Powering Our Future

The Transformation of the Energy Landscape

New Mexico Energy Institute Symposium

November 18, 2025

EPE Overview

- Vertically-integrated
  - Established in 1901 as the El Paso Electric Railway Company
  - Acquired by the Infrastructure Investment Fund in 2020

- Approximately 460,000 retail and wholesale customers
  - ~80% customers in TX; 20% in NM
  - Residential (40% of energy sales)
  - Military (Ft. Bliss, White Sands Missile Range, Holloman AFB)
  - Large Industrials (Marathon Refining, Vinton Steele)
  - Public Authority – Municipal, ISDs, County, etc.
  - Rio Grande Electric Co-Op (wholesale)

- Peak load of 2,384 MW (2023)

EPE Overview

- Customer Growth
  - Growth of ~ 5,000 customers per year
  - Increased interest from large load customers

- Generation
  - Local gas generation plants
  - Local solar and battery storage (added 325MW solar/75MW battery in 2025)
  - 15.8% co-owner of Palo Verde Nuclear Station in (Arizona)

- Transmission
  - EPE Imports External Resources via:
    - EPE-owned transmission capacity in Arizona and Northern New Mexico
    - Purchased point-to-point transmission
    - Long-term exchange agreements

EPE Service Territory

- ✓ 10,000 square mile service territory
- ✓ Serving West Texas and Southern New Mexico
- ✓ Interconnected to 3 Regions
  - Located in Western Interconnection
    - WECC = Regional Entity
    - Southwest Power Pool = Reliability Coordinator
  - Eastern Interconnection
    - Via HVDC Tie in Eddy County, NM
  - Mexico
    - Via two 115-kV international transmission lines
  - NOT interconnected to ERCOT
- ✓ Reliability Coordinator = SPP RC services
- ✓ Western Energy Imbalance Market participant

EPE Executive Leadership Team

Kelly Tomblin

PRESIDENT & CEO

David Rodriguez

VP-ENERGY SUP & DIST OPS

Robert L Norris

CHIEF FINANCIAL OFFICER

David C Hawkins

VP-SYS PLAN & OPS SUPPORT

Valerie J Pugh

EXECUTIVE ASST TO CEO

Cynthia M Henry

GENERAL COUNSEL

Jessica Christianson

VP-BUSINESS DEVELOPMENT

Omar A Gallegos

VP-ENERGY DELIVERY

James A Schichtl

VP-CUST & REG SOLUTIONS

Cheryl Mele

CHIEF TECHNOLOGY OFFICER

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The Foundation of EPE

VISION

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

MISSION

We are Transforming the Energy Landscape.

2026 Strategic Anchors and Initiatives

Maintain reliability and customer satisfaction.

Sustain affordability and increase value for customers.

Enhance stakeholder and community engagement.

Deliver solutions to serve large customers and improve customer mix.

Build and diversify generation portfolio and grid infrastructure to meet growing demand.

Optimize regulatory mechanisms to balance the needs of all stakeholders.

Adopt and integrate enterprise and support systems that boost efficiency.

Advance AI adoption and innovation throughout the organization.

Deliver and enable systems and training to ensure cybersecurity.

Deploy programs to increase adoption of electrification.

Mitigate peak impact through customer programs and technologies.

Further carbon reduction goals through newer generation assets and the integration of solar and batteries on the system.

Elevate employee safety and wellness.

Implement capital, operational, and supply chain management efficiency policies and programs.

Build excitement with programs that enhance employee engagement, skill development, and industry knowledge.

The EPE Mandate: Power the Economy

- EPE is the foundation of economic growth in our region. EPE is an attractive, agile partner. Economic development was central to the IIF asset valuation.
- The path to long-term financial sustainability for EPE is strong regional economic growth.
- For the past 5 years, we have been able to meet growing demand through reasonable capex increases and an unrelenting focus on efficiencies.
- Current load growth will require more significant investment at a time when the cost of infrastructure components have increased.
- Simultaneously, the industry is facing its largest growth opportunity with data centers and cloud computing.

Trends Shaping the Utility Landscape

Infrastructure Investment
Historic Investment in Energy and the Electric Grid.

Customer Affordability
Growing concern over the cost of energy for residential customers.

