



NEW MEXICO
**PUBLIC REGULATION
COMMISSION**

2024 Annual Report

Key Accomplishments

“...a year of growth, transformation, and a renewed sense of purpose...”

We are proud to share that 2024 has been a year of growth, transformation, and a renewed sense of purpose for the New Mexico Public Regulation Commission (NMPRC). Continuing on the accomplishments of 2023, we embraced the potential to achieve new levels of excellence. As we close out the second year of service with our three appointed Commissioners and Chief of Staff at the helm, we are seeing tangible improvements not only within the agency but also in the positive outlook of our stakeholders.

Guided by our strategic plan, we have focused on providing staff support, restructuring the agency to meet our mandate, and becoming a more engaged and transparent participant in the regulatory conversations shaping New Mexico's future. Below are some of our key accomplishments for the year:

Empowering Our Team

Leadership and professional development were central to our success in 2024. All division directors and supervisors completed a 12-week leadership program, ensuring they have the tools to effectively support their teams. Staff participated in nationwide industry trainings, gathering insights critical to our evolving energy landscape.

To address staff workloads and support agency growth, we filled multiple vacancies and added new

positions across divisions, maintaining a vacancy rate of 3-10 percent. We also launched initiatives to improve internal communication, including a monthly staff newsletter, anonymous feedback tools, and quarterly reports to the Commission.

Advancing Our Regulatory Mission

The Commission undertook an ambitious regulatory agenda this year, addressing key priorities such as utility reliability, grid modernization, and greenhouse gas emissions. Through expert-led stakeholder workshops, we fostered thoughtful, fact-based rulemaking to address New Mexico's evolving energy needs.

We are proud to report significant leadership achievements:

- Commissioner Patrick O'Connell was elected president of the Southwest Power Pool's Regional State Committee and appointed to the Federal Energy Regulatory Commission's Current Issues Collaborative, representing New Mexico in critical national energy discussions.
- Commissioner Gabriel Aguilera was elected Chair of the Western Energy Markets Body of State Regulators, ensuring New Mexico remains at the forefront of Western energy market developments.

Operational Milestones

- We raised the statewide capacity cap for the community solar program from 200 MW to 300 MW, continuing to promote renewable energy access and equity.
- Successfully transitioned the Transportation Division to the New Mexico Department of Transportation in July 2024.

Engaging Stakeholders and the Public

The NMPRC prioritized outreach and education this year.

- Hosted the second annual *Powering New Mexico: The Journey to Sustainable Energy* CLE Seminar, which attracted more than 100 participants for two days of impactful discussions.
- Expanded our presence through social media, public meetings outside the Albuquerque-Santa Fe corridor, and regular updates via external communications and an enhanced website.
- Introduced monthly Lunch 'n' Learn sessions, fostering internal knowledge sharing and collaboration.

Ethical Leadership

All three Commissioners achieved certification through the New Mexico Certified Advocate in Public Ethics (CAPE) program. This achievement underscores our commitment to ethical governance and aligns with the new constitutional mandate.

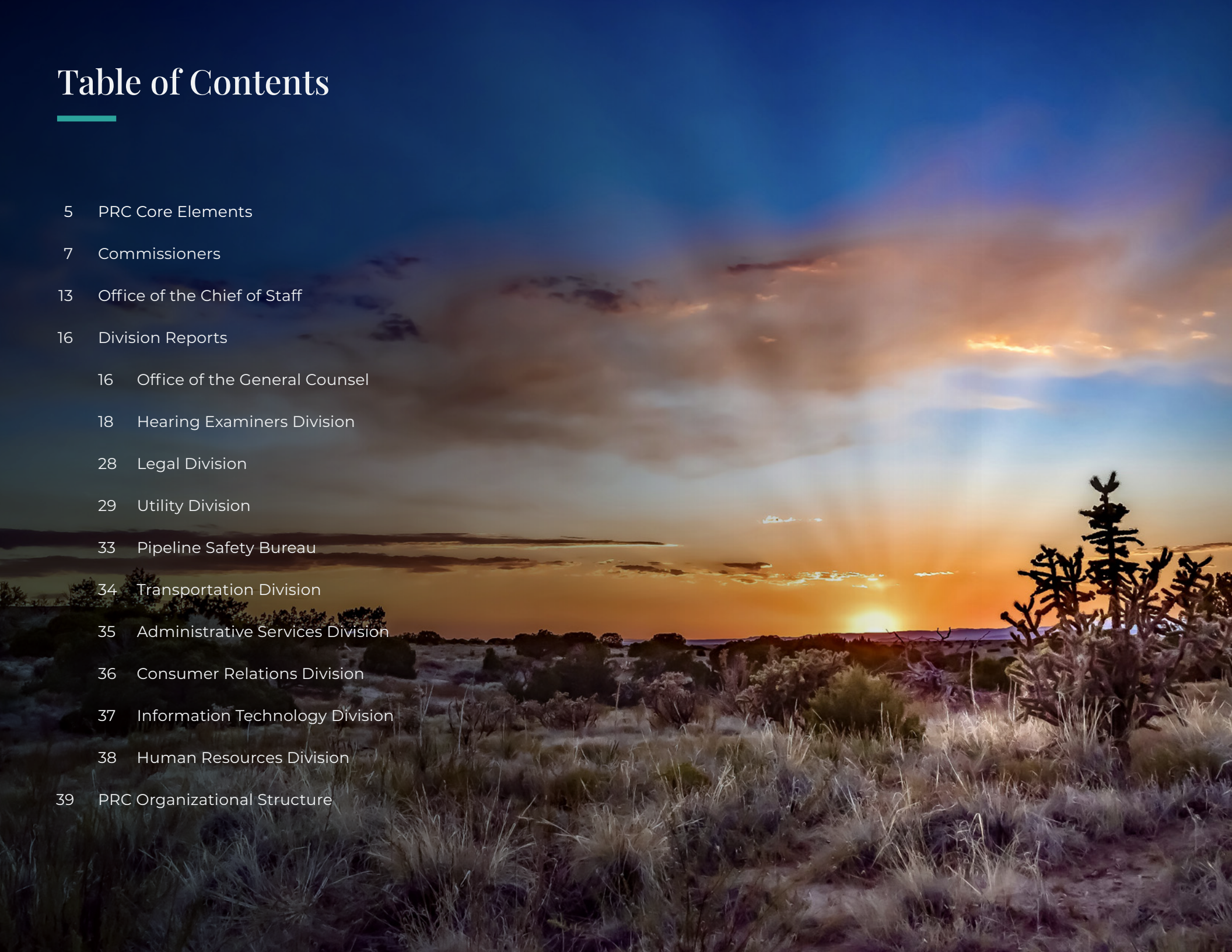
Looking Ahead

As we move into 2025, we are energized by the progress made during the past year. With a strengthened team, an ambitious regulatory agenda, and the trust of our stakeholders, we are poised to continue our mission of serving New Mexico with transparency, innovation, and regulatory excellence.

Thank you for your continued support and partnership. Together, we look forward to advancing the future of energy and regulation in New Mexico.

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PRC Core Elements

Mission

The Public Regulation Commission serves New Mexico by ensuring safe operations and reliable utility services at fair, just, and reasonable rates consistent with the State's legal, economic, environmental, and social policies.

Values and Principles

Public Service

- We serve the public interest by working to improve New Mexico.
- We are good stewards of the public resources and confidence entrusted to us.

Integrity and Impartiality

- We apply independent judgment, and we base each decision on its merits.
- We are fair, honest, and transparent, and we follow through on our commitments.

Openness and Inclusivity

- We respect and support each other, and value the contributions of each person.
- We listen to the point of view of all who engage with us.

Excellence

- We consistently put forth our personal and professional best.
- We constantly seek to improve our work.

Vision

The Public Regulation Commission will be nationally recognized for its culture of excellence, innovation, and forward-looking policies that advance New Mexico's regulatory, energy and environmental goals.

As our highest purpose, the Commission and staff serve the Public Interest with non-discrimination, equity, fairness, and objectivity.

Strategic Goals

1. Create a mission-driven agency with a culture of teamwork and excellence.
2. Optimize Internal Operations, Processes and Time Management.
3. Provide leadership in regulation through implementing legislation and state policies, working with the industry and public to be a resource for the State.
4. Demystify the regulatory processes, roles and achievements of the PRC regarding utility services, telecommunications and pipeline safety.

Commissioners



Commissioner Patrick O'Connell

Patrick O'Connell, PE, was appointed by Governor Michelle Lujan Grisham and confirmed by the state Senate for a six-year term expiring on December 31, 2028. He is one of the three commissioners appointed to replace the five elected commissioners on January 1, 2023.

Commissioner O'Connell brings to the Commission experience developing and implementing strategies to

maintain reliable and reasonably priced water, natural gas, and electricity to utility customers throughout New Mexico. Prior to joining the NMPRC, He worked for 22 years at the Public Service Company of New Mexico, directed PNM's Integrated Resource Planning team, and led natural gas procurement planning efforts when PNM owned New Mexico Gas Company. He also led the Clean Energy program at Western Resource Advocates. He is a Civil Engineer, graduated from the University of New Mexico and lives in Albuquerque.

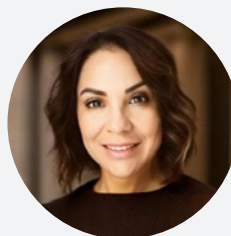
Currently serving as Chair of the NMPRC, Commissioner O'Connell conducts NMPRC's regular open meetings and is a commissioner for the New Mexico Martin Luther King Jr. State Commission. In addition to serving as Chair of the New Mexico

Public Regulation Commission, Commissioner O'Connell holds several leadership positions in organizations that govern or support regulated utility regulations. Commissioner O'Connell is:

- President of Southwest Power Pool's Regional State Committee ("RSC") for 2025. The RSC provides collective state regulatory agency input on matters of regional importance related to the development and operation of bulk electric transmission for the SPP regional transmission organization. The RSC's 4 areas of authority are transmission cost allocation, financial transmission rights, planning for remote resources and resource adequacy.
- Vice President of the Western Conference of Public Service



**MCLEE
KEROLLE**
TECHNICAL
ADVISOR



**JENNIFER
BACA**
EXECUTIVE
ASSISTANT



MIGUEL PEREZ
ECONOMIST-
POLICY
ADVISOR

Commissioners (“WCPSC”). The WCPSC is a regional association within the National Association of Regulatory Utility Commissioners and is comprised of 14 western states. In 2026, Commissioner O’Connell will serve as president of this organization and the NMPRC will host the WSPSC’s annual meeting in New Mexico.

