BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC COMPANY'S 2017 RENEWABLE ENERGY PLAN PURSUANT TO THE RENEWABLE ENERGY ACT AND 17.9.572 NMAC CASE NO. 17-00004-UT

DIRECT TESTIMONY OF OMAR GALLEGOS

May 1, 2017
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I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Omar Gallegos, and my business address is 100 N. Stanton Street, El Paso, Texas 79901.

Q. HOW ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE" or "the Company") as Director of the Resource Planning and Management Department.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND BUSINESS BACKGROUND.

A. In 1995, I graduated from the University of Texas at El Paso with a Bachelor of Science degree in Mechanical Engineering and a Master of Business Administration degree in 2006. In 2011, I received the certification of Project Management Professional from the Project Management Institute. In 2014, I completed a Graduate Certificate in Public Utility Regulation and Economics from New Mexico State University.

From 1995 to May 2009, I was employed by Delphi Corporation in product engineering. During the final eight years, I was Supervisor for Product
Engineering where my responsibilities included design development, product validation, cost estimating, and project management.

In May 2009, I accepted a position with EPE as a Real-Time Scheduler. In that capacity, I was responsible for managing energy transfer schedules over the Company’s transmission lines in accordance with Federal Energy Regulatory Commission requirements and North American Electric Reliability Corporation reliability standards. From September 2010 to May 2013, I was an Associate - Business Development as a Project Manager for renewable energy projects and new generation projects. My responsibilities in that position included financial analysis, business process flows and evaluation of emerging technologies. In May 2013, I was promoted to System Operations Outage Coordinator where I coordinated EPE’s transmission, generation and system outages in adherence with reliability requirements. In March 2014, I was promoted to Manager-Asset Management Services. During that time, I was responsible for Transmission and Distribution project management initiatives, budgeting, asset management and support of regulatory permitting for transmission assets. In February 2016, I was promoted to Director of the Resource Planning Department. In July 2016, I assumed responsibility of EPE’s Resource Management Department.
Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH EPE.

A. My current duties include the management and supervision of the Company's generation and resource planning, renewable energy procurement, long-term planning/acquisition of interstate gas pipeline transport capacity, intrastate gas pipeline transport/storage, fuel oil supply/transport, wholesale power transactions, fuel supply planning and procurement, and real-time market operations. In this capacity I supervise and confirm the input and analysis of the Company’s PROMOD and STRATEGIST modeling.

Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE UTILITY REGULATORY BODIES?

A. Yes, I previously filed testimony with the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) and the Public Utility Commission of Texas.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to present EPE's 2017 Procurement Plan ("2017 Plan"). I present applicable regulatory standards, including EPE's Renewable Portfolio Standard ("RPS") and diversity standards for 2018 and 2019. In doing
so, I address EPE's previously-approved partial waiver of 2018 Total RPS and
variances to 2018 Wind and Biomass/Other diversity requirements granted by the
Final Order in Case No. 16-00109-UT ("2016 Plan").

I summarize EPE's estimated procurement costs for RPS and diversity
compliance for 2018 and 2019. I also conclude that EPE's proposed 2017 Plan is
reasonable as to price, availability, dispatch flexibility, certificate values and
diversity, complies with applicable regulatory standards and should be approved
by the Commission.

Additionally, I present EPE's request for a partial waiver of 2019 Total
RPS and request for variances to the 2019 Wind and Biomass/Other diversity
requirements, which are based on the Reasonable Cost Threshold ("RCT")
limitations calculated by, and addressed in the testimony of EPE witness Manuel
Carrasco.

Finally, I describe EPE's ongoing initiatives to investigate and evaluate
procurement of additional renewable resources given EPE's RCT constraints. In
doing so, I present an available, 5-year wind renewable energy credit ("REC")
contract option for Commission consideration which, if authorized, would allow
EPE the opportunity to meet its total RPS and wind diversity requirements in
2018 and 2019, superseding the need for a total RPS waiver and a total wind
diversity variance during those plan years. However, if approved, EPE would
further exceed its RCT. EPE witness Jim Schichtl supports the reasonableness of the wind REC option, given EPE’s RCT constraints. The majority of my testimony addresses the 2017 RPS Plan as if the additional wind REC purchase was not in place. At the end of my testimony, I introduce the wind REC option for consideration and address how the plan would change if that option was authorized by the Commission.

III. OVERVIEW OF ANNUAL RPS ACT PLAN REQUIREMENTS

Q. WHAT INFORMATION IS REQUIRED TO BE INCLUDED IN EPE’S 2016 PLAN?

A. The Commission’s Renewable Energy Rule, 17.9.572.14(B) NMAC, effective May 31, 2013, as amended May 15, 2014, ("Rule 572" or the "Rule"), requires that the following information be included in EPE’s 2017 Plan, as applicable:

1) testimony and exhibits providing a full explanation of the utility's determination of the plan year and next plan year renewable portfolio standard and reasonable cost threshold;

2) the cost of procurement in the plan year and the next plan year for all new renewable energy resources required to comply with the renewable portfolio standard selected by the utility;
3) the amount of renewable energy the public utility plans to provide in the
plan year and the next plan year required to comply with the renewable
portfolio standard;

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

5) testimony and exhibits demonstrating the plan year and next plan year
procurement amounts and costs based on revenue requirements expected to
be recovered by the utility;

6) testimony and exhibits demonstrating the plan year and next plan year
procurement amounts and costs if complying with a fully diversified
renewable portfolio standard is limited by the reasonable cost threshold;

7) testimony and exhibits demonstrating the plan year and next plan year
procurement amounts and costs based on revenue requirements expected to
be recovered by the utility if limited by the reasonable cost threshold;

8) testimony and exhibits that demonstrate that the proposed procurement is
reasonable as to its terms and conditions considering price, costs of
interconnection and transmission, availability, dispatchability, renewable
energy certificate values and portfolio diversification requirements;
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9) testimony and exhibits regarding the amount and impact of renewable energy that can be added in any given year without adding generating resources for load following or system regulation purposes;

10) testimony and exhibits demonstrating that the portfolio procurement plan is consistent with the integrated resource plan and explaining any material differences; and

11) demonstration that the plan is otherwise in the public interest.

