

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF SOUTHWESTERN  
PUBLIC SERVICE COMPANY'S  
APPLICATION FOR APPROVAL OF ITS  
2025-2027 TRANSPORTATION  
ELECTRIFICATION PLAN; PROPOSED  
PLAN RIDERS AND CREDIT; AND OTHER  
ASSOCIATED RELIEF,**  
**SOUTHWESTERN PUBLIC SERVICE  
COMPANY,**  
**APPLICANT.**

Case No. 24-00 \_\_\_-UT

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**DIRECT TESTIMONY**

*of*

**JEREMIAH W. CUNNINGHAM**

*on behalf of*

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

**April 1, 2024**

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## **GLOSSARY OF ACRONYMS AND DEFINED TERMS**

<b><u>Acronym/Defined Term</u></b>	<b><u>Meaning</u></b>
2024 TEP	SPS's 2025-2027 TEP
BEV	Battery Electric Vehicles
Commission	New Mexico Public Regulation Commission
DCFC	Direct Current Fast Charging
EV	Electric Vehicle
EVSI	Electric Vehicle Supply Infrastructure
FERC	Federal Energy Regulatory Commission
NEVI	National Electric Vehicle Infrastructure
NMPRC	New Mexico Public Regulation Commission
O&M	Operations and Maintenance
PUCT	Public Utility Commission of Texas
SPS	Southwestern Public Service Company, a New Mexico corporation
TEP	Transportation Electrification Plan
Xcel Energy	Xcel Energy, Inc

## LIST OF ATTACHMENTS

### Attachment

### Description

JWC-1

List of Prior Testimony  
(*Filename: JWC-1.doc*)

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of  
Jeremiah W. Cunningham

**EXECUTIVE SUMMARY**

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**Q. Please provide an overview of Southwestern Public Service Company's Application in this matter.**

A. Xcel Energy Inc. ("Xcel Energy") has an ambitious vision to enable zero-carbon transportation in its service areas by providing the fueling infrastructure and energy to run all vehicles on carbon-free electricity or other clean energy sources by 2050, while providing customers with the safe, clean, and reliable energy services they want and value at a competitive price. This vision supports and aligns with the State of New Mexico's own transportation electrification goals, as demonstrated through the Advanced Clean Cars II Act, Governor Lujan Grisham's executive order electrifying the New Mexico state fleet, and other actions. Xcel Energy's goals and efforts are supportive of and in alignment with New Mexico's goals. Southwestern Public Service Company ("SPS") plans to achieve these goals in its New Mexico service territory by investing in infrastructure, expanding customer choice and opportunity, and providing education through experiences and advisory services.

SPS filed its first Transportation Electrification Plan ("TEP") in New Mexico in 2020. That TEP predates the passage of Rule 17.9.574 NMAC and was

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1 a forward-looking effort by SPS to lay groundwork for electric vehicle (“EV”)  
2 adoption in its service territory. SPS’s efforts to date, based on approvals from that  
3 TEP, have focused on early adoption of electrified transportation in its service  
4 territory and included support for the build out of a public fast charging network,  
5 EV supply infrastructure for businesses, programs to lower the upfront cost for  
6 residential customers, and rates to encourage charging behaviors that benefit the  
7 grid.

8 As SPS continues its transportation electrification efforts, actions planned  
9 during the period of 2025 through 2027 are outlined in this TEP filing with the New  
10 Mexico Public Regulation Commission (“NMPRC” or “Commission”). SPS’s  
11 filing complies with Rule 17.9.574 NMAC and also proposes new investments and  
12 programs that continue to address the barriers present with the young EV market in  
13 SPS’s service territory in New Mexico. To support SPS’s expanded TEP, SPS is  
14 requesting to increase its portfolio budgets by approximately \$20 million, over the  
15 three years of the TEP, from its first TEP. As demonstrated throughout SPS’s  
16 application this increased budget has been carefully determined, planned for, and  
17 allocated to encourage EV adoption.

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1           SPS has identified three primary barriers to EV adoption in its service  
2           territory. First, both residential and business customers encounter high upfront  
3           costs for vehicles and dedicated charging infrastructure. As original equipment  
4           manufacturers are manufacturing a wider variety of EVs, car purchase prices will  
5           generally lower. However, to date EVs in the marketplace are predominantly new  
6           vehicles and, even with new vehicle rebates, new EVs are more expensive than  
7           used EVs. Until EV saturation in the used car market increases, New Mexico  
8           drivers will continue to experience this characteristic of the economy. Further,  
9           initial customer adoption of EVs requires up-front investment in dedicated charging  
10          infrastructure in homes and businesses. Like individual drivers, businesses seeking  
11          to convert their vehicle fleets to EVs face higher costs of purchasing new vehicles  
12          as well as the cost of adding charging infrastructure.

13           Second, the electrical and charging infrastructure to support EV adoption is  
14          under-developed in SPS's service territory. Range anxiety is a significant factor in  
15          EV adoption nationwide, but it has an outsized impact on rural regions such as  
16          SPS's service territory. SPS's TEP for 2025-2027 ("2024 TEP") focuses on not  
17          only continuing to invest in charging equipment in the service territory, but also to

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1           make the necessary investments in the grid to support the electrical needs of  
2           customers who install dedicated charging equipment.

3                       Finally, as with any early adoption of a new technology, customer  
4           awareness about the reality of EV driving and charging is a significant barrier to  
5           adoption. Thus, it is vitally important that authorization of SPS's TEP include  
6           investment in employees and programs that educate SPS's customers about EVs,  
7           EV charging, and SPS, State, and Federal programs that assist EV adoption.

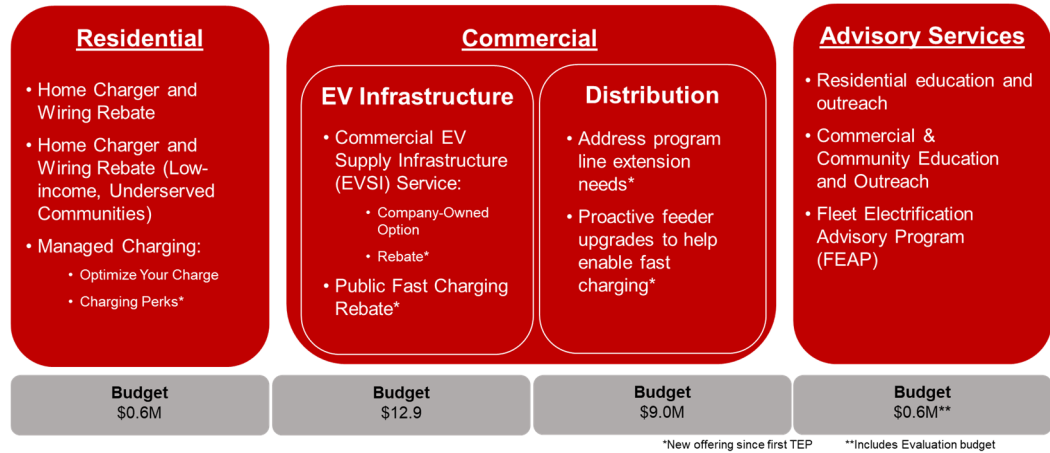
8                       SPS's 2024 TEP addresses these three barriers to adoption by continuing to  
9           lay the groundwork for the developing EV market. An important part of this  
10          groundwork is a vision and commitment to equity in the transportation  
11          electrification sector. Therefore, SPS's 2024 TEP includes expanded offerings for  
12          low-income and underserved communities so that all customers have the  
13          opportunity to capture the benefits of electric transportation.



