

**MEMORANDUM OF UNDERSTANDING  
BY AND BETWEEN  
THE UNITED STATES GENERAL SERVICES ADMINISTRATION  
AND  
EL PASO ELECTRIC COMPANY**

This non-binding Memorandum of Understanding (MOU) is made and entered into by the United States General Services Administration (GSA) and El Paso Electric Company (EPE). GSA and EPE are sometimes referred to herein individually as a Party and collectively as the Parties.

**I. Legal Authority:** Pursuant to 40 U.S.C. 501(c), GSA is authorized to represent certain executive agencies in negotiations with public utilities. EPE is entering into this MOU as the retail electricity provider for its designated service area in Texas and New Mexico.

**II. Purpose:** The Parties' collective goal is to advance the decarbonization of the national grid, and, as such, the Parties will work collaboratively and expeditiously towards developing a non-binding carbon pollution-free electricity (CFE) plan (the Plan) that, when fully implemented by 2030, would result in the Federal customer load within EPE's service territory using electricity that is 100 percent attributable to CFE resources on a net annual basis, and at least 50 percent matched CFE on a 24/7 hourly basis in furtherance of Executive Order 14057.<sup>1</sup> Further, mutually collaborating to pursue the sustainability goals described herein provides for the most efficient and economic path for achieving such goals for the good of the public, GSA and other Federal customers served by EPE, and other interested electricity customers. Achieving these sustainability goals benefits the environment and enables the continued expansion of economic renewable and CFE generation, which creates and provides jobs while increasing the tax base for local and State economies.

**III. Background:** In accordance with Executive Order 14057 and its associated Implementing Instructions,<sup>2</sup> the Federal Government has set the goal to achieve 100% CFE on a net annual basis by 2030, including 50 percent 24/7 hourly-matched CFE. Federal agencies are also encouraged to make available Federal lands for the siting of CFE.

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<sup>1</sup> Executive Order 14057, *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability* (December 8, 2021), available at [Executive Order on Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability - The White House](#).

<sup>2</sup> *Implementing Instructions for Executive Order 14057 Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability*, The White House Council on Environmental Quality (August 2022), available at [E.O. 14057 Implementing Instructions \(sustainability.gov\)](#).

IV. Complementing the efforts of the Federal Government, EPE has committed to 80% carbon-free energy by 2035.

V. **Roles and Responsibilities:** GSA and EPE will develop the Plan collaboratively. The Parties will hold regular meetings and exchange information as may be necessary or desirable to maintain sustained progress to development of the Plan. GSA and EPE will determine which Party is responsible for preparing the drafts of the various components of the Plan and will jointly review and comment on materials prepared by the Parties. The Parties will identify agreements and actions that may be required to implement the Plan and to achieve the purpose of this MOU. GSA will coordinate as appropriate with other Federal agencies with the goal of maximizing the participation by, and benefit to, the Federal Government and other electricity consumers.

VI. **The Plan:**

- a. **Overview:** In developing the Plan, GSA and EPE recognize the critical importance of EPE's CFE efforts and will work together to reach the annual and hourly matching CFE targets of Executive Order 14057. The Parties further recognize that the Plan should provide benefits to the Federal Government and to EPE's other customers.

The Parties anticipate that under programs developed subject to the Plan (1) EPE will match existing CFE to Federal Government and other participating load and ensure that the total share of CFE for all other EPE customers is not reduced on a load ratio basis by such programs; (2) all costs of such programs, including the net cost of CFE generation and delivery, and the incremental cost of program administration must be borne by the program participants or those benefiting from the program, with no cost shifts to non-participating customers; and (3) GSA will coordinate with other Federal Government agencies in the development of the Plan.

- b. **Four Major Emphasis Areas of the Plan:** The Parties recognize a phased approach is appropriate in addressing the CFE requirements of Executive Order 14057 and envision that the Plan will include interim CFE milestones. The Plan's four major emphasis areas are:
1. Developing a roadmap for the Federal Government's electricity needs in the service territory served by EPE to meet the targets set out in the CFE requirements of Executive Order 14057;
  2. Collaborating, including with other interested stakeholders, to expeditiously design and file a CFE tariff to enable the Federal Government and, by extension, other participating customers to achieve their clean energy goals in EPE service territory;
  3. Identifying an initial CFE offering for delivery by 2026 to demonstrate the Parties' ability to execute on CFE; and
  4. The construction and/or acquisition of CFE resources needed to generate additional electricity and associated Energy Attribute Certificates (EACs) that are 100 percent attributable to CFE resources.
- c. **Additional Plan Elements:** In addition to the four major emphasis areas, the Plan may include one or more of the following:

1. Enabling other agencies of the Federal Government and other participating customers to eventually subscribe to a CFE time matching tariff.
2. The Parties assessing the prospect of EPE constructing, owning, and operating a CFE generation and/or energy storage systems at Federal facilities in EPE's service territory.
3. EPE developing additional tariffs for dispatchable CFE generation, battery storage, and flexible demand response to achieve full 24/7 CFE.
4. The Parties working together to assess opportunities for electrification and grid-efficient buildings on Federal sites within EPE's service area.
5. EPE providing open-source hourly generation data in the balancing territory using a dashboard created by the National Renewable Energy Laboratory (or other provider to be determined) to validate meeting the 24/7 hourly CFE match.

**VII. Schedule:** The Parties, in collaboration with other Federal agencies as appropriate, will endeavor to develop the Plan, including a proposed implementation schedule, within 60 days of the effective date of this MOU.

**VIII. Terms and Conditions:**

- a. This MOU is effective on the date signed by the Parties. The date signed by the last Party is the effective date of this MOU. This MOU remains in effect for a term of one year from the effective date unless terminated pursuant to Section VIII.c below.
- b. This MOU may be amended by the mutual written agreement of both Parties through issuance of a written supplemental agreement that is signed and dated by both Parties.
- c. This MOU may be terminated 60 days after either Party provides written notice of such termination to the other Party.
- d. This MOU is to be construed in a manner consistent with applicable laws and regulations and GSA policies and procedures. This MOU neither expands or detracts from those powers and authorities vested in the Parties by applicable laws, statutes, or regulations. All actions undertaken pursuant to this MOU are subject to, and will be carried out in compliance with, all applicable laws, regulations, and other legal requirements.
- e. This MOU is for internal management purposes for each of the Parties. It is not legally enforceable and shall not be construed to create any legal obligations on the part of either Party. This MOU shall not be construed to provide a private right, cause of action, or remedy for or by any person or entity.
- f. This MOU in no way restricts either Party from participating in any activity with other public or private agencies, organizations, or individuals.
- g. This MOU is neither a fiscal nor a funds obligation document. Nothing in this MOU authorizes or is intended to obligate the Parties to expend, exchange, or reimburse funds, services, or supplies, or transfer or receive anything of value.

- h. All activities of GSA under or pursuant to this MOU are subject to the availability of appropriated funds and no provision herein shall be interpreted to require obligation or payment of funds in violation of the Anti-Deficiency Act, 31 U.S.C. § 1341.

IN WITNESS WHEREOF, the Parties have executed this MOU on the dates hereinafter identified. UNITED STATES OF AMERICA, acting by and through the Administrator of General Services



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Robin Carnahan  
Administrator  
U.S. General Services Administration

4/9/2024

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Date



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Kelly Tomblin  
President and Chief  
Executive Officer  
El Paso Electric Company

4-11-2024

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Date