



Historical Non-Spin Deployment Data

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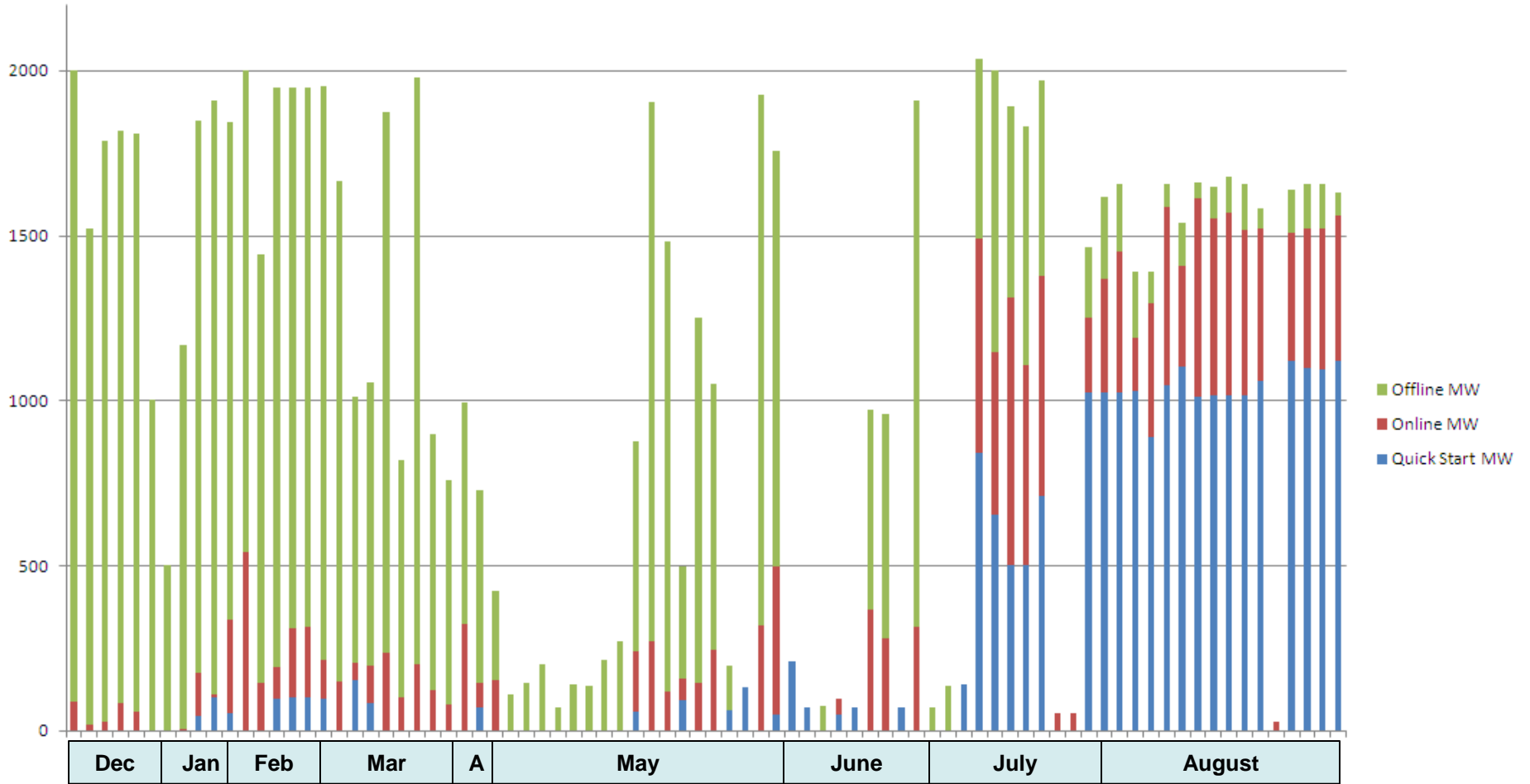
September 6, 2011

Non-Spin Deployments (12/1/2010 – 8/29/2011)

Total number of Non-Spin Deployments	82
Average MW from Quick Start Resources	266.3
Average MW from On-line Non-QSR Resources	201.5
Average MW from Off-line Resources	669.0
Average Total MW Deployed	1136.8
Average Hours of Deployment	4.5

