

McCloud CCN for Enchanted Rock Generation Project

366 MW Natural Gas Generation Facility
CCN Amendment Overview

The Foundation of EPE

VISION

Together we are powering economic growth, innovation, and prosperity in our region.

MISSION

We are Transforming the Energy Landscape.

- The CCN Application supports our Mission:
 - **Fosters and fuels economic growth** in the region
 - **Improves system efficiency** by increasing utilization beyond a few peak hours
 - **Expands and diversifies the customer mix** to spread system costs across a broader range of customers

The Project Is Designed for Responsible Regional Growth

- **Proposed to address a defined, near-term regional capacity need**
 - The CCN application reflects the scale and timing of that identified demand
- **Structured with clear boundaries around facility use and cost responsibility**
 - The proposed facility would be dedicated to the load driving the need
 - Project costs would be borne by the customer driving the demand
- **Designed to protect existing customers and system reliability as growth occurs**
 - The proposal does not reduce capacity serving existing customers
 - Safeguards are enforced through customer agreements and regulatory oversight

The McCloud CCN Application is for the Enchanted Rock Generation Project

The CCN application supports the need for the proposed Enchanted Rock generation project.





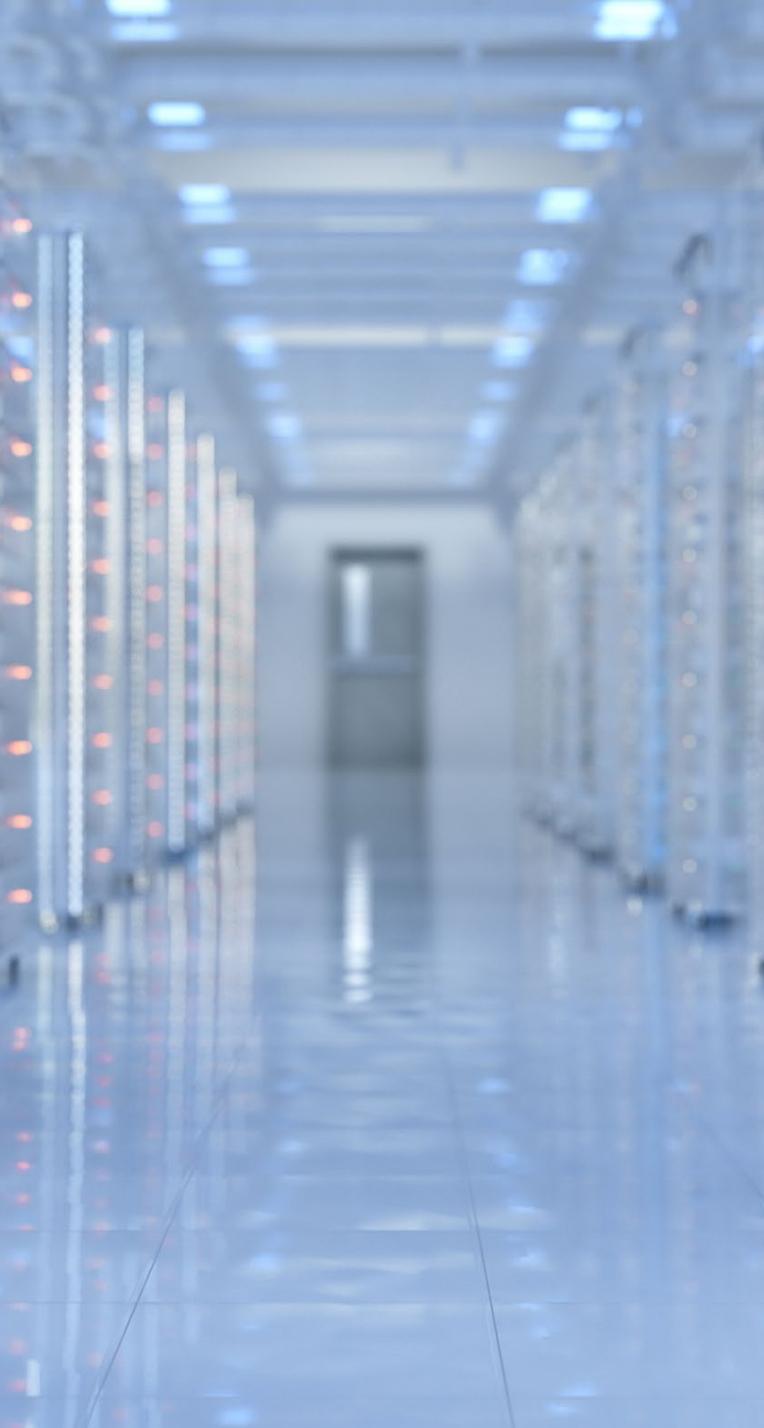
Enchanted Rock Generation Overview: Project to Support Regional Growth and Reliability

- **El Paso Electric** is proposing a **366 MW natural gas generation facility**
 - To provide 225 MW of energy
- The project would be located in **northeast El Paso** near the Meta data center development
- The facility is intended to meet:
 - **Near-term electric demand for Meta**
 - While maintaining **excellent system reliability**



Certificate of Convenience and Necessity (CCN) is under Review.

