energy Technologies

Participants advocated for greater inclusion of emerging clean technologies—specifically enhanced geothermal, long-duration energy storage, and fusion—arguing that initial generic cost and performance assumptions undervalued their potential as firm clean power. For geothermal specifically, stakeholders challenged generic capital cost estimates, questioned capacity-factor assumptions, and requested tailored solicitation language to accommodate the longer development lead times of enhanced geothermal systems.

How addressed:

- PNM held dedicated office hours on clean firm technologies, updated capacity-factor assumptions, and modeled geothermal and fusion using stakeholder-provided cost assumptions.
- PNM deferred specific solicitation bid language and contracting terms to the post-IRP competitive solicitation process.
- PNM committed to an Emerging Technology Working Group to advance emerging clean energy resources needed to meet the ETA's 2045 carbon-free goal (Action Plan, item 4).

Transmission Constraints and Market-Enabled Resources

Stakeholders sought more integrated consideration of generation and transmission, zonal transmission costs, regional transmission options, market participation, and flow-based operations. They also wanted to understand how PNM's participation in the Extended Day-Ahead Market, beginning in 2027, and WestTEC's potential transmission options might affect modeling results.

How addressed:

- PNM incorporated zonal transmission cost adders into its base-case modeling and evaluated four transmission sensitivities derived from its 20-Year Transmission Outlook.[7]
- PNM modeled a stakeholder-requested transmission sensitivity that evaluated the impact of line additions on reliability metrics.
- PNM committed to further analyze four transmission options to validate initial economic findings and clarify the benefits of regional market access (Action Plan, item 5).

2. Customer Needs

Smart Meter (or Advanced Metering Infrastructure) Rollout and Time-of-Day (TOD) Rates
Stakeholders raised questions about customer data privacy, rate choice, and the need for public education and communication plans to support the transition to default TOD rates following full smart-meter deployment by 2028–2029.

How addressed:

- PNM shared updates and filings from its grid modernization work, including TOD pilot customer satisfaction reports and load-shifting data.
- PNM brought subject-matter experts into the workshops to speak directly with interested stakeholders and respond to requests for additional information and explanation.
- Stakeholders requested that the final Action Plan include more concrete customer outreach strategies, metrics, and implementation goals.

Data Center Load Growth, Forecasting, and Customer Protections
Stakeholders expressed concern about the scale, timing, and durability of projected growth in data center and economic-development loads. Questions included the level of commitment, forecast components, infrastructure needs, and the risk that existing retail customers could bear costs for loads that do not materialize. Stakeholders requested a sector-by-sector load breakdown and suggested alternative planning concepts, such as Xcel-CO's incremental need pool.

How addressed:

- PNM provided supplemental forecast details and modeled High and Extreme Economic Growth scenarios.
- PNM committed to filing a large-load tariff to protect existing customers from cost shifts, stranded investment risk, and adverse reliability impacts (Action Plan, item 9).

Customer Bill Impacts, Affordability, and Revenue Requirements
Across multiple workshops, stakeholders requested data showing how candidate resource portfolios and economic growth futures would affect PNM's revenue requirements, customer rates, and utility bills. Stakeholders sought clearer insight into the affordability implications and tradeoffs associated with different planning pathways.

[7] PNM, 20-Year Transmission Outlook, Sep. 2025.

How addressed:

- PNM shifted from selecting a single preferred portfolio to outlining resource needs across four futures.
- In the final report review during Workshop #9, PNM provided stakeholders with a brief analysis of rate impacts and included a discussion in Section 9.8 of the final IRP report.

3. Stakeholder Engagement Process

Relationship Among IRP Modeling, Current Applications, and Pending Solicitations
Stakeholders sought clarity about what resources were already included in the baseline, how current procurement activities affected the IRP, and how conceptual modeling would translate into actual resource solicitations. Some argued that a three-year Action Plan provides insufficient lead time for large or emerging resources.

How addressed:

- PNM clarified that IRP capacity expansion uses generic, conceptual resources, whereas specific projects and commercial technologies are chosen later through competitive solicitations.
- Draft documents were revised to define planning windows more clearly.
- Stakeholders continued to request longer lead-time planning and alternative or phased solicitation structures.

