



DIVISION OF
CORPORATION FINANCE

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

March 22, 2019

David I. Meyers
Troutman Sanders LLP
dave.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 and February 19, 2019 concerning the shareholder proposal (the "Proposal") submitted to PNM Resources, Inc. (the "Company") by Robert Andrew Davis (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated February 13, 2019 and February 22, 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: Robert Andrew Davis

March 22, 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 as elected board directors' terms of office expire, at least one candidate be nominated who satisfies the criteria specified in the Proposal.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's practices compare favorably with the guidelines of the Proposal and that the Company has, therefore, substantially implemented the Proposal. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Eric Envall
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 22, 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
Robert Andrew Davis Pursuant to Rule 14a-8

Ladies and Gentlemen:

I am the shareholder and proponent who filed the Resolution on December 7, 2018 that asks that an environmental expert be nominated to the board. I have sent copies of this letter to David Meyers of Troutman Sanders and Patrick Apodaca and Leonard Sanchez of PNM Resources.

In his answer to my letter of February 13, 2019, David Meyers of Troutman Sanders on behalf of PNM Resources has stated again the arguments presented in his original "No Action" filing of January 18, 2019, to which I have already responded.

But to reiterate one point: In 2017 ExxonMobil was presented with a Proposal with an identical title ("Nominate environmental expert to board") and with a Resolution which contained nearly identical language to mine. This Proposal, which, I emphasize, *was allowed by the SEC*, was withdrawn after negotiation by the Company with the submitting shareholders. It was withdrawn because ExxonMobil elected a scientist to the board whose credentials and climate experience were beyond dispute.

Mr. Meyers' Orwellian argument on behalf of PNM that the general experience of the current and new board members satisfies the Resolution's request for a board member with a high level of "expertise and experience in environmental and climate change related matters" ignores the clear and common sense interpretation of the Proposal. In the case of the ExxonMobil Proposal, the SEC obviously decided that neither did the Proposal "micromanage" the Company, nor were the qualifications of the existing board members sufficient to "substantially implement" the Proposal—a claim ExxonMobil could have made with equal, or greater, justification.

I continue to ask, therefore, that PNM Resources' "No Action" request be disallowed and that the Proposal be included in this year's proxy materials.

Respectfully,

Robert Andrew Davis

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

David I. Meyers
D 804.697.1239
david.meyers@troutman.com

February 19, 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 Robert Andrew Davis Pursuant to Rule 14a-8 – Response to Proponent Letter

Ladies and Gentlemen:

We are writing on behalf of our client PNM Resources, Inc., a New Mexico corporation (the “Company”), in response to the letter from Robert Andrew Davis (the “Proponent”) submitted to the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “SEC”) on February 13, 2019 (the “Proponent Letter”) regarding our request that the Staff 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 Proponent. Our original no action request regarding the Proposal was submitted to the Staff on January 18, 2019 (the “Company Request”). 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”).

The Company requested to exclude the Proposal under Rule 14a-8(i)(10) as substantially implemented. In the Proponent Letter, the Proponent claims that the argument made in the Company Request was a “willful misrepresentation of the plain English meaning of the resolution” as the Proponent disagrees with the Company on what level of experience and expertise is required to be an “environmental expert.” The Company disagrees with this statement and further believes the determination of the requisite level of expertise and experience should be in the hands of the Board of Directors of the Company (the “Board”), as specifically set forth in the Proposal. Further, the Company believes it has already substantially implemented the Proposal for the reasons set forth in the Company Request.

The Company Request included for the Staff review the language of the Proposal, exactly as written by the Proponent and as provided below:

“RESOLVED: Shareholders request that, as elected board directors’ terms of office expire at least one candidate be nominated who:

- has a high level of expertise and experience in environmental and climate change related matters relevant to electric generation and transmission and is widely recognized in the business and environmental communities as an authority in such fields, as reasonably determined by the company's board, and
- will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the board, as an independent director.”

