

EL PASO ELECTRIC COMPANY
SCHEDULE NO. TXBSP
TEXAS BUSINESS SOLAR POWER RATE

APPLICABILITY

This optional rate schedule is available to Customers without distributed generation and taking service under a Retail Service Schedule listed in the section titled Monthly Rates, and below the transmission voltage service. Participation in EPE's Texas Business Solar Power (TXBSP) program is voluntary and is administered separately from the Customer's standard electric service rate schedules. Service under this rate schedule will be first available upon the commercial operation of the portion of EPE's Texas Solar One dedicated to this program and is limited to the amount of generation available under the TXBSP program.

TERRITORY

Texas Service Area

TYPE OF SERVICE

"Texas Business Solar Power" is defined as electric energy generated from EPE's Texas Solar One solar photovoltaic generation facility specifically dedicated to the TXBSP program, 50 megawatts (MW) (TXBSP Facility), and made available to participating Customers who voluntarily subscribe to a specified capacity from this TXBSP Facility ("TXBSP Customer" or "subscriber").

The amount of power subscribed to by the TXBSP Customer shall be set out in an *Agreement for the Purchase of Electric Service from El Paso Electric Company*. The subscription will commence with the TXBSP Customer's first billing cycle following Company acceptance of the agreement. Customers have the option of subscribing to Standard Solar Service or Multi-Year Contract Service.

Standard Solar Service. TXBSP Customers are required to subscribe for a twelve (12) consecutive month period.

Multi-Year Contract Service. Multi-year contracts for a five and ten year subscription may be made available to qualifying Customers. TXBSP Customers with multi-year contracts will receive the Renewable Energy Credits (RECs) associated with the renewable energy generated by the TXBSP Facility that equals the TXBSP Customer's subscription. EPE will retire RECs on the TXBSP Customer's behalf or transfer them to the TXBSP Customer if the TXBSP Customer sets up an account with the Electric Reliability Council of Texas (ERCOT). The TXBSP Customer shall be responsible for any fees ERCOT requires for setting up the REC account or transferring RECs, in the event ERCOT imposes such fees.

EL PASO ELECTRIC COMPANY
SCHEDULE NO. TXBSP
TEXAS BUSINESS SOLAR POWER RATE

TXBSP Customers must subscribe to TXBSP program capacity in ten (10) kilowatt (kW) blocks up to a number of kilowatts equal to: 1) the Customer's historical highest measured demand at the Customer's service location during the most previous 12-month billing period; or, 2) for the new Customer, the projected highest measured demand for the subsequent 12-month period. The number of kW blocks allowed for subscription is determined at the time of enrollment. During the first six months of the TXBSP program operation, the TXBSP Customer's subscribed capacity will be limited to no more than 25 MW. If after six months there is remaining unsubscribed capacity, the remaining capacity will be made available to subscribers that qualify for the TXBSP and have already subscribed to 25 MW. The initial application will have an option if a TXBSP Customer wants to be contacted in the event there is additional capacity after the initial six-month period following the commercial operation date of the TXBSP Facility. Requests for additional capacity will be processed in the order received from subscribers after notification of the availability of the additional capacity. In the event that additional capacity is offered under this provision, subscribers may increase subscription up to the amount of capacity expected to produce the TXBSP Customer's previous 12 months annual energy consumption, as measured by kWh's billed, if such amount is available, and a Customer acquiring subscription capacity through a transfer from another subscriber may have a subscribed capacity up to the amount of capacity expected to produce the Customer's previous 12 months annual energy consumption, as measured by kWh's billed, if such amount is being transferred. The excess capacity will be made available to other customers for subscription as provided herein.

MONTHLY RATES

The monthly charge for subscribed capacity will be the TXBSP Customer's subscribed capacity multiplied by the Monthly Capacity Charge.

	Per kW
Solar Capacity Charge	\$10.52

The Solar Generation Credit is determined by multiplying the sum of the applicable Base Generation Rate, for the TXBSP Customer's applicable retail service rate, and the currently applicable Texas fuel charge provided in Schedule FFF - Fixed Fuel Factor by the TXBSP Customer's Solar Billing Energy, as defined below.

Solar Generation Credit (Base Generation Rate)	Per kWh
Schedule No. 24 – General Service	\$-0.045343
Schedule No. 25 – Large Power Service	\$-0.033298
Schedule No. 41 – City and County Service	\$-0.049817

DETERMINATION OF SOLAR BILLING ENERGY (KWH)

Section Number 1
 Sheet Number 38.1
 Page 2 of 5

Revision Number 0
 Effective Upon commercial operation of
Texas Solar One

EL PASO ELECTRIC COMPANY
SCHEDULE NO. TXBSP
TEXAS BUSINESS SOLAR POWER RATE

The TXBSP Customer's Solar Billing Energy (in kWh) for purposes of calculating the applicable Solar Generation Credit will be determined by multiplying the ratio of the TXBSP Customer's subscribed capacity to the total TXBSP program facility's capacity (in kW) times the monthly metered kWh production output of the TXBSP program facility.

EARLY TERMINATION FEE

TXBSP Customers who elect to end participation or reduce their kW subscription in the TXBSP program prior to the end of their subscription and TXBSP Customers who fail to provide a sixty (60) days notice as required by paragraph 5 of the Terms and Conditions section will be required to pay an early termination fee.

