

Attention: New Mexico PRC Nominating Committee Members
Subject: NM PRC 2026 Candidate Questionnaire
From: Ernie C'deBaca
Date: September 28, 2026

1. Briefly describe your experience with regulatory topics including: utility rate setting, promulgating regulations, broadband regulation, and New Mexico's energy transition.

I was employed for over 35 years at PNM Resources in various capacities, including procurement and contracting, in the Corporate Secretary's Office working on the Indenture of Mortgage, in Investor Relations producing quarterly and annual reports to shareholders, and for nearly 25 years in Governmental Affairs serving the last 15 years as its Vice President. In that role, I had the opportunity to participate in high-level meetings with representatives of the governor's office, state agencies, the Attorney General's office, interested parties, including the rural electric cooperatives, environmental advocates, the Navajo Nation and state agencies to help shape legislation and regulations affecting utilities and their customers.

Through these collaborative efforts, we helped pass enabling legislation that led to regulation and rulemakings before the New Mexico Public Regulation Commission. Key examples include the original Renewable Energy Act, which established New Mexico's renewable portfolio standard for utilities; the Efficient Use of Energy Act; and the New Mexico Renewable Energy Authority Act.

In my role as Vice President, I worked closely with the VP of Regulatory and other officers of the company on various regulatory processes, and the broader framework governing utility regulation in New Mexico. Although I don't have direct experience in broadband regulation, I am aware of the utmost importance of the extension of broadband services, especially in rural areas and tribal areas of the state, in order to provide for tele-education and tele-healthcare related services to New Mexicans. I supported broadband legislation in my role as Vice President Governmental Affairs at PNM and in my role as CEO at the Hispano Chamber.

2. What is the "public interest" in the context of utility regulation?

The public interest, in utility regulation, is the guiding standard regulators use when overseeing natural monopolies such as electric, natural gas, water, and telecommunications utilities. It requires balancing customer protection from excessive rates with the utility's need for a reasonable return on investment so it can attract capital and provide safe, reliable service.

The term "public interest" does not have one universal definition as it depends on the statute, regulatory jurisdiction, and type of utility. In a rate case, for example, a

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commission may focus heavily on just and reasonable rates and reliable service; in another proceeding, environmental or consumer-protection considerations may have a larger role. Therefore, “public interest” does not mean lowest possible price because a regulator could conclude that higher rates are justified by necessary infrastructure investment or improved reliability, provided the governing legal standards are satisfied.

3. How much transparency should the Commission provide the public into their deliberations and the bases for their decisions?

Public transparency is essential because Commission decisions can materially affect both utility customers and investors. Interested parties should continue to be able to observe deliberations through the NMPRC’s bi-weekly open meetings. Further, commissioners should clearly explain the rationale behind their votes and the basis for decisions on matters before the Commission. When the public understands why a commissioner votes in a particular way, it will either strengthen or impair confidence in both individual commissioners and the Commission as a whole. Although the Open Meetings Act provides a limited number of instances when commissioners may go into executive session, it should be limited and for very good reason.

4. New Mexico has 23 distinct sovereign Native American tribes within its borders. Please explain your familiarity with the State - Tribal relationship with an emphasis on how this relationship is applicable to utilities including power generation, right of ways and alternative energy?

New Mexico’s 23 Native American tribes are independent sovereign nations, each with its own governing systems, laws, and courts. That sovereignty is central to the State–Tribal relationship and must guide how state agencies and regulated utilities engage with tribal governments.

When I worked at PNM we served eight tribal communities—Tesuque, Cochiti, Santo Domingo, San Felipe, Santa Ana, Sandia, Isleta, and Laguna Pueblos—and collaborated with approximately seven additional tribes where there is transmission and other infrastructure investments. In total, PNM’s work touches roughly 15 of New Mexico’s 23 tribes. We also operated a coal fired generation plant on the Navajo Nation. I was involved in collaborative meetings with Santo Domingo Pueblo

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and the Navajo Nation and presented at the All Pueblo Council of Governors (APCG). Further, as President & CEO of the Albuquerque Hispano Chamber of Commerce, we welcomed and hosted meetings with the APCG and worked to bring in the World Indigenous Business Forum, which among the tribes and pueblos in New Mexico, included representatives from 19 Indigenous countries throughout the world.