In the Company Request, the Company demonstrated that it has already substantially implemented the Proposal as certain of its board members already have the expertise and experience in environmental and climate change related matters requested by the Proposal. The Proponent Letter argues that these directors are not “credentialed ‘experts’” in the field, based on the Proponent’s sole determination. As noted by the Proponent in the Proponent Letter, these directors have “developed a certain “expertise” in the field” but the Company believes such directors have the level of expertise and experience described in the Proposal. The Company would also like to point out that the Proponents request and arguments in the Proponent Letter are completely different than the Proposal. The Proposal requests a nominee be independent and have a high level of expertise and experience in relevant environmental and climate change related matters. The Proponent Letter, however, requires that a nominee be a credentialed expert, which the Proponent does not define.

As set forth in the Company Request, collectively, the Board members have extensive experience in the electric utility and energy industries, of which knowledge of climate change regulation and technology is a core element. As reflected in the biographies and Board skills matrix included on the Company’s website, and as discussed in the Company Request, seven members of the Board have relevant environmental and climate change expertise, six of whom are independent. For example, in addition to her extensive leadership experience at public utilities, the Company’s Board Chairman and Chief Executive Officer, Patricia K. Collawn, is the past chairman and a current director of Electric Power Research Institute, an independent, non-profit organization for public interest energy and environmental research which is engaged in researching and developing innovative climate change related technology and in researching and analyzing climate policy matters for the power industry. In addition, as reflected in the Company Request, the Company’s two newest directors, Vicky A. Bailey and James A. Hughes bring additional significant environmental, climate change and sustainability expertise and have been determined by the Board to be independent directors. The substantial relevant environmental and sustainability experience of Ms. Bailey and Mr. Hughes, in addition to their extensive experience in the energy and public utility sectors, was a factor behind their election to the Board, further evidencing that addressing environmental and climate change issues (including transitioning to a cleaner energy portfolio and enhancing the reliability and resilience of the grid to support the expansion of renewable energy) is one of the Company’s top priorities.

The Proposal states, the requisite level of expertise and experience would be “*as reasonably determined by the company’s board.*” The Board carefully considered the experience and expertise of each of these directors when nominating them to the Board. As noted in the Company Request, “the Board reflects the Company’s commitment to select, nominate and elect directors to establish a diverse Board with the skills and experience necessary to manage the Company’s affairs and provide effective oversight of the Company’s strategy and all material risks, including those related to the environment and climate change.” We believe allowing the Proponent, or any other shareholder, to determine the level of experience and expertise required of nominees of the Board would result in micromanagement of the Company by its shareholders, which is in contradiction to the purpose of the SEC’s shareholder proposal rules and the language of the Proposal itself. Moreover, shareholders already have a strong voice on these matters. The Company regularly engages with its shareholders on matters of corporate governance, including Board composition. Shareholders may propose director candidates who are evaluated against the same criteria as nominees submitted by the Nominating and Governance Committee of the Board. In addition, the shareholders may make their own determination regarding the sufficiency of a director’s experience and expertise when determining how to vote in the Company’s annual election of directors. Furthermore, the Company adopted proxy access bylaws in October 2017, which permit any shareholder (or group of no more than 20 shareholders) owning three percent or more of the Company’s common stock continuously for at least three years to nominate up to an aggregate limit of one candidate or 20 percent of the Company’s Board (whichever is greater) for inclusion in the proxy statement. The Company believes its proxy access bylaws provide its long-term shareholders with a better means to address these types of issues than the Proposal.

The Board has considered the experience and expertise of the directors referenced as environmental experts in the Company Request and believes that they have the experience and expertise requested by the Proposal. The Board considered these matters at the time of such director’s nomination and again in the process of preparing the Company Request. Therefore, as stated in the Company Request, the Company believes the Proposal may be excluded pursuant to Rule 14a-8(i)(10) as substantially implemented.

As stated in the Company Request, the Company still 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.

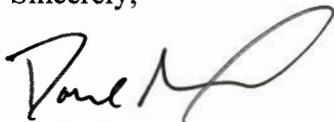
The Company agrees to forward promptly to the Proponent any response from the Staff to the Company Request or this letter that the Staff transmits by e-mail or facsimile to the Company only.

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 Proponent that if the Proponent elects 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.

