UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

April 2, 2019

David I. Meyers
Troutman Sanders LLP
david.meyers@troutman.com

Re: PNM Resources, Inc.
Incoming letter dated January 18, 2019

Dear Mr. Meyers:

This letter is in response to your correspondence dated January 18, 2019 concerning the shareholder proposal (the "Proposal") submitted to PNM Resources, Inc. (the "Company") by The Edith P. Homans Trust and The Max and Anna Levinson Foundation (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponents dated February 15, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov /divisions/ corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Edith P. Homans
The Edith P. Homans Trust
davhom@cybermesa.com

***FISMA & OMB Memorandum M-07-16

April 2, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: PNM Resources, Inc.
Incoming letter dated January 18, 2019

The Proposal requests that the board prepare a report on the Company's efforts, above and beyond current compliance, to identify and reduce eniornmental and health hazards associated with past, present and future handling of coal combustion residuals and how those efforts may reduce legal, reputational and financial risks to the Company.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(3). We are unable to conclude that you have demonstrated objectively that the Proposal is materially false or misleading. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(3).

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters and does not seek to micromanage the Company to such a degree that exclusion of the Proposal would be appropriate. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it does not appear that Company's public disclosures compare favorably with the guidelines of the Proposal. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Jacqueline Kaufman
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

February 15, 2019

VIA EMAIL

U.S. Securities and Exchange Commission
Division of Corporate Finance
Office of Chief Counsel
100 F. Street, N.E.
Washington, DC 20549
(shareholderproposals@sec.gov)

Re: PNM Resources, Inc. – Exclusion of Shareholder Proposal Submitted by Edith Parkman Homans Pursuant to Rule 14a-8

Ladies and Gentlemen:

I am writing in response to the "No Action" request submitted by David I. Meyers of Troutman Sanders LLP on January 18, 2019 on behalf of their client PNM Resources. I am the shareholder and proponent who filed the Resolution on December 7, 2018 entitled "Report on Coal Ash Risks." I have sent copies of this response to David Meyers of Troutman Sanders, and Patrick Apodaca and Leonard Sanchez of PNM Resources.

PNM Resources (PNM) has asked that the staff concur in their view that the Proposal may be omitted from the Proxy Materials for the 2019 Shareholder Meeting because the Proposal "relates to the Company's ordinary business and seeks to micromanage to [sic] Company," because the Proposal has been "substantially implemented by the Company," and because the Proposal is "materially false and misleading."

The following are my general responses to the Company's arguments.

In essence, while the first two reasons for omitting the Proposal are legally distinct, PNM's arguments for both are based on the same set of assertions. The Company maintains that the production and management of Coal Combustion Waste (CCW) are part of the ordinary business of the Company; that the Company has performed all the required steps to control the waste, and that the Company has reported on those steps in the appropriate venues. The Company has therefore decided that the CCW is a potential hazard to neither the current or future health of the community, and that because there will be no contamination there is no risk to the Company's reputation, and that because the Company is confident that it will be allowed full recovery of costs the future treatment of CCW

will not have significant financial repercussions for the Company.

(I leave aside the specious argument that, because the CCW has been used as backfill in the coalmines adjacent to the plant, mines which are not owned by PNM, its responsibility for those wastes has been thereby attenuated or absolved. In fact a company has significant responsibility if a dangerous product it produces adversely affects public health even if that material was provided to another Company. Also specious is the argument that because PNM is in the process of reducing or discontinuing its reliance on coal fired electric generation that the issue of CCW has become irrelevant, as if the waste produced already was going to magically disappear!)

However, despite the great lengths to which PNM has gone in its letter to establish that the production and management of CCW is part of the ordinary business of the Company, and that, to the extent to which the regulatory apparatus is established and clear, PNM has done what is required, these are things which were never in dispute. The resolution asks that PNM prepare a report "above and beyond current compliance." It describes a growing concern nationwide with the issue of potential pollution hazards from CCW. And it makes reference to the upcoming San Juan Generating Station (SJGS) Abandonment Case where the issue of CCW will be of central concern. The report therefore is a request for information well outside the normal business of the Company, information that is of general and increasing concern to the public, and, since it affects the strategy and profitability of the Company, definitively affects shareholder interests.

Furthermore, the report would also require the Company to address an issue that it has studiously ignored, namely the altered political environment in the New Mexico Pubic Regulation Commission and the New Mexico Statehouse. PNM has continued to maintain, both in its public filings and in the body of its "No Action" letter, with no substantiation other than its simple assertion, that it expects full recovery of costs for any required treatment of CCW. This is not so certain in this changing context, and the report proposed would make clear to shareholders the basis for the Company's continued confidence, and a general sense of its alternate plans if that confidence is misplaced.

As another aside, as I have indicated, the disposal of CCW is an issue of growing concern nationally, and especially in New Mexico in the near future.

Finally there is the argument that the Proposal is "materially false and misleading." This is based on a reading of two passages. Here is the first:

"PNM Resources' (PNM) San Juan Generating Station (SJGS) began operation

in 1973. At full capacity, it burned approximately 20,000 tons of coal a day, 20% of which remained as Coal Combustion Waste (CCW, or coal ash). In 2017 alone the SJGS produced 1,360,871 tons of coal ash."

If the argument is that the passage is misleading because it implies that PNM has been the sole owner of SJGS since inception, I propose resolving it by changing the wording to "The San Juan Generation Station (SJGS), of which PNM Resources is the operator and largest single owner, . . ." However, the listing of the production in an emblematic year (and there is no dispute over the figure quoted) is a standard rhetorical device, intended only to give a sensation of the large quantity of material being discussed, and no reader would assume that amount was necessarily produced year after year.

And here is the second passage:

"Further, PNM closed two units of SJGS at the end of 2017, and plans to close the next two by 2022. PNM will therefore file a SJGS abandonment case at the New Mexico Public Regulation Commission (PRC), which will determine under what conditions it will be allowed to leave the accumulated CCW."

I propose we remedy this inaccuracy by simply removing the phrase "which will determine under what conditions it will be allowed to leave the accumulated CCW." This paragraph would then read in its entirety: "Further, PNM closed two units of SJGS at the end of 2017, and plans to close the next two by 2022. PNM will therefore file a SJGS abandonment case at the New Mexico Public Regulation Commission (PRC)."

Obviously, neither of these changes is sufficiently burdensome to require that the entire proposal be rejected.

For the above reasons I ask therefore that the "No Action" request by the Company be disallowed and that our Resolution be included in this year's proxy materials.

If you have any further questions you can contact me by email at davhom@cybermesa.com, or by phone at ***.

Sincerely,

Edith Parkman Homans

Cc:Patrick V. Apodaca, Senior vice President, General Counsel and Secretary, PNM Resources

Leonard Sanchez, Associate General Counsel, PNM Resources

David I Meyers, Troutman Sanders LLP

Troutman Sanders LLP
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Richmond, VA 23219

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David I. Meyers
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January 18, 2019

VIA E-MAIL (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F. Street, N.E.
Washington, D.C. 20549

Re: PNM Resources, Inc. – Exclusion of Shareholder Proposal Submitted by The Edith P. Homans Trust Pursuant to Rule 14a-8

Ladies and Gentlemen:

On behalf of our client PNM Resources, Inc., a New Mexico corporation (the "Company"), we hereby respectfully request that the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission" or "SEC") advise the Company that it will not recommend any enforcement action to the SEC if the Company omits from its proxy materials to be distributed in connection with its 2019 annual meeting of shareholders (the "Proxy Materials") a proposal (the "Proposal") and supporting statement submitted to the Company on December 7, 2018 by The Edith P. Homans Trust (the "Trust" or "Proponent") and by The Max and Anna Levinson Foundation (as a co-proponent) (the "Co-Filer" and, together with the Trust, the "Proponents"). References to a "Rule" or to "Rules" in this letter refer to rules promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the SEC in accordance with the deadline specified in Rule 14a-8(j); and

- concurrently sent a copy of this correspondence to the Proponents.

The Company anticipates that its Proxy Materials will be available for mailing on or about April 9, 2019. We respectfully request that the Staff, to the extent possible, advise the Company with respect to the Proposal consistent with this timing.

The Company agrees to forward promptly to the Proponents any response from the Staff to this no-action request that the Staff transmits by e-mail or facsimile to the Company only.

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Rule 14a-8(k) and Staff Legal Bulletin No. 14D ("SLB 14D") provide that a shareholder proponent is required to send the company a copy of any correspondence that the proponent elects to submit to the SEC or Staff. Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the SEC or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal states:

"RESOLVED:
Shareholders request that the Board prepare a complete report on the company's efforts, above and beyond current compliance, to identify and reduce environmental and health hazards associated with past, present and future handling of coal combustion residuals and how those efforts may reduce legal, reputational and financial risks to the company. This report should be available to the shareholders and the public on PNM's website by January 1, 2020, be prepared at reasonable cost, and omit confidential information such as proprietary data or legal strategy."

A copy of the Proposal and supporting statement, as well as the related correspondence regarding the Proponents' share ownership, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We respectfully request on behalf of the Company that the Staff concur in our view that the Company may exclude the Proposal from the Proxy Materials pursuant to (i) Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations and seeks to micromanage to Company, (ii) Rule 14a-8(i)(10) because the Proposal has been substantially implemented by the Company, and (iii) Rule 14a-8(i)(3) because the Proposal is materially false and misleading.

