

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
PUBLIC SERVICE COMPANY OF NEW MEXICO)
FOR APPROVAL OF ELECTRIC ENERGY)
EFFICIENCY PROGRAMS AND PROGRAM)
COST TARIFF RIDER PURSUANT TO THE)
NEW MEXICO PUBLIC UTILITY AND)
EFFICIENT USE OF ENERGY ACTS,)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant.)**

Case No. 12-00317-UT

2013 JAN 30 PM 2 55

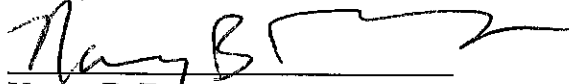
NEW MEXICO
PUBLIC REGULATION
COMMISSION
FILED

Staff’s Motion to File Additional Testimony Exhibits

Utility Division Staff (“Staff”) of the New Mexico Public Regulation Commission (“Commission” or “NMPRC”), pursuant to Rule 1.2.2.12 NMAC, hereby moves the Hearing Examiner to permit the filing of the attached additional exhibits to the Direct Testimony of John J. Reynolds filed herein on January 23, 2013 (the “direct testimony”). The exhibits are PNM Responses to Staff Discovery, and one PNM Press Release, referenced in the direct testimony but not attached as exhibits to the testimony. Copies of the discovery responses, which make up the exhibits, have been made available to all parties requesting discovery in this case and the referenced PNM Press Release is a public document; and, accordingly, no party will be prejudiced by the filing of these documents as exhibits to the direct testimony. The exhibits are attached and marked Exhibit JJR-A1 through JJR-A6. Staff has requested the position of the parties on this motion and responses are as follows: Western Resource Advocates, Coalition for Clean Affordable Energy, Public Service Company of New Mexico, New Mexico Gas Company, and EnerNOC do not oppose.

Respectfully Submitted,

**New Mexico Public Regulation Commission
Utility Division**

A handwritten signature in black ink, appearing to read "Nancy B. Burns", written over a horizontal line.

Nancy B. Burns

Staff Counsel

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Exhibit JJR-A1

See Lines 20-22, Page 18

PNM Response to
Staff Interrogatory and
Request for Production 1-7

1 Page

STAFF INTERROGATORY/ REQUEST FOR PRODUCTION 1-7:
Steven M. Bean

Please provide a fully functional electronic copy of the spreadsheets used to calculate the values in Attachment C of Exhibit SMB-1.

RESPONSE:

Refer to PNM Exhibit Staff 1-7 for the data requested in electronic format.

**DIRECT TESTIMONY
JOHN J. REYNOLDS
CASE NO. 12-00317-UT
ADDITIONAL EXHIBITS**

Exhibit JJR-A2

See Footnote 13, Page 24

**PNM News Release dated
December 11, 2012**

1 Page



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News Release

Dec. 11, 2012

PNM Customers Set Record, Purchasing 5 Million CFL Bulbs

Albuquerque: PNM customers reached a huge energy efficiency milestone of 5 million compact fluorescent light bulbs (CFLs) purchased through PNM's energy efficiency residential program. Customers saved a combined \$33.7 million. Five million CFL bulbs are enough to cover nine football fields.

The PNM discounted CFLs have already saved 302 million kWh in just over five years, which is enough energy to power almost 42,000 New Mexico homes for a year. But the savings don't stop; those 5 million bulbs will save another 395 million kWh over their lifetime.

"This is a great example of how the little energy efficiency changes add up," said Emma van Moorsel, PNM energy efficiency program developer. "While CFLs are an easy and low cost way to save energy, when used by many they are responsible for a large amount of energy savings."

Because it is important for every residential customer to have access to these energy saving bulbs, PNM partnered with nearly 160 stores statewide. PNM residential customers automatically receive a discount on CFLs purchased at participating retailers.

To find out more about PNM's energy efficiency rebates, please visit PNM.com/cfl or PNM.com/rebates.

With headquarters in Albuquerque, PNM is the largest electricity provider in New Mexico, serving 500,000 customers in dozens of communities across the state. PNM is a subsidiary of PNM Resources, an energy holding company also headquartered in Albuquerque.

