2026 NEW MEXICO
ALL-SOURCE REQUEST FOR PROPOSALS

Issue Date: 5/18/2026
EPE Proposal Due Date: 8/20/2026
3rd Party Proposal Due Date: 8/21/2026

www.epelectric.com/company/request-for-proposals

Contents

Glossary of Acronyms and Defined Terms

Acronym / Defined Term	Meaning
AGC	Automatic Generation Control
APA	Asset Purchase Agreement
BET	Bid Evaluation Team
BTA	Build-Transfer Agreement
CC	Combined Cycle
COD	Commercial Operation Date
E3	Energy and Environmental Economics, Inc.
EMS	Energy Management System
EPE	El Paso Electric Company
ESA	Energy Storage Agreement
IM	Independent Monitor
IRP	Integrated Resource Plan
kW	Kilowatt
kWh	Kilowatt-hour
MW	Megawatt
MWh	Megawatt-hour
NMAC	New Mexico Administrative Code
NMPRC	New Mexico Public Regulation Commission
NOI	Notice of Intent to Bid
O&M	Operation and Maintenance
OATT	Open Access Transmission Tariff
POI	Point of Interconnection
PPA	Power Purchase Agreement
PUCT	Public Utility Commission of Texas
RAP	Resource Acquisition Period
REA	Renewable Energy Act
RFP	Request for Proposals
RPS	Renewable Portfolio Standard
Rule 572	New Mexico Public Regulation Commission Rule 17.9.572
SBT	Self-Bid Team
SPP	Southwest Power Pool
TAG	Technical Advisory Group
VER	Variable Energy Resource
WECC	Western Electricity Coordinating Council

Notice of Disclaimer

El Paso Electric ("EPE") has prepared the information provided in this Request for Proposals ("RFP") to assist interested persons and entities in deciding whether to respond with a proposal. EPE reserves the right to modify, change, supplement or withdraw the RFP at its sole discretion. No part of this document or any other correspondence from EPE, its employees, officers or consultants shall be taken as legal, financial, or other advice, nor as establishing a contract or any contractual obligations. All communication, except for the RFP Bidder Conference, between Bidders and EPE shall be conducted in writing.

EPE makes no representations or warranties regarding the completeness of the information contained within the RFP and does not contend that this RFP contains all the information needed for Bidders to determine whether to submit a proposal. Neither EPE nor its employees, officers or consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information contained within the RFP or any other information provided to Bidders.

Bidders who submit proposals do so without legal recourse against EPE or EPE's directors, management, employees, agents, or contractors, due to EPE's rejection, in whole or in part, of their proposal or for failure to execute any agreement with EPE. EPE shall not be liable to any Bidder or to any other party, in law or equity, for any reason whatsoever related to EPE's acts or omissions arising out of or in connection with the RFP process.

EPE reserves the right to reject, for any reason, any and/or all proposals. EPE further reserves the right to waive any irregularity or technicality in proposals received, or to consider alternatives outside of this solicitation, at its sole discretion, to satisfy its energy needs. In addition, EPE reserves the right, at its sole discretion, to modify or waive any of the criteria contained herein and/or the process described herein.

No Bidder will have any claim whatsoever against EPE, its employees, officers, or consultants arising from, in connection with or in any way relating to this RFP. Without limiting the generality of the foregoing, each Bidder agrees, by and through its submission of a proposal, that rejection of a proposal will be without liability on the part of EPE, its employees, officers, or consultants, nor shall a Bidder seek recourse of any kind against any of the foregoing on account of such rejection. The filing of a proposal shall constitute an agreement of the Bidder to each and all these conditions. Each Bidder and recipient of this RFP is responsible for all costs incurred in evaluating, preparing and responding to this RFP. Any other costs incurred by any Bidder during negotiations are also the responsibility of the Bidder.

EPE's 2025 New Mexico Integrated Resource Plan ("IRP")

On September 2, 2025, El Paso Electric ("EPE" or the "Company") filed its 2025 New Mexico IRP, which was subsequently accepted by the New Mexico Public Regulation Commission ("NMPRC") on December 18, 2025. The IRP highlights a significant and growing demand for electricity in EPE's New Mexico service area, necessitating a substantial increase in generating capacity over the 20-year planning horizon.

IRP Forecasted Needs

The IRP evaluated three growth forecasts, indicating that EPE's accredited capacity need ranges from 254 MW to 594 MW by 2030, escalating to between 537 MW and 1,692 MW by 2045. From an energy perspective, the IRP identified a requirement of 412 GWh to 1,663 GWh by 2030, increasing to 2,239 GWh to 10,857 GWh by 2045.

Strategic Objectives and Modeling

A central theme of the 2025 IRP is the cost-effective and reliable achievement of New Mexico's decarbonization goals without the addition of new carbon-emitting resources beyond 2045. Because relying exclusively on current commercially available carbon-free resources may be cost-prohibitive, EPE's capacity expansion modeling focused heavily on emerging technologies and demand-side alternatives.

The modeling, which included wind, solar, and lithium-ion battery energy storage systems ("BESS") in all scenarios, identified a requirement for between 39 MW and 462 MW of renewables and between 142 MW and 659 MW of BESS by 2030. By 2045, these needs grow to between 666 MW and 1,328 MW for renewables and between 372 MW and 854 MW for BESS. Beyond these core resources, the IRP also evaluated the potential for:

- Demand Response ("DR") and Distributed Energy Resources ("DERs"),
- Long-duration energy storage ("LDES"), and
- Carbon capture for combined-cycle gas generation

From Planning to Action: The 2026 New Mexico All-Source for Proposal

In alignment with the IRP Action Plan, EPE is issuing this All-Source RFP to secure the supply-side and demand-side resources necessary to meet capacity requirements and Renewable Energy Act ("REA") targets through 2030 (and beyond).

While the IRP provides indicative ranges based on generic cost and availability assumptions, these figures do not represent minimum or maximum procurement limits for this RFP. EPE remains flexible to pursue the most beneficial resource mix based on actual market proposals. For further details on resource eligibility

and the demand-side alternatives evaluated in the IRP, please refer to Sections 4 and 6 of this document, and Sections 7 and 9 of the 2025 IRP Report.

1 RFP Introduction and Background

Acting upon the 2025 New Mexico IRP, EPE is issuing this 2026 New Mexico All-Source Request for Proposals ("RFP" or "All-Source RFP") to secure cost-effective and reliable resources for its New Mexico customers. This solicitation seeks supply-side and demand-side resources to meet capacity needs or reduce the Company's demand requirements. Additionally, EPE may also be seeking renewable energy resources capable of providing Renewable Energy Certificates ("RECs") to satisfy ongoing Renewable Portfolio Standards ("RPS") requirements under the New Mexico Renewable Energy Act (NMSA 1978, §§ 62-16-1 to -10) and Rule 17.9.572 NMAC ("Rule 572").

Under the REA and Rule 572, EPE is mandated specific escalating targets for New Mexico retail sales. These requirements include a 40% requirement in 2025, increasing to 50% by 2030.

This RFP is being conducted as an All-Source solicitation; EPE will evaluate all supply and demand-side resource types to meet or reduce its system needs. However, the following specific eligibility and compliance criteria apply: only renewable energy resources will be considered toward meeting the statutory RPS energy and REC requirements. There is no requirement that any proposed resources be physically located within the state of New Mexico to be eligible for consideration in this RFP.

To qualify for RPS compliance, renewable energy must be delivered to EPE and assigned specifically to its New Mexico customers. Bidders must ensure the transfer of all associated RECs from their proposed supply-side or demand-side resources. EPE will select the most cost-effective and reliable proposals to satisfy projected needs during the Resource Acquisition Period ("RAP") and will subsequently seek all necessary procurement approvals from the NMPRC.

Resource Acquisition Period

The RAP spans from May 1, 2027, through May 1, 2032. All proposed resources are expected to be in-service within this window.

Exceptions for a later in-service date will only be considered for technologies that by their fundamental nature require long-lead construction and development timelines exceeding five years. This extension is not available for commercially mature technologies with standard deployment schedules, such as battery energy storage or solar photovoltaic systems, which EPE expects to be operational by the 2032 deadline. Furthermore, all proposals must provide firm pricing and be ready for contract execution; EPE will not accept speculative pricing for experimental or commercially unavailable technologies.

EPE welcomes proposals from all interested Bidders for resources that provide energy and/or capacity – or that effectively reduce the underlying system need, either during or before the RAP. EPE's preliminary assessment, detailed in Table 1, indicates a need for between 100 Megawatts ("MW") and 400 MW of accredited capacity to service its New Mexico customers between 2027 and 2032.

Table 1: EPE's Current Summer Capacity Need for New Mexico[1]

	2027	2028	2029	2030	2031	2032
New Mexico Capacity Need (MW)	100	225	325	350	350	400

EPE retains flexibility, at its sole discretion, to procure additional capacity beyond the identified need in Table 1, or to pursue less capacity if alternative solutions, such as extending the service lives of existing generating units, prove more beneficial. Such decisions will be based on demonstrated quantifiable benefits, which may include supporting customer load growth, reducing system costs for EPE customers, or aiding in compliance with state or federal regulations. Bidders should also note that EPE reserves the right to revise its energy and capacity requirements at any point during this RFP process.

For reference, EPE's 2025 IRP identified an accredited capacity requirement of approximately 600 MW by 2030. EPE reserves the right to evaluate and select additional resources beyond the quantities shown in Table 1, or those identified in the IRP, based on updated forecasts. The selection of any resources pursuant to this RFP is contingent upon the procurement of requisite approvals from the NMPRC where applicable. EPE anticipates to be in compliance with New Mexico RPS if resources selected from EPE's 2025 All-Source RFP are successfully executed; however, EPE reserves the right to reevaluate its RPS compliance position as part of this all-source RFP.

Critically, while this All-Source RFP establishes a general framework for bid submission and development, it does not encompass every possible bid type, ownership structure, or eligible technology. Bidders should review all documents, including the bid forms, as soon as possible to determine if they have any questions or if the proposal structure is not specifically addressed. Bidders seeking clarification on project suitability should contact the RFP project manager as soon as possible as outlined in section 1.7 or raise questions during the Bidder Conference as detailed in section 3.2.

[1] Values based on approval of selected resources in 2025 RFP.

