December 13, 2012

Mr. Nick Guillen
New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo de Peralta
Santa Fe, NM 87501

RE: PNM Advice Notice Nos. 458 & 459
NMPRC Case No. 12-00131-UT

Dear Mr. Guillen:

In compliance with the Final Order of the New Mexico Public Regulation Commission ("Commission") in Case No. 12-00131-UT, Public Service Company of New Mexico ("PNM") submits Advice Notice Nos. 458 and 459 in order to implement as of January 1, 2013, the revisions to PNM’s Solar REC Incentive Program resulting from the Final Order.


The Cumulative MWAC column has been deleted from Table 1 on the 3rd Revised Rate No. 32. Because the indicated capacity allocations by price step are not representative of actual interconnections achieved, projects pending interconnection, capacity that has rolled-over to lower price steps due to project non-completion on a timely basis, or capacity remaining unsubscribed, the cumulative column no longer provides useful information and, in fact, may be confusing to customers.

Enclosed for filing with the New Mexico Regulation Commission (NMPRC) is an original and six copies of Advice Notice Nos. 458 & 459. Enclosed is the filing fee of $5.00.
The five copies of Advice Notice Nos. 458 & 459 are for filing; please conform the 6th copy and return it to our courier for our files.

If you have any questions or require any additional information, please do not hesitate to contact me at (505) 241-4733.

Sincerely,

[Signature]

Carey J. Salaz
Regulatory Affairs Research Analyst II
Public Service Company of New Mexico

Cc:  Jim Brack – NMPRC
     Gerard Ortiz – PNM
     Mark Fenton – PNM
     Tom Wander – PNM
     Kumiko Styes – PNM
     COS

GCG#515874
Public Service Company of New Mexico hereby gives notice to the New Mexico Public Regulation Commission and to the public of the filing and publishing of the following revisions in its Rates that are attached hereto:

<table>
<thead>
<tr>
<th>RATE NUMBER</th>
<th>TITLE OF RATE</th>
<th>CANCELING RATE NUMBER</th>
<th>DATE EFFECTIVE</th>
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<tbody>
<tr>
<td>3rd Revised Rate No. 32</td>
<td>Table of Contents</td>
<td>Advice Notice No. 457</td>
<td>January 1, 2013</td>
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<table>
<thead>
<tr>
<th>Title of Rate</th>
<th>Rate No.</th>
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<tbody>
<tr>
<td>Residential Service</td>
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<td>Residential Service Time-of-Use Rate</td>
<td>19th Revised 1B</td>
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<td>Small Power Service</td>
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<td>Small Power Service Time-of-Use Rate</td>
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<td>General Power Service Time-of-Use Rate</td>
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<td>Large Service for Mining Customers</td>
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<td>≥ 8,000 kW Minimum at 115kV, 69kV and 34.5kV</td>
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<td>Private Area Lighting Service</td>
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<td>Large Service for Public Universities ≥ 8,000 kW Minimum with Customer-Owned Generation Facilities Served at 115 kV</td>
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<td>Special Charges</td>
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<td>Integrated System Streetlighting and Floodlighting Service New Installations</td>
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<td>Special Contract Service for Large Customers</td>
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<td>Small Photovoltaic Renewable Energy Certificate</td>
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<td>Large Service for Manufacturing for Service</td>
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<td>≥ 30,000 kW Minimum at Distribution Voltage</td>
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<td>2007 Santa Fe County Underground Projects Rider</td>
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<tr>
<td>Fuel and Purchased Power Costs Adjustment Clause (“FPPCAC”) Applicable to Retail Energy Rate Schedules</td>
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<td>Renewable Energy Rider</td>
<td>Original Rider 36</td>
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Advisory Notice No. 455
Gerard T. Ortiz
Vice President, PNM Regulatory Affairs

GCG#515869
APPLICABILITY: The Solar Renewable Energy Certificate Purchase Program applies to RECs purchased by Public Service Company of New Mexico pursuant to any of the following standard form agreements:

2. Standard Large Solar REC Purchase Agreement for Participation in PNM's Solar REC Incentive Program.

Any services hereunder will be furnished subject to the Company’s Rules and Regulations and any subsequent revisions. These Rules and Regulations are available at the Company’s office and are on file with the New Mexico Public Regulation Commission. These Rules and Regulations are a part of this Schedule as if fully written herein.

This rate will apply to:

1. Customers with Solar Facilities less than or equal to 100 kWAC who submitted applications to PNM after August 31, 2010,
2. Customers with Solar Facilities larger than 100 kWAC who submitted applications after August 27, 2010,
3. Customers with applications for Solar Facilities larger than 100 kWAC that were pending with PNM as of August 27, 2010, unless grandfathered by the Commission into PNM's Large PV REC Purchase Program, and

TERRITORY: All territory served by the Company in New Mexico.
DEFINITIONS: The following definitions apply to the terms discussed within this Schedule:

Company or PNM is Public Service Company of New Mexico.

Customer is an account holder of PNM who has entered into the standard agreements for interconnection and net metering and a standard form agreement for the purchase of RECs by PNM, as identified above.

Large Solar Facility is a solar PV or solar thermal facility generating electricity that is sized greater than 10 kWAC up to and including 1,000 kWAC (or 1 MWAC) based on the rated capacity of the inverter.

NMPRC or Commission is the New Mexico Public Regulation Commission or a successor agency exercising jurisdiction over the subject matter of this Rate Number 32.

Small Solar Facility is a solar PV or solar thermal facility that is sized at 10 kWAC or smaller based on the rated capacity of the inverter.

Solar Renewable Energy Certificate or REC is a document evidencing that the enumerated renewable energy kilowatt-hours (kWh) have been generated from a Solar Facility.

Third-Party Owner is a party other than a landlord that owns and/or operates a Solar Facility that is sited at the location of a Customer and that is sized to supply no more than one hundred twenty percent (120%) in kWh of the average annual consumption of electricity by Customer at the location of the Solar Facility.

TERMS OF SERVICE:

Eligibility – Customers and Third-Party Owners eligible for this rate must:

1. Have a Solar Facility inverter capacity no greater than 1 MWAC, which for Third-Party Owners must be sized to supply no more than one hundred twenty percent (120%) in kWh of the average annual consumption of electricity by Customer at the location of the Solar Facility.
2. Submit a complete application.
   * For Small Solar Facilities: A complete application shall include Application Form, Non-Refundable Application Fee, One-Line Electric Diagram, Site-Map and Inverter Specification Sheet as described in the application
   * For Large Solar Facilities: A complete application shall include Application Form, Application Fee, One-Line and Three-Line Electric Diagram which must be stamped by a professional engineer licensed to practice in the state of New Mexico if the generating facility is larger than 50 kWAC, Site-Map and Inverter Specification Sheet as described in the application;

Gérard T. Ortiz
Vice President, PNM Regulatory Affairs

Advisory Notice No. 458

GCG#515877
3. Receive from PNM a Notice of Completion of Application and REC Reservation, which shall include the REC price that PNM will pay for RECs generated by the Solar Facility provided that the Solar Facility is interconnected within the time frame set forth in Section 4 below, consistent with the originally proposed design and capacity;

4. Interconnect the Solar Facility within 12 months for Large Solar Facilities or within 9 months for Small Solar Facilities of being notified by PNM, through a Notice of Completion of Technical Screening, that the Solar Facility has passed PNM's technical screening. Except as provided in Section 5 below, the price for RECs generated by a Solar Facility that fails to interconnect within the applicable time period will be the REC price for the price step shown in Table 1 that is open at the time of interconnection;

5. If, after PNM issues a Notice of Completion of Application and REC Reservation for a Solar Facility, capacity is added to the Solar Facility above the capacity and design stated in that completed application, a new application must be submitted. The REC price for the entire output of the Solar Facility described in that new application (i.e., the originally installed capacity and the additional capacity), will be the REC price in the price step open on the date PNM provides its Notice of Completion of Application and REC Reservation for that new application.

REC Price:

When PNM has determined that an application for interconnection and/or REC purchase is complete, PNM shall provide Customer and Third-Party Owner, if applicable, a Notice of Completion of Application and REC Reservation which shall include the applicable price at which PNM will purchase RECs generated by the Solar Facility. This REC price shall be based on the REC Price shown in Table 1, taking into account:

1. The date the application is determined by PNM to be complete as stated in PNM's standard Interconnection Application form,
2. The inverter size (in kWAC) listed in the application, which will determine the program category shown in Table 1 to which the Solar Facility will be assigned,
3. The rated capacity in kWAC of the Solar Facility, which will be calculated at 72% of the installed panel capacity in kWDC for Small Solar Facilities and at 75% of the installed panel capacity in kWDC for Large Solar Facilities,
4. The program category shown in Table 1 that is open for subscription for solar generating facilities sized consistent with the inverter size of the Small or Large Solar Facility at the time the application is determined to be complete, and
5. The applicable REC price(s) shown in Table 1 for the open price step for which the Solar Facility qualifies based on the installed solar capacity in kWAC.

If a Small or Large Solar Facility is sized greater than the capacity available in the open price step shown in Table 1, the capacity in excess will be assigned to the next successive price step (even if it is before the open period), and the REC price will be calculated as a weighted average of the portion of the Solar Facility's capacity in the two price steps using the methodology shown in Table 2.

Advice Notice No. 458

Gerard T. Ortiz
Vice President, PNM Regulatory Affairs

CG#515877
When the capacity available for a price step shown in Table 1 is fully subscribed, the REC price for that step will no longer be available or offered by PNM.

For Large Solar Facilities sized greater than 100 kW eligible for price steps subject to a capacity reservation, PNM will propose a price to the Commission in its annual Renewable Energy Portfolio Procurement Plan that would be offered on a first-come, first-serve basis. The price is anticipated to be based upon the highest price offered by a renewable energy developer to PNM and accepted by PNM as a result of the most recently conducted Request for Proposal process, or upon other criteria as may be ordered by the Commission. PNM anticipates that such Request for Proposals will be issued during the first quarter of each calendar year provided that new procurements are required for compliance with PNM's Renewable Portfolio Standard requirements. In years during which a Request for Proposal process is not conducted, and provided that a capacity reservation is available, PNM may propose to the Commission a continuation of the most recent Commission-approved price or other reasonably determined price.

Solar REC Purchases:

PNM will only purchase Solar RECs generated by a Solar Facility located on a Customer's premises. On a monthly basis, PNM will purchase the Solar RECs associated with the energy generated at the applicable REC Price described above, pursuant to an executed PNM standard form agreement as identified above.

* For Small Solar Facilities, PNM will purchase all RECs associated with the entire amount of electricity generated by the Solar Facility as metered by PNM.
* For Large Solar Facilities, PNM will only purchase RECs associated with the amount of electricity generated by the Solar Facility that is consumed each month on Customer's premises as metered by PNM.

REALLOCATION OF CAPACITY: Capacity within a price step shown in Table 1 shall be committed to a proposed Solar Facility at the time the application is determined by PNM to be complete. A proposed Large Solar System must be interconnected within 12 months, and a proposed Small Solar Facility must be interconnected within 9 months from the date shown on PNM's Notice of Completion of Technical Screening to the Applicant that the proposed Solar Facility has passed the screening process.

Applicant will forfeit the Solar Facility's committed capacity within a particular REC price step shown in Table 1 if the Solar Facility is not interconnected within the applicable time period. PNM shall reallocate the forfeited capacity to the then currently open REC price step within the applicable program category shown on Table 1.

