BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR A TWO-MW SOLAR POWER GENERATION FACILITY AND APPROVAL OF A VOLUNTARY COMMUNITY SOLAR PROGRAM	)	**Case No. 18-00099-UT**
EL PASO ELECTRIC COMPANY, Applicant.	)	

DIRECT TESTIMONY OF

RICHARD E. TURNER

ON BEHALF OF

EL PASO ELECTRIC COMPANY

APRIL 24, 2018

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DIRECT TESTIMONY OF
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I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Richard E. Turner. My business address is 100 North Stanton, El Paso, Texas, 79901.

Q. HOW ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE" or the "Company") as its Vice President of Renewables Development.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND AND EXPERIENCE.

A. I received a Bachelor of Science Degree in Electrical Engineering (1988) and a Master of Business Administration Degree (1994) from The University of Texas at El Paso. My career with EPE began in 1988 as a resource planning engineer. I have since served as the Manager of Regulatory Compliance, Project Manager in the Corporate Projects Office, Director of Corporate Development, Assistant Vice President of Corporate Development, Vice President of Corporate Development, and Vice President of Renewables Development.

Q. WHAT ARE YOUR RESPONSIBILITIES WITH EPE?

A. As Vice President of Renewables Development, I am responsible for the review and development of emerging technologies and renewable energy projects and programs,

asset optimization, project management of Company corporate projects, process improvement activities, and infrastructure initiatives.

Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE UTILITY REGULATORY BODIES?

A. Yes, I have previously presented testimony before the New Mexico Public Regulation Commission ("NMPRC" or the "Commission") and the Public Utility Commission of Texas.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide support for EPE's request for approval of a Certificate of Convenience and Necessity ("CCN") authorizing EPE to construct, own, and operate a two-megawatt ("MW_{AC}") ground-mounted solar photovoltaic ("PV") generating facility that will be located near Las Cruces, New Mexico, and used to supply renewable energy for EPE's proposed New Mexico Community Solar program ("Program"). I will provide an overview of the proposed solar facility, and describe the Requests for Proposals ("RFP") process used to select the resource, the costs of the proposed generation facility and EPE's planned program outreach and customer education.

Q. PLEASE OUTLINE THE MAIN POINTS OF YOUR TESTIMONY.

A. The proposed facility, to be known as the New Mexico Community Solar Facility

("NMCSF"), is a 2.0-MW_{AC} solar PV generating system to be constructed on 14.84 acres of land, near the City of Las Cruces, in Doña Ana County, New Mexico. The selection of this generating system is a result of a competitive bidding process conducted via a June 27, 2017 RFP for a turnkey solar facility. A 2.0-MW_{AC} solar PV facility proposed by Affordable Solar Installation Inc. ("Affordable Solar") was selected as the most economical option. The total costs to implement the Program include facility construction, operation and maintenance, property taxes, insurance, land, interconnection, as well as program outreach and customer education costs. Contingent upon Commission approval of the CCN, the facility is expected to be operational in the fourth quarter of 2018. The timing is such that it will allow the facility to be operational and qualify for the federal Investment Tax Credit ("ITC") of 30 percent.

EPE created a program outreach plan for the Program similar to a successful plan that helped launch the Company's Texas Community Solar program. As a part of the Company's ongoing renewable energy education program, EPE will conduct presentations on the topic of renewable energy in the community and provide information about renewable energy on its website.

Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY?

A. Yes. I am sponsoring the following exhibits:

- Exhibit RT-1 Request for Proposals ("RFP") for Community Solar Projects;
- Exhibit RT-2 2017 Solar RFP Proposal's Levelized Cost Ranking Table;

- Exhibit RT-3 Map of Solar Facility Location;
- Exhibit RT-4 Total Capital Project Cost Breakdown;
- Exhibit RT-5 Program Outreach and Customer Education Materials Samples; and
- Exhibit RT-6 Community Solar Sample Brochure.

III. OVERVIEW OF THE PROPOSED SOLAR PV FACILITY

Q. PLEASE DESCRIBE THE FACILITY IN MORE DETAIL.

A. EPE proposes to construct a 2.0-MW_{AC} thin film solar PV single-axis tracking system on 14.84 acres. The solar panels will be connected to an inverter and transformer to bring the voltage up to distribution voltage of 23.9 kilovolts. At the point of interconnection, EPE will install a switchgear and all the necessary standard system protection and communication protocols and equipment.

Q. YOU MENTIONED THAT THE FACILITY WILL HAVE A SINGLE-AXIS TRACKING SYSTEM. WHAT DOES THAT MEAN?

A. A single-axis tracking system allows the PV panels to rotate around one axis to follow the path of the sun as it moves across the sky over the course of a day. This increases the amount of solar radiation absorbed by the panels and increases the actual output of the facility as opposed to a fixed system, which does not track or follow the sun.

Q. PLEASE PROVIDE TECHNICAL AND UNIT CONFIGURATION

INFORMATION FOR THE FACILITY.

A. The NMCSF will utilize First Solar Series 4 PV modules with advanced thin film solar technology and a 2.0-MW_{AC} SMA SC2200-US inverter. The facility will consist of 21,600 thin film modules and one inverter.

Q. WHAT DO YOU CONCLUDE FROM THE FEATURES MENTIONED ABOVE?

A. An option that includes thin film solar technology paired with single-axis tracking was deemed as the most cost-effective option given that it provides a higher energy output than a fixed-tilt system. The selected technology will result in higher energy output which will benefit all program subscribers.

Q. HOW LONG WILL IT TAKE TO CONSTRUCT THE FACILITY?

A. Overall, the time to construct and bring the facility online is approximately six months after approval. This includes the time needed to obtain the necessary permits and complete the engineering and design of the facility. In addition, long-lead items, such as the transformer, must be ordered as much as five months prior to the commercial operation date. Actual construction will take about four months.

IV. REQUEST FOR PROPOSALS PROCESS, SOLICITATIONS, AND SITE SELECTION

Q. IN PREPARING AND ISSUING THE SOLAR RFP AND EVALUATING THE BID PROPOSALS, WAS EPE ABLE TO DRAW UPON ANY PREVIOUS EXPERIENCE?

A. Yes. Since 2003, EPE has issued several RFPs to meet capacity and renewable energy resources needs. EPE drew upon this experience in preparing, issuing, and processing the RFP for turnkey solar projects, which includes a 2.0-MW_{AC} facility to be located in Doña Ana County ("Solar RFP"). In addition, given EPE's now substantial experience with the acquisition and integration of solar resource projects into its grid and resource mix, EPE has been able to refine its RFP process for needed solar facilities to include detailed requirements, thus making the preparation, issuance and evaluation work as efficient as possible.

Q. PLEASE DESCRIBE THE COMPETITIVE BIDDING PROCESS.

A. On June 27, 2017, EPE issued the Solar RFP, a copy of which is included as Exhibit RT-1. EPE analyzed the proposals focusing on economics, technical requirements, and financial qualifications. The evaluation process concluded that the proposal offered by Affordable Solar best met EPE's objectives listed in the RFP.

Q. HOW DID EPE GIVE NOTICE OF THE SOLAR RFP?

A. The Solar RFP was issued to 12 bidders that are currently active solar developers in EPE's service territory. These are developers who have previously responded to

EPE's solar related RFPs and/or have shown interest in bidding for smaller size utility-scale solar projects. The bidders were notified of the RFP issuance through electronic mail.

Q. HOW MANY PROPOSALS DID EPE RECEIVE IN RESPONSE TO THE RFP?

A. In response to the Solar RFP, EPE received five proposals for this project.

Q. CAN YOU SUMMARIZE THE PROCESS USED BY EPE TO EVALUATE THE BIDS IT RECEIVED IN RESPONSE TO ITS SOLAR RFP?

A. Yes. After receiving the bids, EPE determined compliance with the stated requirements of the Solar RFP by evaluating overall responsiveness and bidder financial ability and capability. In addition, bids were checked for timeliness and to ensure that all the necessary requirements were submitted. EPE evaluated the proposals on a 30-year levelized least cost basis. From the five original bids, two bidders were shortlisted and were requested to submit a best and final offer. These two bidders provided best and final offers with each bidder providing two different solar module options.

Q. WHAT SOLAR PROPOSAL WAS SELECTED AS A RESULT OF THE SOLAR RFP PROCESS?

A. The proposal selected is a 2.0-MW_{AC} solar PV system with single axis tracking proposed by Affordable Solar. The proposed system meets all requirements stated in the RFP. The levelized cost rankings are detailed in Exhibit RT-2.

Q. DESCRIBE THE LAND REQUIREMENTS FOR THE SELECTION PROCESS CONDUCTED BY EPE.

A. The land had to be in New Mexico, within EPE's service territory, and be at least 14 acres in size in order to fit a 2.0-MW_{AC} solar system.

Q. DID EPE ALREADY HAVE LAND THAT MET THE REQUIREMENTS FOR THIS PROJECT?

A. No. EPE did not have land that met all the project's requirements.

Q. WHAT CRITERIA WAS USED TO IDENTIFY THE BEST SITE LOCATION FOR THE SOLAR PROJECT?

A. EPE compared properties by lot size, price per acre, location, availability of nearby interconnection infrastructure, and terrain conditions. EPE also conducted site visits to each location to identify and evaluate issues that could increase development costs such as flood zones, arroyos, and water ways as well as existing infrastructure such as buildings, billboards, and utilities infrastructure lines. For promising sites, EPE's distribution and environmental departments visited the sites and reviewed them for environmental concerns, system upgrades, and line extensions costs. The site

selected most suited EPE's needs for the project and a map of the location is included as Exhibit RT-3.

Q. HAS THE LAND CONTRACT BEEN EXECUTED?

A. Yes. A purchase sales agreement for the specified land has been executed by both parties. One of the conditions precedent in the purchase sales agreement is approval of the proposed Program and CCN by the Commission. I address the purchase price below.

V. OVERVIEW OF ESTIMATED FACILITY AND PROGRAM COSTS

Q. WHAT ARE THE ESTIMATED TOTAL CAPITAL PROJECT COSTS?

The estimated capital construction cost to be paid to Affordable Solar for the NMCSF is approximately $3.55 million. In addition, other capital costs for the Program include the following: interconnection costs of $267 thousand, estimated allowance for funds used during construction of $82 thousand, land cost of $360 thousand, land improvements of $105 thousand, and capitalized administrative and general ("A&G") costs, and other expenses of $151 thousand, for a total capital cost of $4.52 million. Please refer to Exhibit RT-4. The costs listed above do not reflect the 30 percent federal ITC available for renewable energy projects. The ITC is taken into account in EPE's levelized cost of energy and capacity charge calculations as presented by EPE witness Adrian Hernandez.

Q. PLEASE PROVIDE MORE DETAIL ABOUT THE ITC CREDIT.

A. As discussed further in the direct testimony of EPE witness Adrian Hernandez, the ITC is a federal incentive for renewable energy technologies that provides an investment tax credit based on the amount of money invested in a project. The amount of the ITC depends on when the project is constructed and operational. Construction of the project must begin before December 31, 2019, and completed before December 31, 2023, in order to receive the full 30 percent ITC. EPE intends to begin and complete construction prior to these dates.

Q. HOW WERE INTERCONNECTION COSTS ESTIMATED?

A. EPE estimated interconnection costs based on EPE's historical interconnection costs for other solar facilities.

Q. IS THE PURCHASE PRICE OF THE LAND MARKET-BASED?

A. Yes. The subject property is at or below market priced based on comparably zoned industrial land throughout Las Cruces and Doña Ana County.

Q. PLEASE PROVIDE THE BASIS OF THE LAND IMPROVEMENT COSTS.

A. In order to comply with Doña Ana County Code of Ordinances Section 350-507.O(1), EPE will be required to undertake certain improvement to the purchased land including construction of a rock wall and landscaping.

Q. WHAT COSTS ARE INCLUDED IN THE A&G AND OTHER COSTS?

A. The total A&G and other costs are estimated to be $151 thousand, which include

1 project management overhead, labor, and legal costs.

2

3 **Q. WHAT ARE THE OPERATING COSTS FOR THE SOLAR PROJECT?**

4 A. The total operating costs are estimated to be $2.6 million, which include operations
5 and maintenance ("O&M") expenses and other expenses such as taxes and insurance,
6 as well as program outreach and customer education costs to launch the project.

7

8 **Q. WHAT ARE THE COSTS ASSOCIATED WITH LAUNCHING THE**
9 **PROGRAM DURING THE FIRST YEAR OF THE PROGRAM?**

10 A. EPE estimates that the costs to launch the Program will be approximately $267,478
11 during the first year, which consists of media purchases and production costs.
12 Exhibit RT-5 provides sample text for EPE's program outreach and customer
13 educational materials which will be used to promote and explain the Program.

14

15 **VI. <u>OUTREACH AND EDUCATION</u>**

16 **Q. WHAT OUTREACH HAS EPE CONDUCTED TO IDENTIFY CUSTOMER**
17 **INTEREST IN A COMMUNITY SOLAR PROGRAM?**

18 A. EPE conducted customer focus groups both in New Mexico and Texas utilizing the
19 services of a third-party agency to evaluate and understand EPE's customers' interest
20 in a community solar program. Through the use of a semi-structured discussion
21 guide, focus group participants were asked to share their knowledge, perceptions, and
22 opinions about community solar programs. In order to ensure that focus group
23 participants had accurate information, the focus groups were presented with images to

1 help explain how community solar programs function and potential associated cost
2 savings. Focus group participants were educated about the general operational
3 details, the immediate impact on their monthly electricity bill, and the potential long-
4 term benefits of subscribing to a community solar program. The focus group
5 participants were encouraged to ask questions to ensure a thorough understanding of
6 the community solar concept and functionality. Once the concept of a community
7 solar program was understood, participants became very receptive and enthusiastic
8 about a community solar program.
9
10 **Q. WHAT ADDITIONAL STEPS HAS EPE TAKEN TO IDENTIFY CUSTOMER**
11 **INTEREST IN PARTICIPATING IN EPE'S PROPOSED PROGRAM?**
12 A. EPE developed a sign up page on its website where New Mexico customers can
13 register to receive e-mail updates about community solar program development. As
14 of March 2018, approximately 500 customers have expressed an interest in EPE's
15 proposed Program and signed up to receive updates about the Program's status.
16
17 **Q. AS A RESULT OF EPE'S CUSTOMER FOCUS GROUPS, WHAT PROGRAM**
18 **FEATURES HAS EPE IDENTIFIED AS THE MOST IMPORTANT TO**
19 **CUSTOMERS?**
20 A. EPE determined that the following features are the most important to customers when
21 considering the Program:
22 • Available to everyone;
23 • No panels on your roof;

- No upfront costs;
- No income or credit score limitations;
- Easy to sign up, no long-term commitments;
- Solar rate never goes up;
- Portable subscription; and
- Helps the environment.