Modeling Access, Transparency, and Stakeholder Process
Stakeholders raised early concerns about access to model inputs, software licenses, workpapers, and raw data files. They also sought clear documentation showing how PNM considered and responded to stakeholder comments. (See Section II.B. below for more information about modeling engagement.)

How addressed:

- PNM established a centralized modeling repository on the shared data platform (VENUE), posted updated workpapers, and provided access to virtual modeling software.
- PNM also extended review periods and published an issue tracker for the draft Statement of Need and Action Plan, detailing the disposition of all stakeholder comments.
- Gridworks maintained a running tracker of stakeholder questions and reserved workshop time for PNM to respond to outstanding requests and open items.

B. Modeling Engagement

Stakeholders provided substantive input into PNM's modeling activities. Input was consistent with the three provisions of the IRP rule that support transparency and stakeholder involvement in modeling:[8]

1. Provide stakeholders with reasonable access to modeling software,
2. Perform a reasonable number of modeling runs, and
3. Share all modeling information.

Stakeholders were active in modeling activities, with 45 individual stakeholders across 26 organizations requesting access to modeling information, which was made available through a system called VENUE. Of these 45 stakeholders, 34 signed non-disclosure agreements to access confidential information. A few stakeholders reviewed this information in detail and offered extensive questions, comments, and suggestions for PNM's modeling team.

PNM's modeling team conducted analyses over several months on four futures: Current Trends and Policies (CTP), Low Economic Growth (LEG), High Economic Growth (HEG), and Extreme High Economic Growth (XEG).

Stakeholders submitted 14 requests for model runs that examined a wide range of issues.[9] The utility worked with stakeholders to understand the purpose of their requests, define modeling parameters, and refine the original 14 requests into 12 additional runs, thus performing additional analyses on these topics:

- Increased amount of distributed energy resources, demand-side resources, and higher time-of-use rate participation
- Reduced capital cost assumptions for geothermal resources
- Inclusion of fusion as a candidate resource
- A reduced Planning Reserve Margin as a proxy for increased transmission transfer capacity
- A gradual reduction in carbon intensity, rather than a step change, to comply with the ETA
- Higher natural gas price assumptions
- Exclusion of hydrogen conversion, carbon capture and storage, and new natural gas resources

Through modeling engagement, many stakeholders gained a deeper understanding of the complexities of predicting and meeting future needs. Several stakeholders reported that their involvement substantially influenced scenario modeling and assumption inputs. The utility team acknowledged that stakeholder-requested model runs affected the range of resources defined in

[8] 17.7.3.9(A)(1) NMAC.
[9] See PNM, 2026 IRP, Sep. 1, 2026, pp. 165-167.

the Statement of Need.[10] In addition, inquiries about modeling inputs and assumptions increased the consistency and accuracy of the utility's analyses.

Section III.D discusses recommendations to clarify access to software and protected modeling information for future processes.

C. Stakeholder Engagement Success Metrics

Gridworks previously identified best practices and success metrics for stakeholder engagement in IRP processes, based on a framework developed by the National Association of Regulatory Utility Commissioners.[11] In summary, based on stakeholder survey results and facilitator observations, the PNM 2026 IRP facilitated stakeholder process met most best practice measures.

The process's strongest features were extensive opportunities for dialogue, responsiveness to stakeholder questions and modeling requests, clear documentation of how input was addressed, and neutral facilitation. The main limitations were: limited participation by residential customers, tribal representatives, consumer advocates, and economic development organizations; inconsistent advance distribution of materials; and some areas of disagreement.

Key Metrics (for a full accounting of engagement success metrics, see Section VI, Appendix B)

- Scope and facilitation:
  - The PRC appointed Gridworks, a neutral facilitator, to manage the stakeholder engagement process.
  - The facilitated process included nine workshops and eight office hours, providing more than 46 hours of stakeholder discussion.
  - PNM and stakeholders defined 12 additional modeling runs addressing 14 stakeholder requests.
- Engagement:
  - More than 200 stakeholders from 100 organizations participated in at least one meeting.19 of these organizations attended half or more of the meetings.
- Meeting and information access:
  - 45 stakeholders from 26 organizations requested access to modeling data files.
  - Meeting information, materials, and modeling analyses were readily available on a project landing page.
- Timeline and follow-up:
  - PNM responded to more than 150 written questions and data requests.
  - A feedback tracker documented PNM's response to all 72 stakeholder comments received on the Statement of Need and Action Plan.

