The Electric Company
El Paso Electric

Powering Our Future

The Transformation of the Energy Landscape

2025 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.

2025 Trends Shaping the Utility Landscape

Aging Infrastructure
70% of the US electric grid is more than 25 years old.

Energy Emergency
The US 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.

2025 Trends Shaping the Utility Landscape

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

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

Workforce Dynamics
Retirements are slowing, younger workforce more mobile.

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

Be a Trusted Partner

- Maintain reliability and customer satisfaction.
- Sustain affordability and increase value for customers.
- Enhance stakeholder and community engagement.

Serve Growth

- 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.

Leverage Technology

- 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.

Advance a Cleaner Future

- 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.

Drive a Culture of Excellence

- 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.

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Powering the Economy; Powering the Future

- EPE is the foundation of economic growth in our region. EPE is an attractive, agile partner. Economic development was central tot 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.

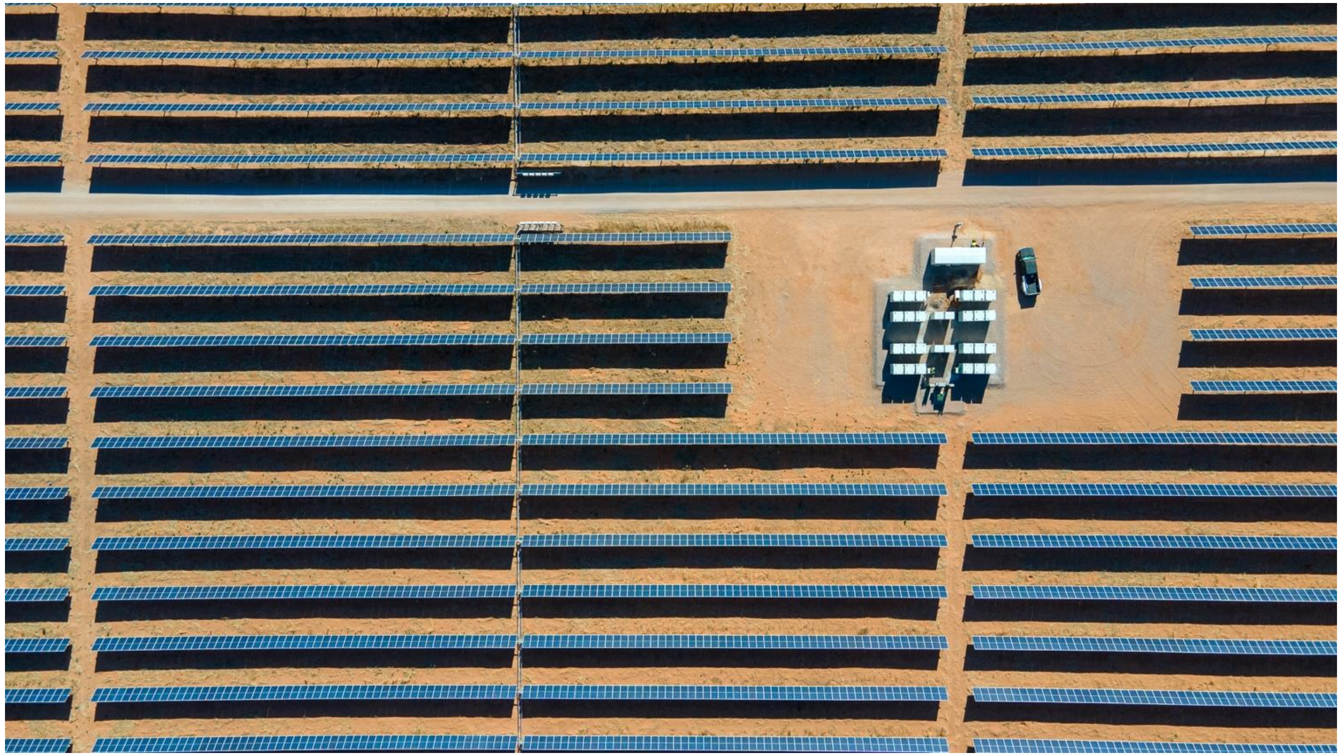
EPE Characteristics

About Us

- Vertically-Integrated
  - Established in 1901 as the El Paso Electric Railway Company
  - Acquired by the Infrastructure Investment Fund in 2020
- Approximately 460,000 retail & wholesale customers
  - ~80% customers in TX; 20% in NM
  - Residential (40% of energy sales)
  - Military (Ft. Bliss, WSMR, Holloman AFB)
  - Large Industrials (Marathon Refining, Vinton Steel)
  - Public Authority – Municipal, ISDs, County, etc.
  - Rio Grande Electric Coop (wholesale)
- Peak load of 2,384 MW (2023)

El Paso Electric

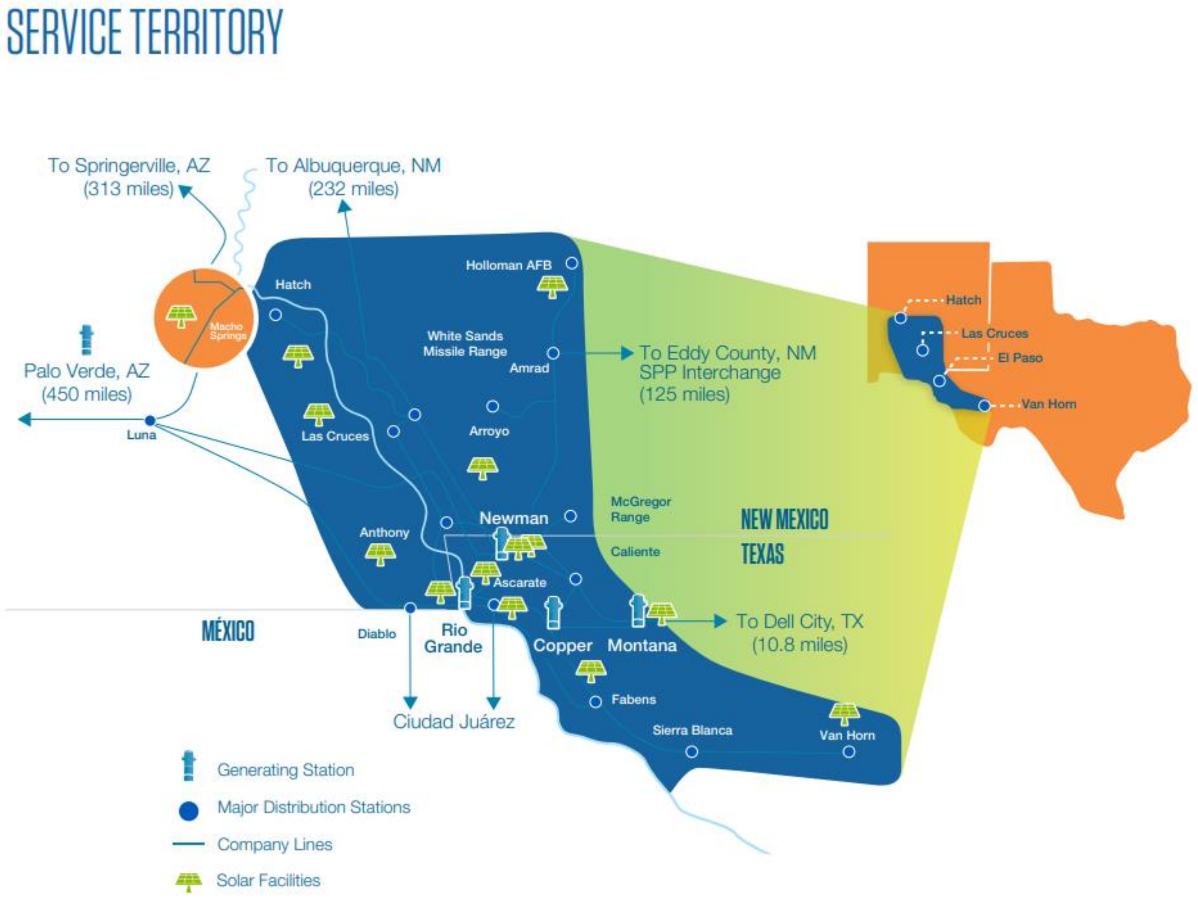
EPE Characteristics



About Us

- Customer Growth
  - Growth of ~5,000 customers per year
  - Increased interest from large load customers
- Generation
  - Local gas generation plants
  - Local solar & battery storage (added 325 MW solar, 75 MW battery in 2025)
  - 15.8% co-owner of Palo Verde Nuclear Station (Arizona)
- Transmission
  - EPE imports external resources via:
    - EPE-owned transmission capacity in AZ and northern NM
    - Purchased point-to-point transmission
    - Long-term exchange agreements

