



# Business Energy Efficiency Programs Policies & Procedures 2026 Distributor Discount Program

Updated February 2026

Public Service Company of New Mexico (“PNM”) offers the PNM Distributor Discount Program to facilitate the implementation of cost-effective energy efficiency improvements for eligible customers. PNM has contracted DNV Energy Services USA Inc. (“DNV”) to implement the PNM Distributor Discount Program. This document conveys the rules, policies and procedures that govern Distributor Discount Program administration, including distributor and customer participation. Per the Participation Agreement executed by the Parties, in the event of a conflict between these Policies and Procedures and the Participation Agreement, the terms and provisions of the Participation Agreement shall control.

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# 1. PROGRAM OVERVIEW

The Public Service Company of New Mexico (“PNM”) develops and implements energy savings programs for business, government and industrial (“commercial”) customers. Incentives are provided under our programs for the benefit of our customers.

Some energy efficient equipment offers unique challenges to utility programs seeking to help the market transform to the use of more energy efficient equipment. Major barriers include price points and stocking of energy efficient equipment in a marketplace that is geared toward “quicker” and “cheaper” solutions.

The PNM Distributor Discount Program offers a different midstream market approach to promote stocking and sale of energy efficient equipment by equipment manufacturer representatives and distributors (“Distributors”) to PNM commercial customers by providing incentives at the time of sale.

To help the Distributor participate in the advancement of energy efficient equipment, customer incentives are designed differently than in classic rebate programs. Also, distributor bonuses are awarded either on the basis of individual equipment sales or combined sales over a period of time (i.e. a quarter). This will help wholesalers and retailers invest in the time and consumer education often required at the time of sale.

# 2. EQUIPMENT ELIGIBILITY AND INCENTIVE RATES

The PNM Business Energy Efficiency Program (BEEP) team will keep an updated qualified products list (QPL). If there is a product you would like added to the QPL, please contact our team.

## 2.1. HVAC Requirements

All HVAC equipment must be certified by the Air Conditioning, Heating, and Refrigeration Institute (AHRI) and be included in the QPL. Additionally, the HVAC equipment must meet the efficiency requirements listed below:

Unitary and Split Air Conditioning Systems	
< 65,000 Btu/h (< 5.4 tons) Split System	14.0 SEER2
< 65,000 Btu/h (< 5.4 tons) Single Package	14.4 SEER2
≥ 65,000 Btu/h and < 135,000 Btu/h (5.4-11.25 tons)	16.1 IEER
≥ 135,000 Btu/h and < 240,000 Btu/h (11.25-20 tons)	15.6 IEER
≥ 240,000 Btu/h and < 760,000 Btu/h (20-63 tons)	14.5 IEER
≥ 760,000 Btu/h (≥ 63 tons)	13.8 IEER

Air Source Heat Pumps	
< 65,000 Btu/h (< 5.4 tons) Split System	15.0 SEER2 and 7.7 HSPF2
< 65,000 Btu/h (< 5.4 tons) Single Package	14.1 SEER2 and 6.9 HSPF2
≥ 65,000 Btu/h and < 135,000 Btu/h (5.4-11.25 tons)	15.2 IEER and 3.5 COP
≥ 135,000 Btu/h and < 240,000 Btu/h (11.25-20 tons)	14.6 IEER and 3.4 COP
≥ 240,000 Btu/h and < 760,000 Btu/h (20-63 tons)	13.6 IEER and 3.3 COP

Variable Refrigerant Flow Systems	
< 65,000 Btu/h (< 5.4 tons)	13.7 SEER and 7.9 HSPF
≥ 65,000 Btu/h and < 135,000 Btu/h (5.4-11.25 tons)	15.7 IEER and 3.4 COP
≥ 135,000 Btu/h and < 240,000 Btu/h (11.25-20 tons)	15.1 IEER and 3.3 COP
≥ 240,000 Btu/h and < 760,000 Btu/h (20-63 tons)	13.8 IEER and 3.3 COP

Packaged Terminal AC	
All Sizes	14.5 – (0.300 x [Btu/h]/1000) EER2

Packaged Terminal HP	
All Sizes	14.5 – (0.300 x [Btu/h]/1000) EER2 and 3.9 – (0.052 * [Btu/h] /1000) COP

## 2.2. Food Service Requirements

All food service products must be ENERGY STAR® certified and be included in the program QPL.

## 2.3. Incentive Rates

Please see the Distributor Discount Program Quick Looks document for detailed incentive rate information. You can find the Quick Looks documents at [PNMenergyefficiency.com](http://PNMenergyefficiency.com) under Application Tools.