[10] For example, for the CTP case, stakeholder assumptions expanded the range of carbon-free resources and increased the amount of dynamic-balancing resources required by 2036.
[11] See Gridworks, Stakeholder Engagement and El Paso Electric Company's 2025 Integrated Resource Plan, Sep. 30, 2025, pp. 25-27.

III. RECOMMENDATIONS

Gridworks has now facilitated five stakeholder engagement processes for New Mexico's investor-owned utilities.[12] Based on these experiences, the facilitation team offers the following recommendations for consideration:

A. Better define and disclose mid-cycle changes to utility resource plans.

B. Explore more time-efficient engagement options to increase participation during the process.[13]

C. Prepare for the 2045 zero-carbon future by engaging with the proposed working group to evaluate strategic public and private partnerships, policies, and funding mechanisms or tax credits, including new state and federal incentives, to support the deployment of emerging clean energy resources.

D. Clarify expectations regarding access to modeling software to support more consistent implementation in future IRP processes. A future rule revision could clarify how the information-sharing requirement applies to proprietary, commercially sensitive, or otherwise protected modeling information.

E. Support consumer advocate participation in the facilitated stakeholder process.

The sections below describe each recommendation in more detail.

A. Better Define and Disclose Mid-Cycle Changes to Utility Resource Plans

As has been widely reported, the electric industry has entered a period of rapid load growth after decades of relatively flat demand.[14] This shift presents a significant challenge for integrated resource planning. Although IRPs are designed to evaluate long-term needs under uncertainty, they are reactive, deliberative processes. They can struggle to keep pace with rapidly changing demand forecasts, market conditions, supply-chain constraints, and uneven technological development.

This tension was evident during the facilitated process. Over nine months, stakeholders attempted to reconcile multiple resource filings, applications, and solicitations at different stages of development. As the chronology in Figure 4 illustrates, changes following approval of the

[12] Including PNM's 2023 and 2026 IRPs, Southwestern Public Service's 2023 and 2026 IRPs, and El Paso Electric's 2025 IRP.
[13] Gridworks continues to recommend that the process take place over 9 months, as described in Stakeholder Engagement and El Paso Electric Company's 2025 Integrated Resource Plan, Sep. 30, 2025, pages 17-18.
[14] Grid Strategies, Power Demand Forecasts Revised Up for Third Year Running, Led by Data Centers, Nov. 2025.

FIGURE 4. IRP Chronology

2023 IRP made it difficult to establish a clear resource baseline for the 2026 planning process.[15]

The pace of the formal IRP process did not always align with the pace of developments outside it. This disconnect can constrain utilities' ability to respond to emerging needs while making it harder for stakeholders to understand—and remain confident in—the relationship between the filed plan and subsequent resource decisions.

Gridworks offers two recommendations to address this disconnect:

- **Clarify what constitutes a material event.** New Mexico's IRP rule does not define material events.[16] In its 2026 Statement of Need, PNM offered "planning triggers" and "predefined monitoring indicators" to adapt a chosen resource pathway.[17] Clearer metrics and thresholds for determining when a material event has occurred could strengthen stakeholder understanding of—and confidence in—mid-cycle resource changes.
- **Require utility disclosure of ongoing and anticipated procurement activities at the start of the facilitated stakeholder process.** Gridworks observed a similar disconnect between planning and procurement in El Paso Electric's 2025 IRP.[18] An explicit requirement in the IRP rule to disclose all resource acquisition activities underway or anticipated when the facilitated process begins would help establish a shared planning baseline.

[15] See PNM, 2026 IRP, Sep. 1, 2026, pp. 22-32.
[16] New Mexico Public Regulation Commission, Initial Order Establishing Working Group, Docket No. 26-0000145, p. 7.
[17] PNM, 2026 IRP, Sep. 1, 2026, pp. 267-270.
[18] See Gridworks, Stakeholder Engagement and El Paso Electric Company's 2025 Integrated Resource Plan, Sep. 30, 2025, pp. 19.

B. Explore More Time-Efficient Options to Increase Participation

Given the complexity of the modeling that underpins resource planning, Gridworks continues to recommend a nine-month stakeholder engagement process, as discussed in greater detail in the EPE 2025 facilitator's report.[19] The depth of the modeling and the range of issues under consideration warrants this timeframe.

