



June 2, 2025

**Re: In the Matter of a Rulemaking to Implement the Grid Modernization Statute,  
NMSA 1978, Section 62-8-13 (2021) of the Public Utility Act**

**Docket No. 22-00089-UT**

The Alliance for Transportation Electrification (“ATE”) submits these comments pursuant to the New Mexico Public Regulation Commission’s (“Commission”) Order Issuing Notice of Proposed Rulemaking (“NOPR”) issued on February 6, 2025.

## **I. Introduction**

ATE is a 501(c)(6) non-profit corporation established in early 2018 with the goal of promoting policies and regulatory measures to accelerate the pace of EV adoption and infrastructure. ATE’s membership consists of nearly 60 industry members that include electric utilities, auto and bus manufacturers, EV charging infrastructure providers, and related trade associations and other non-governmental organizations (NGOs). We take a “big tent” approach to advance the industry and focus not just on accelerating EV charging deployments—which necessarily requires a strong utility role—but also promoting public accessibility and open standards. We are presently involved in about 30 proceedings in the States before the PSCs, state energy offices, Legislatures, Governors, state DOTs and DEPs, and other agencies. The question of distribution system planning to support transportation electrification (among other needs) is a topic that we are tracking in several states, including New York, California, Massachusetts, Minnesota, and Colorado.

## **II. Overall Comments**

ATE applauds the effort of the Commission to develop rules to guide grid modernization and integrated distribution plans (“Grid Plans”) in New Mexico. The State holds great promise as an emerging EV market in both light-duty and medium- and heavy-duty electrification. While recent developments at the federal level have created some uncertainty in the EV market, ATE and our 60 members remain confident in the long-term trend toward transportation electrification and electric vehicles. To support the transition

to this electric future, we advocate for proactive distribution system planning and investment, and we believe that the Proposed Rule meets the legal standard of being “reasonable”, as well as being “necessary or appropriate”.

ATE is keenly focused on the rising risks of the current reactive, or “just-in-time” (frequently, not-in-time), grid modernization approach that many utilities follow. This approach, while adequate in times of low load growth, is increasingly insufficient in an era of load growth—especially load growth from transportation electrification, which can require significant distribution grid investment and can materialize on a much shorter timeline than comparable volumes of stationary electrification load.

The risks for utilities and ratepayers associated with an uncoordinated grid modernization approach include:

- Unmet customer expectations for energization timelines
- A slowed pace of electrification—resulting in lost utility revenue and a missed opportunity to put downward pressure on electric rates
- Customer technology lock-in, as customers opt for non-electric alternatives in face of lengthy energization timelines
- Potential for higher long-term costs for ratepayers due to a piecemeal distribution grid upgrade approach
- Potential for missed state energy policy goals

To mitigate these risks, ATE advocates that utilities engage in proactive distribution grid planning with Commission oversight. In fact, we believe there is great urgency to engaging in this type of planning and distribution engineering process at the granular, circuit level earlier rather than later, to prepare the grid for the near- and medium-term future.

The Proposed Rule follows several best practices in distribution system planning from across the country, which we support. Specifically, we support the Proposed Rule for its alignment with other planning processes and dockets such as transportation electrification plans (“TEPs”) and integrated resource plans (“IRPs”), and stakeholder engagement process. These two elements help create distribution system plans that are both transparent and anchored in other utility planning processes.

### **III. Specific Comments**

#### **Section 6—Objective**

We support the objectives outlined in this section.

## **Section 7—Definitions**

We support the definitions provided in the Proposed Rule.

## **Section 8—Grid Modernization and Integrated Distribution Plan (“Grid Plan”)**

### *Planning Horizon and Filing Cycle*

We support the 10-year planning horizon established in the Proposed Rule, as well as the 3-year filing cycle. We find that a 10-year planning horizon is suitable for utilities to anticipate and plan for projects with long lead times (e.g., substation upgrades), while the 3-year filing cycle establishes the alignment with the IRP process. If appropriate transparency on data and planning assumptions from the utilities are shared, and reporting requirements are not overly complex and burdensome, the utilities and Commission also have the opportunity to iterate and fine-tune approaches during this 3-year process.

