

# 2023 Texas All-Source Requests for Proposals



El Paso Electric

Pre-bid Webcast  
November 14, 2023

***\*\*\*Webcast Presentation is being recorded\*\*\****

# AGENDA

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- Resource Strategy Project Team Introductions
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- Request for Proposals (“2023 TX All-Source RFP”) Overview
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# Safe Harbor Statement

Certain matters discussed in this Pre-Bid 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 El Paso Electric Company's ("EPE" or the "Company") 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 EPE's 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.

# RESOURCE STRATEGY PROJECT TEAM

- **EPE's Resource Strategy Team**
  - Ronda Richards Griffin, Resource Strategy Analyst (Primary Contact)
  - Emmanuel Villalobos, Director – Market Development and Resource Strategy (Secondary Contact)
  - Victor Martinez, Director – Energy Resources
  - Roberto Favela, Manager – System Interconnections
  - Manuel Gomez, Resource Strategy Engineer
  - Judith Parsons, Regulatory and Resource Strategy Advisor
  - Zulma Molina, IT Security Specialist



# RESOURCE STRATEGY PROJECT TEAM (Continued)

- **Merrimack Energy Group, Inc.** [MerrimackIE@Merrimackenergy.com](mailto:MerrimackIE@Merrimackenergy.com)
  - Wayne Oliver, President
  - Keith Oliver, Vice President
- **Merrimack's Services**
  - Review and monitor RFP process
  - Ensure no 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

- EPE serves approximately 460,000 residential, commercial, industrial, and wholesale customers
- Service area is approximately 10,000 mi<sup>2</sup> in west Texas and southern New Mexico
- Part of the Western Electricity Coordinating Council (“WECC”) transmission grid
- Interconnected with Mexico and the Southwest Power Pool (“SPP”)
- Vertically integrated utility engaged in the generation, transmission, and distribution of electricity
- EPE serves load through a mix of natural gas, nuclear, solar and purchase power resources
  - Owns total net capacity of approximately 2,093 MW
  - Purchases 227 MW of solar capacity through PPA’s



# 2023 TX ALL-SOURCE RFP OVERVIEW

## RFP Update

- EPE issued an Amended RFP document
- Amended “redline” and “clean” versions of the document are available on EPE’s webpage
- Key updates:
  - Attachment 9.3 Data for all Projects
  - Notice of Intent to Bid Submissions via email
    - [epe.resource.planning@epelectric.com](mailto:epe.resource.planning@epelectric.com)
    - [ronda.richards@epelectric.com](mailto:ronda.richards@epelectric.com)
    - [emmanuel.villalobos@epelectric.com](mailto:emmanuel.villalobos@epelectric.com)
  - 2023 TX All-Source RFP On-line Group
  - Section 5.4.2 – Tax Credits Requirements

# 2023 TX ALL-SOURCE RFP OVERVIEW

## RFPs - Texas and New Mexico

- EPE has issued RFPs for Texas and New Mexico
- The New Mexico RFP is for renewable energy resources for EPE to comply with the Renewable Portfolio Standard requirements set in the New Mexico Renewable Energy Act
- The Texas RFP is for capacity for EPE to meet its growing demand in the Texas service territory



# 2023 TX ALL-SOURCE RFP OVERVIEW

## RFP Communications and General Inquiries

- Unless otherwise specified in the RFP document, all general inquiries relating to this RFP should be communicated to all three e-mail addresses listed below. All Notice of Intent to Bid (“NOI”) should also be emailed to three addresses listed below.

Primary e-mail: [epe.resource.planning@epelectric.com](mailto:epe.resource.planning@epelectric.com)

Primary Contact: Ronda Richards Griffin  
Resource Strategy Analyst  
[Ronda.Richards@epelectric.com](mailto:Ronda.Richards@epelectric.com)

Secondary Contact: Emmanuel Villalobos  
Director - Market Development and Resource Strategy  
[Emmanuel.Villalobos@epelectric.com](mailto:Emmanuel.Villalobos@epelectric.com)

- For all emails, please Indicate “TX” or “NM” at the beginning of the Subject Line