Extreme Weather Impacts
Increasing number of billion-dollar weather and climate disasters impacting utilities.

Trends Shaping the Utility Landscape (cont'd)

Aging Infrastructure
70% of the U.S. electric grid is more than a quarter century in age.

Energy Emergency/National Security
The U.S. is undergoing a significant structural change due to unprecedented demand and the current political climate.

Reindustrialization
Focus on domestic manufacturing leading to increased demand for critical resources.

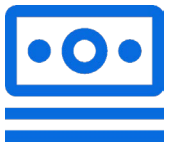
Trends Shaping the Utility Landscape (cont'd)

Digital Efficiency
Unprecedented demand for reliable, verified, and high-quality data.

Cyber and Physical Security
Increasing number of cyber and physical attacks worldwide.

Workforce Dynamics
Retirements are slowing; younger workforce more mobile.

EPE Advantages



Customer Affordability
Current rates can tolerate growth.

Workable Regulatory Environment
Environment warrants different strategies. Texas eliminates significant regulatory risk.

Customer Mix
The value of changing customer mix is more significant for EPE than other utilities.

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EPE Advantages

Favorable Weather
Limited extreme events, low wild-fire risk, low humidity, mild weather.

Geographic Location
Location is favorable for competitive gas prices and potential transmission investments.

Workforce Pipeline
Educational institutions with 125,000 students in the Borderplex.

Priority: More Efficient Energy Usage

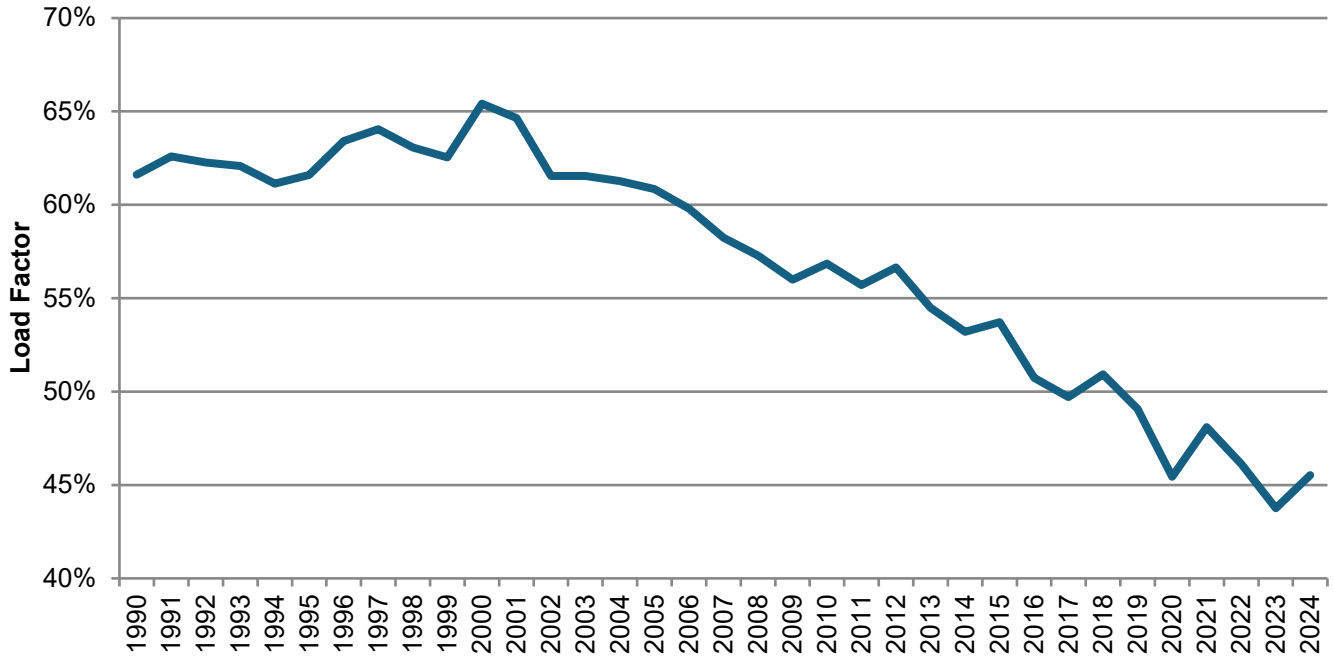
Load factor, in layman's terms for electric utilities, is a measure of **how efficiently electricity is being used over time**.

