

Integrated Resource Plan Public Advisory Group

Meeting 17 – August 29, 2018

Supplemental Capacity Factor and Palo Verde Unit 3 Sensitivity



El Paso Electric

Safe Harbor Statement

Certain matters discussed in this Integrated Resource Plan ("IRP") public advisory group 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. 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 IRP public advisory group presentation, and EPE does not undertake to update any forward-looking statement contained herein, except to the extent the events or circumstances constitute material changes in this IRP that are required to be reported to the New Mexico Public Regulation Commission ("NMPRC" or "Commission") pursuant to its IRP Rule, 17.7.3 New Mexico Administrative Code.

Changes EPE made to the Final 2018 Integrated Resource Plan Report

- Capacity factor table to be added to the Report
- Strategist result for NM share of Palo Verde Unit 3 removed (to be added as appendix)

Unit Capacity Factors for Final 2018 IRP Report

PROMOD CAPACITY FACTORS (%)

UNIT	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037		
BIOMASS 1	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	88.20	
CC_M 1	---	---	---	---	---	72.09	69.17	70.30	71.30	69.02	74.87	77.94	79.29	67.86	79.89	81.62	84.02	81.03	85.84	86.66		
CC_M 2	---	---	---	---	---	---	---	---	---	---	---	---	---	68.84	71.74	73.81	75.94	73.62	76.98	77.09		
COPPER 1	2.63	2.42	2.56	2.53	1.90	1.53	1.70	1.97	2.03	1.59	1.31	1.42	1.34	---	---	---	---	---	---	---		
CT_L 1	---	---	---	---	---	---	---	---	---	46.48	45.62	48.50	49.08	43.37	43.31	46.28	46.63	49.07	48.20	48.53		
CT_L 2	---	---	---	---	---	---	---	---	---	---	49.99	43.77	44.18	38.34	34.99	36.97	39.76	42.91	40.97	42.30		
CT_L 3	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	37.90	36.24	35.30	36.88		
MONTANA 1	35.34	38.65	55.88	43.14	40.85	38.99	32.72	28.69	34.51	42.01	40.73	37.50	38.90	25.73	20.77	22.19	15.64	16.32	14.66	15.24		
MONTANA 2	24.32	27.47	36.54	31.20	27.41	23.88	21.23	22.67	22.40	25.73	19.34	21.17	20.75	13.22	7.84	9.95	6.17	6.59	5.23	5.77		
MONTANA 3	46.49	55.26	64.30	59.79	54.19	51.32	40.59	44.31	47.82	53.69	47.58	50.80	49.01	37.94	25.36	27.00	22.67	26.55	20.43	23.78		
MONTANA 4	29.61	28.84	37.06	32.62	33.84	34.04	25.64	26.00	27.32	38.51	26.65	25.65	26.17	17.61	14.34	16.12	10.56	9.24	8.95	10.10		
NEWMAN 1	26.40	36.89	31.89	38.76	34.87	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---		
NEWMAN 2	18.47	35.62	38.25	30.15	37.05	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---		
NEWMAN 3	35.58	41.84	36.02	43.28	42.90	39.90	30.93	40.49	40.69	---	---	---	---	---	---	---	---	---	---	---		
NEWMAN 4	55.02	52.60	48.93	53.32	52.63	51.78	48.15	51.33	51.63	---	---	---	---	---	---	---	---	---	---	---		
NEWMAN 5	58.85	38.48	36.32	35.63	39.08	35.22	38.08	34.52	37.40	38.82	39.26	32.12	39.57	37.35	33.75	33.01	39.55	38.85	39.54	37.01		
PALO VER 1	98.90	89.34	85.29	98.80	90.53	90.41	99.00	90.65	90.62	98.90	90.81	90.79	98.79	90.83	90.85	98.98	90.84	90.84	98.98	90.85		
PALO VER 2	86.55	99.20	90.75	89.24	98.82	90.67	90.81	99.00	90.86	90.86	99.00	90.86	90.86	99.00	90.89	90.86	99.00	90.86	90.89	99.00		
PALO VER 3	89.78	86.77	99.00	90.86	89.97	98.98	90.63	90.80	99.00	90.86	90.88	99.00	90.86	90.86	99.00	90.86	90.86	99.00	90.89	90.86		
RECP 1	---	---	---	---	---	---	---	---	---	38.00	35.69	35.66	---	---	---	---	29.18	29.46	29.03	29.09	28.83	29.09
RECP 2	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	24.50	24.72	22.66	24.46		
RIO GRAN 7	27.83	31.53	24.18	34.26	31.12	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---		
RIO GRAN 8	39.64	32.28	28.21	35.59	29.25	32.80	33.27	33.78	26.24	34.25	25.94	33.79	27.96	29.33	27.90	28.47	---	---	---	---		
RIO GRAN 9	11.19	13.64	16.15	16.58	13.04	8.39	8.77	9.65	9.16	12.32	10.17	9.90	9.41	5.71	2.25	3.26	2.61	3.07	1.90	2.56		