We also support the staggered Grid Plan filing schedule for the three utilities in New Mexico—this approach will enhance administrative efficiency at the Commission, as well as among stakeholders.

### *Hosting Capacity Analysis*

We support the use of hosting capacity analysis (“HCA”) and hosting capacity maps, which are increasingly provided by utilities around the country. We also recommend use of publicly available non-utility data sources such as EPRI’s eRoadMAP tool<sup>1</sup>, which aggregates confidentially submitted data from major fleet operators to estimate future grid capacity needs on a granular basis across the United States. Utilities can then map this anonymized data against their distribution system asset maps to determine future areas of constraint.

With respect to the specificity of HCA development, ATE supports the modified, less specific Option 2 that the Proposed Rule adopts, if further edited with the clarifications offered by Southwestern Public Service Company with respect to whether HCA should be conducted on a portion or the entire distribution network. While a common assessment and template is useful (as a primary tool), we think each utility should have the flexibility to address its unique issues due to its geography, distribution topology, age of infrastructure, and other factors.

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<sup>1</sup> Electric Power Research Institute. *EPRI eRoadMAP*. Accessed May 2025.  
<https://eroadmap.epri.com/>

### *Advanced Metering Infrastructure (“AMI”)*

AMI is an important investment that allows utilities to unlock the full potential of two-way communication throughout the grid. We support the modified Option 1 adopted in the Proposed Rule.

### *Justification Requirement*

To support the growing acknowledgement that grid modernization is a core part of the work of a modern utility, ATE supports the modified approach to grid modernization investment justification, comparing these projects with traditional distribution investment alternatives.

## **Section 10—Cost Recovery**

### *Cost Benefit Analysis*

ATE acknowledges that CBA is a complex and dynamic process, and many state Commissions are currently examining their process not only for EV programs and infrastructure, but for distributed energy resources (“DERs”) and distribution grid upgrades. We typically refer to the National Energy Screening Project’s (“NESP”) National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources<sup>2</sup> (“NSPM”) issued in 2020, which offers a comprehensive framework for CBA of EVs and DERs. The NESP is in the process of updating the NSPM; while this is in flux and no final determinations have been made, the Commission may want to review the results of this process during or after the first 3-year Grid Plan filing cycle.

### *Least Cost Best Fit Analysis (LCBFA)*

ATE supports the introduction of LCBFA analysis into the Proposed Rule, and we believe that this less-rigorous approach is more suitable for projects that are legislatively mandated or otherwise required in statute or regulation.

We note that it will be important to appropriately balance the use of CBA versus LCBFA, and we support the clarifications around when utilities should use each of these tools. We also note that there will be overlap in certain of the cost-benefit tests (e.g., the societal cost test versus a more traditional total resource cost test). At the same time, it is important to recognize that the utility needs to have a clearly defined mechanism for recovering its prudently incurred costs, along with an aligned CBA and perhaps an LCBFA,

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<sup>2</sup> National Energy Screening Project. *National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources*. 2020.

<https://www.nationalenergyscreeningproject.org/national-standard-practice-manual/>

when these investments are reviewed for cost recovery by the Commission—either for a regulatory asset tracker, or in a general rate case.

#### **IV. Conclusion**

ATE supports the use of distribution system planning and grid modernization plans, which represent a leading effort to proactively address the myriad challenges and opportunities that an electrified future represents. More than anything, we acknowledge that the processes, frameworks, policies, and solutions that served us in the past may need to evolve in order to best serve us in the future. ATE acknowledges the time and effort that the utilities, stakeholders and Commission have invested in this robust regulatory process, and we are confident that the final rule will support the planning, solutioning, prioritization, and investment that is needed to facilitate widespread electrification and bring benefits to all New Mexicans. We appreciate the opportunity to provide comments on this process.

Sincerely,

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