- A **Certificate of Convenience and Necessity (CCN) amendment** was filed on Dec. 2025
- A CCN amendment:
 - Determines **whether the project is needed**
 - Does **not approve costs** or set rates
- The review is conducted by the **Public Utility Commission of Texas & Municipalities**



Why This Type of Resource: Selected to Meet the Project's Timing and Reliability Needs

- The customer's electric-use profile requires **constant, round-the-clock service**
- Demand operates at a **high capacity factor**
- Only **dispatchable generation** can reliably serve a facility with these constraints
- This resource aligns with:
 - The project's **timeline**
 - The project's **operational needs**



Modular Design: Built for Flexibility and Fast Response

- The facility uses a **modular design**
- Allows for:
 - **Faster construction**
 - **Flexible operation**
- Units do not need to remain online when not required
- Supports efficient, responsive operations
- Keeps emissions below minor source air permit requirements, per TCEQ



Enchanted Rock's Water Use: No Water is Needed

- The Enchanted Rock Generation Facility will be **dry-cooled**
- It **does not require water** to generate power
 - No steam generation
 - No water-based cooling
- Important for regional **sustainability goals**



Who Uses the Facility: A Dedicated Resource for Customer

- Once operational, the facility will be:
 - **Dedicated exclusively** to this customer
 - Not connected to the rest of EPE's system
- The power produced will **only serve this facility**
- The project does **not impact service** for other customers
- This would change **only if** generation resource needs to be interconnected

Who Pays for the Project:

Costs Are Borne by Customer Driving the Demand

- While McCloud Generation is a dedicated resource
 - **Only Meta pays** for the project
- Existing customers **do not bear the cost**
- This approach:
 - Protects current customers
 - Aligns cost responsibility with demand
- Any change would need to go through extensive regulatory approval
- **Robust Customer Protections are built into Customer Service Agreement & Large Load Tariff**

How is EPE Serving this Customer:

1

First Phase

- Initial load: **250MW**
- Served by existing EPE system resources, including:
 - Nuclear
 - Solar
 - Battery storage
 - Natural gas

2

Second Phase

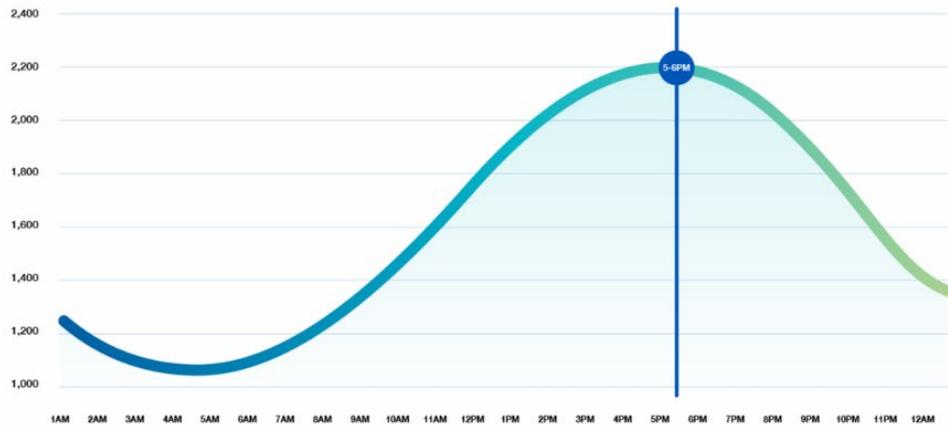
- Incremental load: **225 MW**
- That incremental load will be served by **Enchanted Rock Generation**
- This approach ensures:
 - Reliable electric service
 - No strain on existing system resources

More than \$1 billion in new renewable construction (see appendix)

This Matters for the EPE System:

New Peak: 2,201 MW*

JULY 19, 2022 *Unofficial Peak - Subject to further verification.



