

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**APPLICATION FOR APPROVAL OF)
EL PASO ELECTRIC COMPANY'S)
2018 RENEWABLE ENERGY PLAN)
PURSUANT TO THE RENEWABLE)
ENERGY ACT AND 17.9.572 NMAC,)
AND REVISED RATE NO. 38 – RPS)
COST RIDER)
)
EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)**

CASE No. 18-00109-UT

NOTICE TO EPE CUSTOMERS

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

On May 1, 2018, El Paso Electric Company ("EPE" or "Company") filed its 2018 Annual Renewable Energy Plan ("2018 Plan") for its renewable energy compliance with the New Mexico Renewable Energy Act ("REA" or "Act") and the Commission's Rule 17.9.572 NMAC, Renewable Energy as a Source of Electricity ("Rule 572" or "Rule"). The 2018 Plan covers the years 2019 and 2020 and details the previously approved actions and estimated costs for Plan Years 2019 and 2020 to meet the applicable Renewable Energy Portfolio Standard ("RPS") requirements of the Act. The 2018 Plan also requests approval of a 10-year extension of the renewable energy credit ("REC") procurement from Camino Real Landfill to Energy Facility ("CRLEF") at an increased REC price of \$30 per REC which EPE negotiated with the pending, new owner of biogas facility to continue its New Mexico operation.

EPE requests that the Commission approve its 2018 Plan and additionally seeks the following:

(A) A partial waiver from meeting the full RPS percentage for Plan Year 2020, pursuant to the REA and Rule, based upon EPE's calculation that the cost to procure additional renewable resources would exceed the reasonable cost threshold ("RCT").

(B) Wind and Biomass/Other diversity variances for Plan Year 2020 from the wind diversity amounts of 30% of RPS and the Biomass/Other diversity amounts of 5% of RPS because EPE states that it cannot meet the minimum percentage amounts

because of RCT limitations, technical constraints, and unavailability of these resources at reasonable cost for 2020.

(C) Approval of a reasonable cost threshold ("RCT") analysis authorizing EPE to incorporate base rate savings attributable to the treatment of RPS energy in EPE's most recent rate proceeding, Case No. 15-00127-UT, into plan year compliance costs under the RCT.

(D) Revisions to Rate No. 38 - Renewable Portfolio Standard ("RPS") Cost Rider that was approved in Case No. 17-00090-UT to recover Commission-approved, procurement plan costs.

1. EPE proposes revisions to recover \$15.982 million of authorized RPS costs in 2019 through the RPS Cost Rider, at a rate of \$0.010154 per kWh except as indicated below. This represents an increase of 0.6% in RPS costs over the authorized amount of \$15.892 million in 2018 and a 2.0% increase in the rate over the authorized 2018 rate of \$0.009952. This rate is applicable for retail service to all customers served under the following rate schedules: Residential Service, Small Commercial Service, General Service, Irrigation Service, City and County Service, Water and Sewage Pumping Service, Large Power Service, Military Research and Development, Street Lighting Service, Private Area Lighting Service, Seasonal Agricultural Processing Service, Outdoor Recreational Lighting Service, State University Service and Interruptible Service.

2. Large non-governmental customers with energy purchases exceeding 10 million kWh annually will be billed 2 percent (%) of pre-tax retail charges.

3. The following Table shows typical RPS bill impacts for the Residential rate class. These impacts are subject to change by the Commission based upon its findings in this case.

Residential Typical Bill Comparison by kWh Level (Summer)

kWh	Current Base & Fuel Rates			Proposed Base & Fuel Rates			Percent Impact		
	Base plus Fuel	RPS Rider	Total	Base plus Fuel	RPS Rider	Total	Base plus Fuel	RPS Rider	Total
0	\$ 6.73	\$ -	\$ 6.73	\$ 6.73	\$ -	\$ 6.73	0.0%	0.0%	0.0%
100	16.37	1.00	17.37	16.37	1.02	17.39	0.0%	2.0%	0.1%
250	30.84	2.49	33.32	30.84	2.54	33.37	0.0%	2.0%	0.2%
500	54.94	4.98	59.92	54.94	5.08	60.02	0.0%	2.0%	0.2%
750	81.66	7.46	89.12	81.66	7.62	89.28	0.0%	2.0%	0.2%
1000	110.12	9.95	120.07	110.12	10.15	120.27	0.0%	2.0%	0.2%
2000	223.95	19.90	243.85	223.95	20.31	244.25	0.0%	2.0%	0.2%

