

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 9 ELECTRIC SERVICES
PART 574 APPLICATIONS TO EXPAND TRANSPORTATION ELECTRIFICATION

17.9.574.1 ISSUING AGENCY: New Mexico Public Regulation Commission.
[17.9.574.1 NMAC - N, 2/14/2023]

17.9.574.2 SCOPE: This rule applies to all investor-owned electric utilities under the commission's jurisdiction.
[17.9.574.2 NMAC N, 2/14/2023]

17.9.574.3 STATUTORY AUTHORITY: Paragraph (10) of Subsection B of Section 62-19-9 NMSA 1978 and Section 62-8-12 NMSA 1978.
[17.9.574.5 NMAC - N, 2/14/2023]

17.9.574.4 DURATION: Permanent.
[17.9.574.6 NMAC - N, 2/14/2023]

17.9.574.5 EFFECTIVE DATE: February 14, 2023, unless a later date is cited at the end of a section.
[17.9.574.7 NMAC - N, 2/14/2023]

17.9.574.6 OBJECTIVE: The purpose of this rule is to implement Section 62-8-12 NMSA 1978, applications to expand transportation electrification, and to bring to New Mexico the economic development and environmental benefits of expanded electrification of the State's transportation modalities and transportation infrastructure.
[17.9.574.8 NMAC - N, 2/14/2023]

17.9.574.7 DEFINITIONS: Unless otherwise specified, as used in this rule:

- A. Definitions beginning with "A": [RESERVED]**
- B. Definitions beginning with "B": [RESERVED]**
- C. Definitions beginning with "C": "charging station" means any publicly available infrastructure that delivers electricity from a source outside an electric vehicle into one or more electric vehicles.**
- D. Definitions beginning with "D": [RESERVED]**
- E. Definitions beginning with "E": "electric vehicle" or "EV" means a passenger automobile, truck, bus, train, boat, or other equipment that transports goods or people that is powered in part or in whole by the use of electricity from external sources.**
- F. Definitions beginning with "F": [RESERVED]**
- G. Definitions beginning with "G": [RESERVED]**
- H. Definitions beginning with "H": [RESERVED]**
- I. Definitions beginning with "I": "investment" means utility incurred expenditures on an asset, on a program or a project, or on research and development, associated with the expansion and facilitation of transportation electrification.**
- J. Definitions beginning with "J": [RESERVED]**
- K. Definitions beginning with "K": [RESERVED]**
- L. Definitions beginning with "L": [RESERVED]**
- M. Definitions beginning with "M": "measure" means an investment, incentive, program, rate design, or expenditure in a transportation electrification plan that is reasonably expected to achieve the goals of Section 62-8-12 NMSA 1978.**
- N. Definitions beginning with "N": [RESERVED]**
- O. Definitions beginning with "O":**
 - (1) "off-peak hours" means hours not included in the on-peak period as set forth in a public utility's commission approved tariff;**
 - (2) "on-peak hours" means hours included in the on-peak period as set forth in a public utility's commission approved tariff.**
- P. Definitions beginning with "P":**
 - (1) "planning horizon" means the two calendar years immediately following the plan years;**

(2) “plan years” means the three calendar years for which TEP approval is sought;

(3) “public utility” or “utility” means an investor-owned electric utility certified by the commission to provide retail electric service in New Mexico pursuant to the Public Utility Act and does not include rural electric cooperatives or municipalities.

Q. Definitions beginning with “Q.”: [RESERVED]

R. Definitions beginning with “R”: [RESERVED]

S. Definitions beginning with “S”: [RESERVED]

T. Definitions beginning with “T”: “transportation electrification plan” or “TEP” means a plan to expand transportation electrification in a utility’s service territory over the three plan years, which additionally contains the informational outlook for the planning horizon.

U. Definitions beginning with “U”: [RESERVED]

V. Definitions beginning with “V”: [RESERVED]

W. Definitions beginning with “W”: [RESERVED]

X. Definitions beginning with “X”: [RESERVED]

Y. Definitions beginning with “Y”: [RESERVED]

Z. Definitions beginning with “Z”: [RESERVED]

[17.9.574.9 NMAC - N, 2/14/2023]

17.9.574.8 IMPACT ON OTHER RULES: Except as specifically provided herein, this rule does not supersede any other rule of the commission but is to be construed as a supplement to such rules.

[17.9.574.8 NMAC - N, 2/14/2023]

17.9.574.9 SEVERABILITY: If any part or application of this rule is held invalid, the remainder of its application shall not be affected.

