

- (B) authorize SPS to enter into a purchased power agreement (PPA) with SoCore Clovis 1 LLC (“SoCore”) for the purchase of all of the capacity and net energy, including renewable energy certificates (RECs), from a 1.98 megawatt (MW) alternating current (ac) solar powered electric generating facility to be developed by SoCore (the “SoCore Solar Facility”), for the purpose of supplying SPS’s proposed Solar*Connect program;
- (C) approve SPS’s proposed methodology for establishing the Solar*Connect premium;
- (D) authorize SPS to flow through all costs and revenues associated with the Solar*Connect program through its fuel and purchased power cost adjustment clause (FPPCAC);
- (E) approve SPS’s proposed method for implementing and annually updating the Solar*Connect Rider;
- (F) approve SPS’s proposed plan for notifying and transitioning customers enrolled in SPS’s current voluntary renewable energy purchase program, called “Windsorce,” to the proposed Solar*Connect program.
- (G) grant to SPS all other approvals, authorizations, waivers, or variances that the Commission determines are necessary for SPS to implement and effectuate the relief granted in this case.

Section 62-16-7 of the Renewable Energy Act, NMSA 1978, §§ 62-16-1 to -10, provides that the Commission may require utilities to offer a voluntary program for purchasing additional renewable energy under a separate Commission-approved rate. As required by Commission Rule 572.18 (17.9.572.18 NMAC), SPS currently offers its New Mexico retail customers the opportunity to purchase additional renewable energy via the Windsorce program.

SPS currently purchases 1.98 MW of wind energy from the Llano Estacado Wind Ranch under the Texico Purchased Power Agreement (“Texico PPA”) to supply the Windsource program. In Case No. 17-00294-UT, the Commission adopted a Certification of Stipulation recommending approval of the extension of the Texico PPA through December 14, 2020. SPS will seek termination of the Windsource program and its corresponding tariff, the Windsource Renewable Energy Rate Rider, effective upon the expiration of the Texico PPA.

SPS is proposing in this case to replace its Windsource program with the Solar*Connect program, which will allow customers the opportunity to purchase additional amounts of solar energy above the renewable energy currently in SPS’s overall system resource portfolio.

SPS has entered the Solar*Connect PPA to purchase all of the solar energy and associated RECs from a new solar facility to be developed by SoCore near Clovis, New Mexico.

SPS proposes that Solar*Connect customers have the option to subscribe for a minimum share of 0.5 kilowatts (kW) – with 0.1 kW increments available above the minimum – of the Solar*Connect PPA. Customers will be charged a monthly premium for the solar energy generated from their Solar*Connect subscription, in addition to base charges (including FPPCAC charges), based on the incremental cost of the Solar*Connect PPA.

SPS proposes that while customers will be subscribing to the Solar*Connect program based on a per kW share of the Solar*Connect PPA, they will be billed on a per kilowatt hour (kWh) basis. A 0.5 kW Solar*Connect share is expected to produce 1,451 kWh of energy during the first full year of the Solar*Connect PPA.

SPS states that the total monthly cost of an individual Solar*Connect subscription will vary based on the size (total kW) of the subscription. SPS estimates that the Solar*Connect premium will be \$0.013764/kWh in Year 1. This is approximately 1.6¢/kWh less than Windsource in Year 1 of the Solar*Connect PPA (1.4¢/kWh for Solar*Connect compared to 3.0¢/kWh for Windsource).

SPS estimates that the projected average monthly bill impact of participation in the Solar*Connect program for a Residential customer taking 300 kWh under the Windsource program, which includes the standard energy charge on those kWh as well as their remaining usage (531 kWh), would be \$4.13. For the average Small General Service customer taking 700 kWh under the Windsource program and 400 kWh of total electric service, SPS estimates the average monthly bill impact of the Solar*Connect program would be \$5.50.

SPS proposes that its then-existing Windsource customers will have the first opportunity to participate in the Solar*Connect program and will be notified of the right to opt-out from participation in the Solar*Connect program in the Fall of 2020. Windsource customers who do not opt-out by December 1, 2020 will be automatically enrolled in the new Solar*Connect program with subscriptions that are equal or lesser on a total annual energy basis than their Windsource subscriptions. The Windsource program will terminate effective at the end of the day December 14, 2020.

SPS proposes that the Solar*Connect program be open for new subscriptions on the first day of the first calendar month after the termination of the Windsource program. That date is expected to be January 1, 2021.

SPS proposes to flow both the Solar*Connect PPA costs and the Solar*Connect program revenues – i.e., total premiums collected from subscribers – through the FPPCAC. The premium paid by Solar*Connect subscribers is designed to offset the increase in FPPCAC charges to non-subscribers resulting from the Solar*Connect PPA.