Advice Notice No. 458

Gerard T. Ortiz
Vice President, PNM Regulatory Affairs

GOG#515877
For price steps applicable to solar facilities sized 100 kW or less in 2013 through 2016, any cancelled capacity from the SIP or Interim SIP rolled into these price steps will be included on an equivalent dollar basis on a 2 to 1 ratio in the 0 to 10 kW category and 10 to 100 kW category, respectively. The capacity and related prices will be such that the amount of capacity times the applicable step price will equal the same total amount of dollars as the amount of cancelled capacity times the originally reserved price step. For example, if a 300 kWAC project with an $0.08 per kWh REC reservation price under the SIP is cancelled during the first six months of 2013, the cancellation will add the amount of capacity which equates to the same amount of costs for REC purchases under the CSPP at the REC prices then in effect. The cancelled capacity amount will be divided between the 0 to 10 kWAC and 10 to 100 kWAC size categories on a 2:1 ratio such that the cancellation will add 400 kWAC of capacity at the $0.04 per kWh REC price in the 0 to 10 kWAC category and 160 kWAC of capacity at $0.05 per kWh in the 10 to 100 kWAC category under the CSPP.

For price steps applicable to solar facilities sized 100 kW or less in 2013 through 2016, any unsubscribed capacity during a subscription period will roll over into the next period at the same price. Once the capacity has filled, the new capacity allotment and associated price will start. Any unsubscribed capacity or cancelled capacity shall be deemed unavailable for further subscription after December 31, 2016.

For price steps applicable to solar facilities sized 100 kW or less in 2013 through 2016, any unsubscribed capacity in given size category at the end of the year will be allocated to the size category that achieved 100% subscription at the beginning of the next year. Any unsubscribed capacity or cancelled capacity shall be deemed unavailable for further subscription after December 31, 2016.

For Large Solar Facilities sized greater than 100 kW eligible for price steps subject to a capacity reservation, PNM will propose a reservation of capacity to the Commission in its annual Renewable Energy Portfolio Procurement Plan for the procurement of RECs during the next calendar year. Upon Commission approval, PNM will file an Advice Notice to update Rate No. 32 for implementation of the approved new annual capacity reservation and price. The capacity reservation is available on a first-come, first-serve basis for subscription beginning on January 1 of the following calendar year, or upon the date of NMPRC approval of the annual Renewable Energy Portfolio Procurement Plan, if subsequent to January 1. The capacity reservation will not be assigned by system sized category. PNM will post on its web site at PNM.com information explaining the capacity reservation proposed by PNM in any pending Renewable Energy Portfolio Procurement Plan and the approved capacity reservation in effect and remaining available for subscription for each calendar year. This information will be updated, if appropriate, on bi-weekly basis.

ACCESSIBILITY: Equipment used to meter RECs must be physically accessible in a location acceptable to the Company. The meter socket must be installed in accordance with the Company’s Rules and Regulations.
TERMS OF PAYMENT:

For Customer-owned Solar Facilities:

REC payments shall commence in the billing period subsequent to the execution of a Standard Interconnection Agreement and subsequent to PNM's receipt and execution of the applicable Standard Small or Large Solar REC Purchase Agreement.

Customers will receive information on the monthly electric bill documenting the number of kWh produced by the Solar Facility and the number of RECs purchased by PNM. Bills for Customers receiving payment will include the applicable REC purchase price and the total payment for RECs purchased from the Customer by PNM during the billing period.

REC purchase payments will be applied as a credit to Customer's electric bill on a monthly basis, and credits in excess of certain amounts will be paid, as follows:

* For Small Solar Facilities: if the amount paid for the RECs is greater than the total of the Customer's monthly electric bill by up to $20.00, the resulting credit will be carried forward to be applied toward the following month's electric bill. If the REC payment balance results in a customer credit in excess of $20.00, the total balance will be paid directly to the Customer before the beginning of the Customer's next billing cycle.

* For Large Solar Facilities: if the amount paid for the RECs is greater than the total of Customer's monthly electric bill by up to $200.00, the resulting credit will be carried forward to the following month's electric bill. If REC payment balance results in a Customer credit in excess of $200.00, the total balance will be paid directly to Customer before the beginning of the Customer's next billing cycle.

For Third-Party Owned Solar Facilities:

Payments by PNM to a Third-Party Owner for Solar RECs generated by the Third-Party Owner Solar Facility will commence subsequent to the execution of a Standard Interconnection Agreement, PNM's receipt and execution of the applicable Standard Small or Large Solar REC Purchase Agreement, and 30 days following the billing cycle in which the meters on Customer's Premises are read by PNM.

Third-Party Owners will receive a statement from PNM that documents the number of kWh produced by the Solar Facility, the number of RECs purchased by PNM, the applicable REC purchase price and the total payment for RECs purchased by PNM for the Customer's billing period.
For Small Solar Facilities: PNM shall purchase all RECs generated. Solar REC purchase payments that total in excess of $20 will be paid on a monthly basis. If the amount due for the Solar RECs is less than $20 the amount will be carried forward to the following month until such time as the balance due exceeds $20, at which time the total balance due will be paid directly to Third-Party Owner.

For Large Solar Facilities: Solar REC purchase payments that total in excess of $200 will be paid on a monthly basis. If the amount due for the Solar RECs is less than $200 the amount will be carried forward to the following month until such time as the balance due exceeds $200, at which time the total balance due will be paid directly to Third-Party Owner. If the Large Solar Facility generates electricity in excess of the amount of electricity consumed by Customer each month on the Premises ("Excess Energy"), PNM shall purchase such Excess Energy from Customer at its avoided cost, and PNM shall receive from Customer, without cost, all RECs associated with such Excess Energy, to the extent authorized by the New Mexico Renewable Energy Act.
TABLE 1: PRICES FOR RECS FROM SMALL AND LARGE SOLAR FACILITIES

<table>
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<th>Program Category</th>
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<td>$0.0200</td>
<td>_ (2)</td>
</tr>
<tr>
<td>47</td>
<td>&gt; 250 kWac to 1 MWac</td>
<td>$0.1200</td>
<td>1.250</td>
</tr>
</tbody>
</table>

Interim Price Step (1)

For Jan.-June, 2013

For July-Dec., 2013

For Jan.-June, 2014

For July-Dec., 2014

For Jan.-June, 2015

For July-Dec., 2015

For Jan.-June, 2016

For July-Dec., 2016

Interim Price Step (2)

For Jan.-June, 2016

For July-Dec., 2016

Capacity Reservation Price Step (2)
TABLE 1: PRICES FOR RECS FROM SMALL AND LARGE SOLAR FACILITIES (Continued)

<table>
<thead>
<tr>
<th>Line Number</th>
<th>Program Category</th>
<th>Price Step Size in MW&lt;sub&gt;ac&lt;/sub&gt;</th>
<th>REC Price per kWh for this Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td></td>
<td>1.250</td>
<td>$0.1000</td>
</tr>
<tr>
<td>49</td>
<td></td>
<td>1.250</td>
<td>$0.0800</td>
</tr>
<tr>
<td>50</td>
<td></td>
<td>1.250</td>
<td>$0.0600</td>
</tr>
<tr>
<td>51</td>
<td></td>
<td>(2)</td>
<td>$0.0200</td>
</tr>
<tr>
<td>52</td>
<td>Large 1 MW&lt;sub&gt;ac&lt;/sub&gt;</td>
<td>2.500</td>
<td>$0.1100</td>
</tr>
<tr>
<td>53</td>
<td></td>
<td>2.500</td>
<td>$0.0900</td>
</tr>
<tr>
<td>54</td>
<td></td>
<td>1.500</td>
<td>$0.0700</td>
</tr>
<tr>
<td>55</td>
<td></td>
<td>1.500</td>
<td>$0.0500</td>
</tr>
<tr>
<td>56</td>
<td></td>
<td>(2)</td>
<td>$0.0200</td>
</tr>
</tbody>
</table>

(1) The Interim Price Steps were approved by the Final Order in Case No. 11-00265-UT as modified by the Order Granting Motion. Contracts for REC purchases for the Interim Price Steps have a termination date of December 31, 2020.

(2) The total combined capacity reserved for these three categories listed below is 2,000 kW<sub>ac</sub> or 2 MW<sub>ac</sub>.
   a. > 100 kW<sub>ac</sub> to 250 kW<sub>ac</sub> (line 46) X
   b. > 250 kW<sub>ac</sub> to 1 MW<sub>ac</sub> (line 51) X
   c. Large 1 MW<sub>ac</sub> (line 56) X

The capacity reservation and price for future price steps in these categories will be determined and updated annually.
TABLE 2

EXAMPLE OF CALCULATION TO DETERMINE WEIGHTED AVERAGE PRICE FOR RECS FROM A SMALL SOLAR FACILITY THAT COMPLETES THE AVAILABLE CAPACITY

<table>
<thead>
<tr>
<th>Program Category - Small Solar 0 to 10 kWac</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capacity in first step</td>
<td>1,000 kWac</td>
</tr>
<tr>
<td>Available Capacity in step</td>
<td>5 kWac</td>
</tr>
<tr>
<td>REC price in first step</td>
<td>$0.0400 / kWh</td>
</tr>
<tr>
<td>REC price in next step</td>
<td>$0.0350 / kWh</td>
</tr>
<tr>
<td>Project Rated Capacity</td>
<td>8 kWac</td>
</tr>
<tr>
<td>Calculation of REC Price</td>
<td>((5 kWac * $0.0400 / kWh) + (3 kWac * $0.0350 / kWh))/8 kWac</td>
</tr>
<tr>
<td>REC price</td>
<td>$0.0381 / kWh</td>
</tr>
</tbody>
</table>

Note: Methodology consistent with Final Order Partially Adopting Recommended Decision in NMPRC Case No. 10-00037-UT

EXAMPLE OF CALCULATION TO DETERMINE WEIGHTED AVERAGE PRICE FOR RECS FROM A LARGE SOLAR FACILITY THAT COMPLETES THE AVAILABLE CAPACITY

<table>
<thead>
<tr>
<th>Program Category &gt;10 kWac to 100 kWac</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capacity in first step</td>
<td>500 kWac</td>
</tr>
<tr>
<td>Available Capacity in step</td>
<td>5 kWac</td>
</tr>
<tr>
<td>REC price in this step</td>
<td>$0.0500 / kWh</td>
</tr>
<tr>
<td>Price in next step</td>
<td>$0.0450 / kWh</td>
</tr>
<tr>
<td>Next project</td>
<td>15 kWac</td>
</tr>
<tr>
<td>Calculation of REC Price</td>
<td>((5 kWac * $0.0400 / kWh) + (10 kWac * $0.0350 / kWh))/15 kWac</td>
</tr>
<tr>
<td>REC price</td>
<td>$0.0467 / kWh</td>
</tr>
</tbody>
</table>
PUBLIC SERVICE COMPANY OF NEW MEXICO

Advice Notice No. 459

NEW MEXICO PUBLIC REGULATION COMMISSION

Public Service Company of New Mexico hereby gives notice to the New Mexico Public Regulation Commission and to the public of the filing and publishing of the following revisions in its Forms that are attached hereto:

<table>
<thead>
<tr>
<th>FORM NUMBER</th>
<th>TITLE OF FORM</th>
<th>CANCELING FORM NUMBER</th>
<th>DATE EFFECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd Revised Sample Form No. 93</td>
<td>Standard Large Solar Renewable Energy Certificate Purchase Agreement for Participation in PNM's Solar REC Incentive Program</td>
<td>1st Revised Sample Form No. 93</td>
<td>January 1, 2013</td>
</tr>
<tr>
<td>1st Revised Sample Form No. 95</td>
<td>Standard Large Solar Renewable Energy Certificate Purchase Agreement for Third Party Owner Participation in PNM's Solar REC Incentive Program</td>
<td>Original Sample Form No. 95</td>
<td>January 1, 2013</td>
</tr>
</tbody>
</table>