As set forth in EPE's plan and supporting testimonies and exhibits, EPE's 2017 Plan meets the filing requirements, as applicable.

Q. WHAT OTHER REGULATORY REQUIREMENTS MUST EPE'S 2017 PLAN MEET?

A. The New Mexico Renewable Energy Act ("Act" or "REA") and Rule 572 require that a percentage of EPE's New Mexico retail jurisdictional energy sales be supplied by renewable energy resources, represented by Renewable Energy Certificates ("REC"). The RPS requirement for the period 2015 through 2019 is 15 percent, and will be 20 percent beginning in 2020. Additionally, Rule 572 sets forth the following diversity standards: 30 percent of the RPS must be met with wind energy, 20 percent must be met with solar energy and 5 percent must be met with other renewable energy technologies such as biomass, geothermal or landfill
gas. In addition, the Rule requires renewable Distributed Generation ("DG") of three percent of the RPS beginning in 2015. Variances are granted considering availability of such resources at reasonable cost, technical constraints, and RCT limitations.

EPE is not required to meet the total RPS if the costs would exceed the RCT, nor is EPE required to meet the full diversity percentages of the Rule if the costs would exceed the RCT or if resource types are not reasonably available.

**Q. DO THE ACT AND RULE REQUIRE ANNUAL REPORTING FOR RPS COMPLIANCE?**

**A.** Yes. EPE’s Annual RPS Report for calendar year 2016 is filed concurrent with the 2017 Plan as required by the Rule. This annual report shows how EPE complied with the Commission approved RPS plan for calendar year 2016 which included a waiver for the total 2016 RPS requirement and variances to the diversity requirements of “Wind” and “Other” due to the RCT. EPE retired 228,533 RECs toward the 2016 RPS, which is approximately 94.7 percent of the total required value of 241,376 RECs. It is worthwhile to note that EPE met the total RPS requirement through 2015.
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Q. **HOW ARE EPE'S PROCUREMENT ACTIONS DOCUMENTED?**

A. EPE uses RECs to document RPS compliance as required by the Act. The RECs, which are acquired with or without physical delivery of the associated energy, are registered and retired with the regional tracking system known as Western Renewable Energy Generation Information System ("WREGIS") within four years of their creation. The RECs acquired by EPE are normally expressed in megawatt-hour ("MWh") units. One MWh is equal to 1,000 kWh or one REC. The energy associated with the acquired RECs is contracted for delivery into New Mexico.

Q. **DOES EPE USE ITS OWN RENEWABLE GENERATING RESOURCES TO MEET RPS REQUIREMENTS?**

A. No. EPE owns and operates small, demonstration-scale, solar photovoltaic ("PV") facilities. Currently, EPE uses those renewable energy resources to supply its Voluntary Renewable Energy ("VRE") customer program, but not for RPS or diversity compliance purposes.

Q. **HAS EPE CALCULATED ITS RPS REQUIREMENTS FOR 2018 AND 2019 UNDER THE REQUIREMENTS OF THE ACT AND RULE?**

A. Yes.
Q. DOES EPE HAVE ANY EXEMPTED CUSTOMERS UNDER SECTION 62-16-4(A)(3)?
A. No.

Q. DOES EPE HAVE ANY QUALIFYING LARGE CUSTOMERS UNDER SECTION 62-16-14(A)(2)?
A. Yes. EPE must apply a reduction in 2018 and 2019 to its total RPS requirement as a result of the large customer cap. The details of this reduction are explained in EPE witness Carrasco's testimony.

Q. CAN YOU EXPLAIN EPE'S METHODOLOGY OF CALCULATING ITS RPS REQUIREMENT?
A. Yes. EPE's calculation is outlined in Exhibit OG-1. EPE begins with the forecasted New Mexico jurisdictional energy sales, adjusted for weather and projected energy efficiency and load management reductions, and then adjusts the forecasted energy sales for qualifying large non-governmental customers. This results in the net forecasted New Mexico jurisdictional kWh sales. EPE then applies the Act's 15 percent RPS requirement to the net forecasted sales to calculate the net RPS requirement (without the large non-governmental customer adjustment). The allowable RPS sales for qualifying large non-governmental...
customers are then added to the net RPS requirement to calculate the total RPS requirement. EPE calculated these requirements based on its latest Long-Term Load Forecast dated April 6, 2017, adjusted for weather and projected energy efficiency and load management reductions.

Q. CAN YOU DESCRIBE THE RCT AND ITS IMPACT ON THE REQUIREMENT FOR A UTILITY TO MEET ITS FULL RPS REQUIREMENT?

A. The REA requires an RCT, above which a public utility "shall not be required" to add renewable energy to its RPS portfolio. The Act states that the RCT will be established by the Commission, which has established various RCT limitations over the years and implemented rules to calculate the RPS and the RCT. The Commission's Rule limits the cost impact to customers for implementation of the renewable portfolio standard. The RCT limits the incremental cost of implementing the RPS to three percent of plan year revenue requirements. A utility may be granted waivers from meeting the RPS and variances from meeting diversity requirements if doing so would exceed the RCT. EPE witness Carrasco explains EPE's RCT calculation.
Q. WHAT ARE THE RESULTS OF EPE'S CALCULATED RPS REQUIREMENTS FOR 2018 AND 2019 CONSIDERING THE RCT?

A. EPE's 2018 total RPS requirement will be 241,211,959 kWh. EPE's 2019 total RPS requirement will be 241,986,101 kWh.

In accordance with the waiver granted for 2018 due to RCT limitations, EPE's RPS procurement will be approximately 82.4 percent of EPE's estimated 2018 total RPS requirement.

Under EPE's requested partial waiver for 2019, EPE would acquire approximately, 200,967,165 kWh (approximately 83.0 percent of EPE's estimated 2019 RPS requirement) rather than the total RPS requirement for 2019 of 241,986,101 kWh. The actual magnitude of the waiver will be a function of actual retail sales and renewable energy output which is procured in 2019.

