

MAYOR Renard U. Johnson

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NEWS RELEASE 04/28/2025

City Council Votes to Intervene in El Paso Electric's Request for Rate Adjustment for Texas Solar One Project Second Intervention in Proposed EPE Rate Increases

EL PASO, Texas—The El Paso City Council voted unanimously to intervene in El Paso Electric's (EPE) request to amend its Generation Cost Recovery Rider (GCRR) to include the costs of its Texas Solar One generation facility, marking the second time this year the City has intervened in a rate increase request filed by EPE.

Texas Solar One Intervention

In February 2025, the City intervened in EPE's proposed \$93 million rate increase. In this latest filing, EPE seeks approval to recover approximately \$120.4 million invested in the Texas Solar One facility, a 150 MW solar generation project near Fabens, Texas, set to begin operations by late August 2025.

If approved by the Public Utility Commission of Texas (PUCT), the GCRR amendment will result in an annual increase of \$13.4 million for Texas retail ratepayers, with residential customers seeing an average monthly increase of \$2.11.

Under the GCRR, EPE is allowed to recover the costs of new electricity generation facilities through a separate line item charge on customer bills, bypassing the general base rate process.

Once the new Texas Solar One generation facility begins providing service, EPE intends to file an updated request at the end of 2025 to account for the full cost of the facility. This request will likely further impact rates and will be reviewed by the City and other intervenors to ensure any proposed costs passed on to ratepayers remains fair.

General Rate Case Intervention

The City's intervention in EPE's proposed \$93 million rate increase, initiated in February 2025, is ongoing. The increase is broken into two parts: \$85.7 million for general rates and \$7.3 million for a retiring plant rider.

If approved, the rate hike would result in an average monthly increase of \$22.39 for residential customers, or a roughly 23 percent increase in their monthly electric bill. The City is carefully evaluating these proposed rate adjustments to ensure they are reasonable and fair to local residents.

"With the ongoing \$93 million rate increase proposal and the new request for the Texas Solar One facility, the combined impact could lead to a total monthly increase of approximately \$24.50 for residential customers," said Karla Nieman, City Attorney. "Our goal is to ensure any rate adjustments are fully justified, transparent, and in the best interest of the community. We will continue to collaborate with experts to ensure that the utility's investments align with the needs of our residents."

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A History of Advocacy

The City has a strong track record of advocating for fair utility rates, resulting in significant savings for local residents.

Over the last six rate cases, the City's proactive interventions have saved approximately \$189 million for El Paso's ratepayers through negotiations and strategic actions.

These efforts help reduce the financial burden on residents while ensuring reliable and fairly priced utility services.

In response to concerns from residents, the El Paso City Council requested that EPE host a series of community meetings to inform the public and provide an opportunity for residents to ask questions about the general rate case and its potential impact. EPE hosted six community meetings throughout the month of April, with the last meeting taking place on April 24, 2025.

The City will continue to monitor both rate increase proposals, with final decisions expected by the end of 2025.

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