If you have any questions or need any additional information with regard to 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
Robert Andrew Davis

February 13, 2018

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
Robert Andrew Davis 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 that asks that an environmental expert be nominated to the board. I have sent copies of this response to David Meyers of Troutman Sanders and Patrick Apodaca and Leonard Sanchez of PNM Resources.

In response to Public Service of New Mexico's "No Action" request to the SEC with respect to our resolution titled Nominate Environmental Expert to Board, I submit that their argument is a willful misrepresentation of the plain English meaning of the resolution and I ask that it be disallowed.

In February 2017, after a series of strongly supported shareholder resolutions, resolutions *permitted by the SEC* and on which our resolution was modeled, ExxonMobil announced that Dr. Susan K. Avery had been elected to the Board of Directors of the company. As a scientist and director of Woods Hole Oceanographic Institute, Dr. Avery represents exactly the kind of expert contemplated by both our and the Exxon Mobil resolutions, and is possessed of precisely the qualifications that a shareholder after reading these resolutions would anticipate.

For PNM to argue that the current directors of the company are "environmental experts" simply by virtue of their exposure to "environmental" issues in the course of their careers is to render the word "expert" meaningless. While they have most certainly developed a certain "expertise" in the field, they are not credentialed "experts." And while I congratulate the company on the election to the board this December of Ms. Bailey and Mr. Hughes I submit that, despite their stellar qualifications, on the one hand her "thirty years of high level, national and international experience in energy and regulated industries" and on the other

his "extensive experience in the energy industry, particularly with respect to the renewable energy sector, which gives him important financial, regulatory, sustainability and environmental insights," in no sense can they be called "environmental experts" as the term is commonly and conventionally understood. Certainly the SEC would take a jaundiced view of a company that attempted, for example, to satisfy a requirement to have an "expert" on an audit committee by proposing someone with general financial experience, no matter how extensive that experience might be, rather than an acknowledged auditing and accounting expert.

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.

Feel free to contact me at *** if you have any questions. I am out of the country until March 5; if you wish to talk by phone before then, please contact me by email and I will return your call.

Sincerely,

A handwritten signature in black ink, appearing to read "R. A. Davis", with a long horizontal flourish extending to the right.

Robert Andrew Davis

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

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 Robert Andrew Davis 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 Robert Andrew Davis (the “Proponent”). 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 Proponent.

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 Proponent any response from the Staff to this no-action request that the Staff transmits by e-mail or facsimile to the Company only.

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 Proponent that if the Proponent elects 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, as elected board directors’ terms of office expire at least one candidate be nominated who:

- has a high level of expertise and experience in environmental and climate change related matters relevant to electric generation and transmission and is widely recognized in the business and environmental communities as an authority in such fields, as reasonably determined by the company's board, and
- will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the board, as an independent director.

A copy of the Proposal and supporting statement, as well as the related correspondence regarding the Proponent’s 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 Rule 14a-8(i)(10) because the Proposal has been substantially implemented by the Company.

DISCUSSION

Rule 14a-8(i)(10) — The Company may exclude the Proposal because it already has substantially implemented the Proposal.

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 shareholder 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 Release No. 34-20091 (Aug. 16, 1983) (the “1983 Release”), which the Commission codified in Exchange Act Release No. 40018, at n.30 (May 21, 1998) (the “1998 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. In *Wal-Mart Stores, Inc.* (Mar. 30, 2010), for example, the proposal requested that the company adopt six principles for national and international action to stop global warming. The company argued that its Global Sustainability Report, available on the company’s website, substantially implemented the proposal. Although the report referred to by the company set forth only four principles that covered most, but not all, of the issues raised by the proposal, the Staff concluded that the company had substantially implemented the proposal. See also, e.g., *Oshkosh Corp.* (Nov. 4, 2016) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting six changes to the company’s proxy access bylaw, where the company amended its proxy access bylaw to implement three of six requested changes); *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); *American Tower Corp.* (Mar. 5, 2015) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company “undertake such steps . . . to permit written consent” on “any topic . . . consistent with applicable law,” where state corporate law allowed, and the company’s charter did not disallow, the ability of shareholders to act by written consent, such that the company did not need to undertake any steps to substantially implement the proposal); *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 voting requirements, where such company eliminated all but one such requirement); *MGM Resorts Int’l* (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company’s sustainability policies and performance and recommending the use of the Governance Reporting Initiative Sustainability Guidelines, where the company published an annual sustainability report that did not use the Governance Reporting Initiative Sustainability Guidelines or include all of the topics covered therein); *Alcoa Inc.* (Feb. 3, 2009) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report that describes how the company’s actions to reduce its impact on global climate change may have altered the current and future global climate, where the company published general reports on climate change, sustainability and emissions data on its website); *General Dynamics Corp.* (Feb.