- Represents the WSPSC on the Federal and State Current Issues Collaborative established in 2024 by the Federal Energy Regulatory Commission in association with NARUC. The collaborative is composed of the five FERC commissioners and 10 state commissioners, two from each of the five NARUC regions. The collaborative will explore where best to coordinate between state and federal regulators on issues

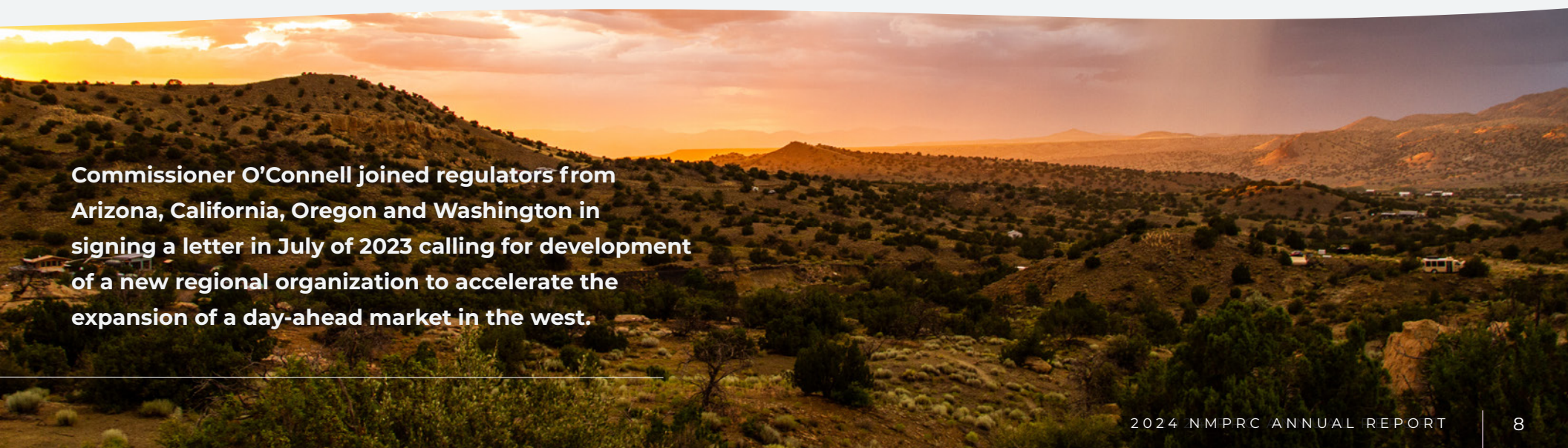
ranging from electric reliability and resource adequacy to natural gas-electric coordination, wholesale and retail markets, new technologies and innovations, and infrastructure.

- Co-Vice Chair of the National Association of Regulatory Utility Commissioners’ (“NARUC”) Committee on Energy Resources and the Environment (“ERE”). NARUC’s ERE is a venue for State regulators to provide utility customers with environmentally sustainable and affordable energy services. Particularly, the Committee focuses on energy efficiency, environmental protection, renewable and distributed resources, consumer protection, low-income weatherization and assistance, and public interest research and development.

- Member of Western Electric Coordinating Council’s Board of Directors Members Advisory Committee (“MAC”). Western Electricity Coordinating Council (WECC) is a non-profit corporation that exists to assure a reliable Bulk Electric System in the Western Interconnection. The WECC MAC advises the Board on any matters the Board requests that the committee evaluate and on matters as the committee deems appropriate.

Commissioner O’Connell’s participation in these national and regional organizations are valuable as New Mexico pursues its clean energy policies while benefiting from affordable, reliable utility services. As an example of how these regulator collaborations can benefit New Mexicans, Commissioner O’Connell

joined regulators from Arizona, California, Oregon and Washington in signing a letter in July of 2023 calling for development of a new regional organization to accelerate the expansion of a day-ahead market in the west. The stated goal was a west-wide market footprint to create the greatest opportunities for affordable electric service. This letter led to the formation of the West-Wide Governance Pathways Initiative. During 2024, this initiative created enhancements to the existing Western Energy Imbalance Market and a proposal to launch a new regional organization that can realize the benefits of a west-wide regional market with a focus on delivering consumer benefits.



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Commissioner Gabriel Aguilera

Commissioner Gabriel Aguilera was appointed to the New Mexico Public Regulation Commission by Governor Michelle Lujan Grisham to a four-year term commencing on January 1, 2023. He grew up in Sunland Park, New Mexico, and graduated from New Mexico State University. He spent 15 years at the Federal Energy Regulatory Commission (FERC), where he held multiple positions, including economist, energy industry analyst, supervisory energy industry analyst, and senior policy advisor. During his time at FERC, he focused mainly on Western electric matters. Commissioner Aguilera believes consistency, predictability, and reasonableness are core elements of a sound regulatory environment that allows the public interest to thrive. He is committed to making sound decisions that result in the provision of safe and reliable

services at just and reasonable rates while respecting precedent and law.

Commissioner Aguilera is an active participant in the development of emerging regional energy markets in the West. He advocates for the economic and reliability benefits of regional electric markets, and is committed to ensuring that regional markets will bring cost savings and other benefits to New Mexicans. As the Chair of the Body of State Regulators for the Western Energy Imbalance Market and Extended Day-Ahead Market, a member of the Markets+ States Committee concerning the Markets+ day-ahead market, and a frequent speaker and participant in regional conferences and events, Commissioner Aguilera ensures that New Mexico has strong representation in the West.

Regional electric markets can help meet the state's emissions reduction targets and improve grid reliability at a reduced cost to ratepayers compared to transacting through the bilateral energy market. The Commission is proactively evaluating emerging regional day-ahead markets to ensure that when Public Service Company of New Mexico (PNM) and El Paso Electric Company (EPE) participate, the benefits to consumers come to fruition.

To that end, Commissioner Aguilera is leading the ongoing "Inquiry and Potential Rulemaking Pertaining to Investor-Owned Electric Utilities Regional Market Activity," which solicited input from industry and stakeholders to discuss and develop guiding principles and expectations for electric utilities participating in a regional day-ahead market or a



KAI FILION
TECHNICAL
ADVISOR

regional transmission organization. The Commission held the first of a series of workshops in September of 2023, highlighting the responses and comments submitted by stakeholders in Case No. 23-00268-UT. The workshops continued throughout 2024 in January, May, and August. In August, PNM and EPE presented a study showing that New Mexican ratepayers would benefit economically from PNM and EPE participating in a regional-day ahead market. The Commission has issued a guidance document to assist the utilities in their decision making.

In addition to these efforts Commissioner Aguilera participated in the following conference discussions over the past year, among others:

- A panel discussion on “Weather and the Energy Transition:

Policies and Preparation” at the Northwestern University Electricity Dialogue on December 1, 2023.

- A roundtable discussion with Commissioners and large customers from across the country at the Edison Electric Institute National Key Accounts Workshop on April 10, 2024.
- The Commissioners’ panel at the New Mexico State University Center for Public Utilities Current Issues Conference on April 17, 2024.
- A panel discussion on analyzing regional markets and evolving “seams” for public policy and regulation at the Western Energy Interstate Board Committee on Regional Electric Power Cooperation on April 24, 2024.

- A discussion of “Western Regional Market Alternatives” at the Western Conference of Public Service Commissioners Annual Education Conference on May 20, 2024.

- A panel discussion on meeting the power demands of the Permian Basin on June 25, 2024.

- A panel discussion on cybersecurity for water utilities at the National Association of Water Companies’ Water Summit on September 9, 2024.

- A discussion of New Mexico’s energy sector regulatory landscape at the New Mexico Energy Policy Symposium held on September 13, 2024.

- A discussion with Western regulators at the Joint Western

Energy Markets Governing Body and California Independent System Operator Corporation General Session on September 26, 2024.

Commissioner Aguilera is leading the ongoing “Inquiry and Potential Rulemaking Pertaining to Investor-Owned Electric Utilities Regional Market Activity.”



Commissioner James Ellison



JUDITH AMER
TECHNICAL
ADVISOR

James Ellison was appointed to the New Mexico Public Regulation Commission in January 2023 by Governor Michelle Lujan Grisham, and is serving a two-year term which concludes on December 31, 2024. Prior to joining the Commission, he worked at Sandia National Laboratories (“Sandia”) for over ten years, focusing on power systems analysis and planning, including energy storage valuation and renewable energy integration. Prior to Sandia, he worked at the AES Corporation, where he managed a power plant and a distribution company.

Over this past year, Commissioner Ellison has served as New Mexico’s voting member on the Committee of State Representatives of the Western Interstate Energy Board (WIEB – COSR). This is a standing committee

that advises the Western Resource Adequacy Program (WRAP), which is a new reliability sharing program in the West that is in the process of being established. He has also served as New Mexico’s voting member on the NARUC Committee on Gas, and as a member of the NARUC Task Force on Evolving Gas Infrastructure Planning.

Commissioner Ellison has participated and presented at numerous conferences, both nationally and in New Mexico. Recently, he presented to the Sandia Blade Conference (dealing with wind power) about the NMPRC’s role in reviewing transmission lines and generation interconnections for locational approval and moderated a panel discussion on modern challenges to distribution planning at this year’s NMPRC utility law seminar.

Since his appointment, Commissioner Ellison has advocated for a reliability rulemaking, which with the full Commission’s support was adopted this year. This rule establishes for the first time reliability reporting requirements by the electric Investor-Owned Utilities (IOUs) to the PRC. This is a high-quality rule that was written with the input and collaboration of the three IOUs, and with expert assistance from Lawrence Berkeley National Labs (LBNL). Having this data will allow the Commission to better understand whether all customers are being served reliably, and whether distribution investments are being allocated to address reliability problems. Ratepayers have a right to expect an adequate quality of service. This measure is a critical step in ensuring Commission oversight over quality of service, which is a core mission of the Commission.

Throughout his tenure, Commissioner Ellison has advocated for a Grid Modernization and Integrated Distribution Planning rulemaking. Four informal workshops have been held on this topic, and a draft rule was distributed for comment in November 2024. Given that IOUs have the statutory authority to file for grid modernization plans and request cost recovery through a rate rider, it is important to articulate what the applications should contain, and to establish the criteria by which the Commission will evaluate these applications.

Commissioner Ellison believes that it is important to consider grid modernization in the broader

context of distribution planning. Considering grid modernization and distribution planning together, given that they both can achieve the same objectives, is more likely to lead to efficient outcomes. He also believes that utilities should file their long-term distribution plans with the Commission, which has not previously been required and which is proposed in the current rulemaking.

Commissioner Ellison is committed to ensuring that our electric utilities achieve New Mexico's Renewable Portfolio Standard mandates responsibly, such that rates remain reasonable and power supply remains reliable.

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Office of the Chief of Staff

The Chief of Staff is responsible for all day-to-day operations of the agency and the Chief of Staff's Office works with divisions across the agency to implement and oversee agency priorities, take on special projects and ensure the agency is accessible and responsive to the public and our many stakeholders.



**CHOLLA
KHOURY**
CHIEF OF
STAFF

2024 continued to be a year of change, growth and exciting progress for the NMPRC. Guided by our strategic implementation plan, our key emphasis was building capacity, collaboration and accountability within the agency. We also focused on redesigning internal processes and modernizing our systems. These internal improvements are being reflected in our interactions with stakeholders. NMPRC employees are receiving more invitations and opportunities to engage on key energy, utility and pipeline issues. Thanks to strong support from the legislative and executive branches, we

have experienced a significant boost in our capacity to train employees for the complex and vital work we perform at the NMPRC. We are excited about the growth we have experienced over the past year and are confident that in 2025 the NMPRC will continue to meet the challenges facing our state, helping to make New Mexico an even better place to live, grow a business and raise future generations.



JERRI MARES
DIRECTOR
OF POLICY
ADMINISTRATION

The Director of Policy Administration continues to play a vital role in fostering effective communication between the PRC, stakeholders, and the state legislature. Throughout the year, the PRC has worked diligently to ensure that the agency's priorities and initiatives are well-represented in legislative discussions, contributing to the advancement of sound policies that promote public welfare and regulatory transparency.

The Commission is not only responsive to the legislative environment but also proactive in building strong relationships with key stakeholders

while navigating the complex landscape of ensuring compliance with evolving regulatory frameworks.

Through collaborative efforts, the PRC, under the Director's leadership, has successfully provided timely responses to legislative inquiries, and helped clarify complex regulatory issues for lawmakers. This proactive engagement has further solidified the PRC's reputation as a key resource for effective public regulation in the state.

The Director of Policy Administration's leadership is instrumental in ensuring that the PRC remains at the forefront of legislative advocacy, empowering the Commission to continue fulfilling its regulatory responsibilities with integrity and effectiveness, and taking the work of the PRC to the next level in terms of compliance, efficiency, and efficacy.