EPE Service Territory



About Us

- 10,000 square-mile service territory
- Serving West Texas & 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 2 - 115 kV international transmission lines
  - NOT interconnected to ERCOT
- Reliability Coordinator = SPP RC services
- Western Energy Imbalance Market participant

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EPE Advantages

Favorable Weather
Limited extreme events, low wildfire risk, low humidity, mild weather.

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

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

EPE Advantages

Customer Affordability
Current rates can tolerate growth.

Favorable 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.

EPE's Focus on Planning and Investment

- EPE has invested $1.55B in modern, efficient, and reliable infrastructure to support a thriving region.
- Thoughtful, long-term planning strengthens economic opportunity and prepares our grid for future growth.
- **Major employers are choosing the Borderplex.**

Unlocking Long-Term Growth & Regional Power through Large Loads

- Currently, **90% of EPE's customer base is residential.**
- Large Loads bring large, stable energy demands that:
  - **Help spread fixed infrastructure costs**.
  - **Reduce rate pressure on residential customers.**
  - **Improve long-term rate stability and planning.**
- **Across the country, large loads represent the fastest growing segment of energy demand.**
  - This trend is prompting new rate structures to ensure cost recovery equity across all customer classes.

Powering Our Future

Signaling Growth

Tale of the Borderplex: 3 DCs

Distribution Centers
3PLs, logistics warehouses

Data Centers
Computing, computer manufacturing, electronics, and electrical equipment

Washington, DC
Tariffs, international trade, and infrastructure

El Paso Industrial Real Estate

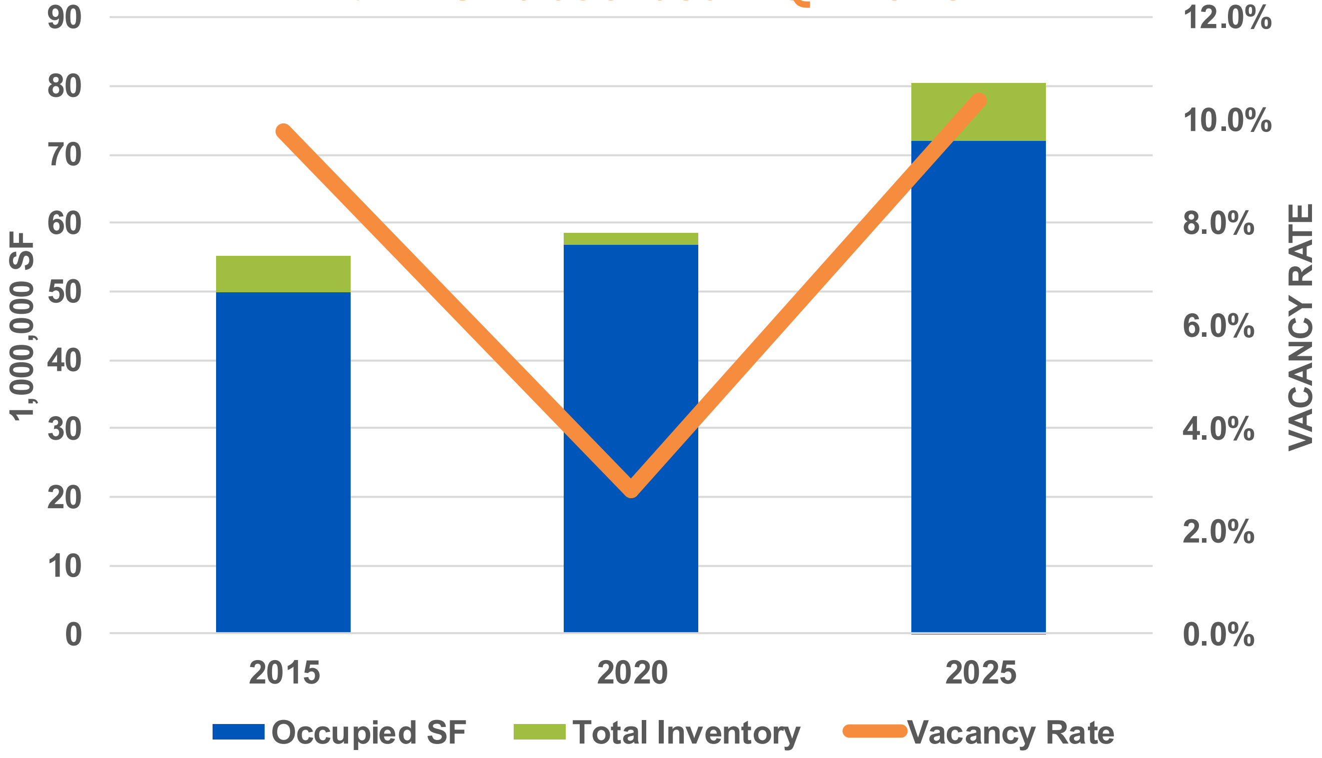
	2015	2020	2025
Total Inventory	55.3 MSF	58.5 MSF	80.5 MSF
Vacancy Rate	9.8%	2.8%	10.4%
Occupied SF	49.9 MSF	56.9 MSF	72.1 MSF

10.4% Vacancy Rate
9th highest across 62 markets in US

6,000,000 SF Under Construction (2025)
10th highest across 62 markets in US; 2.7% of all in US

16.3% Preleased
4th lowest level in southwest (TX, NM, AZ, CO, NV, UT, CA)

2.2 MSF absorbed – Q1 2026



22,000,000 SF (37.6%) Growth
Industrial growth over 5 years (2020-2025) (New Class A Space)

El Paso Industrial Real Estate

TOP INDUSTRIES BY ABSORPTION ACTIVITY

2015 - 2019

13.3 MSF

1. Transportation, Logistics, 3PLs	36%
2. Auto & Parts Manufacturing	13%
3. Electronics & Electrical Equipment	10%
4. Food & Bev. Processing & Mfg	10%
5. Appliance Manufacturing	4%
10. Computer Manufacturing	2%

2025

4.5 MSF

1. Transportation, Logistics, 3PLs	48%
2. Computer Manufacturing	18%
3. Electronics & Electrical Equipment	11%
4. Auto & Parts Manufacturing	9%
5. Food & Bev. Processing & Mfg	3%

Source: CBRE El Paso

El Paso Industrial Real Estate

COMPARING GROWTH

Total New Leasing & Renewal Activity

100,000+ SF, 1/1/25-12/31/25

	UNITED STATES		TEXAS		EL PASO	
	2024	2025	2024	2025	2024	2025
3PL Share of Total Activity	33.7%	36.1%	27.9%	30.6%	**49.8%**	**50.7%**
MFG Share of Total Activity	8.5%	11.0%	7.8%	20.0%	**19.6%**	**36.4%**

