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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 STATE OFFICE OF ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S
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CEP 3-1:

Please provide the expected charging and discharge cycle times (hours) and cycle efficiency (MWh charge per MWH discharged) for the proposed Newman Buffer BESS resource.

RESPONSE:

The Newman Buffer battery resource has a four-hour charging and discharging design, can be cycled up to twice per day not to exceed an annual daily average of once a day, and has an 86.9% round-trip efficiency. With alternative uses and varying factors, the main purpose of the Newman Buffer BESS resource is to provide system support and service peaking demand. It is expected the resource will be charged during non-peaking hours and will be discharged at periods of highest demand.

Preparer: Edmundo Salazar Title: Director of Project Development

Sponsor: Edmundo Salazar Title: Director of Project Development

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CEP 3-2:

Please provide the forecasted cost of energy ($/MWh) and avoided energy cost ($ and $/MWh) for energy discharged from the proposed Newman Buffer BESS resource for each year of the forecasted life of the facility.

RESPONSE:

See responses to OPUC 2-1. In the Plexos modeling of the resource portfolios, it was assumed that the Newman Buffer BESS resource would be charged from the Newman Buffer Solar facility, at $0/MWh cost. EPE did not model charging the Newman Buffer BESS from other resources. The Plexos modeling does not provide "avoided energy cost" at the time of discharge, so that information is not available. The Plexos modeling assumes dispatch of energy from the Newman Buffer BESS as appropriate consistent with system dispatch in conjunction with the other resources. However, while EPE's modeling of the Newman Buffer BESS was limited as described, EPE expects it to provide opportunities as suggested by the question wherein it could be charged at a lower cost and then subsequently discharged during the day to avoid more costly power.

Preparer: Ronda R. Griffin — Title: Principal Analyst - Market Development and Resource Strategy

Sponsor: Emmanuel Villalobos — Title: Director – Market Development and Resource Strategy

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CEP 3-3:

Please provide EPE's assessment of the risk that federal tax credits for the Newman Buffer solar or BESS facilities could be discontinued and the impact on LCOE of the projects if that were to occur.

RESPONSE:

EPE is constantly monitoring legislative proposals and executive announcements at the federal level. Although it is difficult to assess the risk given the very fluid political environment, there have been recent announcements of support to the House Tax Bill with the approval of the bill by the House Ways and Means Committee on May 14th. It is expected to have support from the House of Speaker by end of May and pass the Senate to be presented for presidential approval by July or August.

The proposed bill presents several tax proposals including, among other things, the reversal of some parts of the Inflation Reduction Act, but the plan would keep the current tax credits for renewable energy projects and batteries in place through 2028. The bill will not affect renewable electricity and battery storage projects that are already in operation or new projects that were under construction by the end of 2024 for tax purposes. For tax purposes, the Newman Buffer project was under construction before the end of 2024.

It is believed at this point that there is high likelihood the Newman Buffer solar or BESS facilities as presented will not be affected by the discontinuance of federal tax credits.

Preparer: Edmundo Salazar Title: Director of Project Development

Sponsor: Edmundo Salazar Title: Director of Project Development

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CEP 3-4:

Reference pages 6 and 7 of EPE witness Novela's direct testimony, please provide the forecasted annual nominal and cumulative net present value of the revenue requirements for each of the listed selected resources over the lives of the resources and in the year 2030.

RESPONSE:

Please see CEP 3-4, Attachment 1 CONFIDENTIAL.

Preparer:	Ronda R. Griffin	Title:	Principal Analyst - Market Development and Resource Strategy
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy

PUBLIC

CEP 3-4 Attachment 1 is a CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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CEP 3-5:

Reference pages 6 and 7 of EPE witness Novela's direct testimony, please provide the following information for each of the listed selected resources:

a. Minimum energy production guarantees
b. Delivery date guarantees
c. Term of service guarantees
d. Pricing based on energy production levels
e. Capacity level guarantees

RESPONSE:

Please see CEP 3-5, Attachment 1 Confidential.

