

**2023 ALL-SOURCE
REQUEST FOR PROPOSAL FOR
ELECTRIC POWER SUPPLY
AND
LOAD MANAGEMENT RESOURCES
FOR TEXAS
(REVISED)**

P.O. Box 982
El Paso, Texas 79960

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1.0 INTRODUCTION

El Paso Electric Company (“EPE”) is issuing this All-Source Request for Proposal for Texas (“RFP” or “2023 TX All-Source RFP”) to obtain long-term cost effective, reliable electric resources that will meet its Texas customer load requirements. Proposals may be for supply-side and/or demand-side resources (“resources”). Through initial resource planning studies, EPE has determined it will need approximately 300 megawatts (“MW”) of long-term capacity by May 1, 2025, but no later than May 1, 2027. EPE will need 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 beginning the month of May through the end of September. EPE’s peak hours are 1:00 p.m. to 6:00 p.m. Mountain Prevailing Time (“MPT”). The long-term capacity that EPE requires and is seeking is to (i) meet existing and increasing Texas load requirements, especially due to unprecedented higher loads experienced this past summer 2023, and (ii) replace loss of capacity due to planned retirements of existing local units. The capacity proposed will be based on the project’s specific characteristics and project type as bid into this RFP. Also, EPE will consider proposals from persons and/or entities (“Bidders”) responding to this RFP for delivery of renewable energy to EPE, and the transfer of all associated Renewable Energy Certificates (“RECs”) at no additional cost, from supply-side renewable energy sources.

In summary, EPE is issuing this RFP to obtain total cumulative long-term capacity of approximately 600 MW during its summer peak periods, beginning the month of May through the end of September, in two tranches:

- The first tranche is to help fulfill EPE’s 300 MW capacity need in the 2025-2027 timeframe; resources to be online and operational by May 1, 2025, but no later than May 1, 2027; and
- The second tranche is for an additional 300 MW to help fulfill EPE’s capacity long-term needs by 2030; resources to be online and operational by May 1, 2030.

EPE will consider the following proposals: purchased power agreement (“PPA”) for sale of capacity and/or energy; EPE purchase or equity participation in the Bidder’s new or existing generation facility; build-transfer agreements (“BTA”); load management programs implemented by the Bidder, including distributed generation (“DG”); as well as other proposals that will help EPE achieve its long-term energy and capacity needs. **Please note that EPE may also submit a self-bid in response to this RFP.**

About EPE

EPE is a fully bundled public utility engaged in the generation, transmission, and distribution of electricity in an area of approximately 10,000 square miles in the Rio Grande Valley in west Texas and south-central New Mexico. EPE owns or has significant ownership interests in five power generating stations and several solar generating facilities providing it with a total net capacity of approximately 2,093 megawatts (“MW”). In addition, EPE has PPAs with six companies for an additional nameplate capacity of approximately 227 MW (solar).

EPE serves approximately 460,000 residential, commercial, industrial, and wholesale customers. EPE distributes electricity to retail customers principally in El Paso, Texas, and Las Cruces, New Mexico. EPE’s retail electric rates and services are regulated by the Public Utility Commission of Texas (“PUCT”) and the New Mexico Public Regulation Commission (“NMPRC”). EPE’s principal industrial and other large customers include steel production, copper and oil refining and United States military installations, such as the United States Army Air Defense Center at Fort Bliss in Texas, the White Sands Missile Range in New Mexico, and the Holloman Air Force Base in New Mexico.

RFP Summary

EPE's preference is for capacity resources that can provide high availability, guarantee generation output during peak hours in the months of May through September, as well as guarantee a minimum annual generation output for renewable energy resources. EPE will consider acquiring a single resource or a combination of supply-side and/or demand-side resources that are proposed and evaluated in response to this RFP. EPE also has a Texas Renewable Portfolio Standard ("RPS") requirement for renewable energy to be sited in Texas to qualify. EPE may take this into consideration when evaluating renewable resources; however, EPE is open to consider renewable resources sited outside of Texas.

EPE will use a single-stage pricing process to evaluate proposals in response to this RFP. **Be advised that the evaluation and selection of proposals will be based solely on the proposals submitted on the proposal due date.** This RFP process will not allow for a Best and Final proposals stage. EPE will utilize a third-party independent evaluator ("IE") to oversee this RFP process. The IE will have access to all proposals and will actively participate in this RFP process.

For purposes of this RFP "guaranteed" means a minimum required amount of generation output for capacity resources; and a minimum required amount of renewable energy and associated RECs delivered to EPE's system for renewable energy resources.

1.1 Purpose

Proposals received from Bidders in response to this RFP will be evaluated to identify resources that could assist EPE in its efforts to continue to provide cost effective, reliable, and adequate electric service to its Texas customers. Following a review of technical and economic factors, as more fully described herein, EPE will determine the proposal(s) that best meets its long-term objectives and may initiate contract negotiations with Bidder(s) as appropriate. All selected proposals and contracts will be subject to approval from EPE Management and from any other required state or federal regulatory agency.

1.2 RFP Document Description

Section 2 of this RFP provides more detail about the EPE electric system and projected resource needs. Section 3 outlines the anticipated RFP Schedule for the receipt and evaluation of proposals. Section 4 describes the proposal submittal requirements. Section 5 identifies the requirements specific to resource types. Section 6 summarizes the proposal preparation instructions. Section 7 summarizes the proposal evaluation process. Section 8 is a Notice of Disclaimer. Section 9 contains the form attachments that are required in the proposal submittal. Section 10 describes the excel templates that are also required in the proposal submittal.

1.3 RFP Email Communications

Unless specified in other sections of this document, all general inquiries relating to this RFP should be communicated to all three e-mail addresses listed below. In addition, Attachment 9.1 Notice of Intent to Bid, should be submitted to all three email addresses listed below.

Primary e-mail: epe.resource.planning@epelectric.com

Primary Contact: Ronda Richards Griffin
Senior Resource Strategy Analyst
ronda.richards@epelectric.com

Secondary Contact: Emmanuel Villalobos
Director - Market Development and Resource Strategy
emmanuel.villalobos@epelectric.com

In addition, please visit the EPE web page at www.epelectric.com/company/request-for-proposals for important updates and announcements to this RFP.

1.4 RFP Document Submission

EPE will be using an on-line sharing platform, such as Microsoft Teams or SharePoint, for all RFP document submissions. All bidders who plan to submit their proposals and all related documents will be required to register and accept EPE's security policies to gain access to the 2023 TX All-Source RFP on-line group. The link to register to the on-line group will be available on EPE's web page at www.epelectric.com/company/request-for-proposals.

Note: EPE will open the on-line group by the end of November 2023. Please submit Attachment 9.1 Notice of Intent to Bid to the email addresses listed in Section 1.3 RFP Email Communications.

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

Registrants will have central access to their own sharing platform/channel where they will be able to:

- communicate directly with EPE RFP representatives;
- receive important updates and announcements;
- download documents; as well as
- 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.

1.5 Confidentiality of Responses

EPE will consider proposals, and other information submitted by Bidders, to be "Confidential" only if such materials are clearly designated as "Confidential." It is the Bidder's responsibility to clearly indicate in its proposal the information it deems to be "Confidential." Bidders may not mark an entire proposal as confidential. Except as required by regulatory reviews, EPE will use reasonable efforts to avoid disclosure of such confidential information to persons other than those involved with the evaluation, selection, and any subsequent negotiations. To the extent that Bidders receive confidential information from EPE, Bidders

shall maintain the confidentiality of such information and such information shall not be made available to, distributed, or otherwise shared with any entity before, during or after this RFP process unless required by law or regulatory order.

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, specifically including, but not limited to, the PUCT and/or NMPRC, even if marked "Confidential." All Bidders shall cooperate with EPE, as it deems necessary or appropriate in its sole discretion, in making technological descriptions, pricing, and other contract terms available for review as part of any regulatory approval process. EPE will follow applicable orders and rules of the PUCT and/or other applicable agency, including any protective orders issued, such as disclosure of price, terms, or other information as required; therefore, EPE cannot promise that information marked as confidential will not be publicly disclosed, and, as such, EPE cannot be held liable for any information that is ordered to be released or that is inadvertently released.

Additionally, as EPE deems necessary and appropriate, Bidders whose proposals are selected agree that key terms of negotiated agreements are subject to PUCT and/or NMPRC and any other regulatory and governmental agency reviews and approvals. Key terms include: (1) term and any option to extend the term; (2) the size of the capacity in MW 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; (3) price or pricing formulae including any reopeners and escalation provisions, and (4) any fixed and/or variable costs.

Moreover, information submitted in response to this RFP may become subject to federal or state laws pertaining to public access to information resulting from any reviews conducted by the aforementioned agencies. EPE shall not be liable for the release of any information subject to disclosure under any laws pertaining to public access to information.

2.0 EL PASO ELECTRIC COMPANY SYSTEM DESCRIPTION

2.1 System Overview

EPE's service territory operates within the Western Electricity Coordinating Council ("WECC") and is located on the southeast corner of the WECC system. EPE serves its load through a mix of natural gas, nuclear and solar generation resources. Remote nuclear generation and purchased power are imported via 345 kilovolt ("kV") tie-lines.

2.2 Existing Generation Resources

Existing generation resources owned or purchased by EPE are as follows:

- EPE currently owns 633 MW of capacity at the Palo Verde Generating Station ("PVGS") from Units 1, 2, and 3. These resources are outside EPE's service area, and their output is imported via EPE's 345 kV tie-lines.
- EPE currently owns approximately 1,500 MW of local generation for baseload, intermediate and peaking service. These local generating resources are fueled by natural gas and include 63 MW at its Copper Generating Station, 227 MW at its Rio Grande Generating Station, 858 MW at its Newman Generating Station which includes 228 MW from Newman Unit 6 (operation expected to commence in late 2023) including, and 352 MW of peaking generation at its Montana Power Station.
- EPE currently purchases the output of utility-scale solar facilities totaling a gross capacity of approximately 227 MW.
- EPE also owns several small solar facilities.

Additionally, approximately 44 MW of generation at the Rio Grande Generating Station will be retired consistent with the NMPRC's abandonment order. EPE plans to file for NMPRC approval for the abandonment of Rio Grande Power Station Unit 7 ("RG7") and Newman Generating Station Unit 1 ("NM1") in 2023.

2.3 Service Territory

The EPE service territory extends from west Texas to south-central New Mexico as illustrated in Figure 1 below. Copper, Rio Grande, Newman, and Montana Power Stations are located in the El Paso area. The Palo Verde Generating Station is located west of Phoenix, Arizona.