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**Graphic JWC-1: Summary of SPS TEP Portfolios**



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SPS requests that this Commission approve its 2024 TEP in order to

3

continue to advance the necessary programs and investments supportive of New

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Mexico's vision for an electrified transportation future.

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1           **I. WITNESS IDENTIFICATION AND QUALIFICATIONS**

2   **Q. Please state your name and business address.**

3   A. My name is Jeremiah W. Cunningham.<sup>1</sup> My business address is 790 South  
4   Buchanan Street, Amarillo, Texas 79101.

5   **Q. On whose behalf are you testifying in this proceeding?**

6   A. I am filing testimony on behalf of SPS, a New Mexico corporation and wholly-  
7   owned subsidiary of Xcel Energy. Xcel Energy is a registered holding company  
8   that owns several electric and natural gas utility operating companies.<sup>2</sup>

9   **Q. By whom are you employed and in what position?**

10  A. I am employed by SPS as Manager, Rate Cases.

11  **Q. Please briefly outline your responsibilities as Manager, Rate Cases.**

12  A. I am responsible for managing the development, filing, and processing of rate cases  
13  and other regulatory filings for SPS. More specifically, I direct case teams from

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<sup>1</sup> My preferred pronouns are he/him/his.

<sup>2</sup> Xcel Energy is the parent company of four utility operating companies: Northern States Power Company, a Minnesota corporation; Northern States Power Company, a Wisconsin corporation; Public Service Company of Colorado, a Colorado corporation; and SPS. Xcel Energy's natural gas pipeline company is WestGas InterState, Inc. Through a subsidiary, Xcel Energy Transmission Holding Company, LLC, Xcel Energy also owns three transmission-only operating companies, Xcel Energy Southwest Transmission Company, LLC; Xcel Energy Transmission Development Company, LLC; and Xcel Energy West Transmission Company, LLC, all of which are either currently regulated by the Federal Energy Regulatory Commission ("FERC") or expected to be regulated by FERC.

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1 various areas within SPS and Xcel Energy Services Inc. and provide direction and  
2 overall management support for rate case and other filing preparations. My  
3 department facilitates the development of policy issues and advocacy to be included  
4 in regulatory filings, and it coordinates the overall preparation of filed testimony,  
5 attachments, schedules, and workpapers to produce filings in accordance with  
6 applicable rules and procedures in the regulatory jurisdictions in which SPS  
7 operates.

8 **Q. Please describe your educational background.**

9 A. I graduated from Southeastern Oklahoma State University with a Bachelor of Arts  
10 degree in English in 2003.

11 **Q. Please describe your professional experience.**

12 A. I began my utilities career with SPS in October 2013 as a regulatory administrator.  
13 In April 2014, I accepted a promotion to Case Specialist in the Rates and Regulatory  
14 Affairs department. In that role, I managed SPS regulatory case filings before the  
15 Public Utility Commission of Texas (“PUCT”), with an emphasis on energy  
16 efficiency and rate-case expenses. I also assisted with the preparation and  
17 processing of multiple base-rate cases in both the Texas and New Mexico  
18 jurisdictions. In July 2016, I accepted my current position as Manager, Rate Cases.

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1 From July of 2016 until March of 2023, I managed and led a team responsible for  
2 regulatory filings with the PUCT. Within my responsibilities was the development,  
3 processing, and implementation of a wide variety of regulatory cases, including but  
4 not limited to base rate increase applications, fuel reconciliation applications,  
5 energy efficiency dockets, and various riders and initiatives. As Manager, Rate  
6 Cases in Texas I also have provided testimony before the PUCT on topics including  
7 fuel recovery, advanced metering, transportation electrification, and rate case  
8 expenses. In March of 2023, I accepted a change of responsibilities within SPS to  
9 manage a team focused on regulatory filings and compliance before the NMPRC.

10 **Q. Have you testified before any regulatory authorities?**

11 A. Yes. A list of my prior testimonies is provided as Attachment JWC-1. I have  
12 provided testimony on behalf of SPS in numerous dockets at the PUCT. This is the  
13 first matter in which I have provided testimony before the NMPRC.

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1                   **II.     PURPOSE AND SUMMARY OF TESTIMONY AND**  
2                   **RECOMMENDATIONS**

3     **Q.     What is the purpose of your direct testimony?**

4     A.     I support SPS's filing in this proceeding for authority to implement its 2024 TEP.

5             Specifically, I:

- 6                   • provide an overview of SPS and the 2024 TEP, filed in compliance with  
7                   NMSA 1978, Section 62-8-12 and 17.9.574.11 NMAC (Section III and  
8                   IV).
- 9                   • explain the vision and mission of SPS's 2024 TEP and discuss how it  
10                  supports larger policy goals for transportation electrification;
- 11                  • provide an overview of the two-year planning period for SPS (Section  
12                  VI); and
- 13                  • explain how SPS's 2024 TEP complies with all requirements in  
14                  17.9.574.11 NMAC (Section VII).

15   **Q.     What does SPS hope to accomplish if allowed to implement its proposed 2024**  
16   **TEP?**

17   A.     The overall objective of SPS's 2024 TEP is to support the developing EV market  
18             in its service territory by addressing core barriers to EV adoption and to further  
19             Xcel Energy and the State of New Mexico's transportation electrification goals.  
20             As part of its effort to be a net-zero energy provider by 2050, Xcel Energy aims to  
21             have 1 in 5 vehicles in its service territories be EVs by 2030. Furthermore, SPS's

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1 efforts around EV adoption within its service territory are vital to support the  
2 transportation electrification goals and policies of the State of New Mexico. Those  
3 initiatives include the Advanced Clean Cars and Advanced Clean Trucks rules, the  
4 directive to convert the government fleet of vehicles to EVs, and the federally-  
5 funded plan to expand the fast charging network in rural portions of the state. The  
6 approval of continued and expanded investment in SPS's transportation  
7 electrification programs is vital to accomplishing these objectives.

8 **Q. You mentioned core barriers to EV adoption. Please explain those barriers.**

9 A. There are three primary barriers that impact EV adoption in SPS's service territory,  
10 which are consistent with barriers seen in other developing markets. First,  
11 customers continue to encounter high upfront costs as a barrier to entry. While the  
12 focus on manufacturing more and a wider variety of EVs is facilitating cost  
13 decreases in the market, customers continue to face the challenges of EVs  
14 predominantly being high-priced new vehicles as well as the up-front cost of  
15 charging infrastructure in their homes. Likewise, businesses seeking to convert  
16 their fleets to EVs face the costs of purchasing new vehicles and adding charging  
17 infrastructure.

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1           Second, the infrastructure to support EV adoption is under-developed in  
2           SPS's service territory. While range anxiety is a significant factor in EV adoption  
3           nationwide, it has an outsized impact on rural regions such as SPS's service  
4           territory. SPS's 2024 TEP focuses on continued investment in the charging  
5           equipment in the service territory and proposes investment in the grid necessary to  
6           support the additional charging equipment.

7           Finally, as with any early adoption of a new technology, customer  
8           awareness about the reality of EV driving and charging is a significant barrier to  
9           adoption. Thus, it is vitally important that authorization of SPS's TEP include  
10          significant investment in employees and programs that educate SPS's customers  
11          about EVs, EV charging, and SPS, State, and Federal programs that assist EV  
12          adoption.