Vice President, PNM Regulatory Affairs

Advice Notice No. 459

Gerard T. Ortiz
Vice President, PNM Regulatory Affairs

GCG #515879
<table>
<thead>
<tr>
<th>Title of Sample Form</th>
<th>Sample Form No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Arrangement Bill</td>
<td>5th Revised 4</td>
</tr>
<tr>
<td>PNM Deposit Certificate</td>
<td>1st Revised 6</td>
</tr>
<tr>
<td>Electric Final Bill</td>
<td>15th Revised 9</td>
</tr>
<tr>
<td>Electric Collector's Disconnect Notice</td>
<td>9th Revised 16</td>
</tr>
<tr>
<td>Hand-Delivered Two-Day Notice—Service Will Be Disconnected</td>
<td>11th Revised 17</td>
</tr>
<tr>
<td>Customer Service Guide</td>
<td>10th Revised 22</td>
</tr>
<tr>
<td>Electric Notification of Discontinuation of Residential Services (Medical and Financial Certification)</td>
<td>14th Revised 29</td>
</tr>
<tr>
<td>Electric Line Extension Agreement, Company Built</td>
<td>7th Revised 31</td>
</tr>
<tr>
<td>Application for Interconnection for Generators, Cogenerators and Small Power Producers</td>
<td>3rd Revised 46</td>
</tr>
<tr>
<td>Rental Property Electric Service Agreement</td>
<td>6th Revised 47</td>
</tr>
<tr>
<td>Lighting Request</td>
<td>2nd Revised 53</td>
</tr>
<tr>
<td>Electric Line Extension Construction Agreement Customer Built</td>
<td>2nd Revised 54</td>
</tr>
<tr>
<td>Electric Budget Bill</td>
<td>10th Revised 66</td>
</tr>
<tr>
<td>15-Day Disconnect Notice for Services</td>
<td>12th Revised 67</td>
</tr>
<tr>
<td>Electric Residential Bill</td>
<td>10th Revised 68</td>
</tr>
<tr>
<td>Electric Reminder Notice</td>
<td>10th Revised 69</td>
</tr>
<tr>
<td>Electric Line Extension Sales Agreement, (Customer Built System)</td>
<td>3rd Revised 70</td>
</tr>
<tr>
<td>Electric Commercial Bill</td>
<td>8th Revised 73</td>
</tr>
<tr>
<td>Medical Certificate Payment Arrangement</td>
<td>1st Revised 74</td>
</tr>
<tr>
<td>Electric Multi-Period Adjustment Bill</td>
<td>5th Revised 75</td>
</tr>
<tr>
<td>Standard Small PV Renewable Energy Certificate Purchase Agreement for Participation in PNM's Small PV Program</td>
<td>2nd Revised 78</td>
</tr>
<tr>
<td>Application and Interconnection Agreement for Qualifying Facilities</td>
<td>5th Revised 79</td>
</tr>
<tr>
<td>Agreement for Services</td>
<td>2nd Revised 80</td>
</tr>
<tr>
<td>Authorization to Proceed with Right of Way Work</td>
<td>Original 81</td>
</tr>
<tr>
<td>15-Day Moratorium Disconnect Notice</td>
<td>4th Revised 82</td>
</tr>
<tr>
<td>Application and Interconnection Agreement for Customer-Owned Generating Facilities</td>
<td>Original 83</td>
</tr>
<tr>
<td>Past Due Reminder Notice</td>
<td>2nd Revised 84</td>
</tr>
<tr>
<td>7-Day Disconnect Notice</td>
<td>1st Revised 85</td>
</tr>
<tr>
<td>Application for Qualifying Facilities Greater than 10 kW and Less than or Equal to 1 MW</td>
<td>4th Revised 86</td>
</tr>
<tr>
<td>Standard Large PV Renewable Energy Certificate Purchase Agreement for Participation in PNM's Large PV Program</td>
<td>1st Revised 87</td>
</tr>
<tr>
<td>Electric Line Extension Revenue Credit Guarantee Agreement (For New Service Locations Only)</td>
<td>2nd Revised 88</td>
</tr>
<tr>
<td>Incremental Revenue Credit Guarantee Agreement (For Existing Service Locations Only)</td>
<td>2nd Revised 89</td>
</tr>
<tr>
<td>Winter Moratorium Payment Arrangement Bill</td>
<td>2nd Revised 90</td>
</tr>
</tbody>
</table>
### TABLE OF CONTENTS

#### SAMPLE FORMS

<table>
<thead>
<tr>
<th>Title of Sample Form</th>
<th>Sample Form No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Large PV Renewable Energy Certificate Purchase Agreement for Participation in PNM’S Large PV Program by Third Party PV System Owners</td>
<td>Original 91</td>
</tr>
<tr>
<td>Energy Efficiency Gross Receipts Tax Correction Bill</td>
<td>Original 96</td>
</tr>
<tr>
<td>Standard Small Solar REC Purchase Agreement for Participation in PNM’S Interim Step Solar REC Incentive Program</td>
<td>Original 97</td>
</tr>
<tr>
<td>Standard Large Solar REC Purchase Agreement for Participation in PNM’S Interim Step Solar REC Incentive Program</td>
<td>Original 98</td>
</tr>
<tr>
<td>Standard Small Solar REC Purchase Agreement for Third Party Owner Participation in PNM’S Interim Step Solar REC Incentive Program</td>
<td>Original 99</td>
</tr>
<tr>
<td>Standard Large Solar REC Purchase Agreement for Third Party Owner Participation in PNM’S Interim Step Solar REC Incentive Program</td>
<td>Original 100</td>
</tr>
</tbody>
</table>

Advice Notice No. 459

Gerard T. Ortiz  
Vice President, PNM Regulatory Affairs

GCG #515878
STANDARD SMALL SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE AGREEMENT
FOR PARTICIPATION IN PNM'S SOLAR REC INCENTIVE PROGRAM

Agreement for Participation in PNM's Solar REC Incentive Program

Advice Notice No. 459
Gerard T. Ortz
Vice President, PNM Regulatory Affairs

GGCG515876
THIS AGREEMENT is made and entered into as of the Effective Date, as hereinafter defined, by and between ________________ ("Customer") and Public Service Company of New Mexico ("PNM") (individually "Party" or collectively "Parties").

WHEREAS, Customer owns or leases the Premises on which the Small Solar Facility described in Section 1 below is located; and

WHEREAS, in accordance with 17.9.572.13.C NMAC, Customer is the owner of certain small solar renewable energy certificates associated with the electricity generated by the Small Solar Facility and consumed on the Premises ("Small Solar RECs") either because Customer owns the Small Solar Facility or because Customer has entered into an agreement with the third party owner by which Customer will acquire all the Small Solar RECs; and

WHEREAS, Customer desires to sell and PNM desires to purchase the Small Solar RECs owned by Customer associated with the generation of electricity from the Small Solar Facility pursuant to the terms of this Agreement and as provided in PNM Rate No. 32;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. SOLAR FACILITY. Customer owns or leases the Premises on which the following solar photovoltaic or solar thermal electric facility (the "Small Solar Facility") is located. The Small Solar Facility is associated with PNM electric service account number ________________ ("Electric Service Account"), and which is interconnected to PNM’s electric distribution pursuant to Standard Interconnection Agreement, PNM Electric Service Agreement No. ________________, ("Interconnection Agreement"), effective on ________________:

Solar Facility address (Premises): ____________________________

________________________________________

________________________________________

Rated solar generating capacity: ______ STC (kW DC STC)
kW_{DC} STC is defined as the rated total capacity of the installed panels or collector at their DC output.

2. PURCHASE AND DELIVERY OF SMALL SOLAR RECs. PNM will purchase from Customer, and Customer will deliver to PNM, Small Solar RECs generated by the Solar Facility. The applicable rate is IncentiveLevel cents per kWh as set forth in the Notice of Completion of Application and REC Reservation. The payment for the Small Solar RECs will be calculated by multiplying the applicable rate by the number of kWh of energy generated by the Solar Facility as measured by a PNM meter as further described in Section 4 of this Agreement. PNM will pay Customer for the Small Solar RECs by crediting Customer’s monthly electric service bill unless the Customer is leasing the Premises to a tenant.

For Customers occupying the Premises: If payment for the Small Solar RECs exceeds the Customer’s monthly electric service bill, a credit will be applied to the following month’s electric service bill, provided that the balance does not exceed twenty dollars ($20.00). If the balance exceeds twenty dollars ($20.00), PNM will issue a check to Customer for the entire balance before the beginning of the Customer’s next billing cycle.

For Customers leasing the Premises to a tenant: PNM will pay Customer for the Small Solar RECs generated by the Solar Facility located at the Premises on a monthly basis, provided the payment exceeds twenty dollars ($20.00).

Payments for Small Solar RECs will commence in the billing period subsequent to the execution of a Standard Interconnection Agreement and subsequent to PNM’s receipt and execution of this Agreement. Purchase of Small Solar RECs produced by generating capacity added to the Solar Facility after execution of this Agreement will be made in accordance with Section 3 below.

3. MODIFICATION OF GENERATING FACILITIES. The rated capacity of the Solar Facility shall not be increased without prior approval of PNM and shall not be increased to a capacity exceeding 10 kW_{AC} in any event. PNM will purchase Small Solar RECs generated by a modified Solar Facility only upon execution of a new REC Purchase Agreement, at the applicable rate as of the effective date of that agreement.

4. METERING. Customer shall provide and install a meter socket to accommodate a PNM meter that measures only the total output of the Solar Facility inverter. This meter socket shall be installed in accordance with PNM’s standard meter specifications and shall be in addition to the PNM meter socket used for the normal billing meter. Unless otherwise approved by PNM, this second meter socket shall be physically located next to the Customer-provided meter socket for the PNM electric billing meter. PNM shall furnish and install a standard kilowatt-hour meter for the purpose of measuring the total output of the Solar Facility inverter.
Attached hereto and incorporated herein as Appendix A is Customer’s application for sale of Small Solar RECs, that includes a one-line diagram showing the Solar Facility, the interconnection equipment, breaker panel(s), PNM required disconnect switches, PNM meters and other required information. Customer represents and warrants that the information contained in Appendix A is accurate to the best of Customer’s knowledge as of the date of this Agreement.

5. TERM OF AGREEMENT. This Agreement shall be in effect for eight years from the Effective Date, unless terminated as provided herein.

6. TERMINATION. This Agreement shall automatically terminate (a) upon execution of a new REC Purchase Agreement between Customer and PNM; or (b) sixty (60) days after Customer closes the Electric Service Account unless Customer assigns this Agreement and the Interconnection Agreement as provided herein; or (c) upon termination of the Interconnection Agreement.

This Agreement may be terminated by the non-breaching Party in the event of any material breach of this Agreement that is not cured by the breaching Party within thirty (30) days of written notice from the other Party, or, if such breach is not susceptible to cure within thirty (30) days, if the breaching Party has not commenced to cure the breach within thirty (30) days and/or fails to proceed with reasonable diligence to cure such breach. Under no circumstances, however, shall the total cure period exceed ninety (90) days. If the breaching Party fails to cure the breach within the applicable cure period, the non-breaching Party may (a) terminate this Agreement, upon five (5) business day’s notice to breaching Party, and (b) exercise such other remedies as may be available at law or in equity or as otherwise provided in this Agreement.

