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El Paso Electric Issues Request for Proposals to Meet Future Power Generation Needs

EL PASO, Texas--(BUSINESS WIRE)-- Resource planning studies conducted by El Paso Electric (EPE) (NYSE:EE) currently indicate that a total of approximately 370 megawatts (MW) of additional resources will be needed by the summer of 2023 to meet increasing electricity demand by customers due to regional growth and to replace older, less efficient generating units. EPE's studies currently indicate that approximately 50 MW of capacity will be needed in 2022 and an additional capacity of 320 MW will be needed in 2023.

In order to select additional long-term, cost-effective and reliable electric resources, EPE today issued an All-Sources Request for Proposal (RFP) for supply-side and/or demand-side resources. The selected proposal(s) and contract(s) are ultimately subject to approval by the Public Utility Commission of Texas and the New Mexico Public Regulation Commission.

"As we continue to see an increase in electricity demand by our customers every year, resource planning is key to meeting the future energy needs of our growing region," said Mary Kipp, President and Chief Executive Officer at EPE. "The integrated resource planning and RFP process will help EPE to continue meeting its obligation to serve its customers with reliable electric service at the lowest reasonable cost and in a safe and environmentally-friendly manner."

The Notice of Intent to Bid is mandatory in order for proposals to be accepted and must be submitted by August 4, 2017, at 5:00 p.m. MST. For full details and requirements, please visit www.epelectric.com.

About El Paso Electric

El Paso Electric is a regional electric utility providing generation, transmission and distribution service to approximately 411,000 retail and wholesale customers in a 10,000 square mile area of the Rio Grande Valley in west Texas and southern New Mexico. EPE's common stock trades on the New York Stock Exchange under the symbol EE.

Safe Harbor

This news release includes statements that are forward-looking statements made pursuant to the safe harbor provisions of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding EE's estimated future capacity requirements. This information may involve risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those expressed in forward-looking statements is contained in EE's most recently filed periodic reports and in other filings made by EE with the U.S. Securities and Exchange Commission (the "SEC"), and include, but is not limited to: (i) increased prices for fuel and purchased power and the possibility that regulators may not permit EE to pass through all such increased costs to customers or to recover previously incurred fuel costs in rates; (ii) full and timely recovery of capital investments and operating costs through rates in Texas and New Mexico; (iii) uncertainties and instability in the general economy and the resulting impact on EE's sales and profitability; (iv) changes in customers' demand for electricity as a result of energy efficiency initiatives and emerging competing services and technologies, including distributed generation; (v) unanticipated increased costs associated with scheduled and unscheduled outages of generating plant; (vi) the size of our construction program and our ability to complete construction on budget and on time; (vii) potential delays in our construction schedule due to legal challenges or other reasons; (viii) costs at Palo Verde; (ix) deregulation and competition in the electric utility industry; (x) possible increased costs of compliance with environmental or other laws, regulations and policies; (xi) possible income tax and interest payments as a result of audit adjustments proposed by the IRS or state taxing authorities; (xii) uncertainties and instability in the financial markets and the resulting impact on EE's ability to access the capital and credit markets; (xiii) possible physical or cyber attacks, intrusions or other catastrophic events; and (xiv) other factors of which we are currently unaware or deem immaterial. EE's filings are available from the SEC or may be obtained through EE's website, <http://www.epelectric.com>. Any such forward-looking statement is qualified by reference to these risks and factors. EE cautions that these risks and factors are not exclusive. Management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels. Forward-looking statements speak only as of the date of this news release, and EE does not undertake to update any forward-

looking statement contained herein.

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