13   **Q. Please describe SPS's proposed 2024 TEP.**

14   A. SPS seeks to achieve the goals described above by building a foundation of  
15   investment in infrastructure, customer choice and opportunity, and education  
16   through experiences and advisory services. SPS's 2024 TEP submitted to the  
17   Commission not only complies with Rule 17.9.574 NMAC but also recommends  
18   new investments and programs that continue to address the barriers present with

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1 the young EV market in SPS's service territory. My testimony provides a high-  
2 level overview of SPS's proposed 2024 TEP, which is explained in more detail by  
3 SPS witness Patrick J. Murphy in his direct testimony and attachments.

4 **Q. What other witnesses are providing testimony on behalf of SPS in this**  
5 **proceeding?**

6 A. SPS is presenting the direct testimony of four other witnesses in support of its  
7 application. Table JWC-1 below identifies the SPS witnesses and summarizes their  
8 testimony topics:



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<b>Table JWC-1: SPS Witnesses</b>	
<b>Witness:</b>	<b>Testimony Topics:</b>
Patrick J. Murphy	Provides an overview of the current EV landscape in SPS’s New Mexico service territory and provides data that reflects SPS’s current TEP results; provides details on the proposed TEP and how SPS developed it, including its budget; and discusses SPS’s recommendation for evaluating the TEP.
Brienne R. Jole	Describes distribution system planning and its projected impact on the TEP and the 2-year planning horizon and supports SPS’s distribution investment included in the TEP.
Stephanie N. Niemi	Supports SPS’s cost of service for the TEP, which includes a discussion of issues related to the depreciation of the assets in the TEP and a description of SPS’s requested cost recovery and revenue requirement calculations.
Alexander G. Trowbridge	Presents the TEP-related tariffs and bill impacts.

1

2 **Q. Do you sponsor any attachments with your direct testimony?**

3 A. Yes. I sponsor Attachment JWC-1.

4 **Q. Was Attachment JWC-1 prepared by you or under your direct supervision**  
 5 **and control?**

6 A. Yes.

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1 **Q. Please summarize the conclusions reached in your testimony.**

2 A. SPS's 2024 TEP complies with the requirements of NMSA Section 62-8-12 and  
3 17.9.574.11 NMAC, will benefit SPS's customers, promotes New Mexico's  
4 transportation electrification goals, and should be approved. Furthermore, SPS's  
5 proposed budget, request for continued use of a regulatory asset, rates, and riders  
6 are prudent, reasonable, and should be approved.



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1 New Mexico are Artesia, Carlsbad, Clovis, Hobbs, Portales, Roswell, and  
2 Tucumcari.

3 **Q. Please describe SPS’s customer mix.**

4 A. Unlike many utilities, SPS serves a very large amount of commercial and industrial  
5 retail load. Indeed, approximately 86% of SPS’s New Mexico retail sales are to  
6 industrial and commercial customers, and at least 70% of SPS’s New Mexico retail  
7 jurisdictional sales are to oil and natural gas businesses. Table JWC-2 illustrates  
8 SPS’s customer sales mix during 2023.

9 **Table JWC-2: 2023 Customer Sales Mix**

<b>Customer Class</b>	<b>Kilowatt Hour  (“kWh”)</b>	<b>Percent of Total</b>
Commercial (SGS, SG, IRR) <sup>3</sup>	977,001,292	9.9%
Industrial (PG, LGST) <sup>4</sup>	7,546,314,829	76.5%
Lighting	28,229,352	0.2%
Muni & School	131,774,258	1.3%
Residential	1,195,362,533	12.1%
<b>Total</b>	<b>9,870,699,713</b>	<b>100.0%</b>

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<sup>3</sup> SGS refers to the Small General Service customer class; SG refers to Secondary General Service customer class; and IRR refers to the Irrigation Power Service customer class.

<sup>4</sup> PG refers to the Primary General Service customer class and LGST refers both the Large General Service Transmission 69kV and Large General Service Transmission 115+kV customer classes.

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1 **Q. Does the nature of SPS's service territory and customer base impact EV**  
2 **adoption?**

3 A. Yes. As explained in more detail by Mr. Murphy, only 0.4% of households in SPS's  
4 New Mexico service territory own an EV based on actual vehicle registration data.  
5 This is in comparison to roughly 1.6% of households across the state of New  
6 Mexico. There are some key factors regarding the rural nature of SPS's service  
7 territory that SPS believes are driving the lagging adoption.

8 First, the EV market in SPS's service territory is in its infancy and,  
9 therefore, highly impacted by a lack of customer awareness. The investment SPS  
10 has made in the EV charging infrastructure and in residential EV ownership  
11 programs has contributed to interest in adoption in the service territory. Thus, it is  
12 important to understand that SPS's first TEP was not responding to an existing EV  
13 market, but rather was building a foundation of EV supportive programs for  
14 customers when demand for EVs started to grow, supporting EV drivers passing  
15 through the service territory, supporting state and national goals for EV adoption  
16 and carbon reduction, and educating customers about the option of EV ownership.

17 Second, SPS's service territory is highly rural with small population centers  
18 separated by significant distances. For instance, the population centers of Clovis,

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1 New Mexico (approximate population of 38,000) and Roswell, New Mexico  
2 (approximate population 48,000) are separated by over 100 miles of largely open  
3 territory. While range anxiety is common among EV drivers in all areas, the  
4 concern is amplified in SPS's service territory.<sup>5</sup> This amplified range anxiety  
5 makes investment in EV charging infrastructure very important.

6 Finally, the upfront cost of EV adoption is a challenge in all areas, but the  
7 rural nature and economy of SPS's service territory makes the historical lack of  
8 choice in EV passenger vehicles and light-duty trucks an additional barrier to  
9 adoption. For example, research demonstrates that full-size pickup trucks are the  
10 top selling vehicle type in states with large rural populations, including New  
11 Mexico.<sup>6</sup> While electric pickup trucks are becoming more prevalent, as  
12 exemplified by the recent Ford F-150 Lightning release, affordable options today  
13 remain limited.<sup>7</sup> The combination of high upfront costs and vehicles which do not

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<sup>5</sup> The U.S. Department of Transportation has highlighted challenges with EV charging access in rural areas for this exact reason. Public charging in particular is critical for rural drivers, who typically will need to drive further distances than urban drivers. See "U.S. Department of Transportation, "Charging Forward: A Toolkit for Planning and Funding Rural Electric Mobility Infrastructure," page 17.

<sup>6</sup> U.S. Department of Transportation, "Charging Forward: A Toolkit for Planning and Funding Rural Electric Mobility Infrastructure," page 11.

<sup>7</sup> InsideEvs.com, "2024 Electric Pickup Truck Price and Range Comparison," 2024 U.S. Electric Pickup Trucks Compared: Prices, EPA Range, Specs (insideevs.com)

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1 align with the day-to-day needs of drivers has slowed adoption among SPS's  
2 customers.

3 **Q. Will SPS's proposed TEP programs produce meaningful results in addressing**  
4 **the challenges you describe?**

5 A. Yes. As explained in the next section of my testimony and in the testimony of Mr.  
6 Murphy, SPS's 2024 TEP portfolios are designed with the unique nature of SPS's  
7 service territory in mind and with the purpose of directly addressing the challenges  
8 and barriers to EV adoption.