Preparer:	Felipe Mejia	Title:	Staff Analyst – Market Development & Resource Strategy
Sponsor:	George Novela	Title:	Director – Senior Regulatory Policy and Rates
	Emmanuel Villalobos		Director – Market Development & Resource Strategy

PUBLIC

CEP 3-5 Attachment 1 is a CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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CEP 3-6:

Reference pages 6 and 7 of EPE witness Novela's direct testimony, please provide the firm capacity (MW) for meeting system capacity reserve requirements for each of the listed selected resources along with the forecasted annual energy production (MWh) of the resources.

RESPONSE:

Please see CEP 3-6, Attachment 1, for the firm capacity of these resources for the 20-year planning horizon, and CEP 3-6, Attachment 2, for the forecasted annual energy for the lifetime of the resources.

Preparer:	Clarissa Reyes	Title:	Staff Analyst – Market Development and Resource Strategy
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy
	George Novela		Senior Director – Regulatory Policy and Rates

				Firm Capacity (MW)		
				2025	**2026**	**2027**
RFP SELECTED RESOURCES	Jurisdiction	Installed Capacity	COD			
Coupled Solar Resource	Texas	100	2026		36	30
Coupled Battery Resource	Texas	100	2026		64	70
Coupled Solar Resource	Texas	100	2027			30
Coupled Battery Resource	Texas	100	2027			70
Coupled Solar Resource	Texas	250	2028			
Coupled Battery Resource	Texas	250	2028			
Standalone Battery Resource	Texas	150	2029			
Coupled Solar Resource	Texas	150	2029			
Coupled Battery Resource	Texas	75	2029			
NB Coupled Solar Resource	Texas	100	2027			30
NB Coupled Battery Resource	Texas	100	2027			93

2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
29	32	32	32	32	31	30	30	30	28
71	68	68	68	68	69	70	69	69	67
30	32	32	32	32	31	31	30	30	28
70	68	68	68	68	69	69	69	69	68
74	80	80	80	80	78	77	75	75	71
176	170	170	170	170	172	173	173	173	170
	112	111	109	109	108	107	105	104	103
	48	48	48	48	47	46	45	45	43
	56	56	54	54	54	53	52	52	51
30	32	32	32	32	31	31	30	30	28
83	74	74	72	72	71	70	69	69	68

2038	2039	2040	2041	2042	2043	2044
27	26	26	26	26	27	27
67	66	66	65	65	66	66
28	26	26	26	27	27	27
67	67	66	66	66	67	67
69	66	64	66	67	69	69
169	167	166	165	165	168	168
102	101	100	100	99	101	101
42	40	39	40	40	41	42
51	50	50	50	50	51	51
28	26	26	26	27	27	27
67	67	66	66	66	67	67

El Paso Electric
Annual Energy Production (MWh)

	PPA	PPA	Self-Build	PPA	ESA	PPA
	100 MW solar coupled with 100 MW BESS; COD in 2026	100 MW solar coupled with 100 MW BESS; COD in 2027	100 MW solar coupled with 100 MW BESS; COD in 2027	250 MW solar coupled with 250 MW BESS; COD in 2028	150 MW Standalone BESS; COD in 2029	150 MW solar coupled with 75 MW BESS; COD in 2029
2026	371,522	0	0	0	0	0
2027	471,776	224,773	283,851	0	0	0
2028	470,833	287,699	282,517	807,433	0	0
2029	469,891	286,261	281,189	799,359	164,250	285,965
2030	468,951	284,830	279,867	797,760	219,000	415,724
2031	468,013	283,405	278,552	796,165	214,467	413,645
2032	467,077	281,988	277,243	794,572	210,563	411,577
2033	466,143	280,578	275,940	792,983	207,089	409,519
2034	465,211	279,176	274,643	791,397	203,921	407,471
2035	464,281	277,780	273,352	789,814	200,984	405,434
2036	463,352	276,391	272,067	788,235	198,231	403,407
2037	462,425	275,009	270,789	786,658	195,654	401,390
2038	461,500	273,634	269,516	785,085	193,228	399,383
2039	460,577	272,266	268,249	783,515	190,909	397,386
2040	459,656	270,904	266,988	781,948	188,694	395,399
2041	458,737	269,550	265,734	780,384	186,562	393,422
2042	457,820	268,202	264,485	778,823	184,529	391,455
2043	456,904	266,861	263,242	777,265	182,573	389,497
2044	455,990	265,527	262,004	775,711	180,674	387,550
2045	455,078	264,199	260,773	774,159	178,849	385,612
2046	113,542	262,878	259,547	772,611	177,078	383,684
2047	0	65,391	0	771,066	175,361	381,766
2048	0	0	0	0	173,695	379,857
2049	0	0	0	0	42,811	125,986

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CEP 3-7:

Reference pages 6 and 7 of EPE witness Novela's direct testimony, please provide the levelized cost of energy (LCOE) and service life of each of the listed selected resources.