EPE designed the Program to meet these features, which will be identified as Program benefits in all program outreach and customer educational materials.

Q. WHAT IS THE GOAL OF EPE'S OUTREACH PLAN?

A. The goal of the EPE's outreach plan is to educate New Mexico customers about the benefits and availability of the proposed Program and how they can participate in it.

Q. PLEASE DESCRIBE THE OUTREACH PLAN.

A. The plan will utilize various communication tools designed to reach the widest possible audience. During the first year in which the Program is offered, EPE plans to use the following tools to educate customers about the approved Program:

- EPE's website (www.epelectric.com);
- Outreach to existing Voluntary Renewable Energy Tariff subscribers;
- News releases;
- Advertisements;
- Marketing brochures;

- Social media;
- Enrollment reminders; and
- Customer newsletter articles.

Because a large number of EPE's customers are Spanish speakers, the written materials will be developed in both Spanish and English.

Q. HOW DOES EPE PLAN TO USE ITS WEBSITE TO EDUCATE CUSTOMERS ABOUT THE PROGRAM?

A. If and when approved, EPE will begin educating New Mexico customers using its website. This web page will provide customers with access to (1) general educational information about renewable resources, and (2) information about the rates, services, terms, and conditions of EPE's Program.

Q. PLEASE DESCRIBE THE PROGRAM INFORMATION TO BE INCLUDED ON EPE'S COMMUNITY SOLAR WEBSITE.

A. Customers will be provided with general information about the availability of the Program, Program benefits, a solar calculator, enrollment forms and answers to frequently asked questions. The Program website will describe the rates, services, terms and conditions of the Program. The solar calculator will help customers estimate how much solar capacity is right for their home or business. Customers will also be able to enroll online or download an enrollment form and submit it via e-mail or mail.

Q. WILL EPE REPRESENTATIVES BE AVAILABLE TO ASSIST CUSTOMERS?

A. Yes. EPE representatives will be available to answer renewable resources and Program questions; and assist with the solar calculator.

Q. DOES EPE PLAN TO USE MEDIA TO EDUCATE CUSTOMERS ABOUT THE COMMUNITY SOLAR PROGRAM?

A. Yes. If and when the Program becomes available, a news release will be distributed to regional newspapers, television stations, and radio stations informing them of EPE's new Program. The purpose of the news release is to generate media stories and interest in the Program. EPE representatives knowledgeable about renewable resources and the Program will be made available for interviews. EPE will also host project site visits for news media representatives and public officials. Subsequent news releases will be sent to remind customers about the availability of the Program.

Q. HOW WILL EPE FURTHER USE MEDIA TO EDUCATE CUSTOMERS ABOUT THE PROGRAM?

A. EPE also plans to purchase media time and space from local radio stations, television stations, internet sites, and area newspapers to educate customers about the Program. Program outreach will begin in the third quarter of 2018, assuming the Program is approved. The first phase will focus on educating the public as to what utility-scale solar is and how it works. The second phase will provide information about the Program and how to subscribe to the Program. Program outreach will run for the first

three months the Program is in place.

Q. HOW WILL EPE'S NEW MEXICO COMMUNITY SOLAR BROCHURE BE USED TO EDUCATE CUSTOMERS ABOUT THE PROGRAM?

A. The brochure will be distributed to EPE's New Mexico customers at a series of community outreach events and presentations. Topics covered by the brochure will include a discussion of the benefits of renewable energy, a description of EPE's Program, the associated enrollment rate, and Program subscription information. Please refer to a sample brochure used for the Texas Community Solar Program in Exhibit RT-6.

Q. HOW WILL EPE USE ITS CUSTOMER NEWSLETTER TO PROVIDE INFORMATION ABOUT THE PROGRAM TO NEW MEXICO CUSTOMERS?

A. EPE currently prepares and mails a bilingual quarterly newsletter called *Connections*, which is sent with customer bills. Information about EPE's Program will be featured periodically in *Connections* articles.

Q. WHEN WILL EPE BEGIN PROGRAM OUTREACH AND CUSTOMER EDUCATION ACTIVITIES FOR ITS PROGRAM?

A. Notwithstanding the sign-up page currently listed on EPE's website which I addressed above in my testimony, EPE does not plan to conduct any outreach and education

activities until the Program has been approved by the Commission. Should the Commission approve the Program, EPE expects to implement program outreach in the third quarter of 2018. Construction of the solar facility is expected to conclude in the fourth quarter of 2018. Once the Company's program outreach plan is implemented, the output from the solar facility will be dedicated to Program participants as they sign up to purchase renewable energy under the proposed Program.

Q. HOW WILL EPE CONTINUE TO EDUCATE CUSTOMERS ABOUT THE COMMUNITY SOLAR TARIFF?

A. Following the commencement of commercial operation, and depending on participation levels, enrollment reminders will be included in bills, newsletters, and social media. The reminders will include information about the Program as well as enrollment information for interested New Mexico customers.

Q. WILL CUSTOMERS WHO SUBSCRIBE TO THE PROGRAM BE UPDATED ON ITS STATUS?

A. Yes. EPE will provide an annual accountability report on the status of EPE's Program to all its subscribers. This report will be included in EPE's annual Renewable Portfolio Standard ("RPS") report filed with the Commission pursuant to Rule 572 NMAC[1]. In addition, EPE plans on sending monthly emails and letters informing

[1] 17.9.572.19(E) NMAC

participating customers about the community solar facility's output, and environmental impact of operating the facility as well as educating customers about renewable energy resources and the Program.

Q. DOES EPE HAVE A RENEWABLE ENERGY EDUCATION PROGRAM IN ADDITION TO ITS PROPOSED OUTREACH PLAN ADDRESSED ABOVE IN YOUR TESTIMONY?

A. Yes. EPE has designed and implemented a customer education program about renewable energy by which EPE provides information to its New Mexico customers through newsletters included with customer bills and on its website. In addition, EPE provides community presentations on the topic of renewable energy at local schools, universities, civic groups, government agencies, green awareness events, Science Technology Engineering and Mathematics ("STEM") education events, and industry conferences.

Q. WHAT ARE THE OBJECTIVES OF EPE'S RENEWABLE ENERGY EDUCATION PROGRAM?

A. The objectives of EPE's Renewable Energy Education Program are as follows:

- increase the awareness of, interest in, and knowledge of renewable energy applications including renewable supply-side and demand-side options;
- educate customers about the benefits and use of renewable energy and the role it plays in preserving the quality of the environment;

- educate customers about the Company's generation mix and the emissions resulting from the generation of electricity; and
- inform customers about the opportunities available for participating in EPE's renewable energy programs.

Q. HOW DOES EPE GIVE CUSTOMERS ACCESS TO RENEWABLE ENERGY INFORMATION ON ITS WEBSITE?

A. The EPE website has links that provide customers information about renewable resources, information about participating in EPE's renewable energy programs, and information about interconnection of distributed generation. In addition, it provides links to the renewable energy websites of several educational, professional, and governmental organizations such as the National Renewable Energy Laboratory, American Council for an Energy-Efficient Economy, the U.S. Energy Information Administration, the U.S. Department of Energy Office of Energy Efficiency & Renewable Energy, the Oak Ridge National Laboratory, and the CADDET Renewable Energy.

Q. AFTER EPE LAUNCHES A COMMISSION APPROVED COMMUNITY SOLAR PROGRAM AS DESCRIBED ABOVE IN YOUR TESTIMONY, DOES EPE PLAN TO INCORPORATE ITS COMMUNITY SOLAR PROGRAM INTO ITS ONGOING RENEWABLE ENERGY EDUCATION PROGRAM?

A. Yes. If approved, EPE will incorporate its Community Solar Program into its Renewable Energy Education Program described above.

VII. CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. EPE's New Mexico Community Solar Facility will provide the energy needed for EPE's voluntary New Mexico Community Solar Program for New Mexico customers. The commercial operation date for the new system is expected to be in the fourth quarter of 2018 with a total capital cost of $4.52 million. EPE utilized a well-established RFP process to select the solar system for this project. Based on that process, EPE selected the system proposed by Affordable Solar because it meets all RFP requirements while providing the lowest levelized cost of energy.

The Company has created a program outreach plan for the New Mexico Community Solar Program that will be launched upon Commission approval. The Company also intends to provide participating customers an annual accountability report and file the status of implementation of the Program requirements with the NMPRC in the annual RPS report. Finally, if approved, EPE will incorporate information on its New Mexico Community Solar Program into its Renewable Energy Education Program to increase the awareness of the benefits of renewable energy and the opportunities available for participation among EPE's New Mexico customers.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

REQUEST FOR PROPOSALS

FOR

COMMUNITY SOLAR PROJECTS

EL PASO ELECTRIC COMPANY

P.O. Box 982
El Paso, Texas 79960

ISSUE DATE: June 27, 2017

The Electric Company
El Paso Electric

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1.0 OVERVIEW

El Paso Electric Company ("EPE" or the "Company") is soliciting turnkey proposals for the engineering, procurement, and construction ("EPC") of three separate utility-scale solar energy generating facilities ("Projects") having a combined maximum capacity of up to 10 megawatts on an alternating current ("MW_{AC}") basis The three Projects, to be built on land provided by EPE at different locations, include: an up to 3 MW_{AC} solar project to be built at EPE's Montana Power Station; an up to 5 MW_{AC} solar project to be built in Northeast El Paso; and, an up to 2 MW_{AC} solar project to be built in Las Cruces, New Mexico. Locations are shown in Attachments 8.3 through 8.5. **THIS IS A SOLAR ENERGY PROJECTS REQUEST FOR PROPOSALS ("RFP") ONLY**. EPE desires to fulfill this requirement as described below.

Proposals from bidders responding to this RFP are for EPE's purchase and ownership of the Projects identified in this document. Bidders shall submit a proposal, or proposals, for EPE's purchase of any or all Projects with a combined output up to 10 MW_{AC}.

The combined RFP is being issued to attract economies of scale.

EPE will evaluate all proposals taking into consideration overall Project cost and Bidder experience. EPE also requires that the proposals utilize local distributors and contractors where possible and requires that the Bidder provide details on how it will accomplish this requirement.

1.1 Purpose

EPE seeks competitive proposals (each, a "Proposal") for the complete design, procurement of all material and equipment, construction and startup of three Projects which will be located at three separate sites. Projects should target maximum energy output and minimum levelized cost of energy. The Projects will be owned by EPE and EPE intends to take advantage of the price benefit provided by any applicable Tax Credits effective at the end of 2018. Projects must be on-line and generating electricity as stated in RFP Schedule. EPE will take into consideration the overall cost of the Projects, Bidders experience including megawatts of financed projects, partnerships with financial entities, and Bidders use of local distributors/manufacturers and contractors. Bidders are encouraged to provide a proposal for each of the three projects separately and a bundled proposal to build all three projects. Bidders may also offer an individual proposal for any one of the projects identified. EPE may select one Bidder's proposal or a combination of proposals from more than one Bidder, if economically feasible to do so.

Eligibility of Sites
For the purpose of this solicitation, EPE will NOT consider any proposal for Projects to be developed on a site different than the sites provided by EPE.

1.2 Communications

All communications from Bidders to EPE, including questions regarding this RFP, must be submitted via email. Based upon the nature and frequency of the questions EPE receives, EPE will choose to respond to individual Bidders either directly, share the response with all bidders, or address the question through a conference call.

All submittals, inquiries, and communications related to this RFP should be directed solely to the following EPE point of contact:

Julie Bañuelos
Contract Negotiator
P.O. Box 982
El Paso, Texas 79960
Fax: (915) 543-2209
E-mail: julie.banuelos@epelectric.com

All communications between Bidders and EPE shall be conducted via email. Oral communications are discouraged and shall not be binding upon EPE.

1.3 Confidentiality of Responses

EPE will consider proposals and associated information submitted by Bidders to be confidential only if such materials are clearly designated as "Confidential." Bidders should be aware that information received in response to this RFP will be subject to the review of applicable local, state and/or federal regulatory agencies, specifically including, but not limited to, the New Mexico Public Regulation Commission ("NMPRC") and Public Utilities Commission of Texas ("PUCT"). Information submitted in response to this RFP may become subject to federal or state laws pertaining to public access to information as a result of 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. Except as required by regulatory reviews, EPE will use reasonable efforts to avoid disclosure of information designated as confidential to persons other than those involved with the evaluation, selection and any subsequent negotiations. EPE will also propose that any confidential information be provided under a protective order. If a Bidder's proposal is selected by EPE, the Bidder shall cooperate with EPE in making technological descriptions, pricing, and other contract terms available

for review as part of any regulatory approval process as EPE deems necessary or appropriate. EPE will follow applicable orders and rules of the NMPRC, PUCT, and/or other applicable agency, including any Protective Orders issued, such as disclosure of price, terms, or other information as required.

2.0 EL PASO ELECTRIC COMPANY SYSTEM DESCRIPTION

2.1 Company Overview

EPE is a 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 as illustrated in Figure 1. EPE serves approximately 411,000 residential, commercial, industrial and wholesale customers. EPE distributes electricity to retail customers principally in El Paso, Texas and Las Cruces, New Mexico utilizing remote and local generating stations.

2.2 Existing Generation Resources

As of 2016, EPE owns approximately 2,097 MW of net installed capacity. EPE owns 633 MW of generating capacity at the Palo Verde Nuclear Generating Station. Of EPE's net total installed capacity, EPE owns 1,443 MW of local natural gas fired generating resources which include 64 MW at its Copper Generating Station, 275 MW at its Rio Grande Generating Station, 752 MW at its Newman Generating Station and 352 MW at Montana Power Station. EPE also receives a total of approximately 110 MW of solar capacity from several solar projects located in its service territory.