## 2.4. Customer Eligibility

The Distributor Discount Program (“Program”) targets PNM commercial customers. Participating Distributors are responsible for confirming the eligibility of customers for participation in the Program. To be eligible for the Distributor Discount Program, the end-use customer (“Customer”) must meet the following criteria:

## 2.5. PNM Service Territory

Distributor acknowledges that the End User must be located within PNM service territory. Please see the chart below for all eligible zip codes.

City	Zip Code	City	Zip Code	City	Zip Code
Alamogordo	88310	Albuquerque	87176	Las Vegas	87701
Alamogordo	88311	Albuquerque	87181	Lordsburg	88045
Albuquerque	87101	Albuquerque	87184	Los Lunas	87031
Albuquerque	87102	Albuquerque	87185	Placitas	87043
Albuquerque	87103	Albuquerque	87187	Rio Rancho	87124
Albuquerque	87104	Albuquerque	87190	Rio Rancho	87144
Albuquerque	87105	Albuquerque	87191	Rio Rancho	87174
Albuquerque	87106	Albuquerque	87192	Ruidoso	88345
Albuquerque	87107	Albuquerque	87193	Ruidoso	88355
Albuquerque	87108	Albuquerque	87194	Ruidoso Downs	88346
Albuquerque	87109	Albuquerque	87195	San Felipe Pueblo	87001
Albuquerque	87110	Albuquerque	87196	Sandia Pueblo	87004
Albuquerque	87111	Albuquerque	87197	Santa Ana Pueblo	87004
Albuquerque	87112	Albuquerque	87198	Santa Fe	87501
Albuquerque	87113	Albuquerque	87199	Santa Fe	87502
Albuquerque	87114	Algodones	87001	Santa Fe	87503
Albuquerque	87115	Bayard	88023	Santa Fe	87504
Albuquerque	87116	Belen	87002	Santa Fe	87505
Albuquerque	87119	Bernalillo	87004	Santa Fe	87506
Albuquerque	87120	Bosque Farms	87068	Santa Fe	87507
Albuquerque	87121	Cedar Crest	87008	Santa Fe	87508
Albuquerque	87122	Clayton	88415	Santa Fe	87509
Albuquerque	87123	Cliff	88028	Santa Fe	87592
Albuquerque	87125	Cochiti Pueblo	87072	Santa Fe	87594
Albuquerque	87131	Corrales	87048	Santo Domingo Pueblo	87052
Albuquerque	87151	Deming	88030	Silver City	88061
Albuquerque	87153	Deming	88031	Silver City	88062
Albuquerque	87154	Eldorado	87508	Tijeras	87059
Albuquerque	87158	Isleta Pueblo	87022	Tularosa	88352

## 2.6. Eligible PNM Rate Schedules

The Customer receiving the discounted equipment must be on an eligible PNM commercial rate schedule. Installation in residential applications do not qualify, this includes multifamily units behind a commercial master meter account. Installation for use in multifamily common areas, however, does qualify. Eligible commercial rate schedules include:

- 2A, 2B, 3B, 3C, 3D, 3E, 4B, 5B (Excludes flat or unmetered rates)
- Water and Sewage Pumping – 11B
- Large Service for Public Universities – 15B
- Large Service for Manufacturing- Distribution Level 30B
- Large Service for Station Power 33B
- Large Power Service 35B

*\*If there is any doubt or question if the participating Customer is on an eligible rate schedule, please contact the Program administrator to confirm eligibility.*

## 3. AUTHORIZED DISTRIBUTORS

### 3.1. Program Marketing

Under no circumstances shall any marketing or advertising material incorporating PNM branding or trademarks be used in the promotion of the Program without prior written approval from PNM. Failure of PNM to provide its written acceptance, as set forth herein, shall not constitute PNM's approval and/or acceptance.

The Program name must be added to all materials and advertising approved for use pursuant to this Program (except for pre-printed, stock Product packages) by Distributor.

Distributor acknowledges and agrees that PNM is the lawful owner of all right, title and interest in and to PNM names and logos and that Distributor will not at any time dispute or contest, directly or indirectly, PNM's exclusive right and title to, and validity of, its name and logo. Distributor agrees to take no action inconsistent with PNM ownership of its name and logo or that is likely to subject PNM to claims by third parties or potential loss of any rights therein and agree and acknowledge that their use of the PNM name and logo inures to the benefit of PNM. PNM hereby grants Distributor the right to use its name and logo in connection with the Program pursuant to the terms and conditions contained in this policies and procedures document. The right to use such names and logos as set forth herein shall be concurrent with the term of this policies and procedures document and any and all such rights shall terminate upon termination of this policies and procedures document for any reason. Distributor acknowledges that maintaining a high standard of quality for the Program materials bearing the PNM name and logo and maintaining the goodwill associated with such names and logos are of substantial importance to PNM. Distributor therefore agrees that all materials to be used in connection with the Program shall be submitted for review by PNM as set forth in this policies and procedures document.