RESPONSE:

Please refer to El Paso Electric Company's response to TIEC 1-12, Attachment 3 Highly Sensitive Protected Materials Voluminous.

Preparer: Judith M. Parsons — Title: Regional Manager – Regulatory Resource Strategy

Sponsor: Emmanuel Villalobos — Title: Director – Market Development and Resource Strategy

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CEP 3-8:

Please provide a description and listing of DEPCOM Power, Inc.'s experience with the development of solar projects.

RESPONSE:

Please refer to Exhibit ES-01_2023 All Source TX RFP - EPE Newman Buffer Proposal - Final (highly sensitive and protected material), pages 26 through 28, 38, 41 through 43, and Appendix I – DEPCOM Statement of Qualifications in pages 554 through 560.

Preparer: Edmundo Salazar Title: Director of Project Development

Sponsor: Edmundo Salazar Title: Director of Project Development

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CEP 3-9:

Please provide EPE's assessment of the economic, operational and reliability advantages of the Newman Buffer solar and BESS resources over gas-fired combustion turbine peaking alternatives such as Newman 6.

RESPONSE:

El Paso Electric Company's ("EPE") capacity expansion modeling considers a wide range of factors, including project cost, operational flexibility, system reliability requirements, etc. For this planning cycle, the model determined that the solar and battery storage resource, the Newman Buffer project, provided a more cost-effective and reliability-enhancing solution and such it was selected as part of the lowest cost portfolio. It did this even though gas-fired combustion turbine alternatives, such as Newman Unit 6, were bid and modeled.

This outcome reflects the current needs of the system, the available project options, and the timing of capacity requirements. It does not suggest that one type of resource is no longer viable or appropriate. Gas-fired generation continues to be a valuable and dispatchable resource within EPE's overall portfolio and will likely be selected in future planning cycles depending on evolving system conditions and resource availability.

The model is designed to be technology-neutral and selects resources based on their ability to meet system needs at the lowest reasonable cost while maintaining reliability. In this instance, a solar-plus-storage resource offered fuel cost savings and operational flexibility that aligned well with the system's near-term requirements.

Preparer: Emmanuel Villalobos Title: Director – Market Development and Resource Strategy

Sponsor: Emmanuel Villalobos Title: Director – Market Development and Resource Strategy

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CEP 3-10:

Please provide the calculations and underlying assumptions for the ELCC ratings of each EPE resource used for the Company's analysis of forecasted capacity requirements supporting the selection of the Newman Buffer project.

RESPONSE:

El Paso Electric Company ("EPE") does not calculate an effective load carrying capability ("ELCC") by resource, but does by resource type. Please refer to TIEC 1-13, Attachment 1 Confidential that identifies the ELCC by type. Also refer to EPE's 2021 Amended New Mexico Integrated Resource Plan attached to EPE's response to TIEC 1-9, Attachment 1, for a further explanation of E3's planning reserve margin and ELCC study.

Preparer: Khimani Smith — Title: Associate Analyst – Market Development & Resource Strategy

Sponsor: Emmanuel Villalobos — Title: Director – Market Development & Resource Strategy

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CEP 3-11:

Please explain whether EPE is obligated by any regulatory order, RTO requirement, rule or statute to use ELCC ratings for determining its system reserve capacity requirements.

RESPONSE:

El Paso Electric Company ("EPE") is currently unaware of any regulatory order, RTO requirement, PUCT rule or statute to use effective load carrying capability ("ELCC") ratings for determining its system reserve capacity requirements; however, as stated in the Direct Testimony of EPE witness Emmanuel Villalobos, the ELCC method is an industry established metric appropriate for measuring resource adequacy contribution towards reliability and EPE utilizes this methodology, along with the loss of load expectation (LOLE) methodology, also an industry established metric, to set its planning reserve margin. Also refer to EPE's 2021 New Mexico Integrated Resource Plan provided in EPE's response to TIEC 1-9, Attachment 1.