Figure 1 - EPE Service Territory and Electric System

2.4 Future Resource Requirements

EPE has long-term capacity needs for approximately 300 MW by May 1, 2025, but no later than May 1, 2027; and an additional 300 MW by May 1, 2030, for a total cumulative capacity of 600 MW during EPE's summer peak periods beginning the month of May through the end of September. The project's capacity/size is dependent on the project's characteristics and type to reliably meet its Texas customer load requirements. It is understood that proposals may not explicitly match the requested capacity; therefore, EPE will evaluate proposals to identify the most cost-effective resources or combination of resources that best meet this RFP's capacity requirements. EPE may choose not to consider proposals that are significantly greater than the current capacity needs depending on whether the proposals offer benefit to customers. EPE will consider 300 MW proposals with commercial operation dates ("COD") achievable by summer peak 2024. EPE has a summer peaking load and will evaluate capacity and/or capacity and energy proposals based on their summer output profiles. EPE's evaluation will include a review of expected annual output profiles and dispatchability of the proposals to determine their ability to maintain reliability and provide flexibility for balancing year-round. Resources with the flexibility to be used in multiple applications including, but not limited to, providing capacity for peak-usage times, economic dispatch in real-time markets, intra-hour balancing, and contingency reserves are anticipated to demonstrate higher values in EPE modeling. While shorter term availability must be satisfied by the proposals, competitive resources with the ability to also support EPE's long-term portfolio needs will be evaluated more favorably. Additionally, EPE anticipates a higher value for resources that will help integrate and firm up its increasing portfolio of variable energy resources. Furthermore, to quantify the capacity contribution of different energy resource types, EPE will also evaluate proposals based on the effective load carrying capability ("ELCC") of the resource(s). The ELCC of each resource type will feed into EPE's resource portfolio analyses and help serve as a basis for ensuring resource adequacy. EPE's goal of having an appropriate level of resource adequacy is important to provide both reliable and affordable service for its Texas customers.

EPE presently has an adequate amount of baseload generation with its 633 MW ownership share of nuclear generation at the Palo Verde Generating Station. Additional baseload generation may not be conducive to integration with EPE's existing resource mix. EPE also currently has five existing quick-start combustion turbines. A proposal's resource flexibility for dispatch and ramping will also be considered to determine the necessary portfolio mix.

EPE makes no representations regarding the level of dispatch and energy requirements from supply-side and demand-side resources proposed in response to this RFP. Dispatch and energy purchases will be a function of the economic dispatch of all EPE resources, including potential economy energy and spot energy purchases from the market.

2.5 Timing of Capacity and RPS Resource Need

Pursuant to this RFP, EPE is soliciting capacity proposals with CODs on or before May 1, 2025, but no later than May 1, 2027, for the first 300 MW capacity tranche, and on or before May 1, 2030, for the second 300 MW capacity tranche. Proposals must include plans for project execution inclusive of long-lead equipment acquisition, land acquisition, permitting, securing transmission interconnection and its associated identification of necessary upgrades to the EPE transmission system or adjacent transmission systems, facility construction, and other critical timeline activities to demonstrate viability to meet proposed COD. EPE will consider the economics of all proposed projects based on their respective CODs overall. Also, EPE has a Texas RPS requirement for renewable resources that must be sited in Texas to qualify as providing energy for Texas RPS purposes. EPE may take this into consideration when evaluating renewable resources; however, EPE is open to consider renewable resources sited outside of Texas in this RFP.

3.0 SCHEDULE

The following schedule and deadlines apply to this RFP:

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

⁽¹⁾ The pre-bid webcast will be held via Zoom from 2:00 p.m. to 4:00 p.m. MPT 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.

⁽²⁾ 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.

⁽³⁾ 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 March 29, 2024, to be included in EPE’s 2024 Spring Study Cluster.**

EPE reserves the right to modify, cancel or withdraw this RFP and to revise the schedule specified above if, in its sole discretion, such changes are necessary. The IE will be notified of any modifications, revisions, and/or changes pertaining to this RFP documents and/or RFP process. To the most reasonable extent possible, EPE will inform Bidders, who filed a Notice of Intent to Bid, of schedule change.

3.1 RFP Issuance

EPE will extend an invitation to participate in this RFP process via e-mail to all potential participants in its RFP email distribution list, on the issuance date. EPE will issue a press release to notify the media, energy industry trade publications, and the general public to reach as many potential participants as possible. EPE will post this RFP on its website (www.epelectric.com) on **Tuesday, October 31, 2023**, this RFP issuance date. When on the EPE website, click on “Request for Proposals” located on the bottom left corner of the page, beneath the section header “**COMPANY**,” to access this RFP or click on the following link: www.epelectric.com/company/request-for-proposals.

Receipt of this RFP invitation should be confirmed via e-mail as per this RFP communication and general inquiries process listed in Section 1.3.

3.2 Pre-bid Webcast

A Pre-bid webcast will be held on **November 14, 2023, at 2:00 p.m. MPT** via Zoom Meeting. The webcast link and sign-on information will be posted on EPE’s web page (refer to Section 3.1 on how to access the web page). Attendance at the pre-bid webcast is intended to clarify any issues surrounding this RFP in advance of preparation of the Bidder’s package. Attendance at the pre-bid webcast is not mandatory but is highly encouraged.

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**. EPE representatives will strive to have official responses for the questions received, prior to the webcast, available at the time of the pre-bid webcast on November 14, 2023. EPE representatives will answer additional questions received during the pre-bid webcast based on the time available. EPE may not be able to answer all the questions received during the pre-bid webcast but will provide official written responses to all of them, including those questions received after November 7, 2023, via email. All official written responses to Bidder questions will be updated and posted periodically on EPE’s webpage.

3.3 Notice of Intent to Bid

The Notice of Intent to Bid (“NOI”) is mandatory for proposals to be accepted. Bidders must submit the NOI by **11:59 p.m. MPT on Tuesday, November 21, 2023**. Submittal of the NOI does not obligate Bidders to submit a proposal in response to this RFP. The NOI form is included as Attachment 9.1 and is to be submitted per the requirements of Section 1.3 RFP Email Communications. EPE will confirm receipt of the NOIs via email.

3.4 Date for Final Submission of Questions

All final questions related to this RFP should be submitted in writing as per the requirements of Section 1.4 *RFP Document Submission*.

EPE will prepare written responses to questions received and periodically distribute the questions and responses. Responses to general questions will be distributed to all Bidders and posted in the 2023 TX All-Source RFP on-line group. Responses that are project specific will only be provided to the original inquirer. Questions related to this RFP must be submitted by **Tuesday, December 19, 2023**, to ensure enough time is allotted for (1) Bidders to go through this RFP and (2) responses to be developed and distributed in advance of the proposal due date.

3.5 Proposal

All proposals **MUST** be received per the requirements of Section 1.4 *RFP Document Submission* by **11:59 p.m. MPT on Friday, January 26, 2024**. Any proposal submitted after the due date may be excluded from consideration.

Please refer to Section 6.0 for the Proposal Submittal Preparation Instructions.

3.6 Proposal Fee

A non-refundable filing fee of \$3,500 is due to EPE for a Bidder's proposal submission. The \$3,500 filing fee will cover the Bidder's primary proposal and two additional options. The primary proposal is defined by its site/location and resource technology type. Additional options are defined as the same site/location and same resource technology type¹ as the primary proposal but may vary with regard to nameplate capacity, pricing structure, and COD. Additional options may also include battery storage. Bidders may submit up to an additional seven options for a proposal which will incur an additional fee of \$1,500 per option. The total maximum number of options that a bidder may submit is ten per site/location/technology type, which includes the primary proposal. Bidders may submit a proposal for a different site/location and/or a different resource technology type but that will be considered a separate proposal, which will then be subject to the same filing fees/structures as mentioned above.

For Example:

- Proposal 1 with up to 2 options will incur a non-refundable filing fee of \$3,500 TOTAL.
- Options 4 through 10 for Proposal 1 will incur a non-refundable filing fee of \$1,500 for EACH option.
- Proposal 2 with up to 2 options will incur a non-refundable filing fee of \$3,500 TOTAL.
- Options 4 through 10 for Proposal 2 will incur a non-refundable filing fee of \$1,500 for EACH option.

The proposal fee payment is due electronically by **end of business on Friday, January 26, 2024**. EPE's Electronic Payment Instructions will be provided to Bidders in the 2023 TX All-Source RFP on-line group (please refer to Section 1.4 *RFP Document Submission*).

IMPORTANT: Please complete Attachment 9.2 *Notice of Wire Payment Information* prior to sending the electronic wire transfer and submit per the requirements of Section 1.4 *RFP Document Submission*.

3.7 Shortlist Notification

Following a review of Bidder proposals, EPE will make an initial determination of the proposal(s) that best meet its objectives and may initiate contract negotiations with the applicable Bidder(s). EPE will notify the shortlisted Bidders by **Friday, February 16, 2024**.

3.8 Notice of Final Bid Selections

EPE will notify all Bidders of final bid selections by **Friday, March 22, 2024**. EPE may initiate discussions and negotiations with selected Bidder(s), as applicable, to assess the winning proposal(s). EPE's objectives include securing low-cost resources, resources that can move energy to EPE's load center without

¹ Battery storage combined with the primary proposal will be treated as an additional proposal "option."

substantial transmission infrastructure costs, and resources that can demonstrate their commitment to being ready to serve EPE timely. Any contract between EPE and Bidder(s) will be contingent upon approval by EPE Management and required state or federal regulators. EPE reserves the right to reject any proposed contract(s) that results from this RFP if subsequently issued regulatory approvals or authorizations are subject to conditions, including but not limited to, ratemaking treatments, which are in EPE's sole discretion unacceptable.

3.9 Proposal Validity

Each Bidder must hold its proposal open and valid for a period of 360 days following the proposal's submittal. This timing is to allow for contract negotiations and initial filings for regulatory approvals. Upon expiration of the proposal validity period, shortlisted Bidders must promptly provide any changes to their proposal(s) or agreement that would affect extension of such proposal(s) for an additional period to complete this RFP process.

4.0 SUBMITTAL OPTIONS AND REQUIREMENTS

4.1 Commercial Transactions

Proposals to be considered by EPE will include supply-side and demand-side energy alternatives including distributed generation (i.e., interconnection at the distribution grid voltage level). **EPE may also include a self-build option.** EPE will consider the proposal arrangements to include one or a combination of the proposal types listed below:

- long-term PPAs (5 to 20 years) for sale of energy or energy and capacity from a new or existing resource. PPA's for renewable energy resources are to include the transfer of all associated RECs to EPE at no additional cost;
- build-transfer for standalone renewable generation and renewable generation paired with battery storage, standalone energy storage², and conventional generation options;
- proposals for renewable generation that are initially PPA, to provide a build-transfer option at year five (PPA cost and transfer price with projected O&M should be provided); and
- tolling Power Purchase Agreement for conventional, gas-fired thermal generation (proposals for gas-fired generation must include pipeline interconnection within PPA price, if applicable);
- 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.

All Bidders must complete and return Attachment 9.3. Failure to complete and return all required forms and attachments as instructed, may result in disqualification of the Bidder's proposal at the sole discretion of EPE. Additional requirements for specific resource types are in Section 5.