Additionally, I established PNM's first Tribal Liaison Manager position, which reported directly to me and remains in place today. Under my direction, the Tribal Liaison Manager worked with tribal government leaders and State of New Mexico officials on right-of-way issues, alternative energy projects, safety and emergency management matters, tribal school educational programs, including solar car initiatives, and other tribal concerns.

Lastly, the State-Tribal Collaboration Act provides a formal framework for state cabinet-level agencies and tribal governments to work together. In the utility context, that collaboration is especially important for matters involving power generation, rights-of-way, transmission infrastructure, alternative energy development, safety, emergency management, and community priorities.

5. What is your definition of “just and reasonable” rates? Has this definition evolved through the years as the PRC and other commissions expanded the scope of their decisions to embrace more special interests?

“Just and reasonable” rates are customer charges that allow a regulated utility to recover its actual, prudently incurred costs while earning a fair return for investors. Utility costs should be subject to a prudence review, and costs found to be wasteful, or the result of poor management should be disallowed and excluded from customer rates.

In New Mexico, I would define “just and reasonable” rates as rates that fall within a legally permissible zone of reasonableness: high enough to allow the utility to recover its prudently incurred costs and earn a reasonable return on capital, but not so high that customers are subjected to excessive or unjustified charges. The New Mexico Supreme Court has repeatedly described the standard in essentially those terms.

New Mexico law does not define “just and reasonable” simply as “the lowest rate possible.” The Public Utility Act expressly says the state’s policy is to balance the

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public interest, consumers' interests, and investors' interests, with the goals of providing reasonable and proper service at fair, just and reasonable rates while encouraging the capital investment necessary to provide that service.

Legislative policies such as the Renewable Energy Act and the Energy Transition Act have influenced how some stakeholders view what is "just and reasonable."

Ultimately, however, the Commission should apply the Public Utility Act, evaluate the evidence presented by utilities and intervenors, and determine whether the proposed rates satisfy the legal standard.

6. If a utility could justify a 20% increase in its rates, based on its projections of future costs and sales, but it would impose hardship on a certain segment of its customers, how would you reconcile this dilemma? What regulatory options would you consider?

A 20% increase in rates is substantial and needs considerable scrutiny. As commissioner, I would require the utility to substantiate its projections and evaluate the evidence presented by the utility and intervenors, including the effect on each customer class. I would require PRC staff to further examine the utility's cost-allocation methodology and the justification for the proposed increase and examine whether some projected costs could be reduced, deferred, or recovered through means other than a broad rate increase.

I would also consider how reducing or modifying the proposed 20% increase could affect the utility's ability to continue providing safe and reliable service and whether there are less burdensome regulatory alternatives that can achieve the same public-interest objectives. The PRC should also ensure that utilities have robust programs in place to assist customers in understanding how they can manage usage so as to get better control of bills, bill payment options and information on how to qualify and access public assistance programs. Thus, the commission has many options at its disposal to address this issue, but they must base any decision on actual evidence presented in the case.

7. What is the role of intervenors in Commission adjudications, and do they add value to Commission decisions? If so, how?

Regulation works better when the utility's case is subjected to meaningful independent scrutiny and the role of intervenors is to provide just that; a diverse

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point of view which is crucial to the public interest and adds value to commission decisions. Without this diverse input, the commission may not make the most prudent decision as it would not have the important testimony from diverse interests.

8. How will you balance implementation of legislative direction with independent regulatory judgment, and what steps will you take to avoid regulatory capture, manage stakeholder influence, and ensure decisions are grounded in evidence and the long-term interests of New Mexico customers?

I would rely on NMPRC legal counsel to help interpret legislative intent and ensure that Commission decisions faithfully apply the law.

To avoid regulatory capture and manage stakeholder influence, The Supreme Court has specifically held that a rate or incentive charged to ratepayers must remain evidence-based and just and reasonable; therefore, I would ground my decisions based solely on the evidence presented by all parties in the record.