2.3 El Paso Electric Property

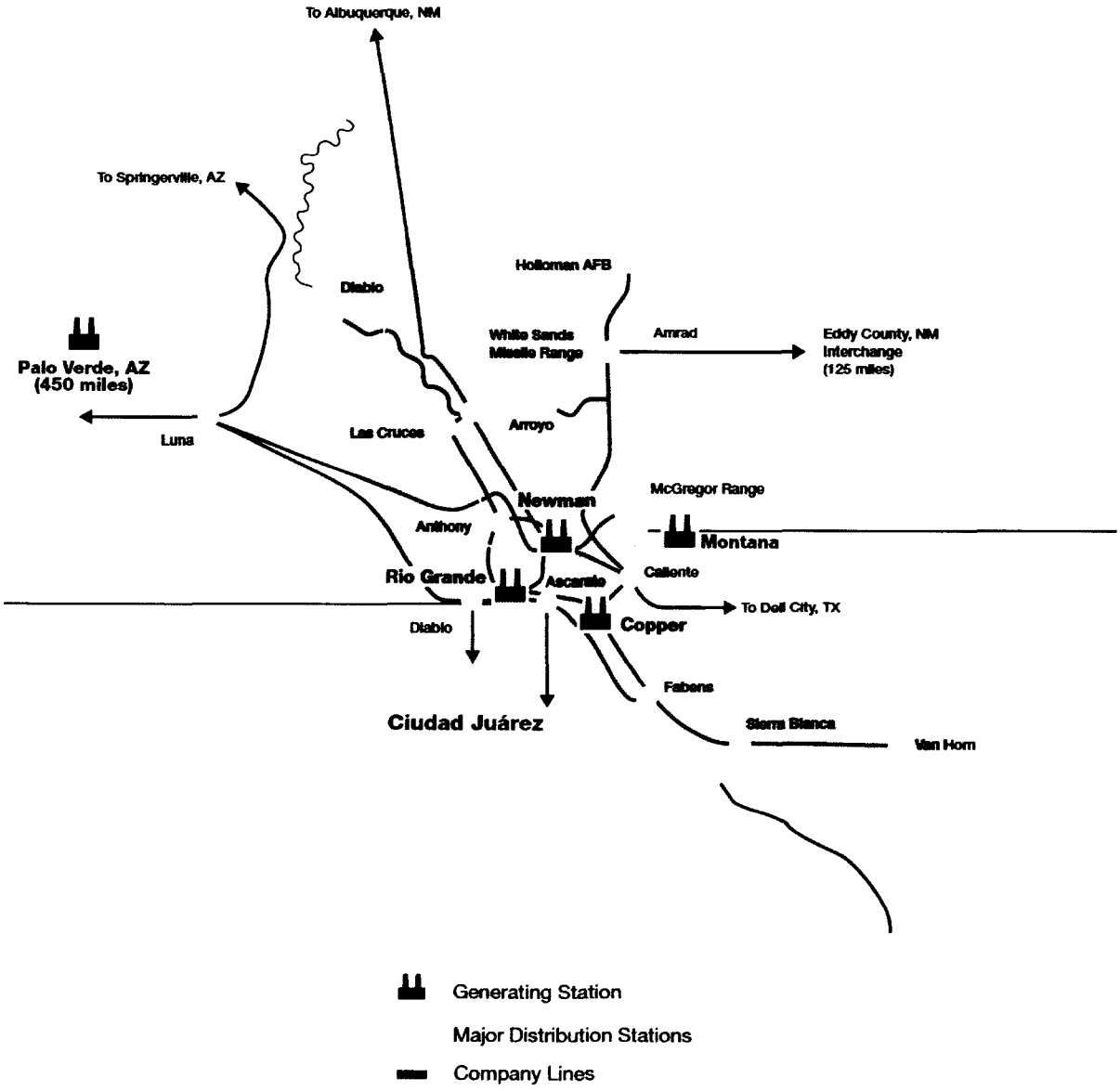


Figure 1 - EPE Service Territory and Electric System

3.0 ELIGIBLE PROJECT INFORMATION

3.1 Eligible Project Structures

EPE will own the three Projects contracted through this solicitation process. EPE is interested in selecting offers for the three projects that provide the best value for EPE. To achieve the most effective combination of offers, each facility will be evaluated independently to develop multiple project bundles. Bidders are required to submit a separate proposal for each of the projects they are interested in bidding on. In addition, Bidders can provide a bundled proposal to include the three projects. However, EPE's preference is to award the three Projects to one Bidder if reasonable, to help facilitate contract negotiations and project management efforts; as such, the bundled option will be a significant factor in the evaluation of the proposals received. Bidders who offer a bundled option for the three projects should demonstrate that they have the resources to effectively manage and develop all three projects simultaneously if needed.

3.2 Eligible Generation Resources

Technology Requirements: The Projects must utilize a proven reliable form of solar technology; including photovoltaic systems. For photovoltaic submittals, the facilities must utilize either crystalline or thin-film solar PV technology in a single axis tracking configuration. All major equipment and components must be tier-one rated. In order to be considered, the type of technology and key components proposed must have a minimum of twelve (12) months of established production and use at a single plant location at a scale greater than or equal to the capacity of the facility to be built.

EPE will consider proposals for facilities located at each of the locations described in this RFP at Design Point Conditions (DPC) as specified by EPE in the EPC agreement applicable to each facility. The net capacity must represent the expected capacity during the first year of operation, less any losses once the energy is delivered to the facility meter on the project site. The DPC shall be 1000w/m2 and 65° Celsius module cell temperature. Bidders should also identify the expected annual degradation factor.

Standards in Appendix 8.6 apply to all Projects.

3.3 Project Sites

Project sites are described in attachments 8.3 through 8.5. Details will be provided by EPE, subject to any executed land easement/lease/purchase/site license between EPE and Entity with site control, if applicable. Short listed bidders will have access to applicable land agreement terms and the awarded

Bidder(s) will be expected to comply with the terms of such agreements. Each submitted proposal shall be predicated on the use of the specified project site. The enclosed surveys or site maps in attachments 8.3 through 8.5 show the approximate acreage designated for the development of each project. Bidders are responsible for complying with all permitting requirements. IF AVAILABLE, Shortlisted Bidders will be provided with National Environmental Policy Act ("NEPA") documentation, Phase I Environmental Site Assessments ("ESA"), topographical descriptions, and geotechnical reports for specific project sites.

4.0 BIDDER TERMS

4.1 Pricing

a. Proposals shall include all costs necessary to deliver capacity and energy from the facility to the EPE system including, but not limited to, construction of the facility in accordance with the negotiated EPC agreement. All proposal terms, conditions, and pricing are binding through the final selection notification and subsequent negotiations, as well as regulatory approvals.

b. By submitting a proposal, each Bidder agrees to make available to the Company at any point in the bid evaluation process any financial data associated with the Bidder and its proposed project so the Company may independently verify the Bidder submitted information. Financial data may include, but shall not be limited to, data supporting the economic life of the facility, the fair market value of the facility, and any and all other costs (including debt specific to the asset being proposed) associated with the Bidders proposal. The Company may also use financial data contained in the Bidder financial statements (e.g. income statements, balance sheets, etc.) as necessary.

4.2 Collusion

By submitting a proposal to EPE in response to this RFP, the Bidder certifies that the Bidder has not divulged, discussed or compared its Proposal with any other Bidder(s) and has not colluded whatsoever with any other Bidder or third parties with respect to this or other Proposals.

5.0 RFP SCHEDULE

The following schedule and deadlines apply to this solicitation:

RFP Issuance Date	June 27th, 2017
Notice of Intent to Bid Due Date	July 10th, 2017
Pre-Bid Meeting and Site Visits Date	July 12th, 2017
Final Submission of Questions Date	July 17th, 2017
Proposal Due Date	**July 24th, 2017**
Shortlisted Bidders notification Date	July 31st, 2017
Best and Final Proposals Due	August 7th, 2017
EPE Selection of Project(s) Tentative Date	August 21th, 2017
Contract Negotiations and execution of EPC agreements Tentative Date	August 28th, 2017 thru September 25th, 2017
Target Commercial Operation Date: Texas Community Solar Expansion New Mexico Community Solar, Northeast El Paso Solar	 2nd Quarter 2018 4th Quarter 2018 4th Quarter 2018

EPE reserves the right to modify, cancel or withdraw this RFP and to revise the schedule specified above if, at EPE's sole discretion, such changes are necessary. To the extent reasonably possible, EPE will inform Bidders that have filed a Notice of Intent to Bid of any schedule change.

5.1 RFP Issuance

Receipt of the RFP invitation must be confirmed via e-mail response from Bidders to EPE's point of contact, Julie Bañuelos at the following e-mail address:

Julie.banuelos@epelectric.com

5.2 Notice of Intent to Bid

Bidders must submit a Notice of Intent to Bid, included as Attachment 8.1, by 5pm Mountain Time (MT) on, July 10th, 2017. The Notice of Intent to Bid may be submitted via email or facsimile to Julie Bañuelos at julie.banuelos@epelectric.com or (915) 543-4073. Failure to submit a Notice of Intent to Bid will result in exclusion from participation in the bidding process.

It is the sole responsibility of the Bidder to ascertain that the Notice of Intent to Bid is received by EPE prior to the date and time specified.

Receipt of the Notice of Intent to Bid will be confirmed via e-mail response from EPE to the Bidder.

5.3 Final Submission of Bidder Questions

All technical questions related to the RFP must be submitted by July 17th 2017, via email or facsimile to the following EPE representative to ensure a response prior to the proposal due date.

Julie Bañuelos
Contract Negotiator
100 North Stanton Street
El Paso, Texas 79901
Fax: (915) 543-4073
E-mail: julie.banuelos@epelectric.com

EPE will prepare written responses to questions received and distribute the questions and responses to Bidders that filed a timely Notice of Intent to Bid. Responses will be distributed to such Bidders with the question included but will not identify who originally submitted the question. Any questions related to the RFP must be submitted in writing.

5.4 Proposal Due Date

All proposals must be received at EPE's offices to the attention of Julie Bañuelos Contract Negotiator, 100 North Stanton Street, Location #121, El Paso, Texas 79901 or E-mail: julie.banuelos@epelectric.com by 5pm Mountain Time (MT) on July 24th, 2017. Any proposal submitted after the due date will be excluded from consideration. Proposals should be as complete as possible.

Three hard copies of the proposal(s) must be submitted. In addition, a soft copy of the proposal(s) must be submitted on a compact disc or USB. Facsimile submittals shall be excluded from consideration.

Bidders are solely responsible for ensuring the proposals are received by EPE in accordance with the RFP instructions prior to the date and time specified, and at the place specified. EPE shall not be responsible for any delays in mail, or by common carriers, by transmitting errors, delays, or mislabeling.

5.5 Tentative Date for Selection of Projects

Following a review of technical, economic and potential environmental factors, EPE will make a determination of the projects that best meet its objectives and may initiate negotiations with those applicable Bidders. EPE will notify the selected Bidders on or before August 21th, 2017.

5.6 Tentative Date for Contract Discussions

Should EPE choose to initiate negotiations with any Bidders, the tentative date for commencement of contract negotiations with the selected Bidders is August 28th, 2017. Any contract between EPE and a Bidder will be conditioned upon approval by EPE's board of directors and prior regulatory approval by the PUCT and the NMPRC. EPE, at its sole discretion, reserves the right to reject any proposed contract(s) that result from this RFP for any reason including if subsequently issued regulatory approvals or authorizations are subject to conditions, including ratemaking treatments, which are unacceptable to EPE.

5.7 Proposal Validity

Each Bidder must hold its proposal open and valid for a period of two hundred forty (240) days following the submittal and during the time necessary to complete state regulatory approvals.

5.8 Proposal Information Requirements

Flexibility is afforded to Bidders regarding the facility's characteristics, as may be necessary to meet the requirements of the RFP. Proposals for Projects whose production bid amounts would exceed EPE's required AC capacity will not be considered.

Proposal must also provide an available energy profile (MWh or kWh) on an hourly basis for an average day in each month using the template provided by EPE as Attachment 8.7. EPE reserves the right to request additional information from the Bidder regarding limitations or any other details related to the proposal.

EPE is responsible for obtaining any required PUCT and NMPRC approvals. Bidders are responsible for acquiring and maintaining all applicable present and future federal, state and local approvals, licenses, permits or variances, and meeting specific requirements to construct and/or operate any generation facility and any associated interconnection facilities.

Bidders must provide a specific cost forecast for ongoing operations and maintenance ("O&M"). An O&M manual must be provided to EPE that details the maintenance schedule and cycle for the solar facility's components. EPE is also interested in receiving proposals that include ongoing O&M performed by Bidders or a third-party contractor under an O&M contract. Bidder should specify contract terms and operating cost guarantees for this option.

5.9 Interconnection Requirements

Related interconnection costs of the project will be addressed after the short-list has been selected. A meeting will be scheduled with the short-listed candidates to discuss the interconnection requirements and associated costs.

Each facility must deliver capacity and energy by directly interconnecting to the EPE specified location.

For interconnection inquiries relating to this RFP, Bidders must pose questions via email or facsimile to EPE's point of contact:

Julie Bañuelos
Contract Negotiator
Fax: (915) 543-4073
E-mail: julie.banuelos@epelectric.com

6.0 SUBMITTAL PREPARATION INSTRUCTIONS

6.1 General Information

a. Currency
Prices and dollar figures must be clearly stated in nominal United States Dollars.

b. Schedule
Proposals shall be submitted in strict accordance with the RFP schedule.

c. Extensions
EPE will not grant any extensions to the RFP schedule and will not accept late proposals. Any proposal received after the scheduled date will not be considered and the Bidder will be notified of its elimination.

d. Reservation of Rights
EPE reserves the right to accept or reject, at its sole discretion, any or all proposals for any reason at any time after submittal. EPE also reserves the right

to select an offer that is not the lowest price, if EPE determines that to do so would result in the greatest value to EPE's customers.

e. Failure to Comply
Failure to comply with all requirements of this RFP may result in the rejection of the applicable proposal at EPE's sole discretion.

f. No Liability
Bidders that submit proposals do so without legal recourse against EPE or its directors, management, employees, agents, contractors or independent monitor based on EPE's rejection of any proposal or for failure to execute any agreement in connection with this law or equity, for any reason whatsoever relating to EPE's acts or omissions arising out of or in connection with this RFP. EPE shall not be liable to any Bidder or to any other party in law or equity, for any reason whatsoever relating to EPE's acts or omissions arising out of or in connection with this RFP. EPE further declares that it will incur no financial liability or obligation for Bidder's costs in preparing proposals.

g. Return of Documents
None of the materials received by EPE from Bidders in response to this RFP will be returned. All proposals and exhibits will become the property of EPE, subject to the provisions for confidentiality described in this document.