The early termination fee is equivalent to the TXBSP Customer's subscribed capacity or reduction in kW subscription multiplied by the Solar Capacity Charge times the number of months remaining until the end of the Agreement. This early termination fee shall be waived if the TXBSP Customer arranges for another eligible EPE Texas customer(s) to assume the TXBSP Customer's subscribed capacity. The assuming customer(s) will be required to enter into a new agreement with the Company for this additional subscribed capacity.

COMPANY'S RIGHT TO EARLY TERMINATION DUE TO LACK OF SUBSCRIBERSHIP

1. If the program is not fully subscribed at any time after the one year anniversary of the commercial operation date of the TXBSP Facility, the Company, within its sole discretion, may allow a single customer to purchase all unsubscribed output from the TXBSP Facility; and
2. If less than 90% of the TXBSP program's capacity is subscribed by the one year anniversary of the commercial operation date of the TXBSP program facility and anytime within five (5) years thereafter (the sixth-year anniversary), the Company may terminate the program and close this rate schedule on notice to the Public Utility Commission of Texas (Commission) and any subscribing TXBSP Customers. Such notice will be subject to review by the Commission Staff for compliance with the Public Utility Regulatory Act (PURA), and the Commission's rules. In the event the Company elects to close this rate schedule pursuant to this provision, each TXBSP Customer will receive sixty (60) days' notice and EPE will discontinue month-to-month program operation.

TERMS AND CONDITIONS

Service under this rate schedule is subject to the Company's Rules and Regulations on file with the Commission and available for inspection at Company offices. The provisions of any contract associated with service under this rate schedule are also applicable.

EL PASO ELECTRIC COMPANY
SCHEDULE NO. TXBSP
TEXAS BUSINESS SOLAR POWER RATE

1. Subscription of kW will be offered to Customers by the Company as it becomes available for subscription on a first-come, first-serve basis until full subscription is reached.
2. The Solar Capacity Charge and Solar Generation Credit are pursuant to the TXBSP Customer's subscription and are in addition to the TXBSP Customer's monthly billings pursuant to the TXBSP Customer's currently applicable standard rate schedule. The TXBSP Customer will continue to be billed for their monthly usage under their applicable standard rate schedule.
3. All terms and conditions of the TXBSP Customer's applicable standard rate schedule apply to service received under this rate schedule.
4. The Company retains the right to deny or terminate service under this rate schedule to any TXBSP Customer in arrears with the Company.
5. TXBSP Customers will be automatically reenrolled for successive 12-month subscription periods upon the expiration of each subscription period, unless the TXBSP Customer sends a notice of termination to the Company sixty (60) days prior to the end of their subscription. Notification may be written, in person, by telephone, or other means acceptable to the Company, and confirmed in writing by the Company. Termination of the subscription will be effective with the TXBSP Customer's third monthly billing cycle after notification to the Company. Multi-year contract TXBSP Customers will be automatically reenrolled for successive 12-month subscriptions unless a new agreement for contract terms of five (5) or ten (10) years is entered into with the Company.
6. A TXBSP Customer may subscribe to additional 10 kW blocks, subject to availability, and TXBSP Customer's eligibility under this rate schedule, by submitting a new agreement for Company acceptance. TXBSP Customers may reduce their subscribed capacity at the initiation of any automatically reenrollment of a subscription period by providing notice to the Company sixty (60) days prior to the automatic reenrollment.
7. TXBSP Customers electing to end participation prior to the completion their subscription period will not be eligible for twelve (12) months following the date such TXBSP Customer's participating ends to re-enroll in the TXBSP program.
8. PTXBSP Customers relocating within the Company's Texas Service Area may transfer existing subscriptions and associated energy to service at their new service location.
9. Except for TXBSP Customers who enroll for contract terms of five (5) or ten (10) years, the Company will retain ownership of the RECs, as defined in PUC Subst. §25.173(c)(13), associated with the energy produced by the TXBSP program facility.

Section Number 1
Sheet Number 38.1
Page 4 of 5

Revision Number 0
Effective Upon commercial operation of
 Texas Solar One

EL PASO ELECTRIC COMPANY
SCHEDULE NO. TXBSP
TEXAS BUSINESS SOLAR POWER RATE

10. The Company will hold harmless subscribing TXBSP Customers if the TXBSP Facility does not operate as warranted resulting in the Company making a warranty claim, except that if the TXBSP Facility continues to malfunction for a period of more than six (6) continuous months or if it is determined by the Company that the facility is only operable at a significant level below the originally expected level of production, the Company may terminate this rate schedule upon thirty (30) days' notice.
11. The Company is not obligated to hold TXBSP Customers harmless in the event that lesser production is a result of weather conditions.
12. In the event that EPE implements a fuel refund or fuel surcharge, the fuel refund or fuel surcharge factor will apply only for metered energy net of TXBSP program energy provided to TXBSP program Customers. The refund or surcharge factor does not apply to energy supplied from the TXBSP Facility.
13. In the event a TXBSP Customer's subscription results in a credit balance on a monthly bill, the monetary credit balance on the bill will be carried forward to future bills.
14. The Company will have the right to suspend a monthly bill for both the subscription charges and generation credits under the tariff if the facility is taken out of service for more than 20 days for purposes of the program.

Section Number 1
Sheet Number 38.1
Page 5 of 5

Revision Number 0
Effective Upon commercial operation of
Texas Solar One