1.1 About EPE

EPE is a vertically integrated public utility engaged in the generation, transmission, and distribution of electricity in an area of approximately 10,000 square miles in the Rio Grande Valley in west Texas and south-central New Mexico.

EPE serves approximately 473,000 residential, commercial, industrial, and wholesale customers. EPE distributes electricity to retail customers principally in El Paso, Texas, and Las Cruces, New Mexico. EPE's retail electric rates and services are regulated by the NMPRC and the Public Utility Commission of Texas. EPE's principal industrial and other large customers include steel production, copper and oil refining and United States military installations, including the United States Army Air Defense Center at Fort Bliss in Texas and White Sands Missile Range and Holloman Air Force Base in New Mexico.

EPE is experiencing unprecedented growth, evidenced by a significant surge in new service inquiries from large load customers. This, coupled with high retail load growth across both Texas and New Mexico, demonstrates the robust growth in our service area. To meet this escalating demand and ensure continued reliable service, EPE is proactively procuring additional resources.

1.2 About Energy & Environmental Economics

Energy and Environmental Economics, Inc. ("E3") is an energy consulting firm with deep expertise in integrated system planning, resource adequacy, and power system modeling. For this RFP, E3 is serving as an independent consultant to EPE and is providing end-to-end support for the solicitation.

1.3 About Merrimack Energy

Merrimack Energy Group, Inc. is a nationally recognized consulting firm specializing in energy procurement evaluation, strategic resource planning, project development, and independent oversight. Since 1989, Merrimack Energy has served as Independent Evaluator or Monitor on more than 175 power procurement solicitations across 23 states and three Canadian provinces, encompassing thousands of conventional, renewable, and emerging technology projects. Merrimack's team brings deep expertise across all phases of utility procurement — from RFP design through contract negotiation — and across all major contract structures, including Power Purchase Agreements, Tolling Agreements, Asset Purchase and Sale Agreements, and Engineering, Procurement, and Construction Contracts. With decades of experience navigating complex regulatory, commercial, and technical landscapes, Merrimack Energy delivers trusted,

independent insight to support fair, transparent, and cost-effective resource selection. Merrimack will serve as the NMPRC-appointed Independent Monitor ("IM") in this RFP process for EPE.

1.4 RFP Summary

EPE is soliciting proposals for energy and/or capacity resources, or resources/programs that reduce underlying system needs, during the RAP. EPE will consider acquiring a single resource or a combination of resources that are proposed and evaluated in response to this RFP.

EPE will use a single-stage pricing process to evaluate proposals in response to this RFP, whereby the evaluation and selection of proposals will be based solely on those proposals submitted on the proposal due date. EPE will utilize a NMPRC-appointed IM to oversee the RFP process. The IM will have access to all proposals and will actively participate in the RFP process. Following the proposal due date, EPE will only allow pricing reopeners that align specifically with changes to import tariffs or federal legislation (such as tax law). EPE will proactively reach out to bidders to request updated pricing should these specific triggers occur; Bidders should not submit unsolicited pricing updates.

1.5 Purpose

Proposals received in response to this RFP will be evaluated to identify resources that effectively meet or reduce EPE's system energy and capacity needs. EPE may also be seeking solutions that ensure compliance with the REA and Rule 572 via the provision of RECs or the attainment of carbon-free status while maintaining cost-effective, reliable, and adequate electric service for all New Mexico customers. Following a review of technical, economic and qualitative factors, as more fully described herein, EPE will determine which proposal or proposals best meets the Company's needs and may initiate contract negotiations with Bidder(s), as appropriate. All selected proposals and contracts will be subject to approval from EPE Management and the NMPRC where applicable.

1.6 RFP Document Description

This document details EPE's electric system and projected resource needs in Section 2. The anticipated RFP schedule for proposal submission and evaluation is in Section 3. Section 4 outlines proposal submittal requirements, Section 5 covers transmission requirements, and Section 6 details requirements for specific technology types. Proposal preparation instructions are summarized in Section 7, and the evaluation process is described in Section 8.

1.7 RFP Communications

All inquiries and communications relating in any manner to this RFP should be directed to the RFP project manager via e-mail. Communication by e-mail should be submitted to the e-mail address listed below. Please visit the EPE website (www.epelectric.com/company/request-for-proposals) for important updates and announcements to this RFP. Do not contact members of EPE staff or its consultants directly, EPE will respond to requests only through the primary e-mail address listed below.

All emails sent to or from the primary email address will be accessible for review by the IM and EPE's consultants. The primary e-mail address is: EPE2026RFP@epelectric.com

Bidder submissions of the Notice of Intent to Bid ("NOI") and bid proposal package, including the written response, bid forms, and attachments, shall be submitted to EPE via a secure file sharing platform and **NOT** by sending to the primary RFP e-mail address. Instructions for submitting the NOI and bid proposal package are included in sections 7.2.1 and 7.2.3, respectively.

1.8 EPE Internal Communications

As outlined in this RFP, EPE reserves the right to submit its own proposals for new self-bid resources. To ensure fairness and maintain the integrity of the bidding process, EPE has implemented a strict communication firewall. This firewall separates EPE staff who may be involved in developing self-bid proposals from the EPE bid evaluation team ("BET") and the technical advisory group ("TAG"). The purpose of this firewall is to prevent the self-bid team ("SBT") from accessing any information regarding this RFP that is not publicly available to all other Bidders. Furthermore, this separation protocol dictates the communication procedures that the BET will adhere to when interacting with all Bidders, both internal and external to EPE.

The TAG is established to provide expert advice and guidance to both the BET and the SBT, ensuring they have access to sound technical counsel. However, it is crucial to understand that the TAG's role is strictly advisory; it will not serve as a direct communication channel or conduit between the BET and the SBT.

The IM is tasked with overseeing and enforcing the communication firewall.

1.9 Confidentiality of Responses

EPE will consider proposals and other information submitted by Bidders to be confidential only if such materials are clearly designated as "Confidential." It is the Bidder's responsibility to clearly indicate in its

proposal the information it deems to be "Confidential." Bidders may not mark an entire proposal as confidential. Except as required by regulatory reviews, EPE will use reasonable efforts to avoid disclosure of such confidential information to persons other than those involved with evaluation, selection, and any subsequent negotiations. To the extent that Bidders receive confidential information from EPE, Bidders shall maintain the confidentiality of such information and such information shall not be made available to, distributed, or otherwise shared with any entity before, during or after this RFP process unless required by law or regulatory order.

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, specifically including, but not limited to, the NMPRC, even if marked "Confidential." All Bidders shall cooperate with EPE, as EPE deems necessary or appropriate in its sole discretion, in making technological descriptions, pricing and other contract terms available for review as part of any regulatory approval process. EPE will follow applicable orders and rules of the NMPRC and/or other applicable agency, including any protective orders issued, such as disclosure of price, terms, or other information as required; therefore, EPE cannot promise that information marked as confidential will not be publicly disclosed, and, as such, EPE cannot be held liable for any information that is ordered to be released or that is inadvertently released.

Additionally, as EPE deems necessary and appropriate, Bidders whose proposals are selected agree that key terms of negotiated agreements are subject to review and approval by the NMPRC and/or any other regulatory and governmental agency reviews. Key terms include: (1) term and any option to extend term; (2) the size of the capacity in MW and the amount of energy in MWh or kWh per month and any conditions regarding the minimum or maximum amount of energy made available or required to be purchased; (3) price; and (4) any fixed or variable costs.

Moreover, information submitted in response to this RFP may become subject to federal or state laws pertaining to public access to information resulting from any reviews conducted by the aforementioned agencies. EPE shall not be liable for the release of any information subject to disclosure under any laws pertaining to public access to information.

To the extent that Bidders receive confidential information from EPE, Bidders shall maintain the confidentiality of such information and such information shall not be made available to, distributed, or otherwise shared with any entity before, during, or after this RFP process unless required by law or regulatory order.

2 El Paso Electric Company System Description

2.1 System Overview

Operating within the Western Electricity Coordinating Council ("WECC"), EPE serves its load with a balanced resource mix of battery energy storage, natural gas, nuclear, and solar generation. EPE currently owns, or has significant ownership interests in, five electrical generating facilities plus solar facilities providing it with a total installed net capacity of approximately 2,142 MW. In addition, EPE currently has PPAs with seven companies for an additional installed capacity of approximately 277 MW.

Looking ahead, EPE is poised to expand its capabilities by increasing its utility-scale battery energy storage resources and solar generation portfolio. In January 2025, EPE announced its decision to join the Southwest Power Pool ("SPP") Markets+, a new energy market designed to provide enhanced grid reliability, increase customer savings and advance sustainability efforts across the Western United States. EPE's strategic move is tailored to support anticipated customer load growth and evolving needs, ensuring EPE continues to deliver exceptional value and reliability. Implementation efforts are underway and the transition to this new market is expected in 2028.