Proposals are to include and denote anticipated tax amounts. Actual tax treatment will be governed by the final executed contracts.

4.2 Location and Transmission Requirements

EPE is requiring Bidders to have and provide evidence to EPE, of feasible site(s) selected and at a minimum have a firm option to purchase or lease to demonstrate site control with landowner(s) and other stakeholders that may impact the execution of the land purchase. For sites on federal land, such as the Bureau of Land Management, alternate documentation may be considered.

All energy or energy and capacity that EPE may purchase pursuant to this RFP must be delivered to EPE's local transmission system (transmission system within the EPE Balancing Authority Area) to ultimately serve EPE's Texas retail customers. It may be possible for proposals between 5 to 20 MW to interconnect to EPE's distribution system (dependent on location and feeder/system characteristics), which may facilitate shorter project lead-times. Given the amount of planned capacity retirements at EPE's Newman Power Station, future generation resources in the general vicinity of EPE's Balancing Authority Area are preferred.

² EPE may consider energy storage options for "build-transfer ownership" depending on the type of technology and risk. EPE would welcome options for O&M service agreements and warranty terms that would mitigate technology risk.

However, EPE is open to all proposals which demonstrate the ability to deliver energy to EPE's load area, whether the proposal contemplates a PPA or a facility build-transfer agreement.

Where the Bidder's resource is interconnected to a third-party transmission system, and not to the EPE local transmission or distribution system, the Bidder should identify in its proposal (a) the charges assessed by the third-party transmission service provider, including applicable ancillary services, to reach the EPE transmission system and (b) the point on the EPE transmission system at which the Bidder's energy is to be tendered by the Bidder to EPE. In addition, the proposal must be accompanied by a demonstration that the Bidder has secured, or is in the process of securing, firm transmission capacity on such third-party systems from the location of the resource to EPE's local transmission system. To be clear, the Bidder must identify the total cost to have its resource delivered to a substation on EPE's local transmission system and must include those third-party transmission system costs in its proposal.

It is further noted that the delivery of power to EPE's local transmission system into Springerville, Greenlee and West Mesa is subject to the operating limits of WECC Path 47, and this factor will be taken into consideration during bid evaluations. Similarly, the Eddy-Amrad transmission line is a line that is fully subscribed by third parties from Empire to Amrad on a firm basis. Therefore, this fact leaves only the portion of the Eddy-Amrad transmission line from Eddy 345 kV to Empire 345 kV available at this time, which is a location without any proximate EPE load, and this factor will be taken into consideration. Furthermore, if the resource is located outside of EPE's Balancing Area and is intermittent/non-dispatchable (e.g., solar or wind), the bid must also include the proposed method of dealing with regulating and balancing requirements, and any associated costs (i.e., battery storage regulation and regulating services by the host Balancing Authority Area Operator).

For PPA arrangements of existing or new renewable energy resources located outside of EPE's Balancing Authority Area, the following requirements must be met:

1. The renewable energy must be delivered to EPE's system at either Springerville, Greenlee or West Mesa or any other substation owned and operated by EPE in EPE's local transmission system.
2. The proposal must include a method for providing set hourly schedules/profiles for delivery of energy or proposed means of scheduling an intermittent resource, if located outside of EPE's Balancing Authority Area, by either:
 - a. firming up output by regulating with additional/excess renewable generation at the same site,
 - b. regulating via battery storage,
 - c. regulating services provided by the host Balancing Authority Area Operator,
 - d. other options of firming up energy profiles to hourly forecasted energy, or
 - e. other options for addressing balancing of output such as metering of output to EPE's Balancing Authority.
3. If delivered via the West Mesa to Arroyo transmission line, providing firm hourly schedules are of greater importance due to the electrical power flow limitations imposed by the phase-shifting transformer at Arroyo.

Where the Bidder's resource is directly interconnected to the EPE transmission system, the Bidder should identify in its proposal (a) the point on the EPE transmission system at which the Bidder's energy is to be tendered by the Bidder to EPE; (b) whether the Bidder's resource is currently interconnected to the EPE transmission system and receiving interconnection service from EPE, or whether the Bidder has requested Network Resource Interconnection Service from EPE; (c) the current status of the Bidder's generator interconnection request; and (d) the estimated Network Upgrade costs, if any, identified in the generator

interconnection process as necessary to permit the Bidder's generating facility to interconnect to the EPE transmission system.

EPE will select the winning proposal(s) after EPE identifies and evaluates the proposals that best meet its objectives and that are comprised of the most economic and reliable resources from each resource type group based upon each resource's total cost delivered to the boundary of EPE's transmission system. Final selection of winning proposal(s) will include consideration of whether the resource(s) as proposed requires network upgrades for EPE to receive the energy into the EPE local transmission system and/or to deliver the energy to EPE's Texas retail customers by including those estimated costs. Final selection of winning proposal(s) will also include consideration of whether the resource(s) and the Bidder(s) have demonstrated a commitment and ability to be ready to timely serve EPE load.

The winning Bidder(s) will be required to have in place or to secure Interconnection Service as specified in the EPE Large Generator Interconnection Procedures (Network Resource Interconnection Service or Energy Resource Interconnection Service) or as specified in the EPE Small Generator Interconnection Procedures, as applicable, and sign a Generator Interconnection Agreement as specified in EPE's Open Access Transmission Tariff ("OATT") (www.epelectric.com/company/transmission/tariffs-and-pending-tariff-filings). In addition, Bidder(s) pursuing Network Resource Interconnection Service under EPE's Large Generator Interconnection Procedures, **MUST** submit an Interconnection Request under EPE's OATT in the next open cluster window, for any Bidder that is not already in EPE's interconnection queue. **For this RFP, the required cluster study is EPE's 2024 Spring cluster. A Bidder's Interconnection Request MUST be submitted by March 29, 2024, to be eligible to move to the negotiation phase, if selected.** Regardless of the interconnection procedures used, the resource must be eligible to be designated by EPE as a Network Resource under EPE's OATT. However, any resource seeking to interconnect to EPE's distribution system may not need to proceed under EPE's OATT.

As described in the timeline, qualifying selected final bids **MUST** submit into EPE's 2024 Spring cluster study. If any unforeseen circumstance arises that delays this RFP's final bid selection process, EPE may request that shortlisted projects submit into the Spring study cluster pending final bid selection notification.

Any questions related to EPE's transmission system or services must be directed to the following EPE representatives:

Primary Contact: Roberto Favela
EPE System Interconnections
roberto.favela@epelectric.com

Secondary Contact: Donna Enriquez
EPE System Interconnections
donna.alhakeem@epelectric.com

4.3 Energy and Capacity Limitations

The Bidder must clearly define dispatch capabilities for the proposed project(s). The proposal must outline all capacity and energy limitations that may be caused by factors including, but not limited to:

- renewable energy or energy and capacity sales to other parties;
- transmission limitations (e.g., congestion);
- environmental permit limitations or emissions;

- weather conditions, including extreme high and low temperatures;
- hours of operation due to staffing or external constraints;
- Fuel supply interruptions, fuel transport service type (i.e., hourly balancing requirements);
- potential intra-hour volatility in power output to determine the impact of the project on EPE's system control requirements; and
- potential federal regulation of carbon emissions, if applicable.

If a potential limitation exists, it must be described in detail in the proposal so that EPE can reflect the limitation in its analysis.

EPE is interested in acquiring resources that will provide reliable service under extreme weather conditions, and Bidders should provide specific information on the reliability of the resource under these conditions in the area in which the resource is located. For example, EPE has added additional protection to its local generating units to enable them to meet a design temperature of minus (-) 10°F, with a design coincident wind velocity of 25 miles per hour. The ability of the Bidder's resource to continue operating in extreme high or low ambient temperatures will be an important factor in the non-economic evaluation described in Section 6.2 below, with associated technical information to be provided as specified in Section 6.1.3 below. EPE reserves the right to request additional information from the Bidder on how the resource is or will be designed for extreme weather operation and, for existing resources, how they have operated under such conditions. Bidders should be aware of and reasonably anticipate any changes to weatherization requirements for generating facilities that are applicable to EPE's service territory.

In addition, EPE reserves the right to request additional information from the Bidder regarding limitations or any other details related to its proposal. Automatic Generation Control ("AGC") for EPE control of dispatch levels is highly desirable if an existing or proposed generation resource is the source of the capacity and energy supply. However, if AGC capabilities do not exist, the minimum acceptable standard is that EPE must be granted dispatch rights and the ability for EPE to establish pre-defined schedules. It is also desirable that ancillary services be provided as part of the proposal. If ancillary services are not provided as part of the proposal, the proposal must specifically state that fact.

4.4 Communications for Operations

All supply-side proposals will be required to establish real-time communications with EPE's Energy Management System ("EMS") to provide status information and be able to receive control signals for requirements such as, but not limited to:

- AGC control for conventional generation and any applicable resources;
- curtailment of renewable resources; and
- dispatch control for applicable proposals, e.g., renewable generation paired with battery storage or biomass.

Communications must be NERC Critical Infrastructure Protection ("CIP") compliant as applicable.

4.5 Government Approvals

Bidders for any proposals to be sited in New Mexico must meet New Mexico Construction Industries Licensing Act requirements to submit a bid. If not sited in New Mexico, Bidders must meet any licensing requirements that may be applicable at time of proposal submission per location of projects.

Bidders are responsible for acquiring and maintaining all present and future federal, state, and local approvals, licenses, permits, or variances and the specific requirements to construct and/or operate any generation facility and associated interconnection facilities. Proposals should include a listing, description, and associated timing for required permitting up to the interconnection point/facilities. EPE's Environmental Department will review permitting descriptions. Any build-transfer proposals will require review of permitting plans and approval by EPE. If a build-transfer plan is selected, EPE will participate in the review and approval of any permit application filings as EPE will be the ultimate owner-operator of the generating facility.

4.6 Purchased Power Agreement

Proposals involving power purchases of guaranteed capacity and energy from an existing or proposed generation resource, or a guaranteed system sale are acceptable within the guidelines outlined in this section. Bidders must complete and return Attachment 9.4. It is preferable that Bidders propose to provide the required capacity and energy resources during EPE's on-peak hours between 1:00 p.m. to 6:00 p.m. MPT. Additionally, refer to Section 5.0 of this RFP document to review additional resource capacity requirements and considerations for specific resource types. At EPE's sole discretion, EPE may choose not to consider proposals that are significantly greater than the current capacity needed if the proposal offers benefits to customers.

For EPE to fulfill its system capacity needs, EPE may negotiate long-term contract(s). The term of any resulting long-term contract is 5 years up to 20 years. EPE shall have first dispatch rights to the energy. As previously stated, AGC for EPE control of dispatch levels is desired if an existing or proposed generation resource is the source of the capacity and energy supply. Any ancillary services to be provided by the Bidder as part of its proposal will be considered in the assessment by EPE of the economics of the Bidder's proposal.