If this Agreement is terminated for any reason, the final Small Solar REC payment will be calculated based on the last meter reading at the Premises. For Customers occupying the Premises, the final Small Solar REC payment will be calculated and applied to Customer’s final electric bill. For Customers leasing the Premises to a tenant, the final Small Solar REC payment will be calculated and paid directly to the Customer within thirty (30) calendar days. PNM may offset any final Small Solar REC payment amount against any amounts owed to PNM by Customer.

7. TRANSFER OF PREMISES; ASSIGNMENT OF AGREEMENT. If Customer sells the Premises and associated Solar Facility, Customer may assign this Agreement and the Interconnection Agreement to the new owner of the Premises. Such assignments must be made within sixty (60) days of the date the Customer terminates the Electric Service Account. If this Agreement and the Interconnection Agreement are not assigned within the 60-day period, this Agreement terminates.

8. RELOCATION OF SOLAR FACILITY. If Customer relocates the Solar Facility in its entirety to a different property within PNM’s service area, Customer shall: (a) notify PNM of such relocation within 30 days before the Solar Facility is relocated; (b) submit a new Application for Interconnection for the new premises; (c) complete
the interconnection process; and (d) amend this Agreement to reflect the new premises, electric service account and interconnection agreement number.

9. INTERRUPTION OR REDUCTION OF DELIVERIES. PNM shall not be obligated to pay for a reduction in the number of Small Solar RECs caused by interruptions of utility service or by utility required Solar Facility shutdowns as specified in the executed Standard Interconnection Agreement. If service to the Electric Service Account is discontinued for any time period for any reason permitted under applicable NMPRC rules: (a) PNM shall have no liability for and shall not pay Customer for any actual or potential generation that may or could have occurred while such service was discontinued; and (b) PNM shall have no liability for and shall not pay Customer for any RECs associated with any actual or potential generation that may or could have occurred while such service was discontinued.

10. ACCESS TO PREMISES. PNM may enter Customer's Premises at all reasonable hours to read or test meters.

11. NO WARRANTY OR GUARANTEE. The Parties agree that the sale and purchase of the Small Solar RECs is not an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the Small Solar Facility owned by Customer. Neither Party assumes the duty of inspecting the other Party's lines, wiring, apparatus, machinery or appliances, or any part thereof, and shall not be responsible to the other Party therefore. Customer agrees to install and maintain in a safe and efficient manner, and in accordance with good electrical practices and all applicable regulations, all of its lines, wiring, apparatus, machinery and appliances connected to PNM's electric distribution system.

12. POTENTIAL TAX LIABILITY. Customer understands that the sale and purchase of the Small Solar RECs may create a tax liability for Customer. Customer further understands that PNM may issue Internal Revenue Service Form 1099 or other tax form to Customer relating to these transactions. By signing this Agreement, Customer acknowledges and agrees that Customer has the sole responsibility for paying any federal, state or local taxes, including federal income tax that may be due on amounts received by Customer, or credited to Customer's account, as a result of transactions under this Agreement.

13. GOVERNING LAW. This Agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as if executed and to be performed wholly within the state of New Mexico.

14. AMENDMENT, MODIFICATIONS OR WAIVER. Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a
further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

15. NOTICES. Any notice, request, approval, consent, instruction, direction or other communication required or permitted under this Agreement shall be in writing and shall be deemed given if personally delivered, delivered by reputable overnight courier or sent by First Class Mail, postage prepaid, and shall be deemed received, if personally delivered, or delivered by courier, upon delivery, and if mailed, on the third day following deposit in the U. S. mail.

If to PNM:
Attention: Customer Owned Generation Programs
Public Service Company of New Mexico
414 Silver Ave SW
Albuquerque, NM 87102-1135

If to Customer:
Customer Name: ____________________
Address: ____________________________
______________________________
City: ____________________________

All notices under this Agreement shall refer to the Customer's Premises set forth in Section 1 of this Agreement.

16. ASSIGNMENT. Customer shall not assign this Agreement except as permitted in Section 7.

17. REGULATORY. This Agreement shall at all times be subject to such changes and modifications as shall be ordered from time to time by any legally constituted regulatory body, including the New Mexico Public Regulation Commission ("Commission"), having jurisdiction to require such changes and modifications. Notice shall be given in accordance with the Commission's requirements if and when the Commission is requested to take action which could cause a change in terms of this Agreement.

18. CERTIFICATION. Customer acknowledges and agrees that the RECs generated from the Small Solar Facility represent all of the environmental attributes associated with the generation of electricity from the Small Solar Facility. Customer certifies that the attributes represented by the Small Solar RECs are not being claimed by, delivered, sold and/or transferred to any other entity, in whole or in part. Customer also certifies that if the Premises is leased to a tenant, Customer has entered, or will enter, into an agreement with each tenant in which the tenant waives any and all right, title and interest in the Small Solar RECs. Customer will notify PNM immediately if Customer enters into a different arrangement with any tenant.
19. NO THIRD PARTY RIGHTS. Except as expressly provided in this Agreement, the Parties do not intend to create rights in, or grant remedies to, any third party beneficiary of this Agreement.

20. ENTIRE AGREEMENT. It is understood and agreed that all representations and agreements between the Parties covering the subject matter hereof are expressed herein and that no other representation of any kind or nature, whether made by the officers or agents of either of the Parties, shall be binding. There shall be no presumption or burden of proof favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

21. EFFECTIVE DATE. This Agreement is effective as of the last date of execution set forth below.

IN WITNESS WHEREOF, the Parties have caused two originals of this Agreement to be executed by their duly authorized representatives.

CUSTOMER

By: ________________________________  By: ________________________________
    Signature

Name: ________________________________  Name: ________________________________
    Printed Name

Title: ________________________________  Title: ________________________________
    i.e., "Owner" or "Homeowner"

Date: ________________________________  Date: ________________________________

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: ________________________________

Name: ________________________________

Title: ________________________________

Date: ________________________________
APPENDIX A

CUSTOMER’S APPLICATION FOR THE SOLAR REC INCENTIVE PROGRAM
CUSTOMER’S ONE-LINE DIAGRAM AND SITE DRAWING SHOWING SMALL SOLAR SYSTEM, METERING AND PROTECTION EQUIPMENT
PUBLIC SERVICE COMPANY OF NEW MEXICO

2ND REVISED SAMPLE FORM NO. 93
CANCELLING 1ST REVISED SAMPLE FORM NO. 93

STANDARD LARGE SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE AGREEMENT
FOR PARTICIPATION IN PNM'S SOLAR REC INCENTIVE PROGRAM

Agreement for Participation in PNM's Solar REC Incentive Program

Page 1 of 9

GCG#515876

Gerald T. Ortiz
Vice President, PNM Regulatory Affairs
THIS AGREEMENT, is made and entered into as of the Effective Date, as hereinafter defined, by and between ____________________________ ("Customer") and Public Service Company of New Mexico ("PNM") (individually "Party" or collectively "Parties").

WHEREAS, Customer owns or leases the Premises on which the Large Solar Facility described in Section 1 below is located; and

WHEREAS, Customer either owns the Large Solar Facility or leases the Large Solar Facility from a third party owner; and

WHEREAS, in accordance with 17.9.572.13.C NMAC, Customer is the owner of certain renewable energy certificates associated with the electricity generated by the Large Solar Facility and consumed on the Premises ("Large Solar RECs") either because Customer owns the Large Solar Facility or because Customer has entered into an agreement with the third party owner by which Customer will acquire all the Large Solar RECs; and

WHEREAS, Customer desires to sell and PNM desires to purchase the Large Solar RECs owned by Customer pursuant to the terms of this Agreement and as provided in PNM Rate 32;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. SOLAR FACILITY. Customer owns or leases the Premises on which the following solar photovoltaic ("PV") or solar thermal electric facility rated larger than 10kW_{AC} up to 100 kW_{AC} (the "Large Solar Facility") is located. The Large Solar Facility is associated with PNM electric service account number ____________________________ ("Electric Service Account") and is interconnected to PNM's electric distribution system pursuant to Standard Interconnection Agreement No. ____________________________ ("Interconnection Agreement"), effective on ____________________________:

   Solar Facility address ("Premises"): ____________________________
   ____________________________
   ____________________________

   Rated solar generating capacity: ____________________________ (kW_{DC STC})
kWDC STC is defined as the rated total capacity of the installed panels or collector at their DC output.

2. OWNER OF LARGE SOLAR FACILITY. Customer hereby certifies that the owner of the Large Solar Facility is (check appropriate box):

☐ Customer

☐ Third Party Owner

Name: __________________________________________
Contact Person: __________________________________
Address: _________________________________________
Telephone: ________________________________________

3. PURCHASE AND DELIVERY OF LARGE SOLAR RECs. PNM will purchase from Customer, and Customer will deliver to PNM, the Large Solar RECs that are generated by the Solar Facility and consumed each month on the Premises as metered by PNM. The applicable rate is __ cents per kWh as set forth in the notice by PNM that the Notice of Completion of Application and REC Reservation. The payment for the Large Solar RECs will be calculated by multiplying the applicable rate by the number of kWh of energy generated by the Solar Facility and consumed on the Premises as measured by a PNM meter as further described in Section 5 of this Agreement. PNM will pay Customer for the Large Solar RECs by crediting Customer’s monthly electric service bill unless the Customer is leasing the Premises to a tenant.

If the Solar Facility generates electricity in excess of the amount of electricity consumed each month on the Premises ("Excess Energy"), PNM shall purchase such Excess Energy at its avoided cost, and PNM shall receive from Customer, without cost, all RECs associated with such Excess Energy, to the extent authorized by the New Mexico Renewable Energy Act.

For Customers occupying the Premises: If payment for the Large Solar RECs generated up to Customer’s monthly consumption exceeds the Customer’s monthly electric service bill, a credit will be applied to the following month’s electric service bill, provided that the balance does not exceed two hundred dollars ($200.00). If the balance exceeds two hundred dollars ($200.00), PNM will issue a check to Customer for the entire balance before the beginning of the Customer’s next billing cycle.

For Customers leasing the Premises to a tenant: PNM will pay Customer for the Large Solar RECs generated by the Solar Facility located at the Premises up to the amount of the tenant’s consumption on a monthly basis, provided the payment exceeds two hundred dollars ($200.00).
Payments for Large Solar RECs will commence in the billing period subsequent to the execution of a Standard Interconnection Agreement and subsequent to PNM's receipt and execution of this Agreement. Purchase of Large Solar RECs produced by generating capacity added to the Large Solar System after execution of this Agreement will be made in accordance with Section 4 below.

4. MODIFICATION OF GENERATING FACILITIES. The rated capacity of the Solar Facility shall not be increased without prior approval of PNM and shall not be increased to a capacity greater than 100 kWAC in any event. PNM will purchase Large Solar RECs generated by a modified Solar Facility only upon execution of a new REC Purchase Agreement, at the applicable rate as of the effective date of such agreement.

5. METERING. Customer shall provide and install a meter socket to accommodate a PNM meter that measures only the total output of the Large Solar Facility inverter. This meter socket shall be installed in accordance with PNM's standard meter specifications and shall be in addition to the PNM meter socket used for the normal billing meter. Unless otherwise approved by PNM, this second meter socket shall be physically located next to the Customer-provided meter socket for the PNM electric billing meter. PNM shall furnish and install a standard kilowatt-hour meter for the purpose of measuring the total output of the Large Solar Facility inverter. In accordance with 17.9.570.10 NMAC, if provision of the net metering option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for net metering, Customer shall pay all incremental costs associated with installing the more costly metering equipment and facilities.