2.2 Existing Resources

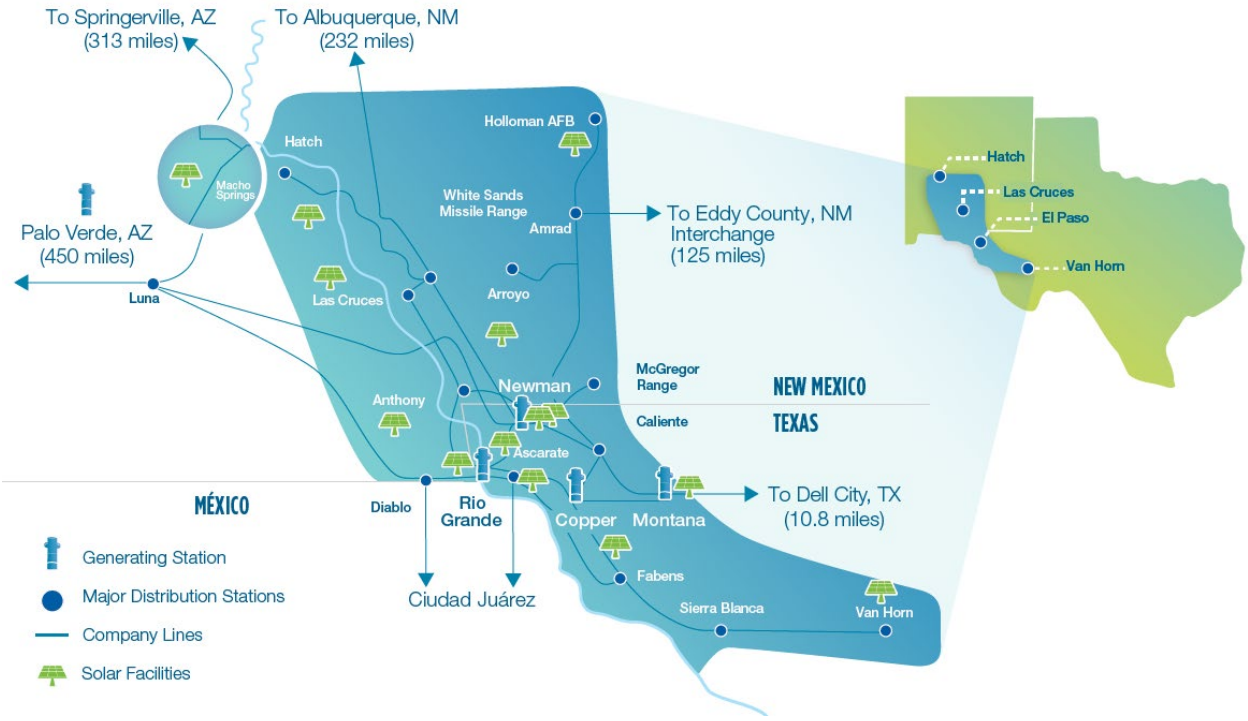
EPE's diverse generation portfolio is designed to reliably serve customer load. A significant portion comes from 622 MW of carbon-free nuclear capacity imported from the Palo Verde Generating Station (Units 1, 2, and 3). Locally, EPE owns 1,468 MW of natural gas-fueled capacity, originating from the Copper Generating Station (63 MW), Rio Grande Generating Station (227 MW), Newman Generating Station (826 MW), and Montana Power Station (352 MW). Beyond this, EPE supplements its portfolio by purchasing the output of various utility-scale solar and battery energy storage facilities, totaling approximately 227 MW and 50 MW, respectively. EPE also owns several smaller solar installations totaling approximately 21 MW.

EPE secured purchase power and energy storage agreements for solar and battery energy storage resources totaling 420 MW from its 2021 RFPs and a 150 MW self-build solar facility. These resources are planned to be operational in 2026. EPE also secured purchase power and energy storage agreements for solar and battery storage resources totaling 1,200 MW from its 2023 RFP. EPE is currently engaged in negotiations with projects selected through EPE's 2025 All-Source RFP process.

2.3 Service Territory

The EPE service territory extends from west Texas to south-central New Mexico as illustrated in Figure 1 below. The Copper, Rio Grande, Montana, and Newman Generating Stations are located in the El Paso area. The Palo Verde Generating Station is located west of Phoenix, Arizona.

Figure 1: EPE Service Territory & Resources



3 Schedule

The following schedule and deadlines apply to this RFP:

Table 2: RFP Schedule

Milestone	Date
2026 New Mexico RFP Issuance	5/18/2026
2026 New Mexico RFP Bidder Conference	6/9/2026
Date for Final Submission of Questions	7/10/2026
Notice of Intent to Bid Due Date	7/17/2026
Bid Fee Payment Deadline	7/24/2026

Date of Final Responses to Questions Posted	7/31/2026
Company Self Bid Proposal Due Date	8/20/2026
Third Party Proposal Due Date	8/21/2026
Advancement to Computer Modeling	Approximately +60 Days
Evaluation of Proposals Report to IM as required under 17.7.3.12(H) NMAC	Approximately +120 Days

EPE reserves the right to modify, cancel or withdraw this RFP and to revise the schedule specified above if, in the sole discretion of EPE, such changes are necessary. The IM will be notified of any modifications, revisions, and/or changes pertaining to the RFP documents and/or RFP process.

3.1 2026 New Mexico RFP Bidder Conference

The 2026 New Mexico RFP Bidder Conference ("Bidder Conference") will be held on June 9, 2026, at 10:00 AM Mountain Daylight Time ("MDT"). The Bidder Conference link and sign-on information will be posted on EPE's RFP website. Attendance at the Bidder Conference is intended to clarify any issues surrounding the RFP in advance of preparation of the Bidder's package. Although attendance at the Bidder Conference is not mandatory, it is highly encouraged.

EPE highly encourages potential bidders to submit questions at least 3 business days in advance of the Bidder Conference to facilitate preparation of responses.

3.2 Date for Final Submission of Questions

Questions concerning the RFP are to be submitted in writing via e-mail, as per the requirements of Section 1.7 RFP Communications, by July 10, 2026 at 5:00 p.m. MDT. Questions received after this deadline will not be answered.

EPE will prepare written responses to questions received and will periodically distribute the questions and responses. Responses to common questions will be distributed to all Bidders and posted on EPE's RFP web page. Answers to questions specific to a particular project will only be given to the bidder who asked the question. However, EPE may choose to post a general version of the answer (without project-specific details) on the RFP webpage for everyone to see. EPE will endeavor to respond to all questions by July 31, 2026 at 5:00 p.m. MDT.

3.3 Notice of Intent to Bid

Submission of a Notice of Intent to Bid ("NOI") is **mandatory** for proposals to be accepted, including proposals submitted by EPE. Bidders must submit a NOI by 11:59 p.m., MDT on July 17, 2026. The NOI form is available for download in Excel format on the RFP website. Bidders must submit a NOI for each unique project configuration, as described in Section 3.6. Submission of a NOI incurs no associated fee. Instructions for submitting a NOI are included in Section 7.2.1.

3.4 Proposal

All proposals, excluding those submitted by EPE, MUST adhere to the instructions provided by the Company following the NOI and must be received no later than 11:59 p.m. MDT on August 21, 2026. Proposals received after this deadline will not be considered. No proposals will be opened until after August 21, 2026.

All Company proposals submitted by EPE must be received by 11:59 p.m. MDT on August 20, 2026.

Proposals received later than the due date and time indicated will be rejected.

Instructions for submitting a proposal to EPE are included in Section 7.2.3.

3.5 Bid Fee

Bidders must remit a non-refundable bid fee via wire transfer, as outlined in Table 3, by the Bid Fee Payment Deadline, July 24, 2026, at 5:00 p.m. MDT.

Table 3: Bid Fee

Project Size	Bid Fee
<5MW	$1,000
5 to 20MW	$2,500
>20MW	$7,500

A distinct fee is necessary for each unique proposal configuration. Examples of configurations requiring separate fees include but are not limited to variations in the Commercial Operation Date ("COD"), project size, PPA term, and technology (e.g., a solar-only proposal vs a solar-plus-storage proposal). Proposals encompassing multiple sites also necessitate individual bid fees.

Site Aggregation and Demand-Side Resources

While supply-side proposals encompassing multiple physical locations generally necessitate individual bid fees for each site, an exception is made for Demand-Side Resources.

Proposals for demand-side programs, such as Demand Response or DER aggregations, that manage or curtail load across multiple customer sites are considered a single proposal. Provided that the aggregation is managed under a unified contract and operational framework, only one bid fee based on the total cumulative capacity of the program is required.

Note: Critically, this exception applies only to geographical location. If a Bidder submits multiple versions of an aggregated program that vary in total capacity, ramp schedules, or contract terms, each variation constitutes a unique configuration and requires a separate bid fee.

General Bid Fee Provisions

Bidders should contact the RFP project manager for clarification regarding bid fees.

No bid fee is required from EPE for all Company proposals since it is the entity submitting this proposal.

While EPE's policy is generally not to issue refunds for bid fees, irrespective of the bid's outcome or any misinterpretation of the RFP requirements, EPE does make an allowance for miscalculated bid fees. If a bidder submits an incorrect amount due to a calculation error, a refund will be processed for the difference

3.6 Advancement to Computer Modeling

Following the completeness review, threshold review, and scoring evaluation described in Sections 8.1, 8.2, and 8.3, EPE will identify a shortlist of proposals that will proceed to computer modeling. EPE aims to notify shortlisted bidders within 60 days of receiving their bids.

3.7 Notice of Final Bid Selections

After completing the computer modeling and any subsequent confirmation analyses (as detailed in Sections 8.4 and 8.5), EPE will notify all bidders of the Final Bid Selections. EPE may initiate discussions and negotiations with selected Bidder(s). Any contract between EPE and Bidder(s) will be contingent upon approval by EPE Management and required state or federal regulators. EPE reserves the right to reject any proposed contract(s) that results from the RFP if subsequently issued regulatory approvals or authorizations

are subject to conditions, including but not limited to, ratemaking treatments, that are in EPE's sole discretion unacceptable. EPE aims to notify successful bidders within 120 days of receiving their bids.

EPE can also, at its sole discretion, designate unchosen proposals as backups to be considered should its resource needs shift or if negotiations with bidder(s) for shortlisted projects fail or are materially delayed.

4 Submittal Options and Requirements

4.1 Proposal Validity

Each Bidder must submit a firm proposal open and valid following the proposal's submittal and through the potential execution of a contract. Should the price change within this time period, EPE reserves the right to exclude the proposal from further consideration in this RFP. This timing is to allow for contract negotiations which are expected to conclude within 1 year, as well as regulatory approvals. Upon expiration of the proposal validity period, shortlisted Bidders must promptly provide any changes to their proposal(s) or agreement that would affect extension of such proposal(s) for an additional period.

4.2 Financial Assurances and Pricing Expectations

Each Bidder should take into account EPE's expectations with respect to required Seller financial assurance amounts, liquidated damages thresholds, and guaranteed performance requirements. Bidders should further note that EPE will not provide financial assurances in connection with any agreements entered into under this RFP. **Bidders should not submit a bid into this RFP if such bid is contingent upon receiving financial assurances from EPE.**

EPE expects Bidders to submit fixed-price bids in this RFP inclusive of all pricing components. Following the proposal due date, EPE will only allow pricing reopeners that align specifically with changes to import tariffs or federal legislation (such as tax law). EPE will proactively reach out to Bidders to request updated pricing should these specific triggers occur; Bidders should not submit unsolicited pricing updates.