6.2 Proposal Content

Proposals must be prepared in accordance with the guidelines set forth in this section. Failure to follow the preparation instructions may result in the exclusion of the proposal from consideration. EPE reserves the right to conduct any further due diligence it considers necessary to fully understand and evaluate proposals.

Each proposal should be organized by section as described below. Each page of the proposal shall have the following information in top right corner.

- 2017 Community Solar Projects RFP
- Bidder Name
- Project Name

All of the following sections shall be completed or identified as "Not Applicable".

A complete proposal will include for each project, a thorough written discussion about the project, assembled in the following format:

Tab 1 - Executive Summary

Tab 2 - Project Description and Technical Information
Tab 3 - Project Costs
Tab 4 - Experience and Qualifications
Tab 5 - Distribution and Interconnection
Tab 6 - Company Financial Information

Tab 1 - Executive Summary

The Executive Summary should provide an overall description of the proposal. The description should include details about the type of solar energy project being proposed and key benefits to EPE. At a minimum the summary should specify the technology, size of project, first year energy output, projects costs and an explanation of how and to what extent the Bidder intends to use local distributors/manufacturers, and contractors where possible to construct the solar generating facility.

Tab 2 - Project Description and Technical Information

All proposals must include a thorough description of the project including, but not limited to, the following:

Project Description
All proposals must provide a comprehensive description of the project, including project name, location, nameplate AC capacity rating, accredited capacity, in-service date, equipment and configuration, permitting, interconnection plan, milestones, meteorological studies/performance simulation data and any other pertinent information.

Equipment Description
At a minimum, proposals should indicate for all major equipment the: (1) manufacturer; (2) model name and number; (3) key metrics and characteristics of the equipment; (4) performance history of the equipment; (5) terms of product, workmanship, performance and any other warranties and/or guarantees; (6) contracting status; and, (7) availability of equipment and planned delivery dates. Bidders should highlight any smart inverter features that add operational and resilience value to the project.

The following technical information should be discussed in this section, as applicable for the project proposed.

- Major equipment manufacturers
- Description of technology and configuration
- Summary of the commercial operating experience of the equipment used or to be chosen
- Solar system layout and characteristics

- Electrical interconnection metering
- Level of efficiency
- AC capacity rating
- Communications, control and instrumentation
- Facility limitations that may constrain operation
- Hourly energy profile spreadsheet (Attachment 8.6)
- Proposed construction period
- Project Management
- Quality assurance plans
- Performance guarantees and warranties
- Start-up testing
- Factory and performance tests
- Design life loading (wind, seismic, etc.)
- Description of pre-operational milestones (i.e., construction financing, commencement, installation, testing and completion dates)
- Description of frequency and duration of scheduled maintenance of facility
- Provide any information that could impact the cost, construction schedule or output capability of the project
- Annual degradation rate

Project Schedule

All proposals must provide a detailed schedule of project development activities and target completion dates for financing, engineering, permitting, equipment procurement, construction, startup and commissioning. Describe the overall development strategy and work plan that will ensure that the project can be developed in time to meet the proposed commercial operation date.

Bidders must provide a high level project development and completion schedule along with key milestone dates for each proposal submitted. If Bidder provides a bundled proposal for both projects, Bidder must provide a project schedule which demonstrates how the Bidder intends to mobilize its workforce and resources to complete multiple projects within the proposed schedule.

Risk Management and Insurance Program

Bidders shall provide a list of existing insurance contracts, listing policies by coverage, expiration date, insurer and limits per policy. Also, on a per coverage basis, provide current experience modifier and prior Loss History for the last three (3) years. Bidders shall also describe their Risk Management program if insurance coverage will derive from a parent company. Additional information may be requested based on information provided with the original proposal.

Operations and Maintenance Plan

Bidders shall describe the operations and maintenance plans or services for the generation facilities associated with their proposals. Discuss the current or

expected O&M plan, including staffing, budget, management and control over any facility, authority over the O&M budget, and guarantees on O&M costs. Provide a description of the basic philosophy for performing O&M and include a discussion of contracting for outside services, if applicable. Bidders are encouraged to submit the cost of a three year service plan.

Permitting Status

Proposals must describe all federal, state, and local permits that will be required for the project and state whether any permits have been secured, and if not, whether applications have been filed. Proposals must report on the status of any pending applications and any feedback from permitting agencies and describe the expected time frame to obtain the necessary permits after application submittal to agencies.

Regulatory and Environmental Compliance

Bidders are exclusively responsible for meeting all required federal, state, and local permits, licenses, approvals and/or variances, current or future. Bidders are required to demonstrate that all required permits have been attained or provide a specific timeline for future permit approval.

Provide information on the following as applicable.

- Regulatory permits
- Environmental Clearance for sensitive resources (such as cultural, protected species, etc.)
- Other applicable permits

Tab 3 -Project Cost

Proposals must clearly state the all-in turnkey installed project cost minus any interconnection costs. Interconnection costs will be provided to shortlist Bidders to include in the best and final proposals. Bidders must provide a breakout of the costs such as modules, inverters, transformers, balance of plant, installation labor, engineering, credit support, etc. Bidders must offer project costs valid for at least two hundred forty (240) days following the proposal due date and during the time required for EPE to obtain PUCT and NMPRC approvals.

Tab 4 - Experience and Qualifications

The capability and experience of any Bidder must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate competence, resources and skill. Each proposal must include the following information as a minimum.

- Description of technical experience, specifically with respect to solar energy facilities similar to those proposed and collaboration efforts with electric utilities, if any
- Description of operations and maintenance experience including megawatts monitored and maintained, years providing O&M services, experience with different types of panels and technologies, and number of team members dedicated to O&M services
- Description of completed projects, total megawatts installed and customers with a specific identification of projects on which the Bidder has served as an EPC contractor or similar role.
- Years in business
- Description of financial backing
- Description of major components directly manufactured by bidder and those that will be procured from another company
- Description of licenses applicable at project location
- References for similar projects

Note: If proposal for one or more projects is selected for the short-list, EPE will request more details regarding the list of reference projects at different stages of development (completed, under construction, and under development) and will require a point of contact be provided along with a description, size (kW/MW), cost, initiation date, and completion date for each project listed.

Tab 5 - Transmission, Distribution and Interconnection

EPE will identify the interconnection points.

Tab 6 - Financial Information

The financial viability of any proposal must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate financial capability. Each proposal must include the following information at a minimum:

- Most recent financial report for the Bidder and any other parties involved, or most recent copy of CPA audited (or Reviewed) income statement, balance sheet and cash flow statement
- Provide Annual reports for the three most recent fiscal years that include CPA audited (or Reviewed) financial statements or CPA audited (or Reviewed) consolidated income statement and balance sheet for the three most recent fiscal years
- Investment rating of Bidder or its parent company by Moody's and/or Standard & Poor's as applicable
- Description of any current credit issues raised by rating agencies, banks, or accounting firms

- Partnerships within the financial community
- Description of construction financing for the project, include any financing commitments and available lines of credit
- Megawatts of past financed projects
- Financial guarantees from affiliates or others, as appropriate
- Note: If proposal for one or more projects is selected, EPE will request points of contact for financing partners/institutions and manufacturers providing lines of credit, a list of all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been or are engaged in that could affect Bidder's performance of its bid. Identify the parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters.

7.0 EVALUATION PROCESS

EPE will assess the proposal, pursuant to the requirements of the RFP and the evaluation criteria developed by EPE. EPE will evaluate bids based on all-in turnkey installed cost, overall cost per kWh and life cycle cost on a net present value basis, utilization of local inputs and other relevant factors. The assessment will consider economic and technical factors.

Proposal Review
EPE will use both quantitative and qualitative criteria to evaluate proposals. EPE will first determine if each proposal satisfies the threshold requirements summarized below. Only those proposals that satisfy the requirements of the screening evaluation will be further evaluated. If at any time during the evaluation process, EPE determines that a proposal does not meet its requirements, including timely submission of all documents pursuant to this RFP, such proposal will no longer be considered for this RFP and EPE will notify the Bidder accordingly during its notification process.

Favorable proposal characteristics include:

- Solar Projects - EPE seeks projects utilizing established solar energy technologies
- Low Cost - EPE seeks proposals that will provide low-cost energy
- High Efficiency and Performance - Proposals that provide high efficiency and performance will provide additional value to EPE
- Completeness and Responsiveness - Proposals must meet all criteria set forth in the RFP. A thorough explanation of all aspects of the proposal should be included. Detailed Project Engineering should be provided.
- Financial Viability and Creditworthiness - Success of the project relies on the financial capabilities of all parties involved; Bidders should have a proven financial track record and be able to provide documentation that

demonstrates access to financial resources required to complete the project
- Experience - EPE seeks proposals from Bidders that possess extensive engineering, construction, technical, operating and maintenance experience, and a history of successful projects of a similar nature
- Compliance with Texas and New Mexico regulations

Threshold Evaluation

Step 1 - Bid Eligibility Determination

Each proposal will be reviewed to determine if it meets the requirements outlined in this RFP.
The Company reserves the right to reject any, all, or portions of any proposal received for failure to meet any criteria set forth in this RFP.

- The proposal must be submitted on time and comply with the submission instructions.
- The corresponding application fee must be submitted as instructed

Step 2 - Initial Bid Screening Process

The Company will calculate the levelized cost in U.S. Dollars per megawatt hour ("$/MWh") for each bid based on information provided in the proposal and will rank the results from lowest cost to highest cost. A reasonable number of the lowest priced proposals will be identified for further evaluation efforts. Bidders are advised that total life cycle cost will be a major factor in EPE's evaluation, but EPE may consider other qualitative and quantitative factors. Proposals with prices significantly above the others may not receive further screening evaluation.

Step 3 - Due Diligence

The Company will conduct due diligence efforts on those proposals that pass through the initial screening process described in Step 2.

Other Due Diligence

The Company will conduct other due diligence as part of the overall bid evaluation process, including, but not limited to, consideration of the following proposal characteristics:

- Bidder or developer experience
- Financial strength/credit worthiness of the bidder
- Reasonableness of the generation profile proposed
- Financing plan
- Development, construction and operation experience
- Solar technology, availability, and warranties
- Risk Management, coverages, loss histories, description of program

- Environmental permitting and compliance
- Safety record
- QA/QC experience
- Project operational characteristics
- Supply-Chain risk
- Counterparty viability
- Transmission or distribution access plan feasibility and arrangements
- Transmission or distribution upgrades schedule assessment
- Construction and equipment supply plans and arrangements
- Operations & Maintenance Plan
- Project execution planning
- Bidders ability to complete multiple projects within the proposed schedule
- Environmental impact and profile
- Contract risk related to the development of the project
- Bidder's performance on previous projects with the Company

Step 4 - Best and Final Proposal
Subsequent to short-list selection and due diligence by EPE, short-listed Bidders will be allowed to submit a best and final proposal. EPE will evaluate the best and final proposals submitted and select the final proposals that will be subject to contract negotiations.

7.1 EPE's Selection of Bids and Discussions with Bidders

a. Meetings with Shortlisted Parties
EPE may conduct meetings with shortlisted parties to gain a greater understanding of the structure and components of each proposal. EPE may also require the shortlisted Bidders to submit project and/or Bidder-specific pro forma financial statements by year for the applicable facility development and construction period, including income statements, balance sheets and statements of cash flows. EPE will reevaluate any significant changes to the proposal based on new understanding of each shortlisted Bidder's proposal as a result of the shortlist meetings.

b. Final Evaluation and Selection
After conclusion of Bidder meetings and detailed evaluation of the best and final proposals, EPE may select one or more proposals for negotiation of the EPC Agreements. EPE will notify shortlisted Bidders whose proposals are eliminated from further consideration in accordance with the RFP schedule.

c. Right to Terminate Negotiations
If EPE cannot reach acceptable EPC agreement terms with the final selected Bidder or Bidders, EPE reserves the right to terminate negotiations with such Bidders and begin discussions with other Bidders, begin a new solicitation, or cancel this RFP. Furthermore, EPE at its sole discretion, reserves the right to not

select any proposals for negotiation of an EPC agreement if warranted by its evaluation.

Notice of Disclaimer

EPE has prepared the information provided in this RFP to assist interested persons and entities in making a decision 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 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 purport that this RFP contains all of 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, or 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 capacity and 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 of 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.