Further information regarding this case can be obtained by contacting SPS or the Commission at the addresses and telephone numbers provided below. Additional details regarding the procedural requirements for this proceeding are set forth in the Procedural Order issued by the Hearing Examiner on November 21, 2018. All inquiries or written comments concerning this matter must refer to Case No. 18-00308-UT.

The present procedural schedule for this case is as follows:

- (1) By no later than January 14, 2019, any person desiring to become a party (“intervenor”) in this case shall file a motion for leave to intervene in conformity with Rules 1.2.2.23(A) and 1.2.2.23(B) NMAC.
- (2) By no later than February 12, 2019, the Utility Division Staff (“Staff”) of the Commission shall, and any intervenor may, file direct testimony. In the alternative, should a settlement be reached, a stipulation may be filed by February 12, 2019.
- (3) If a stipulation is filed as provided above, SPS and Staff shall, and any intervenors may, file direct testimony regarding the stipulation no later than February 28, 2019. Alternatively, if a stipulation is not filed, any rebuttal testimony to the direct testimony filed on February 12, 2019 shall be filed on or before February 28, 2019.
- (4) A public hearing on this matter shall be held beginning on April 4, 2019, commencing at 9:30 a.m. in the Ground Floor Hearing Room of the Commission in the P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, and shall continue if necessary on April 5, 2019.

Interested persons may appear at the time and place of hearing and make oral or written comment pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. Comments shall not be considered as evidence in this case. Written comments, which shall reference Case No. 18-00308-UT, also may be sent to the Commission at the following address:

New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo de Peralta
P.O. Box 1269
Santa Fe, NM 87504-1269
Telephone: 1-800-663-9782

Interested persons should contact the Commission at (505) 827-6956 for confirmation of the hearing date, time, and place since hearings are occasionally rescheduled or, if deemed not required, permanently canceled at the discretion of the Hearing Examiner or Commission.

The procedural dates and requirements of this case are subject to further order of the Commission or Hearing Examiner. The Commission's Rules of Procedure, 1.2.2.1 through 1.2.2.40 NMAC shall apply to this case except as modified by order of the Commission or Hearing Examiner. A copy of those rules may be obtained from the offices of the Commission and are available at the official NMAC website, <http://www.nmcpr.state.nm.us/nmac/>.

SPS's Application, together with supporting pre-filed direct testimony, and any exhibits and related papers, may be examined by any interested person online on the SPS (Xcel Energy) website at https://www.xcelenergy.com/company/rates_and_regulations/filings or in person at the offices of SPS at the following address:

Contact: Mike McLeod
Southwestern Public Service Company
111 East Fifth Street
Post Office Box 1937
Roswell, New Mexico 88201
Telephone: 575-625-5499 or 1-800-895-4999

The public record for this case is accessible on the Commission's website at <http://www.nmprc.state.nm.us/> under Case Lookup E-docket. The public record also may be examined in person at the Commission's Records Bureau in the P.E.R.A. Building, 1120 Paseo De Peralta, Santa Fe, New Mexico, (505) 827-6968.

Anyone filing pleadings, testimony, and other documents shall file either in person with the Commission's Records Bureau in the P.E.R.A. Building in Santa Fe, New Mexico, or by mail addressed to: Records Bureau, New Mexico Public Regulation Commission, P.E.R.A. Building, P.O. Box 1269, Santa Fe, New Mexico, 87504-1269. The following physical address shall be used only for special or hand-deliveries: 1120 Paseo de Peralta, Santa Fe, NM 87501. All filings shall

be served on the parties of record and Staff on the date of filing as specified in the most recent Certificate of Service (“Official Service List”) issued in this case. All filings shall be e-mailed to the Hearing Examiner at anthony.medeiros@state.nm.us on the date filed by no later than 5:00 p.m. Mountain Prevailing Time. Such filings shall include the Word or other native version of the filing (e.g., Excel or Power Point) if created in such format. Any filings not e-mailed to the Hearing Examiner in compliance with the foregoing requirements are subject to being summarily rejected and stricken from the record in the Hearing Examiner’s discretion.

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT LEAST 24 HOURS PRIOR TO THE COMMENCEMENT OF THE HEARING, AT EITHER (505) 827-4500 OR 888-427-5772.

ISSUED at Santa Fe, New Mexico this **21st** day of **November 2018**.

NEW MEXICO PUBLIC REGULATION COMMISSION

Anthony F. Medeiros
Hearing Examiner