EPE prefers fixed PPA pricing options for energy (\$/MWh) and/or capacity (\$/kW-month). The Bidder shall provide a specific formula for contract energy and capacity pricing and include a description of the proposed price formula for each component (e.g., if a project has renewable generation and battery, what is the fixed price for the renewable energy and what is the fixed capacity charge for the battery storage). Again, EPE's preference is for fixed pricing. If the Bidder proposes energy and/or capacity pricing with escalation, the escalation factors must be defined as a fixed rate.

For biomass and biogas proposals, the Bidder is responsible for demonstrating the availability and adequacy of all primary and back-up fuel supplies, including fuel transportation and fuel-related services (if applicable). Bidders are expected to have firm fuel supply and/or firm fuel delivery. On-site inventory of back-up fuel is required if the Bidder has non-firm fuel delivery or a non-firm fuel supply. EPE will accept an energy pricing formula based on a fuel cost index and a fixed heat rate or heat rate curve, or a fixed energy cost proposal. Pricing indices selected by the Bidder shall be nationally recognized indices. EPE may consider indexing based on CPI or GDPIPD for O&M costs. Bidders must provide 20 years of historical data for each index, or history as it exists for the index if less than 20 years are available. Should a Bidder wish to use an alternative index, it must submit a request to EPE of its interest to use an alternative index. EPE will decide if such an index is allowable at its sole discretion.

If a proposal involves capacity and associated renewable energy utilizing different types and combinations of generation facilities, the proposal(s) shall clearly identify the exact pricing, capacity, and/or availability variations based on specific characteristics of the generation facilities. Items identified shall include, but not be limited to, variations in heat rate at various load points and ambient conditions.

EPE requires Bidders to include a Right of First Offer and Right of First Refusal provisions in conjunction with any PPA proposal. Guaranteed system sales are acceptable, but Bidder should identify the generating resources available to meet the contract requirements. Bidders must have generation resources under ownership or control from which capacity and energy are sold. Bidder must demonstrate the ability to secure firm transmission paths to EPE's local transmission system.

4.7 Asset Purchase of Proposed New Facility Requirements

EPE is requiring that ALL Bidders proposing a new project, in which ownership will be transferred to EPE, to demonstrate that the project will be constructed through an Engineering, Procurement and Construction ("EPC") contract or other similar arrangement. Please complete Table 1 in Attachment 9.5.

EPE is requiring Bidders to have a feasible site(s) selected and at a minimum have and provide evidence to EPE of site control with landowner(s) and other stakeholders that may impact the execution of the land purchase or lease in the form of an option to purchase or lease. For sites on federal land, such as the Bureau of Land Management, alternate documentation may be considered. EPE prefers projects on land owned by the Bidder, but EPE may or may not, at its sole discretion, consider proposals based on projects built on leased land.

EPE is not and will not be responsible for site selection, land acquisition, environmental permitting, and natural gas or water upgrades/infrastructure fundamental to the project's successful completion.

Proposals must include O&M projections which should include:

- recommended plant staffing levels,
- estimates for consumables in \$/MWh, and
- consumables are to include water consumption, if purchased from third party.

Bidder must provide a specific cost forecast for ongoing O&M. An O&M manual must be provided to EPE that details the maintenance schedule for the facility. EPE is also interested in receiving a proposal that includes ongoing O&M performed by Bidder or a third-party contractor under an O&M contract. Bidder should specify contract terms and operating cost guarantees for this option. **All Proposals should include a description of any performance guarantees or warranties.**

4.8 Proposal for Purchase of Bidder's Facility

Proposals involving the sale of all or part of an existing or proposed generation facility to EPE are acceptable within the guidelines outlined in this section. Bidders must complete and return Attachment 9.5. Bidders may propose to provide 300-600 MW of capacity resources. At EPE's sole discretion, proposals that provide greater than the maximum requested capacity may or may not be considered.

Proposals for partial ownership may include EPE having an undivided ownership interest in and dispatch rights to the facility. Bidders for such options shall provide complete project pro-forma financial projections for the existing or proposed generation facility.

For proposals involving the sale of an existing or proposed generation facility to EPE, the Bidder shall provide the acquisition price for the facility and payment terms. Additionally, proposals are to include a specific cost forecast for ongoing O&M and fuel costs. EPE is also interested in receiving purchase proposals for Bidder's facility that include ongoing O&M performed by the Bidder or a third-party

contractor under an O&M contract. Bidder should specify contract terms and operating cost guarantees for this option.

For proposals involving purchase of a portion of the Bidder's facility, Bidders shall provide a predictable, specific methodology for joint operation and cost responsibility of fixed and variable costs. EPE requires dispatch rights to its ownership share of the Bidder's facility. If Bidder will be responsible for ongoing O&M of the facility, the Bidder should specify contract terms and operating cost guarantees for the operating contract.

The Bidder is responsible for demonstrating the availability and adequacy of all primary and back-up fuel supplies, including fuel transportation and fuel-related services. Bidders are expected to have firm fuel delivery and a firm fuel supply. On-site inventory of back-up fuel is required if the Bidder has non-firm fuel delivery or a non-firm fuel supply.

5.0 REQUIREMENTS SPECIFIC TO RESOURCE TYPES

Resources with the flexibility to be used in multiple applications, including but not limited to providing capacity for peak-usage times, economic dispatch in real-time markets, intra-hour balancing, and contingency reserves are anticipated to demonstrate higher values in EPE modeling. Also, EPE anticipates a higher value for projects using better technology that enhances operational, reliability and capacity needs for the long run and for resources that will help integrate and firm its increasing portfolio of variable energy resources.

For inverter-based resources, preference will be given to those resources that utilize grid forming inverters and/or supplemental technology capable of supplying a Power Factor of 0.90 at the Point of Interconnection (“POI”) during peak hours.

Projects shall adhere to the following metering specifications and requirements unless otherwise explicitly stated by EPE.

- CT: +/-0.3% accuracy at burden of 0.1 – 1.8 ohms, 10% - 100% rated current
- PT: +/-0.3% accuracy through burden rating ZZ (400 Volt-Amperes secondary at 0.85 power factor) at 90% through 110% of nominal voltage
- Meter:
 - 0.2 Accuracy
 - Minimum 60 days storage of meter data
 - five-minute interval granularity for energy production
- Communications to access daily data programmatically (e.g., MV90)

5.1 Conventional Generation

5.1.1 Applicable to All Conventional Generation

EPE is interested in peaking generation with flexibility for cycling, ramping, and wide operating band. A gas one-on-one combined cycle (“CC”), reciprocating engine(s) (“RECIP”), or large, simple combustion turbine(s) (“CT”) are conducive to the requirement. However, EPE is not explicitly limiting proposals to only CC, RECIP, or CT proposals. Flexibility in lower feasible minimum operating outputs is desired to allow for a wide operating band for operating reserves while meeting environmental emissions’ requirements. EPE is not requiring 10 minute quick-start capability; however, EPE will take into consideration start-up time for dispatch flexibility.

A generator should be able to connect to an existing interstate gas pipeline or west Texas intrastate natural gas pipeline. Access to a second pipeline would be deemed favorable. EPE will consider Tolling PPA proposals if the facility is able to connect to an interstate pipeline.

EPE had recently announced its clean energy goals of 80% carbon free by 2035 and pursuit of 100% carbon free clean energy by 2045. However, this is an all-source RFP open to natural gas generation as part of the evaluation to identify the lowest cost resource additions that will reliably serve EPE Texas jurisdictional energy needs. Among fossil fueled, conventional generation bidders, EPE is interested in bids for generators that are or will be hydrogen-ready to allow for future conversion to burn 100% hydrogen or a hydrogen fuel blend by 2040 or 2045. If proposed natural gas generators are not hydrogen fuel capable nor convertible to hydrogen fuel in the future, EPE requests an alternative proposal be provided for a hydrogen capable or convertible option. Proposals must include all required costs for hydrogen conversion. Bidders may want to consider a 20-year life or include options for carbon free conversion either as hydrogen fuel or other options if the life of the unit(s) is beyond 2040.

The proposed facility should have, or be able to secure, an adequate water supply for the term of the PPA or asset life if a build-transfer proposal.

EPE's preference for inlet cooling is evaporative, thus if Bidder's option(s) includes either chillers or foggers, please provide a bid option as well, reflecting the price for the facility with evaporative cooling.

EPE has an interest in maintaining a high level of reliability and availability (97% or greater availability) during its peak power season, May through September. As such, EPE requires redundancy of critical systems where feasible and within industry practice, such as the air compressor system, Reverse Osmosis Deionization, circulating water and condensate pumps, and fire protection system. Therefore, Bidders must identify the specifics of the redundant systems in their bid.

EPE will place value on proposals with a technology (i.e., the specific turbine or engine being proposed) that has attained 10,000 hours of operation in the industry and is no longer deemed a prototype technology.

All conventional units should be dispatchable and capable of direct monitoring and AGC control by EPE's EMS.

Additionally, all conventional units should provide frequency response in the form of governor response.

Any proposals for Build-Transfer Ownership are required to include O&M requirements defined in Section 4.6.

5.1.2 Specific to CC Proposals

EPE is requiring Bidders proposing a CC option(s) to bid the project with an automatic by-pass damper system to allow for the operating flexibility of running the unit in simple-cycle mode. The automatic by-pass damper system is a mandatory requirement. The proposed CC configuration and design should be such that emissions and environmental permitting be attainable in both simple cycle and combined cycle mode to offer dispatch flexibility.

For CC units, EPE is requesting Bidders submit a bid for each cooling option, i.e., one price for open-loop system ("wet cooling") and the other price for closed-loop system ("dry cooling").

EPE is requiring proposals for CC units to provide an alternative proposal with the combustion turbine and steam generator commissioned with a two-year lag; with a combustion turbine COD target and the steam generator within one year. The proposal must provide a separate costing for the two phases as part of the submittal. EPE may opt to award solely the first phase of the project, i.e., the combustion turbine in simple-cycle mode.

5.1.3 Specific to Combustion Turbine and Reciprocating Engine Proposals

EPE will accept proposals for single CT units or a combination of CT units and/or reciprocating engines to best approximate EPE's 300-600 MW capacity need in 2025-2027, and by 2030, respectively. If the proposal is for multiple CT units, a bidder must provide an alternate proposal for a single CT unit.

5.2 Applicable to All Renewable Resources

EPE prefers the ability to dispatch/curtail the renewable energy power on an hourly basis. Bidders must complete and return Attachment 9.6.

Bidders must submit their proposals by providing the data required for PPA proposals in Attachment 9.4. Proposals may only offer capacity pricing if they include battery storage or another method to firm up the energy output. Proposals that include capacity pricing must provide the basis for measurement to determine the capacity. Bidders shall provide a predictable, specific methodology for energy pricing, or energy and capacity pricing, on an annual basis. For proposals that include renewable resources paired with battery storage, Bidders will be responsible for auxiliary loads (house power.)