DISCUSSION

A. The Proposal relates to the Company's ordinary business operations and may be excluded pursuant to Rule 14a-8(i)(7).

1. Background

Rule 14a-8(i)(7) permits a company to exclude from its proxy materials a shareholder proposal that relates to the company's "ordinary business operations." According to the SEC release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word, but instead the term "is rooted in the corporate law concept of providing management with the flexibility in

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directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the SEC stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual meeting," and identified two central considerations that underlie this policy. The first was that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration related to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." Id. (citing Exchange Act Release No. 12999) (Nov. 22, 1976).

Moreover, framing a shareholder proposal in the form of a request for a report does not change the nature of the proposal. Staff Legal Bulletin No. 14E (Oct. 27, 2009) ("SLB 14E") summarizes the Staff's approach to evaluating shareholder proposals that request a risk assessment: "[R]ather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk... [W]e will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company."

Likewise, the Staff has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. Exchange Release No. 34-20091 (Aug. 16, 1983) (the "1983 Release"). The Staff has indicated that "[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under rule 14a-8(i)(7)." *Johnson Controls, Inc.* (avail. Oct. 26, 1999) and *Ford Motor Company* (March 2, 2004) (concurring with the exclusion of a proposal requesting that the company publish a report about global warming/cooling, where the report was required to include details such as the measured temperature at certain locations and the method of measurement, the effect on temperature of increases or decreases in certain atmospheric gases, the effects of radiation from the sun on global warming/cooling, carbon dioxide production and absorption, and a discussion of certain costs and benefits).

2. *The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it involves the ordinary business of the Company.*

The Proposal focuses on the Company's efforts to identify and reduce environmental and health risks associated with coal combustion residuals ("CCR") and how those efforts can reduce legal, reputational and financial risks to the Company. This is clearly at the heart of the Company's day-to-day ordinary business operations.

The Company is an energy holding company based in Albuquerque, New Mexico, with 2017 consolidated operating revenues of $1.4 billion. Through its regulated utilities, Public

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Service Company of New Mexico ("PNM") and Texas-New Mexico Power Company ("TNMP"), the Company has approximately 2,580 megawatts of generation capacity and provides electricity to more than 773,000 homes and businesses in New Mexico and Texas. The Company's business operations through PNM and TNMP involve the generation, purchase, transmission, distribution and sale of electricity. A portion of the Company's current core business of generating electricity by PNM is through the use of coal-fired generation resources. PNM operates the San Juan Generating Station ("SJGS"). A natural byproduct of this business activity is the production of CCR and therefore, the production and subsequent management of CCR is integral to the Company's ordinary course of business.

The Company's management of CCR produced in the generation of its energy products is a complex process that requires an assessment of a myriad of operational, technical, financial, environmental and safety, and legal factors that requires analysis of governmental rules and regulations, scientific information and new technologies. Complexity is increased by new laws and regulations still in the process of being adopted relating to the storage and disposal of CCR.

All of these matters already are disclosed in detail by the Company in its periodic reports filed with the SEC, its regulatory filings with other agencies and on the Environment section of its Sustainability Portal under "Coal Combustion Residuals" (the "Coal Ash Report") available at (http://www.pnmresources.com/about-us/sustainability-portal/environment.aspx).

As part of its ordinary business operations, the Company manages legal, reputational and other risks associated with its regulatory, development, production and marketing operations. The Company's management is already responsible for the complex process of identifying, analyzing, evaluating and responding to operational, financial and litigation risks and the environmental impact of its coal-fired operations, including that of its efforts to comply with the complex issues related to CCR. Management brings potential risks faced by the Company to the Board of Directors (the "Board") as part of the Company's overall risk assessment process. The Board is responsible for providing oversight for the processes established to identify, assess, mitigate, and monitor these risks. Board oversight includes consideration of the various challenges and opportunities presented by these risks, plans to mitigate the risks, and the impact these risks may have on the Company's strategy. As a part of its ongoing risk oversight based on management's risk analysis, the Board determined that the management of CCR is not a significant risk and, as disclosed in the Company's SEC filings, does not expect the regulatory rules applicable to the management of CCR to have "a material impact on operations, financial position, or cash flows."

Clearly, it is the combination of the Board and the Company's officers, in consultation with the Company's engineers, environmental professionals, outside consultants, experts, and legal staff, not its shareholders, who have the expertise and practical experience in the matters raised by the Proposal and who are best positioned to address the complex and comprehensive regulations to which the Company is already subject and to determine what steps the Company should take to meet or exceed these regulations and manage the various risks related to its

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business.

Further, the Proposal emphasizes that the Proponents are focused on how the Company's efforts to reduce environmental and health risks may "reduce legal, reputation and financial risks to the Company." The Proposal does not request that the Company change its policies. Instead, these statements indicate that the Proposal is focused on the risk to, and liability of, the Company, rather than any social policy, and therefore is properly a matter of ordinary business to the Company. Based on this, CCR issues, when considered in relation to the Company's overall business, do not give rise to a significant social policy issue, and certainly not an issue so significant as to be appropriate for a vote by Company shareholders. Accordingly, these matters should be left to the Company's Board and management, not its shareholders.

Accordingly, we believe that the Proposal may be properly excluded from the Proxy Materials under Rule14a-8(i)(7) as relating to the Company's ordinary business operations.

3. *The Proposal does not focus on an issue that is sufficiently significant to transcend the Company's ordinary business and thus be practically subject to direct shareholder oversight.*

As discussed above, Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal that relates to the company's "ordinary business operations." A proposal, however, may not be excluded under Rule 14a-8(i)(7) if the Staff determines it focuses on a policy issue that is sufficiently significant because it transcends ordinary business and therefore would be appropriate for a shareholder vote. Staff Legal Bulletin No. 14I (November 1, 2017) ("SLB 14I") (quoting 1998 Release). The Staff further explained that "[w]hether the significant policy exception applies depends, in part, on the connection between the significant policy issue and the company's business operations." Id. Because of this exception, the Staff recently issued further guidance to assist public companies in making this determination (Staff Legal Bulletin No. 14J (October 23, 2018) ("SLB 14J")). The Staff indicated that the evaluation of whether a policy issue is sufficiently significant in the context of a particular company involves "difficult judgment calls" which, the Staff believes in the first instance, a company's board of directors is "generally in a better position to determine." The Staff stated that a well-informed board of directors, in terms of knowledge of the company's business and the implications of a particular proposal on that business, acting consistent with its fiduciary duties, is "well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote."

In SLB 14(J), the Staff provided six factors that a company's board of directors could analyze when determining whether an issue is related to the company's ordinary business operations and does not raise a significant policy issue such that it transcends the company's ordinary business. Those factors include:

1. The extent to which the proposal relates to the company's core business activities.

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2. Quantitative data, including financial statement impact, related to the matter that illustrates whether or not a matter is significant to the company.
3. Whether the company has already addressed the issue in some manner, including the differences – or the delta – between the proposal's specific request and the actions the company has already taken, and an analysis of whether the delta presents a significant policy issue for the company.
4. The extent of shareholder engagement on the issue and the level of shareholder interest expressed through that engagement.
5. Whether anyone other than the proponent has requested the type of action or information sought by the proposal.
6. Whether the company's shareholders have previously voted on the matter and the board's views as to the related voting results.

The Board, after careful consideration, has determined that the Proposal does not transcend the Company's ordinary business matters and the Company should seek to exclude the Proposal from the Proxy Materials. In making this determination, the Board generally considered the following:

- **The Proposal is related directly to the Company's core business activities**. As detailed above, the Company is an energy holding company. The Company's business operations through its regulated utility subsidiaries, PNM and TNMP, involve the generation, purchase, transmission, distribution and sale of electricity. Similarly, as part of its ordinary business operations, the Company manages legal, reputational and other risks associated with its regulatory, development, production and marketing operations. The nature of the Company's business is the generation of electricity to serve its customers. Further, a portion of the Company's current core business of generating electricity through its regulated utility subsidiary, PNM, utilizes coal-fired generation resources. CCR is a natural by-product generated from coal combustion and therefore, the production and subsequent management of CCR is integral to the Company's ordinary course of business and day-to-day management. The handling of CCR produced in the generation of energy products is a complex process that requires an assessment of a myriad of operational, technical, financial and legal factors that requires analysis of governmental rules and regulations, scientific information and new technologies. Complexity is increased by new laws and regulations still in the process of being adopted relating to CCR storage and disposal. With Board oversight, it is the Company's officers who are already tasked with the complex process of identifying, analyzing, evaluating and responding to operational, financial and litigation risks and the environmental impact of PNM's coal-fired operations, including that of its efforts to comply with the complex issues related to management of CCR. It is also the Company's officers, with Board oversight, in consultation with PNM's engineers, environmental professionals, and legal staff, not its shareholders, who have the expertise and practical experience in these matters and are thereby best positioned to address the complex and comprehensive regulations to which PNM is already subject and to determine what steps PNM should take to meet or exceed these regulations and manage the various risks related to its business. Importantly, the Proposal emphasizes that the Proponents are focused on how the

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Company's efforts to reduce environmental and health risks may "reduce legal, reputation and financial risks to [the Company]." The Proposal does not request that the Company change its policies. Instead, these statements indicate that the Proposal is focused on the risk to, and liability of, the Company, rather than any social policy, and therefore is properly a matter of ordinary business to the Company. Accordingly, these matters should be left to the Company's Board and management, not its shareholders.