PNM NEWS

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Exhibit JJR-A3

See Footnote 16, Page 25

See Footnote 21, Page 27

See Footnote 24, Page 28

PNM Response to
Staff Interrogatory and
Request for Production 2-3

2 Pages

STAFF INTERROGATORY/ REQUEST FOR PRODUCTION 2-3:

Steven M. Bean

In the first full paragraph of Page 22 of PNM Exhibit SMB-1 (2012 Energy Efficiency and Load Management Plan), PNM indicates that the national residential socket saturation rate is 11%.

- a) Provide an estimate of the number of residential Medium Base Screw Lamp sockets in PNM's residential service territory and explain what the estimate is based on.
- b) Provide an estimate of the residential socket saturation rate in New Mexico and explain what the estimate is based on.
- c) Provide a copy of the study concerning the replacement lamp market referred to in footnote no. 12.

RESPONSE:

- a) PNM does not have any New Mexico specific research that estimates the number of residential medium base screw lamps; however, a DOE study “Maximizing Energy Savings with CFL’s: Don’t Bench Your Superstar” by D&R International, estimates that nationally there are approximately 40 medium screw base sockets per home.
- b) Nationally (excluding California) 84% of homes have less than a 25% socket saturation rate.⁴ This same report states that in regions without long standing programs, median saturation is 10% or below (or fewer than 5 lamps per household). ADM’s “Evaluation of 2011 DSM and Demand Response Portfolio” of PNM’s 2011 energy efficiency programs concluded that there were 5.1 pre-existing lamps per household⁵. Based on the ADM survey results and the DOE study, PNM estimates that New Mexico has a saturation of less than 5 lamps per household.
- c) http://www.appliedproactive.com/uploads/pdf/USLampMarket_and_EELightingPrograms_APT_Final.pdf?utm_source=homepage&utm_medium=aptweb&utm_campaign=wpbox

⁴EnergyStar CFL Market Profile Data Trends and Market Insights DOE September 2010 Page 19

⁵ Evaluation of 2011 DSM & Demand Response Portfolio submitted to PNM March 2012 Final, page 5-50.
Staff’s Second Set of Discovery Requests

Exhibit JJR-A4

See Footnote 20, Page 27

See Footnote 25, Page 28

PNM Response to
Staff Interrogatory and
Request for Production 1-11

2 Pages

STAFF INTERROGATORY/REQUEST FOR PRODUCTION 1-11:
Steven M. Bean/Steve Martin

Please provide PNM's projected number of residential customers as of the following dates:

- a) December 31, 2012**
- b) December 31, 2013**
- c) December 31, 2014**

RESPONSE:

Please refer to PNM Exhibit Staff 1-11.

PNM Year-end Residential Customer Forecast (1)

<i>Month</i>	<i>Customers</i>
December 2012	454,865
December 2013	461,001
December 2014	468,681

(1) Source: 2012 LRP

DIRECT TESTIMONY
JOHN J. REYNOLDS
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Exhibit JJR-A5

See Footnote 27, Page 29

PNM Response to
Staff Interrogatory and
Request for Production 2-1

4 Pages

STAFF INTERROGATORY/ REQUEST FOR PRODUCTION 2-1:

Steven M. Bean

On December 11, 2012, PNM issued a press release entitled PNM Customers Set Record, Purchasing 5 Million CFL Bulbs (available at <http://www.pnm.com/news/2012/1211-cfl.htm>). Provide detailed answers to the following questions about the contents of the press release:

- a) What "record" is PNM referring to in the title of the press release?**
- b) PNM asserts that customers saved a combined \$33.7 million as a result of purchasing 5 million CFLs. How was the combined savings of \$33.7 million calculated?**
- c) What is the total cost of all the programs that resulted in the purchase of 5 million CFLs?**
- d) To the extent that CFL bulbs rebated by PNM were purchased by customers of public utilities other than PNM, are those CFL bulbs in addition to the 5 million CFL bulbs which PNM asserts its customers have purchased? If so, how many of the 5 million CFL bulbs rebated by PNM were purchased by customers of public utilities other than PNM?**
- e) For the CFL bulbs purchased by PNM customers, what is percentage of PNM's residential customers that have purchased CFL bulbs rebated by PNM?**
- f) How many of the 5 million CFL bulbs would have been purchased even in the absence of the PNM residential lighting program?**
- g) How many of the 5 million CFL bulbs were purchased as a direct result of the PNM residential lighting program?**
- h) How many of the CFL bulbs purchased as a direct result of the PNM residential lighting program were actually installed?**
- i) How many of the CFL bulbs purchased and installed as a direct result of the PNM residential lighting program replaced an incandescent light bulb?**
- j) How many of the CFL bulbs purchased and installed as a direct result of the PNM residential lighting program replaced another CFL bulb?**
- k) What was the average rebate per CFL bulb provided by PNM for the 5 million CFL bulbs?**
- l) How were the savings of 302 million kWh provided by 5 million CFL bulbs over 5 years determined?**
- m) How were the additional future projected savings provided by the same 5 million CFL bulbs of 395 million kWh determined?**

