BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PROPOSED AMENDMENTS TO THE INTEGRATED RESOURCE PLANNING RULES 17.7.3 NMAC TO INCLUDE ENERGY STORAGE RESOURCES	}	**Case No. 17-00022-UT**

ORDER INITIATING PROPOSED RULEMAKING AND ESTABLISHING WORKSHOP SCHEDULE AND NOTICE OF PROPOSED RULEMAKING

NOTICE is hereby given that the New Mexico Public Regulation Commission (the "Commission"), on its own Motion, is commencing a rulemaking proceeding to amend the Commission Rule on Integrated Resource Plans for Electric Utilities, 17.7.3 NMAC, (herein after referred to as the IRP Rule) and workshop schedule. A copy of the proposed rule is attached hereto as Exhibit 1 (the "Proposed Amendments to the IRP Rule"). Being duly informed in the premises,

THE COMMISSION FINDS AND CONCLUDES:

1. The Commission's IRP Rule was adopted in 2007 to implement the 2005 Efficient Use of Energy Act (EUEA), NMSA § 62-17-1 *et seq.* The IRP Rule, following the EUEA, require that investor-owned electric utilities engage in a resource planning process that evaluates all feasible supply side and demand side resources on a comparable and consistent basis.

2. Section 62-17-10 of the EUEA provides in pertinent part: "Pursuant to the commission's rulemaking authority, public utilities supplying electric or natural gas service to customers shall periodically file an integrated resource plan with the commission. Utility integrated resource plans shall evaluate renewable energy, energy efficiency, load management,

distributed generation and conventional supply-side resources on a consistent and comparable basis and take into consideration risk and uncertainty of fuel 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..."

3. Energy storage, which means technology that is capable of absorbing energy, storing it for a period of time, and thereafter delivering the energy, was not available as a commercially feasible alternative to supply and demand side resources at the time the IRP Rule was adopted.

4. Energy storage is the technology that can use energy generated during low cost off-peak periods to serve load during expensive peak periods. Energy storage has been shown to improve the overall utilization and economics of the electric grid. The ability to store electricity across the electric grid has been historically limited, but recent advances in new energy storage technologies, such as grid-scale batteries, are making viable the wide-scale deployment of electricity storage.[1]

5. Energy storage has begun to be deployed at commercial scale in the electric utility sector in the United States. The Federal Energy Regulatory Commission has issued three orders (Orders 755, 784, and 792) regarding the integration of energy storage resources into wholesale electric markets. States, including California, Utah, Oregon, Massachusetts and Texas have enacted legislation or opened regulatory dockets directed at increasing the use of energy storage in the electric grid.

[1] *See*, the State of Charge Study http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/energy-storage-initiative/. The Massachusetts Department of Energy Resources, partnered with the Massachusetts Clean Energy Center (MassCEC) to develop *State of Charge,* a comprehensive Energy Storage Study.

6. Energy storage resources share some characteristics with supply side resources and some characteristics with load management, a demand side resource. Inclusion of energy storage resources in utility resource portfolios may potentially deliver some of the same benefits to New Mexico utility customers that the Legislature identified for demand side resources in the EUEA, including reliability and protection from higher costs. *See* NMSA § 62-17-2.

7. The Commission finds that it should consider amending the IRP Rule 17.7.3 NMAC to require that electric utilities consider energy storage resources on a comparable and consistent basis in IRP, along with supply side and demand side resources.

8. The Commission finds that it should notice for public comment the proposed revision to the IRP Rule 17.7.3 NMAC contained in Exhibit 1 and conduct a public hearing on the proposed amendments.

9. In addition, the Commission seeks input regarding the changes to the IRP Rule pertaining to energy storage and finds that it would be useful to obtain the perspectives of interested persons in a workshop environment as part of the rulemaking process.

10. For this reason, the Commission finds that it should schedule workshops, the first to be held **on April 19, 2017, commencing at 2:00 p.m. at the Commission's offices, P.E.R.A. Building, 1120 Paseo de Peralta, 4th Floor Hearing Room, Santa Fe, New Mexico.** The subsequent schedule of workshops will be determined with the input of the participants in the initial workshop.

