



***2011 Western Region
Request For Proposals
For
Long-Term Supply-Side
Resources***

DRAFT

Entergy Services, Inc.
September 30, 2011

The statements contained in this RFP are made subject to the Reservation of Rights set forth in Appendix D of this RFP and the terms and acknowledgements set forth in the Proposal Submission Agreement.

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APPENDICES

Appendices	Title
Appendix A	Glossary
Appendix B-1	Instructions for Bidder Registration
Appendix B-2	Instructions for Proposal Submission
Appendix C	Product Packages
Appendix D	Reservation of Rights
Appendix E	Deliverability Evaluation Process
Appendix F	Credit/Collateral Requirements
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Appendix H	Developmental Resource Due Diligence Questionnaire
Appendix I-1	Preliminary Due Diligence List (Existing CCGT Resources)
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Appendix J	Minimum Requirements for Developmental Resources
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2011 WESTERN REGION REQUEST FOR PROPOSALS FOR LONG-TERM SUPPLY SIDE RESOURCES

1. GENERAL INFORMATION

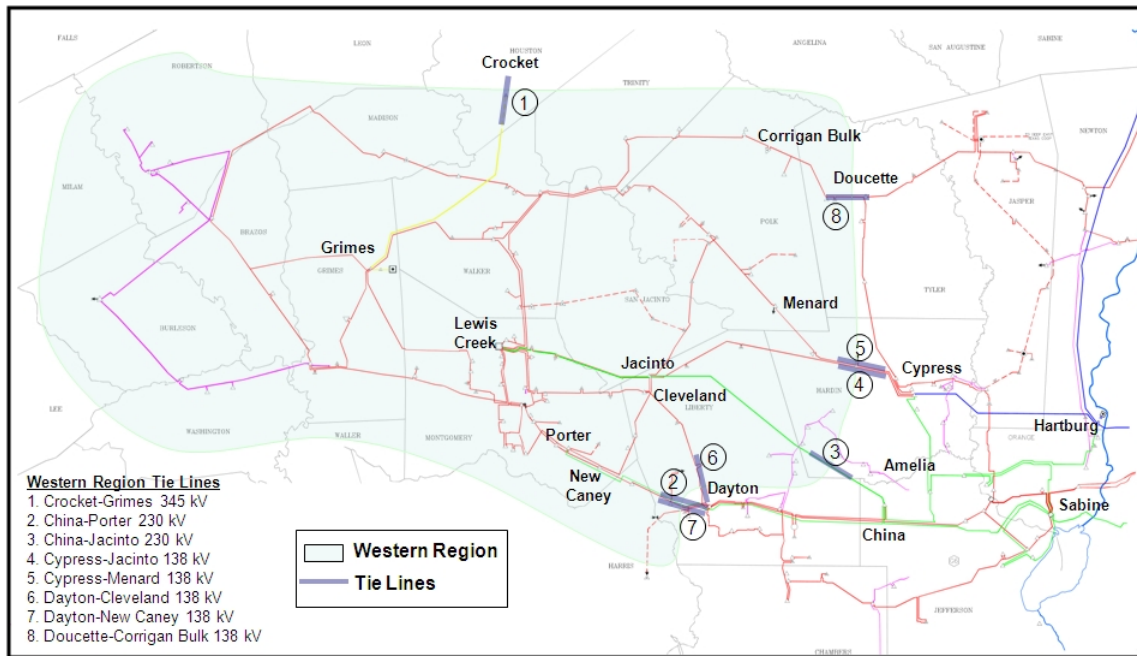
1.1. Introduction

Entergy Services, Inc. (“ESI”), acting as agent for Entergy Texas, Inc. (“Entergy Texas”), is issuing this Draft 2011 Western Region Request for Proposals for Long-Term Supply Side Resources (including all appendices, this “RFP”). This RFP seeks approximately 300 MW of Capacity, energy and Other Electric Products from a single resource, on terms set forth herein, to help meet the long-term reliability needs of the Western Region. The Western Region is described in Section 1.2 below. The specific products being solicited for this RFP (“Products”), offtake agreements and ownership transfers, are categorized and detailed in Section 2.2 below.

1.2. Western Region

The “Western Region” is the westernmost portion of Entergy Texas’ service territory (generally, the Entergy Texas service territory west of the Trinity River). A map of the Western Region is available on the Western RFP Website. The current map is shown in Figure 1.

Figure 1 – Western Region Map (2011)



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1.3. RFP Documents

This RFP consists of a Main Body and thirteen appendices. Among other things, the Main Body (i) offers general information pertaining to this RFP, (ii) describes the purpose and drivers of this RFP, the types of products, amounts and certain product features ESI seeks from market participants in this RFP, and high-level considerations for Bidders, (iii) addresses the self-build option being developed in connection with this RFP, (iv) includes a representative milestone schedule for this RFP, (v) sets forth terms governing the preparation and submission of proposals and RFP-related communications with ESI, and (vi) provides an overview of the process to be utilized in this RFP for evaluating and selecting proposals.

Appendix A to this RFP is a glossary of capitalized terms used in this RFP.

Appendix B-1 provides detailed instructions to Bidders on the Bidder Registration Process. Appendix B-2 provides detailed instructions to Bidders on the Proposal Submission Process.

Appendix C consists of four (4) term sheets (“Term Sheets”), each of which sets forth terms and conditions applicable to a particular Product.

Appendix D contains an express reservation of Entergy Texas and ESI rights in connection with this RFP; warranty, liability, and contract acceptance disclaimers; and terms addressing the disclosure of RFP-related information by Entergy Texas, ESI, the other Entergy Operating Companies, and Bidders in this RFP, Bidder’s responsibility for RFP-related costs, and regulatory approvals.

Appendix E describes the processes, criteria, and methods that ESI intends to use to evaluate proposals in the Deliverability Evaluation Process as conducted by, or at the request of, the Delivery Assessment Team.

Appendix F describes the process by which the Credit Evaluation Team will analyze proposals to assess potential credit risks and to establish collateral requirements for proposals selected for the Primary Selection List or the Secondary Selection List.

Appendix G provides information on the protocols ESI has established to ensure that (i) the RFP process will be impartial and objective, (ii) Bidders’ commercially sensitive information will be protected, (iii) all proposals are treated in a consistent fashion, and (iv) proposals from any particular Bidder will not receive undue preference.

Appendices H, I-1, and I-2 contain questions Bidders will be required to answer for proposals based upon a Developmental Resource, an existing combined-cycle gas turbine (“CCGT”) resource, or an existing solid fuel resource, respectively.

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Appendix J describes certain minimum requirements that Bidder must satisfy in order for Bidder to be assured that a proposal offering a Developmental Resource will be considered in this RFP.

Appendix K is a schedule of key milestones and anticipated milestone dates for this RFP.

Bidders are responsible for familiarizing themselves with and being aware of all of the terms of this RFP, including each Appendix.

1.4. Western RFP Website

The official website for this RFP is <https://spofossil.entergy.com/ENTRFP/SEND/2011Western/Index.htm> (“Western RFP Website”). This RFP and related material and information are posted on the Western RFP Website and available for review. The Western RFP Website will be updated from time to time with additional information.