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1 **IV. SPS'S 2024 TEP**

2 **Q. What do you describe in this section of your testimony?**

3 A. In this section of my testimony, I provide an overview of SPS's 2024 TEP. The  
4 details of the TEP are provided by Mr. Murphy in his testimony and attachments.  
5 In developing this TEP, SPS is focused on addressing the barriers to EV adoption I  
6 discussed above while providing customers with the safe, clean, and reliable energy  
7 services they want and value at a competitive price. In doing so, SPS seeks to  
8 provide its customers with the infrastructure, rates, information, and support  
9 necessary to enhance EV adoption consistent with Xcel Energy and State of New  
10 Mexico policy goals.

11 **Q. What are the state and national trends for EV adoption?**

12 A. 2023 brought the first milestone for EV adoption in the United States as sales of  
13 battery electric vehicles ("BEV") topped 1.1 million units for the first time and  
14 made up 7.2% of all new light-duty vehicles sold.<sup>8</sup> The trend continued in January  
15 of 2024 with BEV sales representing 7.4% of all new vehicles sold and BEV sales

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<sup>8</sup> [NADA Market Beat: 2023 New Light-Vehicle Sales Reach 15.46 Million Units | NADA](#)



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1 increasing by 9% year-over-year.<sup>9</sup> Within New Mexico, there are approximately  
2 8,600 BEVs as of 2023, representing 0.4% of all vehicles on the road.

3 **Q. Please provide an overview of SPS’s TEP.**

4 A. SPS’s 2024 TEP builds on the foundations laid in SPS’s initial TEP approved by  
5 the Commission in September of 2021. SPS’s initial TEP provides residential  
6 customers options for adding chargers to their homes and rates for charging, is  
7 bringing public chargers to the SPS service territory, provides for EV supply  
8 infrastructure, and through advisory services informs SPS’s customers about EV  
9 adoption. However, as the Hearing Examiner noted in the Recommended Decision  
10 approving SPS’s first TEP, SPS’s programs were “new and are being adopted for a  
11 service area with little familiarity with EVs...”<sup>10</sup> In implementing its first TEP,  
12 SPS identified continued barriers to increasing transportation electrification in its  
13 service territory: 1) high up front costs; 2) infrastructure needed to support EV  
14 charging; and 3) lack of awareness regarding EV ownership and charging. The  
15 2024 TEP seeks to continue to address those barriers.

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<sup>9</sup> [Market Beat | NADA](#)

<sup>10</sup> *In the Matter of Southwestern Public Service Company’s Application for Approval of its 2021-2023 Transportation Electrification Plan; Proposed Plan Riders and Credit; and Other Associated Relief*, Recommended Decision at 14 (August 2, 2021).

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1           SPS recommends both continuing some program offerings and making new  
2 investments that target the residential and commercial sectors of the economy. The  
3 TEP also includes investment that supports customers in the service territory  
4 adopting EVs and assists with the build out of the charging station infrastructure  
5 necessary to support the charging needs of those customers who travel throughout  
6 SPS's service territory.

7           SPS is committed to promoting equity in the transportation electrification  
8 sector. Not only does this TEP provide customers with choices that support EV  
9 adoption, but it also includes significant investment designed to provide low-  
10 income customers and underserved communities the opportunity to capture the  
11 benefits of transportation electrification.<sup>11</sup>

12           As explained further by Mr. Murphy, SPS's 2024 TEP proposes expanded  
13 investment and program offerings in partnership with SPS's customers, commercial  
14 partners, state and federal agencies, and communities.

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<sup>11</sup> 17.9.574.11(B)(1) NMAC

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1 **Q. What is SPS’s proposed budget for each year of the TEP?**

2 A. Over the three-year period 2025-2027, SPS proposes a total budget of  
3 approximately \$23.1 million, with the following breakdown per year:

4 **Table JWC-3: 2025-2027 SPS TEP Budget**

	2025	2026	2027	Total
	\$ 4.1M	\$ 8.7M	\$ 10.3M	\$ 23.1M

5

6 **Q. Please explain how SPS supports New Mexico’s Policy Goals on Electrifying**  
7 **Transportation.**

8 A. On July 3, 2023, Governor Lujan Grisham announced that the state of New Mexico  
9 would move to adopt Advanced Clean Cars and Advanced Clean Trucks rules to  
10 further advance New Mexico’s goals of ensuring New Mexico residents have  
11 access to zero-emission vehicles. On November 16, 2023, in a joint vote, the New  
12 Mexico Environmental Improvement Board and the Albuquerque-Bernalillo  
13 County Air Quality Control Board voted to adopt the Clean Cars and Clean Trucks  
14 rule as 20.2.91 NMAC with a December 31, 2023 effective date.

15 Starting in calendar year 2026, which is within this TEP period, 43% of all  
16 new passenger cars and light-duty trucks shipped to New Mexico auto dealerships  
17 by national auto manufacturers must be zero-emission vehicles. While SPS

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1       applauds this policy effort by the state of New Mexico, it also recognizes a need to  
2       convert those shipments of new zero-carbon emission vehicles into purchases by  
3       residents of New Mexico. In order to do that, as stated previously, it is necessary  
4       to remove the barriers to EV adoption. SPS’s 2024 TEP seeks to address those  
5       barriers in support of the initiatives of the state of New Mexico.

6               To this point, the federal funding received by the state of New Mexico has  
7       largely concentrated on electric vehicle chargers along heavily trafficked interstate  
8       corridors and larger population centers. As described further in the Direct  
9       Testimony of Mr. Murphy, this funding from the National Electric Vehicle  
10       Infrastructure (“NEVI”) formula program will be distributed over the course of five  
11       years, with \$11.9M being awarded to date to support projects along I-25, I-40 and  
12       I-10.<sup>12</sup> Three public entities in New Mexico have also been awarded funding from  
13       the federal Charging and Fueling Infrastructure grant program to support projects  
14       along I-10, in the communities of Lordsburg and Vado, as well as in Santa Fe  
15       County and the Town of Taos.<sup>13</sup> SPS understands the State of New Mexico

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<sup>12</sup> [NMDOT Announces First Round of Funding Awards for \\$11.9 Million from National Electric Vehicle Infrastructure \(NEVI\) Formula Funding | NMDOT](#)

<sup>13</sup> [New Mexico Receives \\$67.7 Million in Grants from Biden-Harris Administration for First of Its Kind Infrastructure in the Southwest | NMDOT](#)

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1 recognizes the need to grow the charging network in rural areas of New Mexico  
2 and agrees with this effort. However, it is also necessary to make sure the grid in  
3 those rural areas is being upgraded to support the expanded charging network. As  
4 explained further by Ms. Jole, SPS's TEP not only provides for increased  
5 opportunities to partner with commercial customers who might site chargers at their  
6 locations but it also contains significant investment in the grid to support the state's  
7 goals around expansion in rural areas.<sup>14</sup>

8 Finally, just this year the State of New Mexico further demonstrated its  
9 support for policies which enhance the transition of the transportation sector and  
10 reduce emissions for low-income and underserved communities, when it became  
11 the fourth state to enact Clean Fuel Standards. While the enactment of HB 41 does  
12 not directly impact SPS's 2024 TEP, it continues to signal a combined effort by the  
13 state and utilities to address the decarbonization of the transportation sector of the  
14 New Mexico economy.<sup>15</sup> SPS looks forward to being actively engaged in the  
15 rulemaking process required to implement the law.