JORDAN GUTIERREZ
PROJECT MANAGER

The Project Manager for the Office of the Chief of Staff plays a vital role in optimizing internal processes and enhancing agency morale. Responsibilities include managing deadlines, overseeing the strategic implementation plan, and ensuring commission meeting agendas are prepared and posted promptly for staff and public access. This role also oversees social media accounts, manages the Chief of Staff's calendar, and collaborates with external agencies to organize presentations, training sessions, and professional development opportunities. Working closely with the Chief of Staff, the Project Manager supports the achievement of the agency's strategic goals, partners with IT to maintain the website, and ensures resources are allocated effectively. Additionally, the position involves managing numerous initiatives, including agency publications and reports.

In 2024, the New Mexico Public Regulation Commission (NMPRC) made notable progress toward its strategic goals. Below are just some of the highlights from this year's achievements—these

represent only a portion of the work accomplished agency-wide:

Public Outreach and Communication

- **Enhanced Social Media Presence:** Social media communications have significantly expanded the agency's public engagement and outreach. Overall postings on social media increased 13-fold over the past year, and the number of followers on LinkedIn grew by 93 percent.
- **Regular Open Meetings Across New Mexico:** The agency committed to holding Regular Open Meetings outside the Albuquerque-Santa Fe corridor, increasing accessibility and public engagement. Meetings were held in Hobbs and Farmington with more locations planned for the future.

Improved Internal Communication

- **PRC Monthly Newsletter:** A monthly PRC staff newsletter was launched to improve internal communication, highlighting the agency's accomplishments, current events, and updates from various divisions.
- **New Employee Orientation Webpage:** An intra-agency, centralized New Employee Orientation webpage was developed to provide essential

Regional electric markets can help meet the state's emissions reduction targets and improve grid reliability at a reduced cost to ratepayers compared to transacting through the bilateral energy market.

resources, background information, and an introduction to agency operations, aiding new employees in the onboarding process.

Committees for Growth and Engagement

In alignment with the NMPRC's strategic plan, three committees were established to foster professional growth, wellness, and community involvement:

1. **Wellness Committee:** Focuses on promoting staff well-being.
2. **Professional Development Committee:** Offers learning opportunities such as Book Club and Lunch 'n' Learn events.
3. **Volunteer Service Committee:** Connects staff with community service opportunities, including Habitat for Humanity projects and planned donations to Roswell non-profits.

Training, Development, and Industry Engagement

- **Powering New Mexico: The Journey to Sustainable**

Energy CLE Seminar:

The agency hosted its second annual CLE seminar, attracting over 100 participants for two days of impactful industry discussions, reinforcing NMPRC's leadership in sustainable energy.

- **Professional Development Opportunities:**

Staff across multiple divisions participated in nationwide training sessions, bringing valuable insights back to the agency and sharing knowledge through in-house learning opportunities.

- **Lunch 'n' Learns:**

The NMPRC has implemented monthly lunch 'n' learns taught by both staff members and outside experts. This is resulted in increased peer-to-peer learning and an increased awareness of the expertise within the agency.

Looking Forward

The accomplishments of 2024 reflect a transformative year for the NMPRC. These highlights only scratch the surface of the progress made. With

enhanced public outreach, stronger internal communication, and a focus on professional development, the agency is well-prepared to meet future challenges.



**PATRICK
RODRIGUEZ**
PUBLIC
INFORMATION
OFFICER

The Public Information Officer (PIO) handles media requests, creates communications materials, and

works with the Chief of Staff, Division Directors, Commissioners, and other staff to promote the work of the NMPRC. The PIO shares news about the NMPRC through social media posts, press release distribution to the media and stakeholders, and updates to the agency's website.

In 2024, the PIO developed multiple outreach campaigns to highlight the major accomplishments of the NMPRC as well as policies and initiatives approved by the Commission, all of which impact the public interest. These outreach campaigns included rate

case decisions for both Public Service Company of New Mexico (PNM) and New Mexico Gas Company (NMGC), grid modernization and integrated distribution planning for all three of the state's investor-owned electric utilities, regional market participation for PNM and El Paso Electric, and the successful transfer of the Transportation Division to the New Mexico Department of Transportation. In addition, the PIO continues to refine campaigns to foster consumer engagement through public comment hearings and community outreach.

With enhanced public outreach, stronger internal communication, and a focus on professional development, the agency is well-prepared to meet future challenges.



DIVISION REPORTS

Office of General Counsel (OGC)

SCOTT CAMERON, DIVISION DIRECTOR

The Office of General Counsel (OGC) serves as legal counsel to the Commission.

In their role as General Counsel, OGC attorneys advise the Commissioners concerning the substantive and procedural legal issues in pending adjudicative and rulemaking matters, as well as in formal consumer complaints. In the past year, OGC attorneys handled an astounding more than 250 matters before the Commission at about 30 open meetings, special open meetings, workshops, and public comment hearings, as well as representing the Commission in nearly a dozen appellate matters.

A sampling of the adjudicative matters OGC handled includes many significant and highly contested matters, such as New Mexico Gas Company's application for a liquified natural gas storage facility and Public Service Company of New Mexico's first

rate case in nearly a decade. In addition to those matters, OGC counseled the Commission regarding annual and tri-annual public utility energy efficiency, transportation electrification, and Renewable Energy Act plans. This year also saw the Commission approve significant resource procurements both for compliance with New Mexico's Renewable Portfolio Standards and to address pressing utility system needs.

As for non-adjudicatory matters, OGC assisted the Commission with several consequential rulemakings, including a rulemaking that established reliability metric reporting for investor-owned electric utilities and another that implemented the Energy Transition Act's carbon dioxide emissions requirement.

On the appellate front, five new appeals were initiated and are currently in the briefing stage, with hearings and decisions anticipated next year. Additionally, an emergency writ petition was filed that was ultimately denied. The Supreme Court heard oral argument for five other appellate matters during the year.

The Supreme Court released four opinions and two orders without opinions on PRC appellate matters this year. First, on a matter related to the Community Solar Rule, the Court affirmed the Commission's adoption of the rule in an order immediately following oral argument and indicated an opinion containing the Court's analysis would be forthcoming. Second, the Court affirmed a Commission order relating to Renewable Energy Act incentives. Third, the Court reversed a

Commission declaratory order wherein the Commission determined Section 62-17-5(F) described "partial decoupling," instead determining the plain language of the statute clearly described full decoupling mechanisms. Fourth, the Court upheld a Commission order setting rates for rural electric cooperatives, holding that while the Commission does not automatically have jurisdiction over rural electric cooperatives, once the Commission's jurisdiction is invoked, the Commission has plenary authority to examine and set rates in accordance with its mandate to ensure all rates are just and reasonable.

The two orders issued by the Court concerned a reversal of a Commission order that sanctioned both Avangrid and PNM, when the sanction should just have applied to one party; and the

Court denied a petition for writ of mandamus in which petitioners requested the Court issue a writ which would have the Commission retract its approval of a solar facility in Bernalillo County and instead order PNM to build a facility in San Juan County as a replacement resource for the abandoned San Juan Generating Station as contemplated in the Energy Transition Act.

Additionally, this year the PRC proudly launched a new legal externship program housed in OGC, marking a significant step in its commitment to

nurturing future legal talent. Through this initiative, the PRC welcomed two exceptional externs during the summer. Their contributions spanned across the agency, including in the Office of Hearing Examiners, the OGC, staff, and assisting on appellate matters. The externs played a role in supporting our legal teams with research, analysis, and case preparation, gaining invaluable hands-on experience while adding fresh perspectives to the PRC's work. The PRC looks forward to continuing this program and expanding opportunities for law students.

In personnel matters this past year, OGC was proud to have one of its attorneys promoted to Deputy Chief and two of its attorneys win the coveted NMPRC Employee of the Month award. Lastly, OGC was happy to welcome attorney Allyssa Herrera-Waldroup to the team late this year.

OGC looks forward to working closely with all divisions to expand upon the success that the NMPRC has had in protecting consumers, the environment, and the State.

The Public Regulation Act provides that the Commission may delegate authority to the Commission's hearing examiners to preside over any matter before the Commission.



DIVISION REPORTS

Hearing Examiners Division

ANTHONY MEDEIROS, DIVISION DIRECTOR



The Public Regulation Act provides that the Commission may delegate authority to the Commission’s hearing examiners to preside over any matter before the Commission.

The Hearing Examiners Division houses the Commission’s six administrative law judges (ALJs) and one legal assistant. The Commission’s ALJs are known as “hearing examiners” principally because the Commission’s enabling act, the Public Regulation Act, specifies that appellation. The Public Regulation Act allows the Commission to delegate authority to the Commission’s hearing examiners to preside over any matter before the Commission, including rulemakings, adjudicatory proceedings, and administrative matters. The hearing examiners’ primary duties include managing adjudicatory proceedings, conducting trial-type hearings, and developing comprehensive evidentiary records upon which they issue recommended decisions that include findings of fact and conclusions of law. Commissioners use recommended

decisions as the basis for their actions in adjudicatory proceedings. Hearing examiners preside over diverse and complex types of cases, some of which include rate-setting; certificates of public convenience and necessity (“CCNs”) to build and acquire generating resources; utility applications for approval of purchased power agreements (“PPAs”); utility applications for approval of transportation electrification plans (“TEPs”); utility applications for approval of grid modernization (or “grid mod”) projects; mergers, sales, and acquisitions of utilities and utility property; declaratory orders; territorial disputes; quality of service; purchased power and gas cost recovery; interconnections; arbitrations; abandonments of utility plant or service; complaints; siting approval for major generation and transmission

projects; permitting proceedings; financings; and enforcement actions across the major industries regulated by the Commission.

Hearing Examiners conduct procedural conferences, hearings, and oral arguments; issue bench requests to elicit relevant facts; ensure that a full evidentiary record is established; make rulings on procedural and evidentiary issues; admit evidence into the record; analyze evidence, briefs, applicable laws, rules, and orders; and issue recommended decisions, including findings of fact and conclusions of law. Their recommended decisions are then presented to the Commission for consideration and issuance of a final order, enabling the Commission to meet statutory deadlines 100 percent of the time.

The past year was another extraordinarily productive one for the Hearing Examiners Division as it heard and shepherded to conclusion numerous cases including, among others, major rate cases for New Mexico Gas Company (“NMGC” or “Gas Company”) and Public Service Company of New Mexico (“PNM”); Gas Company’s application for a CCN to construct and operate a liquefied natural gas storage facility within the city limits of Rio Rancho in northwest Bernalillo County; the annual Renewable Energy Act plan cases filed by the investor-owned electric utilities (or “IOUs,” consisting of PNM, El Paso Electric Company [“EPE”] and Southwestern Public Service Company [“SPS”]); several utility applications for approval of renewable energy generation and battery energy storage system (“BESS”) projects;

SPS's request for approval of a new voluntary renewable energy purchase program for certain large commercial and industrial customers; the investor-owned utilities' applications for approval of transportation electrification plans; and IOU applications for authority to implement grid modernization plans and related proceedings. In addition, the Hearing Examiners Division presided over the Community Solar Program Phase 2 evidentiary proceedings in January 2024. The Hearing Examiners also played a vital role in the transition of the Commission's Transportation Division to the Department of Transportation. Hearing Examiners reviewed applications proposing tariff changes for ambulance services in San Juan County for San Juan Regional Medical Center in Case No. 22-00287-TR-R and Bernalillo County for Albuquerque Ambulance Service in Case No. 23-00289-TR-R and prior to the transition. They also held evidentiary hearings in June 2024 that enabled the Commission to finish an extensive investigation into all motor carriers' compliance with statutory annual report filings prior to the transition in numerous consolidated transportation dockets.