Bidders may, but are not required to, provide Positive Sequence Load Flow power flow models and one-line diagrams identifying megavolt-ampere apparent power (“MVA”), megavolt-ampere reactive power (“MVAR”), and power factor capability of the facility.

For dispatch-limited resources, EPE will evaluate the ELCC metric to quantify the capacity contribution. The capacity contribution of dispatch-limited resources towards a utility’s resource adequacy needs is usually lower than their full operating capacity. For example, variable renewable resources like wind and solar have a variable output, for which their capability to generate at the times needed for resource adequacy is typically less than their rated capacity.

All RECs associated with the renewable energy proposed must transfer to EPE at no additional cost.

5.3 Specific to Non-Intermittent Renewable Resources

Non-intermittent renewable resource proposals, such as geothermal, biogas or biomass should identify and quantify the fuel resource availability and the ability to secure fuel resources for the life of the project.

Any dispatchability or output limitations should be clearly described, specifically, yearly total output expectations and commitments. Typical daily output profiles should also be provided for each month and if applicable, any firm commitment amounts should be conveyed.

5.4 Specific to Intermittent Renewable Resources

EPE will evaluate renewable energy resource proposals with respect to their capabilities for operational flexibility and system reliability capability such as AGC, Fast Frequency Response, curtailment optionality, capacity firming optionality, or other reliability technologies.

Additionally, given the significant increase in the implementation of solar and battery resources, EPE will place value on projects offering the ability to best match generation to EPE’s load in conjunction with these resources. The above advantages may offset pricing differentials between bids.

EPE is interested in evaluating renewable energy resources paired with battery storage to mitigate and regulate intermittency of the renewable energy resource and firm up the renewable energy to make EPE whole in any year, and which may provide regulation, guaranteed capacity output during peak hours, or renewable energy load shifting.

EPE requests that renewable energy resource proposals provide an option with battery storage at 50% of the renewable energy resource’s nameplate capacity (AC).

Intermittent renewable resource proposals such as solar and wind should provide annual expected renewable energy production output and annual guaranteed renewable energy production output profiles.

Projects should be a minimum of 5 MW.

If proposals are for facilities with a nameplate capacity greater than 50 MW, Bidders should propose the project in 25 MW increments.

EPE will evaluate any proposed intermittent resource in combination with other proposals and existing EPE resources to identify the optimal portfolio resource mix in consideration of reliability to provide regulating reserves and guaranteed renewable energy production output during peak hours.

Any projects providing self-regulation for output variability or guaranteed renewable energy production output during peak hours should clearly identify capabilities and commitments. Proposals should identify characteristics of the renewable resource which will provide guaranteed output capacity (i.e., battery storage).

Inverter based renewable resource (i.e., solar and wind) proposals are required to utilize inverters and controls capable of output regulation/curtailment for load following, frequency response and voltage support via EPE's EMS control.

Variable Energy Resources ("VERs") are to be AGC control capable for management of curtailment commands directly from EPE's EMS. This implies dispatchability of curtailment, or release of curtailment, within six-second AGC command cycles. EPE requires full AGC capability but if technology does not allow for this, please provide an explanation on the limitations of your proposal.

For energy curtailment measurement, the bidder shall consent to using the five-minute VER forecast that is used in the market to establish the baseline for any measurement of curtailed energy (MWh). Further, the bidder shall consent to an unbiased forecast of EPE's choosing to set the market awards and dispatches. For example, this may be coordinated with the OATT changes since they mandate the Energy Imbalance Market entity and have a five-minute forecast.

5.4.1 Inflation Reduction Act ("IRA")

The Inflation Reduction Act of 2022 ("IRA"), signed into law on August 16, 2022, aims to address climate change in the United States. The IRA supports clean energy by including nearly \$370 billion in rebates, tax credits, and incentives for renewable energy projects.³

5.4.2 Tax Credits

The two types of IRA incentives available are the Investment Tax Credit ("ITC") and Production Tax Credit ("PTC"). ITC is given to qualifying entities that invest in renewable energy projects through a tax credit of

³ "What does the Inflation Reduction Act mean for energy and utilities' C-suite planning and cleaner energy?" Price Waterhouse Coopers, November 2022, www.pwc.com/us/en/industries/energy-utilities-resources/library/energy-utilities-inflation-reduction-act.html. Accessed September 26, 2023.

up to 30% of the capital costs⁴. PTC provides a tax credit for every kilowatt-hour (“kWh”) of electricity produced from eligible renewable resources⁵.

Please provide a detailed description of the Bidder’s strategy regarding the utilization of the ITC or PTC associated with its project proposal. Please include a description whether the Bidder intends to qualify for any bonus credits for domestic content and energy communities as well as any plans to leverage other potential tax benefits from the IRA. Please indicate the level of tax benefits that are included in the Bidder’s proposal pricing. If the Bidder intends to qualify for any bonus credit, please provide any documentation available to support your proposal. Please also indicate if the project is expected to meet labor requirements associated with certain prevailing wage and apprenticeship conditions being met.

5.5 Energy Storage

All energy storage system proposals will be evaluated considering the following requirements:

- the provision of active and reactive capability at a power factor of 0.9 at the Point of Interconnection or as instructed by System Operation during peak load periods and for providing ancillary services;
- assistance with ensuring grid reliability, including transmission and distribution system stability, while integrating VERs into the grid;
- support for diversification of energy resources and enhance grid security; and
- the inclusion of charging from grid power and renewables if co-located with a renewable energy resource.

Projects involving energy storage shall comply with the following requirements:

- be a four-hour battery with a MW size that is 50% of the renewable energy resource’s nameplate capacity (AC); be fully dispatchable by EPE;
- battery energy storage systems shall have a system latency of one second or less, a ramp rate (in both charging and discharging) of full MW capacity within one minute, and shall be provided with grid-forming inverters;
- have the control systems in place with the ability to respond to dispatch and disconnection signals that originate remotely from EPE;
- have full AGC capability of the battery storage resource; and
- have a minimum rate of charge equivalent to its rate of discharge.

Energy storage proposals submitted for the purposes of serving load during the peak hours or for load shifting should provide a minimum of 15 MW for four, six or eight hours of output and should be capable of multiple discharge and charge cycles per day. If the proposal is also capable of providing regulating and system support, Bidders should provide operating capabilities and specifications.

Descriptions of operating capabilities and specifications should include the following types of items:

- number of expected cycles (full cycle should be equivalent to full discharge of battery in MWh);
- charge and discharge ranges;

⁴ “Investment Tax Credit (ITC)” Carbon Collective, September 2023, www.carboncollective.co/sustainable-investing/investment-tax-credit-itc. Accessed September 26, 2023.

⁵ “Production Tax Credit (PTC)” Carbon Collective, September 2023, www.carboncollective.co/sustainable-investing/production-tax-credit-ptc. Accessed September 26, 2023.

- round trip efficiency;
- degradation schedules; and
- other operating capabilities/specifications/restrictions as identified by Bidder.

All proposals should be capable of direct monitoring and control by EPE’s EMS system.

EPE will evaluate build-transfer options if the technology is no longer considered “prototype,” but rather have significant deployments in the field to be categorized as a “proven” technology.

5.6 EPE’s Energy Imbalance Market Requirements for Metering in OATT

All proposed projects must be eligible for designated Network Resource under EPE’s OATT. EPE requires five-minute metering for each solar, storage, and/or auxiliary house power projects. For proposals that include solar and battery storage, Bidders will be responsible for auxiliary loads (house power.)

5.7 Load Management Resources

Demand-side proposals involving load reduction by utilizing load management resources are encouraged within the guidelines outlined in this section. Proposals must include the data specified in *Attachment 9.7*. While EPE will consider all proposals that encourage customers to conserve energy, EPE prefers summer peak shaving. The proposals should be for a minimum of 10 MW no later than May 2025 and may continue to increase in capacity beyond 2025. EPE may not consider amounts lower than 5 MW in part depending on cost effectiveness and potential year over year growth for the proposals submitted. For load management proposals, the preferred minimum contract term is five years.

The Bidder shall provide a complete description of the turn-key program proposed, including the following:

- estimated load reduction – to include calculations and assumptions;
- program cost;
- plan for measurement and verification;
- work plan describing the design, implementation, operation, and management of the program
- program limitations;
- specific information on the reliability of the resource under extreme high or low weather in the area in which the resource is located; and
- type of platform that will be utilized along with a detailed list of all the IT specifications.

If a potential limitation exists, it must be described in detail in the proposal. EPE reserves the right to request additional information from the Bidders regarding limitations or any other details related to the proposal. The Bidders shall provide a predictable, specific methodology for capacity and/or energy credits proposed, and all program costs incurred by EPE.

Load management projects with current customers will be preferred. Bidders are required to identify and provide a description of those customer arrangements.

6.0 SUBMITTAL PREPARATION INSTRUCTIONS

Proposals shall be prepared in accordance with the guidelines set forth in this section. Failure to follow the preparation instructions may result in the exclusion of the proposal from consideration. In addition, the attachments provided in Section 9.0 of this RFP and the Excel workbook “2023 TX All-Source RFP Tables and Input Templates” must be completed and submitted as part of the Bidder’s proposal as required. The Excel workbook will be available to download by the end of November 2023 on EPE’s webpage and the 2023 TX All-Source RFP on-line group. Please refer to Section 1.4 *RFP Document Submission*.

Each proposal shall be organized by section as referenced below. A description of each section is in Section 6.1.

1. Proposal Overview
 - 1.1. Executive Summary
 - 1.2. Type of Proposal
 - 1.3. Technical Information
 - 1.4. Economic Information
 - 1.5. Delivery of Power
2. Operations and Maintenance
3. Fuel Supply and Fuel Transportation
4. Regulatory and Environmental Compliance
5. Project Schedule
6. Financial Capability
7. Capability and Experience of Bidder
8. Attachments
9. Excel Workbook

Furthermore, each page of the proposal shall have the following information on the top right corner:

- 2023 Texas All-Source RFP
- Company Name of Bidder
- Project Name

All the following sections must be completed or identified as “Not Applicable.”

6.1 Section 1 - Proposal Overview

The proposal shall contain a general overview and a summary including the following information, as applicable.

6.1.1 Executive Summary

The executive summary must provide an overall description of the proposal. The description must include the type of proposal and resource offered, including technology and fuel type and the key benefits it will provide to EPE. The summary must include the generation technology and location of the facility(ies) that will be the source of the power supplied per the proposal and must discuss the general business arrangement for the proposal. The summary must be limited to three pages. The summary should include a clear listing and brief description of options and alternatives included in the proposal.

6.1.2 Type of Proposal

Describe the type of proposal being offered (i.e., PPA, EPE purchase, Build-Transfer Agreement, EPE equity participation in Bidder's facility, and/or renewable resource or load management).