Source: CBRE El Paso

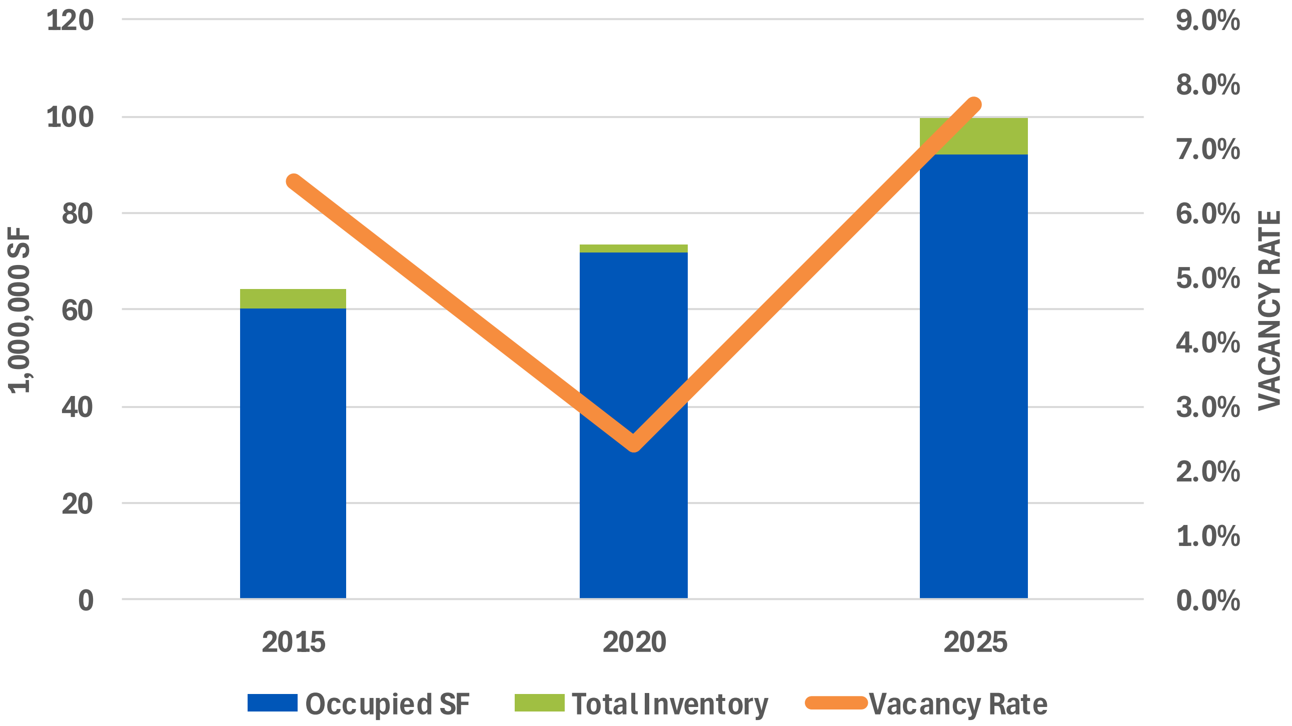
Cd. Juarez Industrial Real Estate

	2015	2020	2025
Total Inventory	64.5 MSF	73.5 MSF	99.9 MSF
Vacancy Rate	6.5%	2.4%	7.7%
Occupied SF	60.3 MSF	71.7 MSF	92.2 MSF

1.1 MSF Under Construction
Lowest figure since Q3 2018

99.9 MSF Market (2025)
100,000 SF short of closing the year rounded

7.7% Vacancy Rate
Vacancy rate is returning to historic levels after 29% growth of inventory in last 5 years



Source: CBRE El Paso

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Cd. Juarez Industrial Real Estate

TOP INDUSTRIES BY ABSORPTION ACTIVITY

2015 - 2019		2025	
17.7 MSF		4.4 MSF	
1. Auto & Parts Manufacturing	28%	1. Electronics & Electrical Equipment	28%
2. Transportation, Logistics, 3PLs	15%	2. Computer Manufacturing	26%
3. Plastics Manufacturing	9%	3. Paper, Packaging, & Printing	17%
4. Electronics & Electrical Equipment	8%	4. Metals Manufacturing	8%
5. Green Energy-Related Mfg	7%	5. Auto & Parts Manufacturing	7%
10. Computer Manufacturing	3%		

