

# 2023 Texas All-Source Request for Proposals General Bidder Questions and EPE's Official Answers

Pre-bid Webcast Zoom – November 14, 2023

**Questions received through Tuesday, November 7, 2023** *Updated 11/14/2023*

**Question 1** With respect to El Paso Electric's 2023 Texas All-Source RFP, is the solicitation seeking a 12-month capacity/month toll price? Or is the RFP solely for a battery to discharge capacity in the summer peak period window (May – September, 1:00 – 6:00 PM)?

Answer 1 EPE will evaluate all options to determine the best resource or resource mix that meets EPE's capacity requirements. EPE requires a 4-hour battery storage option; Bidders must provide pricing for battery storage on a \$/kW/month basis, as well as providing operation characteristics and limitation, including dispatchability. Please refer to Section 5.0 for details on Requirements Specific to Resource Type.

**Question 2** Would EPE be open to considering an RFP proposal that envisions 50 MW project sizes (up to 200 MW) located on the EPE distribution system, either at a constrained substation or on a customer's premises in varying low-capacity sizes, as a conforming bid?

Answer 2 EPE distribution interconnection projects connecting to distribution feeders cannot be larger than 10 MW per project. Projects larger than the distribution feeder capacity will have to submit an interconnection request at the Transmission level. It is the participant's responsibility to identify siting of the projects.

**Question 3** Would EPE be willing to collaborate with potential bidders to identify suitable project sites (i.e., sites TBD)?

Answer 3 No. According to Section 4.7 of the RFP document, "EPE is not and will not be responsible for site selection, land acquisition, environmental permitting, and natural gas or water upgrades/infrastructure fundamental to the project's successful completion." EPE expects to receive complete proposals with land/sites already identified as part of the proposal.

**Question 4** Do bidders need to submit separate narratives for each project 'option'? Or should the different options for each project be described in one narrative?

Answer 4 No. One narrative is sufficient as long as each option is fully described in the narrative. Please refer to Section 6.1.1 Executive Summary for further instruction.

In addition, please include the characteristics of each option in the Excel workbook as required.

**Question 5** Where should bidders find the RFP excel workbooks?

Answer 5 The Excel workbook will be available to download by the end of November 2023 on EPE's webpage and the 2023 TX All-Source RFP on-line group. The Excel workbook file will be named "2023 TX All-Source RFP Tables and Input Templates".

**Question 6** The RFP states that EPE has Texas RPS requirements for resources to be located within the state of Texas to qualify. Can you please verify how many MWs of projects sited in Texas that EPE is specifically looking for to meet the requirements of the Texas RPS through this RFP?

Answer 6 This RFP is seeking to primarily fulfill capacity shortfalls in Texas and not to meet Texas RPS requirements.

**Question 7** Can you please provide more information on the ELCC methodology? In example, what ELCC value will be given to a solar project paired with a four-hour duration battery? What ELCC value will be given to a PV only project? What ELCC value will be given to a wind project? What ELCC value will be given to a standalone storage project?

Answer 7 The Effective Load Carrying Capability (ELCC) is an industry established metric for measuring resource adequacy contribution towards reliability, given the inherent variability and intermittency of renewable resources such as solar and wind. The ELCC, which is represented as a percentage, is assigned by PLEXOS, EPE's portfolio optimization model, based on a number of factors. The ELCC is not fixed but depends on the overall penetration of resources on EPE's system.

For more information on the ELCC methodology, please refer to "[EPE's 2021 Amended Integrated Resource Plan](http://www.epelectric.com/company/regulatory/2020-2021-new-mexico-integrated-resource-plan-public-meetings)" document at [www.epelectric.com/company/regulatory/2020-2021-new-mexico-integrated-resource-plan-public-meetings](http://www.epelectric.com/company/regulatory/2020-2021-new-mexico-integrated-resource-plan-public-meetings)

**Question 8** The RFP states that qualifying selected bids MUST submit into EPE's 2024 Spring cluster study. Can EPE please verify that this is not relevant to projects that are already in the queue and being actively studied?