1.5. RFP Administrator

ESI has designated an “RFP Administrator” for this RFP. The RFP Administrator’s responsibilities include (i) acting as a liaison between the market participants in this RFP and ESI on all RFP-related matters, (ii) ensuring that Bidder questions ESI receives are addressed in an appropriate manner, (iii) receiving, recording and maintaining Bidder proposals, and (iv) managing other administrative matters relating to this RFP. The RFP Administrator is also a member of the “RFP Administration Team.” The full set of the RFP Administrator’s duties, and the role of the RFP Administration Team, are set forth in Appendix G.

The RFP Administrator for this RFP is Ms. Mary DeCuir. The contact information for the RFP Administrator is:

Mary DeCuir
RFP Administrator
Entergy Services, Inc., T-PKWD-3A
10055 Grogans Mill Road, Suite 300
The Woodlands, TX 77380
Email: esirfp@entergy.com
Fax: 281-297- 5360.

As detailed in Section 7.1 below, all questions, requests, and other inquiries or communications from Bidders to ESI about this RFP must be directed in writing or via email to the RFP Administrator, except as described in Section 7.2 with respect to transmission matters and in Appendices B-1 and B-2 with respect to the RFP Hotline (which will often be staffed by the RFP Administrator).

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1.6. Independent Monitor

ESI has retained Potomac Economics, Ltd., an independent consulting firm, as the Independent Monitor (“IM”) for this RFP. The role of the IM is defined in the “Scope of Work Activities” for the IM, which is posted on the Western RFP Website. Generally, and without modifying the Scope of Work Activities, the role of the IM will be to (i) oversee the design and implementation of the RFP solicitation, evaluation, selection, and contract negotiation processes to ensure that they will be impartial and objective and (ii) provide an objective, third-party perspective on ESI’s efforts to ensure that all proposals are treated consistently and without undue preference to any Bidder. Bidders wishing to communicate with the IM may contact Mr. Michael (“Mike”) Chiasson at the following email address: mchiasson@potomaceconomics.com.

1.7. Eligible Participants

ESI invites proposals from all potential suppliers capable of meeting the conditions and requirements identified in this RFP (“Eligible Participants”), including other electric utilities, marketers, wholesale generators, independent power producers, generation project developers, and QFs. Proposals from QFs will not be provided any preference in this RFP solely by virtue of their QF status. Off-System Resources that can qualify as a Long-Term Network Resource under the Entergy OATT and otherwise meet the requirements for participation in this RFP are eligible to participate. Entergy Competitive Affiliates are ineligible to participate in this RFP. As discussed in more detail in Section 3 below, ESI will consider a self-build option for this RFP. A “Bidder” in this RFP may consist of more than one entity. (For additional information concerning multi-party Bidders, please see Section 7.3 below.) Otherwise Eligible Participants that do not comply in all material respects with the terms, conditions, and requirements of this RFP may be determined by ESI to be ineligible to continue to participate in the solicitation process.

1.8. Eligible Technologies

Generation technologies permitted for proposals responsive to this RFP include CCGT technology, solid fuel technology (*e.g.*, coal, pet coke, nuclear), and other technologies (*e.g.*, possibly, energy storage technologies) that are capable of addressing the reliability needs of the Western Region and meet the requirements of this RFP (“Eligible Technologies”). Technologies that have the operational flexibility to serve in a Baseload capacity and a load-following capacity in an economical fashion are preferred (*e.g.*, CCGT technology, at current gas prices). Intermittent generation technologies (such as wind or solar) and any technology incapable of addressing the reliability needs of the Western Region or that does not meet the requirements of this RFP, including, without limitation, demand-side management and energy efficiency technologies, are not Eligible Technologies. An Off-System Resource utilizing a generation technology permitted for this RFP may be coupled with a new direct current interconnection (“DC tie”), or its equivalent, with the Entergy Transmission System (preferably with the Western Region). A proposal for a DC tie or its equivalent must be coupled with a generation resource meeting the requirements of Section 1.9

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below. Two or more forms of generation technologies (whether in a single facility or separate facilities) may not be combined to create a permitted Product profile or a unitary technology.

1.9. Eligible Resources

Generation resources that are or will be powered by an Eligible Technology and meet the other criteria for participation in this RFP (*e.g.*, begin to deliver Capacity, energy and Other Electric Products to Buyer by no later than June 1, 2017) are permitted, subject to the other terms of this RFP (“Eligible Resource”). Each generation resource proposed must be a single resource (or portion thereof); generation resources located at separate facilities (*e.g.*, system generation resources) are ineligible. Developmental Resources must be at a stage of development that satisfies the requirements set forth in Appendix J in order to be assured consideration in this RFP.

1.10. Move to MISO

The Entergy Operating Companies have announced plans to transfer operational control of their transmission assets to the Midwest Independent Transmission System Operator, Inc. (“MISO”) regional transmission organization (“RTO”) by no later than December 2013. A complete discussion of the Operating Companies’ proposal to join MISO, the projected costs and benefits to the Operating Companies’ customers, and the features and benefits of MISO’s Day 2 Markets are set forth in the report entitled “An Evaluation of the Alternative Transmission Arrangements Available to the Entergy Operating Companies and Support for Proposal to Join MISO” (the “Evaluation Report”), which was filed with the PUCT and other retail regulators of the Entergy Operating Companies on May 12, 2011. A copy of the [Evaluation Report](#) and Exhibits [Part 1](#), [Part 2](#) and [Part 3](#) are available online.

Although the Operating Companies are moving forward with efforts to plan and implement their move to MISO, completion of the proposed move to MISO involves applications for regulatory approval and is uncertain. Bidders may not condition proposals on membership of Entergy Texas (or any other Entergy Operating Company) in MISO, a transition of the Entergy Transmission System to MISO, or any other alternative arrangement for planning of the Entergy Transmission System or for the dispatch of the resources interconnected to the Entergy Transmission System, including, without limitation, membership in an RTO or an independent system operator (“ISO”).

MISO presently operates day-ahead and real-time markets for energy and ancillary services; these are commonly referred to as “Day 2 Markets.” The Entergy Operating Companies would expect to participate in these markets if their proposed move to MISO is completed. In addition, upon joining MISO, significant changes to the nature of transmission service on the Entergy Transmission System and the manner in which it is procured are expected, among other changes. The exact nature and extent of these changes is still being evaluated and analyzed, with many details and specifics having yet to be determined. As a result, and to ensure an appropriate assessment of proposals within the framework of this RFP, ESI is retaining the flexibility to modify its evaluation

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of proposals in this RFP as additional clarity is gained with respect to the Operating Companies' move to MISO and based on future changed circumstances. Similarly, because the internal assessment of the effect of a move to MISO on a transaction that may arise out of this RFP and on the terms of such transaction is ongoing, ESI is reserving the right to modify the terms of the Term Sheets and other RFP documents to reflect or address the results of the assessment.

2. RFP OVERVIEW

2.1. RFP Purpose

The Entergy System forecasts an ongoing long-term need for approximately 300 MW of Baseload or Flexible Capacity, energy, and Other Electric Products in the Western Region beginning in 2017. In an attempt to fill that need, ESI is issuing this RFP. The primary objective of this RFP is to solicit competitive proposals to provide the Western Region with a long-term, cost-effective, reliable supply of approximately 300 MW of Capacity, energy and Other Electric Products for 2017 and beyond from an Eligible Resource. This RFP targets resources that will allow Entergy Texas to satisfy several important planning objectives, including, among others:

- increasing load-serving capability in the Western Region
- maintaining reliability within the Western Region
- serving load in the Western Region at the lowest reasonable cost, and
- reducing dependence on existing generation within the Western Region, specifically, Entergy Texas' Lewis Creek facility (as presently configured).

