

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

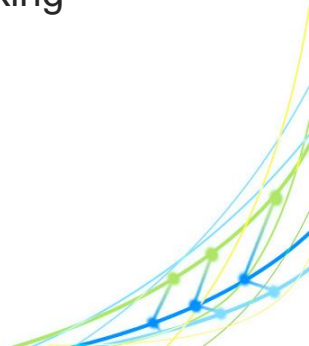


Pre-bid Webcast
December 10, 2021
Presentation is being recorded

Safe Harbor Statement

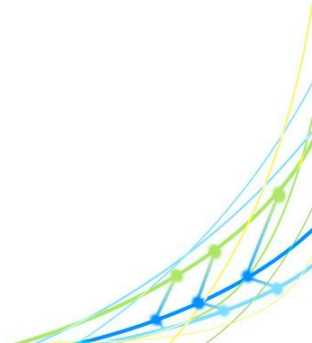
Certain matters discussed in this Pre-Bid Meeting presentation other than statements of historical information are "forward-looking statements" made pursuant to the safe harbor provisions of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934,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

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



Agenda

- Safe Harbor Statement
- Resource Planning Team Introductions
- El Paso Electric Overview
- RFP Overview
 - Requirements
 - Arrangements
 - RFP Schedule
 - Forms, Tables, and Templates
- Confidentiality and Public Disclosure
- Open Forum for Questions
 - All questions (either verbal or entered in the meeting chat box) will be taken and addressed upon conclusion of the presentation



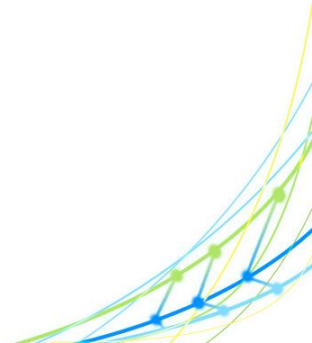
Resource Planning Project Team

➤ **EPE's Resource Planning Department**

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

➤ **Merrimack Energy Group, Inc.**

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



El Paso Electric Overview

About EPE

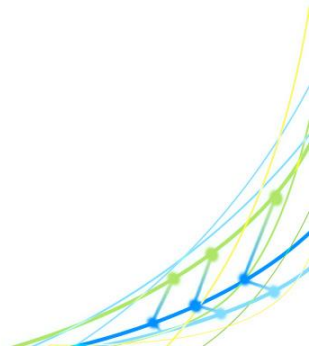
- Regulated public utility operating within the Western Electricity Coordinating Council
- Fully bundled utility engaged in the generation, transmission, and distribution of electricity
- Service area is approx. 10,000 mi² in the Rio Grande Valley in west Texas and south-central New Mexico
- EPE serves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



RFP Overview

Requirements

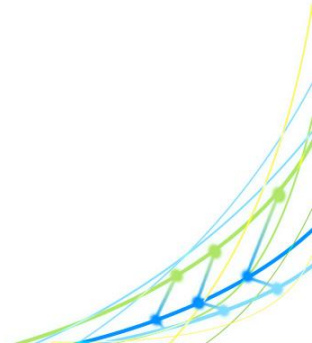
- EPE is issuing this RFP to attain the following short-term and long-term electric resources:
 - Resource(s) to support short-term capacity need of 100-125 MW between 2022 and 2024. EPE is open to short-term PPA proposals to support the need between 2022-2024 timeframe;
 - Long-term capacity resource(s) of an additional 75-100 MW for a total of 175-225 MW online no later than May 1, 2025;
- Resources must be eligible to be designated by EPE as a Network Resource under EPE's Open Access Transmission Tariff (OATT)



RFP Overview

Requirements (Cont.)

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



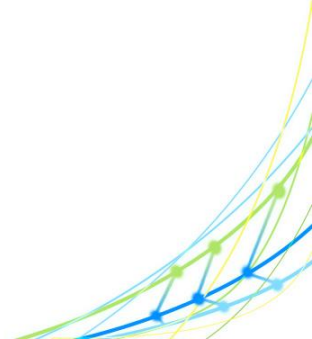
RFP Overview

Arrangements

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

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

****Any selected proposal(s) and contract(s) will be subject to EPE's Board of Directors' approval, PUCT regulatory approval, and any other applicable regulatory approval requirements.**



RFP Overview

RFP Schedule

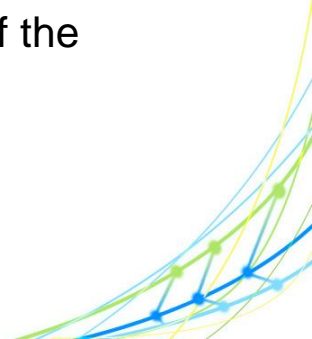
RFP Issuance	December 3, 2021
Pre-bid Meeting (Webcast)	December 10, 2021
Notice of Intent to Bid	December 23, 2021
Final Submission of Questions	January 10, 2022
Response to Questions	January 21, 2022
Proposal and Proposal Fee Due Date	February 25, 2022
Shortlist Notification	March 18, 2022
Tentative Individual Meetings (if required) with Shortlisted Bidders	March 21-25, 2022
Notice of Contract Award	March 28, 2022
Submittal to Spring Study Cluster for LGIA projects (SGIA projects need to also submit application)	March 31, 2022
Contract Execution	April 15, 2022

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

RFP Overview

Forms, Tables, and Templates

- Bidders must complete and return all required forms, tables, and templates in section **9.0 Attachments** of the RFP as instructed
 - Failure to complete and return all required forms, tables, and templates as instructed may result in disqualification of proposal(s)
- Bidders must complete and return attachment **9.1 Notice of Intent to Bid (NOI)** for proposals to be accepted (due on **December 23, 2021**)
 - EPE will inform Bidders, who filed a NOI, of any schedule changes to the extent reasonably possible
 - Bidders don't have to submit a proposal if an NOI is submitted
- Bidders must complete and return attachment **9.2 Data for All Projects**
- Please ensure to complete and submit all applicable worksheets from the Excel workbook entitled **"2021 All Source Tables and Input Templates"** which is posted on the Resource Planning webpage
- Note: If there are any bidders that submitted proposals into EPE's current New Mexico RFP that closed on November 10, 2021, bidders may submit the same proposals for this Texas RFP (Please denote if the proposals are mutually exclusive).



Confidentiality and Public Disclosure

Confidentiality

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

Public Disclosure

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

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

Questions?

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

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

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