4.2.1 Company Self-Bid Proposals

All company self-bid proposals must be fully inclusive of all direct and indirect costs. This includes, but is not limited to, overheads, administrative and general costs, stores and purchase loads, direct labor, and legal fees, as well as a reasonable project contingency. With the exception of Allowance for Funds Used During Construction (which will be excluded from the proposal and applied independently by the BET) the self-bid estimate must represent the total expected cost of the project.

4.3 Commercial Transaction Structure

EPE will consider proposal arrangements to include one or a combination of the proposal types listed below:

- **Demand-Side Resources**
  - Proposals for customer-sited battery storage or distributed generation where EPE has the ability to dispatch or influence the operation of the resource to manage local or system-wide demand.
  - Proposals from third-party aggregators offering to manage and deliver aggregated load reductions from multiple end-use customers.
- **Power Purchase Agreements and Energy Storage Agreements:**
  - Short-term PPAs (one to four years) or Long-term PPAs (greater than five years) for sale of energy or capacity from new or existing resources.
  - For renewable energy resources, PPAs must include the transfer of all associated RECs to EPE.
  - Bidders may propose PPAs that include co-located storage resources in which EPE (i) has the ability to charge the storage resource with EPE-owned electric generating resources delivered from the grid, and/or (ii) has the ability to control the charging and discharging of the storage resource from both the co-located generating resource and any EPE-delivered grid resources.
- **Company Ownership Proposals:**
  - Build-Transfer Agreements: Bidder would have the responsibility to engineer, develop and construct the proposed resource, and EPE would assume ownership of the completed project at the time it is deemed ready for commencement of commercial operation.
  - Self-Bid Proposals: Proposals for projects that EPE would develop and/or own.
  - Asset Purchase Agreement: Proposals for EPE to purchase the Bidder's new or existing operating generation facility.
  - PPA/ESA with Transfer Option: Proposals for resources that initially operate under a PPA and/or ESA, with an option for EPE to acquire the resource after a set number of years or upon the end of the term.

4.3.1 Demand Side Resources

Proposals for demand-side resources that reduce EPE's underlying capacity and/or energy needs within the RAP are acceptable.

For Bidders offering a demand-side resource, EPE highly recommends you contact the RFP project manager as soon as possible. This early engagement is crucial to discuss specific terms and conditions and to determine if any additional documentation will be needed for your submission. This collaborative step will help ensure your proposal is fully aligned with EPE's requirements and clarify any project details from the outset.

4.3.2 Power Purchase and Energy Storage Agreements

Proposals involving power purchases of energy and/or capacity from an existing or proposed resource are acceptable within the guidelines outlined in this section. EPE will consider new PPAs, extensions or repowering of existing PPAs, or a combination thereof. EPE is also considering ESA proposals for charging, discharging and otherwise managing EPE energy resources.

All long term PPA/ESA proposals for a new resource should consider the terms and conditions set forth in the applicable forms of PPA and ESA, as provided for download in Word format on the RFP website.

Where available, Bidders proposing a long-term PPA or ESA must include a redlined copy of the applicable EPE form of PPA/ESA as a formal attachment. This redline must clearly indicate all proposed changes and serves as a primary basis for project evaluation.

Each proposal must be a stand-alone document; EPE will not consider external references, prior agreements, or previous contract versions as a substitute for a completed redline. Any proposal that fails to provide a comprehensive, project-specific redline of the current RFP forms will be deemed non-responsive and incomplete. If the Bidder is proposing a short-term PPA or a PPA for an existing resource, please use the EPE forms as a guide in the bid submittals, understanding that EPE will negotiate with any short-listed Bidder the appropriate modifications to these forms.

Bidders intending to propose technologies or combinations of technologies for which a form of PPA or ESA is not included should contact the RFP project manager via the email address provided in Section 1.7, and Bidders should use the PPA and ESA forms included in this RFP as a guide in understanding EPE's expectations on applicable contract language and terms when developing your bid proposal.

EPE shall have first dispatch rights to energy. Any ancillary services to be provided by the Bidder as part of its proposal will be considered in the assessment by EPE of the economics of the Bidder's proposal and should be identified in the written narrative of the bid submission. EPE shall retain all ancillary services provided by the proposed resource, and any costs associated with the provision of such services shall be incorporated into the pricing submitted by the Bidder.

Bidders must provide a specific price for the contract energy and capacity pricing, along with a clear description of the proposed pricing approach for each component. For example, if a project includes renewable generation and battery storage, the fixed price for the renewable energy and the fixed capacity charge for the battery storage should be clearly stated. If a Bidder proposes energy and capacity pricing with escalation, the escalation factors must be defined as a fixed rate. This information should be provided within the related tab in the bid forms.

For proposals that use fuel, the Bidder is responsible for demonstrating the availability and adequacy of all primary and back-up fuel supplies, including fuel transportation and fuel-related services (if applicable). To be eligible, Bidders need to demonstrate firm fuel supply or firm fuel delivery. Alternatively, in cases of non-firm fuel delivery or supply, on-site back-up fuel is a requirement. This information should be demonstrated by filling out the related tab in the bid forms and providing any supporting attachments, if applicable.

If a proposal involves energy and associated capacity utilizing different types and combinations of generation facilities, the proposal(s) shall clearly identify the exact pricing, capacity, and/or availability variations based on specific characteristics of the generation facilities.

EPE requests Bidders to include a Right of First Offer in conjunction with any PPA/ESA proposal, as set forth in the EPE forms of PPA/ESA.

4.3.3 Company Ownership Proposals

EPE welcomes proposals that result in ownership of the project by EPE. This includes Company self-bid projects, Build-Transfer Agreements ("BTA"), asset purchase agreements, and PPAs or ESAs that will ultimately be transferred to EPE.

All proposals leading to Company ownership must detail the facility's acquisition or construction price, payment terms, and payment schedule in the bid forms. Proposals are to include and denote anticipated tax

amounts. Actual tax treatment and allocation of tax responsibility between the parties will be governed by the final executed contracts and applicable law.

Additionally, a specific cost forecast for ongoing Operation and Maintenance ("O&M") and Capital Expenditure is required and should be detailed in the bid forms. EPE is also interested in options where the bidder or a third-party contractor provides ongoing O&M under a separate contract, including specified contract terms and operating cost guarantees. All proposals should provide attachments that include a description of any performance guarantees or warranties and include an O&M manual outlining the maintenance schedule.

EPE will not be responsible for site selection, land acquisition, environmental permitting, or natural gas/water infrastructure essential for the project's completion for BTA projects.

EPE will consider proposals for asset purchase agreements in which it holds an undivided ownership interest in the generating facility. Bidders offering this option must provide complete pro-forma financial projections for the generation facility as an attachment, and must also complete the full project pricing in the bid forms.

Bidders are responsible for demonstrating the availability and adequacy of all primary and backup fuel supplies, including transportation and related services. To be eligible, Bidders must demonstrate firm fuel supply and firm fuel delivery. Alternatively, on-site backup fuel inventory is mandatory for proposals with non-firm fuel delivery or supply. This information can be demonstrated by filling out the pertinent information in bid forms and providing any supplemental attachments, if available.

4.4 Energy Limitations

The Bidder must clearly define dispatch capabilities for the proposed project. The proposal must outline all energy limitations that may be caused by factors including, but not limited to:

- energy sales to other parties;
- transmission limitations (e.g., congestion);
- environmental permit limitations or emissions;
- weather conditions, including extreme high and low temperatures;
- hours of operation due to staffing or external constraints; and

- potential intra-hour volatility in power output to determine the impact of the project on EPE's system control requirements; and if a potential limitation exists, it must be described in detail in the bid forms so that EPE can reflect the limitation in its analysis.

5 Transmission & Delivery Requirements

Any projects pursued by EPE through this RFP must be interconnected to, or otherwise delivered to, EPE's local transmission system (the transmission system within the EPE Balancing Authority Area) to serve EPE's customers.

Exceptions and Distribution Interconnection

Depending on the specific location and characteristics of the feeder or system, an exception to the transmission delivery requirement may be granted for:

- **Distribution-Level Projects:** Sourced from a single location with a capacity of up to 20 MW that can interconnect directly to EPE's distribution system. These projects may be prioritized if they demonstrate significantly shorter development timelines.
- **Demand-Side Resources:** Aggregated or site-specific resources that effectively reduce EPE's capacity and energy needs within the local load area.

Operational Reliability and COD

EPE is open to all proposals—whether supply-side or demand-side—that can reliably deliver guaranteed capacity and/or energy (or that can reduce EPE's capacity need) within the RAP specified in this RFP. Bidders are required to demonstrate that all major equipment development timelines, required telemetry/control systems, and system network upgrades are capable of satisfying the proposed COD. This must be substantiated via the applicable attachments as outlined in the Bidder instructions.

5.1 EPE Generator Interconnection Request

Projects that already have an active generator interconnection request in EPE's Generator Interconnection Queue are encouraged to submit bids and will receive preferential evaluation. Projects that are not yet in EPE's Generator Interconnection Queue and projects that have been submitted in EPE's Generator Interconnection Queue but are in suspension or otherwise inactive will be accepted for consideration. For each project, EPE may seek to ascertain the viability of the proposed COD identified by Bidder. In doing

so, EPE may draw upon any information available to it, including, but not limited to, any information provided by Bidder (such as studies performed by Bidder or on its behalf by third-party consulting firms). Where applicable, any Bidder's resource selected through this RFP process that is not already in EPE's Generator Interconnection Queue, MUST establish a queue position in EPE's Generator Interconnection Queue under EPE's OATT no later than March 31, 2027.

The Bidder must provide a detailed explanation within their proposed schedule demonstrating how obtaining Network Resource Interconnection Service ("NRIS") is accounted for. Furthermore, the Bidder must include all available documentation to substantiate these assumptions and firmly demonstrate the project's ability to obtain NRIS on or before COD. As part of the bid submittal, Bidders will be requested to execute a customer consent, through which Bidder consents to allow EPE's energy resource function to discuss the Bidder's RFP submittal with EPE interconnection and transmission function.

Alternatively, Bidders may propose resources that are built behind an existing transmission interconnection only when no additional EPE facilities are needed, and the existing interconnection capacity can be more fully utilized ("Surplus Interconnection"). If the Bidder is proposing to use Surplus Interconnection Service to facilitate its project, Bidder must identify the parent interconnection and must provide information in its Bid reasonably supporting the viability of a proposed Surplus Interconnection.