Major Rate Cases

New Mexico Gas Company provides natural gas utility service to approximately 545,000 customers

throughout the state. Approximately 99 percent of the gas company's customers are households or small businesses that primarily use natural gas for heating their homes and businesses. The company's business is the delivery, not the production, of natural gas. NMGC currently has around 790 positions and 700 employees and operates throughout the State. In this rate proceeding, the gas company's corrected rate application in Case No. 23-00255-UT requested a revenue increase of 22.4 percent or \$48.43 million. NMGC requested a \$3.10 increase to its Residential Access Fee and a 11.2 percent increase in the average residential customer 53 therm usage cost. Drivers for NMGC's increase in the revenue requirement and the resulting deficiency is the product of NMGC's need to make capital investments and increased operating expenses. After the filing of testimony concluded, negotiations resulted in an uncontested stipulation. After evidentiary hearings on the stipulation in April 2024, the hearing examiner issued a certification of stipulation at the beginning of June 2024 in which she recommended that the Commission approve the stipulation. Among other things, the stipulating parties agreed to a \$30 million revenue increase. The impact of the base rate change to an average residential customer monthly bill using 53 therms is \$4.21 or 7.10 percent. There will be no

Approximately 99 percent of [New Mexico Gas Company]'s customers are households or small businesses that primarily use natural gas for heating their homes and businesses.

change in the Residential Access Fee. In order to reach the \$30 million increase in revenue agreed to in the stipulation, the gas company is delaying the dates of deployment of some of its proposed capital investments. Delays in capital investments result in decreases to total net-plant balances in the adjusted FTY in the amount of \$10 million compared to NMGC's original request. The company is contemplating adjustments to its projected operations and maintenance ("O&M") costs as part of its efforts to reach the \$30 million stipulated revenue. NMGC did not identify specific projects that would be affected but averred that the company will be able to identify projects that can be delayed without negatively affecting the safety or reliability of the system. In July 2024, the Commission issued a final order adopting the hearing examiner's certification of stipulation in its entirety.

In Case No. 22-00270-UT, the hearing examiners co-presiding over PNM's 2022 rate case filing issued a recommended decision in December 2023 after three weeks of evidentiary

hearings during September 2023, twelve volumes of transcripts produced, and voluminous post-hearing briefs filed by the numerous parties. Their 362-page recommended decision provided extensive analyses and offered the Commission proposed resolutions to the many issues PNM's rate filing touched upon including findings of imprudence and an associated \$64 million net rate base investment disallowance associated with PNM's decision to continue participating in the Four Corners Power Plant ("FCPP") beyond July 2016, disallowing a return on \$45 million of rate base associated with PNM's Palo Verde Nuclear Generating Station ("PVNGS") leasehold improvements regulatory asset, and authorizing a \$38.4 million regulatory liability and refunding the costs borne by ratepayers for the leased capacity at PVNGS after PNM's Unit 1 lease expired in January 2023. The Commission carefully considered the recommended decision and issued a 79-page final order on January 23, 2023. Many of the recommendations including on capital structure, return

on equity, and other important and cost-consequential matters like those involving the determinations made with regard to the FCPP and PVGNS were adopted by the Commission. The Commission approved a revenue increase of \$15.3 million, which amounted to 24 percent of the \$63.8 million increase PNM requested in its application. The Commission approved a return on equity (“ROE”) of 9.26 percent for PNM, whereas the company had asserted a 10.25 percent ROE. The Commission authorized an overall rate of return of 6.21 percent for PNM, whereas the company had sought an 8.77 percent overall return. PNM and several intervenors filed notices of appeal of the Commission’s final order with the New Mexico Supreme Court. The consolidated appeals are docketed as Supreme Court Case No. S-1-SC-40332.


On June 14, 2024, a mere five-and-a-half months after the Commission’s final order in PNM’s previous rate case, PNM filed another base rate application seeking what the company itself describes in the application as a “significant increase for customers” based on a projected test year beginning July 1, 2025. In the new rate proceeding, docketed as Case No. 24-00089-UT, PNM claims a revenue deficiency of \$174.3 million for its asserted test period, based on PNM’s authorized rates approved by the Commission in Case No. 22-00270-UT. If granted in its entirety by the Commission, PNM’s proposed rate increase would represent a 23 percent overall system cost increase, raising the average residential customer’s monthly bill by approximately \$11.12 in July 2025 and an additional \$12.48 in January 2026. The hearing examiners assigned to Case No. 24-00089-UT

set an evidentiary hearing on PNM’s application to begin in February 2025 and have begun resolving prehearing motions filed by the parties. In addition to the evidentiary hearing, the Commission scheduled a public comment hearing in November 2024, though this had to be rescheduled due to inclement weather. The Commission’s final order is expected by July 15, 2025.

Key Cases Supporting Transition to Zero Carbon Resources

New Mexico’s Renewable Energy Act (“REA”) requires among other things that utilities meet renewable portfolio standard (“RPS”) requirements (40 percent of retails sales by 2025, 50 percent by 2030, 80 percent by 2040, and 100 percent zero carbon resources by 2045) and diversify their

clean energy resources in the interest of promoting domestic renewable energy production and fostering economic development. A hearing examiner presided over EPE’s 2025 REA Plan in Case No. 24-00176-UT. Primarily at issue in EPE’s plan was its proposal to comply with the 40 percent RPS requirement for 2025 through the company’s projected renewable energy generation and associated Renewable Energy Certificates (“RECs”) from its approved renewable energy portfolio and two temporary solar project reassignments of otherwise non-jurisdictional resources (i.e., continuation of the Buena Vista 1 solar facility reassignment approved in EPE’s 2023 REA plan case and the reassignment of energy and RECs from the Macho Springs solar facility) to make up for the shortfall in RECs caused by the removal of the Hecate solar projects



New Mexico’s Renewable Energy Act (“REA”) requires among other things that utilities meet renewable portfolio standard (“RPS”) requirements...

from the company's REA plan due to the projects not being operational as planned and the anticipated delay of commercial operation of the Carne solar and BESS project from May 2025 to August 2025. The hearing examiner issued his decision recommending approval of EPE's 2025 REA Plan on September 20, 2024. The Commission issued its final order in this case on October 17, 2024.

Two hearing examiners co-presided over PNM's application for approval of its 2025 REA plan in Case No. 24-00207-UT. The hearing examiners held a hearing on PNM's 2025 REA plan case in September 2024. The discussion at the hearing, which followed a bench request issued by the hearing examiners, primarily focused on the continuing shortfalls in production from the Lightning Dock geothermal project. Among other topics of discussion, witnesses from PNM and the Commission's Utility Division Staff testified about the viability and costs to ratepayers of Lightning Dock's purchased power agreement. A Commission final order on PNM's application is expected by mid-December 2024.

A hearing examiner presided over SPS's application for approval of its 2025 REA Plan in Case No. 24-00240-UT. SPS's application included among other things approval of SPS 2025

Solar*Connect Rate Rider, the 2025 Large Customer Renewable*Connect Rate Rider, and SPS's proposed rate for its 2025 RPS Rider. There were no new procurements requested in the application. The hearing examiner issued her recommended decision in this case on October 24, 2024. The Commission's final order in this case is expected in December 2024.

In the past year, hearing examiners also presided over numerous cases involving utility applications for approval of new renewable energy resources and storage facilities, either through applications for CCNs to own and operate the facilities or through Commission approval of purchased power agreements with third-party developers operating primarily through special purpose entities.

In December 2022, New Mexico Gas Company filed an application with the Commission requesting a CCN to construct and operate a liquified natural gas ("LNG") storage facility on the outskirts of the City of Rio Rancho on the Quail Ranch property in northwestern Bernalillo County. The proposed LNG storage facility had a rated capacity of 1 Bcf of natural gas, which is approximately 12 million net gallons of liquified natural gas. As designed, the LNG facility would liquify gas off NMGC's transmission system, store the LNG

In December 2022, New Mexico Gas Company filed an application with the Commission requesting a CCN to construct and operate a liquified natural gas ("LNG") storage facility...

for months, and then vaporize it back into NMGC's transmission system for use by customers. The LNG facility consisted of a 12 million-gallon LNG storage tank, a liquefaction system, and an LNG vaporizer system. The facility would also have the ability to receive LNG from and deliver LNG to special tanker-trucks for transport via truck to areas on the Company's system as needed. NMGC anticipated constructing the LNG Facility to become operational prior to or during the 2026-2027 winter heating season. The total cost for constructing the liquefaction system, storage tank, vaporizer system, and piping to connect the LNG Facility to the current NMGC system was estimated to be approximately \$181 million. NMGC asserted that the LNG facility was necessary for three core reasons: (1) Gas Company's asserted concerns over the reliability and performance of its current storage source, the Keystone Storage Facility; (2) preventing the reoccurrence of the company incurring extraordinary gas costs on behalf of its customers totaling \$107 million resulting from the extreme

cold weather event, Winter Storm Uri, in February 2021; and (3) significant operational advantages that a self-owned on-system storage facility would provide over the company's current arrangement with Keystone Storage. The hearing examiner presiding over this matter, docketed as Case No. 22-00309-UT, conducted a four-day hearing in early January 2024 and developed an extensive evidentiary record at hearing and through the issuance of six bench requests to NMGC. In his February 21, 2024, recommended decision, the hearing examiner found confusion in the record over NMGC's primary rationale for the LNG facility and concluded that the LNG facility failed the CCN's net public benefit test on all grounds, ranging from reliability, price volatility protection, cost-effectiveness, and the utility's duty to rigorously investigate feasible alternatives. Moreover, given the significant public interest in the matter and the conclusive showing that the LNG facility was not required for Gas Company's provision of adequate service, the hearing examiner further

found in applying a heightened standard of scrutiny to the project that the LNG facility would not promote the public interest. In its March 14, 2024, final order, the Commission adopted the hearing examiner's findings and conclusions with respect to the CCN net benefit test and thereby denied NMGC's application for the LNG facility on the basis that the application was not consistent with the public convenience and necessity. NMGC did not appeal the Commission's final order.

In May 2023, PNM filed an application docketed as Case No. 23-00162-UT for a CCN for approval to acquire, install, and operate two 6 MW 4-hour lithium iron phosphate ("LFP") battery energy storage systems on two distribution feeders (South Coors 12 and Tome 12) co-located at two PNM-owned solar generation sites. One site is located in

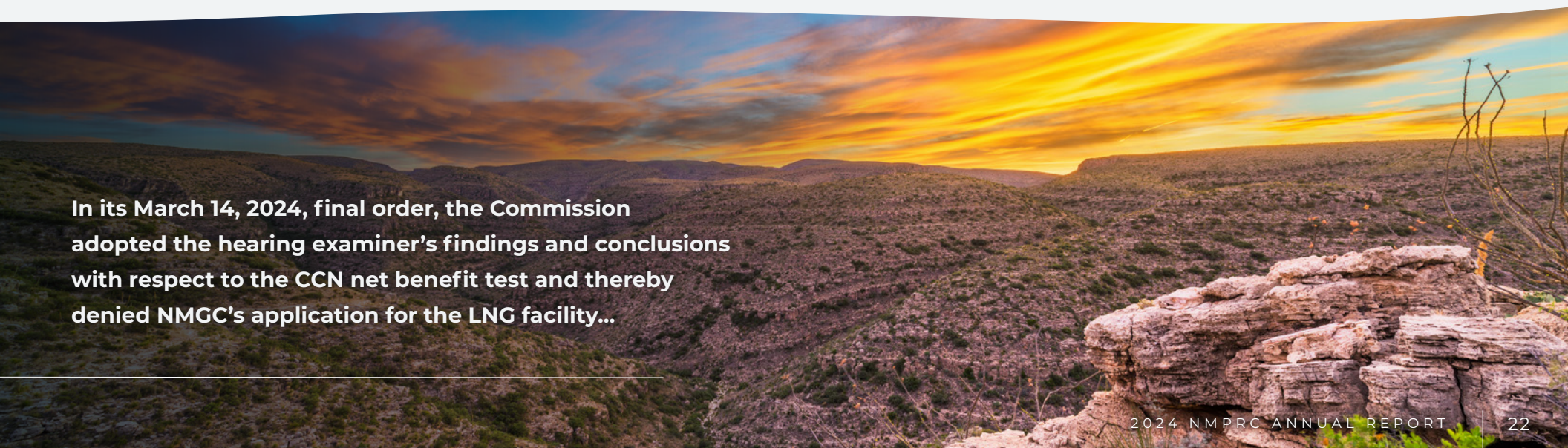
Bernalillo County and the other site is located in Valencia County. Both of the sites are located outside of existing municipal boundaries. The BESS Project facilities will be located at the feeders with the highest constraints and will be built and owned by PNM. The BESS Project has an expected service life of 20 years. A hearing examiner conducted a public hearing of this matter in October 2023. In her decision recommending that a CCN be issued, the hearing examiner found that PNM provided substantial evidence that the BESS Project would benefit the public interest by mitigating operational issues caused by solar generation by providing storage; providing for arbitrage pricing opportunities; lowering system wide emissions; providing operational flexibility as a dispatch resource; and mitigating local feeder issues. The Commission

adopted the recommended decision in a final order issued on December 21, 2023.