Attached hereto and incorporated herein as Appendix A is Customer's application for sale of Large Solar RECs, including a one-line diagram and three-line diagram showing the Large Solar Facility, the interconnection equipment, breaker panel(s), PNM required disconnect switches, PNM meters, PNM transformers and other required information. Customer represents and warrants that, to the best of Customer's knowledge, the information contained in Appendix A is accurate as of the date of this Agreement.

6. TERM OF AGREEMENT. This Agreement shall be in effect for eight (8) years from the Effective Date as stated in the Interconnection Agreement, unless terminated as provided herein.

7. TERMINATION. This Agreement shall automatically terminate (a) upon execution of a new REC Purchase Agreement between Customer and PNM; or (b) sixty (60) days after Customer closes the Electric Service Account unless Customer assigns this Agreement and the Interconnection Agreement as provided herein; or (c) upon termination of the Interconnection Agreement.

This Agreement may be terminated by a non-breaching Party if a material breach occurs with respect to the other Party at any time during the term of this Agreement.
The non-breaching Party may (a) terminate this Agreement upon five (5) business days’ notice to the breaching Party, and (b) exercise such other remedies as may be available at law or in equity or as otherwise provided in this Agreement.

As used in this Agreement, “material breach” means, as to the breaching Party (a) failure to make, when due, any payment required under this Agreement if such failure is not subject to offset and is not remedied within ten (10) business days after written notice of such failure is given to the breaching Party; or (b) any representation or warranty made by the breaching Party in this Agreement shall prove to have been false or misleading in any material respect when made; or (c) failure to perform any covenant or agreement set forth in this Agreement (other than its obligations to make any payment or obligations that are otherwise specifically covered as a separate material breach), and such failure is not cured by the breaching Party within thirty (30) days of written notice from the other Party, or, if such breach is not susceptible to cure within thirty (30) days, if the breaching Party has not commenced to cure the breach within thirty (30) days and/or fails to proceed with reasonable diligence to cure such breach; under no circumstances, however, shall the total cure period exceed ninety (90) days; or (d) making an assignment or any general arrangement for the benefit of creditors; or (e) filing a petition or otherwise commencing, authorizing or acquiescing in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or having such petition filed against it and such proceeding remains undismissed for thirty (30) days; or (f) otherwise becoming bankrupt or insolvent (however evidenced), or (g) being unable to pay its debts as they become due.

If this Agreement is terminated for any reason, the final Large Solar REC payment will be calculated based on the last meter reading at the Premises and the determination of whether or not any excess generation has occurred. If Customer is occupying the Premises, the final Large Solar REC payment will be calculated and applied to Customer’s final electric bill. If Customer is leasing the Premises to a tenant, the final Large Solar REC payment will be calculated and paid directly to Customer within thirty (30) calendar days. PNM may offset any final Large Solar REC payment amount against any amounts owed to PNM by Customer.

8. TRANSFER OF PREMISES; ASSIGNMENT OF AGREEMENT. If Customer sells the Premises and associated Solar Facility, Customer may assign this Agreement and the Interconnection Agreement to the new owner of the Premises. Such assignments must be made within sixty (60) days of the date the Customer terminates the Electric Service Account. If this Agreement and the Interconnection Agreement are not assigned within the 60-day period, this Agreement terminates.

9. RELOCATION OF SOLAR FACILITY. If Customer relocates the Solar Facility in its entirety to a different property within PNM’s service area, Customer shall: (a) notify PNM of such relocation within 30 days before the Solar Facility is relocated; (b) submit a new Application for Interconnection for the new premises; (c) complete the interconnection process; and (d) amend this Agreement to reflect the new premises, electric service account and interconnection agreement number.
10. INTERRUPTION OR REDUCTION OF DELIVERIES. PNM shall not be obligated to pay for a reduction in the number of Large Solar RECs caused by interruptions of utility service or by utility-required Large Solar Facility shutdowns as specified in the executed Standard Interconnection Agreement. If service to the Electric Service Account is discontinued for any time period for any reason permitted under applicable NMPRC rules, (a) PNM shall have no liability for and shall not pay Customer for any actual or potential generation that may or could have occurred while such service was discontinued; and (b) PNM shall have no liability for and shall not pay Customer for any RECs associated with any actual or potential generation that may or could have occurred while such service was discontinued.

11. ACCESS TO PREMISES. PNM may enter Customer’s Premises at all reasonable hours to read or test meters.

12. NO WARRANTY OR GUARANTEE. The Parties agree that the sale and purchase of the Large Solar RECs is not an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the Large Solar Facility. Neither Party assumes the duty of inspecting the other Party’s lines, wiring, apparatus, machinery or appliances, or any part thereof (collectively, “Associated Equipment”) and shall not be responsible to the other Party therefor. PNM further disclaims any obligation to inspect, and any liability for, Associated Equipment owned by Developer. Customer agrees to install and maintain, or to have installed and maintained, in a safe and efficient manner, and in accordance with good electrical practices and all applicable regulations, all of the Associated Equipment connected at the Premises to PNM’s electric distribution system.

13. POTENTIAL TAX LIABILITY. Customer understands that the sale and purchase of the Large Solar RECs may create a tax liability for Customer. Customer further understands that PNM may issue Internal Revenue Service Form 1099 or other tax form to Customer relating to these transactions. By signing this Agreement, Customer acknowledges and agrees that Customer has the sole responsibility for paying any federal, state or local taxes, including federal income tax, that may be due on amounts received by Customer, or credited to Customer’s account, as a result of transactions under this Agreement.

14. GOVERNING LAW. This agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as if executed and to be performed wholly within the state of New Mexico.

15. AMENDMENT, MODIFICATIONS OR WAIVER. Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a
further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

16. NOTICES. Any notice, request, approval, consent, instruction, direction or other communication required or permitted under this Agreement shall be in writing and shall be deemed given if personally delivered, delivered by reputable overnight courier or sent by First Class Mail, postage prepaid, and shall be deemed received, if personally delivered, or delivered by courier, upon delivery, and if mailed, on the third day following deposit in the U. S. mail.

If to PNM:
Attention: Customer Owned Generation Programs
Public Service Company of New Mexico
414 Silver Ave SW
Albuquerque, NM 87102-1135

If to Customer:

All notices under this Agreement shall refer to the Customer's Premises set forth in Section 1 of this Agreement.

17. ASSIGNMENT. Customer shall not assign this Agreement except as permitted in Section 8.

18. REGULATORY. This Agreement shall at all times be subject to such changes and modifications as shall be required from time to time by any legally constituted regulatory body, including the Commission, having jurisdiction to require such changes and modifications. Notice shall be given in accordance with the Commission's requirements if and when the Commission is requested to take action that could cause a change in terms of this Agreement.

19. CERTIFICATIONS, REPRESENTATIONS AND WARRANTIES. Customer acknowledges and agrees that the RECs generated from the Large Solar Facility represent all of the environmental attributes associated with the generation of electricity from the Large Solar Facility. Customer certifies that the attributes represented by the Large Solar RECs are not being claimed by, delivered, sold and/or transferred to any other entity, in whole or in part. Customer also certifies that if the Premises is leased to a tenant, Customer has entered, or will enter, into an agreement with each tenant in which the tenant waives any and all right, title and interest in the Large Solar RECs. Customer will notify PNM immediately if Customer enters into a different arrangement with any tenant. If Customer is leasing the Large Solar Facility, Customer further certifies that Customer has entered into a valid and binding agreement with Developer by which all right, title and interest in the Large Solar RECs belong to Customer without recourse by Developer. Customer represents and
warrants that Customer has good and marketable title to the Large Solar RECs and that Customer will transfer to PNM good and marketable title, free and clear of all claims, liens, security interests and encumbrances of any kind.

20. NO THIRD PARTY RIGHTS. Except as expressly provided in this Agreement, the Parties do not intend to create rights in, or grant remedies to, any third party beneficiary of this Agreement.

21. ENTIRE AGREEMENT. It is understood and agreed that all representations and agreements between the Parties covering the subject matter hereof are expressed herein and that no other representation of any kind or nature, whether made by the officers or agents of either of the Parties, shall be binding. There shall be no presumption or burden of proof favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

22. EFFECTIVE DATE. This Agreement is effective as of the last date of execution set forth below.

IN WITNESS WHEREOF, the Parties have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

CUSTOMER

By: ________________________________
Name: ______________________________
Title: ________________________________
Date: ________________________________

e.g., "Homeowner, "Business Owner", etc.

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________
APPENDIX A

CUSTOMER’S APPLICATION FOR THE SOLAR REC INCENTIVE PROGRAM
CUSTOMER’S ONE-LINE AND THREE-LINE DIAGRAM AND
SITE DRAWING SHOWING LARGE SOLAR SYSTEM, METERING AND
PROTECTION EQUIPMENT

See Interconnection Agreement No. ______
PUBLIC SERVICE COMPANY OF NEW MEXICO

1ST REVISED SAMPLE FORM NO. 94
CANCELING ORIGINAL SAMPLE FORM NO. 94

STANDARD SMALL SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE AGREEMENT
FOR THIRD PARTY OWNER PARTICIPATION IN PNM'S SOLAR REC INCENTIVE PROGRAM

for Third Party Owner Participation in PNM's Solar REC Incentive Program.
THIS AGREEMENT is made and entered into as of the Effective Date, as hereinafter defined, by and among (individually “Party” or collectively “Parties”): 

_________________________________________ (“Customer”),
_________________________________________ (“Third-Party Owner”),

and Public Service Company of New Mexico (“PNM”).

WHEREAS, Customer owns or leases the Premises on which the Small Solar Facility described in Section 1 below is located; and

WHEREAS, Third-Party Owner owns and/or operates the Small Solar Facility which is sized no greater than one hundred twenty percent (120%) of the average annual consumption of electricity in kWhAC by Customer at the Premises at which the Small Solar Facility is located; and

WHEREAS, in accordance with 17.9.572.13.C NMAC, Third-Party Owner is the owner of certain renewable energy certificates associated with the electricity generated by the Small Solar Facility and consumed by Customer on the Premises (“Solar RECs”); and

WHEREAS, Third-Party Owner desires to sell and PNM desires to purchase the Solar RECs pursuant to the terms of this Agreement and as provided in PNM Rate 32;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. SOLAR FACILITY. Customer owns or leases the Premises on which the following solar photovoltaic (“PV”) or solar thermal electric facility rated no larger than 10kWAC (the “Small Solar Facility”) is located. The Small Solar Facility is associated with PNM electric service account numbers: 
_________________________________________ (“Electric Service Account”), and 
_________________________________________ (“REC Payment Account”), and is interconnected to PNM’s electric distribution system pursuant to Interconnection Agreement No. 
_________________________________________ (“Interconnection Agreement”), effective on ____________:

Solar Facility address: ________________

______________________________________

Rated solar generating capacity: __________ (kWDC STC)
“kWDC STC” is defined as the rated total capacity of the installed panels or collector at their DC output.

“Premises” is defined as the building, structure, or facility to which electricity is being or is to be furnished by the Solar Facility; two or more buildings, structures, or facilities located on one tract or contiguous tracts of land that are utilized by one Customer for residential, commercial, industrial, institutional, or governmental purposes constitutes one Premises, except that any such building, structure, or facility shall not, together with any other building, structure, or facility, constitute one Premises if the electric service to it is separately metered and the charges for such service are calculated independently of charges for service to any other building, structure, or facility.