6.1.3 Technical Information

The following technical information must be discussed in this section, as applicable for the project proposed.

- Water conservation or efficiency description
- Major equipment manufacturers considered or utilized
- Description of technology and configuration
- Generation Equipment availability and supply chain status
- Resource design life, including a breakout of design life for major system components
- Status of site control consistent with minimum requirements
- Site layout map and characteristics (such as lease agreements, water resources, waste disposal, etc.)
- Fuel supply and fuel transportation
- Electrical interconnection
- Metering
- Net capacity rating at site conditions and elevation (at 1% summer design case – identify those conditions). Provide any partial loading capacity levels that EPE may use for scheduling of the proposed energy and capacity
- Guaranteed availability for the project
- Forced and unforced outage rate
- Heat rates (in HHV) or a heat rate curve and level of efficiency at Net Capacity rating and for any proposed partial loading capacity levels
- Communications, control, and instrumentation
- Description of resources associated with RECs and REC characteristics (if applicable)
- Ability to provide ancillary services (voltage support, load following, etc.)
- Facility limitations that may constrain operation or dispatch (if applicable)
- Design criteria for extreme hot and cold weather temperature ranges and other information about the ability of the resource to operate in extreme weather conditions in the area in which it is located
- Applicable to renewable resources, provide 8,760 hourly (typical day) generation profiles
- Anticipated volatility in power flows
- Proposed construction period (if new construction)
- Project management plan
- Quality assurance plans
- Performance guarantees and warranties
- Start-up testing
- Factory and performance tests
- Start-up times and load ramping rates
- Design life loading (wind, seismic, etc.)
- Description of pre-operational milestones (i.e., construction financing, commencement, installation, testing and completion dates)
- Description of frequency and duration of scheduled maintenance of facilities
- Site map showing layout and location
- Cyclic on/off operation capability
- CIP compliance, as applicable

6.1.4 Economic Information

The following economic information must be provided in this section, as applicable for the project proposed. Bidders are to complete the financial templates in Excel format for their proposals. Excel templates are available for download from EPE's Resource Planning website. Bidders should provide a description of the pricing approach used as well as the price formula proposed, to include:

- energy offered and energy price per year;
- capacity offered and capacity charge per year, if applicable;
- energy cost by year or fixed conversion rate and fuel cost index;
- variable and fixed O&M charge and index;
- start-up charge and index;
- limitations on damages and remedies, if applicable;
- potential federal regulation of carbon emissions costs; and
- other charges.

PRICING MUST BE SUBMITTED IN NOMINAL U.S. DOLLARS AND BIDDER MUST IDENTIFY ESCALATION ASSUMPTIONS USED IN THE PRICE CALCULATIONS. EPE WILL NOT ACCEPT BIDS IN OTHER CURRENCIES.

6.1.5 Delivery of Power

If the facility is directly interconnected with the EPE system, describe the point of interconnection and the current status of any requests or agreements for interconnection and/or transmission service. Proposal should include a plan and the timing for the interconnection agreement within the project plan.

If the facility will be interconnected to a third-party transmission system, a system outside the EPE Balancing Authority Area, discuss details related to the proposed option for delivering the power to the EPE system and the status of any arrangements. The discussion should include information regarding electrical interconnection, transmission, electric losses, scheduling arrangements, and associated payments, required to deliver the power and energy to EPE's transmission system.

6.2 Section 2 - Operations and Maintenance

Discuss the current or expected O&M plan, including staffing, budget, management and control over any facility, authority over the O&M budget and guarantees on O&M costs. Provide a description of the basic methodology for performing O&M and include a discussion of contracting for outside services, if applicable. Provide the expected fixed and variable O&M cost per year, the assumptions used, and items included in the calculation.

6.3 Section 3 - Fuel Supply and Fuel Transportation

Identify the fuel supply source(s) and discuss contract arrangements. Identify whether the facility has firm fuel transportation under contract or back-up fuel supply to ensure no fuel interruptions. Bidders must describe their fuel supply plan and the extent to which energy costs will be determined relative to delivered fuel costs. Indicate whether the Bidder expects to provide fuel and/or other fuel-related services, including fuel supply management, or, if the Bidder prefers, a tolling PPA structure.

6.4 Section 4 - Regulatory and Environmental Compliance

The Bidder is exclusively responsible for meeting all federal, state, and local permits, licenses, approvals and/or variances that are currently required, or are required in the future, to assure the physical delivery of capacity and associated energy in accordance with their proposal(s). Projects involving facility purchase, new construction, and renewable resources are required to provide a listing of required permits as well as its plan and timing for acquisition of each permit.

Provide information on the following as applicable.

- Environmental management
- Handling and disposal of hazardous and non-hazardous wastes
- Control, monitoring and recording of atmospheric emissions and noise control
- Air permit, including hourly maximum emissions of NO_x, SO_x, CO, VOC, PM₁₀
- Actual emissions rates for the above pollutants at Net Capacity rating and any partial loading capacity levels proposed. Also include the emissions rates for CO₂ emissions. Emission rates should be provided in either lbs./MWh or lbs./MMBtu.
- Water permit, including daily maximum usage
- Discharge permit, including daily maximum discharge
- Landfill permit, including daily maximum volume
- Regulatory permit (siting certificate)
- Federal Energy Regulatory Commission (“FERC”) license, exemption, or preliminary permit number (for hydroelectric facilities)
- Local approvals (zoning)
- Other applicable permits

6.5 Section 5 - Project Schedule

Proposals involving new construction shall provide the anticipated critical path project schedule associated with permitting, regulatory approvals, engineering design, manufacture, delivery, construction, start-up, and commissioning of the facility, and include as applicable, performance incentives and delay damages. Proposals must include a project schedule identifying milestones in PDF compiled from Microsoft Project or other scheduling tool.

6.6 Section 6 – Financial Capability

The financial viability of any proposal must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate financial capability. Each proposal must include the following information at a minimum:

- capital financing partners;
- recent annual report for the Bidder and any other parties involved, or recent copy of audited Financial Statements (i.e.; Income Statement, Balance Sheet, and Statement of Cash Flow);
- bond rating of Bidder, or its parent company and/or major financing partners, by Moody’s, Fitch, and/or Standard & Poor’s, as applicable;
- description of financing plan for the project (include any financing commitments; and financial guarantees from affiliates or others, as appropriate); and
- identification of the Credit Assurance provider for the project if different from the Bidder or its parent company.

6.7 Section 7 – Capability and Experience of Bidder

The capability and experience of any Bidder must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate competence, resources, and skill. Each proposal must include the following information at a minimum:

- brief description of the company structure, which identifies parent, holdings, subsidiaries, and any other affiliates;
- number of years in business;
- description of technical experience;
- identified staff specific to submitted proposal;
- description of O&M experience;
- list of projects financed;
- description of completed projects of a similar scope, e.g., size, commercial operation dates, and customers;
- with reference to the above question, describe bidder experience developing, financing, and operating similar projects; and
- minimum of three references on completed projects of similar size.

6.8 Section 8 – Attachments

All applicable forms attachments to this RFP must be completed and submitted with the proposal as per the requirements of Section 1.4 *RFP Document Submission* by **11:59 p.m. MPT on Friday, January 26, 2024.**

IMPORTANT: Failure to properly fill in and submit all the required attachments listed below may result in disqualification of the proposal.

All forms are available in Section 9.0 as follow:

- Attachment 9.2 Notice of Wire Payment Information
- Attachment 9.3 Data for All Projects
- 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

6.9 Section 9 – Excel Workbook

The Excel workbook file named “2023 TX All-Source RFP Tables and Input Templates” will be available to download by the end of November on EPE’s webpage and the 2023 TX All-Source RFP on-line group. Please refer to Section 1.4 *RFP Document Submission*.

All applicable file attachments to this RFP must be completed and submitted with the proposal as per the requirements of Section 1.4 *RFP Document Submission* by **11:59 p.m. MPT on Friday, January 26, 2024.**

7.0 EVALUATION PROCESS

EPE and its consultants will evaluate the proposals to determine which, if any, have the potential to provide the most economical, reliable, and viable alternatives for EPE's Texas retail customers. EPE will use a single-stage pricing process to evaluate those proposals that have satisfied the threshold evaluation of responsiveness and viability. The viability review includes, but is not limited to, financial risk, technology risk and project execution risk. The single-stage pricing process consists of evaluating initial bids that have met the requirements of the responsiveness and viability reviews. **The evaluation and selection of proposals will be based solely on the proposals submitted on the proposal due date. Therefore, there will be no opportunity to submit best and final proposals.** Those initial proposals that are found to have satisfied this RFP requirements during the responsiveness and viability reviews will be evaluated based on a levelized cost basis and will be grouped according to resource type (e.g., conventional gas units, standalone renewable energy resources, renewable energy resources paired with battery storage and standalone battery storage systems, as well as the type of proposal being offered (i.e., PPA, EPE purchase or EPE equity participation in Bidder's facility). Once grouped, EPE may select the top-ranking bids from each group to shortlist. The shortlisted Bidders will be included in EPE's optimization model to determine the winning bid(s).

7.1 Threshold Evaluation

EPE will initially review each proposal to determine whether it satisfies the threshold criteria of responsiveness, technical viability, and Bidder financial ability and capability. The responsiveness review will ensure that the proposal is complete, follows the guidelines set forth in this RFP, and includes all information required for a more thorough review. The technical viability review will determine whether the proposal meets EPE's requirements in a reliable manner and within the timeframe stated in this RFP. The Bidder's financial ability and capability review will determine whether the Bidder has adequate financial capability and adequate competence, resources, and skills to perform as proposed.

AT EPE'S SOLE DISCRETION, ANY PROPOSAL DEEMED MATERIALLY INCOMPLETE OR TECHNICALLY DEFICIENT MAY BE EXCLUDED FROM FURTHER CONSIDERATION. EPE ALSO RESERVES THE RIGHT TO SEEK CLARIFICATION OF PROPOSAL INFORMATION OR ADDITIONAL PROPOSAL INFORMATION FROM BIDDERS.

7.2 Economic Evaluation

Proposals that pass the threshold evaluation will be analyzed via a single-stage pricing process. The proposals will be evaluated on a levelized cost basis and will be compared to proposals within their resource type group and economic standpoint to determine the proposed resource's relative cost effectiveness in meeting EPE's requirements. These economic analyses will incorporate the following characteristics of the proposed resource:

- net capacity offer or purchase offer and capacity costs, energy costs, including fuel costs,
- fixed and variable O&M costs;
- unit/facility start-up costs;
- variable costs impacting production cost;
- transmission and/or distribution system costs;
- other costs and system impacts;
- potential federal regulation of carbon emissions costs, if applicable; and
- taxes.