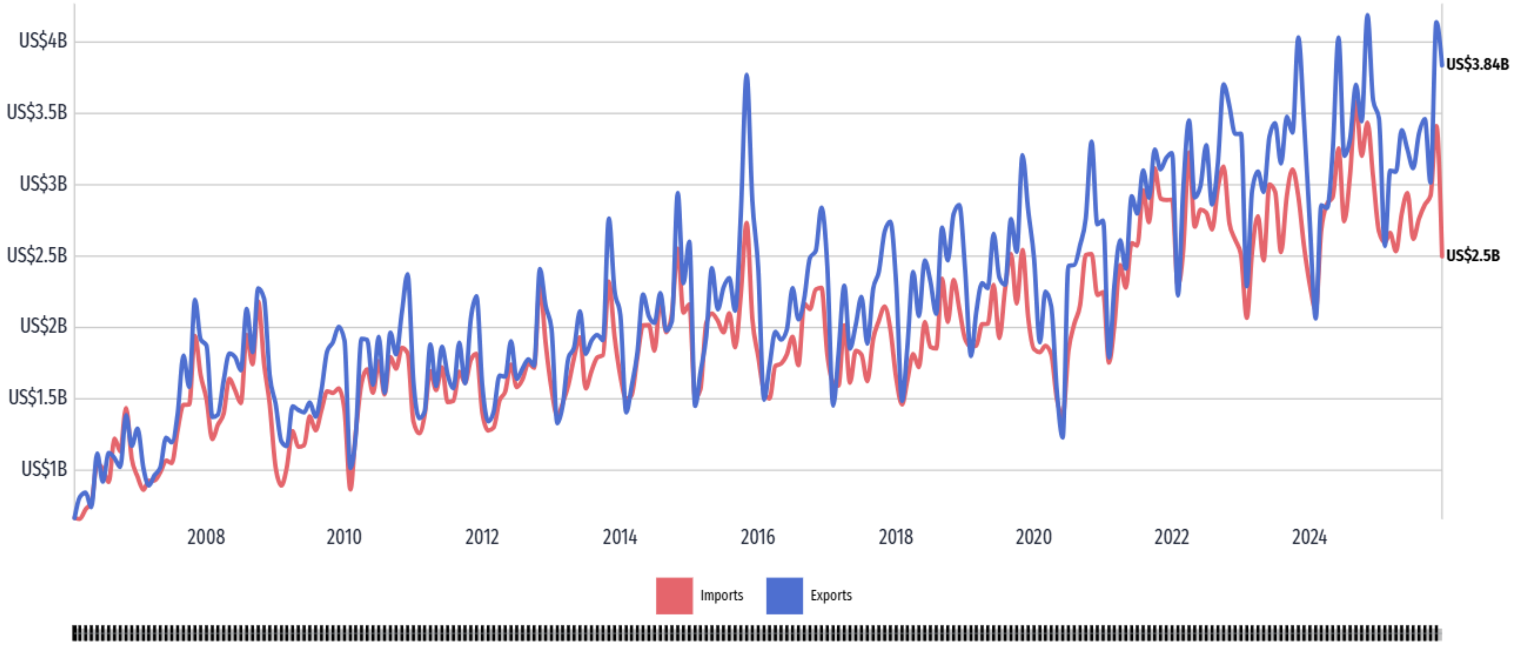
Source: CBRE El Paso

Tijuana Comparison

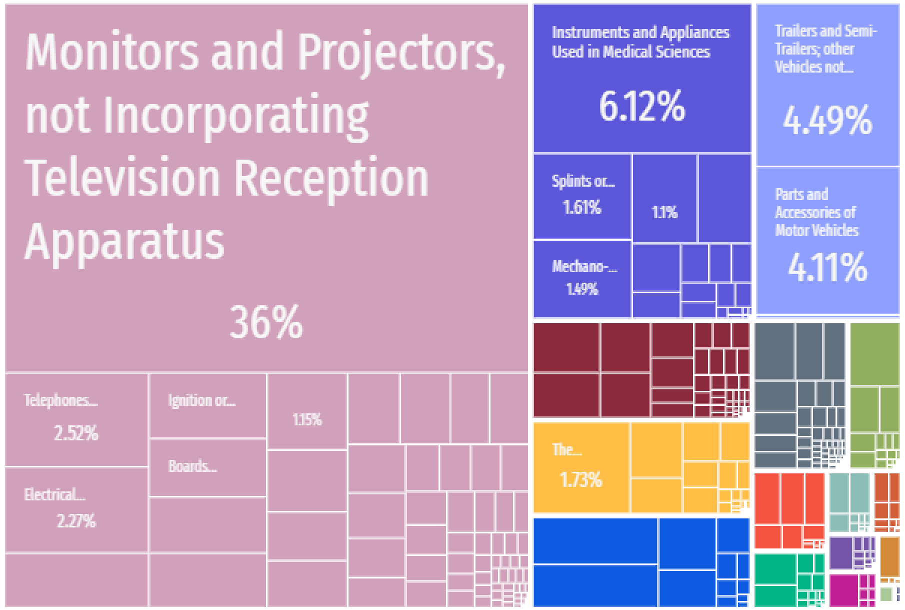
TRADE INFORMATION

Tijuana

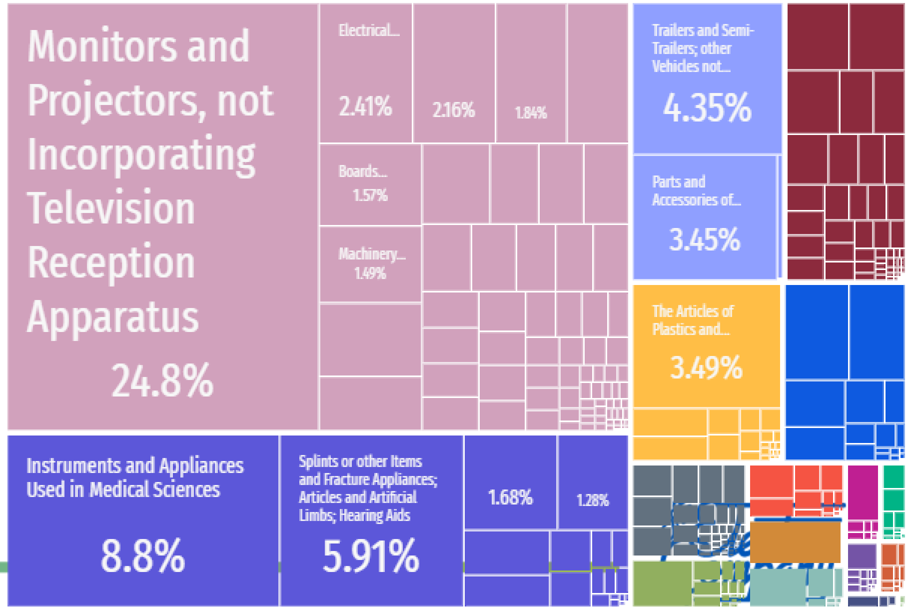
$6.34 BILLION TOTAL TRADE



NOV 2020



NOV 2025



Source: Gobierno de Mexico, Secretaria de Economia

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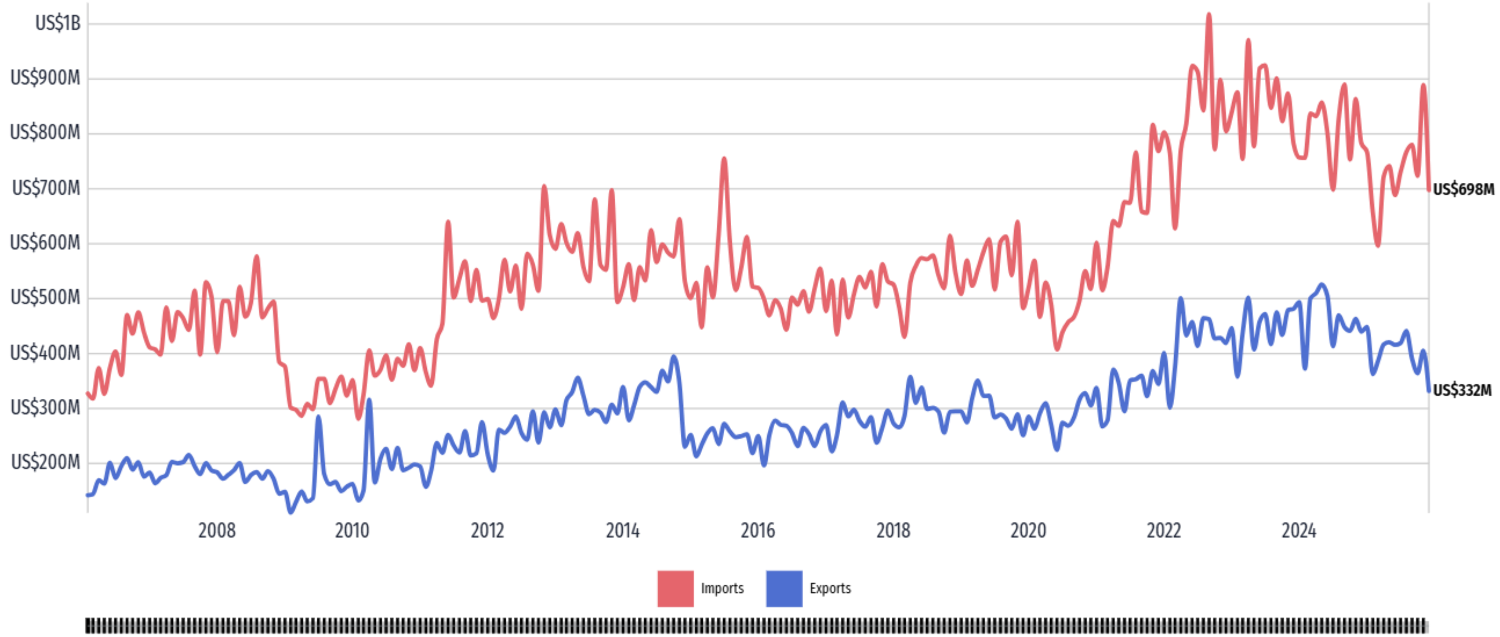
Monterrey Comparison