Exhibit OG-1 shows the calculation of EPE's estimated RPS requirements for 2018 and 2019. This exhibit also includes the large customer adjustment which is described by EPE witness Carrasco. The waiver calculations are shown in Exhibit OG-3.
Q. HAS EPE CALCULATED THE COMPANY'S RULE 572 DIVERSITY REQUIREMENTS FOR 2018 AND 2019?

A. Yes. In 2018 and 2019, the following minimum amounts from the Rule's identified resource types are required to meet the specified diversity requirements:

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<tr>
<th>Resource</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>Solar:</td>
<td>48,242,392 kWh</td>
<td>48,397,220 kWh</td>
</tr>
<tr>
<td>Wind:</td>
<td>72,363,588 kWh</td>
<td>72,595,830 kWh</td>
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<tr>
<td>Biomass/Other:</td>
<td>12,060,598 kWh</td>
<td>12,099,305 kWh</td>
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<tr>
<td>Distributed Generation:</td>
<td>7,236,359 kWh</td>
<td>7,259,583 kWh</td>
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These diversity requirements are calculated in Exhibit OG-3. However, the Commission approved variances from a fully diversified portfolio in 2018 for EPE in NMPRC Case No. 16-00109-UT.

Q. IS EPE REQUESTING A WAIVER FROM THE COMMISSION TO MEET THE 2019 TOTAL RPS?

A. Yes, to the extent necessary to avoid additional costs in excess of the RCT, EPE requests that the Commission grant EPE a partial waiver from the 2019 total RPS. In the 2016 Plan, the Commission approved a partial waiver from the 2018 total
RPS. As presented later in my testimony, EPE requests a similar partial waiver for 2019.

Q. IS EPE REQUESTING VARIANCES FROM THE RULE WITH REGARD TO 2019 DIVERSITY TARGETS?

A. Yes. The Commission approved EPE's requested variances from a fully diversified portfolio for 2018 in the 2016 Plan. In this case, EPE requests similar variances for 2019 from the total requirements of Wind diversity and a partial variance of Biomass/Other diversity.

IV. EPE'S 2017 PROCUREMENT PLAN

Q. CAN YOU SUMMARIZE EPE'S 2017 PROCUREMENT PLAN?

A. Yes, EPE's 2017 Procurement Plan relies on renewable energy resources and associated RECs previously approved by the Commission to meet its 2018 and 2019 RPS obligations. As addressed in the testimony of EPE witness Carrasco, pursuant to the current RCT methodology, EPE has determined additional costs for new plan year procurements would further exceed the RCT in 2018 and 2019. Accordingly, EPE proposes that no new resources be added to its renewable portfolio in the proposed plan. Rather, the proposed plan contains renewable resources previously approved by the Commission in prior proceedings as
follows: REC acquisitions pursuant to previously approved agreements with Southwest Environmental Center ("SWEC"), Camino Real Landfill to Energy Facility ("CRLEF"), NRG ("Roadrunner Project"), NextEra Energy Resources ("Hatch Solar Energy Center 1" or "HSEC"), SunEdison, Southern Power Company ("Macho Springs"), and EPE's Holloman AFB Solar Project ("HAFB Solar") as well as through EPE's approved incentive programs for customer-installed Qualifying Facility ("QF") projects. Exhibit OG-2 provides a table summarizing existing procurement agreements.

The Commission has already approved EPE's existing agreements and related cost recovery for the above listed renewable resources in NMPRC Case Nos. 05-00355-UT, 05-00231-UT, 06-00365-UT, 07-00360-UT, 08-00219-UT, 09-00259-UT, 10-00200-UT, 11-00263-UT, 12-00217-UT, 13-00223-UT, 14-00121-UT, 15-00117-UT and 16-00109-UT.

Q. CAN YOU PROVIDE A BRIEF DESCRIPTION OF THE PREVIOUSLY-APPROVED RESOURCES?

A. Yes, I can. In 2007, EPE entered into a 20-year purchased power agreement ("PPA") to purchase energy and 3-to-1 weighted - value RECs from the SWEC solar PV project. The SWEC project, which became operational in March 2008,
is a six kW solar PV commercial project with an estimated capacity factor of 23 percent, located in Las Cruces, New Mexico.

Also in 2007, EPE entered into a QF agreement with CRLEF, which provides 2-to-1 weighted value biomass RECs. The project provides a maximum net capacity of approximately one MW. CRLEF is located in Sunland Park, New Mexico, and uses methane gas from a landfill to fuel its generating facility. As part of EPE's approved 2009 Plan, and to ensure the continued viability of the project, the Commission authorized EPE to pay CRLEF $0.015/kWh per REC generated by the project. The REC costs currently included in EPE's proposed plan are based on a 10-year REC contract which runs through 2018. However, because EPE is required in the ordinary course of business to purchase all energy produced from a QF such as CRLEF at EPE's avoided cost rates, EPE does not include the cost of the underlying energy purchases from CRLEF in the proposed plan.

In 2010, the Commission approved a 20 MW solar PV project located in Santa Teresa, New Mexico. The Roadrunner Project came online in July 2011 and it delivers energy and RECs to EPE through a 20-year PPA.

Also in 2010, EPE entered into two other PPAs. The HSEC project is a five MW facility that provides energy and associated RECs to EPE through a 25-year long-term agreement. EPE also entered into a long-term agreement with
SunEdison for a total of 22 MW of capacity that provides EPE with energy and RECs from two facilities located at two different sites in New Mexico. The first facility is a 12 MW project located in Las Cruces, which came on-line on May 2, 2012. The second is a 10 MW facility located in Chaparral, New Mexico, which became operational on June 25, 2012.

In 2012, EPE entered into a PPA with First Solar, referred to as the Macho Springs Project. Presently, EPE's Macho Springs PPA is with Southern Power Company who purchased the facility. The Macho Springs Project is a 50 MW solar facility located near Deming, New Mexico that provides energy and RECs to EPE for 20 years, and is allocated to Texas and New Mexico as a system resource approved in NMPRC Case No. 12-00386-UT. The Macho Springs project became commercially operational on May 23, 2014. EPE agreed in prior plans to use New Mexico RECs from the Macho Springs PPA for the RPS although the cost of the energy is not included in the New Mexico RPS.