[17.9.574.9 NMAC - N, 2/14/2023]

17.9.574.10 LIBERAL CONSTRUCTION: This rule shall be liberally construed to carry out its intended purposes.

[17.9.574.10 NMAC - N, 2/14/2023]

17.9.574.11 APPLICATIONS TO EXPAND TRANSPORTATION ELECTRIFICATION:

A. In accordance with the filing schedule provided in 17.9.574.12 NMAC, a public utility shall file with the commission an application for approval of a proposed three-year plan to expand transportation electrification in the utility’s service area. The three-year plan may include planned investments, incentives, programs, rate designs, and expenditures that are reasonably expected to achieve the goals of Section 62-8-12 NMSA 1978 during the plan years.

B. A public utility’s proposed three-year plan shall include, at minimum:

(1) strategies and measures for expanding transportation electrification among low-income customers and underserved communities, including but not limited to:

(a) a percentage budgetary carveout for measures aimed at increasing EV awareness and adoption among low-income customers and in underserved communities;

(b) outreach and marketing strategies and measures for expanding transportation electrification among low-income customers and in underserved communities; and

(c) strategies and measures for mass transit operations, ride-sharing programs, and multi-family dwelling units in the utility’s service area that serve low-income customers and underserved communities;

(2) strategies and measures for expanding transportation electrification across multiple EV classes, including but not limited to personal and commercial light-duty, medium-duty, and heavy-duty EVs, and electric bicycles;

(3) expected customer participation estimates and the methods used to derive such estimates;

(4) strategies and measures for servicing multiple market segments, including but not limited to commercial businesses, multi-family dwelling units, single-family homes, and ride-sharing and public transit programs;

(5) strategies and measures for coordinating with State or federal EV infrastructure planning;

(6) strategies and measures for coordinating with existing business locations that sell and dispense transportation fuel to the public; and

(7) identification of key performance indicators for program success and how these indicators are utilized to further the success of the program.

C. Strategies and measures for low-income customers shall permit self-certification of eligibility and shall be provided with public-facing materials in English and Spanish, and any incentives shall be made available prior to or at the time of purchase.

D. In addition to the proposed three-year plan, the TEP shall include a planning outlook addressing the two-year period beyond the three-year plan. The two-year planning outlook shall be presented for informational purposes to inform the commission of the utility's vision for the transportation electrification sector during the planning horizon. Planning outlooks shall include:

(1) the public utility's outlook for projected transportation electrification in its service territory, including estimates of the expected numbers of EVs operating in its service territory, listed by light-duty, medium-duty, and heavy-duty EV classes;

(2) expected lead times for coordinating with State and federal EV infrastructure planning, EV charging station operators, existing business locations that sell and dispense transportation fuel to the public, and other stakeholders, and for planned construction or planned deployments, including estimated or expected new or upgraded infrastructure needs;

(3) anticipated requests for regulatory approvals to effectuate a future TEP in the planning horizon, to carry out the three-year plan, to support the transition between TEPs, and to coordinate with State or federal EV infrastructure planning;

(4) planned or potential integration with neighboring public utility transportation electrification planning and possible strategies for coordinating with rural electric cooperatives, tribes, and pueblos, if any;

(5) anticipated grid management requirements and projected peak load requirements to reliably accommodate expanded transportation electrification in the public utility's service territory, and how these requirements may be reduced by improved distribution planning, rate design, or other solutions;

(6) forecasted potential for meeting new load growth associated with EV charging infrastructure with renewable energy; and

(7) any expected or potential policy or statutory issues that could impact expanded infrastructure or network upgrades required by expanded transportation electrification in the public utility's service territory.

E. The application shall include:

(1) testimony and exhibits providing a full explanation of the public utility's determination of the plan years' transportation electrification expansion measures to be undertaken and their corresponding budgets;

(2) the costs of transportation electrification measures in the plan years;

(3) whether the public utility intends to recover costs through a tariff rider, base rates, or both;

(4) testimony and exhibits demonstrating how the cost and amount specified in Paragraphs (2) and (3) of this Subsection were determined;

(5) testimony demonstrating that the proposed transportation electrification plan is reasonably and prudently designed and expected to accomplish any or all of the goals of the TEP pursuant to Paragraphs (1) through (6) of Subsection B of Section 62-8-12 NMSA 1978 and 17.9.574 NMAC.

[17.9.574.12 NMAC - N, 2/14/2023]

17.9.574.12 APPLICATION FILING, SERVICE, AND REVIEW:

A. Public service company of New Mexico shall file its application by June 1, 2023, and every three years thereafter following by the same date. El paso electric company shall file its application by July 1, 2023, and every three years thereafter following by the same date. Southwestern public service company shall file its application by April 1, 2024, and every three years thereafter following by the same date.