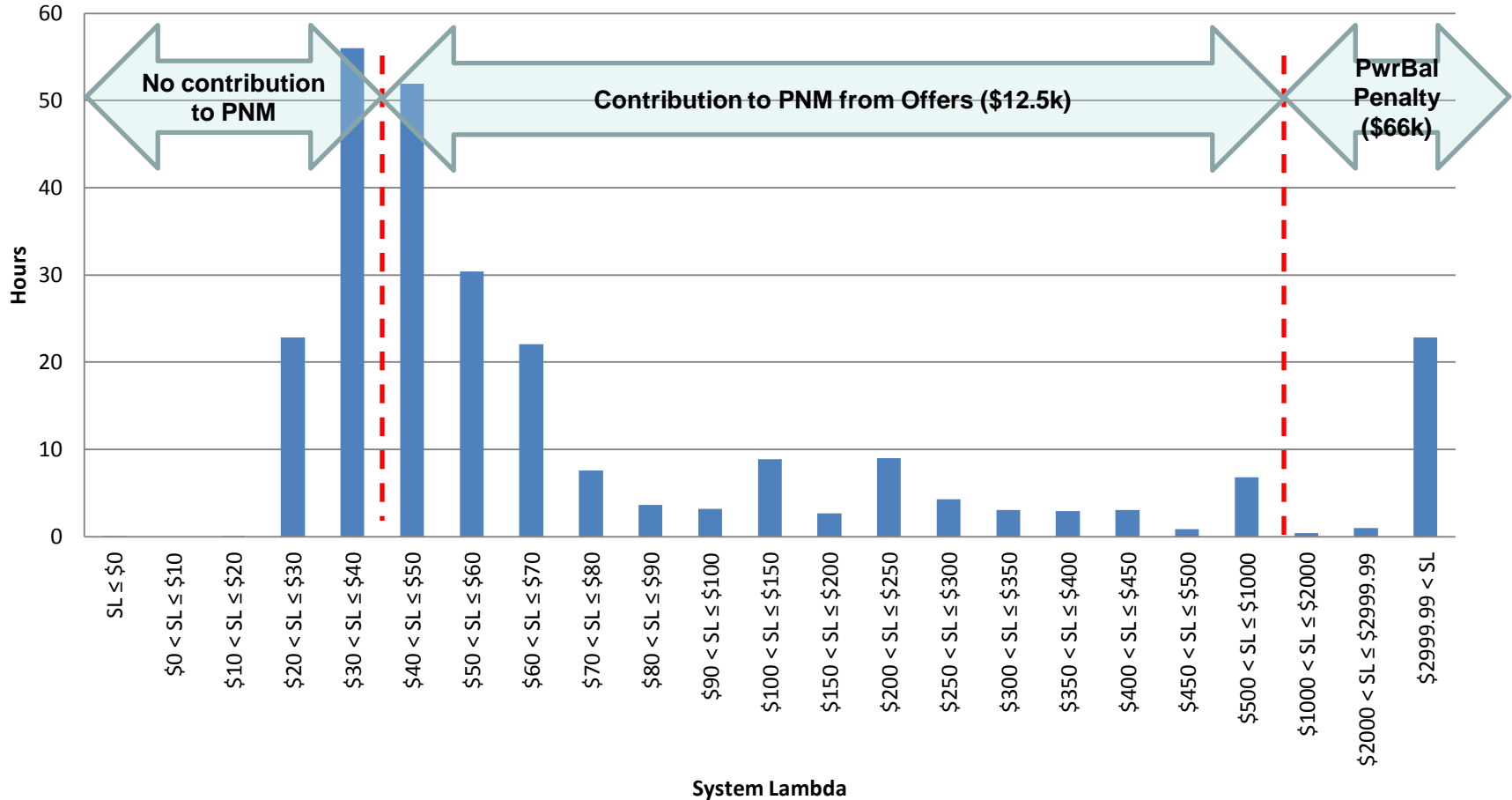


Non-Spin Deployment Amounts and Resource Allocation



Non-Spin Deployments (12/1/2010 – 8/29/2011)

System Lambda Distribution during Non-Spin Deployment Periods



Analysis of Proposed Floors

- **Assumption**
 - Analyze only the deployment intervals in which load exceeds the load at the time of the deployment
 - This assumes that prices will converge to the proposed floor
 - Subtract the actual observed price from the proposed floor and add the difference to PNM. If difference is negative then add zero
 - Assume floors vary between online and offline resources as described in the proposals
- **Non Spin hours that meet the load criteria described above**
 - 263.5 hours out of a total of 370 hours of deployments

