

2023 Request for Proposals for Renewable Energy for New Mexico



Pre-bid Webcast
October 20, 2023

******Presentation is being recorded******



AGENDA

- Safe Harbor Statement
- Resource Strategy Project Team Introductions
- El Paso Electric Overview
- New Mexico Renewable Portfolio Standard (“RPS”) Requirements
- Request for Proposals (“2023 NM RPS RFP”) Overview
 - Requirements
 - Arrangements
 - RFP Schedule
 - Proposal Submission
 - Forms, Tables, and Templates
 - Confidentiality and Public Disclosure
 - EPE’s Webpage
- Questions

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
 - Monica Garcia, Resource Strategy Engineer (Primary Contact)
 - Emmanuel Villalobos, Director – Market Development and Resource Strategy (Secondary Contact)
 - Victor Martinez, Director – Energy Resources
 - Roberto Favela, Manager – Interconnection and Transmission
 - Manuel Gomez, Resource Strategy Engineer
 - Felipe Mejia, Resource Strategy Analyst
 - Judith Parsons, Regulatory and Resource Strategy Advisor
 - Zulma Molina, IT Security Specialist

RESOURCE STRATEGY PROJECT TEAM (Continued)

- **Merrimack Energy Group, Inc.**
 - Wayne Oliver, President
 - Keith Oliver, Vice President
 - Email: MerrimackIE@Merrimackenergy.com
- **Merrimack's Services**
 - 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

- Service area is approximately 10,000 mi² in west Texas and southern New Mexico
- Part of the Western Electricity Coordinating Council (“WECC”) transmission grid
- Interconnected with Mexico and the Southern Power Pool (“SPP”)
- Vertically integrated utility engaged in the generation, transmission, and distribution of electricity
- EPE serves approximately 460,000 residential, commercial, industrial, and wholesale customers
- 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



NEW MEXICO RENEWABLE PORTFOLIO STANDARD (RPS)

Requirements

- New Mexico Renewable Energy Act NMSA 1978 (“REA”) was implemented through New Mexico Public Regulation Commission (“NMPRC”) Rule 572
- RPS requirement must be attained through a competitive bidding process
- EPE is required to meet 40% of its New Mexico retail energy sales with renewable energy resources beginning in 2025
- Only renewable energy that is delivered to EPE and assigned to EPE’s New Mexico customers meet the RPS requirements
- RPS requirements by year per the REA:
 - 2025: 40% of NM retail energy sales
 - 2030: 50% of NM retail energy sales
 - 2040: 80% of NM retail energy sales
 - 2045: 100% of NM retail energy sales with zero carbon resources

2023 NM RPS RFP OVERVIEW

Requirements

- EPE is issuing this RFP for Renewable Energy for New Mexico to obtain short-term and/or long-term, cost effective and reliable renewable electric resources
 - EPE requires up to 150,000 megawatt-hours (“MWh”) per year of guaranteed renewable energy by May 1, 2025, if achievable, but no later than May 1, 2027.
 - For purposes of this RFP “guaranteed renewable energy” means a minimum required amount of renewable energy delivered to EPE’s system and assigned to customers in New Mexico
- All Renewable Energy Credits (“REC”) associated with renewable energy proposals must transfer to EPE at no additional cost

2023 NM RPS 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 New Mexico retail customers
- Resources must be eligible to be designated by EPE as a Network Resource under EPE's Open Access Transmission Tariff (OATT)
- 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")

2023 NM RPS RFP OVERVIEW

Arrangements

- EPE is open to the following proposal arrangements listed below:
 - short-term or long-term PPA's
 - proposals for build-transfer agreements for standalone renewable energy or renewable energy paired with battery storage
 - 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 renewable energy that are initially PPA to provide a build-transfer option at year five
 - EPE may also include a self-build option
- If Bidder's project is not viable by May 1, 2027, EPE is interested in the submission of the Bidder's proposal(s) with respective timeline(s) and pricing

