

2021 All Source RFP for Electric Power Supply and Load Management Resources for New Mexico

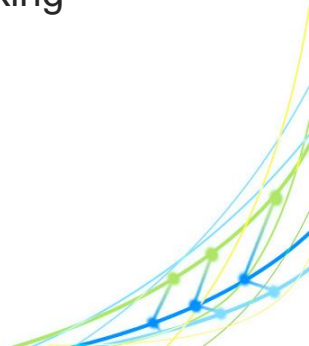


Pre-bid Webcast
August 24, 2021
Presentation is being recorded

Safe Harbor Statement

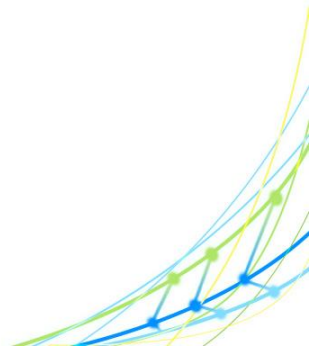
Certain matters discussed in this Pre-Bid Meeting presentation other than statements of historical information are "forward-looking statements" made pursuant to the safe harbor provisions of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding EPE's future expectations, beliefs, plans, objectives, assumptions or future events or performance that are not historical facts. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond El Paso Electric Company's ("EPE" or the "Company") control, and many of which could have a significant impact on the Company's operations, results of operations, and financial condition, and could cause actual results to differ materially from those anticipated. Additional information concerning factors that could cause actual results to differ materially from those expressed in forward-looking statements is contained in EPE's most recently filed periodic reports. Any such forward-looking statement is qualified by reference to these risks and factors. EPE cautions that these risks and factors are not exclusive.

Management cautions against putting undue reliance on forward-looking statements or projecting any future assumptions based on such statements. Forward-looking statements speak only as of the date of this Pre-Bid Meeting Presentation, and EPE does not undertake to update any forward-looking statement contained herein.



Agenda

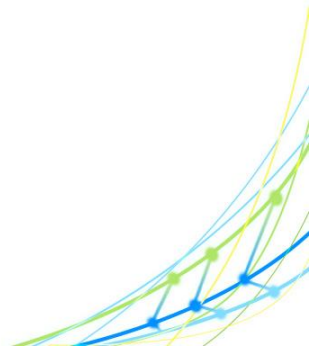
- Safe Harbor Statement
- Resource Planning Team Introductions
- El Paso Electric Overview
- New Mexico Renewable Portfolio Standard Requirements
- RFP Overview
 - Requirements
 - Arrangements
 - RFP Schedule
 - Forms, Tables, and Templates
- Confidentiality and Public Disclosure
- Open Forum for Questions (All questions will be taken and addressed upon conclusion of the presentation)



Resource Planning Project Team

- **EPE's Resource Planning Department**
 - Damian Lamas, Resource Engineer/Primary Contact
 - Manuel Gomez, Supervisor – RP/Secondary Contact
 - Omar Gallegos, Director - RP and Management
 - Victor Martinez, Manager - RP, RM, and Reg. & Quality Assurance
 - Monica Garcia, Resource Engineer
 - Edmundo Salazar, Financial Analyst

- **Merrimack Energy Group, Inc.**
 - Wayne Oliver, Independent Evaluator
 - Keith Oliver, Independent Evaluator
 - Review and monitor RFP process
 - Ensure no undue preferential treatment of self-build/affiliate bids
 - Ensure RFP process is fair and transparent
 - Identify and help resolve any issues
 - Oversee and assist in evaluation and selection processes
 - Review analyses and results
 - Monitor and participate in contract negotiations process (if required)