EPE's system load factor has been declining since 2000. It has gone from 65.4% in 2000 to 45.5% in 2024.

A decreasing load factor requires additional investments in generation to meet peak demand for just a few hours per year.

Improved load factors **reduce the average cost of service**, helping avoid rate increases for residential customers.

Stable infrastructure planning (due to predictable data center demand) lowers the risk of overbuilt capacity and stranded investments.



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Achieve 5 GW of load in 5 Years

01	Growth Opportunities and Load Forecasts
02	Generation Resource Solutions
03	Transmission and Energy Delivery Solutions
04	Regulatory Paths Forward and Contracting Mechanisms

Historical and Conservative Forecast Before 2025

- 10- and 20-year average annual growth rates for the native system energy significantly rising from the 2024 to 2025 Forecasts

Native System Energy Growth Rates (CAGR)			
	Historical	2025 Forecast	2024 Forecast
10-Year	1.2%	5.5%	1.6%
20-Year	1.3%	3.5%	2.0%

Energy and Customer Forecast Summary

Year	Native System Energy (GWh)	Native System Energy - YOY Percent Growth	Customers	Customers - YOY Percent Growth
2024	9,261		466,453	
2025	9,640	4.09%	472,882	1.38%
2026	11,330	17.52%	480,580	1.63%
2027	12,913	13.97%	487,562	1.45%
2028	14,135	9.47%	494,780	1.48%
2029	14,697	3.98%	502,063	1.47%
2030	14,840	0.97%	509,409	1.46%
2031	15,014	1.17%	516,785	1.45%
2032	15,241	1.51%	524,196	1.43%
2033	15,482	1.58%	531,724	1.44%
2034	15,775	1.90%	539,362	1.44%

Expected Load from Existing and New Customers

- An additional 522 MW are expected by 2028 (approximately 23% of current load)
- EPE is receiving unprecedented request from data center customers
  - Current inquires: 8 GW of additional load
  - Active inquiries: 5.4 GW of additional load

	2025	2026	2027	2028
New and Existing Customers		35 MW	55 MW	
Data Center Customers	82 MW	283.7 MW	403.7	521.7

Note: Amounts shown are cumulative

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NM Borderplex Data Points (MVEDA)

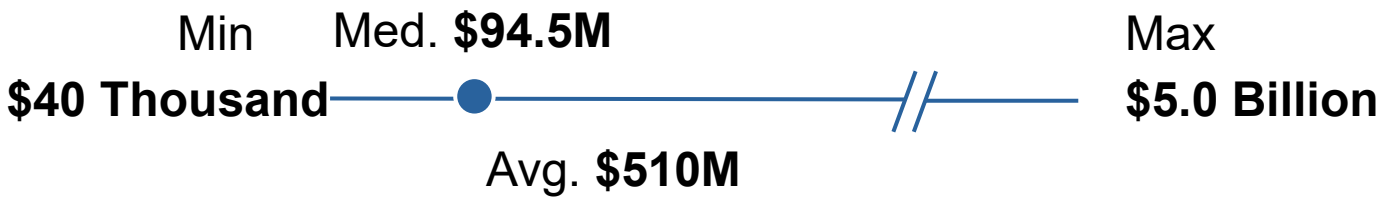
FY Project Parameters

125 of 216 Projects – Manufacturing & High Tech

Facility Square Footage

Permanent Employment

New Cap. Expenditures



* Based on projects providing sufficient ***Project*** information for analysis

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NM Borderplex Data Points (MVEDA)

FY Project Parameters

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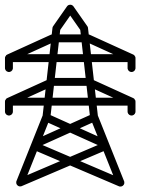


Electrical Demand

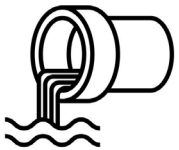
Min **2 MW** — Median **20 MW** — Max **1250 MW**

Avg **146 MW**

Water Demand

Min **14,000 GPD** — Median **248,000 GPD** — Max **10.0 MGD**

Avg **1.4MGD**



Wastewater Demand

Min **3,788 GDP** — Median **173,000 GPD** — Max **4.8 MGD**

Avg **1.1 MGD**

- Based on projects providing sufficient ***utility*** information for analysis. Often companies will report usage based on where they feel the bottle necks occur. Full utility information requirements are provided in later rounds. Electric has been the number 1 concern projects past several years.