# 2023 TX ALL-SOURCE RFP OVERVIEW

## Requirements

- EPE is issuing this RFP to obtain long-term cost effective, reliable electric resources to
  - meet the increasing load requirements for Texas customers
  - replace loss of capacity due to planned retirements of existing local units
- EPE's Capacity Requirements for Texas
  - Approximately 300 megawatts ("MW") of long-term capacity by May 1, 2025, but no later than May 1, 2027
  - An additional 300 MW of long-term capacity by May 1, 2030, for a total cumulative capacity of 600 MW during EPE's summer peak periods
- EPE is open to proposals for all long-term generating resources, including renewable energy resources
- Proposals may be for supply-side and/or demand-side resources

# 2023 TX ALL-SOURCE RFP OVERVIEW

## Requirements (Continued)

- Bidders must demonstrate the ability to secure firm transmission paths to EPE's local transmission system to ultimately serve EPE's Texas retail customers
- Resources must be eligible to be designated by EPE as a Network Resource under EPE's Open Access Transmission Tariff ("OATT")
- All supply-side proposals will be required to establish real-time communications with EPE's Energy Management System ("EMS")
- Bidders must clearly define dispatch capabilities for the resource proposed
- Battery storage options, combined with standalone renewable energy proposals, must be a four-hour battery with a MW size that is 50% of the renewable energy resource's nameplate capacity
- All Renewable Energy Certificates ("RECs") associated with renewable energy proposals must transfer to EPE at no additional cost

# 2023 TX ALL-SOURCE RFP OVERVIEW

## Arrangements

- EPE is open to the following proposals:
  - long-term Purchase Power Agreements (“PPAs”) - 5 to 20 years
  - build-transfer agreements for standalone renewable energy, renewable energy paired with battery storage, and conventional generation options;
  - 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 renewable energy that are initially PPA to provide a build-transfer option at year five
  - tolling PPA for conventional gas-fired generation
  - EPE may also include a self-build option

**Any selected proposals will be subject to approval from EPE Management and required state or federal regulatory agencies**

# 2023 TX ALL-SOURCE RFP OVERVIEW



## Schedule

Milestone	Date
RFP Issuance	Tuesday, October 31, 2023
Pre-bid Webcast <sup>(1)</sup>	Tuesday, November 14, 2023
<b>Notice of Intent to Bid Due Date</b>	<b>Tuesday, November 21, 2023</b>
Date for Final Submission of Questions	Tuesday, December 19, 2023
Response to Questions	Friday, January 5, 2024
<b>Proposal and Proposal Fee Due Date</b>	<b>Friday, January 26, 2024</b>
Shortlist Notification	By Friday, February 16, 2024
<b>Notice of Final Bid Selections <sup>(2)</sup></b>	<b>By Friday, March 22, 2024</b>
Submittal to Spring Study Cluster for LGIA projects <i>(SGIA projects need to also submit application)</i> <sup>(3)</sup>	Friday, March 29, 2024

<sup>(1)</sup> The pre-bid webcast will be held via Zoom from 2:00 p.m. to 4:00 p.m., Mountain Standard Time on Tuesday, November 14, 2023. Questions concerning this RFP are to be submitted in writing via e-mail per the requirements of Section 1.3. *RFP Email Communications*, by **Tuesday, November 7, 2023**.

<sup>(2)</sup> All shortlisted bidders will be notified of whether their project was selected to move forward with contract negotiations with EPE. The final execution of any contract will be contingent upon required EPE Management and non-appealable state regulatory approvals.

<sup>(3)</sup> Selected projects larger than 20 MW are required to submit a Large Generator Interconnection Agreement ("LGIA") application and selected projects under 20 MW are required to submit a Small Generator Interconnection Agreement ("SGIA") application. **The submittal of the LGIA and SGIA applications are mandatory and must be submitted by Friday, March 29, 2024, to be included in EPE's 2024 Spring Study Cluster.**