- **The subject matter of the Proposal is not significant to the Company.** As detailed above, while environmental and health issues related to the management of CCR may be significant in a general sense, with respect to the Company, such issues do not give rise to significant social policy issues, and certainly not issues so significant as to be appropriate for a shareholder vote. The Company's use of coal to generate electricity continues to decline and the Company has publicly announced plans to eliminate coal-fired generation and replace it with a cleaner mix of more solar, wind, natural gas and potentially battery storage. Further, the Company has already disclosed that it believes any costs associated with its compliance plan to be prudent and therefore expects these costs to be recoverable through rates to customers. As disclosed on page 66 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 31, 2018, under "Note 11. Commitments and Contingencies" – "Coal Combustion Byproducts Waste Disposal" ("Note 11"), PNM does not expect the regulatory rules applicable to the management of CCR to have "a material impact on operations, financial position, or cash flows."

- **The Company already has substantially addressed the subject matter of the Proposal.** As described in detail above, the Company already has made substantial public disclosures related to the management of CCR, including the potential financial impact on the Company with respect to its compliance with applicable regulations. These disclosures indicate that the management of CCR is not a significant matter to the Company. Through the Company's website and in its other public filings, the Company already provides a substantial amount of information relating to its strong commitment to responsible management of CCR in compliance with applicable laws and assessing the potential legal, reputational and financial risks to the Company related to such efforts. Management and the Board believe that the information presented on the Company's website, including in the Coal Ash Report, together with information in its SEC filings and other regulatory filings, provides shareholders with extensive disclosure of actions to identify and manage the potential risks associated with CCR. As discussed above, to the extent applicable, the Company already discloses that it is complying with all applicable regulations for the management of CCR and, as mentioned above, that such compliance would not have a material impact. The Proposal, on the other hand, requests the Company to identify efforts "above and beyond" current compliance, which would require the Company to speculate as to the implementation of alternative measures it believes to be unnecessary.

- **The Company's shareholders have not considered the issues raised by the Proposal to be significant to the Company in their engagements with the Company.** As

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disclosed on page 2 of the Company's Definitive Proxy Statement on Schedule 14A for the 2018 Annual Meeting of Shareholders, the Company "engaged with shareholders representing a majority of shares outstanding on a variety of environmental, social and corporate governance matters." In the Company's numerous meetings with significant shareholders, the issue of CCR has not been raised by shareholders or discussed as a significant Company issue. Importantly, the Proponents are very small shareholders of the Company. In fact, the Proponents have made numerous shareholder proposals to the Company over the years and the Proposal is the first time that the Proponents have raised CCR as an issue with the Company.

- **No other shareholder has requested the type of information sought by the Proposal and the Company has never received a shareholder proposal with respect to its management of CCR.**

4. *The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it seeks to micromanage the Company by probing too deeply into complex matters for which shareholders are not in a position to make an informed judgment.*

The Staff has consistently agreed that shareholder proposals attempting to micromanage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment are excludable under Rule 14a-8(i)(7). See 1998 Release; see also *Walgreens Boots Alliance, Inc.* (Nov. 20, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested open market share repurchase programs or stock buybacks subsequently adopted by the board not become effective until approved by shareholders); *SeaWorld Entertainment, Inc.* (Apr. 23, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested that the board ban all captive breeding in the company's parks); *JPMorgan Chase & Co.* (Mar. 30, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing on tar sands projects).

As recently explained by the Staff, the consideration of the excludability of a proposal based on micromanagement looks only to the degree to which a proposal seeks to micromanage and "a proposal may probe too deeply into matters of a complex nature if it "involves intricate detail"." SLB No. 14J. The excludability of a proposal would be determined "on a case-by-case basis, taking into account factors such as the nature of the proposal and the circumstances of the company to which it is directed." The Staff further explained that a "proposal that seeks an intricately detailed study or report may be excluded on micromanagement grounds." See, e.g., *PayPal Holdings, Inc.* (Mar. 6, 2018) (concurring with the exclusion of a proposal requesting the preparation of a report evaluating the feasibility of achieving by 2030 "net-zero" emissions of greenhouse gases from parts of the business directly owned and operated by the company and the feasibility of reducing other emissions associated with the company's activities); *Deere & Company* (Dec. 27, 2017) (concurring with the exclusion of a proposal requesting the preparation of a report evaluating the potential to voluntarily address its role in climate change

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by achieving "net-zero" emissions of greenhouse gases by a fixed future target date); *Ford Motor Company* (Mar. 2, 2004) (concurring with the exclusion of a proposal requesting the preparation and publication of scientific report regarding the existence of global warming or cooling).

The Proposal implicates exactly the type of day-to-day business operations that SLB 14J indicated are both impractical and too complex to subject to shareholder oversight, and therefore the Proposal is an improper subject for shareholder consideration under Rule 14a-8(i)(7). The CCR risk report requested by the Proponents essentially amounts to a request for an internal evaluation of the Company's ordinary business activities and associated risks, including the Company's compliance and governance processes, all of which are properly left to the business judgment of the Company's management. Such a multifaceted and detailed report requested by the Proponents requires the involvement and input of a number of cross-function teams and Company management as well as input from third-party experts, specialists and legal counsel. As discussed above, the Company's officers with oversight from the Board are already responsible for the complex process of identifying, analyzing, evaluating and responding to operational, financial, reputational and litigation risks and the environmental and health impact of the Company's operations that generate electricity through the use of coal, including the production of CCR, its use, storage and disposal, and the policies and regulations that may affect its operations, which the Company already publicly reports on (as described below).

Moreover, the Proposal permits the exclusion of confidential information, such as proprietary data or legal strategy. Given the legal and regulatory complexities of CCR management, this is exactly the type of information that the Company has not previously publicly disclosed, but which is essential to management's considerations with respect to these issues. It would be potentially misleading and incomplete for the Company to prepare the type of report requested by the Proponents that omits confidential information, such as proprietary data or legal strategy for the reasons set forth above.

Further, the Proposal would not add any value to the shareholders or the Company's operations because the Company already evaluates its compliance on a regular basis with the regulatory standards that govern the management of CCR to ensure that the Company's operations are sufficiently protective of human health and the environment. The Company already discloses in its periodic reports certain risk factors associated with its operations, including its generation of electricity from coal-fired generation resources. Undertaking to prepare yet another report in such detail and complexity would necessarily divert the Company's management and employees from focusing on activities designed to maximize shareholder value and minimize risk, such as oversight of daily operations to maintain compliance with existing requirements and would require unnecessary and duplicative work on the part of the Company. Such diversions of the Company's resources to describe matters already being properly addressed by the Company in the ordinary course of its day-to-day business is precisely the type of micro-management by shareholders that we believe the Staff seeks to avoid.

The Proposal, together with its supporting statement, attempts to micromanage the

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Company by effectively mandating an intricately detailed report of its efforts, above and beyond current compliance, to identify and reduce risks associated with CCR and how those efforts may reduce legal, reputational and financial risks to the company. This is precisely the type of complex effort to micromanage the Company that Rule 14a-8(i)(7) is intended to prevent. Accordingly, for the reasons discussed above, the Proposal should be excluded from the Proxy Materials pursuant to Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

B. The Proposal has been substantially implemented and may be excluded pursuant to Rule 14a-8(i)(10).

The Company believes the Proposal may be excluded pursuant to Rule 14a-8(i)(10) as substantially implemented.

1. Background

Rule 14a-8(i)(10) permits a company to exclude a proposal from its proxy materials if "the company has already substantially implemented the proposal." According to the Commission, this exclusion "is designed to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by management." See 1983 Release. The Staff has articulated this standard by stating that "a determination that the company has substantially implemented the proposal depends upon whether particular policies, practices and procedures compare favorably with the guidelines of the proposal." See, e.g., *Oshkosh Corp.* (Nov. 4, 2016); *NetApp, Inc.* (June 10, 2015); *JPMorgan Chase & Co.* (Mar. 6, 2015); *Peabody Energy Corp.* (Feb. 25, 2014); *Medtronic, Inc.* (June 13, 2013); *Starbucks Corp.* (Nov. 27, 2012); *Whole Foods Market, Inc.* (Nov. 14, 2012); and *Texaco, Inc.* (Mar. 28, 1991). A company need not implement every detail of a proposal in order for the Staff to permit exclusion under Rule 14a-8(i)(10). See 1983 Release. Rather, the Staff has consistently permitted companies to exclude proposals from their proxy materials pursuant to Rule 14a-8(i)(10) where a company satisfied the essential objective of the proposal, even if the company did not take the exact action requested by the proponent or implement the proposal in every detail or if the company exercised discretion in determining how to implement the proposal. See, e.g., *Cisco Systems, Inc.* (Sept. 27, 2016) (allowing exclusion under Rule 14a-8(i)(10) of a proxy access proposal despite its including eligibility criteria distinguishable from those in the company's existing proxy access bylaw); *Walgreen Co.* (Sept. 26, 2013) (allowing exclusion under Rule 14a-8(i)(10) of a proposal requesting an amendment to the company's organizational documents that would eliminate all super-majority vote requirements, where such company eliminated all but one such requirement); and *Johnson & Johnson* (Feb. 19, 2008) (allowing exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company's board of directors amend the bylaws to permit a "reasonable percentage" of shareholders to call a special meeting where the proposal states that it "favors 10 percent" and the company planned to propose a bylaw amendment requiring at least 25 percent of shareholders to call a special meeting). See also, e.g., *Hewlett-Packard Co.* (Dec. 11, 2007); *Anheuser-Busch Cos., Inc.* (Jan. 17, 2007); and *Bristol-Myers Squibb Co.* (Mar. 9, 2006). Further, when a company can demonstrate that it has already taken actions to address each element of a

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shareholder proposal, the Staff has concurred that the proposal has been "substantially implemented." See, e.g., *WD-40 Co.* (Sept. 27, 2016); *Oracle Corp.* (Aug. 11, 2016); *Exxon Mobil Corp.* (Mar. 17, 2015); *Deere & Co.* (Nov. 13, 2012); *Exxon Mobil Corp.* (Mar. 23, 2009); *Exxon Mobil Corp.* (Jan. 24, 2001); and *The Gap, Inc.* (Mar. 8, 1996).