EPE is moving forward with its plans to construct a 5 MW solar project at Holloman AFB in New Mexico. The project, as approved through NMPRC Cases No. 15-00185-UT and 16-00224-UT, will be a customer dedicated resource for Holloman AFB. The project will be owned by EPE and paid for by Holloman AFB via a special retail rate over the life of the project. Consistent with the approvals in those cases and EPE’s 2016 Plan, EPE has agreed to use the RECs
for the RPS at no additional cost to the New Mexico RPS. Current plans are for
the HAFB Solar Project to be completed in 2017, providing RECs in the 2018
RPS.

Q. FOR THE 2017 PLAN, DOES EPE NEED TO DEMONSTRATE
WHETHER ANY PROPOSED PROCUREMENTS ARE REASONABLE
AS TO TERMS AND CONDITIONS CONSIDERING PRICE, COSTS OF
INTERCONNECTION AND TRANSMISSION, AVAILABILITY,
DISPATCHABILITY, REC VALUES AND PORTFOLIO
DIVERSIFICATION REQUIREMENTS?

A. Because EPE's 2017 Plan does not propose any new procurement actions, the
requirement is not applicable. However, at the end of my testimony, I present a 5-
year, wind REC option, which if authorized, could allow EPE to achieve total
RPS compliance through a 5-year contract term. I address the wind REC option
in terms of EPE's ongoing efforts to investigate and examine procurement options
which are available at reasonable cost. EPE witness Schichtl addresses the
reasonableness of the terms and conditions of the wind REC option, given EPE's
RCT status.
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Q. HAS EPE EVALUATED THE AMOUNT AND IMPACT OF RENEWABLE ENERGY THAT CAN BE ADDED IN ANY GIVEN YEAR WITHOUT ADDING GENERATING RESOURCES FOR LOAD FOLLOWING OR SYSTEM REGULATION PURPOSES?

A. No. Because EPE's Plan does not propose to add any new renewable energy resources due to RCT limitations, EPE did not study whether hypothetical renewable energy procurements in the plan years would necessitate load following or system regulation. All of EPE's current procurements have been approved in previous proceedings.

Q. IS EPE'S PLAN CONSISTENT WITH ITS INTEGRATED RESOURCE PLAN ("IRP")?

A. Yes. EPE's RPS procurements are consistent with EPE's last accepted 2012 IRP plan. They are also consistent with EPE's filed 2015 IRP pending in a separate docket.

Q. WILL EPE SUBSTANTIALLY COMPLY WITH THE RPS AND DIVERSITY REQUIREMENTS FOR 2018 AND 2019 USING PREVIOUSLY-APPROVED RESOURCES AS PROPOSED IN THE 2017 PLAN?
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A. Yes, EPE anticipates that it will substantially comply with its 2018 and 2019 total RPS obligations. Because the REA and the Rule do not impose the total RPS obligation on a utility if costs would exceed the RCT, EPE requests a waiver from total RPS compliance in 2019 and variances from 2019 diversity targets, as detailed below.

V. COST OF EPE'S 2017 PLAN

Q. WHAT PROCUREMENT COSTS ARE ASSOCIATED WITH EPE'S 2017 PLAN?

A. The costs associated with EPE's 2017 Plan include the cost to procure RECs and any associated energy from various previously-approved resources, the cost to pay the REC incentive prices to customers under EPE's REC Purchase Programs, and the cost of complying with REC registration and tracking through WREGIS.

Q. WHAT IS THE ESTIMATED PROCUREMENT COST FOR EPE'S 2017 PLAN?

A. The total estimated cost associated with EPE's 2017 Plan is $15,989,224 for 2018 and $15,886,831 for 2019. The cost estimates are detailed in Exhibit OG-2.
Q. ARE THE ESTIMATED PROCUREMENT COSTS REASONABLE?
A. Yes. The Commission has so determined in EPE's previous procurement cases.

Q. HOW DOES EPE DETERMINE WHETHER ITS PROCUREMENT COSTS ARE WITHIN THE RCT?
A. The development of the RCT and comparison of EPE's plan costs to the RCT are addressed in EPE witness Carrasco's testimony.

Q. WHAT DATA DO YOU PROVIDE TO MR. CARRASCO THAT IS USED TO CALCULATE THE RCT?
A. I provide EPE witness Carrasco a PROMOD analysis of system production cost output data, which he uses to determine the net portfolio cost for the RCT calculation. The output data provided to EPE witness Carrasco includes estimated fuel and purchase power cost for the plan years.

Q. WHAT IS PROMOD?
A. PROMOD IV is a proprietary large-scale program that simulates the economic dispatch of the generating units and other resources in the EPE system. The input data includes monthly EPE native load demand and energy forecasts, generating unit characteristics, fuel prices and availability and unit maintenance schedules.
Generation unit characteristics include such factors as heat rate data, capacity ratings, and unit availability rates. The simulation performed by PROMOD IV evaluates the unit data, fuel and purchased power costs, and availability of the units modeled in order to dispatch them in the most economical manner to meet the expected demand. The data output includes estimates of fuel usage and cost by unit, unit heat rates and generation, unit operation and maintenance expenses, and estimates of purchased power amounts and costs.

Q. **CAN YOU EXPLAIN WHAT WAS INCLUDED IN THE PROMOD ANALYSIS THAT YOU PROVIDED TO MR. CARRASCO FOR USE IN THE RCT CALCULATION?**

A. Yes, I can. The PROMOD analysis was comprised of two different model runs. EPE's April 6, 2017 system load forecast, which is reduced for production by DG facilities, was utilized in both PROMOD model runs. The first run was EPE's PROMOD base case which includes all system resources and costs. These resources and costs include New Mexico RPS projects. The second PROMOD run utilized the base case resources, but the energy and cost of the RPS projects were removed. The output data discussed above was provided to EPE witness Carrasco for both of these runs.
Q. DOES THE PROMOD ANALYSIS REFLECT CHANGES IN OFF-SYSTEM SALES RESULTING FROM THE INCLUSION OF THE RENEWABLE PORTFOLIO ENERGY?

