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**NEWS
RELEASE**

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City Opposes Proposed McCloud Generation CCN, Cites Deficient Analysis and Risks to Ratepayers

EL PASO, Texas—The City of El Paso has formally opposed El Paso Electric's application for a Certificate of Convenience and Necessity (CCN) related to the proposed McCloud Generation facility and has filed testimony with the Public Utility Commission of Texas recommending that the application be denied.

The City's opposition follows months of public concern regarding the proposed data center project and the infrastructure required to support it and reflects concerns raised by residents about affordability, transparency, infrastructure demands, and the potential financial burden placed on existing ratepayers.

The proposed \$551.8 million, 366-megawatt natural gas facility is intended to serve the Worldwide (Meta) data center during a bridge period of up to five years. According to testimony filed by the City and its retained expert, El Paso Electric has not demonstrated that the project is a prudent, cost-effective choice for existing customers.

"EPE is asking to build a half-billion-dollar power plant for a single new customer without performing the analysis Texas law and regulations require," said City Attorney Karla Nieman. "The City's position is simple: El Paso ratepayers should not be paying for the costs or risks associated with serving a single large customer. We entered settlement discussions in good faith and proposed reasonable protections that would have held families and businesses harmless, but El Paso Electric chose not to provide those assurances. That is why the City is asking the Public Utility Commission to deny the application as proposed."

In testimony filed with the Public Utility Commission, the City identified several significant concerns with El Paso Electric's application, including:

- No competitive procurement. El Paso Electric did not seek competitive bids or evaluate alternatives and instead selected the project at the direction of Worldwide.
- No long-term cost analysis. El Paso Electric did not perform a long-term cost-benefit analysis, revenue requirement projection, or customer rate impact study.
- High cost. The proposed facility is substantially more expensive than gas turbine alternatives identified in El Paso Electric's own resource plan, which are more fuel efficient and have longer operating lives.
- Uncertain need. The long-term need for the facility beyond 2029 depends on future data center growth, while Worldwide's load reaches the electric system before the plant is even operational.
- Unproven technology and reliability. El Paso Electric has not adequately evaluated reliability impacts, Enchanted Rock's experience, or the performance of comparable small modular gas projects.

The City also expressed concern that, under the current proposal, existing customers could be exposed to risks and costs associated with serving a project of this scale before the facility becomes operational.

Although the City cannot unilaterally alter previously approved development agreements, it has continued to take action where it has authority by participating in the Public Utility Commission proceeding and advocating for transparency, accountability, and protections for El Paso ratepayers.

The City will continue participating in the Public Utility Commission proceeding and advocating for outcomes that protect the interests of El Paso residents and businesses.

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