

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 7 ENERGY CONSERVATION
PART 4 INTEGRATED RESOURCE PLANS FOR GAS UTILITIES

17.7.4.1 ISSUING AGENCY: New Mexico Public Regulation Commission.
[17.7.4.1 NMAC - N, 4-16-07]

17.7.4.2 SCOPE: This rule applies to all gas utilities subject to the commission's jurisdiction over integrated resource planning.

A. Supplement to 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.

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

[17.7.4.2 NMAC - N, 4-16-07]

17.7.4.3 STATUTORY AUTHORITY: This rule is adopted under the authority vested in this commission by the New Mexico Public Regulation Commission Act, NMSA 1978, Section 8-8-15; the Public Utility Act, NMSA 1978, Section 62-3-1 et seq.; and the Efficient Use of Energy Act, NMSA 1978, Section 62-17-1 et seq.

[17.7.4.3 NMAC - N, 4-16-07]

17.7.4.4 DURATION: Permanent.

[17.7.4.4 NMAC - N, 4-16-07]

17.7.4.5 EFFECTIVE DATE: April 16, 2007, unless a later date is cited at the end of a section.

[17.7.4.5 NMAC - N, 4-16-07]

17.7.4.6 OBJECTIVE: The purpose of this rule is to set forth the commission's requirements for the preparation, filing, review and acceptance of New Mexico retail integrated resource plans by public utilities supplying retail natural gas service in New Mexico.

[17.7.4.6 NMAC - N, 4-16-07]

17.7.4.7 DEFINITIONS: Unless otherwise specified, the following definitions will apply when used in this rule:

A. **energy efficiency** means measures, including energy conservation measures, or programs that target consumer behavior, equipment or devices to result in a decrease in consumption of natural gas without reducing the amount or quality of energy services;

B. **integrated resource plan (IRP)** means a public utility's plan to meet New Mexico jurisdictional retail customers existing and future demand, which for natural gas utilities incorporates the evaluation of supply- and demand-side options that create a reliable resource mix to accommodate customer demand;

C. **load and resources table** means an accounting and comparison of a utility's firm gas supplies with its peak customer obligations and reserve requirements for each year of the planning period;

D. **load management** means measures or programs that target equipment or devices to result in decreased peak demand or shifting demand from peak to off-peak periods;

E. **load forecasting** means the prediction of the demand for an energy commodity over each of the succeeding four to ten years for the utility's New Mexico jurisdictional utility system;

F. **planning period** means the future period for which a utility develops its IRP; for purposes of this rule, the planning period is four to ten years and begins the year the utility files its plan with the commission;

G. **public advisory process** means the process through which a public utility provides information to interested parties and receives input from interested parties during the development of its IRP;

H. **resources** means supply-side resources, energy efficiency or renewable resources used to meet utility system requirements;

I. **supply side resource** means a resource that can provide natural gas supplies to the natural gas utility's transmission and distribution pipeline systems; supply side resources include utility owned generating facilities, and capacity purchased from other utilities and non utilities.

[17.7.4.7 NMAC - N, 4-16-07]

17.7.4.8 GENERAL PROVISIONS: The commission adopts this rule in order to fulfill the requirements of NMSA 1978, Section 62-17-10.
[17.7.4.8 NMAC - N, 4-16-07]

17.7.4.9 IRP FOR NATURAL GAS UTILITIES: Public utilities supplying natural gas service to customers shall file an initial IRP with the commission within twelve months of the effective date of this rule and every four years thereafter.
[17.7.4.9 NMAC - N, 4-16-07]

17.7.4.10 CONTENTS OF THE GAS UTILITY IRP: The contents of the IRP submitted by a utility providing natural gas retail service in New Mexico shall contain the utility's jurisdictional:

- A.** current load forecast;
- B.** description of existing portfolio of resources;
- C.** summary of foreseeable resource needs for the planning period;
- D.** anticipated resources to be added during the planning period and the evaluation of various options that could reasonably be added to the utility's resource portfolio;
- E.** a summary description of natural gas supply sources and delivery systems;
- F.** a summary identification of critical facilities susceptible to supply-source or other failures;
- G.** description of the public advisory process; and
- H.** other information that may aid the commission in reviewing the utility's planning processes.

[17.7.4.10 NMAC - N, 4-16-07; A, 12-31-12]

17.7.4.11 EVALUATION OF NATURAL GAS RESOURCES:

- A.** The utility shall evaluate the ability of its natural gas resources to provide adequate redundancy of supply and of delivery systems.
- B.** The utility shall evaluate, as appropriate, renewable energy, energy efficiency, load management and conventional supply-side resources on a consistent and comparable basis and take into consideration risk and uncertainty of energy supply, price volatility and costs of anticipated environmental regulations in order to identify the most cost-effective portfolio of resources to supply the energy needs of customers. The evaluation shall be based on a present-value analysis of revenue requirements and shall include discussion of any economic, risk, environmental, and reliability analyses.