The Staff has allowed other similar proposals calling for reports to be excluded where companies could show that they were already issuing reports similar to those the proponents were requesting. For example, in *Walgreens Boot Alliance, Inc.* (November 13, 2018) the Staff allowed the company to exclude under Rule 14a-8(i)(10) a proposal requesting the company issue a report describing its implementation plans ensuring how its policies and practices are advancing and not undermining UN Sustainable Development Goals because the company's public disclosures compared favorably to the guidelines of the proposal. Importantly, in *Dominion Resources, Inc.* (Feb. 2, 2015), the Staff allowed the company to exclude a proposal almost identical to the Proposal requesting a report on the company's efforts to reduce environmental hazards associated with its coal ash disposal and storage operations, and how those efforts may reduce legal, reputational, and other risks to the company's finances, which exclusion was granted because the company's public disclosures "compare favorably with the guidelines of the proposal." In addition, in *Dominion Resources, Inc.* (Feb. 9, 2016), the Staff allowed the company to exclude a proposal requesting a report on how the company measures, mitigates, sets reduction targets, and discloses methane emissions, which exclusion was granted because the public disclosures made in the company's Methane Management Report 2015 "compare[d] favorably with the guidelines of the proposal." See also *Dominion Resources, Inc.* (Feb. 5, 2013) (allowing the Company to exclude a proposal requesting a report on the Company's plans for deploying wind turbines for utility scale power generation off the Virginia and North Carolina coasts because the Company already made similar disclosures pursuant to state regulatory reporting requirements); *Dominion Resources, Inc.* (Jan. 24, 2013) (allowing the Company to exclude a shareholder proposal seeking a report on increasing energy efficiency based on disclosures made in annual reports filed with state regulatory authorities). Similarly, in *Exxon Mobil Corp.* (Mar. 23, 2007), the proponent requested a report on the company's response to rising regulatory, competitive and public pressure to develop renewable energy technologies and products. Exxon was able to demonstrate that it had communicated with its shareholders on topics of renewable energy and greenhouse gas emissions through a number of venues, including executive speeches and a report available on its website. The Staff allowed Exxon to exclude the proposal in reliance on Rule 14a-8(i)(10). For similar results, see also *Entergy Corp.* (Feb. 14, 2014) (requesting the board prepare a report on policies the company could adopt and near-term actions it could take to reduce greenhouse gas emissions); *Abercrombie & Fitch Co.* (Mar. 28, 2012) (requesting that the board prepare a sustainability report that includes strategies to reduce greenhouse gas emissions, addresses energy efficiency measures as well as other environmental and social impacts, such as water use and worker safety); *MGM Resorts International* (Feb. 28, 2012) (requesting that the board issue a sustainability report to shareholders); and *Duke Energy Corp.* (Feb. 12, 2012) (requesting that the board assess actions the company is taking or could take to build shareholder value and reduce greenhouse gas and other air emissions by providing comprehensive energy efficiency and renewable energy programs to its customers, and issue a report on its plans to achieve these goals).

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2. *The Company's disclosures in its public SEC filings, regulatory filings and in the Coal Ash Report available on its Sustainability Portal, substantially implement the Proposal.*

The Proposal requests that the Board prepare a complete report on "the company's efforts, above and beyond current compliance, to identify and reduce environmental and health hazards associated with" its management of CCR and "how those efforts may reduce legal, reputational and financial risks to the company." The essential objectives of the Proposal are to elicit disclosure regarding (i) whether the Company recognizes and makes efforts to mitigate the risks associated with its management of CCR and (ii) whether the Company is making appropriate efforts to reduce "legal, reputational and financial risks" that may occur from the fact that part of its electrical generation operations utilize coal to produce electricity and therefore generate CCR as a natural byproduct. These objectives are already being met by the Company through its public disclosures in its periodic reports, its regulatory filings and on its Sustainability Portal.

Consistent with the report requested in the Proposal, the Company's disclosures already comprehensively describe the Company's efforts to manage CCR in compliance with existing and new regulations designed to reduce the risks associated with CCR. These disclosures are set forth in detail in Note 11 and in the Coal Ash Report on the Sustainability Portal. As described in detail in the Coal Ash Report, the Company is taking substantial affirmative steps to protect the groundwater, including long-term monitoring and reporting of surface water and groundwater quality, installing groundwater recovery systems and conducting multiple studies that show impacts to groundwater from placement of CCR are considered minor. These disclosures are consistent with the first objective of the Proposal, which is to elicit disclosure regarding whether the Company recognizes and makes efforts to mitigate the risks associated with its management of CCR.

In addition, the Company's public disclosures also implement and are consistent with the second objective of the Proposal, which is to elicit disclosure regarding whether the Company is making appropriate efforts to reduce legal, reputational and financial risks to the company related to its management of CCR. In Note 11 and in the Coal Ash Report, the Company has already disclosed specific details of its efforts to ensure proper management of CCR. Further information is disclosed under "INFORMATION ABOUT OUR CORPORATE GOVERNANCE - Board's Role in Risk Oversight" on page 8 of the Company's Definitive Proxy Statement on Schedule 14A for the 2018 Annual Meeting of Shareholders which provides a detailed discussion of the Board's risk oversight role.

The Company believes it has provided, and intends to continue to provide, appropriate disclosures to its shareholders regarding the risks associated with CCR. As the Commission has recognized, there is no need to present to shareholders a proposal regarding a matter on which the Company's management or board has already acted upon favorably. Therefore, where the particular policies, practices, and procedures of a company "compare favorably with the guidelines of the proposal" (*Vector Group Ltd.*(February 26, 2013)), as the Company's current disclosures

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already do with respect to the Proponents' primary goals, namely that the Company focus on and make disclosures regarding the risks associated with CCR, then the proposal may be excluded on the grounds that it has been substantially implemented.

While the Company believes that the Company's public disclosures (including the Coal Ash Report), clearly meet the essential objectives of the Proposal, we note that the Company need not take the exact action requested by a shareholder in order to be able to exclude a proposal under Rule 14a-8(i)(10); rather, it must substantially implement the shareholder proposal. As the Commission described in an earlier release noting the distinction between the current rule and its predecessor:

> In the past, the staff has permitted the exclusion of proposals under Rule 14a-8(c)(10) [the predecessor to current Rule 14a-8(i)(10)] only in those cases where the action requested by the proposal has been fully effected. The Commission proposed an interpretive change to permit the omission of proposals that have been 'substantially implemented by the issuer.' While the new interpretive position will add more subjectivity to the application of the provision, the Commission has determined that the previous formalistic application of this provision defeated its purpose. Accordingly, the Commission is adopting the proposed interpretive change. Amendments to Rule 14a-8 Under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Exchange Act Release No. 34-20091(Aug. 16, 1983).

Accordingly, because the Company has substantially implemented the Proposal, the Company may properly exclude the Proposal from the Proxy Materials pursuant to Rule 14a-8(i)(10).

C. *The Proposal is materially false and misleading in violation of Rule 14a-9 and therefore may be excluded pursuant to Rule 14a-8(i)(3).*

1. Background.

Under Rule 14a-8(i)(3), a shareholder proposal may be excluded from a company's proxy materials if the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in a company's proxy materials. Rule 14a-9 provides that no solicitation may be made by means of any proxy statement containing "any statement, which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading." In Staff Legal Bulletin No. 14B (Sept. 15, 2004) ("SLB 14B"), the Staff articulated the application of this exclusion by explaining that it is appropriate where "the company demonstrates objectively that a factual statement is materially false or misleading." The Staff consistently has allowed the exclusion under Rule 14a-8(i)(3) of a shareholder proposal when the

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company demonstrates objectively that a factual statement is materially false or misleading. When applying this standard, the Staff has allowed the exclusion of entire shareholder proposals when materially false and misleading factual statements in the supporting statement misrepresent the fundamental premise of the proposal and render the proposal as a whole materially false or misleading.

The Staff has consistently been of the view that a company may exclude shareholder proposals under Rule 14a-8(i)(3) where the company has "demonstrated objectively that certain factual statements in the supporting statement are materially false and misleading such that the proposal as a whole is materially false and misleading." "[W]hen a proposal and supporting statement will require detailed and extensive editing in order to bring them into compliance with the proxy rules, [the Staff] may find it appropriate for companies to exclude the entire proposal, supporting statement, or both, as materially false or misleading." Staff Legal Bulletin No. 14 (July 13, 2001) ("SLB 14"). See, e.g., *Ferro Corporation* (March 17, 2015) (concurring in the exclusion of a proposal requesting that the company reincorporate in Delaware based on misstatements of Ohio law, which improperly suggested that the shareholders would have increased rights if the Delaware law governed the company instead of Ohio law); *JPMorgan Chase & Co.* (Mar. 11, 2014, *recon. denied* Mar. 28, 2014) (concurring in the exclusion of a proposal as false and misleading because, among other things, it misrepresented the company's vote counting standard for electing directors and mischaracterized the company's treatment of abstentions); *General Electric Co.* (Jan. 6, 2009) (concurring in the exclusion of a proposal under which any director who received more than 25 percent in "withheld" votes would not be permitted to serve on any key board committee for two years because the company did not typically allow shareholders to withhold votes in director elections); *Johnson & Johnson* (Jan. 31, 2007) (concurring in the exclusion of a proposal to provide shareholders a "vote on an advisory management resolution ... to approve the Compensation Committee [R]eport" because the proposal would create the false implication that shareholders would receive a vote on executive compensation); *Citigroup Inc.* (January 31, 2007) (permitting exclusion of a proposal asking the board to adopt a policy that shareholders be given the opportunity at each annual meeting to vote on an advisory management resolution to approve the report of the compensation committee in the proxy statement, because the proposal was "materially false or misleading under rule 14a-9"); *State Street Corp.* (Mar. 1, 2005) (concurring in the exclusion of a proposal requesting shareholder action pursuant to a section of state law that had been recodified and was thus no longer applicable).