6, 2009) (permitting exclusion under Rule 14a-8(i)(10) of a proposal seeking to provide holders of 10% of the company's outstanding common stock the power to call a special stockholder meeting, where the company's board adopted a bylaw amendment permitting a special stockholder meeting upon written request by a single holder of at least 10%, or holders in the aggregate of at least 25%, of the outstanding shares of the company). 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 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).

2. *The Company has substantially implemented the Proposal because the Company already satisfies the essential objective of the Proposal.*

The Company is a New York Stock Exchange ("NYSE") listed energy holding company based in Albuquerque, New Mexico. Through its regulated utility subsidiaries, 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 Proposal requests that at least one candidate nominated to be director have a "high level of expertise and experience in environmental and climate change related matters" relevant to the Company's business and qualify as "independent" as defined by the Proposal. The essential objective of the Proposal therefore is to ensure that the Company's Board of Directors (the "Board") has at least one independent member with environmental expertise and experience. As discussed below, the Board already reflects substantial "expertise and experience in environmental and climate change related matters" relevant to the Company's business. Indeed, fundamental to the Company, whose core business is the generation, purchase, transmission, distribution and sale of electricity, is ensuring its Board has substantial "expertise and experience in environmental and climate change related matters." Accordingly, the Proposal has been substantially implemented by the Company already and may be excluded pursuant to Rule 14a-8(i)(10).

As disclosed by the Company in its public disclosures, the Board reflects the Company's commitment to select, nominate and elect directors to establish a diverse Board with the skills and experience necessary to manage the Company's affairs and provide effective oversight of the Company's strategy and all material risks, including those related to the environment and climate change. Collectively, the Board members have extensive experience in the electric utility and energy industries, of which knowledge of climate change regulation and technology is a core element. The Company included a matrix highlighting certain background and experience information, including environmental and sustainability experience, of the members of the Board in the Company's 2018 proxy materials (the "2018 Proxy Materials") and on the Corporate Governance section of its website in order to more clearly call it to the attention of investors. The updated skills matrix for the current 10-member Board is available on the Company's website at <http://www.pnmresources.com/corporate-governance/board-skills-matrix.aspx> and reflects that

six independent members of the Board have relevant environmental and climate change expertise. This updated skills matrix will be included in the Proxy Materials for the 2019 annual meeting. In addition, the Board regularly and publicly reports on its role in overseeing climate change and environmental issues in its periodic SEC reports as well as other reports on the Company's website, including the Governance section of the Sustainability Portal available at: <http://www.pnmresources.com/about-us/sustainability-portal/governance.aspx>.

The environmental expertise and oversight provided by the Board is underscored by the Board requesting that management prepare and publish, in January 2018, a climate change report to highlight and advise shareholders and other stakeholders of the significant steps taken by the Company to reduce greenhouse gas emissions associated with generating electricity, including reducing carbon dioxide emissions by 40% in 2018, with plans to exit all coal generation in 2031. This Climate Change Report is available through the Sustainability Portal at <http://www.pnmresources.com/about-us/sustainability-portal/climate-change-report.aspx>. As discussed below, the Company has now recruited two new directors with significant environmental, sustainability and climate change expertise, who are uniquely qualified to oversee the Company's transition to carbon free generation sources discussed in the Climate Change Report, as well as overseeing its regulated utility subsidiaries' investments to enhance their grids to support the expansion of renewable energy.