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<sup>14</sup> [Transportation \(nm.gov\)](https://www.nm.gov/transportation)

<sup>15</sup> [2024-03-05-COMMS-New-Mexico-becomes-fourth-state-to-enact-Clean-Fuel-Standards-as-governor-signs-legislation-Final.pdf \(nm.gov\)](https://www.nm.gov/2024-03-05-COMMS-New-Mexico-becomes-fourth-state-to-enact-Clean-Fuel-Standards-as-governor-signs-legislation-Final.pdf)

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1 **Q. What objectives does SPS seek to achieve with its 2024 TEP?**

2 A. While SPS's 2024 TEP continues several of the existing residential portfolio  
3 offerings with some updates and additions, its commercial portfolio is widely  
4 expanded and revised. The objective of SPS's 2024 TEP Commercial Portfolio is  
5 to make Electric Vehicle Supply Infrastructure ("EVSI") available for a wider  
6 customer group to help expand the build out of EV charging infrastructure that can  
7 support SPS's commercial customers looking to electrify their transportation and  
8 third party owned Direct Current Fast Charging ("DCFC") stations.

9 Furthermore, SPS seeks to make targeted investments in its distribution  
10 system to provide the infrastructure necessary to support increasing EV adoption  
11 and the associated charging needs. This investment, which is discussed in Ms.  
12 Jole's direct testimony, includes necessary equipment for line extensions and also  
13 a larger investment in upgrading targeted feeders. While SPS is not identifying  
14 specific feeder upgrades in this filing, it will file Form 440 Notices to notify the  
15 Commission prior to beginning each upgrade. These investments will also aid the  
16 efforts of SPS's commercial customers, such as fueling stations, to expand the  
17 charging infrastructure for travelers throughout SPS's service territory.

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1           SPS’s advisory offering within the 2024 TEP seeks to provide more  
2 resources for SPS’s customers to understand the journey to adoption of clean  
3 transportation. SPS proposes to add a full-time employee in the service territory to  
4 hold in-person events, provide advisory services—including fleet transition  
5 services—and aid dealerships in educating customers.

6           Finally, SPS seeks to continue to support the adoption of EVs by its  
7 residential customers. SPS’s continued investment in home charging infrastructure  
8 and managed charging options reduces the upfront costs of owning an EV and  
9 provides customers with options for charging their vehicles at home.

10 **Q. What aspects of SPS’s 2020 TEP Portfolio will be continued in its proposed**  
11 **2024 TEP?**

12 A. Substantial portions of SPS’s TEP remain unchanged between SPS’s approved  
13 2020 TEP and its proposed 2024 TEP because the programs and investment align  
14 with Rule 17.9.574 NMAC, Xcel Energy’s goals, and state and federal goals for  
15 clean transportation.

16           Within the Residential Portfolio SPS will continue to offer a Home Wiring  
17 Rebate with expanded rebates and offer incentives to charge off-peak for EV  
18 charging under the updated managed charging program.

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1           Certain aspects of the Commercial Program will also continue from SPS's  
2 approved TEP. SPS will continue to own and maintain DCFC public chargers and  
3 continue to work with commercial partners to meet EVSI needs.

4           In addition to the residential and commercial programs, SPS will continue  
5 its advisory efforts such as growing a network of autodealers in its service territory  
6 whom are equipped to have meaningful conversations with customers about EV  
7 ownership and continue its broader EV education and awareness efforts to all SPS  
8 customers.

9 **Q. What changes to SPS's 2020 TEP Portfolio does SPS propose in its 2024 TEP?**

10 A. Mr. Murphy's direct testimony discusses the details of SPS's 2024 TEP portfolio  
11 offerings. For ease of reference, I provide a summary in my testimony at a high  
12 level of the new offerings SPS is proposing in its 2024 TEP.

13           In the Residential Portfolio, SPS is only introducing one significant new  
14 program. This program is called Charging Perks and is an active managed charging  
15 program. Xcel Energy has provided this dynamic, active managed charging option  
16 in other jurisdictions, and SPS believes it will likely appeal to SPS residential  
17 customers as EV adoption rates increase. In addition, due to low customer



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1 participation and barriers to effectively implement and support the EV Accelerate  
2 at Home offering, SPS proposes to close that program.

3 In terms of growing the network of DCFC stations in its service territory,  
4 SPS's 2024 TEP expands its rebate strategy to better facilitate partnerships with  
5 communities and commercial customers. The EV supply infrastructure offering is  
6 expanded to reach more customer classes, increase the amount of rebates offered,  
7 and remove the barrier of requiring public facing chargers.

8 **Q. Please describe the new offerings included in SPS's 2024 TEP.**

9 A. While much of SPS's 2024 TEP requests approval for modifications or expansion  
10 of existing programs, SPS has proposed one completely new area of investment in  
11 distribution infrastructure. SPS requests that the Commission approve the  
12 distribution infrastructure investment and find that this investment is reasonable,  
13 prudent, and necessary for the growth of EV adoption and EV charging  
14 infrastructure. As explained further by Ms. Jole, SPS is requesting approval of  
15 approximately \$9 million in capital investment in distribution line extensions and  
16 distribution feeder upgrades. These investments are necessary to meet the needs of  
17 SPS's residential and commercial customers as EV adoption grows in its service  
18 territory.

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1 **Q. Please summarize SPS's 2024 TEP budget.**

2 A. SPS's 2024 TEP budget is comprised of both capital expenditures and operations  
3 and maintenance ("O&M") expenses for residential, commercial, and advisory  
4 portfolios. SPS's 2024 TEP budget is also designed based on the expected spend  
5 in each of the years within this TEP timeframe. SPS's overall requested budget in  
6 its 2024 TEP is \$23.1 million which is an increase of \$19.9 million from the SPS  
7 2020 TEP budget.

8 SPS's Residential Portfolio has a total budget for 2025-2027 of \$0.6  
9 million, made up of \$0.4 million in capital expenditures and \$0.2 million in O&M  
10 expense. SPS's forecasted residential capital expenditures increase over the course  
11 of the TEP as EV adoption rates are expected to increase.

12 SPS's Commercial Portfolio has a total budget for 2025-2027 of \$21.8  
13 million, made up of \$18.7 million in forecasted capital expenditures and \$3.1  
14 million in forecasted O&M expenses. Similar to the Residential Portfolio, SPS's  
15 forecasted capital expenditures increase in each year of the TEP period as EV  
16 adoption rates are expected to increase. Furthermore, the significant increase in  
17 capital expenditures between 2025 and 2026 reflect the necessary time to plan and  
18 design the distribution system investment before construction and in-servicing.

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1           SPS’s 2024 budget for the Residential and Commercial Portfolios contains  
2           significant TEP rebates. In Case No. 20-00150-UT, the Commission approved a  
3           process of SPS placing TEP rebates into a regulatory asset, amortizing the rebates  
4           over a 10-year amortization period, and earning a return on the asset at SPS’s most  
5           recently approved WACC. SPS asks this Commission to continue this process for  
6           the rebates offered in its 2024 TEP. It is appropriate for SPS to record a regulatory  
7           asset for the rebates because it reflects the useful life of the charging equipment for  
8           which the rebate was used and because increasing transportation electrification  
9           through rebates is especially critical in the early market transformation years.

10           SPS’s Advisory Portfolio has a total budget for 2025-2027 of \$0.5 million,  
11           comprised of \$0.3 million in capital expenditures and \$0.2 million in O&M  
12           expenses with the amounts evenly spread over the three years of the TEP.

13           Finally, SPS’s Evaluation Portfolio has a total budget for 2025-2027 of \$0.2  
14           million, spread evenly across each year of the TEP.