In July 2023, SPS filed an application in Case No. 23-00252-UT to obtain a CCN to construct, operate, and maintain three solar facilities (a 150 MW self-build facility at SPS's Plant X Generating Station near Earth, Texas, and 72 MW and 196 MW self-build solar facilities at SPS's Cunningham Generating Station near Hobbs, New Mexico) as well as 36 MW of dispatchable capacity from an SPS self-build BESS project co-located at the Cunningham Generating Station. SPS also sought authority to extend the service life of Cunningham Units 2 from 2025 to 2027 and the service life of Maddox Unity 2 from 2025 to 2028. Finally, SPS sought authority to abandon Cunningham Unit 2 in 2027. The presiding hearing examiner

held a hearing on the matter in February 2024 and issued his decision recommending approval of SPS's application on April 15, 2024. The Commission issued its final order adopting the recommended decision as amended on May 30, 2024.

In a companion case to Case No. 23-00252-UT in which SPS proposed the self-build projects for which it sought and obtained a CCN above, in Case No. 23-00384-UT the hearing examiner issued a certification of stipulation in June 2024 wherein he recommended approval of the long-term purchased power agreements SPS proposed. The PPAs include (1) a fifteen-year PPA with Borger Power Associates, LLC for 230 MWs of natural-gas generation from the Borger facility in Hutchison County, Texas and (2) a fifteen-year PPA with Wildcat Ranch Energy Storage, LLC for use of a 48 MW four-



In its March 14, 2024, final order, the Commission adopted the hearing examiner's findings and conclusions with respect to the CCN net benefit test and thereby denied NMGC's application for the LNG facility...

hour BESS facility in Cochran County, Texas. The Commission issued its final order adopting the certification on June 27, 2024.

In August 2023, PNM filed an application for a PPA for 140 MW of solar energy from the TAG Solar Energy Center and an energy storage agreement (“ESA”) for 50 MW of four-hour battery storage capacity from the TAG Energy Storage Center. PNM asserted that the energy and capacity are necessary to meet the expanding electric service requirements of Meta Platforms, Inc. (formerly Facebook, Inc.) at its data center in Los Lunas, New Mexico. PNM proposed to recover the costs of the PPA and ESA directly from Meta Platforms, Inc. The co-presiding hearing examiners held their hearing on the application in December 2023 and issued their decision recommending approval of PNM’s unopposed application in January 2024. The Commission issued a final order adopting the recommended decision on January 11, 2024.

In October 2023, PNM filed an application for approval of a PPA, CCN, and three ESAs for system resource additions necessary to meet peak load requirements in 2026. In Case No. 23-00353-UT, PNM sought approval of 100 MW of solar energy and 310 MW of battery storage projects to ensure adequate resources are available to

meeting summer 2026 customer needs and to ensure PNM’s planning reserves are in line with industry standards and resource adequacy requirements. Specifically, PNM requested approval of a long-term PPA for the Quail Ranch solar project with a 100 MW nameplate capacity, a CCN to construct the 60 MW four-hour BESS Sandia Storage Project, and three long-term ESAs for the Sky Ranch II, Route 66, and Quail Ranch four-hour battery storage projects with a combined 250 MW capacity. The hearing examiner assigned to Case No. 23-00353-UT conducted two days of hearings in March 2024 and issued his recommended decision recommending approval of the PPA, CCN, and ESAs on May 3, 2024. The Commission issued its final order approving the recommended decision in Case No. 23-00353-UT with amendments on May 30, 2024.

In addition to their compulsory participation in the Community Solar Program, utilities like EPE, PNM, and SPS offer customers the opportunity to purchase additional renewable energy through various voluntary “green pricing” and “green tariff” programs in accordance with the Renewable Energy Act and the Commission’s renewable energy rule, 17.9.572 NMAC. In August 2023, SPS filed an application for approval of a new voluntary renewable energy purchase program for large

In August 2023, SPS filed an application for approval of a new voluntary renewable energy purchase program for large commercial and industrial customers entitled the Renewable*Connect (“R*C”) program.

commercial and industrial customers entitled the Renewable*Connect (“R*C”) program. The R*C program is designed for customers who receive service under the company’s Large General Service-Transmission rate with a 5 MW peak monthly demand at a single premise. Eligible customers have to enter into a contract for a 10-year or 16-year subscription term. Subscribing customers pay a monthly charge per MWh for renewable energy purchased through the R*C program in its initial phase to recover SPS’s costs of implementing and administering the program, including but not limited to the costs to acquire the renewable energy (including the associated RECs), curtailment and congestion costs associated with the delivery of the renewable energy, and all administrative costs. Renewable energy for the program is sourced from approximately 80 MW of non-jurisdictional generating capacity associated with two PPAs between SPS and Roswell Solar, LLC and Chaves County Solar, LLC. In May 2024, the hearing examiner assigned to this matter, docketed as Case No.

23-00271-UT, issued a certification of stipulation that recommended approval of SPS’s Renewable*Connect program and associated relief. The Commission issued its final order adopting the certification of stipulation on June 27, 2024.

Finally, under Public Utility Act’s Location Control Statute, NMSA 1978, § 62-9-3, the Commission is conferred specific jurisdiction over the siting of power plants within the State of New Mexico with a capacity of 300 MW or more for the generation of electricity within or outside the State and over new high-voltage (230 kV or greater) transmission lines associated with covered generation facilities. In November 2023, Painted Desert Energy, a special purpose entity, filed an application for approval of a 400 MW-AC photovoltaic solar energy generation facility and a 200 MW battery energy storage facility. The facility is sited on approximately 3,885 acres at the New Mexico-Arizona border on private land, approximately 20 miles west of Fence Lake and approximately

21.5 miles northeast of St. Johns, Arizona. The energy generated and stored by the solar facility will be interconnected to Tucson Electric Power via a new substation and switchyard immediately adjacent to and connected with the existing 345 KV transmission system owned and operated by Tucson Electric. The hearing examiner presiding over this matter, docketed as Case No. 23-00380-UT, resolved after issuing several bench requests to Painted Desert Energy that a hearing in the case was unnecessary and subsequently issued her recommended decision recommending approval of the application on April 9, 2024. The Commission issued its final order approving the recommended decision with modifications on May 2, 2024.

Key Cases on Transportation Electrification

The Public Utility Act requires New Mexico public utilities to expand transportation electrification under NMSA 1978, Section 62-8-12 (2019). Two investor-owned electric utilities, PNM and EPE, submitted transportation electrification plans (“TEPs”) in 2023 as required by the Commission’s TEP rule, 17.9.574 NMAC (“Rule 574”), which governs utility applications to expand transportation electrification. Rule 574 prescribes that every three years starting June 1, 2023, PNM must file its TEP application. EPE is required to follow suit starting July 1, 2023. SPS’s first triennial TEP application was due on April 1, 2024.

In PNM’s TEP case, 23-00195-UT, the Commission adopted the co-presiding

hearing examiners’ recommended decision with modifications regarding administrative, marketing and outreach budget costs proposed by PNM in a final order issued on February 23, 2024. Among the incentives to New Mexico residents in PNM’s portfolio are charger rebates for up to 4,500 chargers, rebates for new home construction installations for up to 2,100 chargers, electric bicycle rebates for up to 450 customers, and electric vehicle (“EV”) purchase rebates for 225 low-income customers.

In EPE’s TEP case, 23-00231-UT, the hearing examiner recommended approval of EPE’s second transportation electrification application (but first after the Commission finalized Rule 574) in his decision issued on February 29, 2024. EPE’s application asked for

authorization for continued approval of programs proposed in EPE’s inaugural application. Attention was focused on what programs succeeded and which did not. Intervenor in the case recommended that EPE’s application include an on-the-hood rebate to assist low-income customers afford EVs. How to make EVs affordable for the many low-income ratepayers EPE serves remains an open question. The hearing examiner analyzed whether the Commission has authority to authorize such a program. He concluded that the Legislature did authorize this if appropriate. In its March 28, 2024, final order, the Commission adopted the hearing examiner’s recommended decision with minor modifications specified in the final order.

SPS’ second TEP case was docketed as 24-00120-UT (SPS’s first TEP was

The Public Utility Act requires New Mexico public utilities to expand transportation electrification under NMSA 1978, Section 62-8-12 (2019).

approved in Case No. 20-00150-UT, before Rule 574 became effective). In its application in Case No. 24-00120-UT, SPS requested a \$23.1 million dollar budget for the 2025-2027 TEP, and that the Commission grant the following relief: (1) approve SPS's TEP, and associated TEP programs; (2) approve SPS's proposed TEP budget and grant SPS budget flexibility; (3) reaffirm the Commission-approved process of placing TEP rebates into a regulatory asset, amortizing the rebates over a 10-year amortization period, and earning a return on the asset at SPS's most recently approved weighted average cost of capital ("WACC"); (4) approve SPS's proposed revenue requirement for the TEP, including SPS's proposed distribution capital investment; (5) approve SPS's proposed EV Infrastructure Rider and EV Charging Optimization Credit Rider; and (6) approve SPS's proposed evaluation and reporting criteria. The co-presiding hearing examiners held evidentiary hearings in August 2024 and the parties filed post-hearing legal briefs in August and September 2024. The hearing examiners' recommended decision is anticipated in October 2024, in time for the Commission to consider the recommended decision, any exceptions to the decision, and issue its final order before the end of 2024.

Key Cases on Grid Modernization

Section 62-8-13 of the Public Utility Act, NMSA 1978, § 62-8-13 (as amended through 2021) governs applications for grid modernization projects. The grid modernization (or "grid mod") statute directs the Commission to review the reasonableness of a public utility's grid mod projects – whether in the form of incentives, programs, or investments in assets, technologies or services – that are designed to modernize the electrical system by enhancing electric distribution or transmission grid reliability, resilience, interconnection of distributed energy resources, distribution system efficiency, grid security against cyber and physical threats, customer service, or energy efficiency and conservation.