Morgan Stanley Proposed Floor

- **Assume online non-spin floor sets the system price**
 - $18\text{HR} * \text{FIP} (\$4/\text{mmbtu}) = \$72$
 - Additional revenue equals \$4,654
- **Assume offline non-spin floor sets the system price**
 - $15\text{HR} * \text{FIP} (\$4/\text{mmbtu}) + \$120 = \180
 - Additional revenue equals \$26,424

LCRA Proposed Floors

- **LCRA online non-spin floor is a curve between \$250 - \$1000**
- **Assume online non-spin minimum floor of \$250 sets the system price**
 - Additional revenue equals \$41,281
- **Assume online non-spin is approximately half loaded and sets the system price at \$650**
 - Additional revenue equals \$133,402
- **Assume online non-spin is fully loaded and sets the system price at \$1000**
 - Additional revenue equals \$216,881
- **LCRA offline non-spin floor is a curve between \$1000 - \$3000**
- **Assume offline non-spin is half loaded and sets the system price at \$2000**
 - Additional revenue equals \$456,568

Note: Assumptions above ignore the triggering of LCAP effect on PNM.

Non-Spin Deployments (12/1/2010 – 8/29/2011)

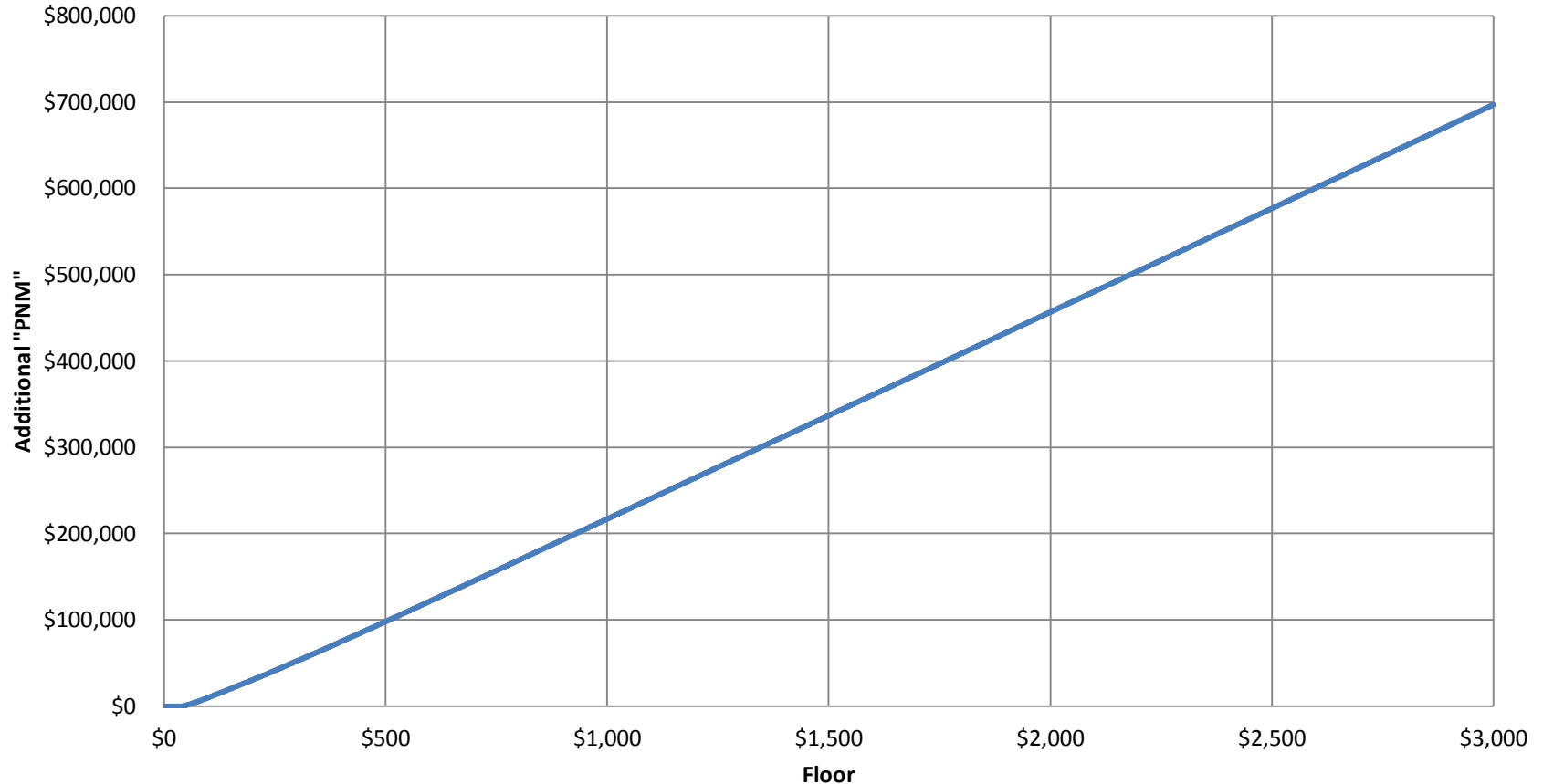
Floor level (\$/MWh)	Additional “PNM”
72	\$4,654
180	\$26,424
250	\$41,281
650	\$133,402
1,000	\$216,881
2,000	\$456,568