11. Interested persons should contact the Commission to confirm the date, time and place of any public meeting, because meetings are occasionally rescheduled. Meeting announcements are posted on the Commission's website at www.nmprc.state.nm.us. Any person

with a disability requiring special assistance to participate in the workshops should contact Ms. Kathleen Segura, at (505) 827-4501 at least 48 hours prior to the workshop.

12. At the workshops set by this Order, participants should be prepared to discuss the following issues:

a. What energy storage resources does the participant currently use and/or intend to use?

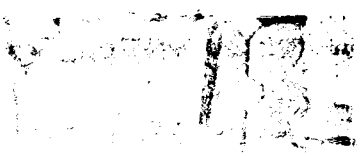
b. In other words, be prepared to discuss the participants' planned as well as existing energy storage resources, including the useful life of the resource, its maximum capacity and dispatch characteristics, and operating costs

c. Should the Commission establish benchmarks for energy storage resources including examination of the costs and benefits of deploying more energy storage technologies in the State of New Mexico?

d. If so, how should the benchmarks be determined?

e. What other pathways should be explored to create a larger energy storage industry in the State of New Mexico?

13. The Commission will accept written comments on the proposed changes to the IRP Rule contained in Exhibit 1 and proposed in this Notice of Proposed Rulemaking from any interested person. Interested persons shall file their written comments on the proposed rules no later than April 19, 2017. Any response comments shall be filed no later than May 1, 2017. Comments suggesting changes to the proposed rule shall state and discuss the particular reasons for the suggested changes and shall include all specific language necessary or appropriate to effectuate the changes being suggested. Specific proposed language changes to the proposed



rule shall be in legislative format. All pleadings, including comments and suggested changes to the proposed rules, shall bear the caption and Docket Number contained at the top of this Notice.

14. Written comments or written response comments, containing the Docket Number in this matter, shall be sent to:

Melanie Sandoval
New Mexico Public Regulation Commission
Attention: Case No.
1120 Paseo de Peralta
Santa Fe, NM 87504

15. Copies of the proposed rules may be downloaded from the Commission's web site, www.nmprc.state.nm.us. The Commission will review all timely submitted written comments and will hold public comment hearings on the following date and at the following time and place:

16. Interested persons should contact the Commission to confirm the date, time and place of any public hearing because hearings are occasionally rescheduled.

17. Any person with a disability requiring special assistance in order to participate in a hearing should contact Ms. Kathleen Segura at 827-4501 at least 48 hours prior to the commencement of the hearing.

18. Commission Rule 1.2.3.7(B) ("Ex Parte Communications") draws a distinction applicable to rulemaking proceedings between communications occurring before the record has been closed and communications occurring after the record has been closed. It defines only the latter as "ex parte communications." In order to assure compliance with 1.2.3.7(B) NMAC, the Commission should set a date on which it will consider the record to be closed. The Commission finds such date should be fourteen days (14) after the date of the public hearing

(May 31, 2017 - date of record closure). The setting of that record closure date will permit Commissioners and Commission Counsel to conduct follow-up discussions with parties who have submitted initial or response comments to the Commission's proposed rules or responses to any bench requests. However, this action should not be interpreted as extending the time during which parties may file comments or response comments, or as allowing the filing of other types of documents in this case.

19. Copies of this Notice should be sent to all persons on the attached Certificate of Service.

IT IS THEREFORE ORDERED:

A. The amendment to the IRP Rule, attached to this Notice of Proposed Rulemaking as Exhibit 1, is proposed for adoption as provided by this Notice.

B. The *Notice of Proposed Rulemaking,* attached hereto as Exhibit 2 constitutes due and lawful notice to all potentially interested persons.

C. The Commission finds that it should schedule workshops, the first to be held **on April 19, 2017, commencing at 2:00 p.m. at the Commission's offices, P.E.R.A. Building, 1120 Paseo de Peralta, 4th Floor Hearing Room, Santa Fe, New Mexico** in order to receive input regarding the changes to the IRP Rule pertaining to energy storage and obtain the perspectives of interested persons in a workshop environment as part of the rulemaking process. The subsequent schedule of workshops will be determined with the input of the participants in the initial workshop.