The Bidder should identify in the bid forms of its proposal (a) the point on the EPE transmission system at which the Bidder's energy is to be tendered by the Bidder to EPE; (b) whether the Bidder's resource is currently interconnected to the EPE transmission system and receiving interconnection service from EPE, or whether the Bidder has requested NRIS from EPE; (c) the current status of the Bidder's generator interconnection request, including Bidder's requested interconnection in-service date, and whether any interconnection studies performed by EPE or Bidder have reasonably supported the Project's requested interconnection in-service date as reasonable achievable; and (d) the estimated Network Upgrade costs, if any, identified in the EPE generator interconnection process as necessary to permit the Bidder's generating facility to interconnect to the EPE transmission system.

5.2 Third Party Interconnection

While EPE will consider proposals for resources interconnecting to third-party transmission systems, EPE has no direct visibility into the interconnection processes, cost allocations, or study schedules of external transmission providers. EPE cannot independently verify the status of third-party network upgrades or the

reliability of the project's projected COD. Furthermore, EPE's transmission system is subject to strictly limited import rights, making the verified deliverability of external power a critical consideration.

To mitigate the risk of unforeseen cost escalations or schedule delays that EPE cannot monitor or control, Bidders for external resources must provide exhaustive documentation to ensure a transparent evaluation. Any such proposal must include:

- **Interconnection Status and Cost Certainty:** A copy of the most recent System Impact Study and Facilities Study from the third-party provider, including a detailed breakdown of assigned Network Upgrade costs and the required construction timeline.
- **Firm Transmission Evidence:** Definitive proof of secured, long-term firm point-to-point transmission capacity from the resource's Point of Interconnection on the third-party transmission system to the EPE transmission system, together with identification of the specific point on the boundary of the EPE transmission system at which the third-party transmission provider is to deliver the resource to the EPE interface.
- **Total Delivered Cost:** A full accounting of all third-party transmission fees, wheeling charges, and ancillary service costs. These must be fully bundled into the bid price to allow for an accurate "all-in" economic comparison against internal resources.
- **Schedule Risk Mitigation:** A sworn statement or project milestone schedule that accounts for third-party study timelines, including potential restudy delays, to ensure the project can meet EPE's required reliability window.

Because EPE is not a party to the third-party interconnection agreement, the burden of proof regarding project viability, cost, and schedule rests entirely with the Bidder. Failure to provide this level of transparency may result in the proposal being disqualified. Bidders should note that resources delivered via specific external corridors may be subject to additional physical and/or operational constraints as detailed in Section 5.3.

5.3 WECC Path 47

In addition to the documentation required in Section 5.2, it is further noted that the delivery of power to EPE's transmission system into Springerville, Greenlee and West Mesa is subject to WECC Path 47

operating limits, and this factor will be taken into consideration during bid evaluation. Furthermore, if the existing resource is located outside of EPE's Balancing Area and is intermittent/non-dispatchable (e.g., solar or wind), the bid must also include the proposed method of dealing with regulating and balancing requirements in the executive summary narrative, and include any associated costs in the bid forms (i.e., battery storage regulation and regulating services by the host Balancing Authority Area Operator).

For resources located outside of EPE's Balancing Authority Area, the following operational requirements must be met:

1. The energy must be deliverable to EPE's transmission system on a firm basis.
2. The proposal must include a written portion of the executive summary narrative that describes a method for providing set hourly schedules/profiles for delivery of energy or proposed means of scheduling an intermittent resource, if located outside of EPE's Balancing Authority Area, by either:
    a. Including options for addressing balancing of output such as metering of output to EPE's Balancing Authority, or
    b. regulating via battery storage, or
    c. regulating services provided by the host Balancing Authority Area Operator, or
    d. other options of firming up energy profiles to hourly forecasted energy, or
    e. firming up output by regulating with additional/excess renewable generation at the same site.
3. If delivered via the West Mesa to Arroyo transmission line, providing firm hourly schedules are of greater importance due to the electrical power flow limitations imposed by the phase-shifting transformer at Arroyo. Bids utilizing this path will be evaluated based on the robustness and accuracy of their scheduling plan.

All associated costs for the aforementioned requirements must be clearly identified and included in the bid price forms to ensure an equitable "all-in" evaluation.

5.4 Bidder Identification of Transmission Network Upgrade Costs (Where Applicable)

All proposals submitted in response to this RFP must account for interconnection to EPE's system. The treatment of transmission network upgrade costs depends on the current status of the project's interconnection studies:

- **Completed Interconnection Studies:** If a formal study (e.g., SIS or FAC) has identified specific network upgrade costs, Bidders must itemize these costs in the bid forms.
- **Incomplete/Pending Studies:** If a formal study identifying costs is not yet available, Bidders must submit a financial bid according to the following requirements:
    - **Baseline Bid (Required):** Bidders *must* submit a financial bid that excludes assumed network upgrade costs. This ensures EPE can compare all projects on a consistent basis.
    - **Estimated Bid (Optional):** Bidders *may* provide an alternative cost breakdown including their own upgrade estimates. These must be clearly itemized and accompanied by supporting technical reports or third-party studies justifying the assumptions. In the absence of a Bidder-provided estimate, EPE will apply its own independent cost assessment for evaluation purposes.

Regardless of the study status, all Bidders must include a description of anticipated interconnection requirements and any known network upgrades within the Executive Summary narrative. EPE will factor these costs (whether provided by the Bidder or estimated by EPE) into the final all-in economic evaluation of the proposal.

As part of this analysis, EPE will also consider whether the resource is likely to require additional network upgrades, not otherwise identified in the interconnection studies, in order for EPE to designate the resource as a Network Resource eligible to serve its Network Load using Network Integration Transmission Service consistent with its OATT. If so, EPE will seek to estimate the potential costs of those network upgrades to deliver energy to EPE's native load. Final selection of winning proposal(s) will also consider whether the resource(s) and the Bidder have demonstrated a commitment and ability to be ready to meet EPE's identified need and serve load on time.

6 Requirements Specific to Bid Types

This section delineates the mandatory minimum requirements that all submitted proposals must meet to be considered eligible for this solicitation. Unless EPE, at its sole discretion, determines otherwise, proposals failing to adhere to these stipulations will be deemed ineligible and will not proceed to further evaluation. EPE explicitly reserves the right to reject any proposal for any reason at its sole discretion.

EPE recognizes that emerging technologies or unique demand-side configurations may not be explicitly categorized within these eligibility sections. If a Bidder's specific proposal type or resource structure is not

clearly addressed in this section, the Bidder must contact the RFP Project Manager as soon as possible to seek clarification on project suitability and submission requirements.

6.1 Conventional Generation

EPE is seeking firm and dispatchable generation that offers significant operational flexibility, including capabilities for cycling, rapid ramping, and a wide operating range. While gas-fired combined cycles ("CC"), reciprocating engines, and simple cycle combustion turbines are well-suited to these requirements, EPE is not limiting proposals to these technologies only.

Flexibility in lower feasible minimum operating outputs is desired to allow for a wide operating band for operating reserves while meeting environmental emissions requirements. While not a strict requirement, 10-minute quick-start capability is also desirable.

A generator should be able to connect to an existing interstate gas pipeline or west Texas intrastate natural gas pipeline. Access to a second pipeline would be deemed favorable. EPE will consider Tolling PPA proposals if the facility is able to connect to an interstate pipeline.

The proposed facility should have, or be able to secure, an adequate water supply for the term of the PPA or, in the case of a build-transfer or self-bid proposal, for the asset life. EPE has developed sustainability goals to reduce water consumption, and prefers zero liquid discharge from its generation facilities. To support this, EPE prefers inlet cooling to be turbine inlet air chilling, and fin fan system for heat rejection, and selective catalytic reduction for NOx control.

EPE has an interest in maintaining a high level of reliability and availability (97% or greater availability) during its peak power season, May through September. As such, EPE requires redundancy of critical systems where feasible and within industry practice, such as the air compressor system, Reverse Osmosis Deionization, circulating water and condensate pumps, and fire protection system. Therefore, Bidders must identify the specifics of the redundant systems in their bid within the written narrative and/or via supporting attachments.

All conventional units should be dispatchable and capable of direct monitoring and automatic generation control ("AGC") by EPE's energy management system ("EMS"). Additionally, all conventional units should provide frequency response in the form of governor response. This information should be noted in the bid forms.

Specific to CC Proposals EPE is requiring Bidders proposing a CC option(s) to bid the project with an automatic by-pass damper system to allow for the operating flexibility of running the unit in simple-cycle

mode. The automatic bypass damper system is a mandatory requirement. The proposed CC configuration and design should be such that emissions and environmental permitting be attainable in both simple cycle and combined cycle mode to offer dispatch flexibility.

6.2 Applicable to All Renewable Resources

EPE prefers the ability to dispatch or curtail the renewable energy power as necessary to manage and optimize its system and resources.

Proposals can only offer capacity pricing if they include battery storage or another method to firm up the energy output. If your proposal includes capacity pricing, please clearly identify the capacity value used to calculate the capacity payment in the bid forms. Additionally, all Bidders should clearly identify their energy pricing, or combined energy and capacity pricing, on an annual basis within the bid forms.

For proposals that feature solar paired with battery storage, Bidders will be responsible for all auxiliary loads (house power/station service).

Bidders may, but are not required to, provide Positive Sequence Load Flow power flow models and one-line diagrams identifying megavolt-ampere apparent power, megavolt-ampere reactive power, and power factor capability of the facility.

All RECs associated with the renewable energy proposed must transfer to EPE at no additional cost.

6.2.1 Specific to Non-Intermittent Renewable Resources

Non-intermittent renewable resource proposals, such as geothermal, biogas, or biomass should identify and quantify the fuel resource availability and the ability to secure fuel resources for the life of the project in the bid forms, applicable attachments, and within the submission narrative, as is applicable.

Any dispatchability or output limitations should be clearly described; specifically, in yearly total output expectations and commitments.

6.2.2 Specific to Intermittent Renewable Resources

Any projects providing self-regulation for output variability or guaranteed renewable energy production output during peak hours should clearly identify capabilities and commitments in the written narrative of

the proposal. Proposals should identify characteristics of the renewable resource which will provide guaranteed output capacity (i.e., battery storage).