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NM Borderplex Data Points (MVEDA)

24.1%
were related to
Advanced mfg.
Fueled by international on-shoring trends

57%
require infrastructure improvements *

20.7%
were related to
Value Added Ag
Cold Storage and Food Processing

0%
require infrastructure improvements *

24.1%
were related to
MEGA Projects
500+ Jobs, 500,000+ S.F.,

66.7%
require infrastructure improvements *

6.9%
were related to
Data Centers
Fueled by the growth of AI

100%
require infrastructure improvements *

13.8%
were related to
On-Shoring
Fueled by supply chains and proximity to customers

60%
require infrastructure improvements *

* Based on projects providing sufficient utility information for analysis

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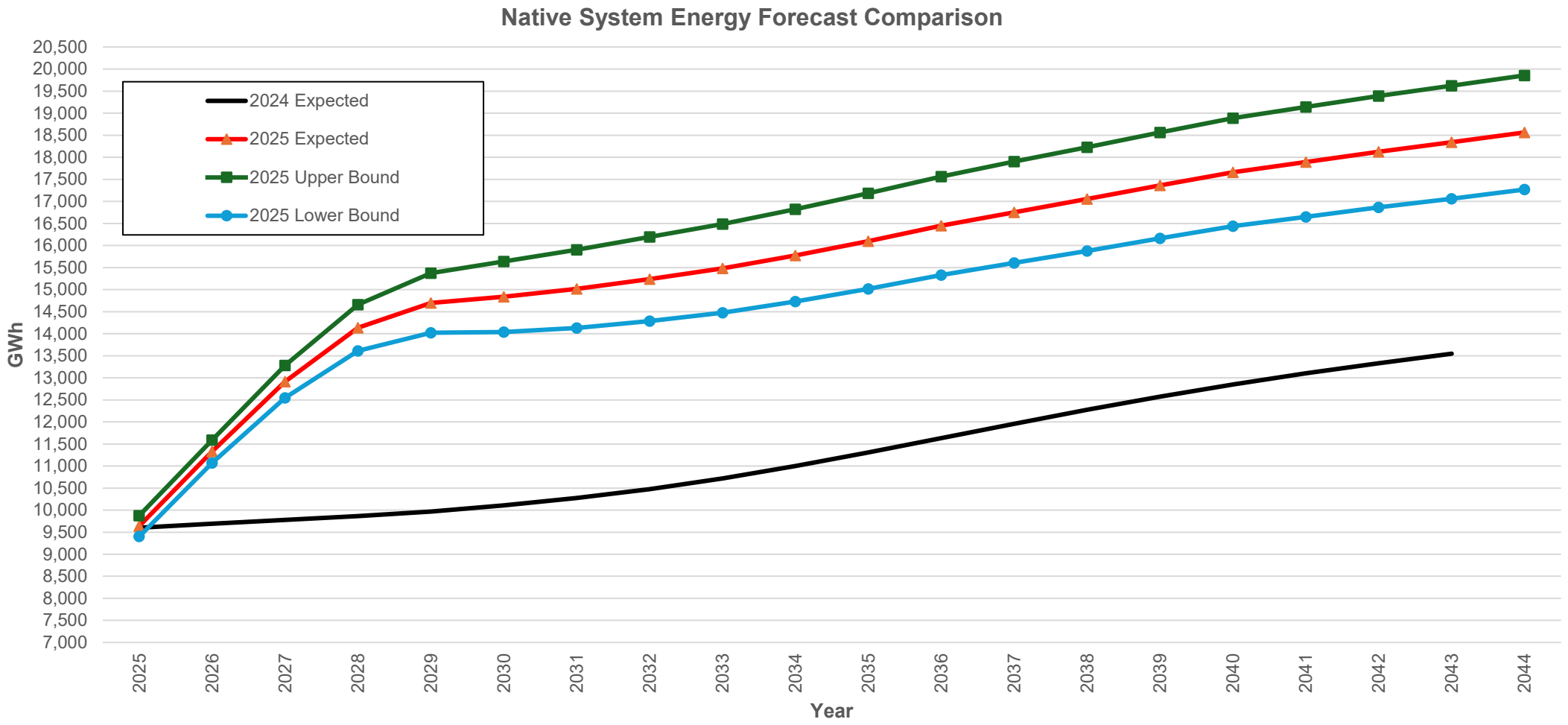
Energy Forecast Comparison