Resources supplying flexibility offer benefits to Entergy Texas and the Entergy System that resources with less flexible or inflexible scheduling and dispatch capabilities cannot provide. Bidders are advised that these benefits will be captured quantitatively and qualitatively in the evaluation of proposals and, subject to the italicized language in Section 6.1, will result in, all else being equal, a preference for Flexible Capacity over Baseload Capacity resources. For more extensive treatment of other considerations in the development and evaluation of proposals, please refer to the remainder of this Section 2, Section 6 below, and Appendix E.

2.2. Products Solicited and Select Terms

Overview

Through this RFP, ESI seeks Products for the Western Region that can be structured to meet the resource requirements of Entergy Texas and the Entergy System over an extended planning horizon. The specific Products are (i) a long-term, unit contingent "Baseload Product," (ii) a long-term, unit contingent "Tolling Product" (Load-Following), (iii) a long-term, unit contingent "Flexible PPA Product" (Load-Following), and (iv) an "Ownership Acquisition Product" (Baseload or Load-Following). Select highlights of each Product are provided later in this Section 2.2.

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The Products are described in the “Term Sheets,” or “Product Packages,” forming Appendix C. Each Term Sheet establishes certain key terms and conditions for a particular Product. The Term Sheet for Product Package A is for the Baseload Product. The Term Sheet for Product Package B is for the Tolling Product. The Term Sheet for Product Package C is for the Flexible PPA Product. The Term Sheet for Product Package D is for the Ownership Acquisition Product. Subject to the other terms of this RFP, a proposal submitted in this RFP may link Products together (*e.g.*, a proposal may offer to sell a portion of a single resource’s Capacity as Product A and a portion as Product B or C).

Bidder is responsible for taking into consideration all terms and conditions included in the Term Sheet(s) corresponding to its proposal(s) when developing and preparing its proposal(s).¹ ESI expects that these terms and conditions will be a part of any Definitive Agreement executed for a proposal. Bidders are advised to carefully review the Term Sheet applicable to the Product for which Bidder intends to submit a proposal. Bidders should be guided by the descriptions and terms in the Term Sheets in formulating proposals. In the event of any inconsistency between a provision in the Term Sheet and any other part of this RFP, including the Main Body, the Term Sheet will control.

Bidders not wishing to agree to a term or condition set forth or described in the applicable Term Sheet must identify the specific term or condition that Bidder declines to accept and provide a reasonably complete and detailed explanation of Bidder’s position in the “Special Considerations” section of its proposal. Submission of an exception in the Special Considerations section of Bidder’s proposal does not mean that ESI will accept (and ESI is under no obligation to accept or agree to, in whole or in part) the exception in negotiations. Bidder should identify whether a Special Consideration on the terms proposed by Bidder is a prerequisite to Bidder entering into a Definitive Agreement.

Special Considerations will be taken into account in the evaluation of proposals. Special Considerations in which Bidder reserves all rights to make comments on terms or conditions included in a Product Package, makes widespread, wholesale or fundamental changes to material terms or conditions, conditions its bid on the acceptance of material terms or conditions not accepted by ESI or the Entergy Operating Companies in the ordinary course of business, or takes similar actions are not contemplated and are grounds for disqualification.

Baseload Product (Product Package A)

The “Baseload Product” (also referred to as “Product A”) consists of a long-term purchase of unit contingent Baseload Capacity, energy and Other Electric Products from an Eligible Resource

¹ The Product Packages are all based upon a CCGT resource. If the technology proposed and selected for negotiation of the Definitive Agreement is not CCGT technology, the terms of the Product Package(s) applicable to the selected proposal (and resulting Definitive Agreement) will be adjusted and revised as necessary to reflect, in a manner consistent with the approach taken in the Product Package(s) when possible, the differences attributable to or arising out of the selection of a technology other than CCGT.

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pursuant to a power purchase agreement (“PPA”). Seller will be solely responsible for providing any fuel required for the resource.

Pricing for the Baseload Product will be based on (i) a Capacity Rate, which will be one of the following: (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/kW-year; (y) based on a base Capacity Rate proposed by Bidder, expressed in \$/kW-year, and escalated annually by CPI or PPI; or (z) a combination of (i) (x) and (y), as proposed by Bidder (*i.e.*, a portion of the Capacity Rate is fixed or defined annually and the other portion is a fixed \$/kW amount escalating annually by CPI or PPI); (ii) an energy price, which will be either (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh or (y) an energy price consisting of a specified heat rate multiplied by the applicable fuel price, as proposed by Bidder, and expressed in \$/MWh; and (iii) a Variable O&M Rate, which will be one of the following: (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh; (y) based on a base Variable O&M Rate proposed by Bidder, expressed in \$/MWh, and escalated annually by CPI or PPI; or (z) a combination of (iii) (x) and (y), as proposed by Bidder (*i.e.*, a portion of the Variable O&M Rate is fixed for the entire Delivery Term or defined annually and the other portion is a fixed \$/kW amount escalating annually by CPI or PPI), and which may include certain adders proposed by Bidder and permitted under Product Package A.

Tolling Product (Product Package B)

The “Tolling Product” (also referred to as “Product B”) consists of a long-term purchase of unit contingent Flexible Capacity, energy and Other Electric Products from an Eligible Resource pursuant to a tolling agreement in which Buyer thereunder is generally responsible for providing fuel for the resource. The resource must be able to supply Flexible Capacity, energy and Other Electric Products to the proposed Energy Delivery Point on a day-ahead and intra-day basis with no minimum annual energy dispatch requirements and to Start-up and shutdown the generating unit(s) at Buyer’s discretion based on the capabilities of the resource.

Pricing for the Tolling Product will be based on (i) a Capacity Rate, which will be one of the following: (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/kW-year; (y) based on a base Capacity Rate proposed by Bidder, expressed in \$/kW-year, and escalated annually by CPI or PPI; or (z) a combination of (i) (x) and (y), as proposed by Bidder (*i.e.*, a portion of the Capacity Rate is fixed or defined annually and the other portion is a fixed \$/kW amount escalating annually by CPI or PPI); (ii) a Variable O&M Rate, which will be one of the following: (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh; (y) based on a base Variable O&M Rate proposed by Bidder, expressed in \$/MWh, and escalated annually by CPI or PPI; or (z) a combination of (iii) (x) and (y), as proposed by Bidder (*i.e.*, a portion of the Variable O&M Rate is fixed for the entire Delivery Term or defined annually and the other portion is a fixed \$/kW amount escalating annually by CPI or PPI), and which may include certain adders proposed by Bidder and permitted under Product Package B; and (iii) a Start Charge, which will be either (x) fixed for the entire Delivery Term or defined annually (as

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proposed by Bidder) and expressed in \$/completed Start or (y) based on a base Start Charge proposed by Bidder, expressed in \$/completed Start, and escalated annually by CPI or PPI. To protect Buyer against incremental fuel cost expense due to operational inefficiencies of the resource, Bidder will be required to provide a guaranteed heat rate for each potential dispatch level of the Flexible Capacity of the resource allocated to Buyer and included in the minimum-to-maximum MW operating range of the resource specified by Bidder in its proposal.