8.0 ATTACHMENTS

8.1 Notice of Intent to Bid
(Complete the Notice of Intent for each Project to be proposed)

1. Company Name: _____

2. Company Address: _____

   _____

3. Contact Person Information:

Name	
Title/Position	
Mail Address	
Courier Address (if different)	
Telephone Number	
Fax Number	
E-mail Address	

4. Project Facilities Proposed: _____

   _____

5. Size (MW): _____

6. Authorized Signature: _____

   Name: _____

   Title: _____

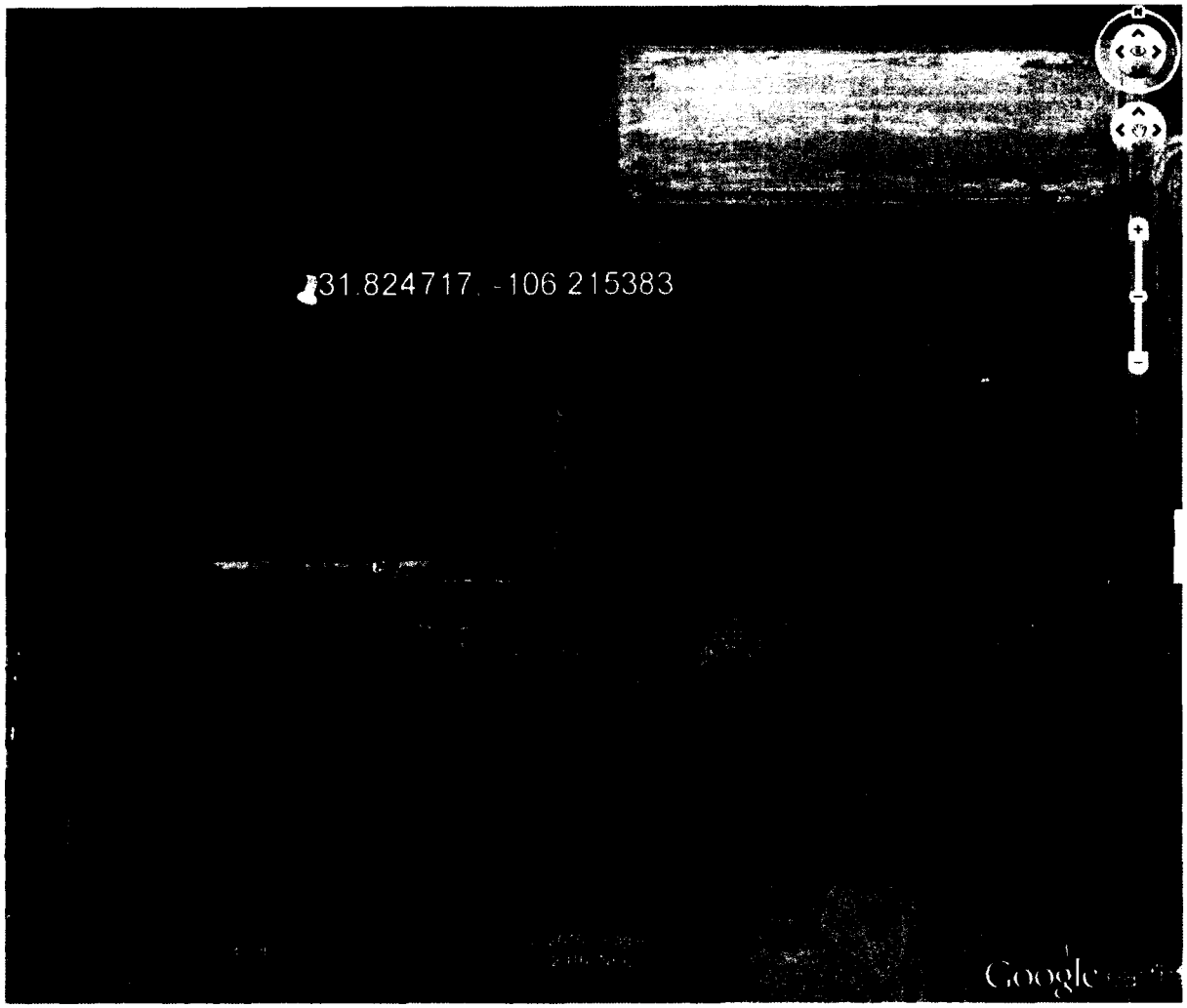
7. Date: _____

The Notice of Intent to Bid may be submitted via E-mail or facsimile to Julie Bañuelos at julie.banuelos@epelectric.com or (915) 543-4073, or mailed to Julie Bañuelos, Contract Negotiator, at P.O. Box 982, Location 121, El Paso, Texas 79960. Receipt of the Notice of Intent to Bid will be confirmed in an e-mail from EPE to the Bidder. **This form should be delivered to the above address no later than 5pm Mountain Time (MT) on July 10th, 2017.**

8.2 Project Data

1. Provide a detailed description of each solar project:

8.3 3 MW_{AC} Montana Project Site – TX Community Solar Expansion



8.4 2 MW_{AC} Las Cruces Project Site – NM Community Solar

8.5 5 MW_{AC} Northeast El Paso Project Site

METES AND BOUNDS DESCRIPTION

A 50.7072 acre parcel situate within the corporate limits of the City of El Paso, El Paso County, Texas, as a portion of Section 19, Block 81, Township 1, Texas & Pacific Railway Company Surveys and being more particularly described by metes and bounds as follows:

COMMENCING for reference at a 5/8 inch diameter rebar with an aluminum cap found for the corner common to Sections 19, 20, 21 and 22, Block 81, Township 1, Texas & Pacific Railway Company Surveys; ***WHENCE***, a 1/2 inch rebar found for the corner common to Sections 18, 19, 22 and 23, Block 81, Township 1, Texas & Pacific Railway Company Surveys, bears North 87°57'12" West, a distance of 5,280.47 feet; and ***WHENCE***, a 1/2 inch rebar with survey cap No. "TX 5337" found for the corner common to Sections 13, 14, 19 and 20, Block 81, Township 1, Texas & Pacific Railway Company Surveys, bears North 01°59'00" East, a distance of 5,294.24 feet; ***THENCE***, leaving the corner common to said Sections 19, 20, 21 and 22 and following the section line common to said Sections 19 and 20, North 01°59'00" East, a distance of 288.06 feet; ***THENCE***, leaving the section line common to said Sections 19 and 20, North 88°01'00" West, a distance of 50.00 feet to a 1/2 inch rebar with survey cap No. "TX 5337" set for the ***POINT OF BEGINNING*** and the southeast corner of the parcel herein described;

THENCE, North 87°57'12" West, a distance of 1,640.00 feet to a 1/2 inch rebar with survey cap No. "TX 5337" set for the southwest corner of the parcel herein described;

THENCE, North 01°59'00" East, a distance of 1,345.93 feet to a 1/2 inch rebar with survey cap No. "TX 5337" set for the northwest corner of the parcel herein described;

THENCE, South 88°01'00" East, a distance of 1,640.00 feet to a 1/2 inch rebar with survey cap No. "TX 5337" set for the northeast corner of the parcel herein described;

THENCE, South 01°59'00" West, a distance of 1,347.74 feet the to the ***POINT OF BEGINNING***;

Said parcel contains 50.7072 acres (2,208,805.0 square feet), more or less, and being subject to all easements of record.

I hereby certify that this description was prepared by me or under my supervision.

Isaac Camacho,
TX. R.P.L.S. No. 5337
Date: June 15, 2012
05896-059-HS5 Desc.doc

8.6 Solar PV Project Requirements and Technical Specifications

8.6.1 General

8.6.1.1 System designed per NEC 2014 Article 690 and referenced sections

8.6.1.2 30 year system design life

8.6.1.3 System must be ground mounted

8.6.1.4 Facility DC capacity is defined as the sum of the DC nameplate capacities of the solar modules under Standard Test Conditions

8.6.1.5 Facility AC capacity is defined as the sum of the nameplate AC capacities of the inverters

8.6.1.6 Installation of all system components will be carried out in accordance with manufacturer warranty and recommendations. All systems and components installed must be compatible

8.6.1.7 Certified stamped electrical and mechanical drawings must be provided by a professional engineer who is licensed in the state where the site is located

8.6.2 Equipment

8.6.2.1 Solar Modules

8.6.2.1.1 PV modules compliant with UL1703

8.6.2.1.2 Crystalline modules IEC 61215 certified

8.6.2.1.3 Thin film modules IEC 61646 certified

8.6.2.1.4 CPV modules IEC 62108 certified and compliant with UL8703

8.6.2.1.5 Latching or locking type connectors compliant with UL8703

8.6.2.1.6 Manufacturer ISO9001 and ISO14001 certified

8.6.2.2 Tracking Systems must be compliant with UL3703

8.6.2.3 Rack mounting systems, mounting, grounding/bonding components and clamping and retention must be compliant with UL2703. EPC Contractor shall supply and manage the

installation of the mounting system for the solar modules sufficient to support all solar modules and meet all applicable licensing and Permit requirements. The system shall be composed of galvanized steel or aluminum. The racking manufacturer will supply a minimal 10 year warranty for the installed structure and the racking design will be certified by the racking manufacturer.

8.6.2.4 Inverters shall be utility grade, be specifically designed for PV installations, and meet the following minimum standards

8.6.2.4.1 UL1741 - Standard for Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources

8.6.2.4.2 IEEE 929-2000 Recommended Practice for Utility Interface of Photovoltaic Systems

8.6.2.4.3 IEEE 1547-2003 - IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems

8.6.2.4.4 Inverter blocks shall be configured in 1MW increments.

8.6.2.5 Transformers:

8.6.2.5.1 Step-up transformers must comply with **EPE specification G&I 088-010 to 088-400** except for any variances noted in this section

8.6.2.5.2 Interconnecting transformers shall step-up inverter output voltage to the Site nominal voltage.

8.6.2.5.3 The end of the transformer(s) series connection shall have surge arrestors on the high voltage side with a voltage rating suitable for the application.

8.6.2.5.4 Transformers shall meet C57.12.34 - IEEE Standard Requirements for Pad-Mounted, Compartmental-Type, Self-Cooled, Three-Phase Distribution Transformers

8.6.2.5.5 Transformer warranty to be provided by Contractor once the transformer is selected, which shall be from El Paso Electric Co.'s list of approved transformers.

8.6.2.5.6 Step-up transformer(s) configuration shall be: Primary wye-grounded, secondary delta

8.6.2.5.7 Transformer(s) shall comply with the 2016 DOE standard efficiency.

8.6.2.5.8 Transformer(s) color shall be Munsell 7GY3.29/1.5 pad-mount green.

8.6.2.5.9 Transformer(s) shall accommodate a padlock on top of the required pentahead security bolts.

8.6.2.5.10 Transformer(s) shall be compatible with EPE transformer pad (Pad B).

8.6.2.5.11 The high side bushings shall comply with IEEE C57.1234 Figure 16 (loop configuration).

8.6.2.5.12 The low-voltage terminal location and arrangement shall conform to Figure 8(a) of IEEE C57.12.34

8.6.2.5.13 The transformer shall be supplied with a sticker stating the nature of the coolant.

8.6.2.5.14 Required warning stickers are shown in Figure 2 on page 14 of **EPE Specification G&I 088-010 to 088-400.**

8.6.2.5.15 The primary voltage, secondary voltage, and kVA rating shall be located on the outside of the transformer. These stenciled numbers shall be 1 ¾" in height. See page 14 of **EPE Specification G&I 088-010 to 088-400.**

8.6.2.5.16 The transformer shall include two nameplates (one inside, and one outside) with the following information: KVA, primary voltage, secondary voltage, serial number, date of manufacture, Impedance, X/R ratio, gallons of oil, weight, and shall state that the transformer oil contains less than 1 ppm PCB.

8.6.2.5.17 The transformer shall include the approved Non-PCB sticker. See section 7.8 on page 5 and figure 1A on page 14 of **EPE Specification G&I 088-010 to 088-400.**

8.6.2.5.18 A ground lug should be included in the ground provision on the high-voltage side of the tank.

8.6.2.5.19 The low voltage terminals shall be suitable for the application of bushing mounted current transformers. The transformer secondary compartment shall contain studs, to be used for mounting current transformers.

8.6.2.5.20 EPE minimum clearances shall be met regarding the LV and HV bushing distance with respect to the HV-LV barrier and the cabinet wall. Refer to Figure 3 in **EPE Specification G&I 088-010 to 088-400.**

8.6.2.5.21 EPE has a preference for non-load break 200 A bushings.

8.6.2.5.22 Tap changer shall be rated for operation under load.

8.6.2.5.23 Secondary terminations: 12-hole spades.

8.6.2.5.24 Only the last step-up (MV) transformer (going downstream) will be equipped with surge arrestors.

8.6.2.5.25 Envirotemp FR3 and Mineral Oil are both accepted.

8.6.2.5.26 S Taps - two 2.5% taps below nominal and two above nominal

8.6.2.6 Metering and Monitoring Systems: The design shall include utility grade metering and monitoring provisions and a weather station including remote "real time" monitoring of system performance and data collection over the internet via the Data Acquisition System ("DAS")

8.6.2.7 Typical Switchgear Specifications up to 5MW

8.6.2.7.1 630 Amps continuous and loadbreak.

8.6.2.7.2 12.5kA sym. maximum interrupting rating

8.6.2.7.3 1000:1 internally mounted current transformers used for over current protection

8.6.2.7.4 600A Deadbreak Apparatus Bushings per IEEE 386 figure 11

8.6.2.7.5 Front Access to switch operators and bushings on front and back

8.6.2.7.6 Welded stainless steel mechanism cover painted light gray (ANSI 70)

8.6.2.7.7 Galvanized steel frame

8.6.2.7.8 Parking stands for all bushings

8.6.2.7.9 12 gauge galvanized steel padmount enclosure with 24" cable compartment. Meets ANSI C37.72 & C57.12.28 standards

8.6.2.7.10 Enclosure painted Padmount Guardian Green, Munsell #7.0GY3.29/1.5

8.6.2.7.11 36" minimum bushing height

8.6.2.7.12 ½"-13 NC grounding provisions

8.6.2.7.13 Padlockable operating mechanism

8.6.2.7.14 Green/ OPEN - Red/ CLOSED labeling

8.6.2.7.15 12 gauge galvanized steel low voltage enclosure

8.6.2.7.16 The switch must fit EPE approved concrete pad

8.6.2.7.17 Switch equipped with quantity one auxiliary Form C contacts wired to the control cabinet for use by the control

8.6.2.7.18 600 Amp Deadbreak Reducing tap

8.6.2.7.19 NEMA 4X control cabinet, including: SEL751 feeder protection relay (751402BCBCB0X810621) to provide three phase overcurrent protection(50/51), under voltage protection(27), over voltage protection (59), frequency protection (81U, 81O), directional power, IEC cable/line thermal, vector shift, sensitive earth

fault (SEF), and load encroachment elements; Provisions for mounting CISCO 2520 connected grid switch of dimensions 1.75 "H X 17.50 "W X 14.00 "D; 24 V DC Provisions for powering the CISCO 2520 connected grid switch; (2), Two-strain reliefs and necessary accessories for installing fiber based on diameter of fiber to be used.