At the same time, this process—like other IRP processes Gridworks has facilitated—experienced stakeholder attrition as the work progressed. Stakeholders entered the process with a wide range of interests and levels of technical expertise, from residential customers concerned about their bills to local governments seeking to advance municipal policies to industry professionals prepared to scrutinize detailed modeling inputs. Participation declined, particularly among non-expert participants and those less engaged in the modeling discussions. Participation data are provided in Section I.C and Section V - Appendix A.

The process used a phased approach, with detailed modeling discussions concentrated in a series of workshops midway through the engagement. Stakeholder feedback suggests that this structure improved upon the 2023 process. Nevertheless, Gridworks' experience across several IRP processes indicates that attrition remains a persistent challenge.

Gridworks suggests **exploring more time-efficient options for those who cannot commit to a six- or nine-month engagement timeline**. These could include open houses, web-based educational materials, a condensed workshop series (perhaps with a subset of stakeholders serving as a "working group"), public updates at key milestones in the process, or an explicit public comment period before finalizing the Statement of Need and Action Plan. Tailored engagement sessions for consumer advocates and economic development organizations may be an option for these "missing" voices. Offering multiple pathways for participation may make the process more accessible to the broader public while preserving opportunities for detailed technical engagement by industry professionals.

C. Support Preparation for the 2045 Zero-Carbon Future

Conversations around the 2045 NM ETA zero-carbon target were more significant and dominant than in the prior IRP cycle. As the planning horizon (2026-2045) nears the 2045 zero-carbon requirement, modeling results show the need to develop carbon-free, dispatchable/firm, affordable resources to meet demand. Yet, the technologies that can serve this need are not responding to the utility's recent resource solicitations. Different stakeholders expressed their views on the "preferred" technologies to meet this need, and some also commented on technologies that were "less desirable" or even "not acceptable."

[19] See Gridworks, Stakeholder Engagement and El Paso Electric Company's 2025 Integrated Resource Plan, Sep. 30, 2025, pp. 17-18.

PNM included the following Action Plan item to help address this challenge and invited interested individuals to participate:

"PNM will form a working group to evaluate strategic public and private partnerships, policies and funding mechanisms or tax credits, including new state and federal incentives, to support the deployment of emerging clean energy resource development, including fusion and enhanced geothermal, and transmission expansion in New Mexico, with the goal of benefiting customers by reducing development risk and managing associated costs."

Several stakeholders expressed interest in participating in this working group, and Southwestern Public Service has also indicated intentions to form a similar effort.[20] Therefore, independent of the IRP process, the **PRC may want to engage in or perhaps lead such an initiative.**

D. Clarify Access to Modeling Software and Protected Information

The IRP Rule requires utilities to provide stakeholders with "reasonable access to the same modeling software used by the utility on equal footing as the utility."[21] Interpretations of this provision varied among participants in the facilitated process. Some participants understood it to require access to the modeling software itself, while others viewed access to modeling input and output files as sufficient. It was also unclear whether the phrase "on equal footing" requires a utility to provide stakeholders with training or other assistance in using the software. **Clarification of these expectations could support more consistent implementation in future IRP processes.**

The same provision also requires utilities to "share all modeling information." This requirement presents challenges when applied to detailed transmission analyses, particularly the nodal modeling PNM incorporated into this IRP.[22] The underlying information can reveal available capacity at specific locations on the transmission system and may be commercially sensitive or subject to disclosure restrictions. **A future rule revision might clarify how the information-sharing requirement applies to proprietary, commercially sensitive, or otherwise protected modeling information.**

[20] See SPS's Revised Statement of Need and Action Plan, p. 18 for discussion of a similar working group. Presented to stakeholders Sep. 22, 2026.
[21] 17.7.3.9(A)(1) NMAC.
[22] PNM, 2026 IRP, Sep. 1, 2026, pp. 33-34.