2. *The Proposal is materially false and misleading because there are factually incorrect and misleading statements in the supporting statement.*

The Company believes that certain supporting statements of the Proposal are demonstrably "materially false and misleading" such that the Proposal may be omitted in its entirety. The Proposal contains statements that are materially false and misleading to shareholders which concern the fundamental premise of the proposal – the Company's management of CCR and the risks to the Company. The Proposal is therefore excludable under Rule 14a-8(i)(3) as materially false and misleading in violation of Rule 14a-9.

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First, the premise of the first paragraph of the supporting statement is materially false and misleading. The first sentences read "PNM Resources' (PNM) San Juan Generation Station (SJGS) began operation in 1973. At full capacity, it burned approximately 20,000 tons of coal a day, 20 percent of which remained as Coal Combustion Waste (CCW, or coal ash). In 2017 alone the SJGS produced 1,360,871 tons of coal ash."

These sentences fundamentally misrepresent the Company's operations by implying that SJGS is running at capacity and that SJGS is generating similar amounts of CCR as in the 1970s. In addition, SJGS is owned by multiple owners. In 2017, when the plant was operating at full capacity (prior to the shutdown of two units), the Company's ownership interest was 46.3% of the total plant, and therefore the Company was responsible for a similar percentage of CCR generated (rather than the entire amount). The Company's use of coal as fuel to generate electricity continues to decline. Currently, less than 30 percent of the Company's capacity to generate electricity is through coal-fired plants. More importantly, the Company, along with the other owners, previously closed two units of SJGS and has publicly disclosed that it intends to shut down the remaining two SJGS units by 2022. Moreover, on December 19, 2018, the New Mexico Public Regulation Commission ("NMPRC") unanimously approved an order accepting the Company's Integrated Resources Plan ("IRP") as compliant with New Mexico law. The IRP, filed with the NMPRC in July 2017, presents a road map for PNM to eliminate coal-fired generation in 2031. The Company plans to replace the coal generation with a cleaner mix of solar, wind, natural gas and potentially battery storage. Therefore, the supporting statement is inherently false and misleading as the Company's business strategy is to exit the use of coal to generate electricity and therefore cease its generation of CCR.

As disclosed in the Coal Ash Report, CCR generated by coal-fired operations at SJGS is transported back to the San Juan Mine, where the CCR is used for surface mine reclamation and placed as backfill in the former surface mine pits adjacent to the plant. Returning CCR to mines for reclamation allows achievement of approximate original contour of the land when reclaiming the area. As the Company previously publicly disclosed in its Annual Report on Form 10-K for the year ended December 31, 2015 and as set forth in the Coal Ash Report, a groundwater recovery system consisting of an impermeable slurry wall and groundwater recovery trench, was constructed to capture groundwater downstream of SJGS and the San Juan Mine. This system went into operation in December 2018. In addition, there is a second groundwater recovery system located north of the new recovery system, but downgradient of SJGS that was installed by PNM in 2008 to intercept groundwater downstream of SJGS.

Multiple studies have been conducted to determine the potential for leachate from CCR placement at SJGS and the San Juan Mine to contaminate the underlying groundwater quality. Based on these multiple studies, it is believed that the rate of re-saturation of the mine spoil is expected to be extremely slow due to New Mexico's arid climate, the low rate of recharge, and the very low to no downward flow of groundwater through the unsaturated CCR as a result of the reclaimed mine pits being covered with at least 10 feet of soil, followed by topsoil and seed. These

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conditions indicate that the potential for contamination of the underlying regional aquifer at the San Juan Mine is minimal.

One of the studies includes a fate and transport assessment of the San Juan Mine that was conducted as part of the permit process. This assessment identified factors such as the low groundwater volume and velocity in the coal seam and a high dilution potential of the San Juan River alluvium that would help lessen the potential impacts if leachate did migrate from CCR placement into the San Juan River alluvium. Consequently, while alluvial groundwater downgradient from the CCR disposal sites might be impacted by leachate from the CCR, the fate and transport analysis conducted as part of the permit process indicated that the San Juan River would not be adversely affected by the leachate because of the hydrologic and geologic environment of the area, along with factors, such as, dilution and natural attenuation of the leachate. Based on all of these factors, the fate and transport analysis estimated that the contribution and impact of discharges of groundwater from CCR placed in former mine pits to the underlying aquifer and the San Juan River is extremely low.

Further, in 2010, in cooperation with the Mining and Minerals Division of the New Mexico Energy, Minerals and Natural Resources Department, the United States Geological Survey initiated a 4-year assessment of hydrologic conditions at the San Juan Mine. The purpose of the hydrologic assessment was to identify groundwater flow paths away from San Juan Mine CCR buried in the surface pits that might allow metals that may be leached from CCR to eventually reach wells or streams after regional dewatering ceases and groundwater recovers to predevelopment levels. The hydrologic assessment, undertaken between 2010 and 2013, included compilation of existing data, and is publicly available online (https://doi.org/10.3133/ds933).

In addition, the premise of the Proposal and supporting statement is that the Company is storing CCR. As discussed in detail above, while the Company generates CCR and is responsible for proper management of CCR, the Company does not store CCR. Instead, the CCR generated at SJGS is used in reclamation of the San Juan Mine, which is not owned by the Company.

Lastly, the supporting statement incorrectly implies that the NMPRC has regulatory authority over CCR that it does not have. The supporting statement states: "PNM will therefore file a SJGS abandonment case at the [NMPRC], which will determine under what conditions it will be allowed to leave the accumulated [CCR]." This statement implies that the NMPRC has regulatory authority over the handling and/or storage of CCR when, in actuality, the NMPRC does not have this authority. Therefore, the Proposal contains false and misleading statements.

Therefore, based on the false and misleading statements in the supporting statement, we respectfully submit that this proposal should be excluded under Rule 14a-8(i)(3).

CONCLUSION

For the reasons stated above, we believe that the Proposal may be properly excluded from the Proxy Materials. If you have any questions or need any additional information with regard to

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the enclosed or the foregoing, please contact me at (804) 697-1239 or at dave.meyers@troutman.com.

Sincerely,

David I. Meyers

Enclosures
cc: Patrick V. Apodaca – Senior Vice President, General Counsel and Secretary
Leonard D. Sanchez – Associate General Counsel
The Edith P. Homans Trust
The Max and Anna Levinson Foundation

Exhibit A

December 7, 2018

Corporate Secretary
PNM Resources
Albuquerque, NM 87102-3289

Greetings,
The Environmental Protection Agency has found evidence at numerous electrical generation sites around the USA that Coal Combustion Waste (CCW) has polluted ground and surface waters. Attempts are being made to hold utilities accountable for CCW pollution, and in some cases companies have paid substantial fines and suffered reputational consequences as a result of the contamination.

Due to the proximity of the San Juan Generating Station (SJGS) to the San Juan River and to the method of storing CCW at SFGS, some shareholders are concerned about PNM Resources' handling of these residuals and its potential financial consequences to the company and its shareholders.

I am therefore submitting a resolution which asks PNM Resources to report on its handling of CCW and to make this report publically available on its website.

The attached proposal is submitted for inclusion in the 2019 Proxy Statement in accordance with Rule 14a-8 of the general rules and Regulations of the Securities Act of 1934.

The Edith P. Homans Trust of which I am the sole trustee has been the beneficial and continuous owner of 100 shares of PNM Resources stock which is worth more than $2000 for over a year and will continue to be a holder of the requisite number of shares through the 2019 stockholders' meeting. Proof of ownership from US Bank, a DTC participant and the sub-custodian of my portfolio manager, Walden Asset Management, is forthcoming. As required by SEC rules, either I or my representative will attend the shareholders' meeting to move the resolution.

I may be joined by other co-filers but will act as primary filer and can be contacted as indicated below. I look forward to discussing this issue with you.

Sincerely,

Edith (Dee) P. Homans
P.O. 1354
Santa Fe, NM 87504
davhom@cybermesa.com
505-982-0501

REPORT ON COAL ASH RISKS

DISCUSSION: PNM Resources' (PNM) San Juan Generation Station (SJGS) began operation in 1973. At full capacity, it burned approximately 20,000 tons of coal a day, 20% of which remained as Coal Combustion Waste (CCW, or coal ash). In 2017 alone the SJGS produced 1,360,871 tons of coal ash. At SJGS this material has been used as backfill in the surface mine near the plant and not far from the San Juan River, with no provision to isolate the ash from the groundwater which will saturate the mine when mining operations cease.

Coal ash contains a mix of arsenic, mercury, lead and other heavy metals and toxins. These metals and toxins have been linked to cancer, organ failure, and other serious health problems. Though preserved in a vitrified state when dry, when wet the coal ash begins to "devitrify" and to release the toxic material it contains.

The EPA has found evidence at numerous sites that coal ash has polluted ground and surface waters. Companies have paid substantial fines and suffered reputational consequences as a result of the contamination.