El Paso Electric Overview

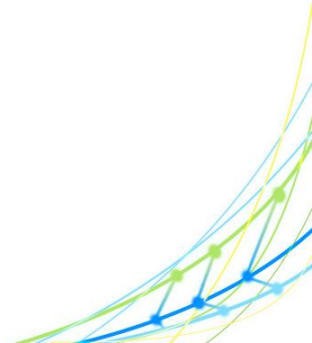
About EPE

- Regulated public utility operating within the Western Electricity Coordinating Council
- Fully bundled utility engaged in the generation, transmission, and distribution of electricity
- Service area is approx. 10,000 mi² in the Rio Grande Valley in west Texas and south-central New Mexico
- EPE serves approx. 444,300 residential, commercial, industrial, and wholesale customers
- EPE serves load through a mix of natural gas, nuclear, solar and purchase power
 - Owns total net capacity of approximately 2,089 MW
 - Purchases 107 MW of solar capacity through PPA's



New Mexico Renewable Portfolio Standard Requirements

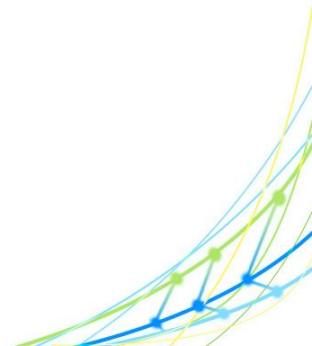
- New Mexico Renewable Energy Act NMSA 1978 (REA) was implemented through New Mexico Public Regulation Commission (NMPRC) Rule 572
- RPS requirement must be attained through a competitive bidding process
- EPE is required to meet 40% of its New Mexico retail energy sales with renewable energy resources beginning in 2025
- Only renewable energy that is delivered to EPE and assigned to EPE's New Mexico customers meet the RPS requirements
- RPS requirements by year per the REA:
 - 2025: 40% of NM retail energy sales
 - 2030: 50% of NM retail energy sales
 - 2040: 80% of NM retail energy sales
 - 2045: 100% of NM retail energy sales with zero carbon resources



RFP Overview

Requirements

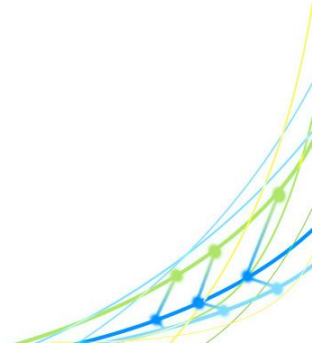
- EPE is issuing this RFP to attain the following short-term and long-term electric resources:
 - Resource to support short-term capacity need of 40 MW in 2022 that grows to 90 MW in 2024. EPE is open to short-term PPA proposals to support the need between 2022-2024 timeframe,
 - Long-term capacity resource of approximately 90-110 MW online no later than May 1, 2025
 - Long-term renewable energy resource of approximately 175,000 MWh online by December 2024 to meet the REA's and Rule 572's requirement of 40% by 2025
- Bidders must demonstrate the ability to secure firm transmission paths to EPE's local transmission system to ultimately serve EPE's New Mexico retail customers
- Resources must be eligible to be designated by EPE as a Network Resource under EPE's Open Access Transmission Tariff (OATT)



RFP Overview

Requirements (Cont.)

- Bidders must clearly define dispatch capabilities for the resource proposed
- All supply-side proposals will be required to establish real-time communications with EPE's Energy Management System (EMS)
- EPE requests that standalone solar and wind proposals provide an option with battery storage at 50% of the renewable energy resource's nameplate capacity
- All Renewable Energy Credits associated with renewable energy proposals must transfer to EPE at no additional cost



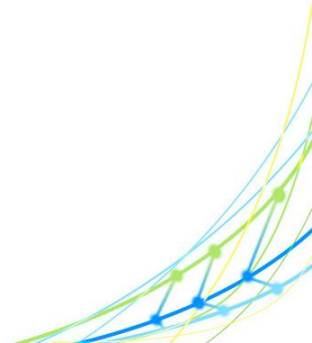
RFP Overview

Arrangements

- EPE is open to the following proposal arrangements listed below:
 - short-term or long-term PPA's
 - build-transfer agreements for standalone solar, solar paired with battery storage, energy storage, and conventional generation options
 - proposals for EPE purchase or equity participation in the Bidder's new or existing generation facility
 - agreements for Load Management to participate in energy efficiency and/or demand response programs
 - proposals for solar that are initially PPA to provide a build-transfer option at year five
 - tolling PPA's for conventional, gas-fired thermal generation
 - EPE may also include a self-build option

