Grid Modernization and Resilience

The New Mexico Public Regulation Commission's Role

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What is Grid Modernization & Resilience?

- Making the electric grid smarter, stronger, and more flexible
- Improving visibility into grid conditions for utilities
- Detecting and restoring outages more quickly
- Supporting solar, wind, battery storage, electric vehicles, and evolving customer needs
- Strengthening **resilience**—the ability to withstand disruptions and recover quickly

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Grid Modernization Examples

- 📊 Advanced (smart) meters
- ⚡ Distribution automation
- 📡 Grid sensors and communications systems
- 🔋 Interconnection upgrades
- 🏠 Microgrids and battery storage
- 🔒 Cybersecurity and physical security improvements
- 🔧 Targeted upgrades to aging infrastructure

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Why Grid Modernization Matters

- Some infrastructure is aging
- Electricity demand continues to grow
- Customers use electricity differently than in the past
- Extreme weather, wildfire risk, and cybersecurity threats are increasing
- A modern grid can improve:
  - ✓ reliability
  - ✓ resilience
  - ✓ outage response

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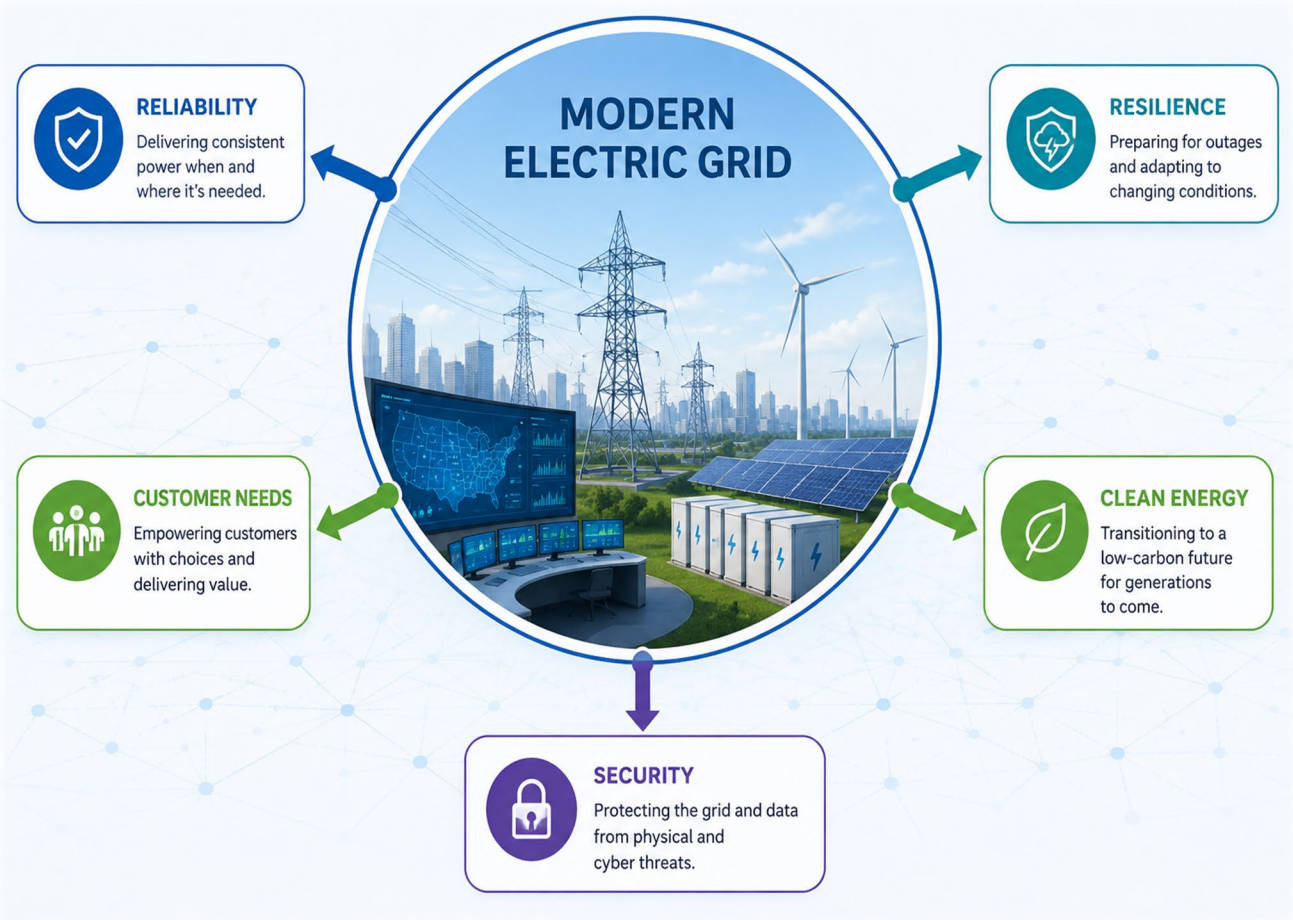
Grid Modernization is not limited to a single docket or program.



Grid Modernization also appears in:

- Utility Planning
- Rate Cases
- Infrastructure projects
- Interconnection
- Customer Programs
- Reliability Reviews

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How Grid Modernization Shows Up at the PRC

The PRC's Regulatory Role

- Evaluate
  - Evidence
  - Costs and benefits
  - Timing
  - Customer impacts
  - Affordability
  - Customer protections

Utility's Role

- Submit Grid Mod proposals
- Demonstrate
  - The problem being addressed
  - Why the investment is needed
  - Why the proposed solution is reasonable

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Key Takeaways

- ✓Grid modernization should be practical, well-justified, and affordable.
- ✓The PRC reviews proposals through established regulatory proceedings.
- ✓Reliability, resilience, and affordability must all be considered together.
- ✓Customer protections, transparency, and measurable benefits are essential.
- ✓The goal is a modern electric grid that supports New Mexico's energy future while protecting customers from unreasonable costs.