Preparer:	Judith M. Parsons	Title:	Regional Manager – Regulatory Resource Strategy
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy
	George Novela		Senior Director – Regulatory Policy and Rates

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CEP 3-12:

Please explain whether EPE's planning reserve margin is required by any regulatory order, RTO requirement, rule or statute. If not, provide the basis and supporting documentation for the Company's planning reserve margin.

RESPONSE:

El Paso Electric Company ("EPE") is unaware of its planning reserve margin being required by any regulatory order, RTO requirement, rule or statute. Please refer to the Direct Testimony of EPE witness Emmanuel Villalobos, pages 7 to 9, for a more detailed explanation of EPE's planning reserve margin and EPE's 2021 New Mexico Integrated Resource Plan provided in TIEC 1-9, Attachment 1.

Preparer:	Judith M. Parsons	Title:	Regional Manager – Regulatory Resource Strategy
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy
	George Novela		Senior Director – Regulatory Policy and Rates

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CEP 3-13:

Please provide EPE's system capacity reserves (MW) and planning reserve margin (%) for each of the next 10 calendar years using ELCC ratings as proposed in this case.

RESPONSE:

Please refer to Exhibit EV-6, Line 8.0, which is attached to El Paso Electric Company witness Emmanuel Villalobos' direct testimony.

Preparer: Alejandro Rios Title: Associate Analyst – Market Development and Resource

Sponsor: Emmanuel Villalobos Title: Director – Market Development and Resource Strategy

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CEP 3-14:

Please provide EPE's system capacity reserves (MW) and planning reserve margin (%) for each of the next 10 calendar years using nameplate capacity ratings for conventional resources, and

RESPONSE:

When calculating its system capacity reserves and planning reserve margin, El Paso Electric Company ("EPE") does not use nameplate capacity ratings. As stated in Exhibit EV-6, footnote 7, the figures are based on effective load carrying capability ("ELCC"). As also stated in the Direct Testimony of EPE witness Emmanuel Villalobos, page 8, using the ELCC method is an industry established metric appropriate for measuring resource adequacy contribution toward reliability.

Preparer: Alejandro Rios — Title: Associate Analyst – Market Development and Resource Strategy

Sponsor: Emmanuel Villalobos — Title: Director – Market Development and Resource Strategy

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CEP 3-15:

Please provide the accredited capacity ratings for each EPE renewable owned and PPA resource as used for determining its forecasted system capacity requirements supporting the selection of the Newman Buffer project, along with the basis for accredited capacity ratings for each such resource.

RESPONSE:

EPE interprets the phrase "accredited capacity rating" to mean effective load carrying capability. Please refer to Exhibit EV-3 attached to the Direct Testimony of El Paso Electric Company ("EPE") witness Emmanuel Villalobos for the accredited capacity ratings as well as Emmanuel Villalobos' Direct Testimony for a further explanation of the basis for the accredited capacity ratings. Also refer to EPE's TIEC 1-13, Attachment 1.

Preparer: Alejandro Rios — Title: Associate Analyst – Market Development & Resource Strategy

Sponsor: Emmanuel Villalobos — Title: Director - Market Development & Resource Strategy

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CEP 3-16:

Please provide the total annual customer minutes interrupted (CMI) due to generating capacity shortages or outages on EPE' s system for each of the last 20 years.

RESPONSE:

EPE has not experienced any forced interruptions to distribution customers due to generating capacity shortages since 2014. Prior to 2014 distribution outage data is not available.

Preparer: Jason Villanueva — Title: Manager - Distribution Operations and El Paso Trouble & Emergencies

Sponsor: Emmanuel Villalobos — Title: Director - Market Development & Resource Strategy

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CEP 3-17:

Please provide the average CMI per customer (SAIDI) due to generating capacity shortages or outages on EPE's system for each of the last 20 years.

RESPONSE:

EPE has not experienced any forced interruptions to distribution customers due to generating capacity shortages since 2014. Prior to 2014 distribution outage data is not available.