A. Yes, the model takes account of projected off-system sales resulting from the availability of energy when the portfolio is added to total system resources, based on production costs and expected market prices.

Q. HOW DOES THE CAPACITY PROVIDED BY THE RENEWABLE PORTFOLIO AFFECT CAPACITY COSTS IN PROMOD?

A. The Rule requires that any savings to be netted against the portfolio costs in the plan year revenue requirements actually result in savings to EPE customers in the plan year. Changes in capacity costs attributable to the renewable portfolio would only flow through to customers through the Fuel and Purchased Power Cost Adjustment Clause if short-term capacity sales or purchases were impacted. The RPS resources do not displace any planned purchases in the plan years of 2018 and 2019, therefore there is no impact to total costs resulting from inclusion of the portfolio in the model.
Q. CAN YOU EXPLAIN THE IMPACT OF REMOVING THE RPS RESOURCES FROM THE PORTFOLIO IN TERMS OF RESOURCE ADEQUACY?

A. Yes. The PROMOD case run without the RPS resources did not indicate a resource inadequacy due to the removal of the RPS resources. If there was an inadequacy without the RPS resources, the PROMOD run would have resulted in a significant increase in “loss of load hours” and a significant increase in the need to purchase emergency power to serve load. The PROMOD run did not identify an inadequacy because the planning reserve margin provides sufficient resources to compensate for the displaced RPS resources. The 15 percent reserve margin continues to be adequate for planning purposes.

VI. REQUEST FOR 2019 RPS WAIVER

Q. IS EPE REQUESTING A WAIVER FROM MEETING 2019 TOTAL RPS?

A. Yes. EPE is requesting a partial waiver of approximately 41,019 RECs for its 2019 RPS.

Q. WHAT ARE THE REASONS FOR EPE'S REQUESTED PARTIAL WAIVER FOR 2019 TOTAL RPS?
A. Adding new resources would cause EPE to further exceed the RCT. Because different RCT methodologies were applied in previous EPE cases, the combined cost of EPE's already-approved procurement actions are above the RCT. Under the REA, EPE is not required to add resources if costs would exceed the RCT.

Q. WHAT SHOWING IS NECESSARY TO OBTAIN A WAIVER?

A. The REA states that if a public utility finds that the cost of renewable energy needed to comply with the RPS in a given year would be greater than the RCT, the public utility is not required to incur that cost. EPE witness Carrasco provides the calculations that demonstrate revenue requirements of EPE's procurement costs to meet its RPS in 2019 will exceed the RCT. Because any additional procurement costs would exceed the RCT, the REA excuses EPE from making those procurements. Accordingly, EPE requests that the Commission grant the Company a partial waiver from the 2019 total RPS requirement, which would be superseded by any Commission approved wind REC purchases.

Q. WHY IS IT NECESSARY TO GRANT EPE A PARTIAL WAIVER FROM MEETING ITS TOTAL RPS REQUIREMENT FOR 2019?

A. The waiver is necessary to protect customers from paying costs further above the thresholds set by the REA and the Commission. This request is consistent with
the purpose of the RCT and other caps for large nongovernmental customers in
that the partial waiver is requested to ensure that the cost of meeting the RPS is
not unreasonably burdensome for customers.

Q. IS EPE'S REQUESTED WAIVER OF FULL RPS REQUIREMENTS FOR
2019 COMPLIANT WITH THE ACT AND THE NEW RULE?
A. Yes. The Act and Rule provide that a utility is not required to procure renewable
energy or RECs if the cost is greater than the Commission established RCT and
the rule provides for a waiver. EPE nevertheless, as part of its due diligence to
identify cost effective means of meeting the RPS targets, presents a wind REC
option for consideration of approval.

Q. AS PART OF ITS 2017 PLAN, HAS EPE IDENTIFIED ANY POSSIBLE
NEW RENEWABLE ENERGY PROCUREMENT THAT COULD BE
ADDED IN 2018 WITHOUT FURTHER EXCEEDING THE RCT?
A. Yes. EPE is evaluating the possibility of filing an application for approval, as a
system resource, of an existing long-term PPA (“LTPPA”) with a 10 MW solar
facility located in El Paso, Texas. If approved, the 10 MW solar LTPPA would
be jurisdictionally allocated, and its respective New Mexico share of energy costs
would be recovered through the FPPCAC with associated RECs made available at no additional cost to the New Mexico RPS.

Additionally, EPE also is evaluating the possibility of moving forward to request Commission approval for a New Mexico community solar program, however the RECs from a community solar program may not be applicable to the RPS, if the associated renewable energy is sold to customers through a voluntary renewable energy tariff as stated in Section 10.A of the Rule.

Q. CAN YOU DESCRIBE THE ADDITIONAL EFFORTS UNDERTAKEN BY EPE TO IDENTIFY NEW PROCUREMENTS THAT COULD BE ADDED IN 2018 OR 2019 WITHOUT FURTHER EXCEEDING THE RCT?

A. Yes. EPE explores options which could add RECs to its RPS without exceeding the RCT such as:

- EPE reaches out to entities with existing renewable energy facilities in New Mexico and inquires on the availability of RECs. EPE reached out to NextEra, SPS and Albuquerque Bernalillo County Water Authority. NextEra and SPS did not have any available RECs. Albuquerque Bernalillo County Water Utility Authority does have RECs available and has put them up for auction. Additionally, EPE did find a source for a substantial number of wind RECs at a relatively low price,
compared to pricing from 2 to 5 years ago, which would allow EPE to meet the 15 percent RPS requirement, as well as the 20 percent RPS requirement through 2022. However, the purchase would increase the RCT. EPE and the seller have reached a mutually agreeable transaction and are in the process of negotiating an agreement for purchase of the RECs which will be contingent on Commission approval. Impacts to the RPS and RCT are presented in Section VIII of my testimony which describes EPE’s wind REC option.