Inverter based renewable resource (i.e., solar and wind) proposals are required to utilize inverters and controls capable of output regulation/curtailment for load following, frequency response and voltage support via EPE's EMS control.

Variable Energy Resources ("VERs") are to be AGC control capable for management of curtailment commands directly from EPE's EMS. This implies dispatchability of curtailment, or release of curtailment, within six-second AGC command cycles. EPE requires full AGC capability but if technology does not allow for this, please provide an explanation on the limitations in the written portion of your proposal.

For energy curtailment measurement, the bidder shall consent to using the five-minute VER forecast that is used in the market to establish the baseline for any measurement of curtailed energy. Further, the bidder shall consent to an unbiased forecast of EPE's choosing to set the market awards and dispatches.

6.3 Energy Storage

EPE encourages Bidders to offer battery energy storage proposals of various durations. Bidders are not limited to submitting only four-hour duration proposals, as longer-duration proposals will be acceptable.

All energy storage system proposals will be evaluated considering the following requirements:

- the provision of active and reactive capability at a power factor of 0.9 at the Point of Interconnection or as instructed by System Operation during peak load periods and for providing ancillary services;
- assistance with ensuring grid reliability, including transmission and distribution system stability, while integrating VERs into the grid;
- support for diversification of energy resources and enhance grid security; and
- the inclusion of charging from grid power and renewables if co-located with renewable energy.

Projects involving energy storage shall comply with the following requirements and demonstrate within bid forms and/or attachments:

- be fully dispatchable by EPE;

- battery energy storage systems shall have a system latency of one second or less, a ramp rate (in both charging and discharging) of full MW capacity within one minute, and shall be provided with grid-forming inverters;
- have full AGC capability of the battery storage resource; and

If the proposal is also capable of providing regulating and system support, Bidders should provide operating capabilities and specifications in the written narrative of the proposal.

Information regarding operating capabilities and specifications should include the following types of items within bid form inputs and/or supporting attachments (i.e. manufacturer spec sheets):

- number of expected cycles (full cycle should be equivalent to full discharge of battery in MWh);
- maximum annual throughput
- availability percentage;
- ramp rate;
- signal response time;
- charge and discharge ranges;
- round trip efficiency;
- degradation rate; and
- other operating capabilities/specifications/restrictions as identified by Bidder.

6.4 Demand-Side Resources

EPE is seeking Demand-Side Resources DSR that provide reliable capacity and energy reductions to meet or reduce its system needs. This includes, but is not limited to, Demand Response (“DR”), Distributed Energy Resource (“DER”) aggregations, and other Virtual Power Plant (“VPP”) configurations.

Reliability and Dispatchability

All demand-side proposals must demonstrate a high level of reliability and perform as a firm resource during EPE’s peak season (May through September).

- **Firm Capacity and Energy Reduction:** Bidders must clearly define the methodology for calculating "accredited capacity" or "energy reduction." Proposals must demonstrate how the resource will provide a guaranteed reduction in load during EPE's system peaks or reliably offset energy requirements across the specified periods.

- **Direct Control:** Resources must be dispatchable by EPE's Energy Management System ("EMS"). Bidders should specify the telemetry and communication protocols used to ensure real-time visibility and control. EPE requires interconnectors to use DNP 3.0 Communication Protocol for exchanging telemetry/controls between the site and EPE's EMS.
- **Response Time:** Proposals should identify the resource's "notification-to-reduction" latency. EPE prefers resources capable of responding within 10 minutes to support grid contingency events and sustainable for a period of at least 60 minutes.

Program Composition and Aggregation

- **Site Aggregation:** As outlined in Section 3.5, EPE allows for the aggregation of multiple customer sites under a single proposal, provided they are managed under a unified contract and operational framework.
- **Ramp Schedule:** Bidders must provide a detailed "enrollment and ramp schedule" identifying how and when the capacity will be realized throughout the RAP.
- **Measurement and Verification ("M&V"):** Bidders must propose a clear M&V methodology consistent with industry standards to establish a performance baseline.

Technical and Compliance Requirements

- **Customer Eligibility:** If the program targets specific customer classes in New Mexico, the Bidder must describe the recruitment strategy and any existing regulatory approvals required for customer participation.
- **Dual-Participation:** Bidders must describe the mechanisms in place to prevent "double-counting" of resources that may be enrolled in other EPE programs or market-based initiatives.
- **2045 Alignment:** While demand-side resources are inherently carbon-free in their reduction of load, any behind-the-meter generation (e.g., backup diesel generators) used as part of a demand-side bid must comply with carbon-free transition requirements.

Data and Monitoring

Information regarding operating capabilities should include the following within bid form inputs and/or supporting attachments:

- **Total Dispatchable MW:** Minimum and maximum curtailment limits.
- **Duration Limits:** Maximum hours per call and maximum annual hours/calls.

- **Availability:** Expected percentage of successful response to dispatch signals.
- **Telemetry Details:** Description of hardware and software used for communication with EPE's EMS.

6.5 Tax Credits

EPE requires that Bidders provide a detailed description of the Bidder's strategy regarding the utilization of any Investment Tax Credits or Production Tax Credits associated with its project in their proposal.

If a Bidder's proposal relies on tax credits that are scheduled to expire, phase out, or "drop off" within the project's development timeline, the narrative must include a comprehensive plan for securing these credits. This description must explicitly identify all critical milestones and deadlines, such as the latest possible date for a Notice to Proceed or the commencement of physical construction (on or off-site). Bidders must clearly state what actions EPE or the Bidder must take, and by what specific dates, to ensure the project remains eligible for the tax treatment assumed in the bid pricing.

EPE also requires that Bidders include a description of whether the Bidder intends to qualify for any bonus credits for domestic content and energy communities as well as any plans to leverage other potential tax benefits from the IRA. EPE requires Bidders to indicate the level of tax benefits that are included in the Bidder's proposal pricing. If the Bidder intends to qualify for any bonus credits, Bidders must provide any documentation available to support their proposal within their tax form attachment. Bidders are also required to indicate within their tax form attachment if their project is expected to meet labor requirements associated with certain prevailing wage and apprenticeship conditions for compliance and conformance.

As noted earlier in this RFP, EPE expects Bidders to submit fixed-price bids in this RFP, with no contract price adjustments clauses for unanticipated events, including changes to anticipated tax benefits.

EPE requests that Bidders include the breakout of any tax incentives assumed in their proposed pricing.

6.6 EPE's Energy Imbalance Market Requirements for Metering in OATT

EPE requires five-minute metering for each solar, storage, and/or auxiliary house power project. For proposals that include solar and battery storage, Bidders will be responsible for auxiliary loads (house power or station service). This and the following information in this section should be demonstrated with written and/or supportive attachments.

Projects shall adhere to the following metering specifications and requirements unless otherwise explicitly stated by EPE in an interconnection agreement or otherwise.

- CT: +/-0.3% accuracy at burden of 0.1 – 1.8 ohms, 10% - 100% rated current
- PT: +/-0.3% accuracy through burden rating ZZ (400 Volt-Amperes secondary at 0.85 power factor) at 90% through 110% of nominal voltage
- Meter:
    - 0.2 Accuracy
    - Minimum 60 days storage of meter data
    - five-minute interval granularity for energy production
- Communications to access daily data programmatically (e.g., MV90)

6.7 Communications for Operations

All supply-side proposals will be required to establish real-time communications with EPE's EMS to provide status information, telemetry and control points (via DNP3 or approved protocol), and be able to receive control signals for requirements such as, but not limited to:

- dispatch control for applicable proposals, e.g., renewable generation with battery storage or biomass;
- curtailment of renewable resources; and
- AGC control for any applicable resources.
- Monitoring: Real-time Measurements (MW, MVAR, KV, currents), Accumulators (MWh), and Device Status.

Communications must comply with NERC Critical Infrastructure Protection ("CIP") standards as applicable. A detailed technical specs and mapping document will be provided by EPE during the formal review phase.. Compliance with CIP standards should be confirmed within Bidder submissions in the written narrative and/or via supporting attachments.

6.8 Permitting, Site Control and Licensing

Bidders must meet any licensing requirements that may be applicable at time of proposal submission per location of projects.

Bidders are responsible for acquiring and maintaining all present and future federal, state and local approvals, licenses, permits, or variances and the specific requirements to construct and/or operate any generation facility and associated interconnection facilities. Proposals should include a listing, description and associated timing for required permitting up to the interconnection point/facilities within the written narrative and supporting bid attachments. Any build-transfer proposals will require review of permitting plans and approval by EPE. If a build-transfer plan is selected, EPE will participate in the review and approval of any permit application filings as EPE will be the ultimate owner-operator of the generating facility.

EPE is requiring all Bidders to have and provide evidence to EPE of feasible site(s) selected and, at a minimum, to have a firm option to purchase or lease to demonstrate site control with landowner(s) and other stakeholders that may impact the execution of the land purchase. For sites on federal land, such as the Bureau of Land Management, alternate documentation may be considered. This should be demonstrated via pertinent attachments to be submitted as part of the proposal and also supported within the written narrative. Bidders cannot offer PPA or ESA proposals on existing EPE controlled locations.

6.9 Environmental and Siting Considerations

Bidders are required to provide a comprehensive written narrative detailing their understanding and approach to the environmental and siting considerations listed below. Furthermore, bidders should submit all available key supporting documentation for each item in applicable attachments. This documentation will be crucial for EPE's evaluation of project viability and risk.

Pre-Land Acquisition:

- **Surface Ownership of proposed sites:** Provide details on the current surface ownership for all proposed project locations.
- **Phase I/Phase II Environmental Site Assessment:** Include any completed Phase I and/or Phase II Environmental Site Assessments for the proposed sites.
- **Archeological and Cultural Resources Desktop Review:** Present findings from any desktop reviews concerning archeological and cultural resources at the proposed sites. Please note that the potential for additional field surveys may be required.
- **Wetland and Waterbodies Desktop Survey:** Submit results from desktop surveys identifying wetlands and waterbodies.
    - **FEMA Flood Zone Evaluation:** Include any evaluations against FEMA flood zone maps.