*Current PNM =
\$112,000 (Sept 1)

	Total	Average per deployment
Total Deployment Hours	369.9	4.5
Deployment Hours at Higher Load than Load at Initial Deployment Time	263.5	3.2
Deployment Hours at >\$2999.99 System Lambda	22.8	0.3

Non-Spin Deployments (12/1/2010 – 8/29/2011)

Additional "PNM" vs. Floor



Theoretical additional PNM contribution calculated by taking the difference between the floor and the maximum of actual system lambda or \$40. This assumes that the floor sets prices for the 263.5 hours in which Non-Spin was deployed and load was high.

Appendix

Non-Spin Deployments (12/1/2010 – 8/29/2011)

Deployment Start	Deployment End	Quick Start MW	Online MW	Offline MW	Total Deployed MW
12/6/2010 17:58	12/6/2010 19:30	0	87.1	1912.9	2000
12/15/2010 17:55	12/15/2010 19:15	0	19.2	1502.8	1522
12/16/2010 18:22	12/16/2010 19:40	0	28.3	1758	1786.3
12/16/2010 22:07	12/17/2010 0:11	0	84.3	1733	1817.3
12/21/2010 22:09	12/21/2010 23:39	0	57.2	1752.1	1809.3
12/31/2010 11:31	12/31/2010 20:00	0	0	1004	1004
1/5/2011 18:20	1/5/2011 20:04	0	0	500	500
1/7/2011 6:47	1/7/2011 7:53	0	7.2	1162	1169.2
1/21/2011 23:32	1/22/2011 9:00	44.6	132.7	1671.5	1849.29
1/27/2011 6:41	1/27/2011 8:29	102	5.8	1803.6	1911.89
2/2/2011 4:26	2/4/2011 9:39	53	283.1	1510	1846.25
2/9/2011 11:50	2/9/2011 22:26	0	540	1460	2000
2/10/2011 4:42	2/10/2011 9:59	0	146.5	1298	1444.5
2/14/2011 18:41	2/14/2011 21:04	97	94.6	1757.3	1949.39
2/19/2011 9:09	2/19/2011 14:25	100	211	1638	1949.49
2/22/2011 6:56	2/22/2011 7:58	101	214.1	1634	1949.1
3/3/2011 18:46	3/3/2011 21:26	95	118.5	1741.5	1955.49
3/8/2011 6:22	3/8/2011 11:13	0	147	1520.6	1668.09

Non-Spin Deployments (12/1/2010 – 8/29/2011)

Deployment Start	Deployment End	Quick Start MW	Online MW	Offline MW	Total Deployed MW
3/9/2011 10:59	3/9/2011 12:35	153.7	51	807.2	1011.9
3/18/2011 14:54	3/18/2011 15:59	85	111	858	1054
3/23/2011 14:58	3/23/2011 19:47	0	236	1637	1873
3/25/2011 7:12	3/25/2011 12:03	0	100	721.6	821.6
3/25/2011 16:20	3/25/2011 17:31	0	200.1	1777.6	1977.7
3/26/2011 11:58	3/26/2011 16:59	0	125	772.6	897.6
3/28/2011 7:22	3/28/2011 7:54	0	77.6	682.2	759.8
4/10/2011 12:38	4/10/2011 20:59	0	321.6	672	993.6
4/30/2011 14:34	4/30/2011 19:28	71	75.4	583	729.4
5/1/2011 0:18	5/1/2011 1:31	0	153.1	270.4	423.5
5/2/2011 16:09	5/2/2011 16:35	0	0	110	110
5/5/2011 14:17	5/5/2011 21:00	0	0	144	144
5/6/2011 15:42	5/6/2011 22:00	0	0	200	200
5/7/2011 12:54	5/7/2011 13:23	0	0	71	71
5/7/2011 13:25	5/7/2011 20:57	0	0	140	140
5/8/2011 14:37	5/8/2011 21:00	0	0	137	137
5/9/2011 9:54	5/9/2011 20:57	0	0	216.3	216.3
5/10/2011 11:09	5/10/2011 21:03	0	0	270	270