- El Paso Electric’s system is approximately **90% residential customers**
- This results in **lower overall system utilization**
- The system is often built for only a few peak hours each year
- Adding industrial and commercial load:
 - **Improves utilization**
 - **Supports more efficient planning**
 - **Benefits long-term reliability**

Bringing It All Together: Planning for Growth while Protecting Reliability and Customers

- El Paso is experiencing **significant new electric demand** driven by economic growth
- The Enchanted Rock Generation Facility is a **targeted, purpose-built solution** to meet that demand
- The project:
 - Meets a **defined, timing-driven reliability need**
 - Uses a **dispatchable, modular resource** designed for efficiency
 - **Does not use water**
- **Existing customers are protected:**
 - The facility is **dedicated to the customer**
 - **Project costs are borne by the customer driving the demand**
- A **CCN amendment** ensures the project is reviewed through a **transparent, public process**
- This approach supports **reliability today** while **enabling responsible long-term planning**

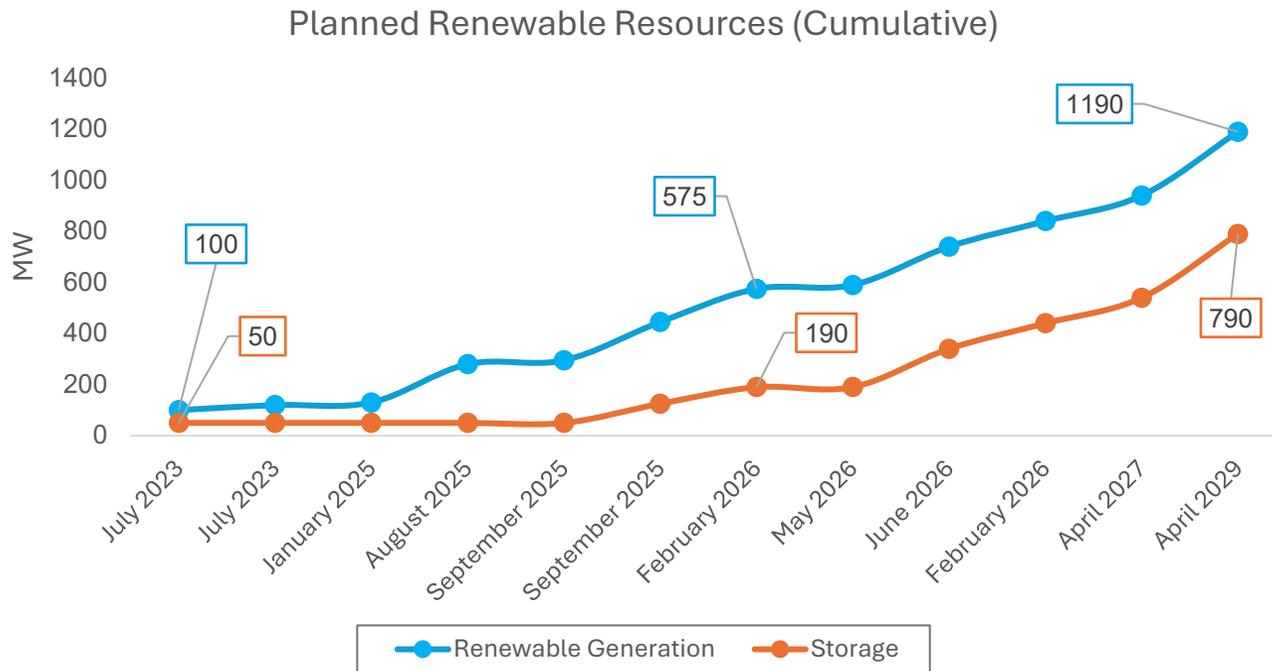


WE ARE TRANSFORMING THE ENERGY LANDSCAPE

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and Prosperity in our region

Appendix: Recent and Planned Solar and Battery Additions

- By 2030, EPE will add approximately **1,190 MW of solar generation** and **790 MW of battery storage capacity**.



Project	Type	MW	Operation Date
Buena Vista I	Solar/Battery	100/50	July 2023
Buena Vista II	Solar	20	July 2023
Texas Community Solar	Solar	10	January 2025
Felina	Solar	150	August 2025
New Mexico Community Solar	Solar	15	September 2025
Milagro	Solar/Battery	150/75	September 2025
Carne	Solar/Battery	130/65	February 2026
New Mexico Community Solar	Solar	15	May 2026
Santa Teresa	Solar/Battery	150/150	June 2026
Newman Buffer	Solar/Battery	100/100	February 2026
Buena Vista III	Solar/Battery	100/100	April 2027
Rattle Flats	Solar/Battery	250/250	April 2029