2. OWNER OF SMALL SOLAR FACILITY. Customer and Third-Party Owner hereby certify that Third-Party Owner is the owner or long-term lessee of the Small Solar Facility. Third-Party Owner’s contact information is:

Name: 
Contact Person: ____________________________
Address: ____________________________
Telephone: ____________________________
REC Payment Account No. ____________________________

3. PURCHASE AND DELIVERY OF SMALL SOLAR RECs. PNM will purchase from Third-Party Owner, and Third-Party Owner will deliver to PNM, the Solar RECs that are generated by the Solar Facility each month on the Premises as metered by PNM. The applicable rate is ____ cents per kWh as set forth by PNM in its Notice of Completion of Application and REC Reservation. The payment for the Solar RECs will be calculated by multiplying the applicable rate by the number of kWh of energy generated by the Solar Facility on the Premises as measured by a PNM meter as further described in Section 5 of this Agreement.

Solar REC purchase payments that total in excess of $20 will be paid to Third-Party Owner on a monthly basis. If the amount due for the Solar RECs is less than $20 the amount will be carried forward to the following month until such time as the balance due exceeds $20, at which time the total balance due will be paid directly to Third-Party Owner.

Payments by PNM to Third-Party Owner for Solar RECs will commence subsequent to the execution of a Standard Interconnection Agreement, PNM’s receipt and execution of this Agreement, and one month after the billing cycle in which the meters on Customer’s Premises are read. Payments for Solar RECs shall be made within thirty (30) days of the date the meters on the Premises are read by PNM. Purchase of Solar RECs produced by generating capacity added to the Small Solar
System after execution of this Agreement will be made in accordance with Section 4 below.

4. MODIFICATION OF GENERATING FACILITIES. The rated capacity of the Solar Facility shall not be increased without prior approval of PNM and shall not be increased to a capacity greater than 10 kWAC in any event. PNM will purchase Solar RECs generated by a modified Solar Facility only upon execution of a new REC Purchase Agreement, at the applicable rate as of the effective date of such agreement.

5. METERING. Third-Party Owner shall provide and install, at its own expense, a meter socket to accommodate a PNM meter that measures only the total output of the Small Solar Facility inverters. This meter socket shall be installed in accordance with PNM's standard meter specifications and shall be in addition to the PNM meter socket used for the normal billing meter. Unless otherwise approved by PNM, this second meter socket shall be physically located next to the Customer/Third-Party Owner-provided meter socket for the PNM electric billing meter. PNM shall furnish and install a standard kilowatt-hour meter for the purpose of measuring the total output of the Small Solar Facility inverter. In accordance with 17.9.570.14 NMAC, if provision of the net metering option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for net metering, PNM shall not incur, and shall not be liable for, any incremental costs associated with installing the more costly metering equipment and facilities.

Attached hereto and incorporated herein as Appendix A is the application for interconnection and sale of Solar RECs, including a one-line diagram showing the Small Solar Facility, the interconnection equipment, breaker panel(s), PNM required disconnect switches, PNM meters, PNM transformers and other required information. Customer and Third-Party Owner represent and warrant, jointly and severally, that the information contained in Appendix A is accurate as of the date of this Agreement.

6. TERM OF AGREEMENT. This Agreement shall be in effect for eight (8) years from the Effective Date as stated in the Interconnection Agreement, unless terminated as provided herein.

7. TERMINATION. This Agreement shall automatically terminate (a) upon execution of a new REC Purchase Agreement among the Parties; (b) sixty (60) days after Customer closes the Electric Service Account unless Customer assigns this Agreement and the Interconnection Agreement as provided herein; or (c) upon termination of the Interconnection Agreement.

This Agreement may be terminated by a non-breaching Party if a material breach occurs with respect to any Party at any time during the term of this Agreement. A non-breaching Party may (a) terminate this Agreement upon five (5) business days’ notice to the breaching Party with a copy to the other non-breaching Party, and (b) exercise such other remedies as may be available at law or in equity or as otherwise provided in this Agreement.
As used in this Agreement, “material breach” means, as to the breaching Party (a) failure to make, when due, any payment required under this Agreement if such failure is not subject to offset and is not remedied within ten (10) business days after written notice of such failure is given to the breaching Party; or (b) any representation or warranty made by the breaching Party in this Agreement shall prove to have been false or misleading in any material respect when made; or (c) failure to perform any covenant or agreement set forth in this Agreement (other than its obligations to make any payment or obligations that are otherwise specifically covered as a separate material breach), and such failure is not cured by the breaching Party within thirty (30) days of written notice from any non-breaching Party, or, if such breach is not susceptible to cure within thirty (30) days, if the breaching Party has not commenced to cure the breach within thirty (30) days and/or fails to proceed with reasonable diligence to cure such breach; under no circumstances, however, shall the total cure period exceed ninety (90) day; or (d) making an assignment or any general arrangement for the benefit of creditors; or (e) filing a petition or otherwise commencing, authorizing or acquiescing in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or having such petition filed against it and such proceeding remains undischmissed for thirty (30) days; or (f) otherwise becoming bankrupt or insolvent (however evidenced), or (g) being unable to pay its debts as they become due.

If this Agreement is terminated for any reason, the final Small Solar REC payment will be calculated based on PNM’s last meter readings at the Premises and Solar Facility. The Third-Party Owner will be paid for RECs up to the amount generated at the Premises through the date of the last meter reading, except that PNM may offset such payment against any amounts owed to PNM by Third-Party Owner. PNM shall purchase any Excess Energy from Customer at PNM’s avoided cost, except that PNM may offset such payment against any amounts owed to PNM by Customer, Payment for any Excess Energy will be calculated and paid directly to Customer within thirty (30) calendar of the last meter reading.

8. TRANSFER OF PREMISES; ASSIGNMENT OF AGREEMENT. If Customer sells or leases the Premises, Customer may assign this Agreement and the Interconnection Agreement to the new owner or occupant of the Premises upon prior written consent of Third-Party Owner and PNM, which consent shall not be unreasonably withheld or delayed. Such assignments must be made within sixty (60) days of the date the Customer terminates the Electric Service Account. If this Agreement and the Interconnection Agreement are not assigned within the 60-day period, this Agreement terminates.

9. TRANSFER OF SMALL SOLAR FACILITY; ASSIGNMENT OF AGREEMENT. If Third-Party Owner sells the Small Solar Facility, Third-Party Owner may assign this Agreement and the Interconnection Agreement to the new owner of the Small Solar Facility upon prior written consent of Customer and PNM, which consent shall not be unreasonably withheld or delayed. Such assignment must be made within thirty (30) days of the date the Third-Party Owner closes on the sale of the Small Solar Facility. If this Agreement and the Interconnection Agreement are not assigned within the 30-day period, this Agreement terminates.
10. RELOCATION OF SOLAR FACILITY.
   a. If Third-Party Owner relocates the Solar Facility in its entirety to a different property owned or leased by Customer within PNM’s service area, Third-Party Owner shall: (a) notify PNM of such relocation within 30 days before the Solar Facility is relocated; (b) submit a new Application for Interconnection for the new Premises; and (c) complete the interconnection process. The Parties shall amend this Agreement to reflect the new Premises, the new Electric Service Account number and the new REC Payment Account number. The Parties understand and agree that the rated solar generation of the Solar Facility shall not be modified, and the term of this Agreement shall not be extended, on account of the relocation.
   b. If Third-Party Owner relocates the Solar Facility in its entirety to a different property within PNM’s service area, and such property is not owned by or leased by Customer, this Agreement shall terminate upon disconnection of the Solar Facility from PNM’s system, unless earlier terminated as set forth in this Agreement. Third-Party Owner shall: (a) notify PNM of such relocation within 30 days before the Solar Facility is relocated; (b) submit a new Application for Interconnection for the new Premises; (c) complete the interconnection process; and (d) enter into a new REC purchase agreement at the applicable rate as of the effective date of such agreement.

11. INTERRUPTION OR REDUCTION OF DELIVERIES; DISCONTINUANCE OF SERVICE. PNM shall not be obligated to pay for a reduction in the number of Solar RECs caused by interruptions of utility service or by utility-required Small Solar Facility shutdowns as specified in the executed Standard Interconnection Agreement or due to actions caused by Customer or Third-Party Owner. If service to the Electric Service Account is discontinued for any time period for any reason permitted under applicable NMPRC rules: (a) PNM shall have no liability for and shall not pay Customer for any actual or potential generation that may or could have occurred while such service was discontinued; and (b) PNM shall have no liability for and shall not pay Third-Party Owner for any RECs associated with any actual or potential generation that may or could have occurred while service to the Electric Service Account is discontinued.

12. ACCESS TO PREMISES. PNM may enter Customer’s Premises at all reasonable hours to read or test meters and for access to the Solar Facility.

13. NO WARRANTY OR GUARANTEE. The Parties agree that the sale and purchase of the Solar RECs is not an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the Small Solar Facility. No Party assumes the duty of inspecting any other Party’s lines, wiring, apparatus, machinery or appliances, or any part thereof (collectively, “Associated Equipment”) and shall not be responsible to any other Party therefore. PNM further disclaims any obligation to inspect, and any liability for, Associated Equipment owned by Third-Party Owner. Third-Party Owner and Customer agree to install and maintain, or to have installed and maintained, in a safe and efficient manner, and in accordance with good electrical practices and all applicable
regulations, all of the Associated Equipment connected at the Premises to PNM's
electric distribution system.

14. POTENTIAL TAX LIABILITY. Third-Party Owner understands that the sale and
purchase of the Small Solar RECs may create a tax liability for Third-Party Owner.
Third-Party Owner further understands that PNM may issue Internal Revenue Service
Form 1099 or other tax form to Third-Party Owner relating to these transactions. By
signing this Agreement, Third-Party Owner acknowledges and agrees that Third-
Party Owner has the sole responsibility for paying any federal, state or local taxes,
including federal income tax, that may be due on amounts received by Third-Party
Owner, as a result of transactions under this Agreement. Third-Party Owner hereby
indemnifies and defends PNM and Customer, and their respective officers, directors,
employees, boards, commission, agents, successors and assigns, from and against any
and all such taxes and any and all charges or damages arising out of Third-Party
Owner's failure to pay such taxes or any associated penalties.

15. GOVERNING LAW. This agreement shall be interpreted, governed, and construed
under the laws of the state of New Mexico as if executed and to be performed wholly
within the state of New Mexico.

16. AMENDMENT, MODIFICATIONS OR WAIVER. Any amendments or
modifications to this Agreement shall be in writing and agreed to by the Parties. The
failure of any Party at any time or times to require performance of any provision
hereof shall in no manner affect the right at a later time to enforce the same. No
waiver by any Party of the breach of any term or covenant contained in this
Agreement, whether by conduct or otherwise, shall be deemed to be, or construed as,
a further or continuing waiver of any such breach or a waiver of the breach of any
other term or covenant unless such waiver is in writing.

17. NOTICES. Except as expressly agreed in writing among the Parties, any notice,
request, approval, consent, instruction, direction or other communication required or
permitted under this Agreement shall be in writing and shall be deemed given if
personally delivered, delivered by reputable overnight courier or sent by First Class
Mail, postage prepaid, and shall be deemed received, if personally delivered, or
delivered by courier, upon delivery, and if mailed, on the third day following deposit
in the U. S. mail.

If to PNM:
Attention: Customer Owned Generation Programs
Public Service Company of New Mexico
414 Silver Ave SW
Albuquerque, NM 87102-1135

If to Customer:
Customer Name: __________________________
Address: ________________________________
City: ________________________________

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18. ASSIGNMENT. Except as otherwise provided in this Section 18, no Party shall assign this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably conditioned, delayed or withheld.