Non-Spin Deployments (12/1/2010 – 8/29/2011)

Deployment Start	Deployment End	Quick Start MW	Online MW	Offline MW	Total Deployed MW
5/14/2011 0:18	5/14/2011 1:06	58.8	182.6	633.4	874.8
5/14/2011 15:03	5/14/2011 20:34	0	270.5	1633.4	1903.9
5/15/2011 21:18	5/15/2011 22:46	0	118.3	1364.4	1482.7
5/16/2011 15:56	5/16/2011 18:56	92	64.6	339.4	496
5/20/2011 5:29	5/20/2011 6:03	0	146.7	1105	1251.7
5/22/2011 13:42	5/22/2011 18:20	0	245.2	804	1049.2
5/24/2011 15:04	5/24/2011 18:00	59.9	0	138	197.9
5/25/2011 15:02	5/25/2011 16:59	131.4	0	0	131.4
5/28/2011 12:37	5/28/2011 12:44	0	320.2	1608.8	1929
5/28/2011 12:47	5/28/2011 14:59	50.4	448.2	1258	1756.6
6/2/2011 14:46	6/2/2011 17:59	209	0	0	209
6/12/2011 16:01	6/12/2011 17:00	70	0	0	70
6/15/2011 9:11	6/15/2011 12:57	0	0	75	75
6/15/2011 19:02	6/15/2011 19:59	48	48	0	96
6/16/2011 16:02	6/16/2011 16:59	70	0	0	70
6/18/2011 16:43	6/18/2011 18:03	0	368.1	606	974.1
6/21/2011 15:17	6/21/2011 19:36	0	279.5	681	960.5
6/21/2011 21:06	6/21/2011 21:59	72	0	0	72
6/27/2011 13:40	6/27/2011 18:59	0	313	1596	1909

Non-Spin Deployments (12/1/2010 – 8/29/2011)

Deployment Start	Deployment End	Quick Start MW	Online MW	Offline MW	Total Deployed MW
7/4/2011 11:43	7/4/2011 23:59	0	0	71	71
7/5/2011 12:46	7/5/2011 22:30	0	0	137	137
7/6/2011 12:22	7/6/2011 22:17	141	0	0	141
7/13/2011 14:39	7/13/2011 19:30	844	648.9	542	2034.9
7/13/2011 21:52	7/13/2011 21:54	655	490.4	854.8	2000.2
7/14/2011 14:47	7/14/2011 20:24	501	811.1	579	1891.1
7/18/2011 15:22	7/18/2011 19:32	504	602.23	726	1832.23
7/21/2011 15:21	7/21/2011 18:53	712	664.9	594	1970.9
7/27/2011 15:56	7/27/2011 22:07	0	55	0	55
7/28/2011 15:52	7/28/2011 19:19	0	55	0	55
7/31/2011 16:13	7/31/2011 19:36	1025	227.9	214	1466.9
8/1/2011 14:16	8/1/2011 19:19	1026	345.1	246	1617.1
8/2/2011 14:13	8/2/2011 19:02	1026	425	206	1657

Non-Spin Deployments (12/1/2010 – 8/29/2011)

Deployment Start	Deployment End	Quick Start MW	Online MW	Offline MW	Total Deployed MW
8/3/2011 13:57	8/3/2011 19:02	1028	162	202	1392
8/4/2011 13:25	8/4/2011 20:33	892	402	98	1392
8/5/2011 14:11	8/5/2011 18:38	1045	544.1	68	1657.1
8/8/2011 14:56	8/8/2011 18:41	1103	306.7	131	1540.7
8/10/2011 15:56	8/10/2011 18:16	1013	599.17	48	1660.17
8/17/2011 15:52	8/17/2011 18:32	1018	535.1	95	1648.1
8/18/2011 15:10	8/18/2011 18:26	1016	555.9	106	1677.9
8/22/2011 14:49	8/22/2011 18:09	1017	502	138	1657
8/23/2011 15:14	8/23/2011 19:22	1062	462	58	1582
8/24/2011 11:03	8/24/2011 11:05	0	25	0	25
8/24/2011 14:08	8/24/2011 18:45	1123	385.09	133	1641.09
8/27/2011 15:14	8/27/2011 19:10	1099	425.15	133	1657.15
8/28/2011 16:09	8/28/2011 18:52	1097	426.67	133	1656.67
8/29/2011 16:13	8/29/2011 18:48	1122	437.9	69.8	1629.7