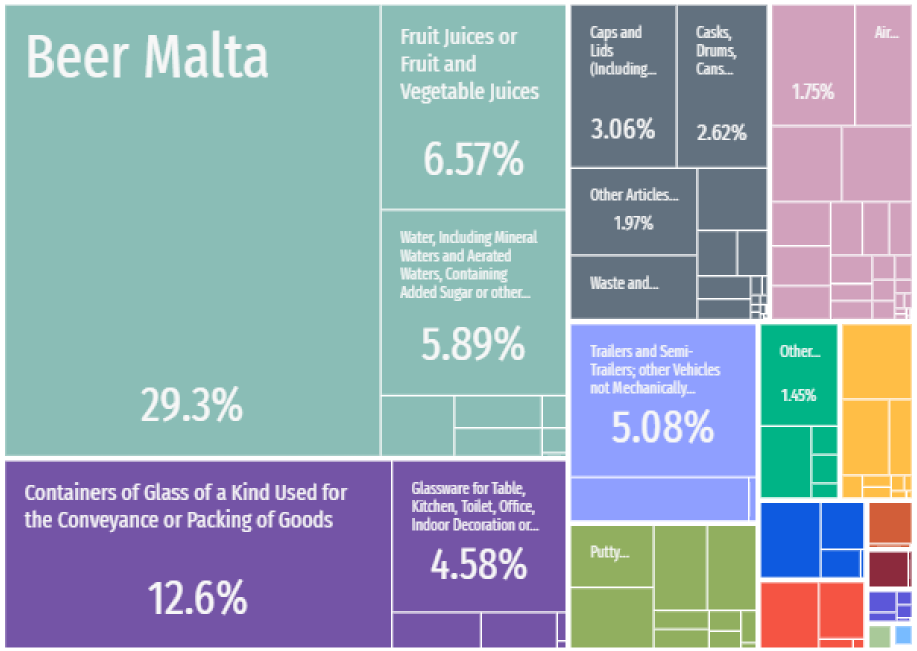
TRADE INFORMATION

Monterrey

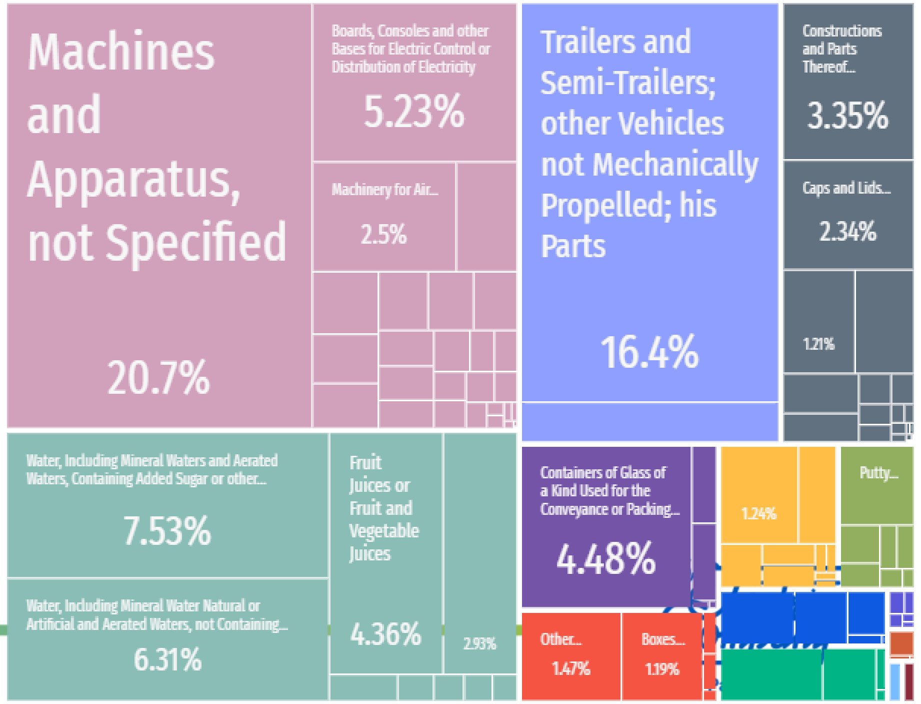
$1.03 BILLION TOTAL TRADE



NOV 2020



NOV 2025



Source: Gobierno de Mexico, Secretaria de Economia

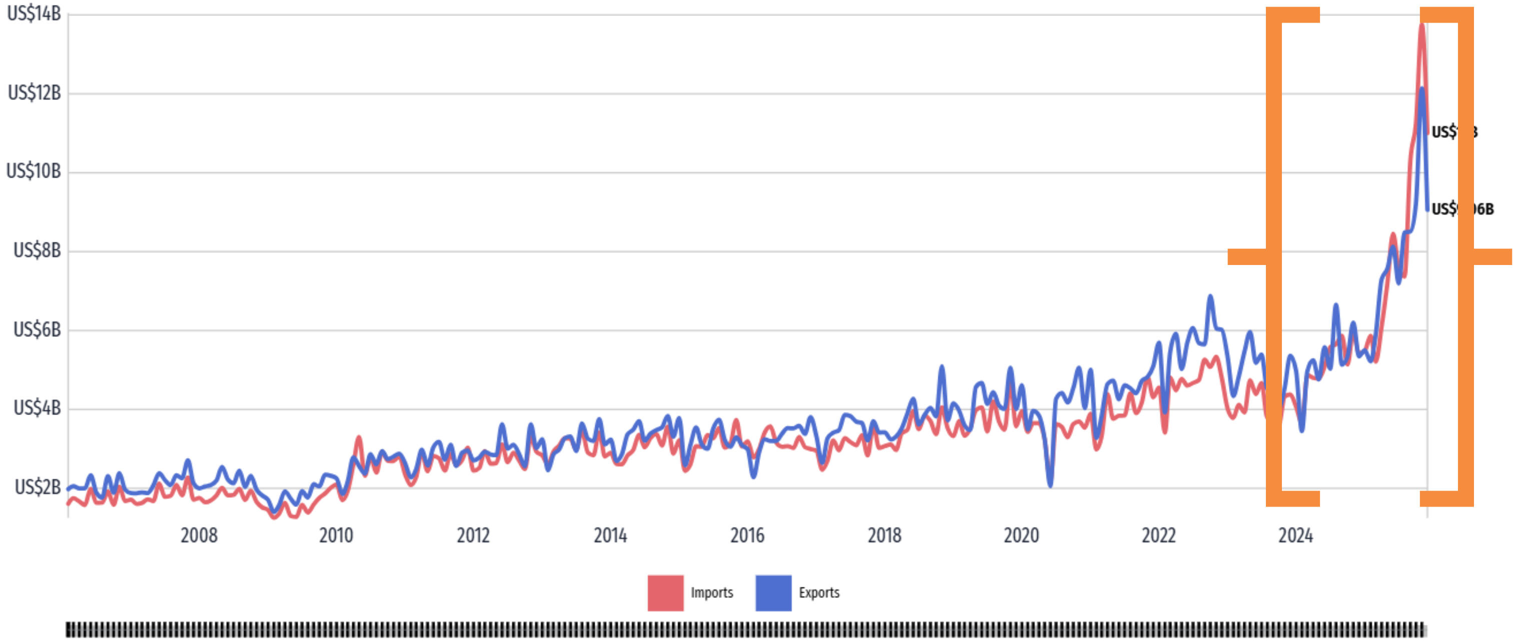
Cd. Juarez Comparison

TRADE INFORMATION

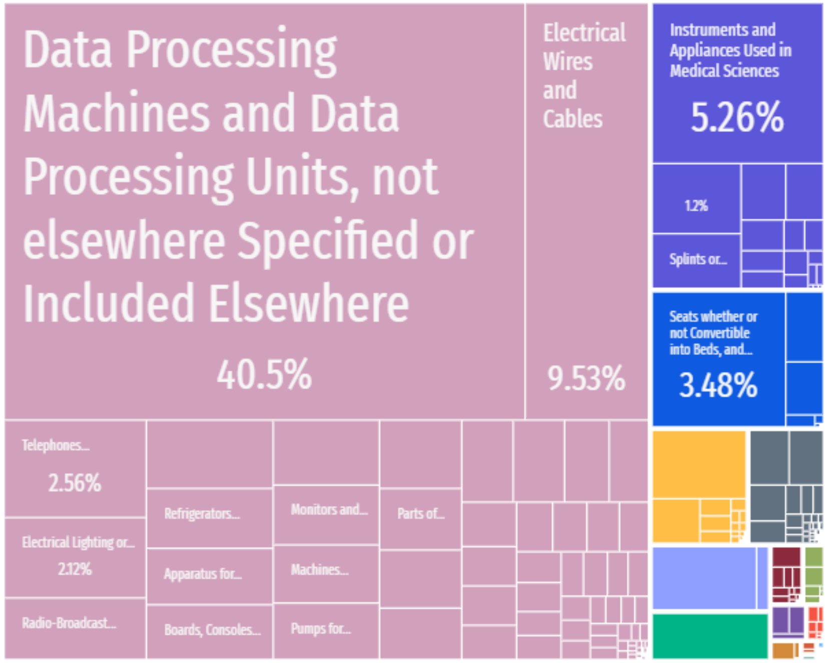
Ciudad Juarez

$20.06 BILLION TOTAL TRADE

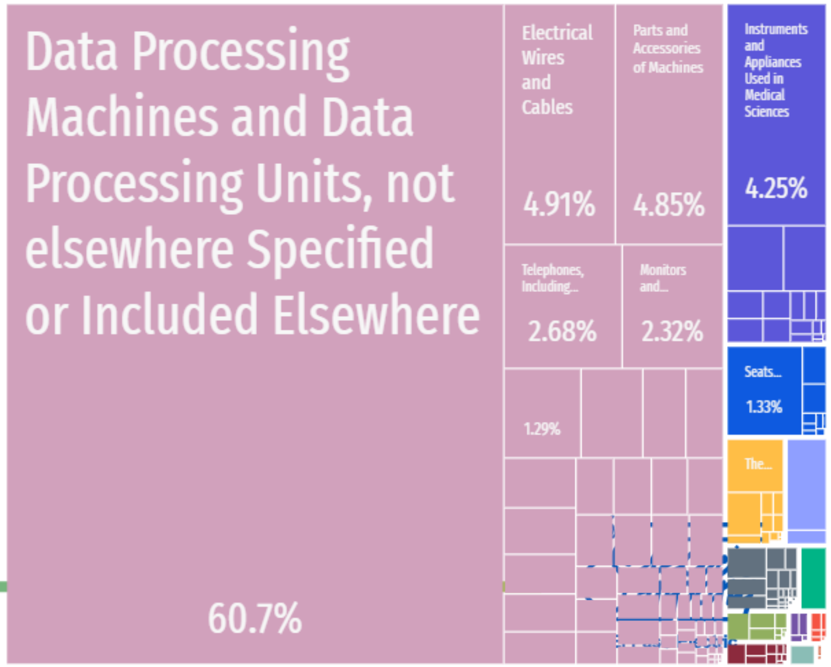
1-YEAR $10B GROWTH (HIGH-DOLLAR TRADE)



NOV 2020



NOV 2025



Source: Gobierno de Mexico, Secretaria de Economia

What Does This Mean?

Speculative Development Success Determines the Future
With record investments devoid of prelease activity, the Borderplex Region will be defined by near-term absorption.

From Boots to Booting
The amount of trade on computer electronics is increasing before our regional data centers – Meta & Oracle/OpenAI – are operational.