9. What can the Commission do to promote universal access to broadband?

The NMPRC has an important role in universal broadband, but it is not the state's sole broadband agency. New Mexico's Office of Broadband Access and Expansion (OBAE) is responsible for coordinating much of the state's broader deployment strategy and federal funding, while the PRC has leverage through telecommunications regulation and the State Rural Universal Service Fund (SRUSF). The PRC says its broadband program is specifically intended to fund facilities serving unserved and underserved areas. I would define the PRC's broadband objective as universal, reliable and reasonably affordable access—not merely universal infrastructure deployment. Although I do not have direct experience in broadband regulation, I am aware of the utmost importance of the extension of broadband services, especially rural areas and tribal areas of the state, in order to provide for tele-education and tele-health care related services to New Mexicans. I supported broadband legislation in my role as Vice President of Governmental Affairs at PNM and in my role as CEO at the Hispano Chamber.

10. How should the PRC approach resource adequacy and reliability planning, including the role of firm resources, demand-side resources, and regional coordination to ensure reliable and affordable service?

For electric utilities, the Commission should continue using the Integrated Resource Planning process, including robust stakeholder engagement, followed by a

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competitive Request for Proposals process. Together, these tools help ensure customers receive reliable service at the most affordable cost.

In reviewing utility plans, the Commission should ensure that each utility:

- a. Complies with New Mexico's renewable portfolio standard.
- b. Meets the reserve planning margin required by the applicable regional coordination entity.
- c. Selects a resource portfolio that supports reliability at the lowest reasonable cost.
- d. Uses stakeholder input to evaluate technology options and provide transparency into customer cost impacts.
- e. Models demand-side resources in the IRP and encourage developers to submit those resources in utility RFPs.

11. What is the role of the Commission in protecting existing customers from the high demands placed by data centers on the electric grid?

The PRC's role should be to make sure that the economic benefits of large data-center loads do not come with an uncompensated transfer of risk and cost to existing customers. I expect each electric utility to file large-load tariffs designed to protect existing customers from the costs and reliability impacts of serving major new loads. Depending on the size and effect of the load, these protections should apply not only to data centers but to any large customer that could adversely affect existing customers. The Commission should also consider a rulemaking to establish minimum standards that protect customers and ensure any utility-filed tariffs are in public interest.

12. What would be the major issues surrounding natural gas utilities in the future? Should gas utilities invest today in new infrastructure that can become stranded, before its expected end date, when many energy consumers are projected to switch from natural gas to electricity in the future?

Natural gas utilities will face several significant issues in the coming decades, particularly as states such as New Mexico work toward lower-carbon energy systems. The central challenge for regulators will be balancing environmental goals with affordability, reliability, safety, and consumer choice.

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While electrification will certainly play an increasing role in the energy transition, I would be cautious about assuming that most consumers will abandon natural gas on a particular timetable. Consumer behavior, technology, economics, electric-grid capacity, and regional conditions will ultimately influence that transition.

Many consumers value natural gas for cooking, heating, hot water, and other household uses because of its performance, reliability, and affordability. The Commission should not predetermine what technology consumers must ultimately choose but rather ensure that utilities make prudent investments and that customers receive safe, reliable, affordable, service as New Mexico continues moving toward its environmental objectives.

I do not believe the question should simply be whether utilities should stop investing in natural gas infrastructure because some of those assets could eventually become stranded. The more appropriate regulatory question is whether each investment is prudent, necessary, cost-effective, and sufficiently adaptable given a range of reasonable future scenarios.

Some investments cannot responsibly be deferred. Infrastructure necessary to address pipeline safety, integrity, reliability, regulatory compliance, or replacement of aging facilities must continue.

I would expect utilities to demonstrate the need for investment under multiple demand scenarios, consider reasonable alternatives, evaluate the potential for declining throughput, and examine how the costs and risks would ultimately be allocated to customers. This is particularly important because declining usage per customer can create affordability challenges even when customers remain connected to the gas system.

It is also important not to view existing natural gas infrastructure solely through the lens of today's fuel. Technology is evolving. Gas distribution infrastructure may potentially support lower-carbon fuels and technologies such as renewable natural gas and hydrogen.

