

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN PUBLIC)
SERVICE COMPANY’S APPLICATION REQUESTING)
APPROVAL OF TWO LONG TERM PURCHASED POWER)
AGREEMENTS)**

) Case No. 23-00384-UT

**SOUTHWESTERN PUBLIC SERVICE COMPANY,)
)
APPLICANT.)**

**NOTICE TO SPS’S CUSTOMERS REGARDING PROCEEDING AND HEARING ON
SPS’S APPLICATION FOR LTPPAS**

NOTICE is here given of the following matters pertaining to the above-captioned case pending before the New Mexico Public Regulation Commission (NMPRC or Commission):

1. On November 21, 2024, Southwestern Public Service Company (SPS) filed an application with the New Mexico Public Regulation Commission (Commission) requesting that the Commission approve two long-term purchased power agreements (LTPPAs) pursuant to Rule 17.9.551 of the New Mexico Administrative Code (“Rule 551”).

2. SPS has determined that it requires additional generation resources starting in 2024 to meet SPS’s projected load growth and the Southwest Power Pool’s Planning Reserve Margin. Accordingly, SPS issued a competitive all-source request for proposals (“All-Source RFP”) in 2022-2023. Through that All-Source RFP, SPS selected a portfolio of resources, including two LTPPAs for dispatchable energy.

3. The LTPPAs are the subject of this proceeding and have been assigned the case number in the caption above: Case No. 23-00384-UT. SPS is seeking approval for the other resources in the portfolio in a separate proceeding in front of the Commission. That separate case has been assigned Commission Case No. 23-00252-UT.

4. Specifically, SPS’s application here requests that the Commission approve the following requests:

A. An LTPPA with Borger Energy Associates, LLC for the purchase of 230 megawatts (MW) of natural gas generation from a cogeneration facility in Hutchison County, Texas (“Borger LTPPA”). The Borger LTPPA will provide dispatchable power

beginning the first day of the second month after the LTPPA's approval by both the Commission and the Public Utility Commission of Texas and continue for 15 years. The Borger LTPPA would replace an existing LTPPA for generation from the Borger Station that is set to expire in 2026. The LTPPAs have a combined levelized cost of capacity of \$8.44/kW-month. The Borger LTPPA has a \$31.31/MWh levelized cost of energy, which includes both variable operations and maintenance expenses and fuel.

B. Approve an LTPPA with Wildcat Ranch Energy Storage, LLC to acquire power from a 48-MW, 4-hour battery energy storage system (BESS) beginning no later than December 31, 2025, and continuing for 15 years ("Wildcat BESS LTPPA"). The BESS will be constructed in Cochran County, Texas, and will be collocated with the existing Wildcat wind farm; and

C. Grant SPS any other approvals, authorizations, and relief as the Commission deems necessary and proper to allow SPS to implement and effectuate the relief in the final order issued in this case.

5. By order issued in this case on January 17, 2024, the Hearing Examiner established the following procedural schedule and requirements for this case:

A. Any person desiring to protest the application may do so as permitted by 17.9.551.10(A) NMAC.

B. Any person desiring to become a party to this case must file with the Commission's records department at prc.records@prc.nm.gov a motion for leave to intervene that conforms with 1.2.2.23(A), (B) NMAC on or before April 1, 2024. All motions for leave to intervene shall be served on all existing parties and other proposed intervenors of record. A copy shall also be emailed to the Hearing Examiner at christopher.ryan@prc.nm.gov in MS Word format.

C. Individuals who file protests will be deemed intervenors.

D. The Commission's Utility Division Staff shall, and any intervenors may, file direct testimony on or before April 1, 2024.

E. Rebuttal testimony may be filed on or before April 15, 2024.

F. Any motions in limine, motions to strike testimony, or other prehearing motions shall be filed on or before April 19, 2024. Responses to such motions shall be

filed on or before April 23, 2024. A ruling on any of these motions will be issued at the hearing.