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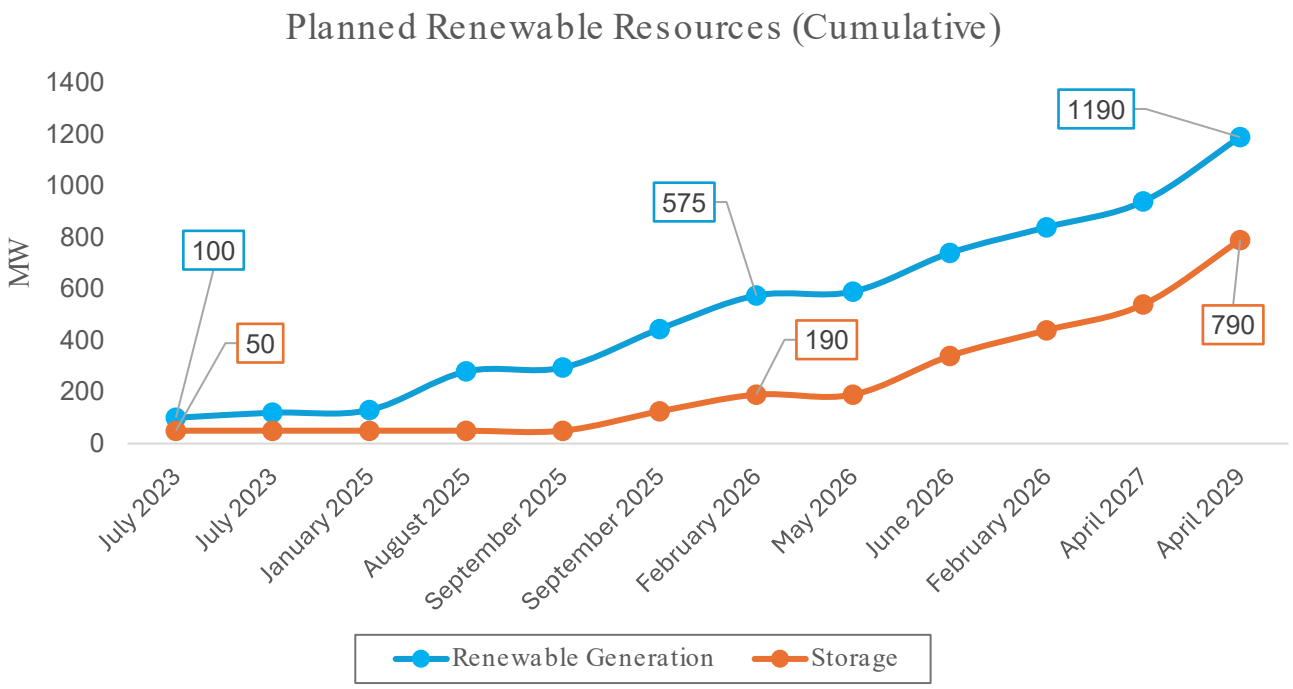
Factors Driving Load Growth

- Strong customer growth numbers
- Consistent sales growth driven by existing customers
- Increasing saturation rate for refrigerated air conditioning
- Warming weather trends have increased electricity need in summer period
- Electrification (slides)
- Infrastructure investment focus/National Policy changes
- Load growth from potential large loads such as data centers significantly increasing generation needs

Planned Resources

- By 2030, EPE will add approximately **1,190 MW of renewable generation** and **790 MW of energy 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 2027
Buena Vista III	Solar/Battery	100/100	April 2027
Rattle Flats	Solar/Battery	250/250	April 2029

Additional Load: New Mexico Transportation Electrification Plan ("TEP")