AT EPE'S SOLE DISCRETION, ANY PROPOSAL DEEMED MATERIALLY DEFICIENT RELATIVE TO EPE'S ABILITY TO PERFORM A COMPLETE ECONOMIC EVALUATION MAY BE EXCLUDED FROM FURTHER CONSIDERATION. EPE ALSO RESERVES THE RIGHT TO SEEK CLARIFICATION OF PROPOSAL INFORMATION OR ADDITIONAL PROPOSAL INFORMATION FROM BIDDERS.

7.3 Non-Economic Evaluation

EPE may also consider the following non-economic criteria not incorporated into the economic analyses in evaluating each proposal.

- Development Feasibility and Completion Risk
 - Interconnection plan and transmission rights
 - Evidence of site control
 - Right-of-way acquisition
 - Environmental and other permitting
 - Resource financing
 - Design/procurement/construction status
 - Firm transmission capacity
 - Commercial operation date and completion security
 - Reliability of technology
 - Ability of the resource to continue operating in extreme hot and cold weather temperatures
 - Project team capabilities
 - Performance guarantees and limitations on remedies
- Financial and Operational Viability
 - Bidder's financial strength
 - Operation and maintenance plan
 - Environmental and regulatory compliance
 - Environmental impact
- Operating Characteristics
 - Dispatching limitations
 - Cyclic on/off operation capability
 - Automatic generation control
 - Ancillary services (e.g., voltage support and load following)
 - Start-up characteristics
 - Maintenance coordination
 - Transmission impact/voltage control
 - Water efficiency
- Other Factors
 - Resource expansion capability
 - Stability of price proposal
 - Economic development benefits
 - Diversity of overall resource portfolio
 - Chance of regulatory approval

- EPE Financial Impact
 - Cash flow
 - Debt ratio
 - Bond ratings
 - Capital attraction

7.4 Load Management Resource Evaluation

Because of load management characteristics, EPE may also consider the following criteria in evaluating demand-side management proposals.

- Cost-Effectiveness
 - Total Resource Cost Test
 - Rate Impact Measure Test
- Economic and Financial Risk
 - Measurement and Verification Plan
 - Resource Financing
 - Marketing Plan

7.5 Environmental Evaluation (if applicable)

Proposals will be evaluated from an environmental standpoint to determine whether existing resources are in environmental compliance with current regulations and that proposed facilities can be permitted within the timeframe indicated. Overall environmental impact of the facilities will also be assessed.

7.6 EPE's Selection of Proposals and Discussions with Bidders

EPE may initiate contract discussions with Bidder(s), as appropriate, following a review of technical, economic, risk and environmental factors. EPE reserves the right to enter into an agreement at any time with a Bidder who, in the opinion of EPE, will provide the greatest value to EPE and its customers. EPE also reserves the right to pursue contracts with Bidders other than the lowest price Bidder or with Bidders other than the Bidder evidencing the greatest technical ability, if EPE, at its sole discretion, determines that doing so would result in the greatest value or lowest risk to EPE and its customers. EPE reserves the right to enter discussions with multiple Bidders at any time to determine and pursue what EPE believes is in the best interest of EPE and its customers.

EPE, AT ITS SOLE DISCRETION, MAY DECLINE TO ENTER DISCUSSIONS WITH ANY BIDDER, MAY TERMINATE NEGOTIATIONS WITH ANY BIDDER, AND/OR DECLINE TO SELECT ANY BIDDER AT ANY TIME DURING THIS RFP PROCESS. ALL COMMUNICATION BETWEEN BIDDERS AND EPE SHALL BE CONDUCTED IN WRITING AS PER SECTION 1.3 RFP EMAIL COMMUNICATIONS AND/OR SECTION 1.4 RFP DOCUMENT SUBMISSION.

8.0 NOTICE OF DISCLAIMER

EPE has prepared the information provided in this RFP to assist interested persons and entities in deciding whether to respond with a proposal. EPE reserves the right to modify, change, supplement or withdraw this RFP at its sole discretion. No part of this document or any other correspondence from EPE, its employees, officers or consultants shall be taken as legal, financial, or other advice, nor as establishing a contract or any contractual obligations. All communication, except for the Pre-bid Webcast, between Bidders and EPE shall be conducted in writing.

EPE makes no representations or warranties regarding the completeness of the information contained within this RFP and does not contend that this RFP contains all the information needed for Bidders to determine whether to submit a proposal. Neither EPE nor its employees, officers or consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information contained within this RFP or any other information provided to Bidders.

Bidders who submit proposals do so without legal recourse against EPE, or EPE's directors, management, employees, agents, or contractors, due to EPE's rejection, in whole or in part, of their proposal or for failure to execute any agreement with EPE. EPE shall not be liable to any Bidder or to any other party, in law or equity, for any reason whatsoever related to EPE's acts or omissions arising out of or in connection with this RFP process.

EPE reserves the right to reject, for any reason, any and/or all proposals. EPE further reserves the right to waive any irregularity or technicality in proposals received, or to consider alternatives outside of this solicitation, at its sole discretion, to satisfy its capacity and energy needs. In addition, EPE reserves the right, at its sole discretion, to modify or waive any of the criteria contained herein and/or the process described herein.

No Bidder will have any claim whatsoever against EPE, its employees, officers, or consultants arising from, in connection with or in any way relating to this RFP. Without limiting the generality of the foregoing, each Bidder agrees, by and through its submission of a proposal, that rejection of a proposal will be without liability on the part of EPE, its employees, officers, or consultants, nor shall a Bidder seek recourse of any kind against any of the foregoing on account of such rejection. The filing of a proposal shall constitute an agreement of the Bidder to each and all these conditions. Each Bidder and recipient of this RFP is responsible for all costs incurred in evaluating, preparing and responding to this RFP. Any other costs incurred by any Bidder during negotiations are also the responsibility of the Bidder.

9.0 ATTACHMENTS

9.1 Notice of Intent to Bid

PLEASE SUBMIT A SEPARATE NOTICE OF INTENT FOR EACH PROJECT PROPOSED THAT DIFFERS IN RESOURCE TYPE

Company Name: _____

Company Address: _____

Contact Person:

Name	
Title/Position	
Mailing Address	
Courier Address (If different)	
Telephone Number	
E-mail Address	

Anticipated Power and/or Energy Supply Type: _____

Location, Nameplate Capacity (MW or MWac), and Point of Interconnection of Project

Authorized Signature: _____

Date: _____

The Notice of Intent to Bid must be submitted as per the requirements defined in Section 1.3 RFP Email Communications. Receipt of the Notice of Intent to Bid will be confirmed from EPE to the Bidder via email. **Please submit a separate Notice of Intent for each project proposed that differs in resource type.**

This form must be submitted by 11:59 p.m. MPT on Friday, November 21, 2023.

9.2 Notice of Wire Payment Information

The Proposal Fee Payment due date is end of business day on **Friday, January 26, 2024**.

This form must be completed and submitted as per the requirements of Section 1.4 *RFP Document Submission* PRIOR to the Wire Transfer Payment.

NOTICE: EPE's Electronic Payment Instructions will be provided to Bidders in the 2023 TX All-Source RFP on-line group, please refer to Section 1.4 *RFP Document Submission*.

Company Name: _____

Company Address: _____

Contact Person:

Name	
Title/Position	
Telephone Number	
E-mail Address	

Purpose of Payment: 2023 TX All-Source RFP

EPE Internal Contacts: EPE Resource Strategy

Wire Payment Amount: \$ _____ .00 US Dollars

THIS FORM MUST BE COMPLETED AND SUBMITTED AS PER THE REQUIREMENTS DEFINED IN SECTION 1.4 *RFP DOCUMENT SUBMISSION* PRIOR TO THE WIRE TRANSFER PAYMENT.

9.3 Data for All Projects

1. Project Location

State: _____ County: _____ City: _____

Section: _____ Township: _____ Range: _____

2. Provide a general description of the resource project:

3. The data below applies to resource proposals that generate power whose output can be dispatched (via AGC or pre-defined schedules – ANY PROPOSALS THAT ARE INTERMITTENT OR HAVE CONSTRAINTS PREVENTING FULL ENERGY OUTPUT TO NAMEPLATE MUST FILL OUT THE 12X24 OUTPUT PROFILE DENOTED IN SECTION 9.6). At a minimum, include the following items, if applicable:

a. Max summer capacity and capacity charge by year for each alternative option proposed. The information shall be presented in a table that shows net Kw and \$/Kw/mo. Additional support information:

Max summer MW _____

For conventional gas fired generation, please provide the
MW output at 1% wet bulb temperature occurrence _____

For combined-cycle proposals provide for both operating states of combined and simple-cycle. Net capacity shall be based on 20-year average unit conditions, not 'new and clean.'

b. Primary fuel type: _____ Secondary fuel type: _____

c. Other unit operating parameters

i. Minimum net unit output (MW) under normal operating conditions: _____

In combined-cycle mode: _____

In simple-cycle mode: _____

ii. Maximum number of starts (requests) per day: _____

iii. Time to bring on-line, i.e., synchronize to grid (minutes): _____

Maximum net summer capacity (MW) within 10 minutes: _____

- Time to bring unit to full load (MW): _____
- iv. Minimum on-line time (hours): _____
- v. Minimum off-line time (hours): _____
- vi. Starting reliability (percentage of time the unit will successfully start): _____
- vii. Forced outage rate (%): _____
- viii. Annual overhaul requirements (days/year): _____
- ix. Minimum-maximum operating temperature range (F°): _____

Note: If overhauls and/or maintenance outages follow a periodic pattern such as 10 days each year with 20 days every fourth year, provide that pattern.

- d. Describe AGC capabilities and, if applicable, any constraints: _____

- e. Describe all expected permitted emissions levels: _____

4. Provide all information requested in Section 5.0.

THIS FORM MUST BE COMPLETED AND SUBMITTED WITH THE PROPOSAL AS PER THE REQUIREMENTS DEFINED IN SECTION 1.4 RFP DOCUMENT SUBMISSION BY 11:59 P.M. MPT ON FRIDAY, JANUARY 26, 2024.