G. A public hearing will be held (if necessary) beginning on April 25, 2024, and will continue through April 26, 2024, as necessary. The hearing will commence at 9:00 a.m. MT and conclude at 5:00 p.m. MT each day unless otherwise ordered.

H. The public hearing will be conducted via the Zoom videoconferencing platform. Access to and participation in the public hearing shall be limited to party participants (i.e., counsel and witnesses), the Commissioners, and other essential Commission personnel.

I. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission's website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as attorneys or witnesses may view the hearing through the livestream and will not join the hearing via Zoom except to provide oral comments as discussed below.

6. The Commission's rules of procedure, 1.2.2.1, to .40 NMAC, shall apply in this case except as modified by order of the Commission or Hearing Examiner. The rules are available online at the New Mexico Compilation Commission's website under Title 1 – General Government Administration, Chapter 2, Part 2. The Compilation Commission's web address is <https://nmonesource.com/nmos/en/nav.do>.

7. Interested persons who are not affiliated with a party may make oral or written comments in accordance with Rule 1.2.2.23(F) NMAC without becoming an intervenor. Written public comments may be submitted before the Commission takes final action in this proceeding by sending the comment, which must reference Case No. 23-00384-UT, to prc.records@prc.nm.gov. Oral comments will be permitted at the beginning of the evidentiary hearing on April 25, 2024. Oral commenters will be limited to three minutes per comment. Written or oral comments are not evidence. 1.2.2.23(F) NMAC.

8. SPS's Application, together with supporting pre-filed direct testimony, any exhibits, and related papers, may be examined by any interested person online at the Commission's website at <https://www.prc.nm.gov/case-lookup-e-docket/> or in person at the offices of SPS or the Commission at the addresses listed below, or by calling SPS at 1-800-895-4999 during normal business hours. All inquiries or written comments should reference Case No. 23-00384-UT.

Mike McLeod, Manager Community Relations
Southwestern Public Service Company
111 E. Fifth Street
Post Office Box 1937
Roswell, New Mexico 88201
(575) 625-5499 or 1-800-895-4999

Brooke Trammell, Regional Vice President, Regulatory & Pricing
Southwestern Public Service Company
790 S. Buchanan Street, 7th Floor
Amarillo, Texas 79101
Office: (806) 513-1436

Records Management Bureau
New Mexico Public Regulation Commission
P.O. Box 1269
Santa Fe, New Mexico 87504-1269
(505) 827-6956

9. Anyone filing pleadings, testimony, or other documents in this case shall (1) serve copies on all parties of record and the Commission Staff via email on the date they are filed with the Commission and (2) comply with the Commission's electronic filing policy. That policy requires all filings to be made by emailing the filing in PDF format and with electronic signatures to prc.records@prc.nm.gov within the regular business hours of the due date to be considered timely filed. Documents received after regular business hours will be considered filed the next business day. Regular business hours are 8:00 a.m. – 5:00 p.m. MT. All filings shall also be sent to the Hearing Examiner at christopher.ryan@prc.nm.gov. Parties shall ensure that the Hearing Examiner is provided a version of any filings in MS Word or other original format.

10. The procedural dates and requirements identified here are subject to further order of the Commission or the Hearing Examiner. Interested persons should contact the Commission at (505) 690-4191 or ana.kippenbrock@prc.nm.gov for confirmation of the hearing date, time, and place as hearings are occasionally rescheduled or canceled.

11. Any person filing prepared testimony under 1.2.2.35(I) NMAC on behalf of a party shall attend the hearing and submit to examination under oath. No person shall testify at the hearing unless that person has pre-filed testimony.

12. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's January 17, 2024, procedural order.

13. Any person with a disability requiring special assistance to participate in this proceeding should contact the Commission at 505-827-4500 at least 24 hours prior to the commencement of the hearing.

ISSUED at Santa Fe, New Mexico on January 17, 2024
NEW MEXICO PUBLIC REGULATION COMMISSION

A handwritten signature in black ink, appearing to read 'C. Ryan', written over a horizontal line.

Christopher P. Ryan

Hearing Examiner

christopher.ryan@prc.nm.gov