RESPONSE:

- a) PNM is referring to the fact that its customers reached a milestone of 5 million CFLs purchased in the first five years of its Home Lighting Discount Program.
- b) This savings figure was calculated by using the net cumulative energy savings for each program year starting in 2007 and multiplying that by the current average residential rate.
- c)

Table 2-1(e)

Home Lighting Program Costs	
2007/2008	\$1,798,668
2009	\$1,743,350
2010	\$1,748,973
2011	\$1,517,616
2012*	\$1,882,947
Total	\$8,691,554
* projected costs	

- d) The 5 million CFLs are the total number of bulbs sold as part of the PNM Home Lighting Program. CFL purchases by non-PNM customers, if any, are accounted for in the independent M&V contractor's evaluation of program savings, but are not separately quantified.
- e) Based on the study referenced in question 2-3(b), PNM estimates that 84% of PNM's residential customers have CFLs installed in their homes; however, PNM is unable to estimate the percentage of PNM's customers who have purchased CFLs as a result of the residential lighting program.
- f) The independent M&V contractor calculated free-ridership as part of its evaluation, which accounts for any sales that would have occurred even in the absence of a rebate. Please refer to Table 2-1(f). 1,344,069 bulbs would have been purchased in the absence of PNM's program.

Table 2-1(f)

	Bulb Sales	Free Ridership	Bulb Sales X Free Ridership Question 2-1-f	Bulb Sales X (1- Free Ridership) Question 2-1-g
2007/2008	1,005,910	0.286	287,703	718,207
2009	940,539	0.400	376,216	564,323
2010	994,445	0.180	179,000	815,445
2011	950,833	0.180	171,150	779,683
2012*	1,100,000	0.300	330,000	770,000
Totals	4,991,727		1,344,069	3,647,658
* projected values				

- g) Please refer to Table 2-1(f). 3,647,658 bulbs were purchased as a direct result of the PNM program.
- h) The independent M&V contractor, ADM Associates, determined the CFL installation rate in 2011 to be 73%¹. Therefore, 2,662,790 bulbs purchased as a direct result of the PNM program were installed at the time of the evaluation.
- i) The independent evaluator estimates that 69% of purchased CFL's replaced incandescent bulbs.² Therefore, 1,837,325 bulbs purchased as a direct result of the PNM program replaced incandescent bulbs.
- j) The independent evaluator estimates that 19% of purchased CFL's replaced "Burnt-Out CFLs."³ Therefore, 505,930 bulbs purchased as a direct result of the PNM program replaced burnt out CFL bulbs.
- k) The average rebate paid per bulb was \$0.99.
- l) The 302 million kWh savings are the net cumulative savings realized in each program year, as determined by the independent M&V contractor and presented in PNM's Annual Energy Efficiency Program Reports. The net savings take into account free ridership and installation rate. Please refer to Table 2-1(l).

Table 2-1(l)

	bulbs	Net kWh/yr	2007/2008	2009	2010	2011	2012	Grand Total
2007/2008	1,005,910	24,141,840	24,141,840					
2009	940,539	15,662,796	24,141,840	15,662,796				
2010	994,445	20,583,370	24,141,840	15,662,796	20,583,370			
2011	950,833	18,681,699	24,141,840	15,662,796	20,583,370	18,681,699		
2012	1,100,000	20,522,690	24,141,840	15,662,796	20,583,370	18,681,699	20,522,690	
	4,938,803		120,709,200	62,651,184	61,750,110	37,363,398	20,522,690	302,996,582

- m) The additional projected savings are the cumulative kWh savings realized in each program year over the life of each bulb, less the 302 million kWh realized in the first five years of the program. The press release used the total 697 minus 302 to equal 395; however, the table below illustrates a rounding error of the press release, and the press release should have said an additional 394 million kWh.