[17.7.4.11 NMAC - N, 4-16-07; A, 12-31-12]

17.7.4.12 PUBLIC ADVISORY PROCESS:

- A.** At least one year prior to the filing date of its IRP, a utility shall initiate a public advisory process to develop its IRP. The utility shall initiate the process by providing notice at least 30 days prior to the first scheduled meeting to the commission, interveners in its most recent general rate case, and participants in its most recent energy efficiency and IRP proceedings. The utility shall at the same time, also publish this notice in a newspaper of general circulation in every county in which it serves and in the utility's billing inserts. This notice shall consist of:
 - (1) a brief description of the IRP process;
 - (2) time, date and location of the first meeting;
 - (3) a statement that interested individuals should notify the utility of their interest in participating in the process; and
 - (4) utility contact information.
- B.** Meetings held as part of the public participation process shall be noticed and scheduled on a regular basis and shall be open to members of the public who shall be heard and their input considered as part of the public participation process. Upon request, the utility shall provide an executive summary containing a non-technical description of its most recent IRP.
- C.** The purposes of the public participation process are for the utility to provide information to, and receive and consider input from, the public regarding the development of its IRP. Topics to be discussed as part of the public participation process include, but are not limited to, the utility's load forecast; evaluation of existing supply- and demand-side resources; the assessment of need for additional resources; identification of resource options; modeling and risk assumptions and the cost and general attributes of potential additional resources; and development of the most cost-effective portfolio of resources for the utility's IRP.

D. In its initial IRP advisory process, the utility and participants shall explore a procedure to coordinate the IRP process with energy efficiency and load management program proposals. Any proposed procedure shall be designed to conserve commission, participant and utility resources and shall indicate what, if any, variances may be needed to effectuate the proposed procedure.
[17.7.4.12 NMAC - N, 4-16-07]

17.7.4.13 CONFIDENTIALITY OF INFORMATION: The utility may submit under seal any portions of its IRP that reveals its contracted portfolio, its major suppliers, transportation volumes, or its contract pricing, on a contract-by-contract basis, to the extent the utility deems specific information to be confidential. The utility also may seek a protective order under Subsection B of 17.1.2.8 NMAC for other portions of its IRP it considers confidential, but the utility shall have the burden of proving its right to such protection. Any information submitted under seal pursuant to this paragraph shall remain under seal for a period of two (2) years, after which time it shall become public unless the utility seeks and obtains further protection from the commission. Information submitted under seal shall be available for review by the commission and its designated representatives and by any person who has entered into a confidentiality agreement with the utility in a form approved by commission order.
[17.7.4.13 NMAC - N, 4-16-07]

17.7.4.14 NOTICE OF MATERIAL CHANGES: The utility shall promptly notify the commission and participants of material events that would have the effect of changing the results of the utility's IRP had those events been recognized when the IRP was developed.
[17.7.4.14 NMAC - N, 4-16-07]

17.7.4.15 COMMISSION REVIEW, ACCEPTANCE AND ACTION:

A. Compliance Review. The commission will review the utility's proposed IRP for compliance with the procedures and objectives set forth herein. The commission may accept the proposed IRP as compliant with this rule without a hearing, unless a protest is filed that demonstrates to the commission's reasonable satisfaction that a hearing is necessary. Protests must be filed within thirty (30) days of the filing of the proposed IRP. If the commission has not acted within forty-five (45) days after the filing of the proposed IRP, that IRP is deemed accepted as compliant with this rule. If the commission determines the proposed IRP does not comply with the requirements of this rule, the commission will identify the deficiencies and return it to the utility with instructions for re-filing.

B. Use in Resource Acquisition Proceedings. In a proceeding concerning a utility's request for a CCN for a new utility resource, or in other proceedings concerning a utility's resource acquisition, the utility shall present evidence that the requested resource is consistent with the commission-accepted utility IRP unless material changes, as described in Section 17.7.4.14 of this rule, have occurred that would warrant a different utility course of action. Evidence that the resource is consistent with the IRP, and that there have not been material changes that would warrant a different course of action by the utility, will constitute prima facie evidence that the resource-type, but not the particular resource being proposed, is required by the public convenience and necessity.
[17.7.4.15 NMAC - N, 4-16-07]

17.7.4.16 ADDITIONAL INVESTIGATIONS AND INFORMATION: The commission may conduct an investigation of any matters pertaining to a public utility's IRP where it deems appropriate and may require additional information to be filed.
[17.7.4.16 NMAC - N, 4-16-07]

17.7.4.17 EXEMPTIONS:

A. Motion for Exemption from Rule. Upon motion by a utility and for good cause shown, the commission may exempt public utilities with fewer than five thousand customers and distribution-only public utilities from the requirements of this rule.

B. Multi-State Resource Planning. The commission shall take into account a public utility's resource planning requirements in other states and shall authorize utilities that operate in multiple states to implement plans that coordinate the applicable state resource planning requirements.
[17.7.4.17 NMAC - N, 4-16-07]

17.7.4.18 VARIANCES AND AMENDMENTS: A utility may file a request for a variance from the requirements of this rule or to amend its IRP filing to reflect substantially changed circumstances. Such application

shall describe the situation which necessitates the variance; set out the effect of complying with this rule on the utility and its customers if the variance is not granted; identify the section(s) of this rule for which the variance is requested; describe the expected result that the request will have if granted; and state how the variance will aid in achieving the purposes of this rule. The commission may grant a request for a procedural variance through an order issued by the chairman, a commissioner or a designated hearing examiner. Other variances shall be presented to the commission as a body for determination.

[17.7.4.18 NMAC - N, 4-16-07]

HISTORY of 17.7.4 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the state records center and archives under:

Public Service Commission, NMPSC Rule 420, Energy Conservation Programs For Electric and Gas Utilities, filed 06-30-1988.

History of Repealed Material: NMPSC Rule 420, Energy Conservation Programs For Electric and Gas Utilities (filed 06-30-1988) repealed 4-16-07.

Other History:

Only that applicable portion of NMPSC Rule 420, Energy Conservation Programs For Electric and Gas Utilities (filed 06-30-1988) was renumbered, reformatted and replaced by 17.7.4 NMAC, Integrated Resource Plans for Gas Utilities, effective 4-16-07.