**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.**

# 2023 TX ALL-SOURCE RFP OVERVIEW

## RFP Proposal Submissions

- EPE will be using an on-line sharing platform for Bidders to submit their proposals and all related documents
- Bidders will be required to
  - register and accept EPE's security policies to participate in the 2023 TX All-Source RFP on-line group
  - submit their Proposals and all related documents to the on-line group
- The link to register to the on-line group is available on EPE's web page at [www.epelectric.com/company/request-for-proposals/2023-texas-all-source-rfp](http://www.epelectric.com/company/request-for-proposals/2023-texas-all-source-rfp)

**Note: Bidders do not require a Microsoft license to access the on-line group, the group can be accessed through a web browser**

# 2023 TX ALL-SOURCE RFP OVERVIEW

## RFP Proposal Submissions (Continued)

- Registered bidders will have central access to their own sharing platform where they will be able to
  - communicate directly with EPE's Resource Strategy Project Team;
  - receive important updates and announcements; and
  - download and upload documents
- Bidders who register to the on-line group but do not submit a Notice of Intent will not be eligible to participate in the on-line group

# 2023 TX ALL-SOURCE RFP OVERVIEW

## Forms, Tables, and Templates

- Bidders **MUST** complete and submit the following forms which are available in section 9.0 of the RFP document.
  - Attachment 9.1 Notice of Intent to Bid
  - Attachment 9.2 Notice of Wire Payment Information
  - Attachment 9.3 Data for All Projects
- **If applicable**, Bidders are required to submit the following information which are also available in section 9.0 of the RFP document.
  - Attachment 9.4 Additional Data for Purchase Power Agreements, if applicable
  - Attachment 9.5 Additional Data for Equity Purchase (Full or Partial), if applicable
  - Attachment 9.6 Additional Data for Renewable Energy or Any Intermittent, Non-Dispatchable Resources, if applicable
  - Load Management requirements described in Section 9.7
  - Additional Data for Purchase or Equity Participation in the Bidder's New or Existing Conventional Generation Facility (e.g., Turnkey Projects) described in Section 9.8



# 2023 TX ALL-SOURCE RFP OVERVIEW

## Forms, Tables, and Templates (Continued)

- Attachment 9.1 Notice of Intent to Bid (“NOI”) is **mandatory** for proposals to be accepted. Bidders do not have to submit a proposal if an NOI is submitted
- EPE requires all proposal filing fee payments be made via wire transfer. Attachment 9.2 Notice of Wire Payment Information is **mandatory** to track the proposal fee payments. Bidders must complete and submit Attachment 9.2 **PRIOR** to sending the wire payment to EPE
  - EPE will post the Electronic Payment Instructions on the 2023 TX All-Source RFP on-line group
- Attachment 9.3 Data for All Projects – Please complete/submit the amended version
- Bidders MUST also complete and submit all applicable worksheets from the Excel workbook entitled “2023 TX All-Source RFP Tables and Input Templates” which will be available on EPE’s webpage and in the 2023 TX All-Source RFP on-line group after receipt of all NOIs

**Failure to complete and submit all required forms, tables, and templates as instructed may result in disqualification of proposal**

# 2023 TX ALL-SOURCE RFP OVERVIEW

## 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 1.5 (Confidentiality of Responses) in the RFP document for complete and detailed information**

# 2023 TX ALL-SOURCE RFP OVERVIEW

## EPE's Webpage

- EPE's webpage for the 2023 TX All-Source RFP  
[www.epelectric.com/company/request-for-proposals/2023-texas-all-source-rfp](http://www.epelectric.com/company/request-for-proposals/2023-texas-all-source-rfp)
- Please visit the webpage for important updates and announcements to this RFP
- To register to the 2023 TX All-Source RFP on-line group, simply go to EPE's webpage to get started

# QUESTIONS

The official responses to questions from this pre-bid webcast and any general questions asked prior to this pre-bid webcast, will be provided in writing and will be posted on EPE's webpage for the 2023 TX All-Source RFP at [www.epelectric.com/company/request-for-proposals/2023-texas-all-source-rfp](http://www.epelectric.com/company/request-for-proposals/2023-texas-all-source-rfp)

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

- obtain the answers from EPE subject matter experts,
- prepare the official response in writing, and
- post the official responses on EPE's webpage and/or the 2023 TX All-Source RFP on-line group as soon as reasonably possible