Currently CCW regulations are in limbo, but other attempts are being made to hold utilities accountable for CCW pollution. In Illinois, for example, due to groundwater pollution from CCW at numerous coal plants, environmental groups have urged the new governor to require coal plant operators to cease polluting and to pay to clean up the existing dumps of coal ash.

Further, PNM closed two units of SJGS at the end of 2017, and plans to close the next two by 2022. PNM will therefore file a SJGS abandonment case at the New Mexico Public Regulation Commission (PRC), which will determine under what conditions it will be allowed to leave the accumulated CCW.

In its SEC filing of September 2018, PNM states that it does not expect that federal regulations will "have a material impact on operations, financial position, or cash flows," and that "PNM would seek recovery from its ratepayers of all CCB [CCW] costs that are ultimately incurred" at San Juan.

There is, however, a risk of financial consequence to the company and to shareholders related to PNM's storage of CCW, and no guarantee that the PRC will allow the company to pass on these costs to ratepayers.

RESOLVED:
Shareholders request that the Board prepare a complete report on the company's efforts, above and beyond current compliance, to identify and reduce environmental and health hazards associated with past, present and future handling of coal combustion residuals and how those efforts may reduce legal, reputational and financial risks to the company. This report should be available to the shareholders and the public on PNM's website by January 1, 2020, be prepared at reasonable cost, and omit confidential information such as proprietary data or legal strategy.

From: Sanchez, Leonard
To: Dee Homans & Andrew Davis; patrick.apodoca@pnmresources.com
Subject: RE: [External] Shareholder Resolution: Report on Coal Ash Risks
Date: Friday, December 7, 2018 6:30:00 PM

Dee:
As requested, I am acknowledging receipt of your email. Have a good evening.

Leonard D. Sanchez
Associate General Counsel &
Director, Ethics & Governance
PNM Resources, Inc.
414 Silver Ave SW MS 1275
Albuquerque, NM 87102-3289
Phone: (505) 241-4941
Leonard.Sanchez@pnmresources.com

-----Original Message-----
From: Dee Homans & Andrew Davis <davhom@cybermesa.com>
Sent: Friday, December 7, 2018 2:42 PM
To: patrick.apodoca@pnmresources.com
Cc: Sanchez, Leonard <Leonard.Sanchez@pnmresources.com>
Subject: [External] Shareholder Resolution: Report on Coal Ash Risks

Patrick Apodaca
Corporate Secretary
PNM Resources

Mr Apodaca:

Attached you will find a shareholder resolution I am submitting on behalf of the Edith P. Homans Trust for the upcoming shareholdser meeting, titled "Report on Coal Ash Risks."

I am also today mailing you a hard copy of both documents by Fed Ex.

You will also be receiving the required proof of ownership from US Bank and sub-custodian Walden Asset Management.

Would you let me know that you have received this email and the copies sent by Fed Ex?

All the best,

Edith "Dee" P. Homans

Institutional Trust and
Custody
425 Walnut Street
Cincinnati, OH 45202

usbank.com

Date: December 7, 2018

To Whom It May Concern:

U.S. Bank is the sub-custodian for Boston Trust & Investment Management Company (Boston Trust) who is the custodian for the account of The Edith P. Homans Family Trust.

We are writing to confirm that Edith P. Homans Family Trust has had continuous ownership of at least $2,000 of PNM Resources Inc. (Cusip#69349H107) as of December 7, 2017.

U.S. Bank serves as the sub-custodian for Boston Trust and Investment Management Company. U.S. Bank is a DTC participant.

Sincerely,

Joanne MacVey
Officer, Client Service Manager
Institutional Trust & Custody

From: Sanchez, Leonard
To: David I. Meyers - Troutman Sanders LLP (david.meyers@troutmansanders.com); Camille G. Pompei - Troutman Sanders LLP (camille.pompei@troutman.com); McCormack, Susan; Schroeder, Kimberly
Subject: FW: [External] Re: PNM Resources - The Edith P Homans Trust Shareholder Proposal
Date: Thursday, December 13, 2018 1:33:59 PM

-----Original Message-----
From: Sanchez, Leonard
Sent: Thursday, December 13, 2018 1:33 PM
To: Dee Homans & Andrew Davis <davhom@cybermesa.com>
Subject: RE: [External] Re: PNM Resources - The Edith P Homans Trust Shareholder Proposal

Dee:
This is sufficient.

Thank you for providing the information.

Leonard

-----Original Message-----
From: Dee Homans & Andrew Davis <davhom@cybermesa.com>
Sent: Thursday, December 13, 2018 11:33 AM
To: Sanchez, Leonard <Leonard.Sanchez@pnmresources.com>
Subject: Re: [External] Re: PNM Resources - The Edith P Homans Trust Shareholder Proposal

Good Morning, Leonard..Attached is what I thought Walden had sent yesterday. Is this sufficient? Thanks, Dee

From: Schroeder, Kimberly
To: davhom@cybermesa.com
Cc: Sanchez, Leonard; McCormack, Susan; Meyers, Dave; Schroeder, Kimberly
Subject: PNM Resources - The Edith P Homans Trust Shareholder Proposal
Date: Wednesday, December 12, 2018 4:37:23 PM
Attachments: 12-12-18 Homans - Notice of Deficiency w-enclosures.pdf
image001.png

Ms. Homans,

Attached is a response to the shareholder proposal submitted by you on behalf of The Edith P. Homans Trust dated December 7, 2018. The response outlines the reasons the proposal does not comply with the applicable SEC rules and regulations and provides a copy of Rule 14a-8 under the Exchange Act along with other materials that you may find useful. The response, along with the attachments, was mailed to you today.

Please let me know if I can be of assistance.

Sincerely,

Kimberly Schroeder | Paralegal | (505) 241-4937 | Kimberly.Schroeder@pnmresources.com

PNM Resources

PNM Resources, Inc.
414 Silver Ave., SW
Albuquerque, NM 87102-3289
PNMResources.com

December 12, 2018

Sent via Electronic Mail and Overnight Delivery

Edith P. Homans
The Edith P. Homans Trust
P.O. Box 1354
Santa Fe, New Mexico 87504
davhom@cybermesa.com

Dear Ms. Homans:

On December 7, 2018, PNM Resources, Inc. (PNMR) received the shareholder proposal (the Proposal) submitted by you on behalf of the Edith P. Homans Trust (the Trust) for inclusion in the PNMR proxy statement for the 2019 Annual Meeting of Shareholders (the 2019 Annual Meeting). In accordance with the regulations of the Securities and Exchange Commission (the SEC), we are required to notify you if your submission does not comply with the rules and regulations of the SEC promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act).

We are unable to verify through PNMR's records that the Trust has been a stockholder of PNMR in the amount and for the period of time required by Rule 14a-8(b) under the Exchange Act (Rule 14a-8(b)) and therefore are unable to determine the Trust's eligibility to submit a proposal for consideration at the 2019 Annual Meeting.

Accordingly, we request that you provide the written information required by Rule 14a-8(b)(2) establishing the Trust's ownership eligibility. Rule 14a-8(b) states that, in order to be eligible to submit a proposal, the Trust must have continuously held at least $2,000 in market value, or 1%, of PNMR's securities for at least one year preceding and including the date on which you submitted the proposal (**December 7, 2018**).

The Trust must continue to hold the requisite amount of PNMR's securities through the date of the 2019 Annual Meeting.

There are two ways to demonstrate the Trust's ownership eligibility under the SEC rules. You may submit to us either:

- a written statement from the "record" holder of the securities (usually a broker or a bank that is a Depository Trust Company (DTC) participant) verifying that, as of the date you submitted the Proposal (December 7, 2018), the Trust has held continuously the requisite number of PNMR's securities for at least one year; or

- a copy of a filed Schedule 13D, Form 3, Form 4, Form 5 or amendments to those documents or updated forms, reflecting the Trust's ownership of shares as of or before the date on which the one-year eligibility period began and a written statement that the Trust continuously held the required number of shares for the one-year period as of the date of the statement.

Please note that pursuant to Staff Legal Bulletin 14F (SLB 14F) and Staff Legal Bulletin 14G (SLB 14G) issued by the SEC only DTC participants or affiliated DTC participants should be viewed as record holders of the securities deposited at DTC.

We understand from your letter dated December 7, 2018 that you intend to provide verification of ownership from the Trust's portfolio manager, Walden Asset Management, through the Trust's sub-custodian, a DTC participant. However, PNMR has received no such proof of continuous ownership required by Rule 14a-8. **Therefore, in accordance with Rule 14a-8(f)(1) under the Exchange Act, we inform you that the Trust's proof of ownership information that satisfies the requirements of Rule 14a-8 must be postmarked or transmitted electronically to us no later than 14 calendar days from the date you receive this letter.**

Pursuant to Rule 14a-8(f) under the Exchange Act, PNMR will be entitled to exclude the Proposal from its proxy materials if proof of ownership is not timely received, or if such proof of ownership letter does not provide the proof of ownership information required by Rule 14a-8(b). Copies of Rule 14a-8 under the Exchange Act, SLB 14F and SLB 14G are attached for your reference.

Your documentation and/or response may be sent to me at PNM Resources, Inc., 414 Silver Ave., SW, Albuquerque, NM 87102-3289 or via electronic e-mail at leonard.sanchez@pnmresources.com, with a copy to my assistant, Kimberly Schroeder at kimberly.schroeder@pnmresources.com. If you should have any questions regarding this matter, please contact Ms. Schroeder at 505-241-4937.