8.6.2.7.20 120 VAC Power supply, PWR-IE170W-PC-AC

8.6.2.7.21 55 AH batteries used for battery backup

8.6.2.7.22 Applicable Industry Standards: Load Break Switch Ratings, IEEE C37.74; Fault Interrupter Ratings, IEEE C37.60; Bushings: IEEE 386; Padmount Enclosure: IEEE C57.12.28

8.6.2.7.23 Solar Switch Termination must conform with **EPE Distribution Standard DSU-554**

8.6.2.8 Switchgear Vault to be constructed in conformance with **EPE Distribution Standards UD300 and DSU 1235**

8.6.2.9 Communication Field Switches

8.6.2.9.1 Switch: CISCO IE-2000-16PTC-G-E

8.6.2.9.2 Software: (Lan Base License)

8.6.2.9.3 Power Supplies: 2 x PWR-IE170W-PC-DC=

8.6.2.9.4 Optics: SFP-GE-L=1000BASE-LX/LH

8.6.3 SCADA Points

8.6.3.1 Any Breaker Status (Open/Closed)

8.6.3.2 Any MOD Status that would be used for isolation (Open/Closed)

8.6.3.3 All applicable alarms for the GSU and breaker(s)

8.6.3.4 Both Net and Station Service Analogs (MW, MVA, and MVAR)

8.6.3.5 Phase Currents and Voltages

8.6.3.6 Accumulators - for both Net and Station Service

8.6.3.6.1 MWh-In

8.6.3.6.2 MWh-Out

8.6.3.6.3 MVARH-In

8.6.3.6.4 MVARH-Out

8.6.3.7 Weather Station Signals

8.6.3.7.1 Ambient Temp

8.6.3.7.2 Solar Irradiance

8.6.3.7.3 Back Panel Temp

8.6.3.7.4 Wind Speed

8.6.3.7.5 Wind Direction

8.6.3.7.6 Humidity

8.6.3.7.7 Barometric Pressure

8.6.3.8 Tracker Data Points

8.6.3.8.1 Tilt Angle

8.6.3.8.2 Tracker Status

8.6.3.9 Transformer

8.6.3.9.1 Status Indicators

8.6.3.9.2 Oil temperature

8.6.3.10 Two isolated networks will provide site data access

8.6.3.10.1 Monitoring entity to have direct access to weather station, transformer, and tracker data; transferred to EPE via DNP3

8.6.3.10.2 Inverter and meter data to be provided to monitoring entity via Modbus after being collected through an EPE secure data connection to site

8.6.3.11 UPS powering SCADA server and weather station required

8.6.4 Conduit

8.6.4.1 Above ground conduit, in places where conduit could be subject to physical damage, the conduit shall be PVC schedule 80 Underground conduits are to be schedule 40 PVC with PVC sweeps direct buried rated or concrete encased rated. Underground conduits may be direct buried in areas that do not require concrete encased duct banks for structural considerations.

8.6.4.2 All metal conduit must be hot dipped galvanized

8.6.4.3 In no case shall conduit design be less than that called for by NEC 2014

8.6.4.4 EMT shall be manufactured to UL797 and ANSI C80.3

8.6.4.5 Module-to-module interconnection wiring within a string and string home-run wiring to combiner boxes shall be neatly bundled and routed below modules such that it is protected from damage and decay. Exposed DC wire shall be compliant with UL4703.

8.6.4.6 For Power Cable Conduit up to 25kV refer to **EPE Distribution Standard DSU 1645 Duct Sizes For Use On Underground Cable Runs**

8.6.5 Wire & Conductors

8.6.5.1 Underground Power Cable for operation at 60Hz three phase in solidly grounded wye systems rated up to 25kV phase to phase must conform with EPE specification **GI013-306 to 013-313**

8.6.5.2 Both DC Side and AC side underground conductors must be in conduit

8.6.5.3 All conductors must be aluminum or copper rated XHHW-2 or greater as required

8.6.5.4 Single conductor wire and cable shall be rated 600 V or 1000 V, 90°C for XLP and 90°C or 105°C for EPR insulation. Single conductor 600 V or 1000 V tray cable greater than #1/0 AWG shall have EPR insulation with a PVC, CPE or CSPE cable jacket. Non-jacketed FREP insulation with appropriate UL flame test may also be used for large single conductor cables.

8.6.5.5 Single pair instrument cable shall be rated 600 V or 1000 V, XLP or PVC insulation, twisted shielded pairs with drain wires and a PVC, CPE or CSPE cable jacket.

8.6.5.6 Multi-pair instrument cable shall be rated 600 V or 1000V, XLP or PVC insulation, twisted shielded pairs with drain wires, overall shield, and a PVC, CPE or CSPE cable jacket.

8.6.5.7 Wiring runs between major items of equipment and system modes (i.e., a string, combiner boxes, disconnects, inverters, utility interconnection, and energy monitoring system (EMS) devices shall be continuous, unless unavoidable.

8.6.5.8 When in conduit, conductors shall be USE-2 or THWN-2 (Thermoplastic Heat and Water Resistant Nylon Coated wire is permitted) or of a higher standard.

8.6.5.9 All conductors shall be sized per the most current NEC code.

8.6.5.10 Conductors used for data communication will be a stranded copper #18-22 twisted pair shielded wire (Belden 1120A or approved equivalent)

8.6.5.11 Plastic zip ties used for exposed wire management must be UV stabilized

8.6.6 Combiners compliant with UL1741 and NEMA 4X rated

8.6.7 Fuses

8.6.7.1 Fuses for disconnects to be current limiting UL class J, RK1 or RK5 and of the appropriate voltage, delay or non-delay characteristic, and current rating to provide complete short circuit and overload protection per NEC sections regarding component selection.

8.6.7.2 Fuses located in the combiner boxes protecting PV string branch circuits shall be UL listed, DC voltage rated based on branch circuit voltage, be in "finger-safe" type fuse holders providing load break disconnect capabilities when changing fuses. Midget fuses and fuse holders used in these circuits must be fully DC rated and adequate DC short circuit withstands and let-through capability must be provided for all power situations including "back-fed" conditions.

8.6.8 Enclosures

8.6.8.1 Indoor enclosures shall be NEMA 3R or better

8.6.8.2 Outdoor enclosures shall be rated NEMA 3R or better. A NEMA 4 rating is required for enclosures housing control equipment, fused DC combiners, data acquisition components, monitoring equipment, switchgear, and any sensitive equipment associated with the inverters

8.6.8.3 Enclosures containing monitoring equipment such as dataloggers, meters, and network communications shall be located indoors if at all possible

8.6.8.4 Switchgear, motor controls, inverters, battery and charger systems, DC and AC distribution panels shall be pad mounted and fenced

8.6.9 Nameplates

8.6.9.1 Engraved phenolic nameplates are required for all equipment, panels and enclosures. Proposed nameplates must be submitted for approval prior to installation.

8.6.9.2 Signs shall be weather-proof, corrosion-proof, UV-stabilized and fade-resistant. Signs shall be attached using non-corrosive materials throughout. Any degrading signage, or failing attachment mechanisms, will be subject to warranty replacement

8.6.9.3 Signs must be installed at appropriate locations warning that the Project is operational and that there are potentially multiple onsite power sources

8.6.9.4 DC power circuits shall be identified on switches and individual module strings shall be identified in DC combiner boxes. Positive DC circuit wire should be color coded red and negative DC circuit wire should be color coded black

8.6.9.5 Signage shall include that called out in NEC 2014 article 690 unless overridden by applicable local law or authorities having jurisdiction

8.6.9.6 EPC Contractors or Subcontractor's brand or contact information is allowed only on temporary construction signage, or on equipment or components of the Project manufactured by Contractor, Subcontractor or its affiliates

8.6.10 System commissioning tests, documentation, and inspection should comply with IEC 62446 at a minimum

8.7 Energy Profile Spreadsheet

Editable Electronic Excel File to be provided to Bidder

New Mexico Community Solar Project Proposals
2017 Solar RFP Proposal's Levelized Cost Ranking Table
Summary Results

	Project Size in MW	Installed Cost Per kW	Present Value Capital Costs $/kW	Present Value Total Project $/kW	Levelized Gross Cost $/MWh
Affordable Solar (Thin Film)	2.00	$ 2,261	$ 2,145	$ 2,737	$ 78.41
Affordable Solar Option 2 (Poly)	2.00	$ 2,259	$ 2,143	$ 2,735	$ 79.26
Company B Option 1 (Mono)	2.00	$ 2,326	$ 2,205	$ 2,904	$ 82.06
Company B Option 2 (Poly)	2.00	$ 2,243	$ 2,129	$ 2,804	$ 87.11

Exhibit RT-2
Page 1 of 1

Map of Solar Facility Location

The project site is situated outside the corporate limits of the city of Las Cruces, Dona Ana County, New Mexico. The land parcel is located within one mile southeast of the intersection of highway I-10 and I-25.

Total Capital Project Cost Breakdown

Construction		
Contractor Bid Price	$	3,326,022
Gross Receipts Tax	$	224,506
Total Construction Cost	$	3,550,528
Land Cost	$	360,000
Land Improvements	$	105,000
Interconnection		
Interconnection Cost	$	250,000
Gross Receipts Tax	$	16,875
Total Interconnection Cost	$	266,875
AFUDC	$	81,238
Capitalized A&G and Other Expenses		
Capitialized A&G	$	35,964
Project Mgmt Labor and OH	$	65,000
Legal Fees	$	50,000
Total Capitalized A&G and Other	$	150,964
Total Capital Costs	$	4,514,605

Outreach and Customer Educational Materials Samples

I. "Coming Soon" Campaign:

A. Social Media artwork sample

B. Website Banner artwork sample

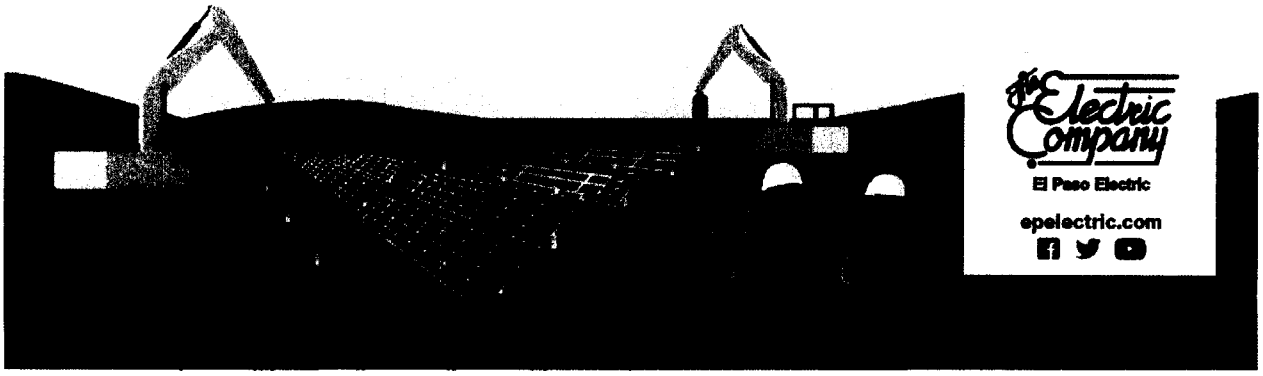
C. Newsletter artwork sample

Your New **SOLAR OPTION** is Coming Soon!

El Paso Electric is all about creating sustainable and renewable energy for our community, and soon you'll be able to do your part as well.

Introducing **Community Solar** – El Paso Electric's new solar program. This innovative solar option doesn't require rooftop panels, which means no need for equipment installations or maintenance for you!

Visit **epelectric.com** to learn how Community Solar works, register for updates and to be notified when enrollment begins.



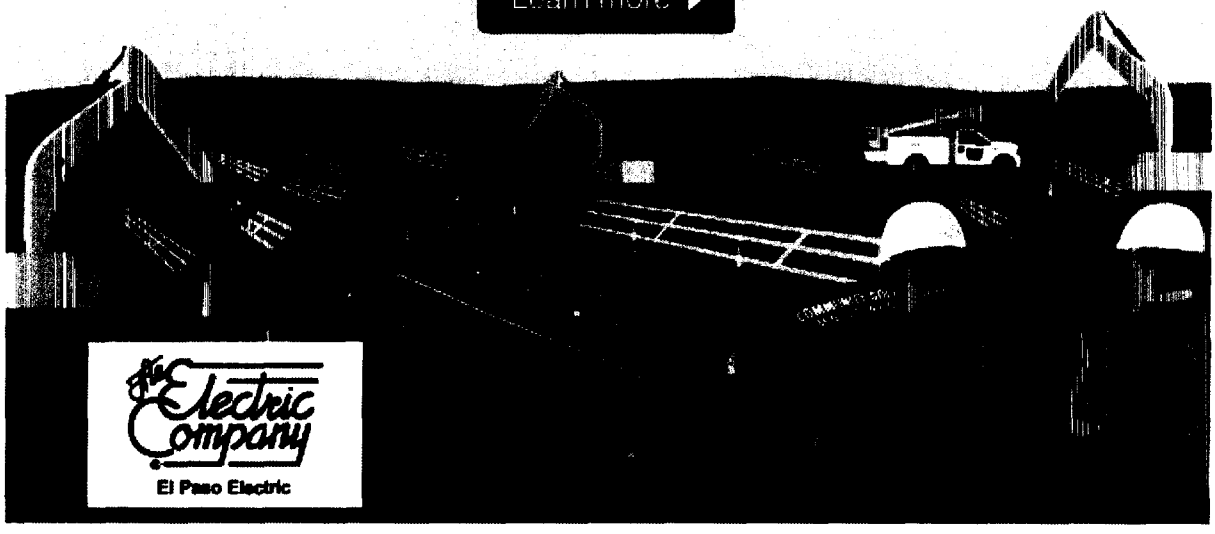
D. Email artwork sample

COMMUNITY SOLAR
COMING SPRING 2017

At El Paso Electric, we understand that renewable and sustainable energy is important to customers just like you. That's why we created **Community Solar**. It's a new solar option and the first program of its kind in Texas. Soon, you'll be able to power your home by clean solar energy without the need for rooftop panels. That's because we operate and maintain the solar facility that sends energy straight to you through the same grid that powers our community. It's a worry-free system. All you have to do is join!

Click here to see how **Community Solar** works and to be notified when enrollment begins.