18.1 Any Party may assign any of its rights, duties, or obligations under this Agreement to any Affiliate (which shall include a successor entity in a merger or acquisition transaction) of the assigning Party, provided such assignee (a) has a credit rating that is equal to or greater than the credit rating of the assigning Party’s credit rating; (b) has the legal authority and operational ability to satisfy the assigning Party’s obligations under this Agreement; and (c) agrees to be bound by the terms and conditions of this Agreement. In the event PNM makes such an assignment, it shall be relieved of all financial responsibility related to this Agreement.

18.2 Third-Party Owner may assign any of its rights, duties or obligations under this Agreement to one or more Affiliates or third parties in connection with a sale-and-leaseback or other debt and/or equity financing transaction to aid in financing of the Small Solar Facility. In connection with such an assignment, Third-Party Owner may pledge its interest in this Agreement, including any rights to payment, as collateral or security for loans or financing against its personal property. Any financing arrangement entered into by Third-Party Owner pursuant to this section will provide that, before or upon the exercise of the secured party’s, trustee’s, mortgagee’s or other third party’s assignment rights pursuant to such arrangement, the secured party, trustee, mortgagee or other third party will notify PNM of the date and particulars of any such exercise of assignment right(s).

18.3 Notwithstanding anything to the contrary herein, no assignment by Third-Party Owner or Customer shall be effective until Third-Party Owner or Customer has notified PNM of such assignment and has obtained all applicable consents from PNM. No assignment under this Agreement shall expand a Party’s obligations under this Agreement. Any attempted assignment that violates this Section 18 is void and ineffective.

18.4 As used herein, “Affiliate(s)” of a Party means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such
Party and any Person in which a Party has an ownership interest and to which the Party or an Affiliate of the Party provides services. For the purposes of this definition, (a) “control” means the power to direct the management or policies directly or indirectly whether through the ownership of voting securities, by contract, or otherwise; and (b) “Person” means an individual, partnership, corporation, limited liability company, company, business trust, joint stock company, trust, unincorporated association, joint venture, government authority or other legally recognized entity of whatever nature.

19. REGULATORY. This Agreement shall at all times be subject to such changes and modifications as shall be required from time to time by any legally constituted regulatory body, including the Commission, having jurisdiction to require such changes and modifications. Notice shall be given in accordance with the Commission’s requirements if and when the Commission is requested to take action that could cause a change in terms of this Agreement.

20. CERTIFICATIONS, REPRESENTATIONS AND WARRANTIES. Third-Party Owner acknowledges and agrees that the RECs generated from the Small Solar Facility represent all of the environmental attributes associated with the generation of electricity from the Small Solar Facility. Third-Party Owner certifies that the attributes represented by the Small Solar RECs are not being claimed by, delivered, sold and/or transferred to any other entity, in whole or in part. Third-Party Owner represents and warrants that Third-Party Owner has good and marketable title to the Solar RECs and will transfer good and marketable title, free and clear of all claims, liens, security interests and encumbrances of any kind. Customer understands and agrees that Solar REC payments to be made under this Agreement will be made to Third-Party Owner and that Customer has no right, title or interest in or to such Solar REC payments or the RECs generated by the Solar Facility.

21. THIRD PARTY BENEFICIARIES. Except as expressly provided in this Agreement, the Parties do not intend to create rights in, or grant remedies to, any third party beneficiary of this Agreement not specifically included herein.

22. ENTIRE AGREEMENT. It is understood and agreed that all representations and agreements among the Parties covering the subject matter hereof are expressed herein and that no other representation of any kind or nature, whether made by the officers or agents of either of the Parties, shall be binding. There shall be no presumption or burden of proof favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

23. EFFECTIVE DATE. This Agreement is effective as of the last date of execution set forth below.
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

CUSTOMER

By: ____________________________
   Signature
Name: __________________________
   Printed Name
Title: __________________________
   e.g., "Homeowner, "Business Owner", etc.
Date: ________________

THIRD-PARTY OWNER

By: ____________________________
   Signature
Name: __________________________
   Printed Name
Title: __________________________
Date: ________________

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: ____________________________
   Signature
Name: __________________________
   Printed Name
Title: __________________________
Date: ________________
APPENDIX A

APPLICATION FOR THE SMALL SOLAR REC INCENTIVE PROGRAM
THIRD-PARTY OWNER’S ONE-LINE DIAGRAM AND
SITE DRAWING SHOWING SMALL SOLAR SYSTEM, METERING AND
PROTECTION EQUIPMENT
PUBLIC SERVICE COMPANY OF NEW MEXICO

1ST REVISED SAMPLE FORM NO. 95
CANCELING ORIGINAL SAMPLE FORM NO. 95

STANDARD LARGE SOLAR RENEWABLE ENERGY CERTIFICATE PURCHASE AGREEMENT
FOR THIRD PARTY OWNER PARTICIPATION IN PNM'S SOLAR REC INCENTIVE PROGRAM

for Third Party Owner Participation in PNM's Solar REC Incentive Program

Page 1 of 11

GCG#515876

Gerard T. Ortiz
Vice President, PNM Regulatory Affairs
THIS AGREEMENT is made and entered into as of the Effective Date, as hereinafter defined, by and among (individually "Party" or collectively "Parties"): ("Customer"), ("Third-Party Owner") and Public Service Company of New Mexico ("PNM").

WHEREAS, Customer owns or leases the Premises on which the Large Solar Facility described in Section 1 below is located; and

WHEREAS, Third-Party Owner owns and/or operates the Large Solar Facility which is sized no greater than one hundred twenty percent (120%) of the average annual consumption of electricity in kWh by Customer at the Premises at which the Large Solar Facility is located; and

WHEREAS, in accordance with 17.9.572.13.C NMAC, Third-Party Owner is the owner of certain renewable energy certificates associated with the electricity generated by the Large Solar Facility and consumed by Customer on the Premises ("Solar RECs"); and

WHEREAS, Third-Party Owner desires to sell and PNM desires to purchase the Solar RECs pursuant to the terms of this Agreement and as provided in PNM Rate 32;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. SOLAR FACILITY. Customer owns or leases the Premises on which the following solar photovoltaic ("PV") or solar thermal electric facility rated larger than 10kW<sub>AC</sub> up to 100 kW<sub>AC</sub> (the "Large Solar Facility") is located. The Large Solar Facility is associated with PNM electric service account numbers: ("Electric Service Account"), and ("REC Payment Account"), and is interconnected to PNM’s electric distribution system pursuant to Interconnection Agreement No. ("Interconnection Agreement"), effective on :

   Solar Facility address:
   
   Rated solar generating capacity: (kW<sub>DC</sub> STC)
“kWDC STC” is defined as the rated total capacity of the installed panels or collector at their DC output.

“Premises” is defined as the building, structure, or facility to which electricity is being or is to be furnished by the Solar Facility; two or more buildings, structures, or facilities located on one tract or contiguous tracts of land that are utilized by one Customer for residential, commercial, industrial, institutional, or governmental purposes constitutes one Premises, except that any such building, structure, or facility shall not, together with any other building, structure, or facility, constitute one Premises if the electric service to it is separately metered and the charges for such service are calculated independently of charges for service to any other building, structure, or facility.

2. OWNER OF LARGE SOLAR FACILITY. Customer and Third-Party Owner hereby certify that Third-Party Owner is the owner or long-term lessee of the Large Solar Facility. Third-Party Owner’s contact information is:

Name: ________________________________
Contact Person: __________________________
Address: _______________________________
Telephone: _____________________________
REC Payment Account No. ________________

3. PURCHASE AND DELIVERY OF LARGE SOLAR RECs. PNM will purchase from Third-Party Owner, and Third-Party Owner will deliver to PNM, the Solar RECs that are generated by the Solar Facility and associated with the energy consumed each month on the Premises as metered by PNM. The applicable rate is __ cents per kWh as set forth by PNM in its Notice of Completion of Application and REC Reservation. The payment for the Solar RECs will be calculated by multiplying the applicable rate by the number of kWh of energy generated by the Solar Facility and consumed on the Premises as measured by a PNM meter as further described in Section 5 of this Agreement.

If the Solar Facility generates electricity in excess of the amount of electricity consumed each month on the Premises ("Excess Energy"), PNM shall purchase such Excess Energy from Customer at its avoided cost, and PNM shall receive from Third-Party Owner, without cost, all RECs associated with such Excess Energy, to the extent authorized by the New Mexico Renewable Energy Act.

Solar REC purchase payments that total in excess of $200 will be paid to Third-Party Owner on a monthly basis. If the amount due for the Solar RECs is less than $200 the amount will be carried forward to the following month until such time as the balance due exceeds $200, at which time the total balance due will be paid directly to Third-Party Owner.
Payments by PNM to Third-Party Owner for Solar RECs will commence subsequent to the execution of a Standard Interconnection Agreement, PNM’s receipt and execution of this Agreement, and the billing cycle in which the meters on Customer’s Premises are read. Payments for Solar RECs shall be made within thirty (30) days of the date the meters on the Premises are read by PNM. Purchase of Solar RECs produced by generating capacity added to the Large Solar System after execution of this Agreement will be made in accordance with Section 4 below.

4. MODIFICATION OF GENERATING FACILITIES. The rated capacity of the Solar Facility shall not be increased without prior approval of PNM and shall not be increased to a capacity greater than 100 kWAC in any event. PNM will purchase Solar RECs generated by a modified Solar Facility only upon execution of a new REC Purchase Agreement, at the applicable rate as of the effective date of such agreement.

5. METERING. Third-Party Owner shall provide and install, at its own expense, a meter socket to accommodate a PNM meter that measures only the total output of the Large Solar Facility inverters. This meter socket shall be installed in accordance with PNM’s standard meter specifications and shall be in addition to the PNM meter socket used for the normal billing meter. Unless otherwise approved by PNM, this second meter socket shall be physically located next to the Customer/Third-Party Owner-provided meter socket for the PNM electric billing meter. PNM shall furnish and install a standard kilowatt-hour meter for the purpose of measuring the total output of the Large Solar Facility inverter. In accordance with 17.9.570.10 NMAC, if provision of the net metering option requires metering equipment and related facilities that are more costly than would otherwise be necessary absent the requirement for net metering, PNM shall not incur, and shall not be liable for, any incremental costs associated with installing the more costly metering equipment and facilities.

Attached hereto and incorporated herein as Appendix A is the application for interconnection and sale of Solar RECs, including a one-line diagram and three-line diagram showing the Large Solar Facility, the interconnection equipment, breaker panel(s), PNM required disconnect switches, PNM meters, PNM transformers and other required information. Customer and Third-Party Owner represent and warrant, jointly and severally, that the information contained in Appendix A is accurate as of the date of this Agreement.

6. TERM OF AGREEMENT. This Agreement shall be in effect for eight (8) years from the Effective Date as stated in the Interconnection Agreement, unless terminated as provided herein.

7. TERMINATION. This Agreement shall automatically terminate (a) upon execution of a new REC Purchase Agreement among the Parties; (b) sixty (60) days after Customer closes the Electric Service Account unless Customer assigns this Agreement and the Interconnection Agreement as provided herein; or (c) upon termination of the Interconnection Agreement.
This Agreement may be terminated by a non-breaching Party if a material breach occurs with respect to any Party at any time during the term of this Agreement. A non-breaching Party may (a) terminate this Agreement upon five (5) business days’ notice to the breaching Party with a copy to the other non-breaching Party, and (b) exercise such other remedies as may be available at law or in equity or as otherwise provided in this Agreement.