As reflected in the Board member biographies available at <http://www.pnmresources.com/corporate-governance/board-of-directors.aspx> and discussed in the Governance section of the Sustainability Portal, seven members of the Board have significant environmental and sustainability expertise relevant to the Company's business operations. In addition to her extensive leadership experience at public utilities, the Company's Board Chairman and Chief Executive Officer, Patricia K. Collawn, is the past chairman and a current director of Electric Power Research Institute ("EPRI"), an independent, non-profit organization for public interest energy and environmental research which is engaged in researching and developing innovative climate change related technology and in researching and analyzing climate policy matters for the power industry. In 2017-2018, Chairman Collawn served as chairman of Edison Electric Institute ("EEI"), an association representing all investor-owned electric companies in the U.S. that has been an active participant in the United Nations Framework Convention on Climate Change.

In addition to the extensive environmental experience of the Company's Chairman and Chief Executive Officer, director Alan J. Fohrer was former chairman and Chief Executive Officer of Southern California Edison when it was a leader in both renewable energy purchases and energy efficiency, and he has also co-chaired EEI's energy delivery and reliability committees and served on the board of directors of the Institute of Nuclear Power Operations. Additional environmental expertise includes: (i) director E. Renae Conley's experience as Chief Executive Officer of an energy consulting firm and directorships and executive officer positions at public energy companies, (ii) director Sidney Gutierrez's service as director of Environmental, Safety and Health Programs of Sandia National Laboratories, and (iii) director Maureen Mullarkey's experience as a

former director of a public energy company. In addition to having environmental and sustainability expertise, each of Messrs. Fohrer and Gutierrez and Mss. Conley and Mullarkey is also considered an independent director within the meaning of the NYSE listing standards and the Company's Corporate Governance Principles.

The Company's recent additions to its Board further reflect that it has already substantially implemented the Proposal. In December 2018, the Company increased the number of directors from eight to ten members and elected Vicky A. Bailey and James A. Hughes as its newest members to fill the newly created vacancies, effective January 1, 2019. Ms. Bailey and Mr. Hughes will stand for reelection at the 2019 annual meeting of shareholders and their biographies have been posted to the Company's website at <http://www.pnmresources.com/corporate-governance/board-of-directors.aspx> and will be included in the 2019 Proxy Materials. The updated skills matrix including Ms. Bailey and Mr. Hughes has also been posted to the Company's website at <http://www.pnmresources.com/corporate-governance/board-skills-matrix.aspx> and additional information regarding their environmental and sustainability experience has been added to the Governance section of the Sustainability Portal under "Board Oversight." Ms. Bailey and Mr. Hughes bring additional significant environmental, climate change and sustainability expertise and have been determined by the Board to be independent directors. The substantial relevant environmental and sustainability experience of Ms. Bailey and Mr. Hughes described below, in addition to their extensive experience in the energy and public utility sectors, was a factor behind their election to the Board, further evidencing that addressing environmental and climate change issues (including transitioning to a cleaner energy portfolio and enhancing the reliability and resilience of the grid to support the expansion of renewable energy) is one of the Company's top priorities.

Ms. Bailey has over thirty years of high level, national and international experience in energy and regulated industries, including as a current director of Cheniere Energy, Inc., a NYSE listed energy company, and Equitrans Midstream Corporation, a NYSE listed natural gas gathering and transmission company. Ms. Bailey also serves as a director of Battelle Memorial Institute (2006-present), a non-profit applied science and technology organization that manages several of the National labs across the country for the United States Department of Energy, and was a trustee of the North American Electric Reliability Corporation (2010-2013), the not-for-profit international regulatory authority whose mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid. Additionally, Ms. Bailey served as a commissioner of the Indiana Utility Regulatory Commission (1986-1993) and as a commissioner of the Federal Energy Regulatory Commission (1993-2000). She was appointed as Assistant Secretary at the United States Department of Energy (2001-2004) for both International Affairs and Domestic Policy, was appointed to the Blue Ribbon Commission on America's Nuclear Future (2010), and was elected chairman of the board of the United States Energy Association (2013).

