

EL PASO ELECTRIC COMPANY

SCHEDULE NO. CS
COMMUNITY SOLAR RATE

APPLICABILITY

This optional rate schedule is available to all Customers for voluntary participation in a Company-owned and maintained Community Solar Power facility and is administered separately from the Customer's standard electric service rate schedules. Service under this rate schedule cannot be provided until the commercial operation of the 3 MW solar power facility being constructed for this service, to be located at the Montana Power Station.

TERRITORY

Texas Service Area

TYPE OF SERVICE

"Community Solar Power" is defined as electric energy generated by means of Company-owned solar generation technology facility, and made available to participating Customers who voluntarily subscribe to a specified capacity from Community Solar Power resources.

The amount of power subscribed to by the Customer shall be set out in an *Application for Voluntary Renewable Energy-Community Solar Rate*. Customers have the option of subscribing to Standard Community Solar Service, or if available, Multi-year Contracts.

Standard Community Solar Service. Customers are required to subscribe for a twelve (12) consecutive month period. The Customer may terminate their subscription at any time upon one month's notice to the Company after one year. The subscription will commence with the Customer's first billing cycle following Company acceptance of the subscription.

Multi-year Contracts Service. Multi-year contracts for long-term subscription may be made available to qualifying Customers, with full payment for subscribed capacity due at initiation of service under the Community Solar Rate.

Customers may subscribe to Community Solar capacity from a minimum one (1) kilowatt (kW) up to a number of kilowatts (in half-kW increments) equal to the Customer's historical peak kW during the previous 12-month period. The number of kW allowed for subscription is determined at the time of enrollment. A Customer may subscribe to additional kW in subsequent contract years by submitting a new application for Company acceptance.

Participation by larger commercial and industrial customers served on Schedules 15, 24, 25, 26, 30 and 31 will initially be limited to a cumulative one (1) megawatt (MW) of the total capacity of the solar facility. This partitioning of capacity will be evaluated and revised over time in order to fully subscribe the program. Customers served on these schedules who request service on the Community Solar Rate will be placed in a queue pending availability of additional capacity.

EL PASO ELECTRIC COMPANY

SCHEDULE NO. CS
COMMUNITY SOLAR RATE

MONTHLY RATE FOR STANDARD COMMUNITY SOLAR SERVICE

The Customer must contract for a fixed capacity of not less than 1 kW (and measured in half (0.5) kW increments) for a period of one (1) year, which will be renewed automatically annually unless the customer sends a notice of termination. The monthly charge for subscribed capacity will be the total subscribed capacity multiplied by the per-kW Monthly Capacity Charge. The Monthly Capacity Charge reflects the levelized cost of the Solar Power facility, including all capital and construction costs, land leases, operation and maintenance expenses, marketing and education expenses, taxes, and a return on investment at the Company's weighted average cost of capital of 7.8%.

Subscribed Community Solar Power Capacity	Per kW
Monthly Capacity Charge	\$20.96

The System Generation Credit is determined by multiplying the sum of the applicable Base Generation rate for the Customer's applicable retail service rate and the currently applicable Texas system fuel charge provided in Schedule FFF - Fixed Fuel Factor by the Customers Solar Billing Energy.

Retail Service Schedule	Per kWh
Schedule 01 – Residential Service	0.05338
Schedule 02 – Small Commercial Service	0.06028
Schedule 07 – Outdoor Recreational Lighting Service	0.03052
Schedule 08 – Governmental Street Lighting Service	0.03000
Schedule 09 – Governmental Traffic Signal Service	0.02987
Schedule 11 – Municipal Pumping Service	0.03459
Schedule 11 – TOU Municipal Pumping Service	0.02997
Schedule 15 – Electrolytic Refining Service	0.03147
Schedule 22 – Irrigation Service	0.06174
Schedule 24 – General Service	0.04826
Schedule 25 – Large Power Service	0.03736
Schedule 26 – Petroleum Refinery Service	0.03121
Schedule 28 – Area Lighting Service	0.03000
Schedule 30 – Electric Furnace Service	0.04862
Schedule 31 – Military Reservation Service	0.03791
Schedule 34 – Cotton Gin Service	0.03004
Schedule 41 – City and County Service	0.06192

DETERMINATION OF SOLAR BILLING ENERGY (KWH)

The Customer's kilowatt hours (kWh) for purposes of calculating the applicable System Generation Credit will be determined by multiplying the ratio of the Customer's kW subscription to the Total Community Solar Power facility's kW capacity times the monthly

EL PASO ELECTRIC COMPANY

SCHEDULE NO. CS
COMMUNITY SOLAR RATE

metered kWh production output of the facility.

The Monthly Capacity Charge and System Generation Credit will appear on the participating Customer's monthly bill beginning one full regular billing cycle after initiation of service on this schedule.

MULTI-YEAR CONTRACT RATE:

Customers electing multi-year contracts for capacity will pay a discounted per-kW rate for the full term of their contract. Payment in full is required at initiation of service. The contract payment is determined by discounting the Monthly Capacity Charge (multiplied by the Customer's subscribed capacity) for the full contract term (in months) at the Company's Weighted Average Cost of Capital.