15   **Q. Why is SPS’s 2024 TEP budget reasonable and prudent?**

16   A. First, SPS’s 2024 TEP budget is reasonable, prudent and necessary for the reasons  
17           included in this testimony, the testimony of other SPS witnesses, and the TEP plan  
18           document. The TEP and the budget are in accordance with Rule 17.9.574 NMAC,

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1 support the state of New Mexico’s goals regarding transportation electrification,  
2 and are carefully designed to address the existing barriers to EV adoption.

3 Furthermore, Rule 17.9.574.13 NMAC requires SPS and other utilities in  
4 New Mexico to file an Annual Progress Report regarding their approved TEP.  
5 Among other things, the Annual Progress Report must include EV adoption  
6 estimates for the service territory, the number of participants by program, the TEP  
7 spending by measure, and relevant load data. As part of SPS’s approved 2020 TEP,  
8 SPS also filed a reconciliation of its TEP spend and EV Rider collections and  
9 adjusted the following years’ rate based on an annual revenue requirement adjusted  
10 for the reconciliation. SPS advocates in this filing to continue the annual  
11 reconciliation and adjustment of its EV rider. This approach guarantees SPS’s  
12 customers that an under or over-collection of costs will be avoided and aligns  
13 collections with actual spend.

14 **Q. Is SPS seeking to recover its rate case expenses associated with this TEP filing?**

15 A. Yes. Section 62-8-12(C) of the EV Statute allows utilities to recover reasonable  
16 costs for the expansion of transportation electrification, and Rule 17.9.574.12(D)  
17 NMAC requires that the Commission’s final order on a TEP application address  
18 the utility’s proposed recovery of costs. In accordance with those provisions, SPS

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1 requests authorization to recover its actual regulatory and rate case expenses  
2 incurred in this case through the EV Infrastructure Rider by including them in its  
3 annual true-up filing, as these expenses are reasonable TEP costs that are being  
4 incurred to expand transportation electrification under the EV Statute.

5 **Q. Please describe SPS's stakeholder outreach in advance of submitting the 2024**  
6 **TEP.**

7 A. On February 15, 2024 SPS met with Commission Staff in Santa Fe to discuss a  
8 preview of the proposed programs and budgets to be included in SPS's 2024 TEP.  
9 SPS answered questions and offered to continue dialogue after the meeting. On  
10 March 14, 2024 SPS held a virtual meeting with stakeholders from SPS's prior TEP  
11 filing to preview the programs, budgets, and data around SPS's 2024 TEP filing.

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1 **V. TWO-YEAR PLANNING PERIOD**

2 **Q. What do you discuss in this section of your testimony?**

3 A. I address certain components of the two-year planning period identified in Rule  
4 17.9.574.11(D) NMAC, which in this case is 2028-2029.

5 **Q. What does Rule 17.9.574.11(D) NMAC require with respect to the planning**  
6 **period?**

7 A. The rule requires that a TEP include a planning outlook addressing the two-year  
8 period beyond the three-year plan. The two-year planning outlook must include:

9 (1) the public utility's outlook for projected transportation electrification in its  
10 service territory, including estimates of the expected numbers of EVs  
11 operating in its service territory, listed by light-duty, medium-duty, and  
12 heavy-duty EV classes;

13 (2) expected lead times for coordinating with State and federal EV  
14 infrastructure planning, EV charging station operators, existing business  
15 locations that sell and dispense transportation fuel to the public, and other  
16 stakeholders, and for planned construction or planned deployments,  
17 including estimated or expected new or upgraded infrastructure needs;

18 (3) anticipated requests for regulatory approvals to effectuate a future TEP in  
19 the planning horizon, to carry out the three-year plan, to support the  
20 transition between TEPs, and to coordinate with State or federal EV  
21 infrastructure planning;

22 (4) planned or potential integration with neighboring public utility  
23 transportation electrification planning and possible strategies for  
24 coordinating with rural electric cooperatives, tribes, and pueblos, if any;

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- 1 (5) anticipated grid management requirements and projected peak load  
2 requirements to reliably accommodate expanded transportation electrification  
3 in the public utility's service territory, and how these requirements may be  
4 reduced by improved distribution planning, rate design, or other solutions;
- 5 (6) forecasted potential for meeting new load growth associated with EV  
6 charging infrastructure with renewable energy; and
- 7 (7) any expected or potential policy or statutory issues that could impact expanded  
8 infrastructure or network upgrades required by expanded transportation  
9 electrification in the public utility's service territory.

10 **Q. Which of these requirements do you address?**

11 A. I discuss subparts (3), (4), and (7). Mr. Murphy addresses subparts (1), (2), and (6),  
12 and Ms. Jole addresses subparts (2) and (5).

13 **Q. Does SPS anticipate needing any requests for regulatory approvals to**  
14 **effectuate a future TEP in the planning horizon, to carry out the three-year**  
15 **plan, to support the transition between TEPs, and to coordinate with State or**  
16 **federal EV infrastructure planning?**

17 A. No. At the time of this filing, SPS is unaware of specific regulatory approvals  
18 needed to effectuate a future TEP in the planning horizon or to carry out its  
19 proposed three-year plan. However, SPS would note that potential regulatory  
20 approvals may be necessary to facilitate SPS's efforts around clean transportation.  
21 For instance, it will be important for the Commission to approve SPS's requests to

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1 add new generation to its system to both meet customer demands and to provide  
2 renewable energy for transportation electrification. Furthermore, the  
3 Commission's adoption of revised rules around grid modernization and distribution  
4 system planning will impact SPS's future TEP filings and approval of potential grid  
5 modernization applications or distribution system plans. These new regulations will  
6 also be important to facilitate SPS's transportation electrification goals.

7 **Q. Does SPS have plans for potential integration with neighboring public utility**  
8 **transportation electrification planning and/or possible strategies for**  
9 **coordinating with rural electric cooperatives, tribes, and pueblos?**

10 A. Yes. The build-out of the public DCFC network as part of the New Mexico NEVI  
11 plan will require SPS to coordinate with rural electric cooperatives regarding the  
12 location of DCFC chargers at the edges of its service territory. SPS commits to  
13 working collaboratively should there be other needs for integration and  
14 coordination with neighboring utilities, rural electric cooperatives, tribes, or  
15 pueblos.



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1 **Q. Please summarize SPS’s anticipated grid management requirements and**  
2 **projected peak load requirements to reliably accommodate expanded**  
3 **transportation electrification in SPS’s service territory, and how these**  
4 **requirements may be reduced by improved distribution planning, rate design,**  
5 **or other solutions.**

6 A. SPS’s grid management requirements and projected peak load requirements are  
7 discussed by Ms. Jole. However, it is important to note that SPS recognizes the  
8 interplay between transportation electrification and distribution system planning  
9 and believes coordination between these two efforts will produce a positive result  
10 for customers and utilities.

11 **Q. What is SPS’s forecasted potential for meeting new load growth associated**  
12 **with EV charging infrastructure with renewable energy?**

13 A. In 2022, Xcel Energy reported in its Sustainability Report that 39% of its Energy  
14 Mix in the SPS service territory was carbon free and renewable (wind and solar).  
15 Xcel Energy is estimating that by 2030, 84% of the energy mix for SPS will be  
16 from renewable sources, primarily solar and wind. In this regard, SPS’s request to  
17 replace three natural gas units with solar and battery resources is currently pending  
18 before the Commission. SPS is actively seeking to increase the amount of its

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1 energy mix from renewable energy but requires positive regulatory outcomes from  
2 this Commission to move those efforts forward.