Flexible PPA Product (Product Package C)

The “Flexible PPA Product” (also referred to as “Product C”) consists of a long-term purchase of unit contingent Flexible Capacity, energy and Other Electric Products from an Eligible Resource pursuant to a PPA. Seller will be solely responsible for providing any fuel required for the resource. The resource must be able to supply Flexible Capacity, energy and Other Electric Products to the proposed Energy Delivery Point on a day-ahead and intra-day basis with no minimum annual energy dispatch requirements and to Start-up and shutdown the resource at Buyer’s discretion based on the capabilities of the specified resource.

Pricing for the Flexible PPA Product will be based on (i) a Capacity Rate, which will be one of the following: (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/kW-year; (y) based on a base Capacity Rate proposed by Bidder, expressed in \$/kW-year, and escalated annually by CPI or PPI; or (z) a combination of (i) (x) and (y), as proposed by Bidder (*i.e.*, a portion of the Capacity Rate is fixed or defined annually and the other portion is a fixed \$/kW amount escalating annually by CPI or PPI); (ii) an energy price, which will be either (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh or (y) an energy price consisting of a specified heat rate multiplied by the applicable fuel price, as proposed by Bidder, and expressed in \$/MWh; (iii) a Variable O&M Rate, which will be one of the following: (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh; (y) based on a base Variable O&M Rate proposed by Bidder, expressed in \$/MWh, and escalated annually by CPI or PPI; or (z) a combination of (iii) (x) and (y), as proposed by Bidder (*i.e.*, a portion of the Variable O&M Rate is fixed for the entire Delivery Term or defined annually and the other portion is a fixed \$/kW amount escalating annually by CPI or PPI), and which may include certain adders proposed by Bidder and permitted under Product Package C; (iv) a Start Charge, which will be either (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/completed Start or (y) based on a base Start Charge proposed by Bidder, expressed in \$/completed Start, and escalated annually by CPI or PPI, and may include certain adders proposed by Bidder and permitted under Product Package C; and, if elected by Bidder, (v) a Start Fuel Charge, which will be based on the product of the start fuel amount (expressed in MMBtu per completed Start) and the applicable gas price (expressed in \$/MMBtu), as proposed by Bidder. To protect Buyer against incremental fuel cost expense due to operational inefficiencies of the resource, Bidder will be required to provide a guaranteed heat rate for each potential dispatch level of the Flexible Capacity of the resource allocated to Buyer and included in the minimum-to-maximum MW operating range of the resource specified by Bidder in its proposal.

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Certain Key Terms Common to Products A, B, and C

The following highlights certain key commercial terms for Products A, B, and C:

- *Monthly Availability* - The Monthly Availability Requirement for Products A, B, and C is 98% in the Summer Months and the Winter Months and 96% in the other months.
- *Long-Term Availability Requirement* - The Rolling 12 Month Availability Requirement for Products A, B, and C is 85%.
- *Delivery Term* - The minimum Delivery Term for each of Product A, B, and C is ten (10) consecutive years. The maximum Delivery Term is the shorter of the resource's remaining useful life or thirty (30) consecutive years.
- *Delivery Term Commencement* - ESI prefers that the Delivery Term commence no earlier than June 1, 2016. The Delivery Term proposed must commence no later than June 1, 2017.
- *Contract Capacity* - The amount of generating Capacity to be made available and purchased under Product A, B, or C must be no less than 275 MW and no more than 375 MW.

The foregoing is not intended and should not be construed as an exhaustive listing of important commercial terms for any of the foregoing Products.

Ownership Acquisition Product (Product Package D)

The "Ownership Acquisition Product" is the purchase of an Eligible Resource, or an undivided interest in an Eligible Resource (solid fuel resources only). The amount of generating Capacity to be conveyed must be no less than 275 MW and no more than 375 MW, and must be Baseload or Flexible Capacity. For solid fuel Baseload resources, ESI prefers the acquisition of an undivided interest in the specified solid fuel generating unit(s) as opposed to the acquisition of a portion of the generating unit itself. For CCGT resources, Bidders may propose the sale of all or a portion of the generating facility, but may not propose that Buyer acquire any portion of the facility that is less than a full CCGT train and the pro rata share of the associated common facilities.² If Bidder proposes the acquisition of less than all of the nameplate capacity of the facility, the Definitive Agreement will or, if the acquisition is of an undivided interest, may include, among other things, terms and conditions for metering, tagging/scheduling with the balancing authority or similar action (if applicable), settlement, operation and maintenance of the portions of the facility under the joint ownership of Seller and Buyer (the "Common Facilities") and the portions of the facility under

² For example, if the capacity of the applicable generating facility is 600 MW (summer rating) and the facility consists of two identical CCGT trains of 300 MW each, Bidder may propose the sale of one of the 300 MW CCGT trains and a one-half undivided ownership interest in the Common Facilities, but may not propose the sale of, say, 275 MW or 350 MW of the facility.

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separate ownership (“Separate Facilities”), joint ownership of the Common Facilities and separate ownership of the Separate Facilities. ESI prefers that the acquisition close no earlier than June 1, 2016. The acquisition must be scheduled to occur by no later than June 1, 2017.³

2.3. RFP Proposal Requirements

Subject to the other terms of this RFP, ESI will consider only proposals submitted in accordance with and meeting the requirements of Section 5.4 below and Appendix B-2. In addition to those proposal submission requirements, proposals under this RFP are required to satisfy, and will be reviewed in the first phase of the RFP evaluation process for compliance with, the “Preliminary Shortlist Requirements.” Any proposal not meeting the Preliminary Shortlist Requirements will be considered non-conforming and may be eliminated from further consideration in this RFP. The “Preliminary Shortlist Requirements” mean the requirements for proposals specified in this RFP, including, but not limited to:

Delivery Assessment Preliminary Shortlist Requirements

- A proposed resource must be capable of qualifying as a Long-Term Network Resource under the Entergy OATT and receiving Long-Term Network Integration Transmission Service (or other comparable level of transmission service required by Buyer in its sole discretion) and, if an Off-System Resource, of obtaining Firm Point-to-Point Service (or other comparable level of firm transmission service required by Buyer in its sole discretion) to the Energy Delivery Point specified by Bidder on the Entergy Transmission System.
- A proposed resource must provide the offered amount of Capacity, energy and Other Electric Products to Buyer at the Bidder-specified Energy Delivery Point on the Entergy Transmission System.
- The Energy Delivery Point for either Firm Point-to-Point Service (or other comparable level of firm transmission service required by Buyer in its sole discretion) or a new DC Tie (or its equivalent) must be a single interface point on the Entergy Transmission System.

Viability Assessment Preliminary Shortlist Requirements

³ With regard to any Ownership Acquisition Product proposal as well as the self-build proposal, ESI reserves the right to evaluate structures for the financing of the project costs other than traditional ownership by an Entergy Operating Company and financing at its cost of capital. Such evaluations will occur in the Phase II process generally described in Section 6.1 below and may be part of the negotiation of a Definitive Agreement. If a Bidder wishes to propose an alternative arrangement, such as, for example, a PPA with a buy-out option during the Delivery Term, Bidders should describe the alternative arrangement with reasonable specificity in the Special Considerations section of the RFP Web Portal. The option to include one or more alternative arrangements in the Special Considerations section should not be viewed as an invitation to modify other terms set forth in the Term Sheet for the applicable Product Package.