As used in this Agreement, “material breach” means, as to the breaching Party (a) failure to make, when due, any payment required under this Agreement if such failure is not subject to offset and is not remedied within ten (10) business days after written notice of such failure is given to the breaching Party; or (b) any representation or warranty made by the breaching Party in this Agreement shall prove to have been false or misleading in any material respect when made; or (c) failure to perform any covenant or agreement set forth in this Agreement (other than its obligations to make any payment or obligations that are otherwise specifically covered as a separate material breach), and such failure is not cured by the breaching Party within thirty (30) days of written notice from any non-breaching Party, or, if such breach is not susceptible to cure within thirty (30) days, if the breaching Party has not commenced to cure the breach within thirty (30) days and/or fails to proceed with reasonable diligence to cure such breach; under no circumstances, however, shall the total cure period exceed ninety (90) days; or (d) making an assignment or any general arrangement for the benefit of creditors; or (e) filing a petition or otherwise commencing, authorizing or acquiescing in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or having such petition filed against it and such proceeding remains undismissed for thirty (30) days; or (f) otherwise becoming bankrupt or insolvent (however evidenced), or (g) being unable to pay its debts as they become due.

If this Agreement is terminated for any reason, the final Large Solar REC payment will be calculated based on PNM’s last meter readings at the Premises and Solar Facility and the determination of whether or not any excess generation has occurred. The Third-Party Owner will be paid for RECs up to the amount of Customer’s consumption at the Premises through the date of the last meter reading, except that PNM may offset such payment against any amounts owed to PNM by Third-Party Owner. PNM shall purchase any Excess Energy from Customer at PNM’s avoided cost, except that PNM may offset such payment against any amounts owed to PNM by Customer, and PNM shall own outright all RECs associated with such Excess Energy to the extent authorized by the New Mexico Renewable Energy Act. Payment for any Excess Energy will be calculated and paid directly to Customer within thirty (30) calendar of the last meter reading.

8. TRANSFER OF PREMISES; ASSIGNMENT OF AGREEMENT. If Customer sells or leases the Premises, Customer may assign this Agreement and the Interconnection Agreement to the new owner or occupant of the Premises upon prior written consent of Third-Party Owner and PNM, which consent shall not be unreasonably withheld or delayed. Such assignments must be made within sixty (60) days of the date the Customer terminates the Electric Service Account. If this Agreement and the
Interconnection Agreement are not assigned within the 60-day period, this Agreement terminates.

9. TRANSFER OF LARGE SOLAR FACILITY; ASSIGNMENT OF AGREEMENT. If Third-Party Owner sells the Large Solar Facility, Third-Party Owner may assign this Agreement and the Interconnection Agreement to the new owner of the Large Solar Facility upon prior written consent of Customer and PNM, which consent shall not be unreasonably withheld or delayed. Such assignment must be made within thirty (30) days of the date the Third-Party Owner closes on the sale of the Large Solar Facility. If this Agreement and the Interconnection Agreement are not assigned within the 30-day period, this Agreement terminates.

10. RELOCATION OF SOLAR FACILITY.
   a. If Third-Party Owner relocates the Solar Facility in its entirety to a different property owned or leased by Customer within PNM’s service area, Third-Party Owner shall: (a) notify PNM of such relocation within 30 days before the Solar Facility is relocated; (b) submit a new Application for Interconnection for the new Premises; and (c) complete the interconnection process. The Parties shall amend this Agreement to reflect the new Premises, the new Electric Service Account number and the new REC Payment Account number. The Parties understand and agree that the rated solar generation capacity of the Solar Facility shall not be modified, and the term of this Agreement shall not be extended, on account of the relocation.
   b. If Third-Party Owner relocates the Solar Facility in its entirety to a different property within PNM’s service area, and such property is not owned by or leased by Customer, this Agreement shall terminate upon disconnection of the Solar Facility from PNM’s system, unless earlier terminated as set forth in this Agreement. Third-Party Owner shall: (a) notify PNM of such relocation within 30 days before the Solar Facility is relocated; (b) submit a new Application for Interconnection for the new Premises; (c) complete the interconnection process; and (d) enter into a new REC purchase agreement at the applicable rate as of the effective date of such agreement.

11. INTERRUPTION OR REDUCTION OF DELIVERIES; DISCONTINUANCE OF SERVICE. PNM shall not be obligated to pay for a reduction in the number of Solar RECs caused by interruptions of utility service or by utility-required Large Solar Facility shutdowns as specified in the executed Standard Interconnection Agreement or due to actions caused by Customer or Third-Party Owner. If service to the Electric Service Account is discontinued for any time period for any reason permitted under applicable NMPRC rules: (a) PNM shall have no liability for and shall not pay Customer for any actual or potential generation that may or could have occurred while such service was discontinued; and (b) PNM shall have no liability for and shall not pay Third-Party Owner for any RECs associated with any actual or potential generation that may or could have occurred while service to the Electric Service Account is discontinued.

12. ACCESS TO PREMISES. PNM may enter Customer's Premises at all reasonable hours to read or test meters and for access to the Solar Facility.
13. NO WARRANTY OR GUARANTEE. The Parties agree that the sale and purchase of the Solar RECs is not an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of the Large Solar Facility. No Party assumes the duty of inspecting any other Party's lines, wiring, apparatus, machinery or appliances, or any part thereof (collectively, "Associated Equipment") and shall not be responsible to any other Party therefore. PNM further disclaims any obligation to inspect, and any liability for, Associated Equipment owned by Third-Party Owner. Third-Party Owner and Customer agree to install and maintain, or to have installed and maintained, in a safe and efficient manner, and in accordance with good electrical practices and all applicable regulations, all of the Associated Equipment connected at the Premises to PNM's electric distribution system.

14. POTENTIAL TAX LIABILITY. Third-Party Owner understands that the sale and purchase of the Large Solar RECs may create a tax liability for Third-Party Owner. Third-Party Owner further understands that PNM may issue Internal Revenue Service Form 1099 or other tax form to Third-Party Owner relating to these transactions. By signing this Agreement, Third-Party Owner acknowledges and agrees that Third-Party Owner has the sole responsibility for paying any federal, state or local taxes, including federal income tax that may be due on amounts received by Third-Party Owner, as a result of transactions under this Agreement. Third-Party Owner hereby indemnifies and defends PNM and Customer, and their respective officers, directors, employees, boards, commission, agents, successors and assigns, from and against any and all such taxes and any and all charges or damages arising out of Third-Party Owner's failure to pay such taxes or any associated penalties.

15. GOVERNING LAW. This agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as if executed and to be performed wholly within the state of New Mexico.

16. AMENDMENT, MODIFICATIONS OR WAIVER. Any amendments or modifications to this Agreement shall be in writing and agreed to by the Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be, or construed as, a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

17. NOTICES. Except as expressly agreed in writing among the Parties, any notice, request, approval, consent, instruction, direction or other communication required or permitted under this Agreement shall be in writing and shall be deemed given if personally delivered, delivered by reputable overnight courier or sent by First Class Mail, postage prepaid, and shall be deemed received, if personally delivered, or delivered by courier, upon delivery, and if mailed, on the third day following deposit in the U. S. mail.
18. ASSIGNMENT. Except as otherwise provided in this Section 18, no Party shall assign this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably conditioned, delayed or withheld.

18.1 Any Party may assign any of its rights, duties, or obligations under this Agreement to any Affiliate (which shall include a successor entity in a merger or acquisition transaction) of the assigning Party, provided such assignee (a) has a credit rating that is equal to or greater than the credit rating of the assigning Party’s credit rating; (b) has the legal authority and operational ability to satisfy the assigning Party’s obligations under this Agreement; and (c) agrees to be bound by the terms and conditions of this Agreement. In the event PNM makes such an assignment, it shall be relieved of all financial responsibility related to this Agreement.

18.2 Third-Party Owner may assign any of its rights, duties or obligations under this Agreement to one or more Affiliates or third parties in connection with a sale-and-leaseback or other debt and/or equity financing transaction to aid in financing of the Large Solar Facility. In connection with such an assignment, Third-Party Owner may pledge its interest in this Agreement, including any rights to payment, as collateral or security for loans or financing against its personal property. Any financing arrangement entered into by Third-Party Owner pursuant to this section will provide that, before or upon the exercise of the secured party’s, trustee’s, mortgagee’s or other third party’s assignment rights pursuant to such arrangement, the secured party, trustee, mortgagee or other third party will notify PNM of the date and particulars of any such exercise of assignment right(s).
18.3 Notwithstanding anything to the contrary herein, no assignment by Third-Party Owner or Customer shall be effective until Third-Party Owner or Customer has notified PNM of such assignment and has obtained all applicable consents from PNM. No assignment under this Agreement shall expand a Party's obligations under this Agreement. Any attempted assignment that violates this Section 18 is void and ineffective.

18.4 As used herein, "Affiliate(s)" of a Party means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such Party and any Person in which a Party has an ownership interest and to which the Party or an Affiliate of the Party provides services. For the purposes of this definition, (a) “control” means the power to direct the management or policies directly or indirectly whether through the ownership of voting securities, by contract, or otherwise; and (b) “Person” means an individual, partnership, corporation, limited liability company, company, business trust, joint stock company, trust, un incorporated association, joint venture, government authority or other legally recognized entity of whatever nature.

19. REGULATORY. This Agreement shall at all times be subject to such changes and modifications as shall be required from time to time by any legally constituted regulatory body, including the Commission, having jurisdiction to require such changes and modifications. Notice shall be given in accordance with the Commission's requirements if and when the Commission is requested to take action that could cause a change in terms of this Agreement.

20. CERTIFICATIONS, REPRESENTATIONS AND WARRANTIES. Third-Party Owner acknowledges and agrees that the RECs generated from the Large Solar Facility represent all of the environmental attributes associated with the generation of electricity from the Large Solar Facility. Third-Party Owner certifies that the attributes represented by the Large Solar RECs are not being claimed by, delivered, sold and/or transferred to any other entity, in whole or in part. Third-Party Owner represents and warrants that Third-Party Owner has good and marketable title to the Solar RECs and will transfer good and marketable title, free and clear of all claims, liens, security interests and encumbrances of any kind. Customer understands and agrees that Solar REC payments to be made under this Agreement will be made to Third-Party Owner and that Customer has no right, title or interest in or to such Solar REC payments or the RECs generated by the Solar Facility.

21. THIRD PARTY BENEFICIARIES. Except as expressly provided in this Agreement, the Parties do not intend to create rights in, or grant remedies to, any third party beneficiary of this Agreement not specifically included herein.

22. ENTIRE AGREEMENT. It is understood and agreed that all representations and agreements among the Parties covering the subject matter hereof are expressed herein and that no other representation of any kind or nature, whether made by the officers or agents of either of the Parties, shall be binding. There shall be no presumption or burden of proof favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.
23. EFFECTIVE DATE. This Agreement is effective as of the last date of execution set forth below.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

CUSTOMER

By: ____________________________
Name: ____________________________
Title: ____________________________
e.g., "Homeowner," Business Owner", etc.
Date: ____________________________

By: ____________________________
Name: ____________________________
Title: ____________________________
e.g., "Homeowner," Business Owner", etc.
Date: ____________________________

THIRD-PARTY OWNER

By: ____________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: ____________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________
APPENDIX A

APPLICATION FOR THE LARGE SOLAR REC INCENTIVE PROGRAM
THIRD-PARTY OWNER'S ONE-LINE AND THREE-LINE DIAGRAM AND
SITE DRAWING SHOWING LARGE SOLAR SYSTEM, METERING AND PROTECTION EQUIPMENT
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Public Service Company of New Mexico’s Advice Notice No. 458 & 459 was mailed by first-class mail, postage prepaid, or hand-delivered to the addresses below on December 13, 2012:

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Dated this 13 day of December, 2012.

By:

Carey Salaz
Regulatory Affairs Research Analyst II
Public Service Company of New Mexico