Finally, please note that in addition to the eligibility deficiency cited above, PNMR reserves the right in the future to raise any further bases upon which your proposal may be properly excluded under Rule 14a-8 of the Exchange Act.

Sincerely,

Leonard D. Sanchez
Director, Ethics and Governance

Enclosures

From: Charlotte Levinson
To: patrick.apodoca@pnmresources.com; Sanchez, Leonard
Cc: davhom@cybermesa.com
Subject: [External] Shareholder Resolution Cofile
Date: Monday, December 10, 2018 10:21:30 AM

December 10, 2018
Corporate Secretary
PNM Resources
414 Silver Ave. SW
Albuquerque, NM 87102-3289

Patrick Apodaca,

Due to our concern about the handling of coal ash by Public Service Company of New Mexico, the Levinson Foundation is signing on as a co-sponsor of the resolution titled Report on Coal Ash Risks submitted by the Edith P. Homans Trust and to be included in the 2019 Proxy Statement.

The Levinson Foundation has been the beneficial and continuous owner of 100 shares of PNM Resources stock which is worth more than $2000 for over a year and will continue to be a holder of the requisite number of shares through the 2019 stockholders' meeting. Proof of ownership from US Bank, a DTC participant and sub-custodian of my portfolio manager, Walden Asset Management, is forthcoming.

Kindly acknowledge receipt. Thank you.

Sincerely,

Charlotte Levinson

Charlotte Levinson, President
The Max and Anna Levinson Foundation
P.O. 6309

Santa Fe, Nm 87502
505-995-8802
levinsonfoundation.org

REPORT ON COAL ASH RISKS

DISCUSSION: PNM Resources' (PNM) San Juan Generation Station (SJGS) began operation in 1973. At full capacity, it burned approximately 20,000 tons of coal a day, 20% of which remained as Coal Combustion Waste (CCW, or coal ash). In 2017 alone the SJGS produced 1,360,871 tons of coal ash. At SJGS this material has been used as backfill in the surface mine near the plant and not far from the San Juan River, with no provision to isolate the ash from the groundwater which will saturate the mine when mining operations cease.

Coal ash contains a mix of arsenic, mercury, lead and other heavy metals and toxins. These metals and toxins have been linked to cancer, organ failure, and other serious health problems. Though preserved in a vitrified state when dry, when wet the coal ash begins to "devitrify" and to release the toxic material it contains.

The EPA has found evidence at numerous sites that coal ash has polluted ground and surface waters. Companies have paid substantial fines and suffered reputational consequences as a result of the contamination.

Currently CCW regulations are in limbo, but other attempts are being made to hold utilities accountable for CCW pollution. In Illinois, for example, due to groundwater pollution from CCW at numerous coal plants, environmental groups have urged the new governor to require coal plant operators to cease polluting and to pay to clean up the existing dumps of coal ash.

Further, PNM closed two units of SJGS at the end of 2017, and plans to close the next two by 2022. PNM will therefore file a SJGS abandonment case at the New Mexico Public Regulation Commission (PRC), which will determine under what conditions it will be allowed to leave the accumulated CCW.

In its SEC filing of September 2018, PNM states that it does not expect that federal regulations will "have a material impact on operations, financial position, or cash flows," and that "PNM would seek recovery from its ratepayers of all CCB [CCW] costs that are ultimately incurred" at San Juan.

There is, however, a risk of financial consequence to the company and to shareholders related to PNM's storage of CCW, and no guarantee that the PRC will allow the company

to pass on these costs to ratepayers.

RESOLVED:
Shareholders request that the Board prepare a complete report on the company's efforts, above and beyond current compliance, to identify and reduce environmental and health hazards associated with past, present and future handling of coal combustion residuals and how those efforts may reduce legal, reputational and financial risks to the company. This report should be available to the shareholders and the public on PNM's website by January 1, 2020, be prepared at reasonable cost, and omit confidential information such as proprietary data or legal strategy.

THE MAX & ANNA

LEVINSON FOUNDATION

December 10, 2018
Corporate Secretary
PNM Resources
414 Silver Ave. SW
Albuquerque, NM 87102-3289

Patrick Apodaca,

Due to our concern about the handling of coal ash by Public Service Company of New Mexico, the Levinson Foundation is signing on as a co-sponsor of the resolution titled Report on Coal Ash Risks submitted by the Edith P. Homans Trust and to be included in the 2019 Proxy Statement.

The Levinson Foundation has been the beneficial and continuous owner of 100 shares of PNM Resources stock which is worth more than $2000 for over a year and will continue to be a holder of the requisite number of shares through the 2019 stockholders' meeting. Proof of ownership from US Bank, a DTC participant and sub-custodian of my portfolio manager, Walden Asset Management, is forthcoming.

Kindly acknowledge receipt. Thank you.

Sincerely,

Charlotte Levinson, President
The Max and Anna Levinson Foundation
P.O. 6309
Santa Fe, Nm 87502
505-995-8802

Institutional Trust & Custody
425 Walnut Street
Cincinnati, OH 45202

Date: December 7, 2018

To Whom It May Concern:

U.S. Bank is the sub-custodian for Boston Trust & Investment Management Company (Boston Trust) who is the custodian for the account of **Max and Anna Levinson Foundation Endowment.**

We are writing to confirm that **Max and Anna Levinson Foundation Endowment** has had continuous ownership of at least $2,000 of **PNM Resources Inc. (Cusip#69349H107)** as of December 7, 2017.

U.S. Bank serves as the sub-custodian for Boston Trust and Investment Management Company. U.S. Bank is a DTC participant.

Sincerely,

MWolf

Melissa Wolf
Officer, Client Service Manager
Institutional Trust & Custody

From:	Schroeder, Kimberly
To:	"info@levinsonfoundation.org"
Cc:	Sanchez, Leonard; McCormack, Susan
Subject:	PNM Resources - The Max and Anna Levinson Foundation Shareholder Proposal
Date:	Thursday, December 13, 2018 3:07:00 PM
Attachments:	12-13-18 Levinson deficiency notice.pdf image001.png 1 - Staff Legal Bulletin No. 14F (Shareholder Proposals).pdf 2 - Staff Legal Bulletin No. 14G (Shareholder Proposals).pdf 3 - Reg. §240.14a-8. (Rule 14a-8) Shareholder proposals.pdf

Ms. Levinson,

Attached is a response to the shareholder proposal co-sponsored by you on behalf of The Max and Anna Levinson Foundation dated December 10, 2018. The response outlines the reasons the proposal does not comply with the applicable SEC rules and regulations and provides a copy of Rule 14a-8 under the Exchange Act along with other materials that you may find useful. The response, along with the attachments, was mailed to you today.

Please let me know if I can be of assistance.

Sincerely,

Kimberly Schroeder | Paralegal | (505) 241-4937 | Kimberly.Schroeder@pnmresources.com

PNM Resources

PNM Resources, Inc.
414 Silver Ave., SW
Albuquerque, NM 87102-3289
PNMResources.com

December 13, 2018

Sent via Electronic Mail and Overnight Delivery

Charlotte Levinson
The Max and Anna Levinson Foundation
P.O. Box 6309
Santa Fe, New Mexico 87502
info@levinsonfoundation.org

Dear Ms. Levinson:

On December 10, 2018, PNM Resources, Inc. (PNMR) received a request by the Max and Anna Levinson Foundation (the Foundation) to be a co-sponsor for the proposal submitted by the Edith P. Homans Trust on December 7, 2018 (the Proposal) for inclusion in the PNMR proxy statement for the 2019 Annual Meeting of Shareholders (the 2019 Annual Meeting). In accordance with the regulations of the Securities and Exchange Commission (the SEC), we are required to notify you if your submission does not comply with the rules and regulations of the SEC promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). We notified you that your request to be a co-sponsor of the Proposal was deficient on December 12, 2018. You replied with a letter from US Bank on December 12, 2018 (the Response Letter) stating that the Foundation has had continuous ownership as of December 10, 2017.

We are unable to verify through PNMR's records that the Foundation has been a stockholder of PNMR in the amount and for the period of time required by Rule 14a-8(b) under the Exchange Act (Rule 14a-8(b)) and therefore are unable to determine the Foundation's eligibility to be a co-sponsor for the Proposal for consideration at the 2019 Annual Meeting. In addition, the Response Letter provided to PNMR by US Bank dated December 10, 2018 fails to provide the proof of continuous ownership by the Foundation as of December 7, 2018, required by Rule 14a-8.

Accordingly, we request that you provide the written information required by Rule 14a-8(b)(2) establishing the Foundation's ownership eligibility. Rule 14a-8(b) states that, in order to be eligible to submit a proposal, each shareholder proponent, which includes co-sponsors, must have continuously held at least $2,000 in market value, or 1%, of PNMR's securities for at least one year preceding and including the date on which the Proposal was originally submitted (**December 7, 2018**). The Response Letter is three days following December 7, 2018, and therefore does not provide the requisite proof of ownership required by Rule 14a-8(b)(2).

The Foundation must continue to hold the requisite amount of PNMR's securities through the date of the 2019 Annual Meeting.

There are two ways to demonstrate the Foundation's ownership eligibility under the SEC rules. You may submit to us either:

- a written statement from the "record" holder of the securities (usually a broker or a bank that is a Depository Trust Company (DTC) participant) verifying that, as of the date the Proposal was originally submitted (**December 7, 2018**), the Foundation has held continuously the requisite number of PNMR's securities for at least one year; or

- a copy of a filed Schedule 13D, Form 3, Form 4, Form 5 or amendments to those documents or updated forms, reflecting the Foundation's ownership of shares as of or before the date on which the one-year eligibility period began and a written statement that the Foundation continuously held the required number of shares for the one-year period as of the date of the statement.

