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SOAH DOCKET NO. 473-25-14211
DOCKET NO. 57501

APPLICATION OF EL PASO ELECTRIC COMPANY TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR A 100 MW SOLAR/100 MW BATTERY STORAGE FACILITY	§ § § § § §	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
COMMISSION STAFF'S
SECOND REQUESTS FOR INFORMATION
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-8

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STAFF 2-1:

What is the accredited capacity of the proposed Newman Buffer solar photovoltaic generating facility?

RESPONSE:

The accredited capacity of the proposed Newman Buffer solar photovoltaic generating facility is 30 MW. Please refer to the direct testimony of El Paso Electric Company witness Emmanuel Villalobos, beginning on page 8, for a further discussion of the effective load carrying capability which is used to determine the accredited capacity, and page 29 that identifies Newman Buffer's accredited capacity.

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	Judith M. Parsons		Regional Manager – Regulatory Resource Strategy
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy

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STAFF 2-2:

Please explain if and how the proposed Newman Buffer solar facility and the Newman Buffer battery are a prudent alternative to meet any demonstrated need for additional capacity.

a. How much additional capacity does EPE need to serve its retail customers and when is that need anticipated?

b. How much of the additional capacity does EPE need to serve wholesale customers and when is that need anticipated?

c. Please provide documentation and explain in detail what customer load growth assumptions EPE made when calculating potential future shortfalls.

d. Please explain in detail if the most recent load forecast available in this proceeding is based on different load-growth assumptions or a different methodology than the load forecasts available when EPE issued and evaluated its RFP. If the load-growth assumptions or methodology used in the most recent forecast are different than those used in the RFP forecast, please address the extent to which shortfall calculations for the planning period are sensitive to that difference in assumptions or methodology.

RESPONSE:

The evidence that El Paso Electric Company (EPE) presented with this application explains that the Newman Buffer solar facility and the Newman Buffer battery are a prudent alternative to meet the need EPE has demonstrated for additional capacity. In particular, EPE witness Emmanual Villalobos in his direct testimony explains in detail the all-source, competitive solicitation EPE performed that ultimately led to the selection of a portfolio of resources as the lowest cost portfolio of resources that would meet the capacity need, and that portfolio included Newman Buffer solar facility and the Newman Buffer battery.

The following responses are based on the 2024 Long-Term load forecast, which is the most recent forecast available at the time of filing.

a. EPE determines the need for capacity on a System and Jurisdictional basis and not at the customer class level. Please refer to Exhibits EV-2 through EV-6 to the direct testimony of EPE witness Emmanuel Villobos and EPE's response to Staff 01-02 for the Loads and Resources documents.

b. Please see the response to Staff 2-a.

c. EPE's 2024 Long-Term Forecast, forecasts a predicted 10- and 20-year compounded annual growth rate of 1.5%

d. The only methodology difference between the load forecast used for the selection (the 2023 Forecast) and the most recent forecast (the 2024 Forecast) is that EPE allowed the load factor to decrease for the first five years of the forecast horizon in the 2024 Forecast. This differs from the 2023 Forecast where the load factor remained constant throughout the entire forecast horizon. This change is described in more detail in the testimony of EPE witness Enedina Soto at page 11, line 26 - page 12, line 8.

Preparer:	Enedina Soto	Title:	Manager – Load Research & Data Analytics
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STAFF 2-3:

Please explain in detail the alternatives to the proposed Newman Buffer solar facility and the Newman Buffer battery that were considered by EPE to satisfy any identified need for additional service.

a. Please provide documentation and explain in detail how those alternatives measure up compared to the proposed Newman Buffer solar facility and the Newman Buffer battery.

b. Please explain in detail if and how EPE adequately analyzes extending the operating life of existing dispatchable generating capacity.

c. Please explain in detail if and how to adequately analyze the option of purchasing additional generation capacity, including from a competitive affiliate, instead of building the proposed solar photovoltaic generating facility and battery.

RESPONSE:

El Paso Electric Company ("EPE") conducted an all-source solicitation to identify available alternatives for serving the identified resource need. As explained in the Direct Testimony of EPE witness Emmanuel Villalobos, pages 12 through 31, there was a robust response with 94 proposals, all of which were potential alternatives for serving the need. After a thorough evaluation, EPE only considered for final selection the resources, including Newman Buffer, that provided the lowest-cost alternative portfolio selected by the PLEXOS model that met EPE's long-term capacity needs for its Texas jurisdiction.

a. Please see EPE's response above.

b. EPE performs technical life extension studies for each dispatchable generating unit to understand the major maintenance, upgrades, and replacement activities necessary to

maintain a safe and reliable operating condition beyond the original lifespan of each unit's lifespan, all while balancing the costs and ultimate impact to EPE's customers. EPE will typically retain the services of a professional engineering consulting firm to help perform these life extension studies. The studies generally focus on the major systems within each unit, and the major assets that comprise these systems using a combination of operations, condition, and economic criteria. The study criteria includes, but is not limited to, the age of unit, outage history, maintenance history, historical and projected operating and maintenance costs, planned improvement/replacement projects and major maintenance activities, operations history including quantity of dispatches and running hours, and existing condition reports and studies. The information used to establish the existing integrity of each unit is collected by a combination of records review, technical interviews with pertinent plant personnel who have close knowledge on each unit, as well as walkdowns and inspections performed by the professional engineering consulting firm. After ascertaining the working condition of each generating unit as well as its planned maintenance and improvement activities, a list of major maintenance, replacement, and upgrade activities are established including the cost, duration, and projected year the activity must be performed. EPE will then assess these activities using both economic and non-economic criteria during an optimization process to ensure the activities proposed by the engineering firm are both necessary and effectively allocates EPE resources without causing undue burden on EPE's customers.