D. Any person wishing to comment on the Proposed Amendments to the IRP Rule may do so by submitting written comments no later than April 19, 2017. Any person wishing to

respond to comments may do so by submitting written response comments no later than May 1, 2017. Comments suggesting changes to the Proposed Amendments to the IRP Rule shall state and discuss the particular reasons for the suggested changes and shall include all specific language necessary or appropriate to effectuate the changes being suggested. Specific proposed language changes to the Proposed Amendments to the IRP Rule shall be provided in a form consistent with that of the Proposed Amendments to the IRP Rule. Commenters' deletions shall be indicated by striking through the language to be deleted, and commenters' additions shall be underlined. The staff of the Commission's Utility Division shall file comments as provided in this paragraph.

E. All pleadings, including comments, shall bear the above caption and case number of this matter and shall be filed with the Commission's Records Division, at either of the addresses set forth below:

Melanie Sandoval for hand delivery
NMPRC Records Management Bureau
1120 Paseo de Peralta
Santa Fe, New Mexico 87501
or
NMPRC Records Management Bureau
PO Box 1269
Santa Fe, New Mexico 87504-1269

F. A public hearing on the Proposed Amendment to the IRP Rule, to be presided over by the Commission or its designee, to be appointed by subsequent single signature order of the Commission, shall be held beginning at **2:00 p.m. on May 31, 2017,** at the offices of the Commission, at the following location:

4th Floor Hearing Room
1120 Paseo de Peralta
Santa Fe, New Mexico 87501
Tel. 505-827-4501

The hearing will be held in order to receive oral comments only by those persons who did not file written comments or responses in any capacity. Because commenters are afforded the opportunity to submit written comments and written responses to the Commission, **any individual who wants to provide oral comments shall be limited to five minutes to express those comments, subject to the Commission's discretion**. The Commission may also determine that a spokesperson be designated to speak on behalf of an organization, a group, or a group of individuals that shares the same message or seeks the same goals, in order to maximize the efficiency of the public comment hearing. **No testimony or other evidence will be taken at the hearing as this is a rulemaking proceeding.**

G. Commission Rule 1.2.3.7(B) NMAC (Ex Parte Communications) draws a distinction applicable to rulemaking proceedings between communications occurring before the record has been closed and communications occurring after the record has been closed. It defines only the latter as "ex parte communications." In order to ensure compliance with Rule 1.2.3.7(B) NMAC, the Commission should set a date on which it will consider the record to be closed. The Commission finds that date shall be fourteen (14) days following the **May 31, 2017, Public Hearing**, that is **June 14, 2017**. The setting of that record closure date will permit Commissioners and Commission counsel to conduct follow-up discussions with parties who have submitted initial or response comments to the Commission's Proposed Amendments to the IRP Rule or responses to any bench requests. However, this action should not be interpreted as

extending the time during which parties may file comments or response comments, or as allowing the filing of other types of documents in this case.

H. Interested persons should contact the Commission to confirm the date, time, and place of any public hearing, because hearings are occasionally rescheduled. Any person with a disability requiring special assistance in order to participate in the hearing should contact Ms. Kathleen Segura at (505) 827-4501 at least 48 hours prior to the commencement of the hearing.

I. At least thirty (30) days prior to the hearing date, this Order, including Exhibit 1, shall be mailed to all persons who have made a written request for advance notice

J. The *Notice of Proposed Rulemaking*, Exhibit 2, shall be published without Exhibit 1 in at least two newspapers of general circulation in New Mexico and in the NEW MEXICO REGISTER. Affidavits attesting to the publication of the *Notice of Proposed Rulemaking* as described above shall be filed in this docket.

K. Copies of this Order, including Exhibit 1, shall be e-mailed to all persons listed on the attached Certificate of Service if their e-mail addresses are known, and if not known, mailed to such persons via regular mail.

L. Copies of any forthcoming final order adopting a new rule shall be mailed, along with copies of the new rule, to all persons and entities appearing on the Certificate of Service as it exists at the time of issuance of the final order in this docket, to all commenters in this case, and to all individuals requesting such copies.