- **U.S. Army Corps of Engineers Jurisdictional Determination:** Provide any documentation related to jurisdictional determinations by the U.S. Army Corps of Engineers, specifically concerning:
    - Section 404 (Clean Water Act permits for discharge of dredged or fill material)
    - Section 408 (Alteration or modification of a Civil Works project)
- **Threatened & Endangered Species/Migratory Bird Treaty Act:** Detail any assessments or desktop reviews related to threatened and endangered species or compliance with the Migratory Bird Treaty Act.
- **National Environmental Policy Act (NEPA):** Discuss the potential applicability of the NEPA review process, typically triggered by a federal nexus or federal permitting requirements.
- **Noise/Vibration:** Address potential noise and vibration impacts, considering design thresholds, nuisance for regulation, and impact on the surrounding community.
- **Air Permitting:** Provide information regarding air permitting considerations, including:
    - Attainment Status of the area
    - Background concentrations and Offset availability
    - Plans for public involvement and engagement with local authorities
    - Anticipated emission control requirements
- **New Source Air Permit:** Indicate the necessity for a New Source Air Permit prior to construction and discuss permitting pathways according to the selected site, including whether air dispersion modeling will be a requirement.

Site Construction Impacts:

- **Stormwater Pollution Prevention Plan (SWPPP):** Outline plans for stormwater management during construction.
- **Grading and Drainage Plans:** Provide details on proposed grading and drainage designs for the site.
- **Spill Prevention, Control, & Countermeasures (SPCC) Plan:** Detail the oil-containment design and plan development, specifically addressing oil-filled equipment.
- **Hazardous Substance Storage:** Describe plans for the storage of any hazardous substances during the construction phase.
- **Solid and Hazardous Waste Generating Activities and Processes:** Address the management of solid and hazardous waste generated during construction activities and processes.

Operational Impacts:

- **Solid and Hazardous Waste Generating Activities and Processes:** Detail ongoing management plans for solid and hazardous waste generated during facility operations, including proposed waste storage facilities.
- **Wastewater Processes and Necessary Permits:** Describe wastewater treatment processes and identify all necessary permits.
- **Hazardous Substance Storage:** Outline plans for ongoing hazardous substance storage, including considerations for:
    - SARA Title III (Emergency Planning and Community Right-to-Know Act) Tier II reporting
    - Hazardous Air Pollutants (HAPs)
    - Risk Management Plans (RMP)
- **Threatened & Endangered Species/Migratory Bird Treaty Act:** Describe operational measures to mitigate impacts on threatened and endangered species and ensure compliance with the Migratory Bird Treaty Act, including details on bird guarding infrastructure.
- **Potable Water Availability:** Confirm the availability of potable water for operational needs.

Air Permitting: Discuss the requirements and status of the Title V operational air permit.

7 Submittal Preparation Instructions

This section provides the requirements and formatting guidelines that Bidders must follow when preparing and submitting proposals in response to this RFP. Bidders must submit complete proposals using the required forms and documentation, organized according to the specified structure detailed herein, and uploaded to the secure file transfer system provided by EPE.

A complete and unique proposal, including a separate bid fee and an independent set of documents (e.g., completed bid forms and applicable attachments) must be submitted for each distinct bid variant. This includes, but is not limited to, any variation in:

- Commercial structure (e.g., PPA/ESA, build-transfer, asset sale),
- Technology,
- Project site or point of interconnection
- COD
- Capacity or project size, and
- Pricing terms or escalators.

7.1 Organizational Structure and Guidelines

Each proposal must be clearly organized and labeled according to the structure below. This ensures a uniform and fair evaluation process. The specific requirements for each section are detailed further in the subsections that follow. All listed sections must be completed; incomplete proposals may be subject to disqualification during the completeness review.

Part I: Narrative and Executive Summary

- Executive Summary
- Capability and Experience of Bidder
- Financial Capability

Part II: Forms and Attachments

- Completed Bid Forms
- Applicable Attachments

Furthermore, each page of the proposal shall have the following information in the top right corner:

- 2026 New Mexico RPS RFP
- [Your Company Name]
- [Your Project Name]
- [EPE Assigned Company ID and Proposal ID combination (i.e. *CompanyID_ProposalID*)]

7.1.1 Executive Summary

This section should provide a high-level summary of the proposed project and its key technical and commercial terms. It must include a concise narrative description of the project, covering:

- Resource type
- Location
- Nameplate capacity
- Proposed COD
- Generator Interconnection Status
- Ownership Structure (i.e. PPA, ESA, BTA, or self-bid)
- Key economic terms or critical cost information, and

- General business arrangement

7.1.2 Capability and Experience of Bidder

In this section, Bidders must provide a concise overview of the company's, affiliated entities' and key partners' technical, financial, and organizational qualifications to develop, construct, and operate the proposed project. Bidders should detail both corporate experience and the capabilities of the specific project team. The information provided in this section will be used as a scored non-economic criterion to evaluate the Bidder's ability to successfully execute the project.

Organizational Overview and Corporate Qualifications

- Describe your company's structure, years in business, technical capabilities (e.g., development, EPC, O&M).
- Provide details of your O&M experience, including the number and types/scales of facilities you've managed by your company, affiliated entities, or contracted O&M partners.
- Outline your project financing experience.
- Disclose any pending litigation, defaults, or investigations involving your company or affiliated entities in the last 5 years.

Project Team and Roles:

- Outline the key personnel assigned to this proposal, including their names, roles, and relevant experience. Provide resumes for key personnel. Experience from the individual track records of key personnel may be used to demonstrate organizational capability.
- Identify any critical third-party partners (e.g., EPC contractors, major vendors, O&M providers) and clearly define their roles, including any prior experience your company has had working with these partners. Relevant experience from these contracted partners will be considered in the evaluation of the project team's overall capability.

Relevant Project Experience and References:

- Detail at least two comparable projects (scaled to the size and technology of the proposed project) that your company, its affiliated entities, or its key personnel/partners have developed, financed, constructed, or operated in the last five years. For each project, include:
    - Name, location, technology, capacity

- COD
- The specific role of the relevant entity or individual in the project Financing structure, and
- Current ownership.

- Include at least two contactable customer or counterparty references for similar completed projects. For each reference, provide:
  - Contact name, organization, title, and full contact information (phone and email), and
  - Their relationship to the referenced project or your company

7.1.3 Financial Capability

Bidders must outline the creditworthiness and financial strength of their company and any supporting entities to finance the project, fulfill obligations, and provide necessary assurances. For the Bidder, its parent company (if applicable), and any guarantor, please provide the following:

- Three years of audited financial statements (or unaudited statements with a signed attestation).
- The most recent annual report (if publicly available).
- Current credit and bond ratings (if applicable).
- A description of any significant recent adverse financial events.
- Identification of any Credit Assurance Provider (if different from the bidder), along with their role and financial capacity.
- A description of the project's financing plan, including any firm commitments and guarantees.

7.1.4 Attachments and Bid Forms

All proposals must include the required supporting documents and completed Excel-based bid forms.

- **Excel Bid Form Workbook**, available for download on the RFP website, must be completed in full and submitted in editable .xlsx format. Do not convert the bid workbook to PDF.
- **Supporting Attachments** are listed below with the following guidance for submission included:
  - Site Control Documentation (e.g., lease, option to lease, purchase agreement)
    - *Provide executed site lease(s), option agreements, or purchase contracts that demonstrate site control for the proposed facility. Include documentation for both generation and any related interconnection or transmission corridors.*
  - Permitting Documentation (e.g., environmental, local, State)

        - *Include a summary or list of all required federal, state, and local permits and licenses, with current status (e.g., "TBD," "submitted," "in progress," "approved"), along with any applications, if available.*
    - Environmental Reports or Studies
        - *Submit any environmental assessments, biological resource surveys, cultural studies, Phase I/II environmental site assessments, or other site-specific documentation. These are optional but encouraged to demonstrate permitting readiness.*
    - Project Schedule Gantt Chart
        - *Provide a Gantt chart or equivalent schedule showing all major project development milestones from site control through commercial operation date (COD). Include permitting, procurement, interconnection, construction, testing, and commissioning.*
    - Site Map and System Layout
        - *Include a site plan or system layout that identifies facility footprint, access roads, adjacent land uses, equipment arrangement, substation location, and interconnection routing.*
    - Technology Specification Sheets (e.g., PV modules, inverters, turbines, batteries)
        - *Submit manufacturer datasheets or technical documentation for all major system components, including PV modules, inverters, batteries, turbines, or engines. Include model numbers and key technical parameters.*
    - O&M Manual, Schedule, Contract Terms, and Manufacturer Warranty Documentation
        - *Provide a summary of proposed operations and maintenance strategy, including expected maintenance intervals, parties responsible, any O&M contracts or long-term service agreements (LTSAs), and warranty documents for major components.*
    - Interconnection Agreement or Queue Position Documentation
        - *Include documentation demonstrating project status in the relevant transmission interconnection queue. This may include application confirmation, queue position assignment, or system impact study results.*
    - LGIA Waiver or Authorization for EPE Access
        - *If the project is in a third-party interconnection queue, provide a signed waiver or letter authorizing EPE to access interconnection study results and LGIA-related documents.*
    - Fuel Supply Agreements

- *For thermal proposals, provide executed or draft fuel supply agreements, or a description of fuel sourcing strategy (e.g., gas transportation agreements, firm supply commitments).*

- Third-Party Certified Energy Yield Assessment (e.g., report from DNV, UL, etc.)
  - *For wind and solar proposals, submit a third-party P50 energy production report (e.g., from DNV, UL, Black & Veatch), including a summary of assumptions and modeling inputs.*
- Legal Entity and Ownership Structure Disclosure
  - *Provide a detailed description of the bidding entity, its legal structure, ultimate parent company, equity holders, and any material changes anticipated prior to COD.*
- Pro Forma Financials and Tax Equity Documentation
  - *Provide pro forma financial projections including capital costs, revenues, O&M costs, and financing assumptions. If applicable, describe expected tax equity or other third-party investment structures.*
- Tax Credit Eligibility Summary (e.g., ITC/PTC assumptions, bonus credits, compliance methods)
  - *If claiming ITC, PTC, or bonus credits under the Inflation Reduction Act, provide documentation or narrative describing qualification pathway, assumed value, and compliance strategy (e.g., prevailing wage, energy community status).*
- Any mark-ups or other exceptions to EPE's form of PPA or ESA with Redline
  - *Submit a redline version that indicates proposed deviations from EPE's standard terms. Include commentary on major commercial terms (e.g., pricing, curtailment, availability guarantees).*
  - *Expressly identify any price adjustment provisions Bidder will require in contracts*
- Positive Sequence Load Flow Power Flow Models and/or Oneline Diagrams
  - *Bidders may provide a one-line diagram or Positive Sequence Load Flow (PSLF or PSSE) power flow model of the proposed facility.*