Preparer: Jason Villanueva Title: Manager-Distribution Operations and El Paso Trouble & Emergencies

Sponsor: Emmanuel Villobos Title: Director- Market Development & Resource Strategy

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CEP 3-18:

Please provide the forecasted improvement in annual CMI and SAIDI due to the addition of the Newman Buffer solar and BESS resources for each of the first 10 years of commercial operations of the resources.

RESPONSE:

EPE does not forecast annual CMI and SAIDI, including for facility additions such as solar and BESS resources.

Preparer: Jason Villanueva Title: Manager-Distribution Operations and El Paso Trouble & Emergencies

Sponsor: Emmanuel Villalobos Title: Director- Market Development & Resource Strategy

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CEP 3-19:

Please provide any other probable improvement in service due to the Newman Buffer solar and BESS resources.

RESPONSE:

Please see Section 6 of the Direct Testimony of EPE witness George Novela for a detailed description of benefits from granting the Newman Buffer Project CCN approval.

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

Sponsor: George Novela Title: Senior Director – Regulatory Policy and Rates

SOAH DOCKET NO. 473-25-14211
PUC 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 STATE OFFICE OF ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S THIRD REQUESTS FOR INFORMATION
QUESTION NOS. CEP 3-1 THROUGH CEP 3-27

CEP 3-20:

Please provide EPE's analysis of the forecasted probable lowering of costs to consumers due to the Newman Buffer solar resources over the projected service life of the resources.

RESPONSE:

Please see EPE's response to CEP 3-19.

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

Sponsor: George Novela Title: Senior Director – Regulatory Policy and Rates

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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 STATE OFFICE OF ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
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QUESTION NOS. CEP 3-1 THROUGH CEP 3-27

CEP 3-21:

Please provide EPE's analysis of the forecasted probable lowering of costs to consumers due to the Newman Buffer BESS resource over the projected service life of the resources.

RESPONSE:

Please see EPE's response to CEP 3-19.

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

Sponsor: George Novela Title: Senior Director – Regulatory Policy and Rates

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

EL PASO ELECTRIC COMPANY'S RESPONSE TO
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QUESTION NOS. CEP 3-1 THROUGH CEP 3-27

CEP 3-22:

Please provide the following forecasted information for EPE's Texas Solar One project for each of the first ten years following commercial operations of the project:

a. Firm capacity rating (MW) for planning reserve margin purposes
b. Total energy produced each year, MWh
c. Annual energy supplied during on-peak hours, MWh
d. Annual energy supplied during off-peak hours, MWh
e. Annual forced outage hours
f. Average equivalent availability factor
g. Average capacity factor
h. Total 0&M
i. PTCs and ITCs
j. Annual capital additions

RESPONSE:

a. Please see CEP 3-22, Attachment 1 Confidential
b. Please see CEP 3-22, Attachment 1 Confidential
c. Please see CEP 3-22, Attachment 1 Confidential
d. Please see CEP 3-22, Attachment 1 Confidential
e. 0 forced outages
f. 100%
g. Please see CEP 3-22, Attachment 1 Confidential
h. Please see CEP 3-22, Attachment 1 Confidential.
i. Please see CEP 3-22, Attachment 1 Confidential.
j. Please see CEP 3-22, Attachment 1 Confidential.

Preparer:	Ronda R. Griffin	Title:	Principal Analyst - Market Development and Resource Strategy
	Edmundo Salazar		Director of Project Development
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy
	Edmundo Salazar		Director of Project Development

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CEP 3-23:

Please provide the number of EPE customers in Texas that have requested a desire to be served by increasing amounts of renewable resources since January of 2022, along with supporting documentation.

RESPONSE:

EPE does not survey all of its customers to determine how many have a desire to be served by increasing amounts of renewable resources. However, EPE does have both a community solar program as well as a business solar program that helps serve customers with increasing amounts of renewable resources. Both programs have been very successful with the community solar program recently being increased by 10 MW because historically it has been fully subscribed. The 50 MW business solar program was recently approved, and it seems to be on track to be fully subscribed by the time it goes COD. In addition to these programs EPE continues to see growth in the number of customers with rooftop distributed generation (DG).