¹ Evaluation of 2011 DSM & Demand Response Portfolio, ADM Associates, March 2012, p. 5-49

² Evaluation of 2011 DSM & Demand Response Portfolio, ADM Associates, March 2012, p. 6-25

³ Evaluation of 2011 DSM & Demand Response Portfolio, ADM Associates, March 2012, p. 6-25

Table 2-1(m)

		Net							
	in/bbl	kWh/yr	2007-2008	2009	2010	2011	2012		
2007/2008	1,005,910	74,141,840	74,141,840						The Effective useful life is assumed to be 7 years
2009	940,539	15,662,796	24,141,840	15,662,796					
2010	994,445	20,583,370	24,141,840	15,662,796	20,583,370				
2011	950,833	18,681,699	24,141,840	15,662,796	20,583,370	18,681,699			
2012	1,100,000	20,522,690	24,141,840	15,662,796	20,583,370	18,681,699	20,522,690	302,996,582	Cumulative kWh through 2012
2013			24,141,840	15,662,796	20,583,370	18,681,699	20,522,690		
2014			24,141,840	15,662,796	20,583,370	18,681,699	20,522,690		
2015				15,662,796	20,583,370	18,681,699	20,522,690		
2016					20,583,370	18,681,699	20,522,690		
2017						18,681,699	20,522,690		
2018							20,522,690		
	4,938,803		168,992,880	109,639,572	144,083,590	130,771,893	143,658,830	697,146,765	Lifetime kWh
								394,150,183	Lifetime kWh less 2012 cumulative

DIRECT TESTIMONY
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CASE NO. 12-00317-UT
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Exhibit JJR-A6

See Footnote 50, Page 52

PNM Response to
Staff Interrogatory and
Request for Production 2-11

2 Pages

STAFF INTERROGATORY/ REQUEST FOR PRODUCTION 2-11:

Steven M. Bean

Provide an organization chart showing employee names and titles for the division or department within PNM that is responsible for the oversight and management of energy efficiency activities.

RESPONSE:

The chart below illustrates the structure of energy efficiency functions. The chart also illustrates the two program manager positions that will be created upon program approval.

**Labor
Not charged to EE Programs**

**Labor
Charged to EE Programs**

- Emma van Moorsel
Senior Program Manager
Residential Programs
- Carlos Lucero
Program Manager
Commercial Programs
- Melissa Walters Leymon
Program Manager
Market Transformation
- Vacant
Program Manager New
Programs pending
program approval
- Vacant
Program Manager New
Programs pending
program approval
- Sharon James
Sr. Program Developer
Energy Efficiency Design
- Erick Seelinger
Engineer IV
Energy Efficiency Design
- Vacant
Technical Developer
Energy Efficiency Design

**Daniel Drennan
Manager
Market Strategy,
Programs and Planning**

**Jo Ann Newton
Exec Director
Marketing &
Communications**

**Ronald Darnell
Senior VP, Public
Policy**

**Patrick O'Connell
Director
Planning & Resources**

**Gerard Ortiz
VP PNM Regulatory
Affairs**

**Steven Bean
Manager
Energy Analytics**

* Positions have other personnel reporting to them, the table is meant to illustrate the reporting structure only. Moreover, these positions are not charged to the Energy Efficiency program.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

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)
APPLICANT.)
_____)

Case No. 12-00317-UT

2013 JAN 30 PM 2 55

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing *Staff's Motion to File Additional Testimony Exhibits*, filed January 30, 2013, was sent by electronic mail to the individuals listed below.

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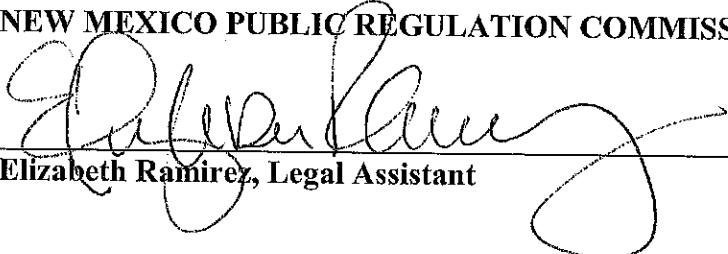
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DATED this 30th day of January, 2013.

NEW MEXICO PUBLIC REGULATION COMMISSION



Elizabeth Ramirez, Legal Assistant