In PNM's inaugural grid modernization case filed in 2022 and docketed as 22-00058-UT, the hearing examiner issued a recommended decision in August 2024. PNM's application requested authorization for roughly \$344 million in grid mod technologies and programs. The hearing examiner's recommended decision advises the Commission to approve PNM's application and require the utility to increase the speed at which it will offer PNM customers programs and technologies that will enable them to study their energy consumption and make modifications to save

The grid modernization (or "grid mod") statute directs the Commission to review the reasonableness of a public utility's grid mod projects...

money. Intervenor and Commission Staff meaningfully tested PNM's application. A multi-day, initial public hearing was conducted in March 2023. A subsequent multi-day hearing, at which PNM provided additional evidence on both the costs and benefits of its grid mod proposals, was conducted in April 2024. Intervenor exceptions to the hearing examiner's recommended decision were filed in late August 2024. PNM, which did not file exceptions, filed a response to the parties' exceptions on September 6, 2024. The Commission issued its final order in this case on October 17, 2024.

In July 2022, SPS filed an application for authorization to implement grid modernization components that include advanced metering infrastructure ("AMI"), recovery of associated costs through a grid modernization rider ("GMR"), and other Associated Relief. SPS requested authority in Case No. 22-00178-UT to acquire and implement grid modernization components that include AMI, fault location isolation system restoration ("FLISR"), and a

field area network (FAN) that enables operation of AMI and FLISR. SPS also requested approval of its proposed revenue requirement and authorization to earn a return on the capital investments under the Public Utility Act and Grid Modernization Statute. SPS only sought to recover costs through the GMR from customers who take service at a level below 69 kV, because at this time, SPS expects that AMI, FAN, and FLISR will primarily benefit those customers. SPS's requests were vetted in contested hearings and a determination on this case will be made by the Commission at a future date. In January 2024, the Commission adopted the recommended decision with modifications. In March 2024, the Commission issued an order partially granting SPS's motion for rehearing that found and concluded that the final order should be modified to allow SPS to calculate the GMR on projected costs instead of historical costs, to allow SPS to create a regulatory asset for SPS's undepreciated legacy meter balance upon installation of advanced meters, and to allow the time of use rate design process negotiated in Case No. 22-

00286-UT (an SPS rate case completed in October 2023) to proceed according to the stipulation in that case.

EPE's application for a time varying rate in Case 24-00113-UT follows EPE's prior grid modernization case (Case No. 21-00269-UT), where the Commission granted approval to EPE to implement an advanced metering system. The hearing examiners assigned to Case No. 24-00113-UT made inquiry, at the public hearing in September 2024, about the design of EPE's time varying rate pilot program. The questions were designed to ensure that the Commission would have the necessary data it will need in the future when EPE applies for mandatory, opt-out time of day rates. A productive discussion about the design of EPE's pilot occurred at hearing. However, given unanswered questions apparent in the record,

the hearing examiners will conduct supplemental evidentiary proceedings in this case in December 2024.

Community Solar Program

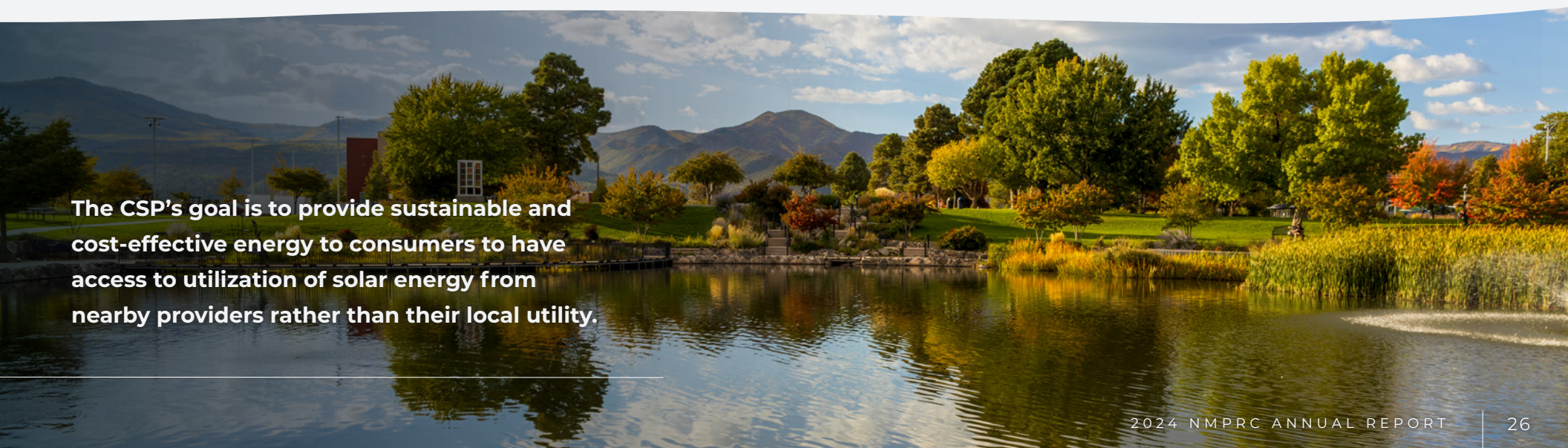
Hearing Examiners presided over the Community Solar Program ("CSP") Phase II hearings over three days between January 17-19, 2024 in Case No. 23-00071-UT. The CSP's goal is to provide sustainable and cost-effective energy to consumers to have access to utilization of solar energy from nearby providers rather than their local utility. The CSP Phase II proceedings addressed several critical pre-implementation items such as the calculation and administration of solar bill credits, subsidization issues, recovery of CSP administrative costs, and the attribution of unsubscribed energy.

The 217-page Phase II recommended decision was issued by a hearing examiner on August 30, 2024. Several parties filed exceptions to the Phase II recommended decision. The Commission issued its order addressing all remaining CSP Phase II issues on November 26, 2024.

Additional Key Case Worthy of Noting

Among numerous additional cases the hearing examiners handled this year, EPE's request for a variance for its fuel and purchased power adjust clause (FPPCAC) in Case No. 21-00064 warrants attention. Like other electric utilities, EPE has a Commission-approved FPPCAC. The purpose of a FPPCAC is to flow through to the users of electricity the increases and decreases in applicable fuel and purchased power costs per kilowatt-

hour of delivered energy above or below a base cost. As alluded to above in discussing NMGC's CCN application for an LNG storage facility, during February 2021, much of the United States experienced a severe Winter storm, sometimes referred to as Winter Storm Uri (also referred to as Cold Weather Event or Severe Weather Event). During Storm Uri, certain energy markets experienced extremely large spikes in the price of natural gas. In order to mitigate the effect on customers of monthly charges resulting from the recent Cold Weather Event, EPE filed a verified motion for a variance from its approved FPPCAC methodology. After hearings were held, a hearing examiner issued his recommended decision on December 5, 2022, finding that EPE's motion for variance should be granted.



The CSP's goal is to provide sustainable and cost-effective energy to consumers to have access to utilization of solar energy from nearby providers rather than their local utility.

On December 28, 2022, the outgoing elected Commission issued an order adopting the recommended decision with modifications and assigning the matter for further proceedings. EPE promptly filed a motion for rehearing and the City of Las Cruces (“City”) and Doña Ana County filed an emergency joint petition with the New Mexico Supreme Court. EPE’s motion was denied by operation of law and the New Mexico Supreme Court denied the City and County’s joint petition in July 2023. Consequently, proceedings in this case resumed before the recently installed appointed Commission. After a review of the existing evidentiary record, a newly appointed hearing examiner (the

initial hearing examiner had retired in the interim) found the record to be complete. The hearing examiner thus issued a second recommended decision in May 2024 finding that the market-based proxy pricing for PVNGS Unit 3 (or “PV3”) would be calculated in EPE’s monthly FPPCAC per the formula set out in a prior stipulation. Customers would receive power from PV3 using a pricing formula that reflects the lowest equivalent capacity and related energy available to EPE. The hearing examiner found that EPE’s testimony on the actual generation characteristics of its operations, and the actual operational circumstances and conditions during the Severe Winter Event, including

any constraints, provided credible and reasonable fact-based evidence that supported EPE’s choice to use the firm capacity and energy from PV3. She also found persuasive EPE’s credible testimony that PV3 provided EPE with the only firm capacity choice to provide uninterrupted continuous service during this critical Winter Event. Accordingly, concurring with the initial recommended decision, the hearing examiner found and concluded EPE’s motion for variance should be granted. In August 2024, the Commission issued an order adopting the second recommended decision in its entirety.

Customers would receive power from PV3 using a pricing formula that reflects the lowest equivalent capacity and related energy available to EPE.

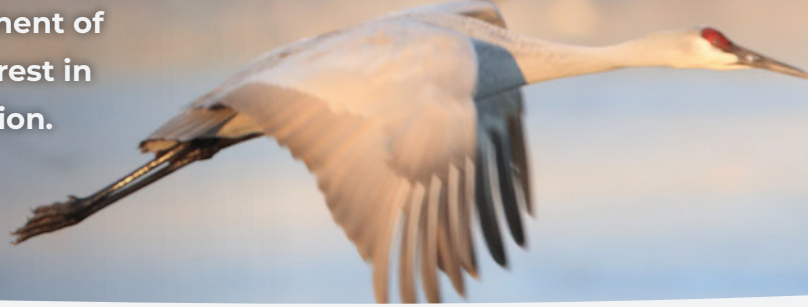


DIVISION REPORTS

Legal Division

JOHN BOGATKO, DIVISION DIRECTOR

The Legal Division is the legal component of staff that advocate for the public interest in litigated matters before the Commission.



In addition to its role in public interest advocacy work, the Legal Division also provides general legal services to the agency in all other matters not involving a contested proceeding in front of the Commission. In order to represent the public interest, Legal Division attorneys work with the Staff of the Utility Division to assist in the development of Staff's cases. Legal Division attorneys also review and implement legislation, rules and regulations, regulatory opinions of sister state and federal agencies, and judicial opinions, both state and federal. They also draft and file extensive legal documents, including routine motions and other pleadings, discovery in complex litigation, legal briefs that advocate the positions and recommendations of NMPRC utility experts, and rules implementing legislative and Commission policies.

During litigated proceedings Legal Division attorneys cross-examine expert witnesses of regulated entities or interveners, including consumer or environmental advocacy groups, and occasionally must participate in oral argument.

Among other matters, this past year Legal Division attorneys have continued to litigate the renewable portfolio plans submitted by various Investor-Owned Utilities such as EPE, SPS and PNM, the transportation electrification plans for SPS and EPE, CCN and PPA cases for PNM and SPS, location control cases for the siting of renewable energy and associated transmission infrastructure, PNM's latest rate case, as well as various telecommunications proceedings, including ETC certification requests. Legal Division counsel

have also continued to participate in a multitude of rulemaking proceedings, including those pertaining to community solar. In addition, Legal Division attorneys continued to work with the New Mexico Department of Transportation to assist in the transfer of the Transportation Division to NMDOT, which was completed in July.

The Legal Division currently consists of six attorneys and two support staff members who must meet superior standards of practice and professionalism, and possess a working familiarity with accounting, economics, regulatory finance, and engineering.



DIVISION REPORTS

Utility Division

ED RILKOFF, DIVISION DIRECTOR

The Utility Division is made up of four Bureaus that support the Commission: Telecommunications, Engineering, Accounting, and Economics.



ELISHA LEYBA-TERCERO
ECONOMICS
BUREAU CHIEF

The Bureaus support the Commission’s regulation of investor-owned and cooperative entities providing electricity, natural gas, telecommunications, and water and wastewater systems. Our mission is to advocate for the public interest, balancing the financial needs of regulated entities with the need to ensure consumers receive safe, reliable services at reasonable prices.