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

Sponsor: George Novela Title: Senior Director – Regulatory Policy and Rates

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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 STATE OFFICE OF ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
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QUESTION NOS. CEP 3-1 THROUGH CEP 3-27

CEP 3-24:

Please provide EPE's most recent studies supporting the planned retirement dates of generating resources that are scheduled for retirement by 2030, along with the retirement dates and ELCC MW ratings of such resources.

RESPONSE:

El Paso Electric Company ("EPE") commissioned Burns & McDonnell Engineering Company, LLC ("B&M") to conduct life extension and condition assessment analyses on four of its older Newman and Rio Grande Power Generating Stations' units. Please refer to the B&M's Life Extension & Condition Assessment reports and corresponding appendices attached as CEP 3-24, Attachments 1, 1a, 1b, 2, 2a, 2b, 3, 3a and 3b Confidential, completed in July 2018. EPE has no economic analyses for planned retirement dates for Copper or the Montana Power Station, or for the newer units at Newman and Rio Grande. EPE is in the process of conducting new retirement studies for its existing units. The current retirement dates and effective load carrying capability megawatt ratings of these resources are reflected in EPE's Loads and Resources document provided in Exhibit EV-6 to the Direct Testimony of EPE witness Emmanuel Villalobos.

Preparer: Felipe Mejia — Title: Staff Analyst – Market Development & Resource Strategy

Sponsor: Emmanuel Villalobos — Title: Director – Market Development & Resource Strategy

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CEP 3-24 Attachments 1 through 3b are CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachments.

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EL PASO ELECTRIC COMPANY'S RESPONSE TO
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QUESTION NOS. CEP 3-1 THROUGH CEP 3-27

CEP 3-25:

Please provide EPE's estimate of costs required for life extension of each EPE generating resource that is scheduled for retirement by 2030.

RESPONSE:

Please refer to El Paso Electric Company's response to CEP 3-24.

Preparer: Felipe Mejia — Title: Staff Analyst – Market Development & Resource Strategy

Sponsor: Emmanuel Villalobos — Title: Director – Market Development & Resource Strategy

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APPLICATION OF EL PASO	§	BEFORE THE STATE OFFICE
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BATTERY STORAGE FACILITY	§	

EL PASO ELECTRIC COMPANY'S RESPONSE TO
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QUESTION NOS. CEP 3-1 THROUGH CEP 3-27

CEP 3-26:

Please provide the forecasted increase in Palo Verde off-system energy sales as a result of the addition of the proposed Newman Buffer solar project for each of the first five years of commercial operations of the project.

RESPONSE:

Please see CEP 3-26 Attachment 1, CONFIDENTIAL. The addition of the Newman Buffer solar plus battery storage project is expected to result in an increase in Palo Verde off-system energy sales. However, the primary benefit of the project is its contribution to reducing El Paso Electric's system-wide fuel and purchased power costs. The increased energy sales occur as part of optimized system dispatch — enabled by the addition of the low-cost, renewable resource with storage. Importantly, margins associated with off-system sales are credited back to customers. So, the presence of the Newman Buffer project results in both (1) increased off-system sales margins and (2) reduced overall fuel costs. This dual benefit ensures that customers see both lower fuel costs and increased off-system sales revenues. Therefore, the project enhances overall system efficiency while delivering cost savings and value to customers.

Preparer:	Ronda R. Griffin	Title:	Principal Analyst - Market Development and Resource Strategy
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy

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EL PASO ELECTRIC COMPANY'S RESPONSE TO
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QUESTION NOS. CEP 3-1 THROUGH CEP 3-27

CEP 3-27:

Please provide the forecasted increase in Palo Verde off-system energy sales as a result of the Texas One Solar project.

RESPONSE:

Please see CEP 3-27 Attachment 1 CONFIDENTIAL.

Preparer:	Ronda R. Griffin	Title:	Principal Analyst - Market Development and Resource Strategy
Sponsor:	Emmanuel Villalobos	Title:	Director – Market Development and Resource Strategy

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CEP 3-27 Attachment 1 is a CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

The following files are not convertible:

CEP 03-06_Attachment 01.xlsx
CEP 03-06_Attachment 02.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.