Mr. Hughes also has extensive experience in the energy industry, particularly with respect to the renewable energy sector, which gives him important financial, regulatory, sustainability and environmental insights. Mr. Hughes is Chief Executive Officer and managing director of an energy

storage company and is the former Chief Executive Officer and director of a NASDAQ listed solar company and a private company that owned and operated power distribution, power generation (both thermal and renewable) and natural gas transportation and distribution businesses.

While the Proposal requests at least one member of the Board with such expertise and independence, the Company already has a majority of its directors who meet these requirements. Having a majority of directors be independent directors with environmental and climate change expertise allows the Board to make informed and effective decisions with regards to energy resources and climate changes, and therefore compares favorably to the essential objectives of the Proposal.

While the Company believes that the Company's current Board members 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, the Company's current policy substantially implements, compares favorably to, and satisfies the essential objective of the Proposal, which is to elect independent directors with environmental and climate change expertise and experience to the Board. The Proposal may therefore be excluded pursuant to Rule 14a-8(i)(10).

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 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
Robert Andrew Davis

Exhibit A

From: [Sanchez Leonard](#)
To: *** [Apodaca Patrick](#)
Subject: RE: [External] SHAREHOLDER RESOLUTION: Nominate Environmental Expert
Date: Friday, December 7, 2018 6:31:00 PM

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: Andrew Davis ***
Sent: Friday, December 7, 2018 2:13 PM
To: Apodaca, Patrick <Patrick.Apodaca@pnmresources.com>
Cc: Sanchez, Leonard <Leonard.Sanchez@pnmresources.com>
Subject: [External] SHAREHOLDER RESOLUTION: Nominate Environmental Expert

CAUTION: This email was received from an EXTERNAL source, use caution when clicking links or opening attachments.
If you believe this to be a malicious and/or phishing email, please send this email as an attachment to SpamControl@pnmresources.com

Patrick Apodaca
Corporate Secretary
PNM Resources

Mr Apodaca:

Attached you will find a shareholder resolution I am submitting for the upcoming shareholder meeting, titled "Nominate Environmental Expert to Board", along with a signed cover letter.

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,

Andy (Robert Andrew Davis)

December 7, 2018

Corporate Secretary
PNM Resources, Inc.
414 Silver Avenue SW
Albuquerque, NM 87102-3289

Greetings:

The Fourth National Climate Assessment states: "Climate change creates new risks ... in communities across the United States, presenting growing challenges to human health and safety, quality of life, and the rate of economic growth." It further notes: "Without substantial and sustained global mitigation and regional adaptation efforts, climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century."

Since electric utilities are particularly exposed to the risks associated with climate change, I believe that PNM Resources would benefit by addressing the environmental impact of climate change on its business at the most strategic level by appointing an environmental specialist to the board--a step recently taken by both Exxon Mobil and Chevron corporations.

I am therefore submitting a shareholder resolution for the 2019 Shareholder Annual Meeting which asks that, as elected board directors' terms of office expire, at least one candidate is nominated who has a high level of expertise and experience in environmental matters relevant to electric generation and transmission and is widely recognized in the business and environmental communities as an authority in such field.

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.

I, Robert Andrew Davis, have 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,

Handwritten signature of Robert Andrew Davis, consisting of the initials 'R. A. D.' followed by a stylized flourish.

Robert Andrew Davis
PO Box 1354
Santa Fe, NM 87504

NOMINATE ENVIRONMENTAL EXPERT TO BOARD

WHEREAS: The Fourth National Climate Assessment, released by the U.S. Global Change Research Program (USGCRP) in 2017/18 states: " Climate change creates new risks ... in communities across the United States, presenting growing challenges to human health and safety, quality of life, and the rate of economic growth." It further notes: " Without substantial and sustained global mitigation and regional adaptation efforts, climate change is expected to cause growing losses to American infrastructure and property and impede the rate of economic growth over this century. "

Electric utilities are particularly exposed to the risks associated with climate change. Rising temperatures, extreme weather events, depletion of water resources, and increased regulation all have a direct and profound effect on the future health of the industry. Therefore, environmental and climate change expertise is critical to the success of companies in this sector. Further, a company's inability to demonstrate that sufficient attention is being paid to climate change can lead to lack of investor confidence and difficulties in raising new capital.