M. This Notice and Order is effective immediately.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 8th day of February 2017.

NEW MEXICO PUBLIC REGULATION COMMISSION

SANDY JONES, CHAIRMAN

CYNTHIA HALL, VICE CHAIR

VALERIE ESPINOZA, COMMISSIONER

VOTED NO

PATRICK H. LYONS, COMMISSIONER

LYNDA LOVEJOY, COMMISSIONER

EXHIBIT 1

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 7 ENERGY CONSERVATION
PART 3 INTEGRATED RESOURCE PLANS FOR ELECTRIC UTILITIES

17.7.3.7 DEFINITIONS: When used in this rule, unless otherwise specified the following definitions will apply:

A. availability factor means the ratio of the time a generating facility is available to produce energy at its rated capacity, to the total amount of time in the period being measured;

B. capacity factor means the ratio of the net energy produced by a generating facility during a given time period, to the amount of net energy that could have been produced if the facility operated continuously at full capacity during that same time period;

C. demand-side resources means energy efficiency and load management, as those terms are defined in the Efficient Use of Energy Act;

D. 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 electricity without reducing the amount or quality of energy services;

E. energy storage resource means a commercially available technology that is capable of absorbing energy, storing it for a period of time, and thereafter delivering the energy;

F. heat rate means the ratio of energy inputs used by a generating facility expressed in BTUs (British thermal units), to the energy output of that facility expressed in kilowatt-hours;

F. integrated resource plan (IRP) means a public utility's plan to meet New Mexico jurisdictional retail customers' existing and future demand in accordance with this rule;

G. load forecasting means the prediction of the demand for electricity over the planning period for the utility;

H. load management means measures or programs that target equipment or devices to decrease peak electricity demand or shift demand from peak to off-peak periods;

I. most cost effective resource portfolio means those supply-side resources and demand-side resources that minimize the net present value of revenue requirements proposed by the utility to meet electric system demand during the planning period consistent with reliability and risk considerations;

J. planning period means the future period for which a utility develops its IRP; for purposes of this rule, the planning period is 20 years;

K. public utility or utility has the same meaning as in the Public Utility Act, except that it does not include a distribution cooperative utility, as defined in the Efficient Use of Energy Act;

L. renewable energy means electrical energy generated by means of a low or zero emissions generation technology with substantial long-term production potential and generated by use of renewable energy resources that may include solar, wind, hydropower, geothermal, fuel cells that are not fossil fueled and biomass resources; biomass resources are fuels, such as agriculture or animal waste, small diameter timber, salt cedar and other phreatophyte or woody vegetation removed from river basins or watersheds in New Mexico, landfill gas and anaerobically digested waste biomass; renewable energy does not include fossil fuel or nuclear energy.

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

17.7.3.9 INTEGRATED RESOURCE PLANS FOR ELECTRIC UTILITIES: Public utilities supplying electric service to customers shall file an IRP, along with an action plan, with the commission every three years. **A.** Initial filings. Utilities with greater than 200,000 New Mexico retail customers shall file 15 months after the effective date of this rule. Utilities with less than 200,000 New Mexico retail customers shall file 27 months after the effective date of this rule. An original and fourteen copies of the IRP shall be filed with the commission.

B. Contents of IRP for electric utilities. The IRP submitted by an electric utility shall contain the utility's New Mexico jurisdictional:

(1) description of existing electric supply-side, **energy storage,** and demand-side resources;
(2) current load forecast as described in this rule;
(3) load and resources table;
(4) identification of resource options;
(5) description of the resource and fuel diversity;
(6) identification of critical facilities susceptible to supply-source or other failures;
(7) determination of the most cost effective resource portfolio and alternative portfolios;
(8) description of public advisory process;
(9) action plan; and
(10) other information that the utility finds may aid the commission in reviewing the utility's planning processes.