Answer 8 EPE will consider projects in the current interconnection queue that have applied under the Network Resource Interconnection Service (NRIS) only. Transmission Energy Resource Interconnection Service (ERIS) projects in the current queue must also provide evidence that they have secured a point-to-point transmission path with identified upgrade costs as part of their submittal. Otherwise, ERIS projects will not be considered for this RFP.

**Question 9** The RFP states that it is a requirement for bidders to include a right of first offer or refusal in any PPA proposal. Can EPE verify if all PPA proposals must have a right of first offer or refusal included?

Answer 9 Yes. EPE requires Right of First Offer or Refusal for all PPA proposals.

**Question 10** Can a bidder include a PPA proposal that does not include a right of first offer or refusal if they have also included a PPA proposal that does include a right of first offer or refusal as one of their bid options?

Answer 10 No. Please see response to Question 9.

**Question 11** Does EPE intend to provide draft term sheets or full contracts for the contract structures specified in the RFP? Are there any terms for the ROFO/ROFR that EPE expects/requires in the PPA? Or should bidders propose and outline their assumptions with a ROFO/ROFR in their bids?

Answer 11 No. EPE does not provide draft Purchase Power Agreement documents until final bid selections have been made and both parties agree to proceed with contract negotiations.

**Question 12** Can EPE please provide more context on why it was decided to have two separate RFPs, one for NM and one for TX, if projects in both territories can participate?

Answer 12 EPE determined it would be appropriate to issue two separate RFPs given the different regulatory requirements between the Texas and New Mexico jurisdictions. Conducting separate jurisdictional RFPs is the best approach to achieve the greatest autonomy between jurisdictions for resource selection in making resource decisions that will benefit their respective customers.

Please note, the RFP for Texas is to meet capacity requirements. The RFP for New Mexico is to meet RPS requirements.

**Question 13** Is it possible for EPE to provide scoring or other information used in the selection of winning projects?

Answer 13 As described in Section 7, the evaluation of selected proposals will incorporate economic and non-economic considerations.

**Question 14** How are the final project selections made?

Answer 14 Please refer to the 2023 Texas All-Source RFP, Section 7.0 – Evaluation Process, for further details on the evaluation and bid selection process.

**Question 15** When does EPE expect to open access to the on-line group?

Answer 15 The 2023 TX All-Source on-line group will be open by the end of November 2023 after EPE receives all NOIs from Bidders.

**Question 16** When does EPE prefer to begin receiving questions for the periodic distribution of responses?

Answer 16 EPE began receiving general questions on the date of the RFP issuance on October 31, 2023, and anticipates receiving more questions throughout the RFP process. All official response to general questions will be posted on EPE's webpage and/or the on-line group periodically. Please visit EPE's webpage for this RFP often to stay up to date.

**Question 17** Per section 4.6, can a proposed alternative index be requested or does prior permission need to be requested and obtained prior to submitting an offer?

Answer 17 Yes. Should a Bidder wish to use an alternative index, Bidder must submit a request to EPE of its interest to use an alternative index prior to submission of proposal.

**Question 18** For PPAs, does EPE have a term preference between the 5 and 20 years specified in the RFP?

Answer 18 No. EPE has no term preference between 5 and 20 years.

**Question 19** Given projects are not required to have an active interconnection request at the time of bidding, does EPE intend to study projects for Network Upgrades and Interconnection Facilities and assign costs to bids as part of the bid study process? Or will EPE rely on developer estimates/assumptions for such costs?

Answer 19 No. EPE will not study LGIA projects outside of the FERC process. Once the Notice of Final bid selections are announced in March of 2024, the projects in the active queue or projects with a complete interconnection NRIS application for the 2024 Spring Cluster will be studied. However, EPE will use estimated interconnection costs based on the location of the project during the evaluation process.