Our team continues to apply its expertise in engineering, economics, and accounting to ratemaking proceedings for public utilities and telecommunications carriers. We collaborate closely with the Legal Division in all utility-related proceedings before the Commission. In 2024, we celebrated the retirement of two key staff members: Mike Ripperger, Telecommunications

Bureau Chief, who served for 26 years, and Georgette Ramie, an Economist in the Economics Bureau with 17 years of service. This year the Utility Division will be expanding its staff, adding a compliance auditor and a deputy director, bringing total staff to 27 positions.

The Utility Division continued to be very active in 2024. Final decisions were made in Public Service Company of New Mexico’s rate case that was filed in December 2022 and New Mexico Gas Company’s rate case that was filed in September 2023. NMGC reached a unanimous settlement with all the intervening parties in its rate case. Staff was also actively involved and provided testimony in the SPS rate case.

Beyond rate cases, our responsibilities span a broad range of other important

proceedings. These include integrated resource planning, where we help guide the long-term strategies for meeting future energy needs, and renewable energy procurement plans to ensure the acquisition of clean energy resources. We also play a key role in the review of energy efficiency programs, which promote sustainable consumption, and in overseeing resource abandonment cases when utilities propose to retire generation assets. In 2024, staff provided testimony in transportation electrification cases and participated in market and transmission discussions across the western region. The Telecom Bureau remained active in regulatory proceedings and oversight of the State Rural Universal Fund (SRUSF), which supports broadband services in rural areas.



GABRIELLA DASHENO
ACCOUNTING
BUREAU CHIEF



EUGENE EVANS
TELECOMMUNICATIONS
BUREAU CHIEF

Additionally, the Division oversees location control cases, which involve the regulation and approval of siting, construction and expansion of utility infrastructure such as power plants, transmission lines and other energy facilities. Our scope of work also includes reviewing mergers and acquisitions, debt financing, and fuel and purchased power cost recovery, ensuring that utilities fairly recoup costs associated with energy production. This year, the Division will be involved in a new acquisition case involving NMCC, expected to be filed later in the year. Moreover, the Division remains actively engaged in numerous ongoing and emerging rulemaking cases, addressing the evolving regulatory landscape.

As we move forward in 2024, the Utility Division remains committed to fulfilling its mission by providing expert analysis and advocacy. We will continue to support the Commission in navigating the complexities of the evolving energy landscape, particularly the shift from fossil fuel generation to renewable and energy storage projects.

Telecommunications Bureau

The Telecommunications Bureau is engaged in a number of roles related to ongoing regulation of intrastate telecommunications

services, in addition to providing input and stewardship to oversight of state and federal broadband programs and efforts to promote advanced telecommunications services throughout New Mexico. This includes the ongoing migration from traditional public switched telephone service regulation to oversight of programs aimed at the distribution of broadband service in rural areas of the state. Continued traditional regulation includes registration and ongoing compliance for intrastate long distance service providers (IXCs), Incumbent Local Exchange Carriers (ILECs), and Competitive Local Exchange Carriers (CLECs), and Inmate Operator Service Providers, including tariff and interconnection agreement filing reviews, rulemakings and adjudicated proceedings, customer and carrier complaints, legislative review, and numbering resource oversight. The Bureau is currently comprised of a bureau chief, telecom engineer, two economists, and a compliance officer.

As regulation has pivoted away from traditional telephone networks, the creation of the State Rural Universal Service Fund (“SRUSF”) in 2018 and responsibility of the state regulatory commissions for Eligible Telecommunications Carrier (“ETC”) designation and oversight for federal and state universal service funding has increased the review

[The Telecommunications Bureau is engaged in] the ongoing migration from traditional public switched telephone service regulation to oversight of programs aimed at the distribution of broadband service in rural areas of the state.

and oversight responsibilities of the Telecom Bureau for these programs. The SRUSF is a \$30 million per year program that provides up to \$17 million in support for rural carriers to expand and sustain broadband centric networks and provides up to \$12 million per year through the SRUSF Broadband Program for new broadband projects in rural primarily unserved areas of the state. In addition, it also provides supplemental low-income support for voice services. In 2022 with Staff assistance and review, the Commission approved SRUSF Broadband Program Funding for 28 projects in the amount of \$11.9 million in unserved and underserved areas of New Mexico.

Telecommunications Bureau staff also provides oversight of 35 ETCs regulated by the Commission, including recertification to the FCC annually of their requirement to use the receipt of millions of dollars in federal and state funding for universal

service as required by state and federal statutes and rules. Recently, staff were appointed as members of the North American Numbering Council to participate in the ongoing process of developing national numbering policy.

Telecommunications Bureau staff anticipates the usual ongoing regulatory activities for intrastate telecommunications services will continue, to include several adjudicatory proceedings, a SRUSF rulemaking, ETC designation cases, and SRUSF oversight and annual SRUSF program disbursements and ETC certifications.

Engineering Bureau

The Engineering Bureau performs analyses and provides expert testimony on issues related to electric, natural gas, water and wastewater utilities. In support of such, the Engineering Bureau evaluates plant design, specifications, capacity,

reliability, depreciation rates, resource planning, expenses, abandonment of assets, and requests for certificates of public convenience and necessity. The Engineering Bureau evaluates compliance and performance, adequacy and reliability of services and helps to determine that these are done at fair, just and reasonable rates.

In the past year, the Engineering Bureau has participated in SPS and PNM rate cases; SPS, PNM and EPE grid modernization rate cases; location control and right-of-way width cases for wind and solar farms; a LNG storage facility; and a certificate of convenience and necessity case for a major solar installation. Engineering Bureau staff has also participated in rulemakings, utility Integrated Resource Planning meetings, report generation, and a tour of the Atrisco Solar Facility construction site.

In the upcoming year, the Engineering Bureau expects to participate in rate cases, certificate of convenience and necessity cases, Integrated Resource Planning cases, rulemakings, report creation, and other cases that may be filed with the Commission.

Economics Bureau

The Economics Bureau provides expert review, analysis and recommendations regarding electric, natural gas, water and wastewater utility matters under the direction of Commission precedent; Commission rules; and local, state, and federal law. This is accomplished primarily through the presentation under oath of written and oral testimony as evidence in public hearings before the Commission.

The Economics Bureau provides such recommendations regarding various utility matters, including but not limited to the following: utility applications for revision of rates, Renewable Energy Act plans, voluntary renewable energy programs, energy efficiency programs, utility financing, transportation electrification program plans, grid modernization, community solar, resource acquisitions, sale and abandonment proceedings, and various other matters as necessary.

The Economics Bureau works in collaboration with other Utility Division bureaus on many of these utility matters. However, the Economics Bureau also serves as the Division's sole resource specifically addressing annual Renewable Energy Act plans, voluntary renewable energy programs, energy efficiency programs, and utility financing applications. In FY24, the

Economics Bureau alone provided testimony in three utility financing cases, three Renewable Energy Act plan cases, one voluntary renewable energy program case, one purchased power agreement and energy storage agreement case, and testimony or responses in two energy efficiency cases

Another significant role of the Economics Bureau is to provide review, analysis and recommendations regarding the allocation of a regulated utility's revenue requirement among rate classes, the design of rate structures by customer class, and a utility's cost of capital and capital structure in utility rate cases. In FY24, the Economics Bureau participated in collaboration with other Utility Division bureaus in three utility rate cases. Specifically, the Economics Bureau provided written and/or oral expert witness testimony on the complex and controversial

[T]he Economics Bureau serves as the division's sole resource specifically addressing annual Renewable Energy Act plans, energy efficiency program plans, and utility financing applications.

issues of allocation, rate design, cost of capital and capital structure in two investor-owned electric utility rate cases (Southwestern Public Service Company and Public Service Company of New Mexico) and one investor-owned gas utility rate case (New Mexico Gas Company, Inc.).

In total, the Economics Bureau provided expert review, analysis and recommendations through the filing of written testimony (in some instances multiple sets of testimonies to include direct, rebuttal, supplemental and/or testimony in support of stipulation) in at least 16 utility cases in FY24, which does not include responses, not classified as testimony, that were filed by Staff of the Bureau in other cases. In addition to providing expert witness testimony, the Economics Bureau also participated in rulemaking proceedings, including the pending docket regarding potential amendments to the Community Solar Rule, 17.9.573 NMAC, providing responses to inquiries as well as comments.

FY24 was a busy year for the Economics Bureau, with relatively new Staff coming up to speed in the utility industry. The Economics Bureau continues to focus on the growth and development of its Staff. Along these lines, Staff of the Economics Bureau attended various trainings including, but not limited to, NARUC RTI Rate Case Basics 2024, NARUC Center for Partnerships and Innovation Cybersecurity Training for

State Regulatory Commissions, 2024 EEI Electric Rates Course: Rates in a Changing Industry, and NMSU CPU Current Issues 2024. Training remains critical as the Bureau gears up for another busy year expected in FY25.

Accounting Bureau

The primary role of Accounting Bureau is to provide analysis and recommendations for all NMPRC regulated utilities regarding the impact of the utility operations on its financial statements, including: assets, liabilities, income statements, income taxes, operation and maintenance expenses, and regulatory assets in accordance with applicable statutes, rules, and laws.

The Accounting Bureau also reviews detailed electronic modeling of utility cost of service in support of revenue requirements established in rate cases. This entails the validation of billion-dollar revenue requirement increases and the resulting impact on utility customer rates. This review is supported by expert analysis and supporting testimony as well as developing responses in cases as required. The bureau may also perform audit reviews of the books and records of jurisdictional utility companies. Finally, the Bureau examines utility statutory and rule compliance of utility recovery of the incurred cost of purchased fuel, gas,

or energy, review of Transportation Electrification Plans (“TEP”), Grid Modernization filings and rulemakings.

Bureau highlights include providing testimony, detailed analysis of revenue requirements and recommended adjustments in rate cases for Public Service Company of New Mexico (“PNM”) and New Mexico Gas Company (“NMGC”). In addition, three rulemakings regarding CO2 Emissions, Reliability Metrics and Energy Efficiency are being handled by the Accounting Bureau. Accounting participated in two Certificate of Convenience and Necessity (“CCN”) and Purchased Power Applications (“PPA”), four Fuel and Purchased Power Cost Adjustment Clause (“FPPCAC”) applications and one Purchased Gas Adjustment Clause (“PGAC”) application. Additionally, the Bureau performed a review of eight Cooperative rate increases and one water case. Accounting provided review of various filings related to form changes, fees, riders and complaints. The Bureau provided testimony for Community Solar. The team actively participates in IRP workshops and is involved in filing of rates for qualifying facilities. The Bureau also assisted the Transportation Division in rate case review prior to its departure to New Mexico DOT.

In addition, the Accounting Bureau continues to develop its expertise in regulation related to legislative mandates, technological advancements, and renewable energy by attending accounting related trainings and NARUC Accounting and Finance subcommittee conferences. The Bureau continues expanding its knowledge on the Build Back Better Act relating to ITC’s and PTC’s and continues to attend trainings to enhance expert witness skills.

It is estimated that the Bureau will participate in 3 rate cases in the upcoming year, review several FPPCAC applications, TEP cases, potential grid modernization cases, cooperative rate increases and continued participation in rulemakings.



DIVISION REPORTS

Pipeline Safety Bureau (PSB)

JASON N. MONTOYA, PIPELINE SAFETY BUREAU CHIEF

The Pipeline Safety Bureau conducts inspections on over 48,000 miles of intrastate pipelines.

Under 70-3-11 thru 70-3-20 NMSA 1978 “Pipeline Safety Act” and Title 18, Chapter 60, Part 2 “Pipeline Safety General Provisions”, the New Mexico Public Regulation Commission Pipeline Safety Bureau (PSB) conducts inspections on more than 48,000 miles of intrastate pipelines, consisting of approximately 1,909 miles of intrastate gas transmission pipelines; 29,235 miles of regulated gas gathering pipelines; 21,541 miles of distribution gas mains; 1,685 miles of hazardous liquid trunk lines, non-rural crude oil gathering lines, and CO2 pipelines; and over 290 master meter and LPG inspection units. New Mexico’s pipeline inspection program consists of standard, specialized (operator qualification, gas transmission integrity management, distribution integrity management, excavation damage, public awareness, control room management, high

risk, and drug and alcohol), follow-up, incident investigations, construction and testing, tank, and Section 114 inspections.