**** Any selected proposals will be subject to approval from EPE Management and NMPRC**

2023 NM RPS RFP OVERVIEW

Milestone	Date
RFP Issuance	Friday, October 6, 2023
Pre-bid Webcast *	Friday, October 20, 2023
Notice of Intent to Bid Due Date	Friday, November 3, 2023
Date for Final Submission of Questions	Friday, December 1, 2023
Response to Questions	Friday, December 22, 2023
Proposal and Proposal Fee Due Date	Friday, January 5, 2024
Shortlist Notification	Friday, January 26, 2024
Notice of Final Bid Selections **	Friday, March 15, 2024
Submittal to Spring Study Cluster for LGIA projects *** <i>(SGIA projects need to also submit application)</i>	Friday, March 29, 2024

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.

* EPE highly encourages potential bidders to submit questions in advance of the Pre-bid webcast to facilitate preparation of responses and make available at the Pre-bid webcast.

** 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.

*** Selected projects larger than 20 MW, are required to submit a Large Generator Interconnection Agreement (“LGIA”) application by March 29, 2024, into the Spring 2024 cluster study. Projects under 20 MW are also required to submit a Small Generator Interconnection Agreement (“SGIA”) application.

2023 NM RPS RFP OVERVIEW

Proposal Submissions

- **UPDATE FOR SUBMISSION OF PROPOSALS**
 - Submission of proposals via email as instructed on the RFP document is no longer valid
 - EPE moving to the Microsoft Teams environment
 - Bidders will submit their proposals on-line through Microsoft Teams
 - Bidders will be required to register and accept EPE's security policies to participate in the 2023 NM RPS RFP Teams Group
 - Registered bidders will have central access to:
 - important updates and announcements;
 - communicate with EPE's Resource Strategy Team; and
 - download and upload files
 - Bidders who submit a Notice of Intent to Bid (NOI) will be eligible to register. Bidders who register but do not submit a NOI will be removed from accessing the 2023 NM RPS RFP Teams Group
- **SUBMISSION OF NOIs**
 - Due to the timing of this change, EPE will accept NOIs via email. Please email the completed NOIs to the recipients listed here
 - EPE.Resource.Planning@epelectric.com; Monica.Garcia@epelectric.com; Emmanuel.Villalobos@epelectric.com

2023 NM RPS 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 complete and submit the following forms 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 Intermittent, Non-Dispatchable Renewable Energy Resources, if applicable
- Bidders **MUST** also complete and submit all applicable worksheets from the Excel workbook entitled “2023 NM RPS RFP Tables and Input Templates” which will be posted on the EPE’s webpage the week of October 23, 2023.

2023 NM RPS RFP OVERVIEW

Forms, Tables, and Templates (Continued)

- Attachment 9.1 Notice of Intent to Bid (“NOI”) is **mandatory** for proposals to be accepted. Bidders must complete and submit Attachment 9.1 by 11:59 PM, Mountain Daylight Time on **Friday, November 3, 2023**. Bidders do not have to submit a proposal if an NOI is submitted
- EPE requires all proposal fee payments be made via wire transfer. Attachment 9.2 Notice of Wire Payment Information is **mandatory** to track the proposal fee payments which are due on Friday, January 5, 2024. 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 NM RPS RFP Teams Group
- Failure to complete and submit all required forms, tables, and templates as instructed may result in disqualification of proposal

2023 NM RPS 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 1.4 (Confidentiality of Responses) in the RFP document for complete and detailed information

2023 NM RPS RFP OVERVIEW

EPE's Webpage

- Please visit the EPE website for important updates and announcements to this RFP
- Or if bidders are certain in submitting their proposal to EPE, go to EPE's webpage and get registered to the 2023 NM RPS RFP Teams Group
- EPE's webpage for the 2023 NM RPS RFP:

www.epelectric.com/company/request-for-proposals/2023-rfp-for-renewable-energy-for-new-mexico

QUESTIONS?

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 NM RPS RFP** at:

<https://www.epelectric.com/company/request-for-proposals/2023-rfp-for-renewable-energy-for-new-mexico>

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
- Prepare the answers in writing
- Post the answers on EPE's webpage as soon as reasonably possible