- The overarching goal of the three-year TEP ***is to support expansion of transportation electrification*** in EPE's New Mexico service territory through customer education, rebate programs, fleet advisory services, special EV rate plans and turnkey solutions
- Total approved budget : **$11.8 million**
- Approved by the NM Public Regulation Commission
- Current TEP launched on April 1, 2024

TEP Impact Through Collaboration

- Collaborated with NM DOT and Dona Ana County on the buildout of **public DC Fast Charging Stations** in LC, Anthony, and Hatch
- **Supported the City of Las Cruces (CLC)** on their **fleet** electrification goals, providing TEP rebates for charging infrastructure at multiple locations
- Supported fleet electrification of **public transit and school entities** with rebates provided to: Roadrunner, South Central Regional Transit District, and LC Public Schools

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TEP Impact through Partnerships

- Launched an affordable **EV Car sharing program** through a partnership with CLC and Forth non-profit
- Partnered with New Mexico State University on **EV education campaign**
- Signed an MOU with CLC to provide **Fleet Electrification roadmap**
- Partnered with National Energy Foundation on rEV electrifying **educational experience at high schools** reaching over 3,000 students
- Provided turnkey EV charging solutions to **9 apartment complexes**

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Last 4 Years of Generation Investments in NM

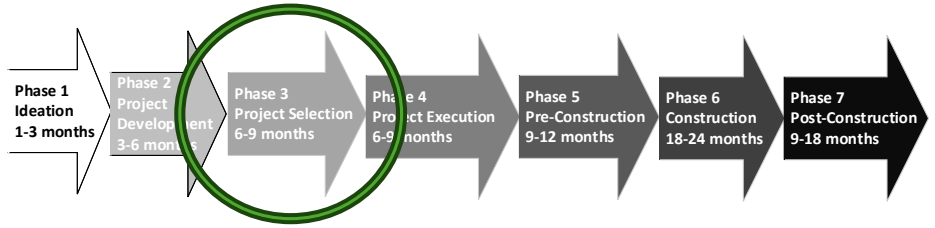
- **Capital Projects Completed at the Rio Grande Power Station (2022-2025)**

Row Labels	Sum of Amount
2022	$ 16,713,197.80
2023	$ 2,267,253.68
2024	$ 4,789,266.45
2025	$ 7,085,089.77
Grand Total	**$ 30,854,807.70**