9.4 Additional Data for Purchased Power Agreements

1. The additional data below applies to resources that generate power whose output can be dispatched (via AGC or pre-defined schedules), e.g., biomass projects. **BIDDER IS RESPONSIBLE FOR ALL TAXES AND TRANSMISSION COSTS. ALL DATA SHALL BE NET OF ANY LOSSES REQUIRED TO DELIVER BIDDER'S POWER TO THE EPE BALANCING AUTHORITY AREA IN TEXAS.** At a minimum, include the following items, if applicable:
 - a. Provide either fuel cost (\$/MWh) by year OR the following:
 - i. A guaranteed input/output table showing MMBtu fuel input versus MW output at summer unit conditions. Input/output tables shall be based upon 20-year average unit conditions (not 'new and clean') and shall show input (HHV MMBtu/hr. based upon the primary fuel type) versus net output (MW) over the full range of the unit's capability under normal operating conditions at capacity increments of one MW (between the maximum and minimum capacity levels), AND
 - ii. Either a guaranteed year-by-year price forecast or a fuel price index. If available, Bidder should provide a forecast of the index. Any fuel price index shall include a discussion of the proposed index and 20 years of the index history.
 - b. Provide either a *fixed* O&M charge (\$/kW-year) by year, OR a *fixed* O&M charge for a Bidder-specified year and *fixed* O&M index. If available, Bidder should provide a forecast of the index. Any *fixed* O&M cost index shall include a discussion of the proposed index and 20 years of the index history.
 - c. Provide either a *variable* O&M charge (\$/MWh) by year OR a *variable* O&M charge for a Bidder-specified year and *variable* O&M index. If available, Bidder should provide a forecast of the index. Any *variable* O&M cost index shall include a discussion of the proposed index and 20 years of the index history.
2. Provide either unit start-up charge (\$/start) by year OR a unit start-up charge for a Bidder-specified year and a start-up charge index. If available, Bidder should provide a forecast of the index. Any start-up cost index shall include a discussion of the proposed index and 20 years of the index history. The additional data below applies to renewable energy projects. At a minimum, include the following items, if applicable:
 - a. **Pricing:** Provide ONE of the following, provided that the pricing schedule submitted must be consistent with the type of renewable resource proposed (i.e., intermittent renewables are allowed to submit a base price and a fixed annual escalation rate):
 - i. A schedule of year-by-year annual prices (\$/MWh) required.
 - ii. An initial year price escalating at a fixed annual rate for the contract term.
 - iii. An annual price (\$/MWh) for a Bidder-specified year and a payment index to be applied. If available, Bidder should provide a forecast of the index. Any payment index shall include a discussion of the proposed index and 20 years of the index history. EPE at its sole discretion will determine if the index is viable.
 - b. **Expected and Guaranteed Energy Production**
 - i. **Total Annual Expected Energy Production:** Specify the expected annual energy (MWh) output from January 1 through December 31: _____
 - ii. **Total Annual Guaranteed Energy Production:** Specify the guaranteed annual energy (MWh) output from January 1 through December 31: _____

This data will be used to determine the capacity value of each resource for economic evaluation purposes, the energy (MWh) contribution of the renewable resources and whether the resource can provide the energy required by EPE. In addition, the PPA will contain penalty provisions for not meeting this minimum.

THIS FORM, IF APPLICABLE, MUST BE COMPLETED AND SUBMITTED WITH THE PROPOSAL AS PER THE REQUIREMENTS DEFINED IN SECTION 1.4 *RFP DOCUMENT SUBMISSION* BY 11:59 P.M. MPT ON FRIDAY, JANUARY 26, 2024.

9.5 Additional Data for Equity Purchase (Full or Partial)

1. For wind resources, provide historical wind data to aid in EPE’s evaluation.
2. Lump-sum purchase price (\$) and date for payment: _____

Alternatively, a schedule of progress payments may be substituted for the lump-sum purchase price. Provide a schedule of such payments (dollars and date of payment).

3. Bidders must provide, in a Microsoft Excel spreadsheet format, a detailed pro forma financial projection of all operating costs on a year-by-year basis for a period of five years. Such statements shall identify the following applicable cost components:
 - a. Fixed O&M costs (identify what is included)
 - b. Variable O&M costs (identify what is included)
 - c. Unit start-up costs
 - d. Major/minor maintenance, inspections and overhaul annual cycles and costs
4. Bidders must provide contractual terms for any long-term agreements that would be transferred with the facility purchase to EPE such as fuel supply, fuel transportation, water supply or discharge, long-term service agreements on equipment, etc. that define and support the operating cost projections.
5. EPE is also interested in receiving purchase proposals for Bidder’s facility that includes ongoing operations and maintenance performed by the Bidder or a third-party contractor under an operations and maintenance contract. Bidder should specify contract terms and operating cost guarantees for this option, if applicable.

TABLE 1: CAPITAL COST BREAKOUT

COST CATEGORY	COST (\$000)
Total Capital Cost	
Total EPC Costs	
Major Equipment	
Sales Tax	
Other EPC	
Fixed Costs	
Variable Costs	
Total Owners Cost	
Permitting and Development	
Owners Project Contingency	
Major Equipment Cost Contingency	
Terms and Conditions Cost Contingency	
Financing Costs (if applicable)	
Other Owners Costs	

TABLE 2: CAPITAL COST BREAKOUT SUB-CATEGORIES

COST SUB-CATEGORIES	INDICATE WHETHER INCLUDED, NOT INCLUDED OR NOT APPLICABLE	COST CATEGORY IT FALLS UNDER	COST (\$000)
Land Cost			
Performance Bond or LOC			
Builder's Risk Insurance			
Water Interconnection and Metering			
Natural Gas Interconnection, Compression Station, Cleaning and Metering			
Transmission Allowance (Project to Substation)			
DCS Cost			
CEMS Cost			
RO/DI Cost (if applicable)			
Evaporation Pond and/or ZLD (if applicable)			
Deluge System/Fire Control System Cost (Transformers)			
LDs			

Bidders are responsible for acquiring and maintaining all applicable present and future federal, state, and local approvals, licenses, permits or variances, and the specific requirements associated with constructing and/or operating any generation facility and associated interconnection facilities.

THIS FORM, *IF APPLICABLE*, MUST BE COMPLETED AND SUBMITTED WITH THE PROPOSAL AS PER THE REQUIREMENTS DEFINED IN SECTION 1.4 RFP DOCUMENT SUBMISSION BY 11:59 P.M. MPT ON FRIDAY, JANUARY 26, 2024.

9.6 Additional Data for Renewable Energy or Any Intermittent, Non-Dispatchable Resources

Bidders must provide sufficient data and information that will allow EPE to meet certification requirements imposed by the PUCT, Texas Legislature, NMPRC or New Mexico Legislature.

1. Provide a detailed description of the generating facility(ies) and provide a verification methodology to track the sale, transfer or disposition of renewable energy produced to ensure energy is not used for or counted toward, the Texas or New Mexico renewable energy portfolio standard or requirements, or voluntary tariff program, by or on behalf of another utility:

2. Provide a description of delivery points and transmission and/or interconnection facilities:

Proposals must also provide an available energy profile (MWh or kWh) on an hourly basis for a typical day in each month (12X24 Matrix) using the Microsoft Excel spreadsheet which will be available for download in EPE’s 2023 TX All-Source RFP on-line group (please refer to Section 1.4 RFP Document Submission). An example of a typical energy profile is also available in that workbook. EPE reserves the right to request additional information from the Bidder regarding limitations or any other details related to the proposal.

Bidders are responsible for acquiring and maintaining all applicable present and future federal, state, and local approvals, licenses, permits or variances, and the specific requirements to construct and/or operate any generation facility and associated interconnection facilities.

THIS FORM, *IF APPLICABLE*, MUST BE COMPLETED AND SUBMITTED WITH THE PROPOSAL AS PER THE REQUIREMENTS DEFINED IN SECTION 1.4 RFP DOCUMENT SUBMISSION BY 11:59 P.M. MPT ON FRIDAY, JANUARY 26, 2024.

9.7 Load Management Required Data

Provide a description of the load management methods that will be used and, at a minimum, discuss the following as applicable:

- Potential peak reduction
- Restrictions on number of times it may be utilized
- Annual effects
- Load shape
- Direct load control
- Energy efficiency
- Interruptible load
- Other load management
- Program cost

Attach additional sheets that provide a specific pricing proposal for the capacity and/or energy reduction offered by year and capacity and energy pricing and payment terms.

9.8 Additional Data for Purchase or Equity Participation in the Bidder's New or Existing Conventional Generation Facility (e.g., Turnkey Projects)

The additional data below applies to resources that generate power whose output can be dispatched (via AGC or pre-defined schedules). **ALL DATA SHALL BE NET OF ANY LOSSES REQUIRED TO DELIVER BIDDER'S POWER TO THE EPE CONTROL AREA.** At a minimum, include the following information based on the type of unit(s) being proposed in the RFP, if applicable:

- Number of units in service and years in service (e.g., fired hours, energy storage charge/discharge hours)
- Starting reliability and contributing issues
- Unit availability
- Inspection cycles completed (i.e., service hours, type of inspection, inspection duration)
- Gas turbine maintenance issues identified during scheduled maintenance – top five
- Gas turbine and steam turbine maintenance issues driving forced outage rates
- Combined-cycle availability and reliability
- Combined-cycle balance of plant, including steam turbine, top five issues identified
- Emission control systems' issues and non-compliance
- Combustor related operational issues, load range stability characteristics

For proposed project, please provide the following information if applicable:

- Fuel delivery requirements, e.g., pressure and other specifications, at proposed location
- Loading curves in simple and combined-cycle modes, if applicable
- Provide a summer and a winter heat balance estimates at 45%, 60%, 80% and base load, and identify associated design conditions at proposed location
- Detail on critical monitoring systems, e.g., compressor stall, vibration, firing temperature, pressures, lubrication, cooling, flows, history, and data capture
- Identify EPE required redundancy to critical components, e.g., pumps
- Identify compressor wash system

- Identify the type of inlet air cooling, i.e., evaporative, fogging or chiller
- Identify Nox control, i.e., LN, DLN combustors, water injection or SCR
- Identify auxiliary equipment options and performance requirements
- Identify HRSG design options impacting operating flexibility, maintenance, and accessibility, e.g., equipment layout, pressures, and controls
- Identify gas-bypass system and design utilized for simple cycle operation, if applicable and related issues
- Identify critical support system equipment reliability and redundancy
- Identify combined-cycle sink cooling, i.e., wet, dry or hybrid
- Identify engine fuel options
- Identify the overall control system options
- Identify critical spares' inventory requirements
- Identify compressor and turbine nozzle and blade coatings – extent and type
- Identify combustor and transition coating requirements – extent and type
- Identify materials utilized in “hot zone” components, i.e., combustors, liners, transitions, vanes, and blades
- Identify combustor design for emission formation control

Bidders are responsible for acquiring and maintaining all applicable present and future federal, state, and local approvals, licenses, permits or variances, and the specific requirements to construct and/or operate any generation facility and associated connection facilities.

10.0 ADDITIONAL TABLES AND INFORMATION INPUT TEMPLATES

Bidder is required to fill in all the information requested in the Excel workbook that applies to its particular project. The Excel workbook containing the additional information requests will be available to download by the end of November 2023 on EPE’s webpage and the 2023 TX All-Source RFP on-line group; the Excel workbook file will be named “2023 TX All-Source RFP Tables and Input Templates”. Please fill in all tables and information that apply in the Excel workbook.

BIDDERS MUST SUBMIT COMPLETED APPLICABLE TABLES AND INFORMATION WITH THE PROPOSAL AS PER THE REQUIREMENTS DEFINED IN SECTION 1.4 *RFP DOCUMENT SUBMISSION* BY 11:59 P.M. MPT ON FRIDAY, JANUARY 26, 2024.