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**El Paso Electric Plans to Add First Ever Utility-Scale Battery Storage,
Hundreds of MWs of Solar Energy by 2023**

New sources of generation to support customer growth and replace older units

EL PASO, Texas – El Paso Electric (EPE) (NYSE: EE) continues to take steps to make its power generation portfolio cleaner and more sustainable by enacting a long-term energy supply resource plan that includes expanding solar energy, introducing utility-scale battery storage, and constructing a new state-of-the-art-natural gas-fired generation unit. If the projects receive regulatory approval, the added generation resources will help meet EPE’s 2022-2023 summer peak seasons energy demand and replace older, less efficient gas-fired generation.

In 2017, in response to continued customer and load growth as well as a need to replace power from aging generation units, EPE determined that additional capacity of approximately 50 megawatts (MW) by 2022 and 320 MW by 2023 was needed to continue to meet the needs of its customers. After an extensive review of proposals received in response to an All Source Request for Proposal, three Long-Term Purchased Power Agreements (LTPPAs) and a new gas-fired generation unit were chosen. The LTPPAs provide for the purchase of energy and capacity from a 100 MW solar facility to be constructed in Santa Teresa, New Mexico, a 100 MW solar facility combined with 50 MW of battery storage to be constructed in Otero County, New Mexico, and a 50 MW stand-alone battery storage facility to be constructed in Canutillo, Texas. The 228 MW gas-fired generation unit is expected to be constructed at EPE’s existing Newman Power Plant site (Newman Unit 6). The two 50 MW battery storage projects will be EPE’s very first utility-scale battery storage resources.

“Over the last year we have continued seeing growth in our region and have added approximately 7,000 customers. Additionally, because of falling renewable energy prices, and changing customer expectations on how they receive their energy, we are able to offer more sustainable solutions. Today’s announcement further underscores our responsibility to both increase and enhance our power generation capability while simultaneously meeting our regional customers changing needs in a safe, clean, reliable, and cost-effective manner,” said EPE’s Interim Chief Executive Officer Adrian J. Rodriguez. “Our ability to grow our renewable energy portfolio with additional solar is maximized with the addition of battery storage capability. By being able to introduce large-scale battery storage into our region, we will, for the first time ever, be able to harness the power of the sun from our solar facilities and utilize that energy at night and during cloudy days.”

Hecate Energy will take the lead on the first project, a 100 MW solar facility in Santa Teresa. A subsidiary of NextEra Energy Resources will develop, own and operate the second project, a 100 MW solar facility in Otero County that will also include 50 MWs of battery storage. Ørsted

Onshore (formerly Lincoln Clean Energy) will serve as the project developer of the third project, a 50 MW battery storage facility in Canutillo. Pending approval of the necessary regulating bodies, the two solar facilities coupled with 50 MW of battery storage are anticipated to be in service by May 2022. The 50 MW stand-alone battery storage facility and the new gas generation unit are expected to be in service prior to summer 2023.

The addition of these energy resources will nearly triple EPE's renewable energy portfolio, a landmark achievement since EPE's announcement in 2016 as the first in Texas and New Mexico to go 100% coal-free. EPE's choice to divest its interests in the coal-fired generating plant, Four Corners Generating Station, was the equivalent of eliminating two billion pounds of carbon dioxide from the atmosphere, which was done along with a promise to increase its investment in utility-scale solar.

"Hecate is fortunate to work with many leading North American utilities deploying thousands of megawatts of next-generation, carbon-free solar power, and in our experience, EPE is a top performer," shares Alex Pugh, manager of development for Hecate Energy.

"We are pleased to help EPE diversify its energy generation and provide cost-effective, clean, and reliable renewable energy to its customers," said Matt Handel, vice president of development for NextEra Energy Resources, the world's largest generator of renewable energy from the wind and the sun. "The Buena Vista Solar project, which will be paired with a battery energy storage system, will allow EPE to provide customers with more renewable energy and capacity over more hours of the day, even when the sun is not shining."