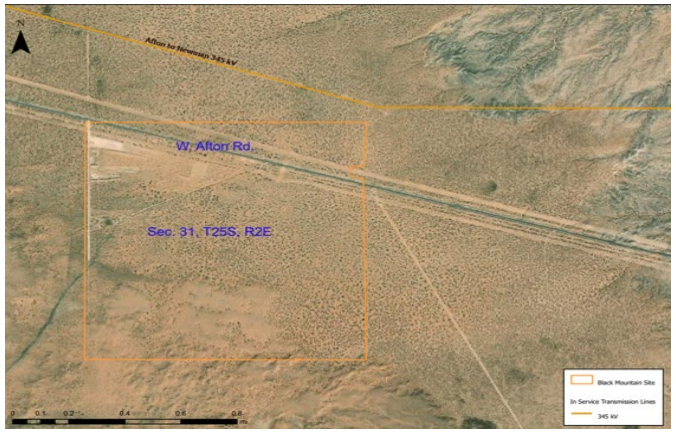
Major Projects Completed at Rio Grande

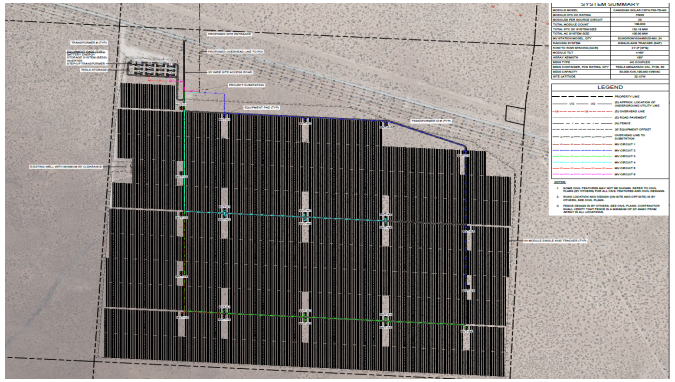
Sum of Amount	Column Labels				
Row Labels	2022	2023	2024	2025	Grand Total
GR150: RG8 MAJOR HP/IP TURBINE IMPROVEMNTS	$ 7,341,179.53	$ 3,177.06			$ 7,344,356.59
GR014: GEN-RG BLANKET	$ 3,113,198.96	$ 1,775,373.84	$ 1,366,811.07	$ 837,610.16	$ 7,092,994.03
GR210: RG U8 TURB VALVE CAP IMPRVMENTS			$ 279,341.02	$ 3,247,469.09	$ 3,526,810.11
GR200: RG8 BOILER LOWER SLOPE REPLACEMENT		$ 140,143.12	$ 2,546,311.23	$ (4,335.40)	$ 2,682,118.95
GR207: RG U9 PARTIAL HOT SECTION REPL				$ 1,853,146.47	$ 1,853,146.47
GR194: RG U8 BOILER SECONDARY SUPRHT REPL	$ 1,826,753.62	$ 22,486.50			$ 1,849,240.12
GR184: RG U8 TURB BEARING FIRE SYST INSTL	$ 945,928.80	$ -	$ -	$ 53,857.85	$ 999,786.65
GR196: RG9 TURBINE UPGRADE -SPARE	$ 959,328.55				$ 959,328.55
GR197: RG U8 BOILER ARCH TUBE REPLACEMENT	$ 745,049.91				$ 745,049.91
GR201: RG8 BOILER 2ND SPRHT OUTLT HDR REPL			$ 149,445.04	$ 492,845.67	$ 642,290.71
GR164: U8 MAIN STEAM HEADER REPLACEMENT	$ 521,590.66				$ 521,590.66
GR213: RG 9 AMMNIA VAPORZTN FREE HEAT SYS				$ 461,097.62	$ 461,097.62
GR179: U8 AUTOMATIC VOLTAGE REGULATOR UPGR	$ 371,185.25	$ 21,018.35			$ 392,203.60
Grand Total	**$ 15,824,215.28**	**$ 1,962,198.87**	**$ 4,341,908.36**	**$ 6,941,691.46**	**$ 29,070,013.97**

Black Mountain



- Self-Build Proposal under refresh for 2025 EPE RFP
- 100MW Solar + 50MW Battery: EDF selected as EPC provider
- In Afton (La Mesa, NM) at a 640-acre site purchased by EPE in December 2022
  - Point of interconnection ("POI") is at the site, about 0.5 miles from the Afton to Newman 345kv transmission line
- Commercial Operational Date of December 2027
  - Executed Large Generator Interconnection Agreement in March 2025
  - Interconnection Availability date of October 2027, with secured high voltage equipment
- Capex: $265mm total investment
  - Project will incur additional costs related to interconnection and structure upgrades on the existing transmission line





100 MW PV Facility

- Total cost: $182 million
- LCOE of $28.03/MWh
- 318,000 MWh in year 1
- 1% first year degradation then 0.4% annual degradation
- 35-year life

50 MW BESS Facility

- Total cost: $83 million
- LCOS of $156.44/kW-year or $13.04/kW-month
- 200,000 MWh in year 1
- 1.2% annual degradation and 90% RTE
- 20-year life

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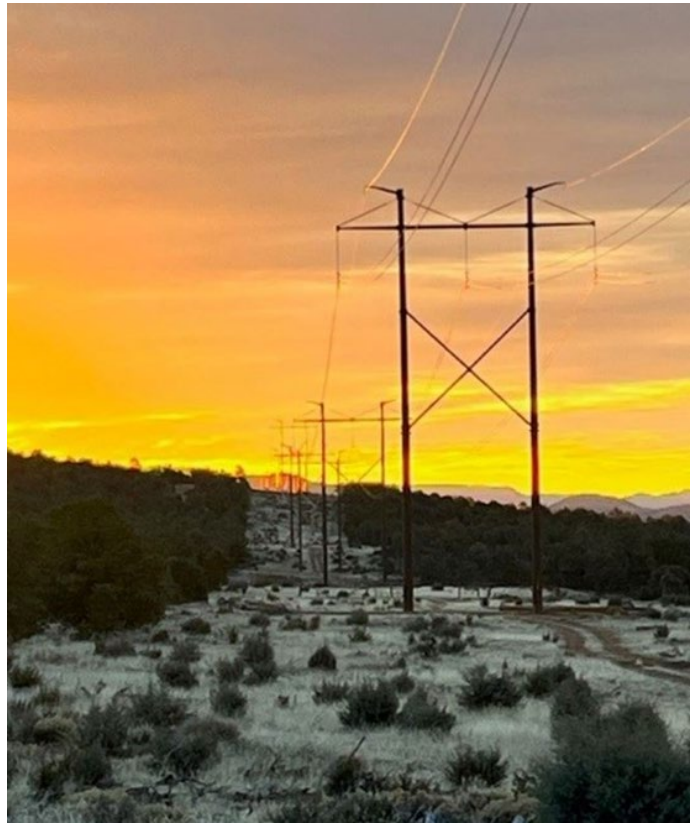
Transmisson Investments to Support Growth: 345kV Transmission Tie Line Wood-to-Steel Upgrades Located in the Gila National Forrest