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- Bidder must provide evidence demonstrating that the proposed resource is an Eligible Resource.
- Bidder must be an Eligible Participant.
- The Delivery Term for a Product offered as Product A, B, or C must be at least ten (10) consecutive years.
- Bidder must offer at least 275 MW and not more than 375 MW of Capacity, energy and Other Electric Products from a single resource to a specified Energy Delivery Point on the Entergy Transmission System.
- For Developmental Resources, Bidders must meet the “Minimum Requirements” set forth in Appendix J. Without limiting ESI’s rights under Appendix D, ESI, in consultation with the IM, may allow variances from certain Minimum Requirements.
- For Developmental Resources, Bidder shall specify a Guaranteed Commercial Operation Date for the resource, which must be no later than June 1, 2017, and preferably no earlier than June 1, 2016.
- Existing resources must be free of fatal design flaws and/or non-standard operational or permitting restrictions that would reasonably be expected to prevent it from meeting the requirements of this RFP.

Credit Assessment Preliminary Shortlist Requirements

- Bidder must provide information as to the business structure and credit contact information as requested by ESI during the Bidder Registration Process or through Appendix H.
- If applicable, Bidder must provide the most recent Published Credit Rating of Bidder (from Standard & Poor’s, Inc. and Moody’s Inc., as available).
- Bidder must provide the annual audited financial statements (and accompanying notes) for the past two (2) years, the current-year reviewed quarterly financial statements (and accompanying notes) of Bidder and any Credit Support Provider, and the other information requested in Section 7 of Appendix H to this RFP.
- If Bidder proposes that a Person serve as a Credit Support Provider with respect to Bidder’s proposal, each of the three previous Preliminary Shortlist Requirements will apply to such Credit Support Provider. Bidder must extract and submit as separate documents by the Required Proposal Submission Time all financial data and information of Bidder, Credit Support Provider, or both (as applicable) that is consolidated with financial data or information of another Person and required under this Section 2.3.

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The lead time for completion of some of the items required by this Section 2.3 could be significant, and Bidders should plan the preparation of their proposals accordingly.

2.4. Locational Considerations

Proposals may be based on resources located inside the Western Region (“Inside Western Resources”) or outside of the Western Region (“Outside Western Resources”). It is anticipated that the farther an Outside Western Resource is from the Western Region, the less likely the Outside Western Resource will be able to meet Western Region needs reliably and at the lowest reasonable cost. Sections 3.2 through 3.3 of Appendix E generally describe the transmission upgrade and transmission cost analysis that will apply to proposed Outside Western Resources. ESI strongly encourages Bidders intending to propose a Developmental Resource to locate the Developmental Resource within the Western Region.

In this RFP, preference will be given to Inside Western Resources. A number of factors support such a preference, including, without limitation:

- Reliability – In general, reliability is improved by locating generation near the load being served. By definition, Outside Western Resources will be a greater distance from Western Region load than Inside Western Resources and may offer diminished reliability benefits than an Inside Western Resource.
- Transmission Losses – Similarly, the closer a generation resource is to the demand sink, generally the lower the transmission losses for transfers of power from the resource. Given their proximity to load relative to Inside Western Resources, Outside Western Resources may have more transmission losses than Inside Western Resources.
- Voltage Regulation – Generating units can dynamically regulate the local voltage level. Outside Western Resources may be incapable of contributing to voltage regulation in the Western Region.
- Possible Future Retirements – As the existing Inside Western Resources accrue additional operating hours and wear, their maintenance requirements may increase or their reliability may decrease (or both). Eventually, the Inside Western Resources will no longer be economically viable or dependable and will have to be replaced. Without sufficient replacement generation, the elimination of an existing Inside Western Resource could adversely affect reliability in the Western Region.
- Over-Reliance on Transmission – The Western Region relies on a high level of out-of-region generation to serve load. At the time of peak demand, greater than 50% of the power required to serve load must be imported over the Entergy Transmission System

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into the Western Region. Over-reliance on transmission exposes customers to increased risk associated with transmission outages across the interface, such as may occur, for example, as a result of major weather events.

- Stability – Regions supplied by remote generation and limited transmission may be susceptible to stability problems that can lead to widespread outages. Outside Western Resources may be unable to support the stability of the Western Region to the extent of an Inside Western Resource.
- Service Restoration – Service restoration time after widespread outages may be increased by excessive reliance on Outside Western Resources. A hurricane, for example, could damage or destroy transmission lines and systems over sizable swaths of the Entergy Transmission System both inside and outside of the Western Region. Inside Western Resources will require only transmission service inside the Western Region for service restoration. Outside Western Resources will require transmission service both inside and outside the Western Region for service restoration, and repairs outside the Western Region could lag behind those inside the Western Region. Maintaining the ability to restore service rapidly after a major disruption is vital in hurricane-prone areas like the Western Region.
- Import Capability Deterioration – The ability to utilize transmission necessary for Outside Western Resources to serve load inside the Western Region may deteriorate over time due to a wide range of factors, including load growth, large customer load additions, changes to transmission topology, and additions or losses of independent power production. Inside Western Resources are less susceptible to this type of transmission impairment than are Outside Western Resources.

2.5. Interconnection and Deliverability Considerations

This Section 2.5 identifies and addresses certain deliverability issues that Bidders must address or should consider as they prepare a proposal for this RFP.

Interconnection Service

Owners of Eligible Resources currently interconnected, or in the process of becoming interconnected, with (i) the Entergy Transmission System are responsible for complying with Entergy's Open Access Transmission Tariff ("OATT") (administered by the ICT pursuant to FERC Order No. 2003-A), including the Standard Large Generator Interconnection Agreement ("LGIA") and Standard Large Generator Interconnection Procedures ("LGIP"), or any successor requirements in effect, or (ii) any other transmission system are responsible for complying with the applicable interconnection compliance requirements.

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Except as provided in the following paragraph, for Developmental Resources or proposals in which the interconnection of the resource with the Entergy Transmission System will be through a new DC tie or its equivalent, Bidder is required to deliver to the RFP Administrator by the Required Proposal Submission Time in accordance with Appendix B-2 a copy of (i) the complete application for interconnection of the proposed resource under the LGIP or, if the resource is an Off-System Resource that will not be directly interconnected with the Entergy Transmission System, other applicable interconnection requirements, and (ii) the acceptance letter from the ICT or the third party transmission utility/balancing authority, as applicable, confirming that the information in the application for such resource is complete and valid. The application must identify the host utility/balancing authority substation(s) for interconnection of the resource (the “Electrical Interconnection Point”). It is not necessary for Bidder to have received the results of the interconnection study by the Required Proposal Submission Time. The following table offers relevant information about the electrical interconnection of resources to the Entergy Transmission System. Additional information is available in Entergy’s OATT.

Table 1: Entergy OATT - LGIP Interconnection Application Reference

	Applicable Interconnection Standard	Voltage Level	Generator Facility Size	Point of Contact	Criteria	Expected Receipt of Acknowledgement Letter (days)	Expected Receipt of Acceptance Letter (days)
Entergy	LGIP	69 kV and higher	20 MVA or greater	ICT	\$10k deposit required with completed application to SPP/ICT	5	10
Non-Entergy	Bidder must follow other applicable standards						

If a generation interconnection agreement is in effect or a generation interconnection study request with respect to its proposed resource (including if the resource is a Developmental Resource) has been submitted to the ICT or Entergy Energy Delivery Business Unit, or, if the resource is an Off-System Resource and will not be directly interconnected with the Entergy Transmission System, the third party transmission utility/balancing authority, as applicable, Bidder must deliver a copy of the executed LGIA or other generation interconnection agreement, as applicable, then in effect with respect to such resource to the RFP Administrator by the Required Proposal Submission Time in accordance with Appendix B-2.