Please note that pursuant to Staff Legal Bulletin 14F (SLB 14F) and Staff Legal Bulletin 14G (SLB 14G) issued by the SEC only DTC participants or affiliated DTC participants should be viewed as record holders of the securities deposited at DTC.

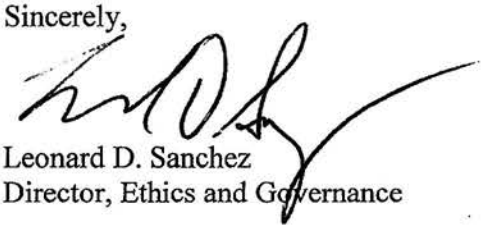
We understand from your letter dated December 10, 2018 that you intend to provide verification of ownership from the Foundation's portfolio manager, Walden Asset Management, through the Foundation's sub-custodian, a DTC participant. We received the Response Letter from US Bank dated December 10, 2018, however, such letter does not appear to be sufficient to satisfy the provisions of Rule 14a-8(b) because it provided proof of continuous ownership by the Foundation as of December 10, 2018 – three days after the date the Proposal was originally submitted. **Therefore, in accordance with Rule 14a-8(f)(1) under the Exchange Act, we inform you that the Foundation's proof of ownership information that satisfies the requirements of Rule 14a-8 must be postmarked or transmitted electronically to us no later than 14 calendar days from the date you receive this letter.**

Pursuant to Rule 14a-8(f) under the Exchange Act, PNMR will be entitled to exclude you as a co-sponsor of the Proposal from its proxy materials if proof of ownership is not timely received, or if such proof of ownership letter does not provide the proof of ownership information required by Rule 14a-8(b). Copies of Rule 14a-8 under the Exchange Act, SLB 14F and SLB 14G are attached for your reference.

Your documentation and/or response may be sent to me at PNM Resources, Inc., 414 Silver Ave., SW, Albuquerque, NM 87102-3289 or via electronic e-mail at leonard.sanchez@pnmresources.com, with a copy to my assistant, Kimberly Schroeder at kimberly.schroeder@pnmresources.com. If you should have any questions regarding this matter, please contact Ms. Schroeder at 505-241-4937.

Finally, please note that in addition to the eligibility deficiency cited above, PNMR reserves the right in the future to raise any further bases upon which your proposal may be properly excluded under Rule 14a-8 of the Exchange Act.

Sincerely,



Leonard D. Sanchez
Director, Ethics and Governance

Enclosures

Institutional Trust and
Custody
425 Walnut Street
Cincinnati, OH 45202

usbank.com

Date: December 10, 2018

To Whom It May Concern:

U.S. Bank is the sub-custodian for Boston Trust & Investment Management Company (Boston Trust) who is the custodian for the account of Max and Anna Levinson Foundation Endowment.

We are writing to confirm that Max and Anna Levinson Foundation Endowment has had continuous ownership of at least $2,000 of PNM Resources Inc. (Cusip#69349H107) as of December 10, 2017.

U.S. Bank serves as the sub-custodian for Boston Trust and Investment Management Company. U.S. Bank is a DTC participant.

Sincerely,

Joanne MacVey
Officer, Client Service Manager
Institutional Trust & Custody

From: Charlotte Levinson
To: Schroeder, Kimberly
Cc: Sanchez, Leonard; McCormack, Susan; Meyers, Dave; Dee Homans & Andrew Davis; Morgan, Regina
Subject: [External] Re: PNM Resources - The Max and Anna Levinson Foundation Shareholder Proposal
Date: Wednesday, December 12, 2018 4:56:38 PM
Attachments: image001.png
pnm - Levinson Foundation documentation[1].pdf

Kimberly Shroeder

I am writing to confirm that my proof of ownership documentation was sent to PNM Resources, PDF of same attached.

Charlotte Levinson

Charlotte Levinson, President
The Max & Anna Levinson Foundation
P.O. Box 6309, Santa Fe, New Mexico 87502
505-995-8802 levinsonfoundation.org

From: "Schroeder, Kimberly" <Kimberly.Schroeder@pnmresources.com>
Date: Wednesday, December 12, 2018 at 4:34 PM
To: Charlotte Levinson <info@levinsonfoundation.org>
Cc: "Sanchez, Leonard" <Leonard.Sanchez@pnmresources.com>, "McCormack, Susan" <Susan.McCormack@pnmresources.com>, "Meyers, Dave" <dave.meyers@troutman.com>, "Schroeder, Kimberly" <Kimberly.Schroeder@pnmresources.com>
Subject: PNM Resources - The Max and Anna Levinson Foundation Shareholder Proposal

Ms. Levinson,

Attached is a response to the shareholder proposal co-sponsored by you on behalf of The Max and Anna Levinson Foundation dated December 10, 2018. The response outlines the reasons the proposal does not comply with the applicable SEC rules and regulations and provides a copy of Rule 14a-8 under the Exchange Act along with other materials that you may find useful. The response, along with the attachments, was mailed to you today.

Please let me know if I can be of assistance.

Sincerely,

Kimberly Schroeder | Paralegal | (505) 241-4937 | Kimberly.Schroeder@pnmresources.com

PNM Resources, Inc.
414 Silver Ave., SW
Albuquerque, NM 87102-3289
PNMResources.com

December 12, 2018

Sent via Electronic Mail and Overnight Delivery

Charlotte Levinson
The Max and Anna Levinson Foundation
P.O. Box 6309
Santa Fe, New Mexico 87502
info@levinsonfoundation.org

Dear Ms. Levinson:

On December 10, 2018, PNM Resources, Inc. (PNMR) received the shareholder proposal (the Proposal) submitted by you on behalf of the Max and Anna Levinson Foundation (the Foundation) as a co-sponsor of the resolution submitted by the Edith P. Homans Trust for inclusion in the PNMR proxy statement for the 2019 Annual Meeting of Shareholders (the 2019 Annual Meeting). In accordance with the regulations of the Securities and Exchange Commission (the SEC), we are required to notify you if your submission does not comply with the rules and regulations of the SEC promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act).

We are unable to verify through PNMR's records that the Foundation has been a stockholder of PNMR in the amount and for the period of time required by Rule 14a-8(b) under the Exchange Act (Rule 14a-8(b)) and therefore are unable to determine the Foundation's eligibility to submit a proposal for consideration at the 2019 Annual Meeting.

Accordingly, we request that you provide the written information required by Rule 14a-8(b)(2) establishing the Foundation's ownership eligibility. Rule 14a-8(b) states that, in order to be eligible to submit a proposal, the Foundation must have continuously held at least $2,000 in market value, or 1%, of PNMR's securities for at least one year preceding and including the date on which you submitted the proposal (**December 10, 2018**).

The Foundation must continue to hold the requisite amount of PNMR's securities through the date of the 2019 Annual Meeting.

There are two ways to demonstrate the Foundation's ownership eligibility under the SEC rules. You may submit to us either:

- a written statement from the "record" holder of the securities (usually a broker or a bank that is a Depository Trust Company (DTC) participant) verifying that, as of the date you submitted the Proposal (December 10, 2018), the Foundation has held continuously the requisite number of PNMR's securities for at least one year; or

- a copy of a filed Schedule 13D, Form 3, Form 4, Form 5 or amendments to those documents or updated forms, reflecting the Foundation's ownership of shares as of or before the date on which the one-year eligibility period began and a written statement that the Foundation continuously held the required number of shares for the one-year period as of the date of the statement.

Please note that pursuant to Staff Legal Bulletin 14F (SLB 14F) and Staff Legal Bulletin 14G (SLB 14G) issued by the SEC only DTC participants or affiliated DTC participants should be viewed as record holders of the securities deposited at DTC.

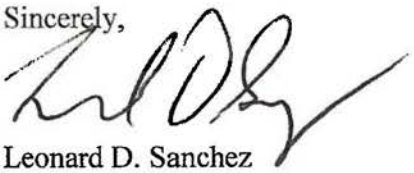
We understand from your letter dated December 10, 2018 that you intend to provide verification of ownership from the Foundation's portfolio manager, Walden Asset Management, through the Foundation's sub-custodian, a DTC participant. However, PNMR has received no such proof of continuous ownership required by Rule 14a-8. **Therefore, in accordance with Rule 14a-8(f)(1) under the Exchange Act, we inform you that the Foundation's proof of ownership information that satisfies the requirements of Rule 14a-8 must be postmarked or transmitted electronically to us no later than 14 calendar days from the date you receive this letter.**

Pursuant to Rule 14a-8(f) under the Exchange Act, PNMR will be entitled to exclude the Proposal from its proxy materials if proof of ownership is not timely received, or if such proof of ownership letter does not provide the proof of ownership information required by Rule 14a-8(b). Copies of Rule 14a-8 under the Exchange Act, SLB 14F and SLB 14G are attached for your reference.

Your documentation and/or response may be sent to me at PNM Resources, Inc., 414 Silver Ave., SW, Albuquerque, NM 87102-3289 or via electronic e-mail at leonard.sanchez@pnmresources.com, with a copy to my assistant, Kimberly Schroeder at kimberly.schroeder@pnmresources.com. If you should have any questions regarding this matter, please contact Ms. Schroeder at 505-241-4937.

Finally, please note that in addition to the eligibility deficiency cited above, PNMR reserves the right in the future to raise any further bases upon which your proposal may be properly excluded under Rule 14a-8 of the Exchange Act.

Sincerely,



Leonard D. Sanchez
Director, Ethics and Governance

Enclosures