

# **PNM Business Practice Regarding Secondary Network Transmission Service**

## Introduction

PNM has established the following business practice and procedure for Network Integration Transmission Service (“NITS”) customers (“NITS Customers”) and for PNM in supplying its own retail native load customers. This practice implements the customer’s ability to take advantage of the PNM transmission system in compliance with the provisions of Section 28.4 of the PNM Open Access Transmission Tariff (“OATT”) that provide for a secondary network transmission service to be available.

28.4 Secondary Service: The Network Customer may use the Transmission Provider’s Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Served under Part II of the Tariff

NITS Customers use this service “... to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission provider’s Control Area...” (OATT Section 28.1). In order to qualify for network integration transmission service, a NITS Customer must apply for service and provide PNM an initial designation of qualifying network resources as provided for in Section 29.2 of the OATT. PNM, as the Transmission Provider, is responsible for planning, constructing, operating and maintaining its Transmission System and “shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission capacity to deliver the Network Customer’s Network Resources to serve its Network Load on a basis comparable to the Transmission provider’s delivery of its own generating and purchased power resources to its Native Load Customers.” (OATT Section 28.2).

## Planning for Delivery of Network Resources to Network Load

PNM plans for its transmission system to be able to deliver power from Network Resources designated by its NITS Customers and itself for retail native loads. PNM also operates certain load side resources designated by PNM’s wholesale merchant as Network Resources that are used to maintain reliable delivery service during periods of constraint on certain transmission paths. When any NITS Customer or PNM’s merchant designate an additional network resource and Available Transmission Capacity (“ATC”) is available to deliver such Network Resource to Network Load, PNM will adjust firm ATC appropriately to ensure a firm transmission path is reserved for the Network Resource delivery..

## Use of NITS Secondary Service

Any NITS Customer and PNM's merchant are eligible to deliver non-Network Resources to Network Load using Secondary Service. Secondary Service cannot be used to deliver power and energy to any load location, or Point of Delivery not associated with designated Network Load.

Secondary Service is non-firm by nature. The delivery priority of Secondary is higher than the delivery priority for Non-firm Point-to-Point Transmission Service provided for in Part II of the OATT.

A customer using Secondary Service must identify the non-Network Resource and follow proper e-tagging rules.

The use of Secondary Service may create short-term ATC on transmission paths associated with Network Resources whose delivery is reduced to accommodate delivery of non-Network resources using Secondary Service. Because Secondary Service is non-firm and the transmission capability associated with Network Resources is firm, PNM will make any ATC created by the use of Secondary Service available on a non-firm basis only, as a disruption in the delivery of non-Network Resources under Secondary Service will result in the need to curtail non-firm point to point service in favor of the firm use of the path originally reserved for the Network Resources.

Transmission Operations

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