### BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

| IN THE MATTER OF THE APPLICATION FOR       | )          |
|--|------------|
| VARIANCE FROM THE CERTAIN PROVISIONS       | )          |
| OF 1.7.9.570.10(C)(2) NMAC PER PRIOR NMPRC | )          |
| ORDER,                                     | ) Case No. |
| JEMEZ MOUNTAINS ELECTRIC COOPERATIVE,      | )          |
| INC.,                                      |            |
| Applicant.                                 | )          |
|  |            |

# APPLICATION OF JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC. FOR VARIANCE FROM CERTAIN PROVISIONS OF 17.9.570.10(C)(2) NMAC PER PRIOR NMPRC ORDER

Jemez Mountains Electric Cooperative, Inc. ("JMEC"), by and through its attorneys, Velarde & Yar, and pursuant to 17.9.570.13(L) NMAC ("Rule 570.13(L)"), requests approval from the New Mexico Public Regulation Commission ("Commission" or "NMPRC") for a variance (this "Application") from certain provisions of 17.9.570.10(C)(2) NMAC, ("Rule 570.10(C)(2)"), related to the billing that JMEC processes for its net metering consumers under JMEC's Rate No. 14, Standard Tariff for Electricity Purchases from and Sales to Qualifying Facilities ("Rate 14"), consistent with the Commission's prior order, given the limitations JMEC has in the billing software that is utilized by its billing vendor. In support of this Application, JMEC states:

## **BACKGROUND**

- 1. JMEC is certificated and authorized to conduct the business of providing public electric utility service within the State of New Mexico, and is a public utility as defined in the Public Utility Act, NMSA 1978 § 62-3-1 *et seq.*, as amended. JMEC's primary business office is located at is 19365 S.R. 84/285, Hernandez, New Mexico 87537.
- 2. JMEC provides electric service to approximately 31,500 electric service consumers in its service territory that encompasses approximately 3,800 square miles located throughout five counties in the State of New Mexico, including McKinley, Rio Arriba,

Sandoval, San Juan and Santa Fe counties.

- 3. JMEC does not own any base load electric generation facilities and owns or purchases a limited amount of solar energy from qualifying facilities ("QFs") owned by its consumers pursuant to the NMPRC's Rules in its efforts to meet the State of New Mexico's statutory renewable energy portfolio standards.
- 4. With the exception of this relatively small amount of renewable energy, all of JMEC's power is currently purchased under long-term purchase power agreements with Tri-State Generation and Transmission Association, Inc. ("TSGT"). JMEC is a distribution cooperative member of TSGT and relies upon TSGT as its wholesale power supplier.
- 5. On December 31, 2020, JMEC filed an application for a variance from certain provisions of Rule 570.10(C)(2), related to the billing that JMEC processes for its net metering consumers under Rate No. 14 in Case No. 20-00242-UT (the "Previous Application").
- 4. On May 26, 2022, the Commission entered its *Final Order Granting Application* of Jemez Mountains Electric Cooperative, Inc. for Variance from Certain Provisions of 17.9.570.10(C)(2) NMAC Per Prior NMPRC Order (the "Final Order"), which approved the Previous Application.
- 6. Pursuant to the Final Order, a variance was approved as to the aspect of the billing requirement in Rule 570.10(C)(2) for JMEC's net metering consumers (the "Net Metering Members") that requires that "[i]f a net amount is owed to the qualifying facility and is \$50 or more, the utility shall make payment to the qualifying facility prior to the end of the net billing period."
- 7. At the time the Final Order was entered, JMEC had approximately 300 Net Metering Members. Since that time, the number of Net Metering Members has more than doubled to approximately 665.
- 8. At the time the Final Order was entered, JMEC was authorized to utilize JMEC's manual accounting calculation methodology for its approximately 300 Net Metering Members

and to make an annual, rather than a monthly, payment to such Net Metering Members.

# REQUEST FOR VARIANCE

- 9. Through this Application, JMEC seeks a further variance of the billing requirements under Rule 570.10 (C)(2) to address the significant increase in the number of Net Metering Members. Specially, JMEC requests a variance to: (i) continue to permit JMEC to calculate payments to its current approximately 665 Net Metering Members annually, rather than monthly; and (ii) increase the threshold amount for payments from \$50 to \$200, allowing Net Metering Members to keep more of their rollover credits (up to the \$200 threshold) in order to be utilized at a kwh per kwh rate. Such credit would be in lieu of Net Metering Members receiving a physical check from JMEC at the lower avoided cost rate. All other accounts that exceed the \$200 threshold shall receive a physical check.
- 10. Increasing the threshold for payments from \$50 to \$200 will also result in a significant reduction in the amount of resources that JMEC will have to expend by decreasing the number of Net Metering Members that would qualify for annual payments (*i.e.*, for payments over the \$200 threshold), rather than monthly, accounting for payments. Moreover, replacing physical checks to Net Metering Members with credits under the annual \$200 threshold will further increase the efficiency of providing payment to Net Metering Members and eliminate the risk of lost checks, returned mail, and checks that are inadvertently not cashed by the recipient.
- 11. JMEC respectfully submits that the requested variance is in the best interests of both JMEC and its Net Metering Members, who have been consistently exceeding the \$50 threshold amount that was established by the Final Order. Increasing the annual threshold amount from \$50 to \$200 will allow Net Metering Members to utilize their kwh rollover credits at a kwh per kwh rate, as opposed to receiving a check paid at the lower avoided cost rate.

WHEREFORE, JMEC respectfully requests that the Commission approve this Application, for a variance from NMPRC Rule 570.10(C)(2), and for such further relief as the Commission may deem appropriate.

Dated this 19<sup>th</sup> day of December, 2024.

Respectfully submitted,

/s/ Joseph Yar
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| Applicant.                | )                   |   |          |      |
|                           |                     | ) |          |      |

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Application of Jemez Mountains Electric Cooperative, Inc. for Variance from Certain Provisions of 17.9.570.10(C)(2) NMAC Per Prior NMPRC Order was sent via email to the following parties on the date indicated below:

Cristella Trujillo-Neal losneals@gmail.com; David A. Neal losneals@gmail.com; Joseph Sanchez ilsanchez@jemezcoop.org; edeaguero@jemezcoop.org; Eva DeAguiro joseph@velardeyar.com; Joseph Yar shawna@velardeyar.com; Shawna Tillberg David Ault David.Ault@state.nm.us; john.bogatko@prc.nm.gov; John Bogatko nicholas.rossi@prc.nm.gov Nicholas Rossi Judith.amer@state.nm.us; Judith Amer Peggy Martinez-Rael Peggy.Martinez-Rael@state.nm.us; Elizabeth Ramirez Elizabeth.Ramirez@state.nm.us; GilbertT.Fuentes@state.nm.us; Gilbert Fuentes **Ernesto Gonzales** egonzales@jemezcoop.org;

**DATED** this 19<sup>th</sup> day of December, 2024.

**VELARDE & YAR** 

/s/ Shawna Tillberg

Shawna Tillberg, Paralegal