c. As explained above, EPE has a process for acquiring resources through competitive bidding from external, as well as internal developers, by issuing Request for Proposals ("RFPs").

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STAFF 2-4:

Please explain in detail the effect on any affected utility in the Western Energy Imbalance Market or any other energy markets of which EPE is a member if the proposed Newman Buffer solar facility and the Newman Buffer battery are approved?

a. Please explain in detail to what effect, if any, would the proposed Newman Buffer solar facility and the Newman Buffer battery have on satisfying reserve requirements.

b. Please explain in detail to what effect, if any, would the proposed Newman Buffer solar facility and the Newman Buffer battery have on congestion charges.

c. Please explain in detail to what effect, if any, would the proposed Newman Buffer solar facility and the Newman Buffer battery have on reliability must run designations of generation units.

d. Please explain in detail to what effect, if any, would the proposed Newman Buffer solar facility and the Newman Buffer battery have on satisfying reserve requirements.

RESPONSE:

At this time, El Paso Electric Company is a member of only the Western Energy Imbalance Market. If approved, the proposed Newman Buffer solar facility and the Newman Buffer battery are not expected to have any impact on any other utility, including those in the Western Energy Imbalance Market, except to the extent that the resource contributes to EPE having adequate resources for its load. See Direct Testimony of EPE witness George Novela at page 10, lines 26-30. In addition, see responses to subparts a-d below.

a. The capacity of Newman Buffer solar facility and battery will assist EPE in satisfying reserve requirements. It will allow other conventional generation to decrease output and provide more spinning reserves which would facilitate satisfying reserve requirements.

b. During times of high demand, the addition of the Newman Buffer solar facility and battery may reduce congestion charges. In addition, Locational Marginal Prices may decrease if there is an abundance of solar. However, congestion charges will change depending on multiple factors such as time of day, temperature, location marginal prices, generation dispatch and load demand.

c. Must-run generation units would continue to operate as needed for reliability; any excess of generation would be managed by real-time energy traders.

d. Please see EPE's response to STAFF 2-4 a.

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STAFF 2-5:

Please provide and explain which other regulatory authorities, if any, must EPE or an entity affiliated with EPE seek approval to build, own, or build-own-transfer and operate the proposed Newman Buffer solar facility and the Newman Buffer battery.

RESPONSE:

EPE is only seeking approval from the PUCT because the Newman Buffer Facility would be a state dedicated facility, so no approval is needed from the Federal Energy Regulatory Commission or the New Mexico Public Regulation Commission.

However, standard permitting approvals from local entities as well as environmental permitting in order to operate the facility. See below for a listing as well as status of permits and assessments.

The Engineer, Procure and Construct (EPC) provider, DepCom Power Inc (DPI) has processed the following permits on EPE's behalf for Newman Buffer:

- TCEQ
  - Wastewater permit: completed
  - Construction General Storm Water Permit: completed
  - Storm Water Pollution Prevention Plan: in progress
- TXDOT
  - ROW permit: in progress
  - Traffic management plan: in progress
- City of El Paso
  - Grading permit: in progress
  - Building permit: not yet submitted
  - Temporary trailer permit: completed

- Knox Box: not yet submitted
- Fire Response Plan Recommendations: not yet submitted

Preparer:	George Novela	Title:	Senior Director- Regulatory Policy and Rates
	Edmundo Salazar		Director – Project Development
Sponsor:	George Novela	Title:	Senior Director- Regulatory Policy and Rates

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STAFF 2-6:

Please provide and explain if EPE filed applications for any of those necessary approvals? If so, when were the applications filed?

RESPONSE:

Please see EPE's response to STAFF 2-5.

Preparer:	George Novela	Title:	Senior Director- Regulatory Policy and Rates
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STAFF 2-7:

Please provide and explain which regulatory authorities have approved or disapproved the applications relating to the proposed Newman Buffer solar facility and the Newman Buffer battery.

a. When is action anticipated on any applications that have not yet been approved or disapproved?

RESPONSE:

Please see EPE's response to STAFF 2-5.

Preparer:	George Novela	Title:	Senior Director- Regulatory Policy and Rates
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STAFF 2-8:

Please provide and explain if any regulatory authorities, including the Federal Energy Regulatory Commission, does not approve the proposed Newman Buffer solar facility and the Newman Buffer battery, will the facilities be completed?

RESPONSE:

Please see EPE's response to STAFF 2-5.

Preparer:	George Novela	Title:	Senior Director- Regulatory Policy and Rates
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