Palo Verde Unit 3 Sensitivity

PROVIEW LEAST COST OPTIMIZATION SYSTEM PLANNING PERIOD PLAN COMPARISON

PLAN RANK	1	2	3	4	5	6	7	8
2018								
2019								
2020	75S (2) 100S(1)	75S (2) 100S(1)	75S (2) 100S(1)	75S (2) 100S(1)	75S (2) 100S(1)	75S (2) 100S(1)	75S (2) 100S(1)	75S (2) 100S(1)
2021								
2022	75S (1) STOR(1) BS1G(1) CC_M(1)	75S (1) STOR(1) BS1G(1) CC_M(1)	75S (1) STOR(1) BS1G(1) CC_M(1)	75S (1) STOR(1) BS1G(1) CC_M(1)	75S (1) STOR(1) BS1G(1) CC_M(1)	75S (1) STOR(1) BS1G(1) CC_M(1)	75S (1) STOR(1) BS1G(1) CC_M(1)	75S (1) STOR(1) BS1G(1) CC_M(1)
2023								
2024								
2025								
2026								
2027	CC_M(1) CT_L(1)	CC_M(1) CT_L(1)	CC_M(1) CT_L(1)	CC_M(1) CT_L(1)	CC_M(1) CT_L(1)	CC_M(1) CT_L(1)	CC_M(1) CT_L(1)	CC_M(1) CT_L(1)
2028								
2029								
2030								
2031	CT_L(1) RCP2(1) BS1G(1) STOR(1) RCP1(1) CT_L(1) RCP1(1)	CT_L(1) RCP2(1) BS1G(1) STOR(1) RCP1(1) CT_L(1) RCP1(1)	CT_L(1) RCP2(1) BS1G(1) STOR(1) RCP1(1) CT_L(1) RCP1(1)	RCP1(1) RCP2(1) BS1G(1) STOR(1) RCP1(1) CT_L(1) RCP1(1)	CT_L(1) RCP1(1) STOR(1) RCP2(1) CT_L(1) RCP1(1) BS1G(1)	CT_L(1) RCP1(1) STOR(1) RCP2(1) CT_L(1) RCP1(1) PVS (1)	RCP1(1) RCP2(1) BS1G(1) STOR(1) RCP1(1) CT_L(1) RCP1(1)	RCP1(1) RCP2(1) BS1G(1) STOR(1) RCP1(1) CT_L(1) RCP1(1)
2032								
2033								
2034								
2035								
2036	PVS (1) BIO1(1) GE01(1)	BIO1(1) GE01(1) PVS (1)	GE01(1) BIO1(1) PVS (1)	PVS (1) BIO1(1) GE01(1)	PVS (1) BIO1(1) GE01(1)	PVS (1) BIO1(1) GE01(1)	BIO1(1) GE01(1) PVS (1)	GE01(1) BIO1(1) PVS (1)
2037								
P. V. UTILITY COST:								
PLANNING PERIOD	3264705.2	3266531.5	3266928.0	3267574.8	3268940.0	3269022.5	3269405.8	3269798.0
% DIFFERENCE	0.00%	0.06%	0.07%	0.09%	0.13%	0.13%	0.14%	0.16%
STUDY PERIOD RANK	1	2	3	4	5	6	7	8

For More Information

- EPE's IRP website
<https://www.epelectric.com/community/2017-18-public-advisory-group-meetings>
- E-mail NMIRP@epelectric.com to be added to the Public Advisory Group e-mail distribution list. You will receive updates on available presentation material and future meetings. Questions can also be submitted to this e-mail.