For purposes of this RFP, as between Seller and Buyer (in its capacity as Buyer), Seller will have exclusive responsibility for the costs of generation interconnection service for the proposed resource (irrespective of location), including, without limitation, (i) the cost to connect the resource to the specified interconnection point on the Entergy Transmission System or the interconnected third party/balancing authority’s transmission system, as applicable (*e.g.*, new transmission line from the plant), (ii) the cost of interconnection-related upgrades, and (iii) if applicable, the costs relating to the DC tie or its equivalent. Developmental Resources that will be directly interconnected with the Entergy Transmission System will be subject to the cost allocation methodology outlined in

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Attachment T to the Entergy OATT (including the LGIA) (or successor provisions in effect) and applicable FERC rules and regulations. Developmental Resources that are Off-System Resources that will be interconnecting directly with a transmission system of a transmission utility/balancing authority other than Entergy Electric System or an Entergy Operating Company will be subject to the cost allocation methodology outlined in the applicable OATT, FERC rules and regulations and/or other generation interconnection cost allocation agreements or requirements. Under the current federal interconnection/transmission rules and regulations, if a resource incurs interconnection costs, financial rights (*e.g.*, transmission rights) will accrue to the resource owner as and to extent provided in the applicable OATT and FERC rules and regulations. The accrual of financial rights for resources directly interconnected with the Entergy Transmission System is addressed in Attachment T to the Entergy OATT (including the LGIA) (or successor provisions in effect) and applicable FERC rules and regulations. Bidders should consider the treatment of generation interconnection costs and rights under this RFP, the applicable OATT and applicable FERC rules and regulations in developing and pricing their proposals.

Off-System Transmission Service

If Bidder proposes that the Product originate from an Off-System Resource, Seller will have exclusive responsibility for obtaining, at its sole cost and expense, all transmission service necessary for the Off-System Resource to deliver the offered amount of Capacity, energy and Other Electric Products to Buyer at the Energy Delivery Point specified by Bidder on the Entergy Transmission System, including, without limitation, all transmission upgrades or other improvements necessary to obtain such service. Bidders are advised that this responsibility will apply to all Products, including the Ownership Acquisition Product. All transmission service for Off-System Resources must be firm to the Bidder-specified Energy Delivery Point on the Entergy Transmission System (*i.e.*, Firm Point-to-Point Service) for the Delivery Term. Existing federal transmission rules and regulations provide for the accrual of financial rights to resource owners for certain transmission upgrade expenditures. Bidders should consider the treatment of off-system transmission costs and rights under this RFP and the applicable OATT, FERC rules and regulations, and other transmission requirements in developing proposal pricing for Off-System Resources.

Entergy System Transmission Service

ESI will require that any resource that sells power to Buyer pursuant to this RFP be qualified as a Long-Term Network Resource. In the Definitive Agreement, Buyer will have exclusive responsibility for qualifying the proposed resource as a Long-Term Network Resource and obtaining the amount of Long-Term Network Integration Transmission Service within the Entergy System corresponding to the amount of Capacity offered in the proposal at its sole cost and expense.

Accordingly, Bidders should *exclude* from the pricing in their proposals any estimate of the cost of transmission service within the Entergy Transmission System, including, without limitation, the cost of potential transmission upgrades or other potential improvements on the Entergy

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Transmission System needed in connection with obtaining such transmission service. Using the methodology generally described in Section 6 below and in Appendix E, ESI will develop an estimate of the cost to qualify a proposed resource as a Long-Term Network Resource and meet the planning objectives and requirements for this RFP for use in the economic evaluation of the proposal. Information used in the evaluation of a proposal is not considered a substitute for transmission study results or other information received from the ICT using FERC-approved procedures and will be used by ESI only for the purpose of evaluating proposals and making final selections.

Deliverability Risk Information

As between Seller and Buyer, Seller will assume all risk with respect to the receipt and actual cost of transmission service outside of the Energy Delivery Point specified by Bidder on the Entergy Transmission System and interconnection service for the proposed resource, including, but not limited to, the cost of upgrades, the treatment of any financial rights, the charges, if any, associated with reliability requirements, and interconnection costs. Bidders may wish to consider working with a third party consultant or expert to develop and/or refine their interconnection and off-system transmission service risk assessment and cost estimates for their proposals. For additional information on the evaluation of the deliverability of Capacity, energy and Other Electric Products offered in proposals, please see Section 6 below and Appendix E.

Maintaining Interconnection Queue Position and Service Eligibility

A proposed resource that is not interconnected with the Entergy Transmission System or a transmission system of a transmission utility/balancing authority other than Entergy Electric System or an Entergy Operating Company is required, for purposes of this RFP, to remain in the queue for interconnection service throughout this RFP unless and until the proposal(s) based upon such resource is eliminated from or otherwise removed from consideration for this RFP or the requested interconnection service is obtained. Bidders whose proposed resource does not remain in the queue to obtain interconnection service or loses its right to obtain or receive interconnection service during their participation in this RFP must promptly notify the RFP Administrator of the occurrence thereof. Bidders of Developmental Resources should bear in mind that the interconnection processes for the Entergy Transmission System and other transmission systems operate on timelines and contain requirements that are independent of this RFP and may necessitate the expenditure of costs for a proposed resource to remain in the generation interconnection queue. To assist Bidders in complying with these requirements, ESI will endeavor to promptly notify Bidders if their proposal is eliminated from or otherwise removed from consideration for this RFP.

2.6. Fuel Supply Considerations

ESI prefers proposals that offer fuel supply flexibility (*e.g.*, multiple fuel supply sources, alternative fuels) for the resource. The following paragraph highlights some of the fuel supply

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considerations that may be factored into the evaluation of a proposal for a CCGT resource. Similar considerations will apply for non-CCGT resources.

As noted, a resource's fuel supply arrangements can limit a resource's ability to provide Flexible Capacity. To allow ESI to make a reasonable, preliminary assessment of a resource's performance capabilities, Bidders will be required to provide information concerning a number of fuel supply and transportation-related criteria, including, but not limited to:

- i) planned and/or existing pipeline interconnections;
- ii) type and sources of supply as well as points of receipt;
- iii) type of service (*e.g.*, firm, interruptible, ratable, instantaneous);
- iv) ability/obligation of interconnected pipelines to provide adequate pipeline pressure to serve the generating unit(s) over the full operational output range;
- v) pipeline market zone applicable for the fuel delivery point into the generating facility;
- vi) information regarding existing/planned supply and/or transportation agreements currently in place;
- vii) number of pipes to be directly connected to the facility; and
- viii) plans for dual or alternative fuel capability.

Bidders should be prepared to submit a comprehensive response to these and other fuel-related questions during the proposal submission process.

