

**El Paso Electric Company's
2026 New Mexico All-Source Request for Proposals
Frequently Asked Questions (FAQs)
June 8, 2026**

| Question No. | Question | Response |
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| 1 | Does the commercial operation date ("COD") submitted on the notice of intent ("NOI") need to be final COD? | No. Bidders are asked to provide the most accurate information at the time of submitting an NOI. However, the NOI is non-binding and the information submitted in the final proposal will be the final information considered. |
| 2 | What methodology will EPE use to define accredited capacity? | EPE evaluates whether acceptable system reliability will be maintained by modeling the effective load carrying capability ("ELCC") of each resource type and the system's loss of load expectation ("LOLE"). The ELCC method is used to assign accredited capacity contribution toward reliability for each resource type, including the Company's existing gas, renewable, and nuclear resources. The ELCC method is an industry established metric appropriate for measuring resource adequacy contribution toward reliability, given the inherent variability and intermittency of renewable resources. such as wind and solar. Bidders should note that EPE is in the process of joining WRAP. EPE reserves the right to change this methodology as more information becomes available. |
| 3 | What is the difference between a proposal and a project? | Projects are distinct, while a proposal is a variation of a project. For example, if a battery project can be offered in either 4-hour or 8-hour duration, this would constitute two proposals. |
| 4 | Do Bidders need a separate NOI for each proposal? | Yes. EPE requires one NOI per proposal. |
| 5 | When will Bidders receive submission portal access? | Bidders will receive portal access after submission of their NOI and bid fee payment confirmation. |
| 6 | Is there a minimum project size? | No. A minimum project size is not specified. EPE is open to all projects identified in the 2026 NM RFP document. |
| 7 | Is the submission of an expression of interest (EOI) required to be eligible to bid into the RFP? | No. Submitting an EOI is not a binding requirement for Bidders to respond to the 2026 NM RFP. Please note that an EOI is distinct from a Notice of Intent to bid (NOI) which is a requirement. |
| 8 | Is the submission of an NOI required to be eligible to bid into the 2026 NM RFP? | Yes. EPE requires all Bidders to submit an NOI by July 17, 2026 in accordance with the schedule detailed in Section 3 of the 2026 NM RFP. EPE will not accept submissions after the specified deadline. |
| 9 | If a Bidder is considering partnering with EPE on a project or proposals, is that considered an EPE self-bid project or a third-party project for the purposes of meeting | If a Third-Party Bidder is partnering with EPE on a project being bid into the 2026 NM RFP, it will be considered a self-bid; therefore, those projects and proposals shall be submitted on August 20, 2026 in accordance with the schedule in Section 3 of the 2026 NM RFP. |

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| | the required submission deadline? | |
| 10 | If a Bidder is considering bidding a joint ownership proposal which is not explicitly included as a commercial agreement structure option listed in the RFP, how should this Bidder fill out the Excel workbook bid forms? | Joint ownership projects and other agreement types may be bid into the 2026 NM RFP. As an example, if one portion of the joint ownership project is a BTA and the other portion is a PPA, please submit two Excel bid form workbooks - one for the BTA portion and one for the PPA portion. Please also provide a written narrative that details the Bidder's approach to staffing, maintenance, security (physical and virtual), and other considerations to detail the approach to managing the joint ownership of the facility. |
| 11 | If submitting multiple NOIs, should it be in a single email submission with all the NOIs attached or multiple email submissions? | Bidders shall submit one email submission with all the NOIs included as attachments to that email. |
| 12 | If the Bidder is able to obtain official site control during the evaluation period, would the Bidder be able to submit this evidence? | No. If the proposal deadline has passed and the process has moved on to the evaluation phase, any new information will not be accepted for consideration. To get to the evaluation phase, passing the threshold review is required, and obtaining site control is a minimum threshold requirement. |
| 13 | Can projects outside of New Mexico participate? | Yes. |
| 14 | Can projects outside of EPE's service territory participate? | <p>Yes. Projects located outside of EPE's service territory that can serve load and connect to EPE's interconnection network are eligible to bid into the 2026 NM RFP. Please see Section 5 of the 2026 NM RFP document for Transmission and Delivery Requirements.</p> <p>EPE will consider proposals for resources interconnecting to third-party transmission systems; however, Bidders for external resources must provide exhaustive documentation to ensure a transparent evaluation. Section 5.2 of the 2026 NM RFP details the requirements, including:</p> <ul style="list-style-type: none"> • Interconnection Status and Cost Certainty • Firm Transmission Evidence • Total Delivered Cost • Schedule Risk Mitigation <p>Failure to provide this level of transparency may result in the proposal being disqualified. Please refer to Section 5.2 of the 2026 NM RFP for more details on the required documentation.</p> |

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| <p>15</p> | <p>How does EPE treat transmission network upgrade costs?</p> | <p>EPE's evaluation framework ensures that all proposals are compared on a comprehensive, total-cost basis by incorporating both generator interconnection costs and transmission network upgrade costs. To maintain a broad and competitive bid pool, EPE does not restrict proposals based on whether it has identified network upgrades, but rather applies a tiered approach to cost estimation that ensures consistency across the portfolio. For projects that possess executed or fully costed Generator Interconnection Agreements (GIAs), EPE will consider the specific costs identified in the agreement, provided that Bidders submit the necessary supporting documentation to verify these figures. For bids lacking finalized interconnection costs, EPE will develop internal generic estimates to ensure the project can be modeled fairly against the rest of the pool, though the utility remains open to reviewing independent third-party studies that provide robust evidence for alternative cost assumptions.</p> <p>While EPE's initial modeling will include these specific or estimated transmission costs for all projects, the utility may also evaluate additional sensitivities that prioritize projects with executed GIAs or known costs over those characterized by greater cost uncertainty. This strategic sensitivity analysis allows EPE to identify portfolios that may carry a higher nominal price but offer significantly lower execution risk for ratepayers. EPE maintains the discretion to select a portfolio that is more expensive under these conditions if it provides superior certainty, and in all such cases, EPE will fully report its findings and justifications to the Independent Monitor to ensure a transparent and auditable selection process.</p> |
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