Ultimately, I believe New Mexico should pursue an “all-of-the-above, prove-the-value” approach to utility regulation. We should continue expanding renewable electricity and energy efficiency while recognizing that natural gas currently provides substantial energy, affordability, reliability, and resilience to New Mexico households and businesses.

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The Commission's responsibility is not to predict with certainty what New Mexico's energy system will look like in 20 or 30 years. Its responsibility is to protect the public interest as that system evolves. That means requiring utilities to demonstrate that investments are prudent, considering the risk of stranded assets, protecting customers from unreasonable costs, supporting innovation that can lower emissions, maintain system safety and reliability, and preserve reasonable consumer choice.

I would therefore not support either extreme: investing in natural gas infrastructure as though the energy system will never change or refusing necessary natural gas investments based on the assumption that electrification will make the system obsolete. A better approach is disciplined, forward-looking regulation that lets New Mexico's energy infrastructure evolve as technology, economics, customer preferences, and environmental requirements change.

13. How should the PRC evaluate and oversee utility proposals related to distributed resources, non-wires alternatives, and performance-based mechanisms so that customers receive the benefits of innovation and competition rather than bearing unnecessary cost or risk?

I would approach this with a simple principle: innovation should be allowed to compete, but customers should pay for demonstrated value—not for a utility's experiment or for technology that has not yet proven its performance.

Investor-owned utilities are expected to file distribution system plans in the near future. Those plans should identify distributed resources and non-wires alternatives that can help maintain reliability while controlling costs. The Commission should also consider whether a competitive RFP process, similar to the process used after integrated resource planning, would be appropriate for evaluating distributed resource proposals.

14. Per NMSA 1978 Section 62-19-5 please provide the following:

- a. Do you hold a baccalaureate degree from an institution of higher education that has been accredited by a regional or national accrediting body? (If you hold a professional license or a post-graduate degree, skip to subsection b.)

Yes, University of New Mexico, Bachelor of Sciences, Economics 1976.

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- i. Do you have at least ten years of professional experience in an area regulated by the commission or in the energy sector and involving a scope of work that includes accounting, public or business administration, economics, finance, statistics, policy, engineering or law? Please detail how your work experience meets this requirement, including noting the specific number of years in each relevant role.
Yes. I worked from March 1978 to June 2014 for PNM Resources in various capacities, including Procurement, Corporate Secretary's office working on compliance with the company's Indenture of Mortgage, quarterly and annual reports to shareholders, and governmental affairs from 1991 to 2014. I also worked as Administrative Aide to President & CEO, Ben Montoya. In that capacity I was provided with the opportunity to have upfront insight into all the issues a CEO confronts on a daily basis in running a public utility. As President & CEO of the largest chamber of commerce in New Mexico and one of the largest Hispanic chambers in the United States, I became knowledgeable of the issues that affect small businesses, including utility cost and utility service.
- b. Do you hold a professional license or a post-graduate degree from an institution of higher education that has been accredited by a regional or national accrediting body in an area regulated by the commission, including accounting, public or business administration, economics, finance, statistics, policy, engineering or law? N/A
 - i. Do you have at least ten years of experience within the field in which you hold your license or postgraduate degree? Please detail how your work experience meets this requirement, including noting the specific number of years in each relevant role. N/A
- c. Do you have a financial interest in a public utility in New Mexico or elsewhere? NO
- d. Have you been employed by a commission-regulated entity at any time during the last two years? NO

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- e. Do you agree that you will give your entire time to the business of the commission and will not pursue any other business or vocation or hold any other office for profit? YES

15. The two sitting PRC Commissioners are registered to vote with the Democratic Party and Republican Party. The New Mexico Constitution requires that no more than two PRC Commissioners can be registered to vote with the same political party. Please state your registered party affiliation.

Independent

Please affirm this statement with your signature below:

I affirm that the above information is true and correct, and I have met the statutory and constitutional requirements, as described in questions 14 and 15 above.

A handwritten signature in black ink, appearing to read 'Ernie C'deBaca', written in a cursive style.

Candidate Signature of Affirmation