- EPE fields inquiries from prospective renewable energy QF facilities which may result in RECs if they are qualified and placed into service.
- EPE will continue to appropriately consider renewable energy projects in any future generation RFPs issued to meet load. This was the case when the Macho Springs project was contracted. EPE currently has plans to issue an All-Source Request for Proposal (“RFP”) in 2017 for a resource need in the 2022 to 2023 timeframe. However, this would not impact the 2019 plan year, but rather future years.

VII. REQUEST FOR DIVERSITY VARIANCES

Q. DOES THE RULE REQUIRE COMPLIANCE WITH THE DIVERSITY TARGETS REGARDLESS OF COST?
A. No. The Rule does not require the full diversity targets to be met if the costs of procurement would exceed the RCT. The Rule also permits utilities to seek variances from the diversity targets particularly when there are technical constraints or issues with availability of diverse resources.

Q. DOES EPE HAVE ANY VARIANCES ALREADY GRANTED BY THE COMMISSION WITH REGARD TO THE RULE'S DIVERSITY REQUIREMENTS?

A. Yes. As part of EPE's 2016 Plan approval, in Case No. 16-00109-UT, the Commission granted EPE a variance to the wind and a partial variance to the biomass/other diversity requirements for 2018.

Q. DOES EPE REQUIRE A FURTHER VARIANCE FROM THE BIOMASS/OTHER DIVERSITY REQUIREMENTS IN THE 2017 PLAN?

A. Yes. As a result of the RCT, EPE is requesting a partial diversity variance of approximately 10,216 Biomass/Other RECs in 2019, similar to the specific 2018 variance that was granted in the 2016 Plan. This variance is an estimate and the actual variance will depend on actual RPS requirement amounts and the actual performance of the renewable resources. This partial variance is necessary because EPE is unable to procure a new biomass resource due to economics and
its current RCT limitations. EPE anticipates it will meet a portion of the Biomass/Other diversity requirements with the RECs it will receive from CRLEF.

Q. IS EPE REQUESTING A VARIANCE FROM THE 2019 WIND DIVERSITY REQUIREMENT?

A. Yes. Due to EPE's RCT limitations, EPE requests a full wind variance of approximately 72,596 RECs for 2019.

Q. WHAT WILL BE THE RESULT IF THE VARIANCES ARE GRANTED?

A. If the variances are granted, EPE will avoid increased costs to its customers from attempting to secure additional RECs which will cause EPE's procurement costs to further exceed the RCT.

Q. HOW ARE THE VARIANCES CONSISTENT WITH THE PURPOSES OF THE RULE?

A. The requested variances are consistent with Rule 17.9.572.19 NMAC because the Rule conditions the requirement for full diversification on the reasonable availability and cost of a given resource type (in accordance with the Act), while still requiring that the overall RPS requirements of the Act be met if doing so does
not cause EPE's procurement costs to exceed the RCT. EPE will meet a portion
of the requirements for a fully diversified portfolio.

EPE's portfolio will continue to be substantially diversified in 2019,
because EPE will continue to acquire energy and RECs from solar, biogas and
distributed renewable generation resources.

Q. WHY IS IT IN THE PUBLIC INTEREST TO GRANT THE VARIANCES?
A. It is in the public interest to grant the variances because customers will continue
to receive the overall benefits contemplated by the Act in having diversity of
renewable energy as part of EPE's existing resource portfolio, but they will not be
subject to additional costs that exceed the RCT.

Q. WHAT IS THE ESTIMATED EXTENT OF EPE'S REQUESTED
VARIANCES?
A. EPE is requesting a variance that is not tied to a specified number of RECs
because the exact percentage of different renewable resources that will be used to
meet EPE's RPS requirements for 2019 cannot be known at this time.
Exhibit OG-3 compares EPE's existing renewable portfolio for 2018 and 2019, by
generation technology, to the minimum requirements shown above, as well as
total RPS requirements.
Q. HAS EPE EXPLORED CURRENT BIOMASS/OTHER OPTIONS AVAILABLE TO MEET ITS DIVERSITY REQUIREMENTS IN 2018 AND 2019?

A. Yes. EPE has reached out to Albuquerque Bernalillo County Water Utility Authority and determined they have RECs available to sell. Acquisition of the RECs would increase EPE's RCT cost. The Albuquerque Bernalillo County Water Utility Authority has put the RECs out to bid. EPE could participate in the auction and make their bid contingent on Commission approval. However, the limited number and vintages of the available RECs, does not make this option attractive as it would not allow EPE to meet its total RPS requirement for 2018-2019. There is a wind REC option that would allow EPE to meet both its total RPS and wind diversity requirements through 2022. This option is discussed further in section VIII of my testimony.

Q. WHAT WOULD BE REQUIRED OF EPE TO MEET ITS FULL WIND DIVERSITY TARGETS FOR 2018 AND 2019?

A. EPE would need to acquire new wind resources or RECs in order to fulfill the Commission's wind diversity requirement in 2018 and 2019. Previously, EPE procured wind RECs from SPS, but that REC purchase agreement expired in 2015. EPE is estimating a diversity requirement for wind of 72,363,588 kWh in
2018; and 72,595,830 kWh in 2019, based on the Rule. As previously mentioned, EPE has found an alternate source for wind RECs that would allow EPE to meet the diversity and the full 15 percent RPS requirement through 2019 and subsequently the 20 percent requirement in 2020. This is discussed further in section VIII of my testimony.

VIII. OPTIONS FOR ADDITIONAL RPS RESOURCES/RECS

Q. WHAT ADDITIONAL OPTIONS DID EPE IDENTIFY FOR ADDING RPS RESOURCES/RECS AT NOMINAL COST IMPACTS?

A. EPE has identified a source for the purchase of wind RECs. EPE currently is in the process of negotiating a multi-year agreement for the purchase of wind RECs, contingent upon Commission approval. EPE is confident that it would be able to acquire a sufficient number of RECs for EPE to meets its total RPS and wind diversity requirements for five years starting in 2018 at cost between $300,000 and $400,000 per year. This would allow EPE to meet the 15 percent RPS requirement in years 2018 and 2019, as well as 20 percent requirement for years 2020 to 2022 at a market-based cost with nominal impact to the RCT.