Learn more ▶

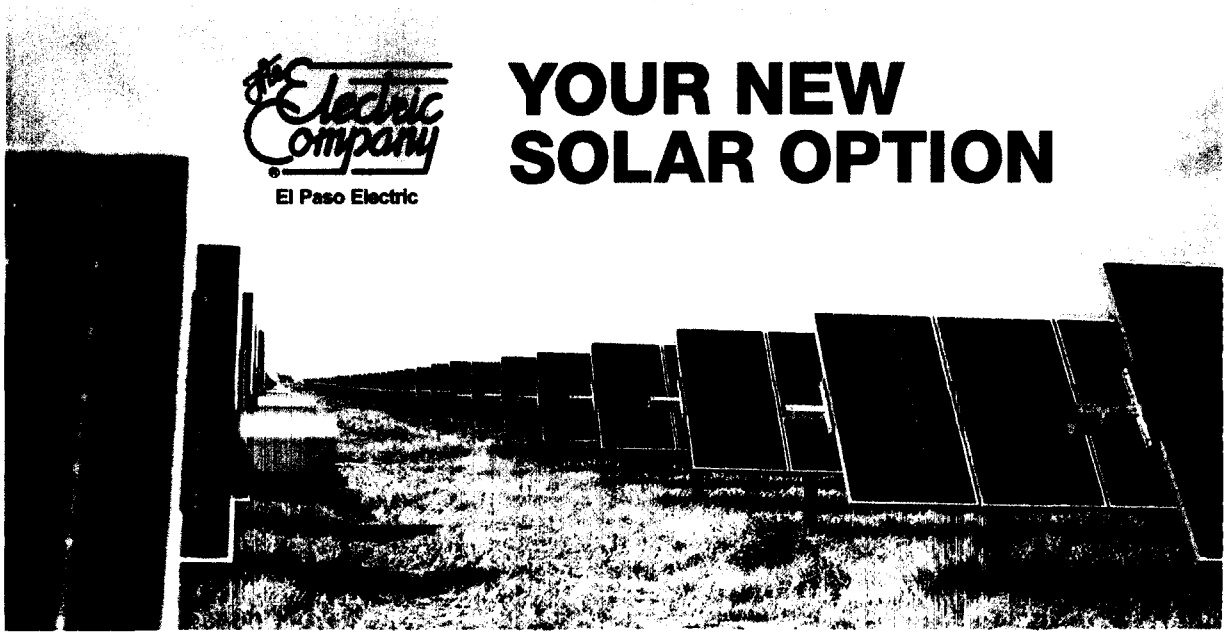


E. Coming Soon TV script sample

DIRECTION	COPY
[Upbeat animation that follows the style of CO_2 campaign]	[Bright VO from same announcer as CO_2 campaign]
Our spot opens on the El Paso Electric logo. Quickly we reveal the Newman Solar field from CO_2, presenting our focus on solar energy. **CG: POWERED BY SUNSHINE!**	At El Paso Electric, we continue to generate clean energy...
A short animated transition reveals the four generation units at MPS, they each feature coal free artwork from CO_2 spot. This further illustrates our continued focus on clean energy. **CG: 100% COAL FREE ENERGY!**	that protects the environment...
On audio cue we follow an EPE truck as it drives past the generation units on its way to the Community Solar facility under construction. Tractors and equipment are brought to life by animation.	And *soon* you'll be able to do your part with Community Solar, our new solar program ... here is how it works.
Two EPE employees look on while inspecting blueprints. On audio cue we now punch in tighter to the blue prints and animation brings our "how it works" portion of the spot to life. **CG: Community Solar – Coming Spring 2017!**	Our solar panels convert the sun's energy to electricity during the day...
The blueprint animation shows the sun beaming into solar panels, which turn solar rays into electricity.	Then it's sent to your home or business by the same grid that powers our community...
Our next animation shows electricity being sent from EPE transmission towers into a small community of homes, apartments and businesses. We will avoid showing older poles and powerlines. **DISC: Community Solar will be available to Texas customers**	
Our final blue print will show the homes, apartments and businesses brightly lit by solar power. **CG: No Equipment Installed No Maintenance For You**	This means no equipment installed and no maintenance for you!
On audio cue, the blueprints clear the frame and we are left with a final scene of an active community enjoying the benefits of clean, renewable power. **CG: It's a Bright Energy Future!**	It's a bright energy future for generations to come!
We now transition to a brightly lit **EPE logo** to close the spot. **CG: Community Solar Program Coming Soon! Register for updates and learn more at epelectric.com**	Updates and more information at epelectric.com

II. "Subscribe Today" Campaign

A. Social Media Artwork Sample



B. Website Banner Sample

C. Newsletter Artwork Sample

D. "Subscribe Today" TV script sample

DIRECTION	COPY
VIDEO #1	**[Upbeat VO]**
WELCOME TO COMMUNITY SOLAR We open with a graphic plate showing a medium shot of an isolated solar panel. Rows of additional panels can be seen in the background of the solar field. CG: Welcome to Community Solar [EPE LOGO]	Welcome to Community Solar, a new solar program from El Paso Electric where, now, solar energy can be shared among a group of subscribing customers.
Family walking through San Jacinto Plaza.	People like you, who want to do their part for our environment and who understand that tapping into the sun's energy plays an important role in creating a clean energy future.
Cut to a young female as she enjoys a sunny day on her apartment patio.	But, we've learned that many of our customers who want to be green may not have a suitable roof to install their own solar system, or maybe they're renting a home, apartment or business space.
Father and son building Community Solar model in their kitchen.	Others have found home solar systems to be expensive, with a lot of equipment to install and maintain.
Now we transition inside the home as the same family uses their laptop to view the Community Solar "Coming Soon" site, which is prominently showcased.	This is why we created Community Solar. It's a convenient way for our customers to access solar power, simply by subscribing to our new program.

CG: HERE'S HOW COMMUNITY SOLAR WORKS.	Here's how it works!
We now see a solar panel as it moves in time-lapse to chase the sun.	
On audio cue we cut to a dynamic aerial of a field of solar panels to show the scale of the facility.	We're building an entire field of Community Solar panels that follow the sun throughout the day and convert the energy they capture into electricity.
Here we transition to a graphic animation of the yet to be completed solar facility.	That electricity is then sent to homes, apartments and businesses through the same grid that already powers our community.
The animation will take us through the process of collecting energy, converting it to electricity and then sending it out into the community.	It's that simple... no special equipment to buy, no extra wi to install, and no solar panels on your roof.
CG: NO EQUIPMENT INSTALLED NO PANELS ON YOUR ROOF	
This animation sequence concludes with a bright-animated community to feature homes, apartments and businesses.	And in the first year of operating our solar facility, we will have prevented more than 11 million pounds of carbon dioxide emissions from entering our atmosphere.
The next animation sequence will provide a graphic representation of Community Solar's environmental impact similar to that of the CO_2 spot.	That's like saving almost 5 million gallons of water and planting more than one hundred twenty-eight thousand trees!
	Click the benefits tab to learn more.

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VIDEO #2

CG: BENEFITS OF COMMUNITY SOLAR

We open this section of the video with hero panel shots of EPE's solar field, again to reiterate the idea that these panels are not placed on a customer's roof.

Cut to a split screen that features a quick shot of a brightly lit home, apartment and small business.

CG: OPEN TO ALL TEXAS CUSTOMERS

Family dining seen to feature older couple.

CG: SOLAR RATES NEVER INCREASE

We now cut to a scene that features a couple in their new home. We can tell they have just moved in from boxes all around. They happily turn the lights on in their new home.

CG: SERVICE TRANSFERS WITH YOU

We close this segment with live action footage featuring EPE employees as they walk the panels of the solar field.

There are many benefits to choosing Community Solar as your clean energy option...

Any Texas customer can subscribe, whether you live in a house, rent an apartment or want it for your business.

One of the best reasons to subscribe is that the amount you pay for solar energy will never go up, which means you'll save money in the long run.

And if you ever move – and you stay in our service area – just let us know and we'll transfer your subscription to your new residence.

Plus, Community Solar is a worry-free program because we own, operate and maintain the entire system... all you have to do is subscribe.

VIDEO #3

Add Intro Plate

CG: COSTS, SOLAR CREDITS AND YOUR BILL

Here we begin a final animated sequence. We focus on a small section of the panels in the solar field. A portion becomes highlighted and arrows depict that portion being sent to a home.

We now punch in tighter on the home and animate in the minimum number of kilowatt hours and their cost, these numbers then flip to reveal a graphic that reads,

CG: SOLAR SERVICE FOR LESS THAN

$1 A DAY!

DISC: A subscription to Community Solar is a supplement to your regular electric bill

That graphic now clears from the frame and we see a graphic representation of the Community Solar facility. A variety of animated community solar subscribers now pop up around the facility to illustrate the idea that we all share in the cost of building and maintaining the solar facility.

The next animation sequence now begins and we feature a small house. Next to it we see an animated kilowatt meter increasing from 1 to 1.5 and ultimately 2 kilowatts. As the VO continues, we pull wider into this scene and reveal two additional houses, each larger than the last. Their kilowatt gauges read 3 kilowatts and 4 kilowatts respectively. **Add CG:** Limited Space Available.

When you subscribe to the Community Solar program, your share of solar power fulfills a portion of your energy needs and is reflected on your bill.

Subscriptions begin with a 1-kilowatt minimum at a cost of $20.96 per month, which is less than $1 a day! And the cost of your subscription never goes up!

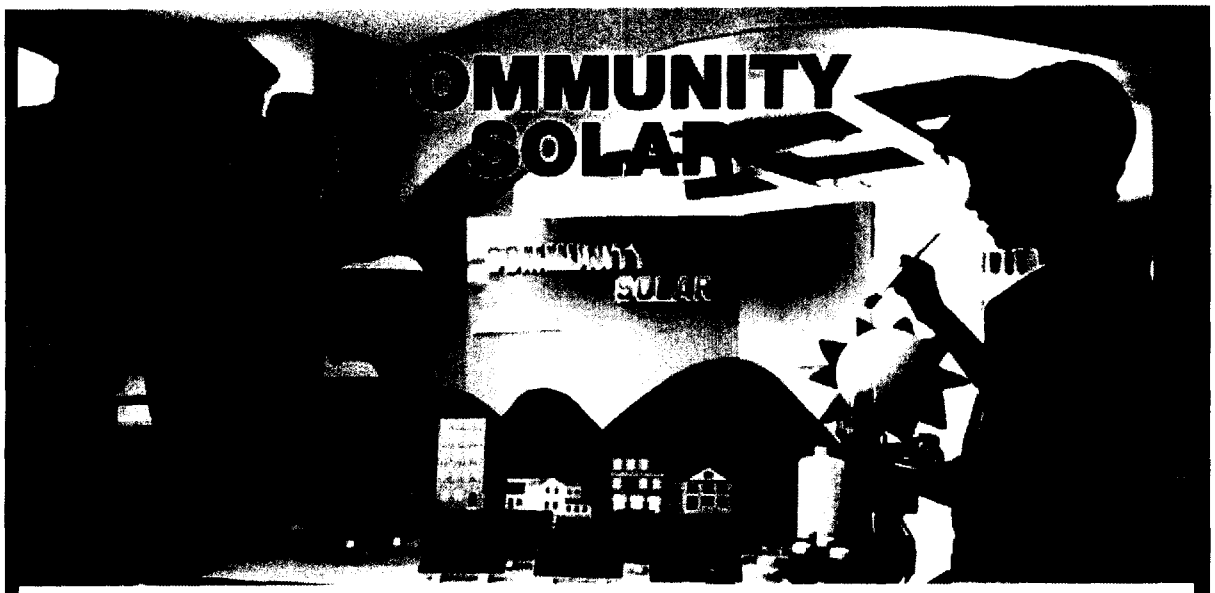
This price covers the cost of construction and maintenance of the plant, which is shared by all subscribers.

If you ever need to increase your subscription, you can do so in half-kilowatt increments, depending on your energy consumption. But keep in mind space is limited and is available on a first come-first serve basis.

The energy produced by your portion of the Community

A new animation sequence begins to help us understand how the solar credits appear on a customer's bill. An animated bill will highlight specific touch points mentioned in the VO.	Solar facility will appear as a solar *credit* on your bill. And here's the best part... the solar credits you receive can reduce your bill! Plus, your solar credit can increase over time if the price of fuel or the cost of generating electricity goes up.
Our final animation sequence will bring back the Community Solar facility. Following the VO, we will graphically show the facility "generating" more energy as we show the seasons change.	The energy that the solar facility generates will vary month-to-month because of changes in the weather. This is true of any solar option, including private rooftop solar. For example, during spring and summer months, the solar facility will typically generate more energy than in winter months. As a result, your monthly solar credits will vary too.
We now close the video with a short medley of aerial and ground footage of solar panels. We end the spot on a bright plate that features Community Solar focus group approved endplate.	Now that you know how it works, use our solar calculator to determine how much solar may be right for you!
CG: ENDPLATE & EPE LOGO	Enroll today!

E. Community Solar Email sample



So you're curious about **Community Solar**, but where do you start?

Just follow the link below to explore the benefits of Community Solar and learn how much solar energy may be right for you. Our worry-free program will provide your home, apartment or business with clean, solar energy without the need for rooftop panels. And all at a fixed monthly rate that will never go up. When you're ready to join the program, all you need to do is enroll. You'll receive updates on the progress of the facility and be notified when Community Solar comes online. Don't wait, because space is limited.

Go solar with **Community Solar**!

Learn More »

Electric Company
El Paso Electric

F. Community Solar Website sample

BENEFITS OF COMMUNITY SOLAR

Generating and providing sustainable solar energy is an ongoing goal for El Paso Electric. With Community Solar, we're making it a reality. Here are just a few of the ways that Community Solar can work for you:

No Rooftop Panels

You can easily receive solar energy without any of the issues associated with having solar panels located on your roof.

Moves When You Move

Your subscription is portable anywhere in our Texas service territory for as long as you're a customer.

Access For All!

No limitations on who qualifies to receive solar power! Now everyone can subscribe - homeowners, renters, and business owners alike.

Solar Rate Never Goes Up

Lock-in your solar rate once you subscribe. Your monthly fee per KW will never go up and can actually go down.
**Find more information in the Program Details section.*

Easy, No Hassle Sign-Up

You won't be locked into long-term contracts.

Worry Free System

Unlike rooftop systems, you won't need to have any panels serviced, because the Community Solar facility is owned, operated and maintained by El Paso Electric.

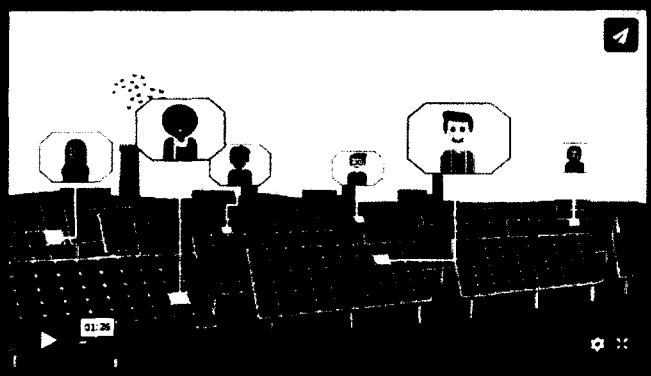
No Credit or Income Limitations

There are no credit score requirements or income limitations when subscribing

No Hidden Costs!