Table 4: List of Supporting Attachments

Attachment / Form	Description / Purpose	Who Must Submit	Required?	File Format
Attachment A	Site Control Documentation (e.g., lease, option to lease, purchase agreement)	All bidders	Yes	PDF
Attachment B	Permitting Documentation (e.g., environmental, local, State)	All bidders	Yes	PDF
Attachment C	Environmental Reports or Studies	All projects	Optional	PDF
Attachment D	Project Schedule Gantt Chart	All bidders	Yes	PDF
Attachment E	Site Map and System Layout	All bidders	Yes	PDF
Attachment F	Technology Specification Sheets (e.g., PV modules, inverters, turbines, batteries)	All resource types	Yes	PDF
Attachment G	O&M Manual, Schedule, Contract Terms, and Manufacturer Warranty Documentation	All resource types	Yes	PDF
Attachment H	Interconnection Agreement or Queue Position Documentation	Projects in interconnection queue	Yes	PDF
Attachment I	LGIA Waiver or Authorization for EPE Access	Projects in interconnection queue	Optional	PDF
Attachment J	Fuel Supply Agreements	Thermal projects	Optional	PDF
Attachment K	Third-Party Certified Energy Yield Assessment (e.g., report from DNV, UL, etc.)	Wind or Solar proposals	Optional	PDF
Attachment L	Legal Entity and Ownership Structure Disclosure	All bidders	Yes	PDF
Attachment M	Pro Forma Financials and Tax Equity Documentation	All bidders	Yes	PDF
Attachment N	Tax Credit Eligibility Summary (e.g., ITC/PTC assumptions, bonus credits, compliance methods)	Projects claiming ITC or PTC credits	Yes	PDF
Attachment O	Form PPA or ESA with Redline and Exceptions	PPA or ESA proposals only	Yes	PDF
Attachment P	Positive Sequence Load Flow Power Flow Models and/or Oneline Diagrams	All bidders	Optional	PDF

7.2 Submission Instructions

7.2.1 Notice of Intent Submission Instructions

Bidders may submit their filled-out NOI form in Excel format by attaching it to an email addressed to: **EPE2026RFP@epelectric.com**

Submission guidelines:

- **File Format**: Excel form in .xlsx
- **File Naming Convention**: Each NOI submission must follow this format:
  NOI_[Company Name]_[Project Name].xlsx
    - *Different configurations of the same project should be enumerated (i.e. NOI_CompanyName_ProjectName1.xlsx)*
- **NOI Deadline**: Proposals must be received by 11:59 p.m., MDT on July 17, 2026. Late NOI submissions may be disqualified at EPE's discretion.

Upon receipt of a NOI, EPE will provide each Bidder with a unique company ID and a unique proposal ID, which the Bidder must use when submitting their proposal. Furthermore, wiring instructions for the remittance of bid fees, as delineated in Section 3.6, will be furnished. **It is imperative to note that Respondents who do not submit a NOI will not be eligible to submit bids.**

7.2.2 Bid Fee Payment Instructions

Bidders will be given wiring instructions for the remittance of bid fees following NOI submission.

Bidders submitting multiple proposals may either (1) submit a single consolidated wire transfer covering all applicable bid fees, or (2) submit separate payments for each proposal. When submitting a consolidated payment, Bidders must clearly identify in the wire transfer's reference or memo field the **company ID and proposal ID(s)** provided during the NOI submission process for all proposals covered by that payment. This ensures that EPE can properly assign the payment to each corresponding proposal. While multiple payments are permitted if proposals are submitted at different times, EPE strongly encourages Bidders to submit one combined payment covering all proposals.

After receiving payment of bid fees for the Bidder's associated bid proposal(s), EPE will provide the Bidder with a unique designated electronic link for each proposal ID to facilitate the secure submission of bid proposals via a file-sharing platform. **Please note that Bidders will not receive a submission portal link for a proposal until bid fee payment is received and verified.**

7.2.3 Bid Proposal Submission Instructions

All proposals must be submitted electronically to the designated secure file sharing platform for each unique bid. Please upload a zipped folder containing all bid submission contents following the guidelines below. Access and instructions will be provided to each bidder upon receipt of the NOI and applicable bid fees.

Submission guidelines:

- **Submit one zipped folder for each bid proposal with all relevant documents**
    - **Folder Naming Convention:** *[CompanyID]_[ProposalID].zip*
- **Content of zipped folder:**
    - **File Format**: Excel forms in .xlsx; narrative and supporting materials in searchable .pdf
    - **File Naming Convention**: Each file must follow this format: *[CompanyID]_[ProposalID]_[SectionName].pdf* or *.xlsx*
        - *[SectionName]* may include the following:
            - *Written_Proposal*
            - *Bid_Form*
            - *Attachment_[X] (including the associated attachment letter)*
            - *[Other] (if attaching additional relevant attachments not included in Attachment list, Bidder can use a suitable naming convention)*
- **Proposal Deadline**: Proposals must be received by 5:00 PM MDT, August 20, 2026 for all Company proposals and by 5:00 PM MDT, August 21, 2026 for all other proposals. Late proposals may be disqualified at EPE's discretion.

Each separate proposal (by site or commercial structure) must be submitted as a complete package with independent documentation and bid forms.

8 Evaluation Process

All proposals submitted in response to this RFP will be evaluated following a five-stage process to determine which bid(s) will be selected for final negotiations. The evaluation process stages include a (1) completeness review, (2) threshold evaluation, (3) scoring evaluation, (4) computer modeling evaluation, and (5) final confirmation analysis. These stages are described in detail in the following sections. The evaluation and selection of proposals will be based strictly on the proposals submitted on the proposal due date. Therefore, there will be no opportunity to submit best and final pricing. Upon completion of the evaluation phase, successful proposals will be advanced to contract negotiations.

8.1 Completeness Review

All proposals submitted by the deadline will first undergo a completeness review. This review will verify that each Bidder has submitted all required forms, schedules, and documentation and has filled out the required bid documents accurately and in full. The completeness review ensures that proposals can be consistently and fairly evaluated in subsequent stages.

If any deficiencies are found, Bidders will be provided a one-time opportunity to cure incomplete or improperly formatted proposals within five business days from the date of notification, unless EPE, at its sole discretion, chooses to extend this cure period. Proposals that remain deficient after this cure window will be disqualified from further evaluation. Proposals that do not meet the requirements of the completeness review will be excluded from further evaluation.

8.2 Threshold Evaluation

Proposals that pass the completeness review will then be screened to determine whether they meet EPE's minimum threshold criteria. These criteria include, but aren't limited to, technical, financial, and development feasibility requirements defined throughout this RFP. For instance, this evaluation will assess whether a project is contingent on financial assurances from EPE, if its proposed transmission and interconnection can reasonably support the COD, and if it seeks price adjustment relief due to future changes in tax benefits, tariffs, or other laws.

If any errors or items requiring curing are found in this stage, Bidders will be provided a one-time opportunity to cure the relevant information within five business days from the date of notification, unless EPE, at its sole discretion, chooses to extend this cure period. If no additional information is provided within this cure window, the proposal may be excluded from further evaluation.

The threshold evaluation ensures that projects are viable, Bidders are capable, and that the bid ultimately merits a more detailed assessment. Proposals that do not meet these requirements will be excluded from further evaluation.

8.3 Scoring Evaluation

EPE will evaluate proposals that meet the minimum requirements using a combination of economic and non-economic factors. A consistent scoring system will be used to assess the value and potential risks of each proposal. This scoring will determine which proposals move forward to computer modeling.

The scoring will be based on the following categories:

Economic Evaluation (70% of total score): Each proposal will be assessed by technology type using either its Levelized Cost of Energy ("LCOE") or Levelized Cost of Capacity ("LCOC"). EPE will primarily apply LCOE for proposals focused on energy delivery and LCOC for those primarily providing capacity.

Non-Economic Factors (30% of total score): EPE will consider the following:

- Energy Delivery Risk
- Technology maturity and operational risk
- Developer experience and creditworthiness
- Site control and permitting readiness
- Bidder mark-up of pro-forma agreements or preferred contract terms and arrangements

Proposals will be categorized into resource groups (i.e. solar, wind, battery energy storage, thermal, etc.) and bid types (PPA/ESA, Company self-bid, etc.). The proposals with the highest overall scores within each resource group or bid type category will proceed to the next stage of evaluation.

8.4 Computer Modeling Evaluation

Proposals that are shortlisted based on their scoring will move on to computer modeling. EPE will use PLEXOS capacity expansion and production cost models to evaluate these projects. This modeling stage will analyze the cost and performance of each proposed project to determine which project(s) will best ensure a reliable system at the lowest cost throughout the planning period.

8.5 Confirmation Analysis

Upon completion of the computer modeling, EPE retains the right to conduct further analysis, at its discretion, to validate that the identified resource portfolio is indeed the optimal one. This confirmation process may include supplementary computer modeling with varied inputs and assumptions, or other analytical methods beyond modeling. The insights from this modeling will inform the final selection of proposals for contracting and subsequent regulatory filings.

8.6 EPE's Selection of Proposals and Negotiations with Bidders

EPE will make final selections based on the results of the scoring and computer modeling evaluations. EPE reserves the right to enter into negotiations with one or more shortlisted bidders. Selection of proposals does not guarantee execution of a definitive agreement.

8.7 Independent Monitor Approach

The IM will oversee the RFP process and will have access to all Bidder proposals. Their participation in the RFP process will involve monitoring

all communications between EPE and the Bidders to ensure fairness and best practices are followed. Details of the IM's role and responsibilities are included on the RFP website. Merrimack's email address is MerrimackIM@MerrimackEnergy.com.