"We are delighted to be partnering with El Paso Electric on the Canutillo Energy Project," stated Frank O'Sullivan, Senior Vice President, Strategy for Ørsted Onshore. "Ørsted is committed to bringing cutting edge storage solutions to the market to help our partners like EPE reliably and cost effectively meet the evolving energy needs of the communities they serve."

Newman Unit 6 is expected to be a Mitsubishi 228 MW air-cooled natural gas generation unit and is part of EPE's long-term energy supply resource plan aimed at replacing older, less-efficient, more water intensive generation units that the EPE plans to retire in the next several years.

"MHPS (Mitsubishi Hitachi Power Systems) is proud that El Paso Electric has selected our air-cooled [GAC technology](#) for the Newman 6 project. Like our customers throughout the United States, EPE is using a combination of renewables, storage and natural gas power generation to replace more carbon-intensive assets and meet their growing demand for cleaner, affordable and reliable electricity," shares Paul Browning, president and chief executive officer for MHPS. "Our GAC technology provides fast-start, fast-ramping capability to compliment intermittent renewable power, and air cooling to minimize water usage. We are helping EPE achieve a Change in Power."

About El Paso Electric

El Paso Electric is a regional electric utility providing generation, transmission and distribution service to approximately 430,000 retail and wholesale customers in a 10,000 square mile area of the Rio Grande valley in west Texas and southern New Mexico.

About Hecate Energy

Hecate Energy is a leading developer, owner and operator of renewable power projects and storage solutions in North America and select international markets. Founded in 2012 by a team of industry veterans, Hecate has entered into over 1.4 gigawatts (GW) of renewable Power Purchase Agreements (PPAs), including 180 megawatt-hours (MWh) of battery storage contracts. Hecate has developed and built hundreds of megawatts of operating solar projects and battery storage projects totaling over \$600 million in asset value. The company is in negotiations for an additional 1 GW of new solar PPAs and has more than 8 GW of additional renewable power in its active project pipeline. Hecate is headquartered in Chicago, IL and has offices in Los Angeles, CA, Columbus, OH, and Darien, CT.

For more information please visit the Hecate Energy website at <http://www.hecateenergy.com/>

About Ørsted Onshore

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore and onshore wind farms, solar farms and energy storage facilities, bioenergy plants and provides energy products to its customers. Headquartered in Denmark, Ørsted employs 6,500 people. Ørsted's U.S. business operates approximately 1GW of onshore wind assets with a further 1.1GW of onshore wind, solar PV and storage under construction.

For more information on Ørsted, visit orsted.com or follow us on Facebook, LinkedIn, Instagram and Twitter.

Forward-Looking Statements

Certain matters discussed in this news release, other than statements of historical fact, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include those statements regarding regulatory approvals and the expected timing of completion of the facilities discussed above. Forward-looking statements often include words like "believe", "anticipate", "target", "project", "expect", "predict", "pro forma", "estimate", "intend", "will", "is designed to", "plan", and words of similar meaning, or are indicated by EPE's discussion of strategies or trends. Forward-looking statements describe EPE's future plans, objectives, expectations or goals. Although EPE believes that the expectations reflected in such forward-looking statements are reasonable, no assurances can be given that these expectations will prove to be correct. Such statements address future events and conditions and include, but are not limited to, statements relating to: (1) EPE's long-term energy supply resource plan, (2) the timing and receipt of regulatory approvals for the LTPPAs and the new gas-fired generation unit and (3) the timing of completion of the facilities discussed above. This information may involve risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. 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 and in other filings made by EPE with the U.S. Securities and Exchange Commission from time to time. Any such forward-looking statement is qualified by reference to these risks and factors. EPE cautions against putting undue reliance on forward-looking statements or projecting any future results

based on such statements. Forward-looking statements speak only as of the date of this news release, and EPE does not undertake to update any forward-looking statement contained herein.

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