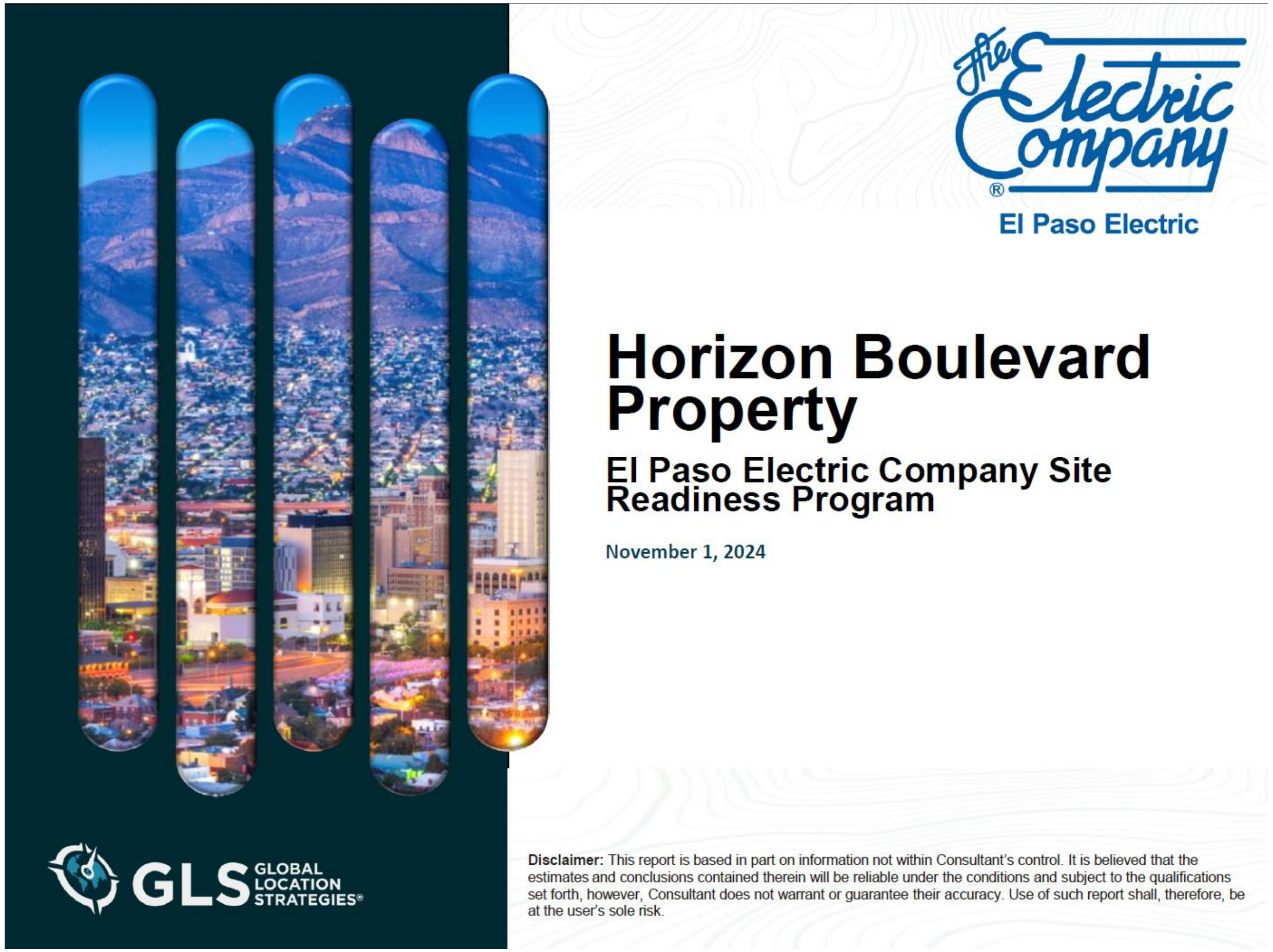
International Trade
Doing business along the border – a staple of industry support for Texas – will be affected by the uncertainty coming from the federal government.

Powering Our Future

Driving Growth

Site Certification

SITE READINESS ASSESSMENTS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Horizon Boulevard Property

El Paso Electric Company Site Readiness Program

November 1, 2024

GLS GLOBAL LOCATION STRATEGIES®

Disclaimer: This report is based in part on information not within Consultant's control. It is believed that the estimates and conclusions contained therein will be reliable under the conditions and subject to the qualifications set forth, however, Consultant does not warrant or guarantee their accuracy. Use of such report shall, therefore, be at the user's sole risk.