There's no need to lease or purchase expensive panels. Once you subscribe, you will begin receiving solar energy for a fixed monthly price. It's that easy!

Joining a Community Solar is easy! Below, you'll find everything you need to know about joining the solar movement towards a bright energy future.



Program Requirements

Solar Power Availability

Enrollment Process

Community Solar Rate

FAQs

1. What If The Program Is Fully Subscribed?

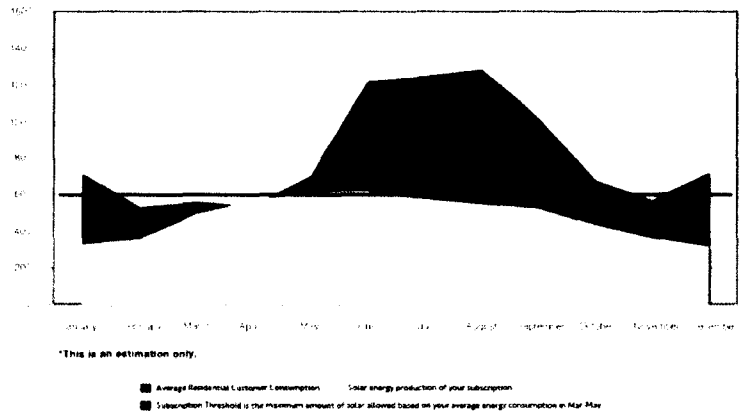
Answer: Your subscription begins [illegible] waiting list. On a space becomes available, we will [illegible] business days. If you do not respond within [illegible] subscription request will be cancelled.

View all FAQs

EXAMPLE SUBSCRIPTION CALCULATOR

Here's an estimated calculation for the amount of solar needed in an average 1600 to 2500 sq ft home. This will help give you a general idea of the number of kWs you may require, bill credits you might expect and the positive environmental impact your energy choices can make.

*** Average 1600 - 2500 sq ft Home Energy Profile**

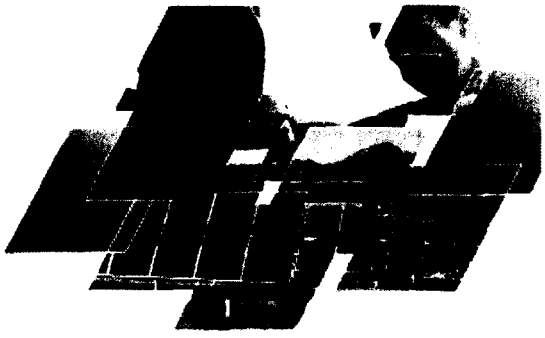


Calculator Outputs

Your Maximum kWs	2.0
Monthly Capacity Charge	$41.92
Estimated November Bill Credits:	
Base Generation Credit	($23.83)
Fuel Rate Credit	($11.60)
	- - - - - - -
Bill Impact	$6.93
Annual % of Solar Energy:	59%
Estimated Annual Environmental Benefits:	
CO_2 Emissions Avoided (lbs/year)	7,367
Trees (trees planted/year)	85
Car (miles not driven/year)	7,956
Water (gallons of water saved)	3,211

Estimate How Much Solar is Right for You »

G. Enrollment Form Sample



TEXAS COMMUNITY SOLAR PROGRAM

ENROLLMENT FORM

Customer Information

Customer's First Name: _____ Last Name: _____
(As it appears on your electric bill)

Customer's Business Name: _____ (If applicable)
(As it appears on your electric bill)

EPE Account Number: _____

Service Address: _____ City: _____ State: _____ Zip Code: _____
(As it appears on your electric bill)

Mailing address: _____ City: _____ State: _____ Zip Code: _____
(If different from service address)

Phone Number: _____ Email Address: _____

Capacity Selection:

Number of Kilowatt (kW) blocks requesting: _____ (a min of 1kW, in increments of 0.5kW)

I understand that an annual commitment to the Community Solar program is required. I also understand that I can cancel my subscription at any time without any penalties, but will have a limited ability to return to the program at a later date.

I understand that the capacity charge* will not increase and may decline over time. I understand that my monthly System Generation bill credits, consisting of both a base generation rate credit and a fuel charge credit, will vary based on the monthly energy production from the Texas Community Solar facility. I understand that credits may also vary due to future rate and fuel factor changes.

If my application is approved but the program is fully subscribed, I agree to be placed on the Community Solar program waiting list. When capacity becomes available, EPE will notify me to continue the enrollment process. I understand that I have to reply within seven business days after being notified of solar capacity availability.

I have reviewed and understand the terms and conditions of El Paso Electric Company's ***Schedule No. CS-Community Solar Rate***.

I hereby request service under the Community Solar Rate Schedule and agree to be bound by its terms and conditions.

Signature of Subscriber: _____ Date: _____/_____/_____

Written applications may be submitted by mail or email to El Paso Electric Company, as follows:

Mailing Address: El Paso Electric Company, PO Box 982, El Paso, TX, 79960
Attention: Community Solar Program (Location 131)
Email Address: communitysolar@epelectric.com

*Capacity Charge is the cost of the construction and maintenance of the Community Solar facility that is divided among all subscribers.

NO ROOFTOP PANELS

You can easily receive solar energy without any of the issues associated with having solar panels located on your roof.

MOVES WHEN YOU MOVE

Your subscription is portable and you have the option to transfer service between facilities for as long as you're a customer.

ACCESS FOR ALL!

No limitations on who can qualify to receive solar power. Now everyone, including those in homes, condos, renters, and business owners alike.

SOLAR RATE NEVER GOES UP

Lock-in your solar rate once you subscribe. Your monthly fee per kW will never go up and can actually go down.

WORRY FREE SYSTEM

Unlike rooftop systems, you don't need to have any panels serviced because the community solar facility is owned, operated and maintained by El Paso Electric.

EASY, NO HASSLE SIGN-UP

You won't be locked into long-term contracts.

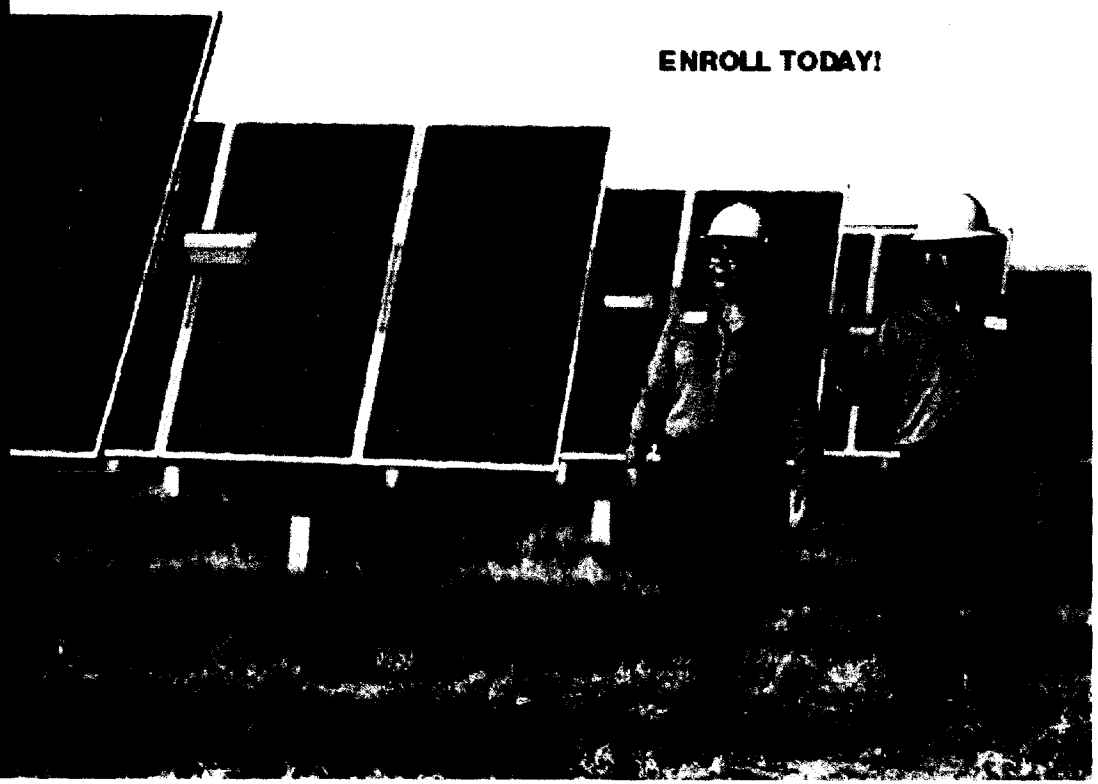
El Paso Electric

epelectric.com

COMMUNITY SOLAR PROGRAM

El Paso Electric

ENROLL TODAY!



COMMUNITY SOLAR PROGRAM

Community Solar is an exciting new and easy way to purchase solar power to help meet your electric energy needs. Our solar facility is designed with you in mind and its total energy production will be dedicated to El Paso Electric (EPE) customers who subscribe to the program.

WHO CAN JOIN

The program is open to residential and commercial customers in our Texas service area who don't already have rooftop panels, whether they rent, lease or own their home or business.

SOLAR POWER AVAILABILITY

The Community Solar facility is 3,000 kilowatts (kWs) in size and is open for subscription on a first-come-first-served basis. Once the program is fully subscribed, any customer who wishes to join will be placed on a waiting list and will be among the first notified by El Paso Electric once their desired portion of kWs is available. Please note that once you have been notified of availability, you must respond within 7 business days or face cancellation of your pending subscription.

COMMUNITY SOLAR RATE

By subscribing to the program, you are reserving a portion of the monthly energy produced by the Community Solar plant for your home or business. There is a minimum subscription of 1kW with additions available in 0.5 kW increments. The flat charge for the minimum subscription amount is $20.98 per month, which is less than a $1 a day! This amount will never go up and may actually go down, as long as you remain subscribed in the program. And the best part is that the charge for your subscription amount will be reduced by system credits based on fuel and generation savings for that particular month.

A BRIGHT NEW OPTION FOR CLEAN SUSTAINABLE ENERGY

Power your home or business with locally generated solar energy and help ensure a brighter energy future for generations to come.

Learn more and enroll today at epelectric.com.

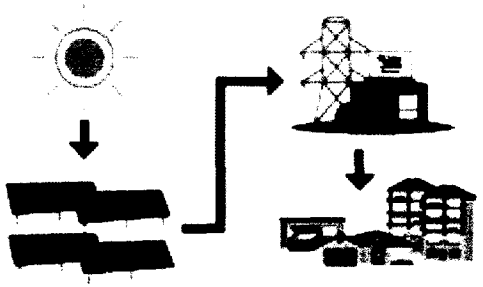
You can also contact us via email at communitysolar@epelectric.com

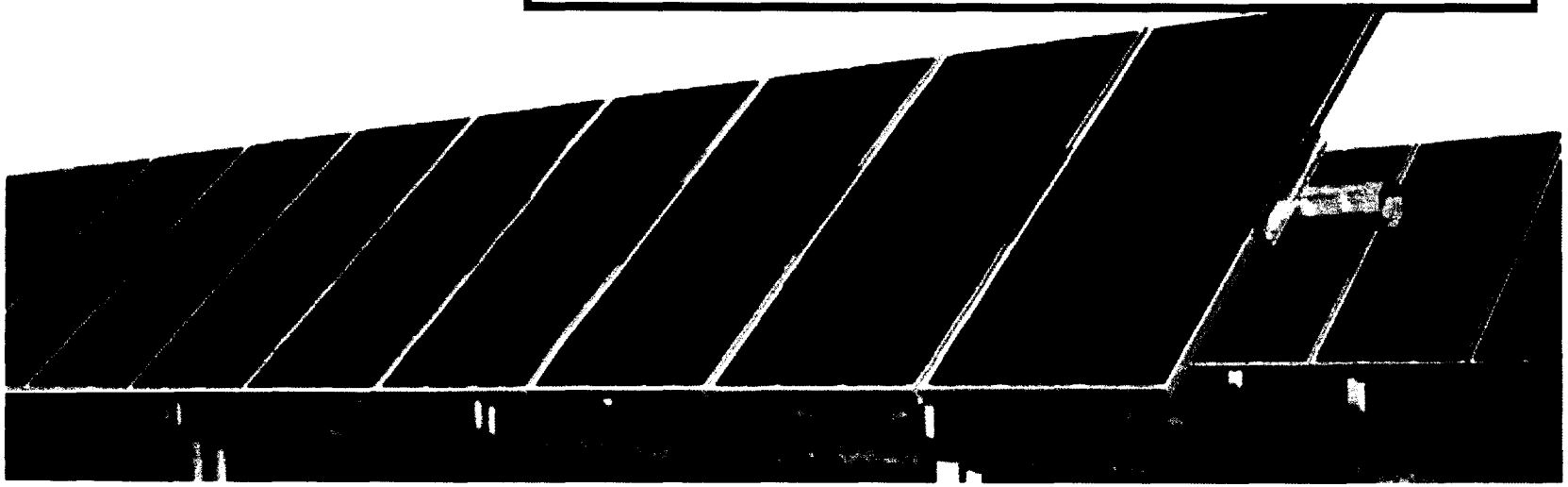
HOW IT WORKS

Our solar panels capture the sun's energy and convert it to electricity during the day.

Then the energy is placed onto the grid and allocated to each subscriber, in our Texas territory, based on their subscription.

That means no special equipment to buy, no wires to install, and no solar panels on your roof.





BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR A TWO-MW SOLAR POWER GENERATION FACILITY AND APPROVAL OF A VOLUNTARY COMMUNITY SOLAR PROGRAM	)	**Case No. 18-00099-UT**
EL PASO ELECTRIC COMPANY, Applicant.	)	

AFFIDAVIT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

Richard E. Turner hereby deposes and states under oath that the information contained in the foregoing Direct Testimony of Richard E. Turner, together with all schedules sponsored therein and exhibits attached thereto, is true and accurate based on my personal knowledge and belief.

SIGNED this 20th day of April, 2018.

RICHARD E. TURNER

Subscribed and sworn to before me this 20th day of April, 2018.

Julieta E. Cordero

My Commission expires:

October 2, 2018

JULIETA E. CORDERO
Notary Public, State of Texas
My Commission Expires
October 02, 2018