Q. WOULD THIS OPTION INCREASE EPE’S RCT?

A. Yes.
Q. WHY SHOULD THE COMMISSION CONSIDER APPROVAL OF AN OPTION ADDING COST TO EPE'S RCT IF THE RCT IS ALREADY OVER THE 3 PERCENT THRESHOLD?

A. EPE witness Jim Schichtl addresses the topic and considerations in his testimony.

Q. IF APPROVED, WOULD EPE STILL REQUIRE WAIVERS AND VARIANCES FOR 2018 AND 2019?

A. EPE would only require a partial variance for the “Other” category in both 2018 and 2019. Exhibit OG-04 provides summary of expected REC contribution and projected RECs if the wind REC purchase option were commission approved.

IX. CONCLUSION

Q. PLEASE SUMMARIZE THE APPROVALS THAT EPE IS REQUESTING.

A. Pursuant to the Act and Rule, EPE requests that the NMPRC approve its 2017 Plan and related cost recovery for reasonable costs consistent with the 2017 Plan. EPE will continue to procure, in accordance with previously approved purchase agreements:

- energy and associated RECs from SWEC;

- energy and RECs from CRLEF;

- solar energy and RECs from Hatch, NRG, and SunEdison;
- RECs from Macho Springs and Holloman (beginning in 2018); and
- DG RECs from customers through EPE's REC Purchase Programs.

Due to RCT limitations under the REA and Rule, EPE requests a partial waiver for its Total 2019 RPS requirement of approximately 41,019 RECs.

EPE also requests a wind variance of approximately 72,596 RECs for 2019, as well as a partial biomass variance of approximately 10,216 RECs for 2019.

Q. IS EPE'S PROPOSED 2017 PROCUREMENT PLAN REASONABLE AND SHOULD IT BE APPROVED BY THE COMMISSION?

A. Yes. EPE's proposed 2017 Plan is reasonable as to its terms and conditions considering price, availability, dispatch flexibility, any renewable energy certificate values and diversity of the available resources. EPE's 2017 Plan consists of existing projects which provide diversity of resource type from biomass and solar technologies and adhere to the standards set forth in the Act and the Rule. EPE proposes no new procurements because the acquisition of additional resources would exceed the RCT.

The estimated costs associated with EPE's procurement actions previously have been approved by the Commission and EPE proposes to continue its cost recovery as previously ordered.
EPE proposes projects that in combination are reasonably priced, fit within EPE's dispatch flexibility parameters as applicable, and add diversity to its portfolio. EPE's 2017 Plan, and the associated costs, are reasonable and should be approved.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.
## EPE's New Mexico Renewable Portfolio Standard Requirement
### Including the Large Non-Governmental Cap Adjustment

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Description</th>
<th>Reference</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Forecasted New Mexico Jurisdictional kWh Sales</td>
<td>See Note (1)</td>
<td>1,652,527,271</td>
<td>1,657,693,716</td>
</tr>
<tr>
<td>2</td>
<td>Large Non-Governmental (LNG) Customers Energy Sales</td>
<td>Exhibit MC-2, Col (c)</td>
<td>55,676,567</td>
<td>55,676,587</td>
</tr>
<tr>
<td>3</td>
<td>Net Forecasted New Mexico Jurisdictional kWh Sales</td>
<td>Line 1 - Line 2</td>
<td>1,596,848,684</td>
<td>1,602,015,129</td>
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<tr>
<td>4</td>
<td>Renewable Portfolio Standard</td>
<td></td>
<td>15.00%</td>
<td>15.00%</td>
</tr>
<tr>
<td>5</td>
<td>RPS Requirement w/o LNG Customer Adjustment</td>
<td>Line 3 x Line 4</td>
<td>239,827,303</td>
<td>240,302,269</td>
</tr>
<tr>
<td>6</td>
<td>LNG Customers RPS Limit</td>
<td>Exhibit MC-2, Col (h)</td>
<td>1,684,667</td>
<td>1,683,831</td>
</tr>
<tr>
<td>7</td>
<td>Total RPS Requirement</td>
<td>Line 5 + Line 6</td>
<td>241,211,959</td>
<td>241,986,101</td>
</tr>
<tr>
<td>8</td>
<td>Net Renewable Portfolio Standard (w/ Large Customer Adjustment)</td>
<td>Line 7 / Line 1</td>
<td>14.60%</td>
<td>14.60%</td>
</tr>
</tbody>
</table>

### Notes:

1. EPE's New Mexico jurisdictional retail energy sales are based on EPE's Economic Research Department's 2017 Load Forecast dated April 6, 2017, adjusted for weather and projected energy reductions attributed to energy efficiency and load management.
<table>
<thead>
<tr>
<th>Procurement Plan Year RECS and Costs</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>kWh</td>
<td>RECs (MWh)</td>
</tr>
<tr>
<td>SWEC&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>8,647</td>
<td>26</td>
</tr>
<tr>
<td>CRLEF&lt;sup&gt;(1)(2)&lt;/sup&gt;</td>
<td>941,467</td>
<td>1,883</td>
</tr>
<tr>
<td>NRG</td>
<td>51,636,467</td>
<td>51,636</td>
</tr>
<tr>
<td>SunEdison</td>
<td>57,960,563</td>
<td>57,961</td>
</tr>
<tr>
<td>Macho Springs</td>
<td>26,597,552</td>
<td>28,598</td>
</tr>
<tr>
<td>Hatch</td>
<td>12,990,717</td>
<td>12,991</td>
</tr>
<tr>
<td>Holloman</td>
<td>14,022,912</td>
<td>14,023</td>
</tr>
<tr>
<td>DG REC Purchase Programs</td>
<td>31,610,946</td>
<td>31,611</td>
</tr>
<tr>
<td>WREGIS</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Total</td>
<td>197,769,271</td>
<td>198,728</td>
</tr>
</tbody>
</table>