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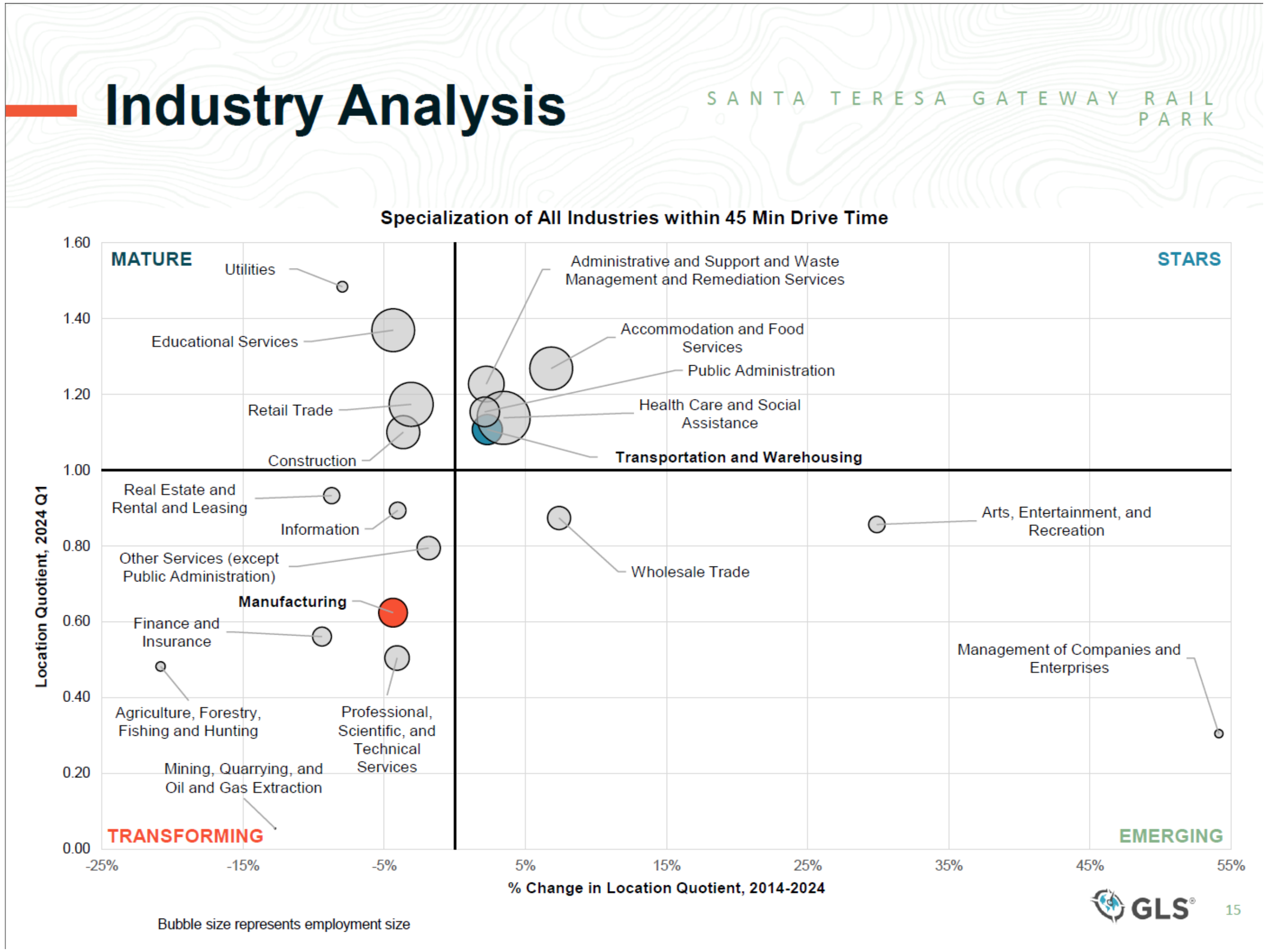
Site Certification

SITE READINESS ASSESSMENTS



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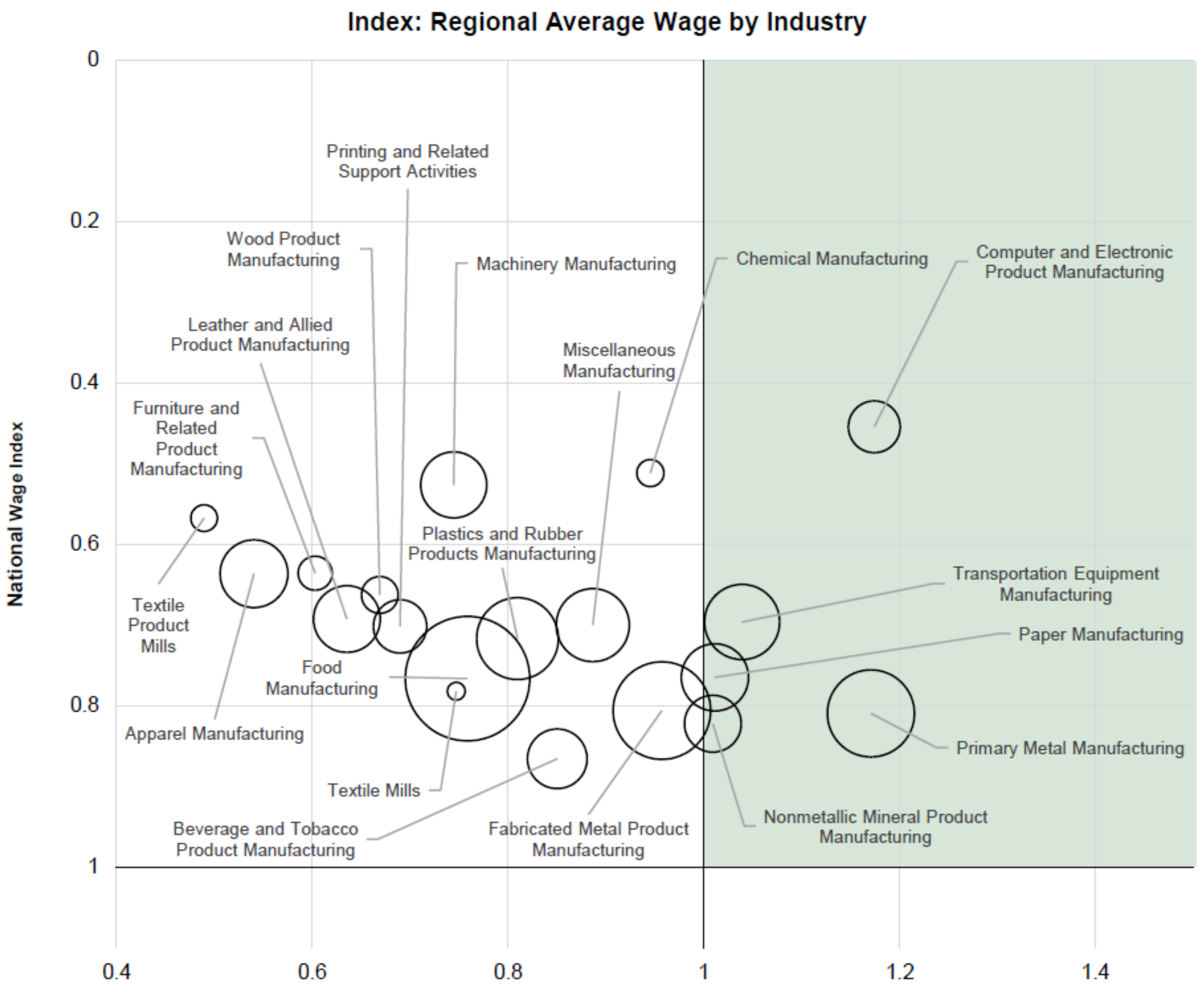
Site Certification

SITE READINESS ASSESSMENTS

This process highlights industries where workers are **earning above the local average** while **maintaining a competitive locational advantage** for the industry.