2.7. Design, Operating, and Performance Considerations for CCGT Developmental Resources

ESI developed the following list of desirable equipment and design features for Bidders interested in proposing a CCGT Developmental Resource into this RFP to offer a perspective on CCGT design criteria and features that can contribute to a CCGT resource's ability to provide Flexible Capability:

- evaporative cooling or inlet chilling on combustion turbine;
- duct burners for supplemental firing of heat recovery steam generators (“HRSG”);

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- two (2) x 100% boiler feed pumps on each HRSG;*
- auxiliary boiler or independent auxiliary steam supply;*
- two (2) x 100% or three (3) x 50% condensate pumps;*
- two (2) 100% air compressors;*
- vacuum pumps for condenser air evacuation;* and
- demineralized water system capacity sufficient to support cyclic operation.*

The listed equipment and design features were selected in order to (i) increase the likelihood that proposals for CCGT Developmental Resources are based upon a plant built to enhance reliability and availability for dispatch and (ii) reduce design and performance differences between CCGT Development Resource proposals, differences that can complicate the evaluation of the proposals. ESI prefers CCGT Developmental Resources that include the listed equipment and capabilities, but is not requiring their inclusion in this RFP.

Although automatic generation control (“AGC”) is not required for CCGT Developmental Resources, ESI prefers CCGT resources with the ability to operate on AGC over those that do not. ESI will add the cost of AGC to proposals indicating that a proposed CCGT resource will not be equipped with (properly functioning) AGC. This cost supplement is an analytical construct intended to simplify resource comparisons and is not intended to imply that the cost of AGC is indicative of the value of AGC.

The operational, performance, and design-related criteria described herein are key components of a resource’s ability to meet the requirements for products solicited in this RFP and will be part of the quantitative and qualitative evaluation of proposals submitted in response to this RFP. Bidders should be prepared to submit a comprehensive response to the due diligence requests for information on these subjects.

3. SELF-BUILD OPTION

ESI intends to develop and submit a proposal founded upon a self-build generation resource. The self-build option for this RFP is an approximately 300 MW CCGT facility that would be built at Entergy Texas’ Lewis Creek site, in Willis, Texas. The design would consist of one (1) “F” class combustion turbine, one (1) HRSG, one (1) steam turbine generator, and associated auxiliary equipment. The proposal will attempt to optimize the maximum capacity of the proposed self-build

* An asterisk indicates that the design feature is preferred, and potentially an economic option for retrofit, on an existing CCGT resource.

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resource by including in the base plant design HRSG duct-firing and options for either chilling or evaporative cooling to the combustion turbine inlet. The resource will not have dual-fuel capability.

The self-build plant is expected to utilize existing infrastructure and resources at or near the Lewis Creek site, including the existing Lewis Creek reservoir (for once-through cooling), existing natural gas infrastructure (for gas transportation and related services), and, when practicable, existing administrative or plant support infrastructure (*e.g.*, office facilities, control room, fire suppression, etc.). Generation from the resource is expected to interconnect with the Entergy Transmission System at the 138 kV transmission switchyard located at the plant site.

The self-build option will be considered an alternative to any proposal submitted in response to this RFP. ESI plans to continue to take the steps necessary to develop a proposal for this RFP and implement the self-build option, if needed, after the evaluation of all proposals and determination of the Primary Selection List. If selected, ESI expects to place the self-build unit into commercial service by no later than June 1, 2017.

ESI will require that the self-build proposal be submitted prior to the receipt of proposals from all other Bidders. The IM and RFP Administrator will provide the redacted proposal data and information, including the self-build proposal, to the Evaluation Teams at the same time. All proposals, including the self-build proposal, will be evaluated on a consistent basis as described in the appendices to this RFP and, subject to the other terms hereof, on the timeframe set forth in Section 4.1 below. As discussed in more detail in Appendix G, ESI's Evaluation Teams (see Section 6 below) will not include any member of the Entergy Self-Build Commercial Team and will work independently from the Entergy Self-Build Commercial Team for purposes of this RFP.

In addition, ESI intends to retain an independent consulting engineer to evaluate the reasonableness of the construction cost estimates of the self-build proposal and, potentially, to conduct a similar evaluation with respect to other CCGT Developmental Resource-based proposals submitted in response to this RFP. ESI will determine (i) the process for selecting and retaining the independent consulting engineer, (ii) the scope of work to be performed by the consulting engineer, including the delivery of an independent engineer's report, and (iii) the use(s) of the independent engineer's report and other work product in connection with this RFP. The retention of the independent consulting engineer and the foregoing determinations will be made in consultation with the IM.

4. RFP SCHEDULE

4.1. Schedule (Indicative)

A tentative schedule for this RFP, which is subject to change, is presented in Appendix K. Notice of any changes to the then-current schedule will be posted on the Western RFP Website.

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4.2. Schedule Implementation and Process Overview

As the RFP Schedule indicates, this RFP will use a multi-step process for proposal solicitation, Bidder registration, proposal submission, proposal evaluation, and selection of proposals for the Primary Selection List and the Secondary Selection List. The RFP processes from initial issuance of this RFP through proposal submission are described in the following Section 5. The RFP processes from proposal evaluation through the selection of proposals for the Primary Selection List and the Secondary Selection List are described in Section 6 below. All steps will be managed electronically via the Western RFP Website, the RFP Web Portal, or email, as specified in this RFP. The RFP Web Portal is designed to facilitate the web-based submission, receipt, and processing of Bidder proposals to help streamline the RFP process, support ESI's efforts to protect the confidentiality of proposal information, and ensure that all proposals are evaluated consistently, accurately, and fairly by the Evaluation Teams.

4.3. RFP Suspension, Cancellation, Modification, and Withdrawal

Without limiting the generality of Appendix D, ESI reserves the right to suspend, cancel, terminate, or modify any term of this RFP, including, without limitation, any term concerning the RFP Schedule, or to withdraw this RFP in its sole discretion. ESI will endeavor to notify all participants who have completed Bidder Registration of any such suspension, cancellation, termination, modification, or withdrawal made prior to the Required Proposal Submission Time and to post notice of any such action on the Western RFP Website.

5. RFP MILESTONES AND PROCESSES – INITIAL RFP ISSUANCE THROUGH PROPOSAL SUBMISSION

5.1. Initial RFP Issuance and Bidders' Conference

On September 30, 2011, ESI issued the initial draft version of this RFP. On October 25, 2011, ESI plans to host a bidders' teleconference/webcast (Bidders' Conference). The conference will be designed to give participants a high level overview of, and other information concerning, this RFP and related processes. The Bidders' Conference will be open to all interested parties. ESI personnel and the IM will be available at the conference to answer specific questions about the Bidder registration process, proposal submission process, evaluation process, technical RFP issues, and Product terms and conditions, and to respond to other pertinent requests for information about this RFP.

All questions regarding this RFP in connection with the Bidders' Conference should be submitted in writing to the RFP Administrator (using the contact information provided in Section 1.5). Bidders are encouraged to submit written questions to the RFP Administrator prior to the Bidders' Conference. ESI will provide written responses to all written questions and, in order to provide all interested parties ready access to the information elicited, will post the questions and

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answers on the Western RFP Website. Please refer to Section 7.1 below and Appendix G for additional information concerning questions about this RFP.

Logistical information concerning the Bidders' Conference is provided below:

Time: 10 a.m. – 2 p.m. CPT
Date: October 25, 2011

Additional information regarding Bidders' Conference will be posted to the Western RFP Website prior to the teleconference.