3 **Q. Are there any expected or potential policy or statutory issues that could**  
4 **impact expanded infrastructure or network upgrades required by expanded**  
5 **transportation electrification in SPS's service territory?**

6 A. Yes. As stated above, for SPS to advance goals around zero-carbon transportation,  
7 it is necessary for SPS and other utilities to receive positive regulatory treatment,  
8 including timely cost recovery, for investment in energy supply, transmission, and  
9 distribution investment. Furthermore, a continued recognition by this Commission  
10 of the need to incorporate distribution system planning in this and future TEP filings  
11 will promote EV adoption while planning for a grid to handle the increased load.

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1           **VI.    COMPLIANCE WITH STATUTE AND COMMISSION RULE**

2   **Q.    Does SPS’s 2024 TEP comply with New Mexico Statute Section 62-8-12,**  
3           **Applications to Expand Transportation Electrification and if so, how?**

4   **A.**    Yes. SPS’s application requests approval of a TEP for 2025-2027 that is expected  
5           to increase access to the use of electricity as a transportation fuel by addressing the  
6           barriers to EV adoption present in SPS’s service territory. As barriers to adoption  
7           are addressed, the increasing amount of EVs in SPS’s service territory is anticipated  
8           to contribute to a reduction in air pollution and greenhouse gases. The programs  
9           include significant budgetary carve-outs for programs and services intended to  
10          increase access to low-income customers and customers in underserved  
11          communities. The Commercial Portfolio SPS proposes in this TEP provides  
12          rebates that can be stacked with private capital investment as well as government  
13          funds to increase customer choice in electrical vehicle charging and provide  
14          economic opportunities for residents of New Mexico. Finally, the reasonable and  
15          prudent budget proposed by SPS is supported by evidence in this application and  
16          transparent public reporting during the plan years of this proposed TEP.

17   **Q.    Does SPS’s 2024 TEP comply with Rule 17.9.574 NMAC and if so, how?**

18   **A.**    Yes. Please refer to Table JWC-4 below.

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**Table JWC-4: Compliance with Rule 17.9.574 NMAC**

<b>Rule 17.9.574 Subsection</b>	<b>Requirement</b>	<b>Location in Testimony</b>	<b>Location in Plan Document (PJM-1)</b>
17.9.574.11(A)	Utility shall file an application for approval of a proposed three year plan to expand transportation electrification	Application  Murphy Direct Testimony Section II	PJM-1
17.9.574.11(B)(1)	Strategies and measures for expanding transportation electrification among low-income customers and underserved communities.	Murphy Direct Testimony Section III	EV Charger and Wiring Rebate Beginning page 20
17.9.574.11(B)(1)(a)	Budgetary carveout for measures aimed at increase EV awareness and adoption among low-income customers and underserved communities	Murphy Direct Testimony Section V	Portfolio Description Beginning Page 17
17.9.574.11(B)(1)(b)	Outreach and marketing strategies for expansion of EV adoption among low-income customers and underserved communities.	Murphy Direct Testimony Section IV	Residential Advisory Service Beginning page 37
17.9.574.11(B)(1)(c)	Strategies and measures for mass transit operations, ride-sharing programs, and multi-family dwelling units.	Murphy Direct Testimony Section IV	EVSI Rebate Option Beginning on page 27

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<b>Rule 17.9.574 Subsection</b>	<b>Requirement</b>	<b>Location in Testimony</b>	<b>Location in Plan Document (PJM-1)</b>
17.9.574.11(B)(2)	Expanding TE across multiple EV classes, including personal and commercial light-duty vehicles, medium-duty, heavy-duty, and electric bicycles.	Murphy Direct Testimony Section IV	EVSI Rebate Option Beginning on page 27
17.9.574.11(B)(3)	Expected customer participation estimates and methods used to derive estimates	2025-2027 TEP	New Mexico Electric Vehicle Market Beginning on page 11
17.9.574.11(B)(4)	Strategies and measures for servicing multiple market segments, including commercial businesses, multi-family dwelling units, single-family homes, ride-sharing programs, and public transit.	Murphy Direct Testimony Section IV	EVSI Rebate Option Beginning on page 27
17.9.574.11(B)(5)	Coordination with State or federal EV infrastructure planning	Murphy Direct Testimony Section IV	Public Fast Charging Rebates Beginning of page 30
17.9.574.11(B)(6)	Coordination with existing business locations that sell and dispense transportation fuel to the public.	Murphy Direct Testimony Section IV	Commercial Portfolio Beginning on page 26

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<b>Rule 17.9.574 Subsection</b>	<b>Requirement</b>	<b>Location in Testimony</b>	<b>Location in Plan Document (PJM-1)</b>
17.9.574.11(B)(7)	Identification of key performance indicators for program success and how these indicators are utilized to further the success of the program.	2025-2027 TEP	Reporting and Evaluation Beginning on page 41
17.9.574.11(C)	Low income self-certification with materials in English and Spanish with incentives prior to or at time of purchase.	Murphy Direct Testimony Section IV	EV Charger and Wiring Rebate Beginning on page 18
17.9.574.11(D)	Two year planning horizon	Cunningham Direct Testimony Section V  Murphy Direct Testimony Section VII  Jole Direct Testimony Section IV	N/A
17.9.574.11(D)(1)	Outlook for projected TE in its service territory, estimates of the expected numbers of EVs in service territory, list by EV class.	Murphy Direct Testimony Section VI	N/A

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<b>Rule 17.9.574 Subsection</b>	<b>Requirement</b>	<b>Location in Testimony</b>	<b>Location in Plan Document (PJM-1)</b>
17.9.574.11(D)(2)	Expected lead times for coordinating with State and federal EV infrastructure planning, EV charging station operators, existing business locations that sell fuel; other stakeholders, and for planned construction or planned deployments, including estimated or expected new or upgraded infrastructure needs.	Murphy Direct Testimony Section VII	N/A
17.9.574.11(D)(3)	Anticipated requests for regulatory approvals to effectuate a future TEP in the planning horizon, to carry out the three-year plan, to support the transition between TEPs, and to coordinate with State or federal EV infrastructure planning.	Cunningham Direct Section V	N/A
17.9.574.11(D)(4)	Planned or potential integration with neighboring public utility transportation electrification planning and possible strategies for coordinating with rural electric cooperatives, tribes, and pueblos, if any.	Cunningham Direct Section V	N/A

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<b>Rule 17.9.574 Subsection</b>	<b>Requirement</b>	<b>Location in Testimony</b>	<b>Location in Plan Document (PJM-1)</b>
17.9.574.11(D)(5)	Anticipated grid management requirements and projected peak load requirements to reliably accommodate expanded transportation electrification in the public utility’s service territory, and how these requirements may be reduced by improved distribution planning, rate design, or other solutions.	Jole Direct Testimony Section IV	N/A
17.9.574.11(D)(6)	Forecasted potential for meeting new load growth associated with EV charging infrastructure with renewable energy.	Cunningham Direct Section V  Murphy Direct Testimony Section VII	N/A
17.9.574.11(D)(7)	Any expected or potential policy or statutory issues that could impact expanded infrastructure or network upgrades required by expanded transportation electrification in the public utility’s service territory.	Cunningham Direct Section V	N/A