Residential Typical Bill Comparison by kWh Level (Winter)

kWh	Current Base & Fuel Rates			Proposed Base & Fuel Rates			Percent Impact		
	Base plus Fuel	RPS Rider	Total	Base plus Fuel	RPS Rider	Total	Base plus Fuel	RPS Rider	Total
0	\$ 6.73	\$ -	\$ 6.73	\$ 6.73	\$ -	\$ 6.73	0.0%	0.0%	0.0%
100	15.69	1.00	16.69	15.69	1.02	16.71	0.0%	2.0%	0.1%
250	29.14	2.49	31.63	29.14	2.54	31.68	0.0%	2.0%	0.2%
500	51.55	4.98	56.52	51.55	5.08	56.62	0.0%	2.0%	0.2%
750	73.95	7.46	81.42	73.95	7.62	81.57	0.0%	2.0%	0.2%
1000	96.36	9.95	106.31	96.36	10.15	106.52	0.0%	2.0%	0.2%
2000	186.00	19.90	205.90	186.00	20.31	206.30	0.0%	2.0%	0.2%

A typical EPE Residential customer uses 554 kWh per month in winter months (Nov-April) and 780 kWh in summer months (May-Oct). EPE's proposed changes for this typical customer would increase monthly bills between \$0.11 per month during winter months and \$0.16 per month in summer months.

This case has been docketed as Case No. 18-00109-UT, and any inquiries should be referred to that number.

Any interested person may inspect EPE's Application through the Case *Lookup EdoCKET* on the Commission's Website at <http://164.64.85.108/> or EPE's website at <http://www.epelectric.com> and in person at the following places:

El Paso Electric Company
 201 N. Water Street
 Las Cruces, NM 88001
 Phone (575) 526-5551

Public Regulation Commission
 Records Department
 1120 Paseo de Peralta, Room 406
 Santa Fe, NM 87504

The procedural schedule for this case is as follows:

1. Any person desiring to intervene in the proceeding must file a Motion to Intervene pursuant to 1.2.2.23 NMAC on or before August 8, 2018.
2. The Commission's Utility Division Staff shall, and any intervenor may, file direct testimony by August 8, 2018.
3. Any rebuttal testimony shall be filed by August 15, 2018.
4. Any person whose testimony has been filed shall attend the hearing and submit to examination under oath.
5. A public hearing to hear and receive testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding is set to commence at 9:00 A.M. on August 22, 2018 and continue thereafter, if necessary. The Hearing will be held in the Ground Floor Board Room of the P.E.R.A. Building at 1120 Paseo de Peralta in Santa Fe, New Mexico.

Any interested person should contact the Commission at (505) 827-6956 for confirmation of the hearing date, time, and place since hearings are occasionally rescheduled.

Any interested person may appear at the public hearing and give a written or oral comment pursuant to the Commission's Utility Division Rules of Procedure 1.2.2.23(F) NMAC without becoming an intervenor. Comments will not be considered as evidence in this case. Interested persons may also file written comments, which shall make reference to NMPRC Case No. 18-00109-UT, at the following address: New Mexico Public Regulation Commission, Records Department, 1120 Paseo de Peralta, P.O. Box 1269, Santa Fe, New Mexico 87501-1269.

The Commission's Utility Division Procedures 1.2.2 NMAC apply to this case, except as modified by Order of the Commission or the Hearing Examiner, and they are available at the Commission's Website at http://164.64.110.239/nmac/_titles.htm.

Any person filing pleadings or testimony may file in person or by mail at the Commission's address above and shall serve copies on all parties of record, Staff, and the Hearing Examiner at Elizabeth.Hurst@state.nm.us on the date of filing. All documents emailed to the Hearing Examiner shall include versions in Microsoft Word or other native formats if available.

Any person with a disability requiring special assistance to participate in this proceeding should contact the Commission at (505) 827-4042 at least 24 hours prior to the hearing.

The procedural dates and requirements provided herein are subject to further order of the Commission or Hearing Examiner.

ISSUED at Santa Fe, New Mexico this 30th day of May 2018.

NEW MEXICO PUBLIC REGULATION COMMISSION



Elizabeth C. Hurst,
Hearing Examiner