COMPANY'S RIGHT TO EARLY TERMINATION DUE TO LACK OF SUBSCRIBERSHIP:

1. If the program is not fully subscribed at any time after September 1, 2018, the Company, within its sole discretion, may allow a single customer to purchase all of the output or all of the remaining output from the facility; and
2. If less than 90% of the program's capacity is subscribed by September 1, 2018, and within five years thereafter, the Company may terminate the program and close this rate schedule on notice to the Commission and any subscribing Customers. Such notice will be subject to review by the Public Utility Commission of Texas (Commission) Staff for compliance with PURA, the Commission's rules, and the Stipulation and Order in Docket 44800. In the event the Company elects to close this rate schedule pursuant to this provision, each subscriber will receive 30 days' notice and EPE will discontinue month-to-month program operation. Long-term contract customers would have the option of:
 - A. terminating their contract and receiving a refund of the pro rata share of subscriber payments, or
 - B. continuing to purchase renewable energy from EPE under the payments and credits pursuant to the tariff until the end of the contract's term for, at a minimum, facility output equal to the facility's performance during each of the respective 12 months prior to termination of tariff so that the customer receives the benefit of the bargain.

TERMS AND CONDITIONS:

Service under this rate schedule is subject to the Company's Rules and Regulations on file with the Commission and available for inspection at Company offices. The provisions of any contract associated with service under this rate schedule are also applicable.

1. Subscription of kW will be offered to Customers by the Company as it becomes available

Section Number 1
Sheet Number 4
Page 3 of 5

Revision Number 0
Effective with bills issued on or after the first
billing cycle in October 2016

EL PASO ELECTRIC COMPANY

SCHEDULE NO. CS
COMMUNITY SOLAR RATE

- for subscription on a first-come, first-serve basis until full subscription is reached.
2. The Community Solar Capacity Charge and System Generation Credit are pursuant to the Customer's subscription and are in addition to the Customer's monthly billings pursuant to the Customer's currently applicable standard retail rate schedule. The Customer will continue to be billed for their monthly usage under their applicable standard rate schedule.
 3. All terms and conditions of the Customer's applicable standard rate schedule apply to service received under this rate schedule.
 4. The Company retains the right to deny or terminate service under this rate schedule to any Customer in arrears with the Company.
 5. Customers subscribing under the Standard Community Solar Service will be enrolled for a 12-month enrollment period and will be automatically reenrolled for successive 12-month enrollment periods in the Community Solar program upon the expiration of each 12-month enrollment period unless the Customer terminates participation with one month notice. Customers subscribing to Standard Community Solar Service may terminate participation in the Community Solar program at any time after the initial 12-month enrollment period, irrespective of the automatic re-enrollment for a 12-month period, upon giving a one month's notice of termination of participation. Notification may be written, in person, by telephone, or other means acceptable to the Company. Termination of the subscription will be effective with the monthly billing cycle after notification to the Company.
 6. Customers subscribing to Standard Community Solar Service may modify their subscribed capacity at the initiation of any 12-month subscription period, subject to availability.
 7. Standard Community Solar Service customers electing to end participation prior to the completion of any 12-month enrollment period will not be eligible to re-enroll in the Community Solar program for 12 months.
 8. Participating Customers relocating within the Company's Texas service territory may transfer existing subscriptions and associated energy to service at their new service location.
 9. Multi-year Contracts for capacity are made available at Company discretion for upfront payment of the full capacity charge for the contract period.
 10. Multi-year Contract Customers who elect to terminate participation in the Community Solar program prior to the end of their contract will receive the full amount of prepayment for the uncompleted portion of their contract period, but will forfeit the difference between

EL PASO ELECTRIC COMPANY

SCHEDULE NO. CS
COMMUNITY SOLAR RATE

the Monthly Rate and the discounted capacity charge reflected in their contract for the completed portion of the contract period. Notification may be written, in person, by telephone, or other means acceptable to the Company. Termination of the subscription will be effective with the monthly billing cycle after notification to the Company.

11. The Company will retain ownership of the Renewable Energy Certificates, as defined in PUC Subst. §25.173(c)(13), associated with the energy produced by the Community Solar facility.
12. The Company will hold harmless subscribing Customers if the facility does not operate as warranted resulting in the Company making a warranty claim, except that if the facility continues to malfunction for a period of more than six (6) continuous months or if it is determined by the Company that the facility is only operable at a significant level below the originally expected level of production, the Company may terminate this rate schedule upon thirty (30) days' notice. In the event that the Company elects to terminate the rate schedule pursuant to this provision, each subscriber with a Multi-year Contract will receive a refund of the pro rata share of the advance payments made by the subscriber. As part of its annual report to subscribers, the Company will explain the status of any warranty claims, and if a claim has been made, how the Company compensated subscribers for the lesser production.
13. The Company is not obligated to hold customers harmless in the event that lesser production is a result of reduced sunshine.