Bubble size represents Employment Size

El Paso Electric

Site Certification

SITE READINESS ASSESSMENTS

Paper Manufacturing

Site Requirements: Paper Manufacturing	
Capital Investment	$400 M
Site	
Acreage	200 acres
Square Footage	1 M sf
Transportation	
Requires rail?	Yes
Requires proximity to interstate/4-lane highway?	Yes
Requires proximity to port?	No
Requires proximity to customers?	Yes
Requires proximity to suppliers?	Yes
Utilities	
Electricity	26 MW
Natural Gas	150 MCF/hour
Water	1.7 MGD
Wastewater	1.3 MGD
Workforce	
Total Employment	200
Skill Requirement	Primarily Low, Some Skilled
Cost Location Drivers	
Utilities	Yes
Logistics	Yes
Labor	Yes
Other Key Requirements	
• Ability to locate 1-3 additional paper machines in future expansions • Ability to withdraw and discharge raw water is a plus • Preference to be located in air quality attainment areas	

Paper Manufacturing

INDUSTRY SCREENING

Paper Manufacturing is one of the heavier manufacturing industries in regard to logistics and utility demands. These facilities tend to demand several hundred acres, and while the focus area for this scope would not be able to accommodate that, future expansions to the park could. The site's robust rail infrastructure makes it desirable to facilities seeking access to the nearby UP mainline, but the need to significantly upgrade utility capacities at the park could be a limiting factor.

	Siting Criteria	Status
Site Characteristics	Site Size	🔴
	Zoning	🟢
	Developability	🟢
Utilities	Electricity	🟡
	Natural Gas	🟡
	Water	🟡
	Wastewater	🟡
Logistics	Site Accessibility	🟢
	Interstate/Highway	🟡
	Rail	🟢
	Intermodal	🟢
	Commercial Airport Access	🟢
Other	Other Key Requirements	🟢
Rating		**Well Suited**

🟢 Meets criteria 🟡 Marginal 🔴 Does not meet criteria

Site Certification

SITE READINESS ASSESSMENTS

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	Siting Criteria	Status
Site Characteristics	Site Size	Does not meet criteria
	Zoning	Meets criteria
	Developability	Meets criteria
Utilities	Electricity	Marginal
	Natural Gas	Marginal
	Water	Marginal
	Wastewater	Marginal
Logistics	Site Accessibility	Meets criteria
	Interstate/Highway	Marginal
	Rail	Meets criteria
	Intermodal	Meets criteria
	Commercial Airport Access	Meets criteria
Other	Other Key Requirements	Meets criteria
Rating		**Well Suited**

● Meets criteria ● Marginal ● Does not meet criteria

GLS®

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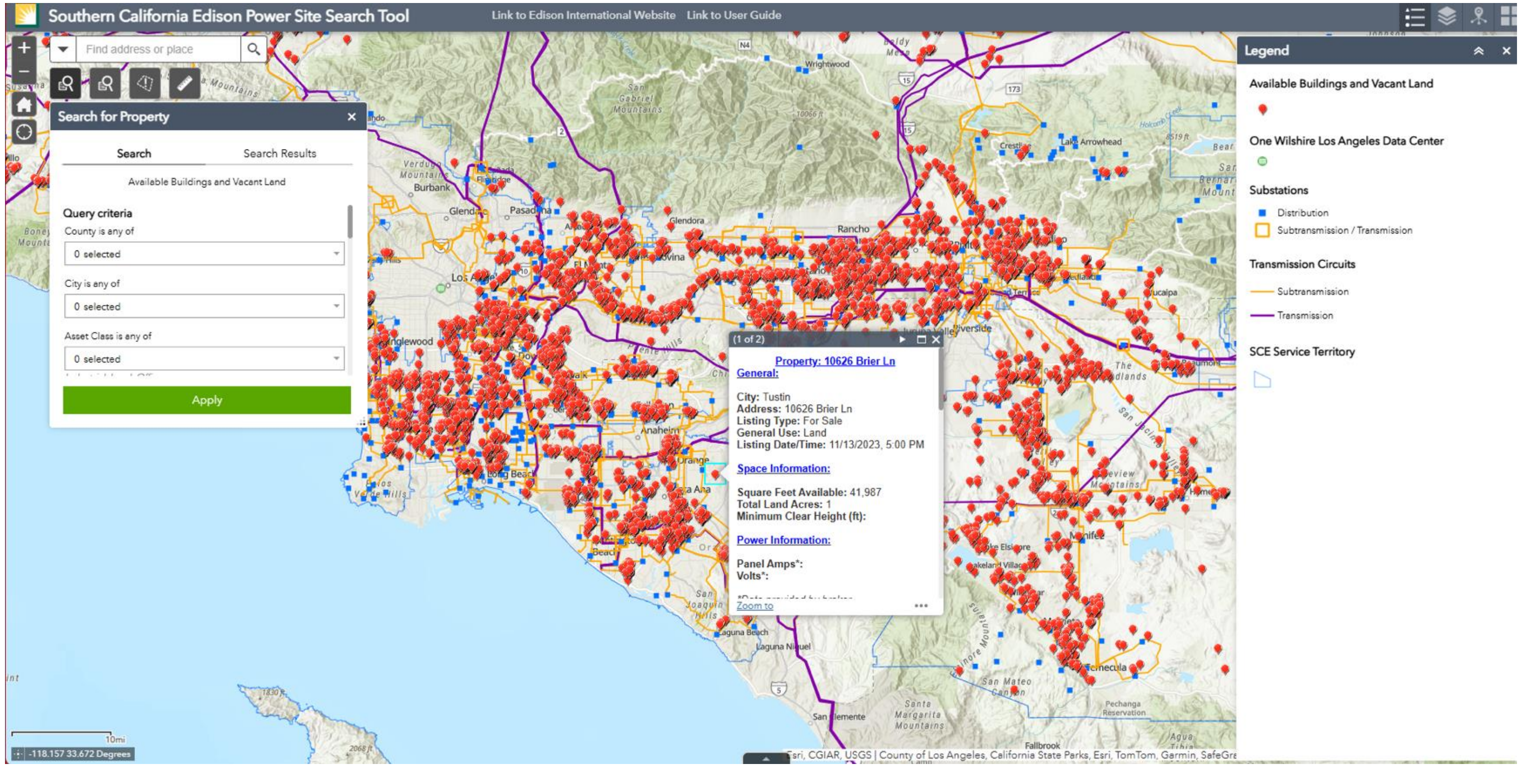
El Paso Electric

New Technology

SPEED IN DECISIONS



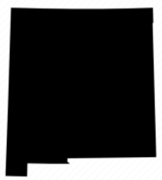
El Paso Electric

Local Supports

SHOWING INDUSTRY LOCAL LOVE

$100,000,000

$80 Million
15 Years
City of El Paso



$20 Million
20 Years
CFSNM

TEXAS ECONOMIC DEVELOPMENT FUND: ANNUAL REPORT FOR THE YEAR ENDING DECEMBER 31, 2025

FUND BALANCE:
$19,767,378.63

(AS OF 12/31/25)

January 28, 2026

CITY OF EL PASO | 300 N. Campbell | El Paso, Texas | 79901

Local Supports

SHOWING INDUSTRY LOCAL LOVE

$875,634.84	Ferveret, Inc.
$5,000,000	Ysleta/Zaragosa POE Expansion Feasibility Study
$100,000	Northwestern Dr. Traffic Safety Improvements Study
$2,325,000	Rancho Del Rey Logistics Park Drainage Study

PREVIOUS PROJECTS

- Schneider Electric
- Meta
- Northeast Rail Spur Study
- Amphitheater Development
- Border Crossing Systemwide Analysis
- National Center for Defense Manufacturing and Machining

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WE ARE TRANSFORMING THE ENERGY LANDSCAPE

Together we power Economic Growth, Innovation and Prosperity in our region