C. Description of existing resources. The utility's description of its existing resources used to serve its jurisdictional retail load at the time the IRP is filed shall include:

(1) name(s) and location(s) of utility-owned generation facilities;
(2) rated capacity of utility-owned generation facilities;
(3) fuel type, heat rates, annual capacity factors and availability factors projected for utility-owned generation facilities over the planning period;
(4) cost information, including capital costs, fixed and variable operating and maintenance costs, fuel costs, and purchased power costs;
(5) existing generation facilities' expected retirement dates;
(6) amount of capacity obtained or to be obtained through existing purchased power contracts or agreements relied upon by the utility, including the fuel type, if known, and contract duration;
(7) estimated in-service dates for utility-owned generation facilities for which a certificate of public convenience and necessity (CCN) has been granted but which are not in-service;
(8) amount of capacity and, if applicable, energy, provided annually to the utility pursuant to wheeling agreements and the duration of such wheeling agreements;
(9) description of existing demand-side resources, including (1) demand-side resources deployed at the time the IRP is filed; and (2) demand-side resources approved by the commission, but not yet deployed at the time the IRP is filed; information provided concerning existing demand-side resources shall include, at a minimum, the expected remaining useful life of each demand-side resource and the energy savings and reductions in peak demand, as appropriate, made by the demand-side resource;
(10) description of each existing and approved energy storage resources, to include, at a minimum, the expected remaining useful life of the resource, its maximum capacity and dispatch characteristics, and operating costs;
(11~~0~~) reserve margin and reserve reliability requirements (e.g. FERC, power pool, etc.) with which the utility must comply and the methodology used to calculate its reserve margin;
(12~~1~~) existing transmission capabilities:
(a) the utility shall report its existing, and under-construction, transmission facilities of 115 kV and above, including associated switching stations and terminal facilities; the utility shall specifically identify the location and extent of transfer capability limitations on its transmission network that may affect the future siting of supply-side resources;
(b) the utility shall describe all transmission planning or coordination groups to which it is a party, including state and regional transmission groups, transmission companies, and coordinating councils with which the utility may be associated;
(13~~2~~) environmental impacts of existing supply-side resources:
(a) the utility shall provide the percentage of kilowatt-hours generated by each fuel used by the utility on its existing system, for the latest year for which such information is available;
(b) to the extent feasible, for each existing supply-side resource on its system, the utility shall present emission rates (expressed in pounds emitted per kilowatt-hour generated) of criteria pollutants as well as carbon dioxide and mercury;
(c) to the extent feasible, for each existing supply-side resource on its system, the utility shall present the water consumption rate; and
(14~~3~~) a summary of back-up fuel capabilities and options.

D. Current load forecast.

(1) The utility shall provide a load forecast for each year of the planning period; the load forecast shall incorporate the following information and projections:

(a) annual sales of energy and coincident peak demand on a system-wide basis, by customer class, and disaggregated among commission jurisdictional sales, FERC jurisdictional sales, and sales subject to the jurisdiction of other states;

(b) annual coincident peak system losses and the allocation of such losses to the transmission and distribution components of the system;

(c) weather normalization adjustments;

(d) assumptions for economic and demographic factors relied on in load forecasting;

(e) expected capacity and energy impacts of existing and proposed demand-side resources; and

(f) typical historic day or week load patterns on a system-wide basis for each major customer class. **(2)** The utility shall develop base-case, high-growth and low-growth forecasts, or an alternative forecast that provides an assessment of uncertainty (e.g., probabilistic techniques).

(3) Required detail. **(a)**The utility shall explain how the demand-side savings attributable to actions other than the utility-sponsored demand-side resources for each major customer class are accounted for in the utility's load forecast and the effect, as appropriate, on its load forecast of the utility-sponsored demand-side resources on each major customer class.

(b) The utility shall compare the annual forecast of coincident peak demand and energy sales made by the utility to the actual coincident peak demand and energy sales experienced by the utility for the four years preceding the year in which the plan under consideration is filed. In addition, the utility shall compare the annual forecast in its most recently filed resource plan to the annual forecast in the current resource plan. In its initial IRP filing, the utility shall provide information demonstrating how well its forecasts during the preceding four years predicted demand.

(c) The utility shall explain and document the assumptions, methodologies, and any other inputs upon which it relied to develop its load forecast.