Notes:
(1) Reflects application of weighting values, by renewable resource type, previously approved by the Commission (Biomass 2:1, Solar 3:1).
<table>
<thead>
<tr>
<th>Year</th>
<th>RPS Metric</th>
<th>Wind</th>
<th>Solar</th>
<th>Biomass</th>
<th>Distributed Generation (3)</th>
<th>Total Renewable Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017(2)</td>
<td>RECs Banked</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>RECs Procured</td>
<td>-</td>
<td>165,208,211</td>
<td>1,882,934</td>
<td>31,636,887</td>
<td>198,728,032</td>
</tr>
<tr>
<td></td>
<td>RECs Available</td>
<td>-</td>
<td>165,208,211</td>
<td>1,882,934</td>
<td>31,636,887</td>
<td>198,728,032</td>
</tr>
<tr>
<td></td>
<td>Minimum Requirement</td>
<td>30.0%</td>
<td>20.0%</td>
<td>5.0%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>kWh Required</td>
<td>72,363,588</td>
<td>48,242,392</td>
<td>12,060,598</td>
<td>7,236,359</td>
<td>241,211,559</td>
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<tr>
<td></td>
<td>Percentage Met</td>
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<td>66.5%</td>
<td>0.8%</td>
<td>13.1%</td>
<td>82.4%</td>
</tr>
<tr>
<td></td>
<td>Delta</td>
<td>-30.0%</td>
<td>48.5%</td>
<td>-4.2%</td>
<td>10.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RECs Applied</td>
<td>-</td>
<td>165,208,211</td>
<td>1,882,934</td>
<td>31,636,887</td>
<td>198,728,032</td>
</tr>
<tr>
<td></td>
<td>RECs Banked</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>RECs Procured</td>
<td>-</td>
<td>164,069,958</td>
<td>1,882,934</td>
<td>35,014,273</td>
<td>200,967,165</td>
</tr>
<tr>
<td></td>
<td>RECs Available</td>
<td>-</td>
<td>164,069,958</td>
<td>1,882,934</td>
<td>35,014,273</td>
<td>200,967,165</td>
</tr>
<tr>
<td></td>
<td>Minimum Requirement</td>
<td>30.0%</td>
<td>20.0%</td>
<td>5.0%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>kWh Required</td>
<td>72,595,830</td>
<td>48,397,220</td>
<td>12,099,305</td>
<td>7,259,583</td>
<td>241,986,101</td>
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<tr>
<td></td>
<td>Percentage Met</td>
<td>0.0%</td>
<td>67.8%</td>
<td>0.8%</td>
<td>14.5%</td>
<td>83.0%</td>
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<tr>
<td></td>
<td>Delta</td>
<td>-30.0%</td>
<td>47.8%</td>
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<td>11.5%</td>
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<tr>
<td></td>
<td>RECs Applied</td>
<td>-</td>
<td>164,069,958</td>
<td>1,882,934</td>
<td>35,014,273</td>
<td>200,967,165</td>
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<tr>
<td></td>
<td>RECs Banked</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note:
1) RECs are shown in kWhs.
2) EPE's banked RECs were exhausted in 2016 and none are estimated to be available for 2018.
3) Distributed Generation RECs come from SWEC and Small and Medium System REC Purchase Programs.
<table>
<thead>
<tr>
<th>Year</th>
<th>Modified REC Balance with Wind REC Purchase Option</th>
<th>Renewable Energy by Technology&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RPS Metric</td>
<td>Wind</td>
</tr>
<tr>
<td>2017&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>RECs Banked</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>RECs Procured</td>
<td>120,000,000</td>
</tr>
<tr>
<td></td>
<td>RECs Available</td>
<td>120,000,000</td>
</tr>
<tr>
<td></td>
<td>Minimum Requirement</td>
<td>30.0%</td>
</tr>
<tr>
<td></td>
<td>kWh Required</td>
<td>72,363,588</td>
</tr>
<tr>
<td></td>
<td>Percentage Met</td>
<td>30.0%</td>
</tr>
<tr>
<td></td>
<td>Delta</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>RECs Applied</td>
<td>72,363,588</td>
</tr>
<tr>
<td></td>
<td>RECs Banked</td>
<td>47,636,412</td>
</tr>
<tr>
<td>2019</td>
<td>RECs Procured</td>
<td>120,000,000</td>
</tr>
<tr>
<td></td>
<td>RECs Available</td>
<td>167,636,412</td>
</tr>
<tr>
<td></td>
<td>Minimum Requirement</td>
<td>30.0%</td>
</tr>
<tr>
<td></td>
<td>kWh Required</td>
<td>72,595,630</td>
</tr>
<tr>
<td></td>
<td>Percentage Met</td>
<td>69.3%</td>
</tr>
<tr>
<td></td>
<td>Delta</td>
<td>39.3%</td>
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<tr>
<td></td>
<td>RECs Applied</td>
<td>72,595,630</td>
</tr>
<tr>
<td></td>
<td>RECs Banked</td>
<td>95,040,582</td>
</tr>
</tbody>
</table>

**Note:**
1) RECs are shown in kWhs.
2) EPE's banked RECs are expected to be exhausted in 2017 and none are estimated to be available for 2018.
3) Distributed Generation RECs come from SWEC and Small and Medium System REC Purchase Programs.
BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC COMPANY'S 2017 RENEWABLE ENERGY PLAN PURSUANT TO THE RENEWABLE ENERGY ACT AND 17.9.572 NMAC

EL PASO ELECTRIC COMPANY, Applicant.

Case No. 17-_______ UT

AFFIDAVIT

STATE OF TEXAS )
COUNTY OF EL PASO )

Omar Gallegos hereby deposes and states under oath that the information contained in the foregoing Direct Testimony of Omar Gallegos, together with all schedules sponsored therein and exhibits attached thereto, is true and accurate based on my personal knowledge and belief.

SIGNED this 1st day of May, 2017.

OMAR GALLEGOS

Subscribed and sworn to before me this 1st day of May, 2017.

My Commission expires:

October 27, 2018

JULIETA E. CORDERO
Notary Public, State of Texas
My Commission Expires
October 02, 2018