### 3.2. Authorized Distributor Responsibilities

Distributor must adhere to all items listed under Distributor Obligations in the Distributor Discount Program Agreement. Additionally, Distributor responsibilities include, but are not limited to:

- Attending all mandatory Business Energy Efficiency Program meetings;
- Utilize the Distributor Discount webtool to verify product discount amounts;
- Utilize the Distributor Discount webtool to submit project applications.

### 3.3. Distributor Approval Process

The distributor approval process involves reviewing the Distributor Discount Policies and Procedures, the Distributor Discount Program Agreement, and ensuring PNM has a current W9 on file. Additionally, new distributors must attend a training session on the use of the online application webtool. A distributor will be classified as new if:

- They have never participated in the PNM Distributor Discount Program; or
- They have been inactive in the PNM Distributor Discount Program for more than 2 program years.

Each new Distributor must:

- Review the Distributor Discount Policies and Procedures;
- Provide current W9 of the recipient of program incentive funding;
- Review, complete, sign, and return all pages of the Distributor Discount Program Agreement to PNM at [energyefficiency@pnm.com](mailto:energyefficiency@pnm.com). Distributors are advised to read the entire document, as there are a variety of eligibility requirements that must be met to participate in the program. Submission of the Distributor Discount Program Agreement does not in any way constitute acceptance as a Distributor.
- PNM will review the application and verify required documentation has been completed;
- Once the Distributor Discount Program Agreement has been determined to be completed and acceptable, PNM will provide the Distributor with access to create an account to access the Distributor Discount project application webtool.
- Once the Distributor has set up an account for the Distributor Discount project application webtool, new distributors must attend a training session on the use of the webtool. See section 3.4 Distributor Training, for more information.

Each returning Distributor must:

- Review the Distributor Discount Policies and Procedures;
- Ensure PNM has a current W9 of the recipient of program incentive funding;
- Review, complete, sign, and return all pages of the Distributor Discount Program Agreement to PNM at [energyefficiency@pnm.com](mailto:energyefficiency@pnm.com). Distributors are advised to read the entire document, as there are a variety of eligibility requirements that must be met to participate in the program.

### 3.4. Distributor Training

Each new Distributor must have at least one (1) company representative attend an online application webtool training before they are allowed to submit applications. This training session may be either virtual or in person. The training will include:

- Navigation of the Distributor Discount Application webtool
- Uploading files to the application webtool
- Submitting an application with the application webtool
- Viewing application status on the application webtool

## 4. PROGRAM TERM

- The Program shall terminate on the earliest of the following occurrences: (i) the end of the Program Term, or (ii) the depletion of the Program Allocation Funding (defined below). PNM will provide 30 days' notice to Distributor of early termination of the Program as a result of the depletion of Program Allocation Funding.
- Changes to the Program Terms will be communicated by PNM in writing and will become effective upon receipt and acknowledgement by the Distributor.
- To guarantee transaction payment reimbursement in any calendar year, Transaction Reports must be received by PNM on or before December 15. Transaction Reports received after December 15 for sales occurring in the year will not be processed for payment in that calendar year.

## 5. PAYMENT

PNM will issue payment to the Distributor within 14 business days after PNM acknowledges receipt of a complete and satisfactory application. An application is considered satisfactory when all required information

and supporting documents have been provided such that a full project review can be completed without delay or the need for additional clarification. The value of customer incentives and Distributor bonuses paid to the Distributor by PNM will be based on the product incentive levels defined in the Qualified Product List in place at the time the payment request is received by PNM.

Distributor shall submit Transaction Reports to PNM as follows:

- Distributor must report online each Transaction Report to PNM at <https://webtools.dnv.com/Midstream/PNM/Account/Login>. Each Transaction Report is due from the Distributor and must be received by PNM within thirty (30) business days of the date of that product's sales transaction. PNM retains the right to decline incentive reimbursement requests received after the thirty (30) business day period.
- Each Transaction Report shall contain:
  - Invoice Number
  - Date of Sale
  - Product Manufacturer
  - Product Model Number
  - Product Serial Number
  - Quantity of Product Sold
  - Incentive Value per Unit
  - Total Incentive Requested
  - PNM Customer Information
    - End Use Customer Name
    - Installation Address
    - City, State, Zip Code
  - Purchasing agent (if different than Customer)
  - Building Type (i.e. Retail, School, Office, Industrial, etc.)
- In the event that purchased equipment for which PNM has provided incentives is later returned to Distributor, Distributor shall be responsible for:
  - Reporting the return to the PNM Business Energy Efficiency Program team within 15 business days of the equipment return; and
  - Crediting or refunding to PNM within 15 business days the value of the incentives received by the Distributor in association with the initial sale of the Product being returned; or
  - Request to have overpayment corrected by withholding overpaid incentive amount from a future transaction report payment. This option will require approval and additional requirements.
- Distributor must provide a copy of their W9 to PNM for tax reporting purposes before any Incentive or Bonus payments can be dispensed by PNM. Incentive and Bonus payments will be withheld if Distributor fails to submit required W9 documentation.

## 6. DISPUTE RESOLUTION

The PNM Business Energy Efficiency Program team will take every possible step to ensure a high level of satisfaction with all aspects of the program. However, if any problems or concerns should arise, we encourage you to contact the PNM Business Energy Efficiency Program team immediately at (505) 938-9400, or by email sent to [energyefficiency@pnm.com](mailto:energyefficiency@pnm.com).

## 7. INSPECTIONS

PNM reserves the right to conduct post-inspections at every End User facility. PNM may choose to waive a post-inspection. Failed post-inspections may result in a second inspection (“re-inspection”) after the Distributor has communicated that they have resolved the issue discovered during the initial post-inspection. PNM program inspectors are available to accompany Distributors on-site upon request.

## 8. PNM AUTHORIZED DISTRIBUTOR REMOVAL

Distributors operating as a PNM Authorized Distributor under the PNM Distributor Discount Program are required to follow program rules as outlined in the program policies and procedures and the PNM Distributor Discount Program Agreement. If, while operating as a PNM Authorized Distributor under the PNM Distributor Discount Program, DNV or PNM obtains adverse information about a Distributor or a Distributor is suspected of any fraudulent activity, the Distributor will be disqualified and will not be eligible for participation as a PNM Authorized Distributor. PNM shall determine cases of Distributor removal at its sole discretion and in any timeframe. Actions in excess of Distributor removal may also include any legal remedy available to PNM and its assigns.

## 9. BILLING RELEASE

The PNM Business Energy Efficiency Program team keeps all customer information in confidence unless given permission by the customer. Third parties must acquire written authorization from the customer they are representing to receive billing data from PNM or the PNM Business Energy Efficiency Program team. The minimum components must be included in the written authorization provided by the customer to release their information to a third party:

- Customer name of record for each customer account
- Customer account number for each property to be released
- Contact name for each customer account
- Contact information for each customer account (include: phone, fax, email)
- Address for each account number
- Meter number
- Signature of the customer of record
- Title of the customer of record
- Identification of the third party to receive the information (Company, title, address)

## 10. TAX IMPLICATIONS

Incentives are taxable. If your incentive is greater than \$600, the PNM Business Energy Efficiency Programs Team may report your incentive as income on IRS Form 1099. PNM and DNV are not responsible for any taxes that may be imposed on your business as a result of your receipt of this incentive.

## 11. DEFINITIONS

**Energy Efficiency Ratio (EER2):** EER2 is an efficiency rating used to measure the amount of energy an HVAC unit is consuming to cool the space.

**Seasonal Energy Efficiency Rating (SEER2):** SEER2 is a ratio that represents the total cooling output of an AC or Heat Pump system over a cooling season. This measurement is used for systems less than 65,000 BTU/hr.

**Integrated Energy Efficiency Ratio (IEER):** IEER is a ratio that represents the integrated or average energy efficiency of a commercial HVAC system at various operating loads over an entire year. This measurement is used for systems greater than 65,000 BTU/hr.

**Heating Seasonal Performance Factor 2 (HSPF2):** HSPF2 is a ratio that measures the heating efficiency throughout an entire heating season.

**Coefficient of Performance (COP):** COP is used to measure the energy efficiency of a system in heating mode.

**Incentive:** The incentive (rebate) is the amount to be paid to the Distributor once the energy efficiency measure(s) have been sold to the end user and the final project documentation has been approved. Incentive levels are determined based on the project specifications and are detailed on the application forms.

**Distributor:** A legal business entity that sells either HVAC or commercial food service equipment.

## 12. CONTACT INFORMATION

Phone: (505) 938-9400  
Email: [energyefficiency@pnm.com](mailto:energyefficiency@pnm.com)  
Website: [PNMenergyefficiency.com](http://PNMenergyefficiency.com)  
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