E. Load and resources table. The utility shall provide a load and resources table of its existing loads and resources at the time of its IRP filing. The load and resources table, to the extent practical, shall contain the appropriate components from the load forecast. Resources shall include:

(1) utility-owned generation;

(2) existing and future contracted-for purchased power including qualifying facility purchases;

(3) purchases through net metering programs, as appropriate;

(4) demand-side resources **and energy storage resources**, as appropriate; and

(5) other resources relied upon by the utility, such as pooling, wheeling, or coordination agreements effective at the time the plan is filed.

F. Identification of resource options.

(1) In identifying additional resource options, the utility shall consider all feasible supply-side, **energy storage,** and demand-side resources. The utility shall describe in its plan those resources it evaluated for selection to its portfolio and the assumptions and methodologies used in evaluating its resource options, including, as applicable: life expectancy of the resources, the recognition of whether the resource is replacing/adding capacity or energy, dispatchability, lead-time requirements, flexibility and efficiency of the resource.

(2) For supply-side resource options, the utility shall identify the assumptions actually used for capital costs, fixed and variable operating and maintenance costs, fuel costs forecast by year, and purchased power demand and energy charges forecast by year, fuel type, heat rates, annual capacity factors, availability factors and, to the extent feasible, emission rates (expressed in pounds emitted per kilowatt-hour generated) of criteria pollutants as well as carbon dioxide and mercury.

(3) The utility shall describe its existing rates and tariffs that incorporate load management or load shifting concepts. The utility shall also describe how changes in rate design might assist in meeting, delaying or avoiding the need for new capacity.

G. Determination of the most cost effective resource portfolio and alternative portfolios.

(1) To identify the most cost-effective resource portfolio, utilities shall evaluate all feasible supply, **energy storage,** and demand-side resource options on a consistent and comparable basis, and take into consideration risk and uncertainty (including but not limited to financial, competitive, reliability, operational, fuel supply, price

volatility and anticipated environmental regulation). The utility shall evaluate the cost of each resource through its projected life with a life-cycle or similar analysis. The utility shall also consider and describe ways to mitigate ratepayer risk.

(2) Each electric utility shall provide a summary of how the following factors were considered in, or affected, the development of resource portfolios:

(a) load management and energy efficiency requirements;

(b) renewable energy portfolio requirements;

(c) existing and anticipated environmental laws and regulations, and, if determined by the commission, the standardized cost of carbon emissions;

(d) fuel diversity;

(e) susceptibility to fuel interdependencies;

(f) transmission constraints; and

(g) system reliability and planning reserve margin requirements.

(3) Alternative portfolios. In addition to the detailed description of what the utility determines to be the most cost-effective resource portfolio, the utility shall develop a reasonable number of alternative portfolios by altering risk assumptions and other parameters developed by the utility and the public advisory process.

H. Public advisory process. Public input is critical to the development and implementation of integrated resource planning in New Mexico. A utility shall incorporate a public advisory process in the development of its IRP. 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 purpose of this process shall be to receive public input, solicit public commentary concerning resource planning and related resource acquisition issues. This process shall be administered as follows.

(1) 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 renewable energy, 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 which it serves and in the utility's billing inserts; this notice shall consist of: **(a)** a brief description of the IRP process;

(b) time, date and location of the first meeting;

(c) a statement that interested individuals should notify the utility of their interest in participating in the process; and

(d) utility contact information.

(2) Upon receipt of the initial notice, the commission may designate a facilitator to assist the participants with dispute resolution.

(3) The utility or its designee shall chair the public participation process, schedule meetings, and develop agendas for these meetings. With adequate notice to the utility, participants shall be allowed to place items on the agenda of public participation process meetings.

(4) 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.

(5) 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.

(6) In its initial IRP advisory process, the utility and participants shall explore a procedure to coordinate the IRP process with renewable energy procurement plans and 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.

I. Action plan.

(1) The utility's action plan shall detail the specific actions the utility will take to implement the integrated resource plan spanning a four-year period following the filing of the utility's IRP. The action plan will include a status report of the specific actions contained in the previous action plan.

(2) An action plan does not replace or supplant any requirements for applications for approval of resource additions set forth in New Mexico law or commission regulations.