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<b>Rule 17.9.574 Subsection</b>	<b>Requirement</b>	<b>Location in Testimony</b>	<b>Location in Plan Document (PJM-1)</b>
17.9.574.11(E)(1)	Testimony and exhibits providing a full explanation of the public utility’s determination of the plan years’ transportation electrification expansion measures to be undertaken and their corresponding budgets.	Cunningham Direct Section IV  Murphy Direct Testimony Section V	PJM-1
17.9.574.11(E)(2)	The costs of transportation electrification measures in the plan years.	Murphy Direct Testimony Section V and Table PJM-8	Budget Section Beginning on Page 16
17.9.574.11(E)(3)	Whether the public utility intends to recover costs through a tariff rider, base rates, or both.	Trowbridge Direct Testimony Section III	N/A
17.9.574.11(E)(4)	Testimony and exhibits demonstrating how the cost and amount specified in Paragraphs (2) and (3) of this Subsection were determined.	Murphy Direct Testimony Section V  Jole Direct Testimony Section III	PJM-1

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<b>Rule 17.9.574 Subsection</b>	<b>Requirement</b>	<b>Location in Testimony</b>	<b>Location in Plan Document (PJM-1)</b>
17.9.574.11(E)(5)	Testimony demonstrating that the proposed transportation electrification plan is reasonably and prudently designed and expected to accomplish any or all of the goals of the TEP pursuant to Paragraphs (1) through (6) of Subsection B of Section 62-8-12 NMSA 1978 and 17.9.574 NMAC.	Direct Testimony of SPS Witnesses Cunningham, Murphy, Jole, Niemi, Trowbridge	PJM-1

Case No. 24-00 \_\_\_ -UT  
Direct Testimony  
of  
Jeremiah W. Cunningham

1 **VII. CONCLUSION**

- 2 **Q. Please summarize SPS's requests of the Commission in this TEP filing.**
- 3 A. SPS respectfully requests that the Commission enter a final order that:
- 4 (A) approves SPS's TEP, and associated TEP programs;
- 5 (B) approves SPS's proposed TEP budget and budget flexibility proposal;
- 6 (C) reaffirms the NMPRC approved process of placing TEP rebates into a  
7 regulatory asset, amortizing the rebates over a 10-year amortization period,  
8 and earning a return on the asset at SPS's most recently approved WACC;
- 9 (D) approves SPS's proposed revenue requirement for the TEP including SPS's  
10 proposed distribution capital investment;
- 11 (E) approves SPS's proposed EV Infrastructure Rider, EV Charging Equipment  
12 Rider, Public Electric Vehicle Charging Service Rider, and EV Charging  
13 Optimization Credit Rider, as shown in Advice Notice No. 322, attached  
14 hereto;
- 15 (F) authorizes SPS to recover through the EV Infrastructure Rider its regulatory  
16 and rate case expenses incurred in this case;
- 17 (G) approves SPS's proposed evaluation and reporting criteria;
- 18 (H) finds that SPS's TEP complies with the EV Statute and Rule 17.9.574  
19 NMAC, is reasonable, prudent, and in the public interest, and that the  
20 proposed cost recovery mechanisms set forth in this Application and  
21 supporting Direct Testimony and Attachments will provide for the  
22 implementation of just and reasonable rates; and
- 23 (I) grants to SPS all other approvals, authorizations, waivers, or variances that  
24 the Commission determines are necessary for SPS to implement and  
25 effectuate the relief granted in this case.

Case No. 24-00\_\_-UT  
Direct Testimony  
of  
Jeremiah W. Cunningham

1 **Q. Does this conclude your pre-filed direct testimony?**

2 A. Yes.

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF SOUTHWESTERN  
PUBLIC SERVICE COMPANY’S  
APPLICATION FOR APPROVAL OF ITS  
2025-2027 TRANSPORTATION  
ELECTRIFICATION PLAN; PROPOSED  
PLAN RIDERS AND CREDIT; AND OTHER  
ASSOCIATED RELIEF,** ) **Case No. 24-00 \_\_\_-UT**  
)  
)  
**SOUTHWESTERN PUBLIC SERVICE  
COMPANY,** )  
)  
**APPLICANT.** )  
)  
)

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**VERIFICATION**

On this day, April 1, 2024, I, Jeremiah W. Cunningham, swear and affirm under penalty of perjury under the law of the State of New Mexico, that my testimony contained in Direct Testimony of Jeremiah W. Cunningham is true and correct.

*/s/Jeremiah W. Cunningham*  
JEREMIAH W. CUNNINGHAM

**List of Prior Testimonies**

<b>Regulatory Commission</b>	<b>Docket/Case Number</b>	<b>Description of Proceeding</b>	<b>Year</b>	<b>Party on Whose Behalf Testimony was Submitted</b>
PUCT	46328	<i>Review of Rate Case Expenses Incurred by Southwestern Public Service Company and Municipalities in Docket No. 45524</i>	2017	SPS
PUCT	47588	<i>Review of Rate-Case Expenses Incurred by Southwestern Public Service Company in Docket No. 47527</i>	2019	SPS
PUCT	49690	<i>Application of Southwestern Public Service Company for Authority to Implement a Net Refund for Over-Collected Fuel Costs</i>	2019	SPS
PUCT	50556	<i>Application of Southwestern Public Service Company for Authority to Implement A Net Refund for Over-Collected Fuel Costs</i>	2020	SPS
PUCT	50804	<i>Application of Southwestern Public Service Company to Adjust Its Energy Efficiency Cost Recovery Factor</i>	2020	SPS
PUCT	51644	<i>Application of Southwestern Public Service Company for Authority to Implement a Net Surcharge Associated with Docket No. 49831</i>	2020	SPS
PUCT	51625	<i>Application of Southwestern Public Service Company for Authority to Revise its Fuel Factor Formula and Related Relief</i>	2020	SPS
PUCT	51665	<i>Application of Southwestern Public Service Company to Change its Fuel Factor and Related Relief</i>	2020	SPS
PUCT	52072	<i>Application of Southwestern Public Service Company to Adjust Its Energy Efficiency Cost Recovery Factor</i>	2021	SPS

**List of Prior Testimonies**

<b>Regulatory Commission</b>	<b>Docket/Case Number</b>	<b>Description of Proceeding</b>	<b>Year</b>	<b>Party on Whose Behalf Testimony was Submitted</b>
PUCT	52451	<i>Application of Southwestern Public Service Company for Approval of Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fee.</i>	2021	SPS
PUCT	53540	<i>Application of Southwestern Public Service Company to Adjust Its Energy Efficiency Cost Recovery Factor</i>	2022	SPS
PUCT	53556	<i>Application of Southwestern Public Service Company for Authority to Implement an Interim Net Surcharge for Under-Collected Fuel Costs</i>	2022	SPS
PUCT	53766	<i>Application of Southwestern Public Service Company for Authority to Implement a Net Surcharge Associated with Docket No. 51802</i>	2022	SPS
PUCT	53719	<i>Application of Entergy Texas, Inc. for Authority to Change Rates</i>	2022	SPS

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

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PUBLIC SERVICE COMPANY'S  
APPLICATION FOR APPROVAL OF ITS  
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ELECTRIFICATION PLAN; PROPOSED  
PLAN RIDERS AND CREDIT; AND OTHER  
ASSOCIATED RELIEF,**

**SOUTHWESTERN PUBLIC SERVICE  
COMPANY,**

**APPLICANT.**

Case No. 24-00 \_\_\_-UT

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of *Southwestern Public Service Company's Application and the Direct Testimony of Jeremiah W. Cunningham, Patrick J. Murphy, Brianne R. Jole, Stephanie N. Niemi and Alexander G. Trowbridge* was electronically sent to each of the following on this 1<sup>st</sup> day of April 2024:

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