E. Support Consumer Advocate Participation in the Facilitated Stakeholder Process

A dedicated consumer advocate has been absent from recent facilitated IRP processes. Gridworks sought to address this gap through targeted outreach to consumer advocacy organizations at the start of the PNM process, but those efforts did not result in participation. This absence is concerning, as utilities weigh significant capital investments that have long-term implications for affordability. **Providing the resources needed for a state-supported consumer advocate to participate actively would help ensure that consumer interests inform planning assumptions, resource choices, and procurement priorities.**

IV. CONCLUSION

The facilitated stakeholder process for PNM achieved the three objectives identified in the IRP rule: increasing transparency, involving stakeholders early, and tying the IRP outcome to procurement. Stakeholders accessed modeling information, proposed additional analyses, raised questions throughout the process, and could see how comments on the Statement of Need and Action Plan were addressed. Their participation influenced modeling assumptions and the range of scenarios considered, including transmission, distributed energy resources, geothermal, fusion, gas-price, and decarbonization sensitivities.

The process was strongest when it combined technical access with sustained dialogue. The modeling repository, additional stakeholder-requested runs, written response tracking, neutral facilitation, and issue-specific office hours increased transparency and helped participants test assumptions. The more collaborative tone that developed over the nine months also demonstrates the value of giving the utility, technical experts, and stakeholders sufficient time to work through complex and disputed issues.

The process also revealed limits that should guide the next cycle. Participation declined as the work became more technical, several customer and community interests were underrepresented or absent, and materials were not always available far enough in advance. Stakeholders also continued to seek clearer connections between resource planning and procurement, longer lead-time planning for major resources, fuller treatment of distributed resources and customer impacts, and clearer rules for access to software and protected modeling information.

Recommendations respond directly to these findings. Under current IRP rules, future processes should better define and disclose mid-cycle changes to utility resource plans, add accessible participation options without shortening the technical process, support coordinated preparation for the 2045 zero-carbon requirement, clarify modeling-access obligations, and provide support for a dedicated consumer advocate representative. These steps would retain the strengths of the 2026 process while making future planning more understandable, inclusive, and adaptable to rapid changes in load, technology, markets, and resource availability.

V. APPENDIX A - Stakeholder Participation

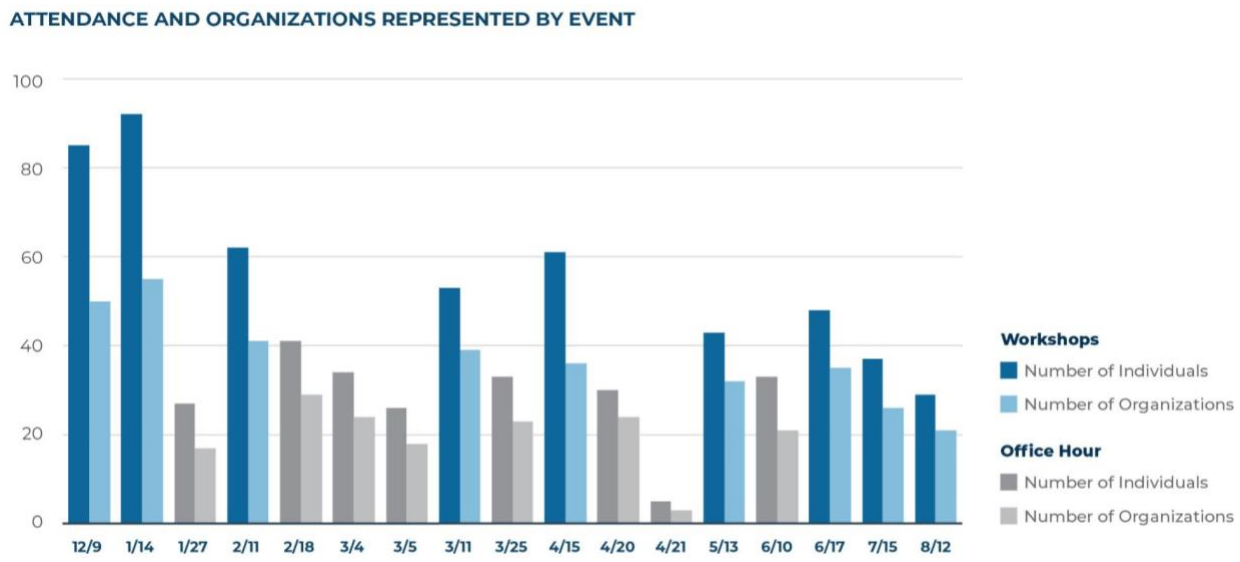

Figure 5. Stakeholder Attendance Data

VI. APPENDIX B - Stakeholder Engagement Success Metrics

Gridworks previously identified best practices and success metrics for stakeholder engagement in IRP processes, based on a framework developed by the National Association of Regulatory Utility Commissioners (see Section II.C, footnote 10). This section offers details of the success metrics assessment for the PNM 2026 IRP facilitated stakeholder process.