- EPE will not accept proposals for projects with Commercial Operating Dates after May 2025

****Any selected proposals will be subject to EPE Board of Directors' approval and NMPRC regulatory approval requirements**



RFP Overview

RFP Schedule

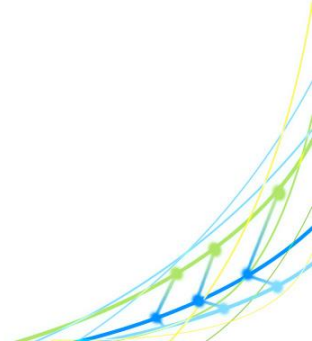
RFP Issuance	August 10, 2021
Pre-bid Meeting (Webcast)	August 24, 2021
Notice of Intent to Bid	September 10, 2021
Final Submission of Questions	September 24, 2021
Response to Questions	October 15, 2021
Proposal and Proposal Fee Due Date	November 10, 2021
Shortlist Notification	December 17, 2021
Tentative Individual Meetings (if required) with Shortlisted Bidders	January 10-14, 2022
Notice of Contract Award	February 1, 2022
Submittal to Spring Study Cluster for LGIA projects (SGIA projects need to also submit application)	March 1, 2022
Contract Execution	April 15, 2022

****EPE reserves the right to modify, cancel or withdraw the RFP and to revise the schedule specified above if, in the sole discretion of EPE, such changes are necessary.**

RFP Overview

Forms, Tables, and Templates

- Bidders must complete and return all required forms, tables, and templates in section **9.0 Attachments** of the RFP as instructed
 - Failure to complete and return all required forms, tables, and templates as instructed may result in disqualification of proposal(s)
- Bidders must complete and return attachment **9.1 Notice of Intent to Bid (NOI)** for proposals to be accepted (due on **September 10, 2021**)
 - EPE will inform Bidders, who filed a NOI, of any schedule changes to the extent reasonably possible
 - Bidders don't have to submit a proposal if an NOI is submitted
- Bidders must complete and return attachment **9.2 Data for All Projects**
- Bidders must complete and submit all applicable worksheets from the Excel workbook entitled **"2021 All Source Tables and Input Templates"** which is be posted on the Resource Planning webpage



Confidentiality and Public Disclosure

Confidentiality

- EPE will consider proposals, and other information submitted by Bidders, to be confidential only if such materials are clearly designated as “Confidential”
- Bidders may not mark an entire proposal as confidential, but instead must mark specific information on individual pages to be confidential to receive confidential treatment
- Bidders should be aware that information received in response to this RFP may be subject to review by applicable local, state, and/or federal regulatory agencies and/or courts

Public Disclosure

- Key terms of negotiated agreements from selected proposals will be publicly disclosed on a non-confidential basis for review as part of any regulatory approval process as EPE deems necessary and appropriate which include:
 - term and any option to extend term;
 - the size in MW of capacity and the amount of energy in MWh or kWh per month and any conditions regarding the minimum or maximum amount of energy or capacity made available or required to be purchased;
 - price or pricing formulae including any reopeners and escalation provisions; and
 - any fixed or variable costs

Please review Section 1.4 (Confidentiality of Responses) in the RFP document for complete and detailed information

Questions?

Official responses to questions from this pre-bid webcast and any general questions, asked prior to this pre-bid webcast, will be prepared and provided in writing, and will be posted on EPE's Resource Planning website

In the case that EPE does not know the answer to any questions at this pre-bid webcast, the Resource Planning Project Team will:

- Obtain the answers
- Prepare the answers in writing
- Post the answers on EPE's Resource Planning website as soon as reasonably possible