We believe that PNM Resources (PNM) would benefit by addressing the environmental impact of climate change on its business at the most strategic level by appointing an environmental specialist to the board. Both Chevron and Exxon Mobil have recently taken this step. Such a specialist would enable PNM to more effectively address the energy resource choices it makes. It would also demonstrate to regulators, stockholders, investors and customers that PNM takes the challenges posed by climate change seriously.

RESOLVED: Shareholders request that, as elected board directors' terms of office expire at least one candidate be nominated who:

- has a high level of expertise and experience in environmental and climate change related matters relevant to electric generation and transmission and is widely recognized in the business and environmental communities as an authority in such fields, as reasonably determined by the company's board, and
- will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the board, as an independent director.

SUPPORTING STATEMENT: For these purposes, a director shall not be considered independent if, during the last three years, he or she —

- was, or is affiliated with a company that was an advisor or consultant to the Company;
- was employed by or had a personal service contract(s) with the Company or its senior management;

- was affiliated with a company or non-profit entity that received the greater of \$2 million or 2% of its gross annual revenues from the Company;
- had a business relationship with the Company worth at least \$100,000 annually;
- has been employed by a public company at which an executive officer of the Company serves as a director;
- had a relationship of the sorts described herein with any affiliate of the Company; and
- was a spouse, parent, child, sibling or in-law of any person described above.



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 Robert Andrew Davis IMA.

We are writing to confirm that Robert Andrew Davis 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,

A handwritten signature in black ink, appearing to read "Joanne MacVey".

Joanne MacVey
Officer, Client Service Manager
Institutional Trust & Custody

From: [Schroeder, Kimberly](#)
To: ***
Cc: [Sanchez, Leonard](#); [McCormack, Susan](#); "Meyers, Dave"; [Schroeder, Kimberly](#)
(Kimberly.Schroeder@pnmresources.com)
Subject: PNM Resources - Davis Shareholder Proposal
Date: Wednesday, December 12, 2018 4:34:00 PM
Attachments: [12-12-18 Davis - Notice of Deficiency w-enclosures.pdf](#)
[image001.png](#)

Mr. Davis,

Attached is a response to the shareholder proposal submitted by you 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



NOTICE: This e-mail is only for the use of the intended recipients. It may contain, or have attachments that contain, confidential, proprietary, privileged, or otherwise private information. If you are not an intended recipient of this e-mail, or the employee or agent responsible for delivering the e-mail to an intended recipient, you are prohibited from making any use of this e-mail, including copying, forwarding, disclosing, or otherwise further distributing or disseminating it or any of the information. If you think that you have received this e-mail in error, please notify the sender immediately by return e-mail or by telephone at (505) 241-4937, and delete or destroy the original and any copies that you may have.



December 12, 2018

Sent via Electronic Mail and Overnight Delivery

Robert Andrew Davis
P.O. Box 1354
Santa Fe, New Mexico 87504

Dear Mr. Davis:

On December 7, 2018, PNM Resources, Inc. (PNMR) received the shareholder proposal (the Proposal) submitted by you 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 you have 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 your 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 your ownership eligibility. Rule 14a-8(b) states that, in order to be eligible to submit a proposal, you 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**).

You 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 your 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), you have held continuously the requisite number of PNMR's securities for at least one year; or

Robert Andrew Davis
December 12, 2018
Page 2

- a copy of a filed Schedule 13D, Form 3, Form 4, Form 5 or amendments to those documents or updated forms, reflecting your ownership of shares as of or before the date on which the one-year eligibility period began and a written statement that you 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.

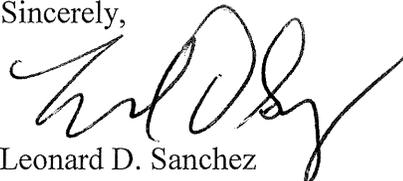
We understand from your letter dated December 7, 2018 that you intend to provide verification of ownership from your portfolio manager, Walden Asset Management, through its sub-custodian, a DTC participant. However, PNMR has received no such proof of continuous ownership required by Rule 14a-8. **Therefore, in accordance with Rule 14a-8(f)(1) under the Exchange Act, we inform you that your 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