Before

After



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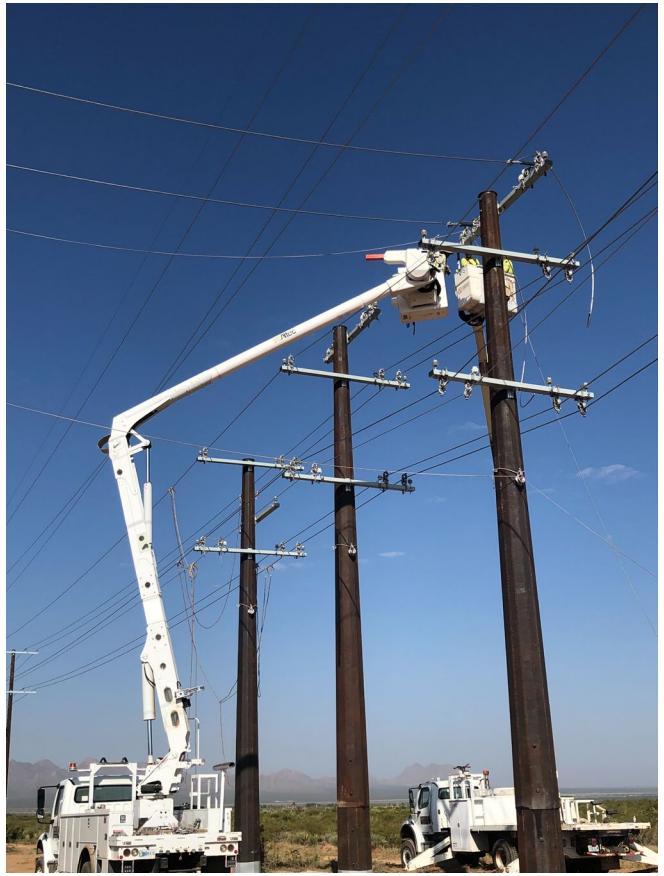
West Las Cruces 115kV Transmission and Distribution New Transmission with Two Distribution Circuits



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Interconnection Substations for New Mexico Resources
Buena Vista (North of Chaparral, NM)
Verde Substations (Santa Teresa, NM)

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New Distribution Substations and Upgrades Moongate and Talavera

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Investment by Geographical Location

Row Labels	AZ	BOTH	NM	TX	Grand Total
D			$ (151,683,411.32)		$ (151,683,411.32)
T	$ (8,451,725.80)	$ (28,453,012.08)	$ (109,389,704.43)	$ (77,973,846.35)	$ (224,268,288.66)
Grand Total	**$ (8,451,725.80)**	**$ (28,453,012.08)**	**$ (261,073,115.75)**	**$ (77,973,846.35)**	**$ (375,951,699.98)**

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Key Changes In Trends to Watch Regionally

Faster surge in energy demand and energy investment
Unprecedented Explosion in AI Adoption
Executive actions to “Unleashing American Energy” to promote domestic energy and resource development; national agenda supportive of fossil fuels
Continuous announcements of significant demand increases and customer price increases dominating media and regulatory discussions
Elimination of solar credits driving renegotiation of contracts and changing supply chain dynamics
Changing demands of hyperscalers and driving upward pressure on gas prices
Tariffs/geopolitics impact also creating price insecurity