EXHIBIT 2
NOTICE OF PROPOSED RULEMAKING

The New Mexico Public Regulation Commission (NMPRC or Commission) gives notice of its proposed adoption of amendment to Rule 17.7.3 NMAC pertaining to Integrated Resource Planning regulated by the Commission pursuant to the Efficient Use of Energy Act (EUEA), NMSA § 62-17-1 *et seq.* Copies of the Order Initiating Proposed Rulemaking and Establishing Workshop Schedule containing additional information and filing instructions may be downloaded from the Proposed Rulemaking section of the Commission's website at http://www.nmprc.state.nm.us under Case No. 17-000xx-UT or by calling the Commission's Records Management Bureau at (505) 827-6968.

Written Initial Comments and written Response Comments shall be filed by the deadlines below with the Commission's Records Management Bureau at P.O. Box 1269, Santa Fe, NM 87504-1269 or by hand delivery to the NMPRC Records Management Bureau at 1120 Paseo de Peralta, Room 406, Santa Fe, NM 87501 as follows: Written Initial Comments not later than April 19, 2017, and written Response Comments not later than May 1, 2017. Comments shall refer to Case No. 17-000xx-UT.

A public hearing will be held on May 31, 2017, beginning at 2:00 p.m. at the offices of the Commission located in the 4th Floor Hearing Room of the old PERA Building, at 1120 Paseo de Peralta, in Santa Fe. The purpose of the hearing is to **receive oral comments.** Because commenters are afforded the opportunity to submit written comments and written responses to the Commission, **any individual who wants to provide oral comments shall** be limited to five minutes **to express those comments, subject to the Commission's discretion.** The Commission may also determine that a spokesperson be designated to speak on behalf of an organization, a group, or a group of individuals that shares the same message or seeks the same goals, in order to maximize the efficiency of the public comment hearing. No testimony **or other** evidence will be taken **at the hearing as this is a rulemaking proceeding.**

The record of this case will close fourteen (14) days after the public hearing held on May 31, 2017 (date of record closure is June 14, 2017).

Interested persons should contact the Commission to confirm the date, time, and place of this public hearing because hearings are occasionally rescheduled. If you are an individual with a disability and you require assistance or an auxiliary aid (such as a sign language interpreter) to participate in any aspect of this process, please contact Ms. Kathleen Segura at (505) 827-4501 at least 48 hours prior to the commencement of the hearing.

Statutory Authority: New Mexico Constitution, Article XI, Sec. 2; NMSA 1978, §8-8-4(B)(10); the Efficient Use of Energy Act (EUEA), NMSA § 62-17-1 *et seq.*

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PROPOSED AMENDMENTS TO THE INTEGRATED RESOURCE PLANNING RULES 17.7.3 NMAC TO INCLUDE ENERGY STORAGE RESOURCES	)))))	**Case No. 17-00022-UT**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **Order Initiating Proposed Rulemaking and Establishing Workshop Schedule and Notice of Proposed Rulemaking,** issued on February 8, 2016, was sent on February 8, 2016 as indicated below, to the following:

Via Email to:

Benjamin Phillips	Ben.phillips@pnmresources.com;
Mark Fenton	Mark.fenton@pnmresources.com;
Carey Salaz	Carey.salaz@pnmresources.com;
Stacey Goodwin	Stacey.goodwin@pnmresources.com;
Jeffrey Fornaciari	jfornaciari@hinklelawfirm.com;
Evan D. Evans	Evan.d.evans@xcelenergy.com;
Gerard Ortiz	Gerard.ortiz@pnmresources.com;
Sunny Nixon	Snixon@rodey.com;
Keven Groenewold	Kgroenewold@nmelectric.coop;
Dan Najjar	vnajjar@aol.com;
Randy Childress	randy@childresslaw.com;
Nancy Burns	Nancy.burns@epelectric.com;
Matthew Collins	mcollins@cnmec.coop;
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Chris Martinez	chrism@col-coop.com;
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Jimmy Capps	jcapps@secpower.com;
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NEW MEXICO PUBLIC REGULATION COMMISSION

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