Under 62-14 NMSA, “Pipeline One-Call Notification System”, Title 18, Chapter 60, Part 2, “Pipeline Safety Excavation Damage Prevention” the PSB has enforcement authority over excavators, one-call centers, and underground facility operators and may assess administrative penalties of up to \$5,000 for a first offense and up to \$25,000 for subsequent violations. The PSB investigates all excavation damages (damages are required to be reported by rule) and may initiate on-site citations for probable violations of the Statutes and Rules.

During FY24, the PSB was staffed with 14 members and received Legislative

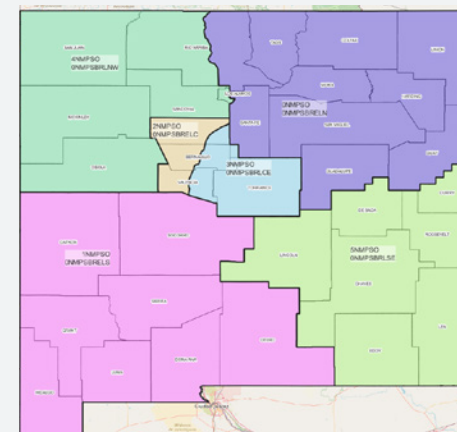
approval to hire 10 additional staff to help absorb the additional workload required to conduct inspections due to the new Federal Gas Gathering Rule, construction inspections, and Section 114 inspections. Additional major milestones accomplished during FY24 include:

- Converting New Mexico excavation safety and compliance training to an online module platform. This training is mandatory for initial alleged violations issued for failure to comply with state’s dig law and rules that resulted in damage to underground infrastructure.
- Upgraded the online third-party damage reporting tool, Utilisphere, which is mandatory for underground facility owners that

have damages to their facilities due to excavation activities.

- Divided the state into six (6) damage prevention regions that will allow prompt response times for excavation damage investigations.

New damage prevention regions



Transportation Division

In July the Transportation Division was transferred to the New Mexico Department of Transportation. We wish all our former employees well as they begin their new roles with an outstanding agency.



DIVISION REPORTS

Administrative Services Division (ASD)

MIRANDA MASCARENAS, DIVISION DIRECTOR

The Administrative Services Division (ASD) consists of four bureaus: Budget and Finance, Records, Information Technology, and Human Resources. Together, ASD supports the Commission in budget and accounting, procurement, case docketing, information systems services and personnel services.

The Budget and Finance bureau consists of five employees that process hundreds of fiscal transactions each year as well as oversee procurement for the NMPRC. The bureau works with all divisions of the NMPRC to ensure fiscal transactions are processed in accordance with state statute, manual of model of accounting practices, and governmental audit and accounting standards. In working with the Commission, Chief of Staff, and divisions within the NMPRC, the Budget and Finance bureau assesses the needs of the agency and compiles and submits the annual budget request for the following fiscal year before September of each year. Additionally, the Budget and Finance bureau is responsible for the completion of the annual financial statement audit for the NMPRC.

The Records bureau consists of four employees that are responsible for case docketing, IPRA requests, filing and processing of advice notices, creating records proper for advice notices, and receipt and postings of incoming filings daily. As of September 2024, the Records bureau has docketed more than 250 cases and closed over 200 cases, received over 50 IPRA requests, processed five records proper of cases appealed to the New Mexico Supreme Court, processed over 60 advice notices, and received and filed over 20 formal complaints. The Records bureau also oversaw the transition of the Transportation Division records to the New Mexico Department of Transportation (NMDOT). Effective July 1, 2024, the Transportation Division transferred to the NMDOT. This was a

very labor intensive and demanding task to ensure that the thousands of Transportation Division records were properly identified and transferred.

In the coming months, ASD will be overseeing the planning and transition to the Educational Retirement Board (ERB) building, the future home to the NMPRC. The NMPRC is anticipating the move will not officially take place until late 2025.



DIVISION REPORTS

Consumer Relations Division (CRD)

RYAN JIMENEZ, DIVISION DIRECTOR

CRD serves as the agency's point of contact for New Mexicans with inquiries or disputes relative to services provided by industries regulated by the NMPRC.

Through our informal complaint procedures, CRD processes consumer complaints/inquiries and mediates these matters for a resolution.

CRD generally works to resolve disputes within 10 business days and when warranted obtains equitable refunds or credits for consumers if any violations of agency rules have occurred. CRD compliance officers interact with consumers and industry representatives to resolve disputed issues in an equitable manner.

During FY24, the CRD received 568 consumer-related complaints or disputes. This a significant reduction of 175 complaints compared to FY23, where there were 743 complaints. Of these, 564 were successfully resolved.

Of the remaining four complaints, the consumer was not satisfied with the outcome and requested the Formal Complaint information. Only three disputes, moved forward as formal complaints to the Commission. New Mexico consumers received refunds or credits in the amount of \$49,145.25, which was a bit lower than the FY23 amount by \$71,446.65.

In the past year, some of New Mexico's major utilities have been granted rate increases and approval to implement new infrastructure, including AMI meters. These approvals have raised questions, concerns, and new issues from the consumers and constituents served by these utilities. CRD takes its responsibility to educate consumers and utilities seriously to maintain a harmonious industry balance.

In following this initiative, CRD has begun quarterly meetings with our utility counterparts and executive contacts to discuss any number of topics, that either the utility or CRD may need to address including things like an increase or pattern in certain types of complaints being received, outstanding responses, new agency assistance information, etc. Our mediation efforts and resolution processes have been expedited and consistent with these improved relationships.



DIVISION REPORTS

Information Technology Division

BRIAN WOOD, DIVISION DIRECTOR

The Information Technology division supports the technology needs of the Commission. In April 2024, the Commission hired a new Director of Information Technology signaling a shift in strategy for the organization.

Since April, the Information Technology division has begun replacing and upgrading equipment and systems. Efforts to streamline operations and reevaluate systems have yielded nearly \$40,000 in savings to date. By utilizing cloud-based tools and technology provided by the State of New Mexico, we aim to significantly enhance our support for staff members throughout the state, promoting improved efficiency, collaboration, and access to resources.

In September, in coordination with the Administration Services Division and State of New Mexico Department of Information Technology, we published a Request for Proposals (RFP) for a new document and docket management system. The new system will enhance the Commission's ability to manage

and utilize key information, ultimately supporting more effective operations.

In the months ahead, the Information Technology division will focus on enhancing the NMPRC's systems through a combination of replacements, upgrades, and security enhancements. The upcoming building relocation will also present a strategic opportunity to modernize the NMPRC's information and operational technology infrastructure, further positioning the organization for future success.



DIVISION REPORTS

Human Resources Division

SARAH VALENCIA, DIVISION MANAGER

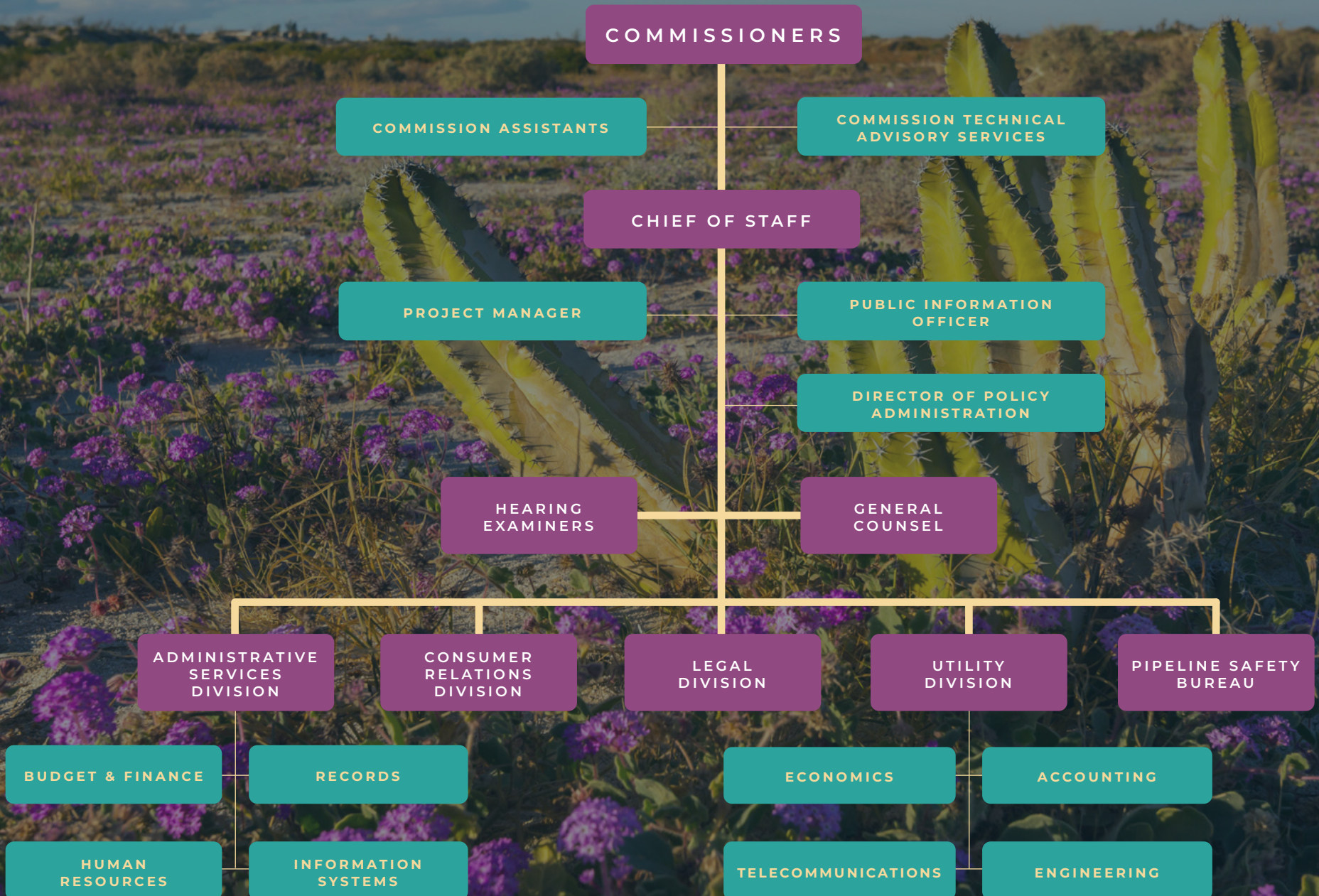
Human Resources (HR) is an essential part of the NMPRC, providing employee relations, recruitment, compensation and benefits, onboarding, training, and development for the agency

Over the past year, HR maintained a low vacancy rate of between 3-10 percent for the entire fiscal year. HR works to retain the expert staff the NMPRC already has through responsive, knowledgeable, and courteous service, as well as expedient handling of personnel matters. HR also advises management on sensitive, complex, and difficult recruitment, placement, and affirmative employment issues.

In FY24, HR partnered with other agencies, specifically the State Personnel Office and Department of Finance and Administration, to

accomplish organizational goals that aligned with the NMPRC's Strategic Plan. HR also worked closely with staff from the New Mexico Department of Transportation (NMDOT) to plan for the legislative mandate to transition the NMPRC Transportation Division to the NMDOT beginning in FY25.

PRC Organizational Structure





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