Scope and facilitation:

Measure	Assessment	Evidence
Increase transparency	**Met**	Stakeholders could request modeling data; 45 stakeholders requested access to the data files.
Engage stakeholders early	**Met**	Early workshops addressed system challenges and requirements, modeling assumptions, and stakeholder interests.
Connect the IRP to procurement	**Met**	The Statement of Need defines the amount, types, and timing of resources needed during the 2033 to 2036 focus period.
Use neutral facilitation	**Met**	Two active stakeholders described the 2026 process as a significant improvement over 2023, citing clearer organization, systems, and pacing.

Engagement:

Measure	Assessment	Evidence
Maintain a transparent and respectful process	**Met**	Stakeholder comments cited in Section II A support this assessment.
Represent the utility's customers	**Partially met**	Residential customers and tribal representatives participated, but in small numbers. Consumer advocates and economic development organizations did not participate.
Help stakeholders feel heard and understood	**Mostly met**	PNM hosted eight office hours and devoted substantial workshop time to dialogue. The final survey response rate was low, but Gridworks observed stronger participant understanding and confidence by the end of the process.
Incorporate modeling requests	**Met**	The utility worked with stakeholders to define 12 additional runs that addressed all 14 stakeholder requests.
Answer questions and data requests	**Met**	The utility responded to more than 150 written questions and data requests.

Meeting and information access:

Measure	Assessment	Evidence
Build a common foundation	**Met**	The first two workshops emphasized foundational education. Workshop 2 used small-group exercises on resource-planning concepts, which new participants revisited as they joined.
Support targeted technical discussions	**Met**	Eight office hours covered transmission, geothermal resources, stakeholder modeling requests, data inquiries, and other specific topics.
Break down data-rich material	**Met**	All modeling information was available via VENUE, and each workshop included overview presentations.
Allow time for questions and comments	**Met**	All gatherings included discussion time. After Workshop 3, the schedule was adjusted to allow more time for comments. The process provided more than 46 hours of discussion across nine workshops and eight office hours.
Circulate materials in advance	**Not always**	Modeling results were often developed up to the start of workshops. Follow-up office hours were held to address questions.
Provide a meeting repository and summaries	**Met**	Gridworks.org hosted presentations, reference documents, written workshop summaries, and workshop recordings.
Offer in-person and virtual participation	**Met**	All 46 hours of gatherings were recorded and available virtually. Four of nine workshops also offered in-person participation, although most attendees joined virtually.
Provide multiple ways to contribute	**Met**	Stakeholders could speak during gatherings, submit written comments, propose redline edits to the Statement of Need and Action Plan, and use office hours for focused discussions.

Timeline and follow-up:

Measure	Assessment	Evidence
Complete work in time for the IRP	**Met**	Stakeholders received draft documents in June and had four weeks, including two workshops, to offer comments.
Show how input was addressed	**Met**	Beginning with Workshop 3, sessions opened with a review of prior questions and outstanding items. PNM also explained how stakeholder modeling requests were incorporated, and the feedback tracker addressed all 72 comments on the Statement of Need and Action Plan.
Report resolved and unresolved issues	**Partially met**	The IRP includes 18 stakeholder input callouts.
Provide status reports after filing	**External tracking**	PNM directed stakeholders to the New Mexico PRC e360 docket-tracking system for annual Action Plan progress reports.
Demonstrate an effect on the IRP	**Met**	Stakeholder feedback highlighted the stakeholder-driven transmission scenarios and the substantial coordination and follow-up work they required.

Selected stakeholder feedback:

> *“Access to [the modeling consultant] through the stakeholder process fundamentally changes stakeholder participation and ability to interrogate modeling.”*
>
> *”The Gridworks facilitation of PNM's 2026 IRP was excellent.”*
>
> *“I was particularly impressed by the stakeholder-driven approach to transmission scenarios, which required substantial coordination and, in some cases, many follow-up meetings and substantial time from PNM staff. In my opinion, the resulting IRP is much more robust.”*