B. A public utility shall electronically file and serve its application pursuant to 1.2.2 NMAC. A public utility shall electronically serve a copy of its application on intervenors in the public utility's most recent TEP docket, the New Mexico attorney general, and the intervenors in the public utility's most recent rate case. The public utility shall also post on its website its most recently approved TEP and any proposed TEP pending before the commission.

C. The commission shall complete its review and approval of a public utility's TEP application pursuant to 17.9.574.11 NMAC no later than six months after filing of the application, unless the commission finds

that a longer time will be required, in which case the commission may extend the period for an additional three months.

D. The commission's final order on a public utility's TEP application shall address the utility's proposed cost recovery for TEP costs.

[17.9.574.13 NMAC - N, 2/14/2023]

17.9.574.13 ANNUAL PROGRESS REPORT:

A. Each public utility shall file an annual progress report of its progress in meeting the requirements and goals of its TEP. Public service company of New Mexico shall file its first annual progress report by June 1, 2024, and shall file annually thereafter by June 1st. El paso electric company shall file its first annual progress report by July 1, 2024, and shall file annually thereafter by July 1st. Southwestern public service company shall file its first annual progress report by April 1, 2025, and shall file annually thereafter by April 1st.

B. In addition to any service territory specific reporting requirements carried over from a public utility's previously approved transportation electrification plan, the annual progress report shall include for a utility's service territory:

- (1) an estimate of EV adoption, including estimated changes in EV adoption since the utility's most recently approved TEP;
- (2) an estimate of the number and type of TEP-funded EV charging stations and ports and an estimate of required maintenance, frequency of repairs, and station outages;
- (3) the number of participants in TEP programs, including:
 - (a) estimated low-income customer participation; and
 - (b) participation by customer rate class.
- (4) an estimate of usage or of the amount of energy sold to program participants during off-peak and on-peak hours, as well as the change in usage since the last annual progress report;
- (5) TEP spending by measure;
- (6) estimated electricity consumption by participating EV charging stations in kWh;
- (7) estimated load from incentivized EV charging infrastructure in kW;
- (8) geographical distribution of participants and infrastructure investments;
- (9) descriptions of average load data and load profiles of TEP programs;
- (10) a listing and summary of all customer outreach activities, the cost of those activities, an estimate of the number of customers reached, and an assessment of the effectiveness of each activity; and
- (11) readily available data that may inform future measures to help better understand the impact of EV charging on the electric grid.

[17.9.574.14 NMAC - N, 2/14/2023]

17.9.574.14 BUDGET FLEXIBILITY:

A. A public utility shall be granted budget flexibility between programs in its TEP to shift up to twenty percent of a program's budget to another program.

(1) Inter-program budget flexibility may not be used to shift funding from a dedicated low-income program to:

- (a) a program for standard customers; or
- (b) any customer outreach and education program.

(2) Inter-program budget flexibility between different low-income programs, or into low-income programs from other programs, including low-income programs, is permissible.

B. Should a public utility exceed ninety percent of its allocated spending for a program in its current TEP at any point during the plan period, the utility is authorized to exceed that program's original budget by up to ten percent to supplement funding for that program. This budget flexibility mechanism does not apply to:

- (1) a pilot program with participation caps;
- (2) a program for which that program's budget was reduced pursuant to Subsection A of

17.9.574.14 NMAC; or

- (3) any customer outreach and education program.

C. A public utility may request additional budget flexibility funding in its TEP application or at any other time after approval of its current TEP.

D. The commission reserves the authority to stipulate additional circumstances when budget flexibility shall not be applicable.

[17.9.574.14 NMAC - N, 2/14/2023]

17.9.574.15 EXEMPTION AND VARIANCE:

A. The commission, upon its own motion, may issue, or any interested person, may file an application for, an exemption or a variance from the requirements of this rule.

B. An exemption or variance motion or application shall:

- (1) identify the section of this rule for which the exemption or variance is requested;
- (2) describe the situation that necessitates the exemption or variance;
- (3) set out the effect of complying with this rule on the public utility and its customers if the exemption or variance is not granted;
- (4) define the result the request will have if granted;
- (5) state how the exemption or variance will be consistent with the purposes of this rule;
- (6) state why no other reasonable alternative is preferable; and
- (7) state why the proposed alternative is in the public interest.

[17.9.574.15 NMAC - N, 2/14/2023]

HISTORY of 17.9.574 NMAC: [RESERVED]