Bidders are strongly encouraged, but are not required, to participate in the Bidders' Conference. Prior to the conference, ESI will post the materials to be presented during the conference to the Western RFP Website. Bidders are advised that those materials will not duplicate all of the information provided at the Bidders' Conference, and review of these materials is no substitute for attendance of the Bidders' Conference.

By no later than October 18, ESI will request that participants notify the RFP Administrator by electronic mail of the names of all of the individuals representing the participant who are planning to attend the Bidders' Conference. The notice should specify the name of the participating organization, as well as the name, title, and telephone number(s) of each individual representing the participating organization who is planning to attend the Bidders' Conference.

5.2. Final RFP Issuance

This is a draft RFP; its terms are subject to change. Beginning September 30, 2011, ESI will accept written feedback on this RFP from market participants and other interested parties. Comments from regulatory agencies and other interested Governmental Authorities with jurisdiction are encouraged. The anticipated deadline for delivering comments to the RFP Administrator is October 21, 2011. ESI desires to receive all such comments by that date in order for those comments to be taken into consideration by the time of publication of the final RFP.

ESI will issue the final RFP after the Bidders' Conference and consideration of timely input on the draft RFP received from market participants, Governmental Authorities and other interested parties. ESI will make those modifications to the draft RFP documentation that it, in its sole discretion, and in consultation with the IM, has determined will enhance or improve this RFP or are otherwise appropriate. ESI expects to post the final RFP documents to the Western RFP Website on or about December 2, 2011. Although ESI does not anticipate changing the content of the RFP documents after the final versions are posted, it reserves the right, as detailed in Appendix D, to make such changes, in consultation with the IM, after the final RFP is posted.

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5.3. Bidder Registration

Bidders are directed to Appendix B-1 for a complete and definitive description of Bidder Registration and the Bidder Registration Process. In general, Bidder Registration will begin at 8:00 a.m. CPT on the date specified in the applicable RFP Schedule and end at 5:00 p.m. CPT on the date specified in the applicable RFP Schedule (the “Bidder Registration Period”). Bidders wishing to submit one or more proposals under this RFP must have completed all steps of Bidder Registration by the end of the Bidder Registration Period and paid all Proposal Submittal Fees by 5:00 p.m. CPT on the due date specified in the applicable RFP Schedule. The basic framework for Bidder Registration can be found in the Web Portal Overview (“Portal Overview”), a document that will be available on the Western RFP Website reasonably prior to Bidder Registration and provides a step-by-step process that Bidders must follow for, among other things, Bidder Registration.

Bidders will be required to submit their Bidder Registration information electronically, via the RFP Web Portal. Bidder Registrations that are not submitted electronically via the RFP Web Portal, are incomplete, or are improperly completed will be rejected. Bidder will know that its Bidder Registration is complete if and when it receives an email from the RFP Administrator or ESI stating that its Bidder Registration is complete.

Along with their Bidder registration information, Bidders will also be required to submit, by delivery to the RFP Administrator by 5:00 p.m. CPT on the last day of the Bidder Registration Period, a Bidder Registration signature page executed by an officer or other representative of Bidder who is authorized to sign on Bidder’s behalf. The Bidder Registration signature page may not be submitted through the RFP Web Portal. Bidder Registration signature pages may be delivered to the RFP Administrator via courier, telefacsimile, or electronic mail (as a .pdf attachment), provided that, if delivery is made by telefacsimile or electronic mail, Bidder must subsequently deliver to the RFP Administrator an original of the duly executed Bidder Registration signature page by 5:00 p.m. CPT within three (3) business days after the last day of the Bidder Registration Period. Only Bidders registered in accordance with this RFP will be permitted to submit proposals, and only proposals registered in accordance with this RFP will be eligible for submission.

Bidders are required to pay a Proposal Submittal Fee of \$5,000.00 *for each registered proposal*. Proposals that are alternatives to each other will be considered separate proposals and must be registered as such. Proposals that are “linked” (see Section 2.2 above) will not be charged separate fees. ESI will bill Bidder the Proposal Submittal Fee(s) payable by Bidder within three (3) business days after ESI’s receipt of the executed signature page. Bidder will be required to remit payment in full in accordance with the instructions provided in the invoice. Payment will be due by the date specified in the applicable RFP Schedule (in the representative schedule, February 22, 2012). Proposal Submittal Fees are non-refundable, except as provided in Section 2.4 of Appendix B-1.

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5.4. Proposal Submission

Consistent with the approach taken in Section 5.3, this Section 5.4 summarizes the Proposal Submission Process, but Appendix B-2 contains the complete and definitive description of the Proposal Submission Process, and Bidders should be guided by Appendix B-2.

Bidders are required to submit RFP proposals and the Proposal Submission Agreement (including executed signature page) as provided herein in order to have their proposals evaluated under this RFP. The period for submitting proposals and the Proposal Submission Agreement will begin at 8:00 a.m. CPT on the date specified in the applicable RFP Schedule and end at 5:00 p.m. CPT on the date specified in the applicable RFP Schedule (the latter, the “Required Proposal Submission Time”). During this period, Bidders will have the ability to modify certain proposal information until the Required Proposal Submission Time. No proposal may be modified after the Required Proposal Submission Time without ESI’s prior written consent, which may be granted or denied by ESI in its sole discretion. The basic framework for proposal submission will be available on the Portal Overview.

Bidders must submit RFP proposals to ESI electronically, via the RFP Web Portal. Numerous fields within the RFP Web Portal are required to be completed (and will be so indicated in the RFP Web Portal) in order to submit a proposal that ESI will accept as conforming. Proposals that do not contain all required information will be incapable of being submitted until all required information has been provided.

Bidders may execute the Proposal Submission Agreement either by electronic signature or handwritten signature. Regardless of the manner of execution, the signature must be made by an officer or other representative of Bidder who is authorized to sign the Proposal Submission Agreement and submit the tendered proposal(s) on behalf of Bidder. A hand-signed Proposal Submission Agreement (including hand-signed signature page) may be delivered to the RFP Administrator via courier, telefacsimile, or electronic mail (as a .pdf attachment), provided that, if delivery is made by telefacsimile or electronic mail, Bidder must subsequently deliver to the RFP Administrator an original of the duly executed Bidder Proposal Submission Agreement (including hand-signed signature page) by 5:00 p.m. CPT within three (3) business days after the Required Proposal Submission Time.

As part of the proposal submission process, Bidders are also required to deliver to ESI by the Required Proposal Submission Time complete responses to due diligence requests for this RFP (see Appendices H, I-1, and I-2). ESI will not accept responses via the RFP Web Portal. Bidders must deliver responses in (i) files attached to electronic mail or other electronic/digital media acceptable to ESI, or (ii) a digital form acceptable to ESI (*e.g.*, a CD) delivered to the RFP Administrator by courier. The Entergy electronic communications network generally will not accept “zip” (or similar) files or electronic mail with file attachments containing, individually or collectively, approximately ten (10) megabytes or more of data or information. Bidders who submit proposal information that is

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either (i) not accepted by the Entergy electronic communications network or (ii) not properly addressed to and not timely received by the RFP Administrator will be considered not to have delivered the information to ESI. Proposals from Bidders that fail to deliver complete responses and clarifications as required herein are non-conforming.

The process for protection of proposal information and permitted disclosures of proposal information are described in Appendix G.

6. RFP MILESTONES AND PROCESSES – PROPOSAL EVALUATION THROUGH CONTRACT NEGOTIATION

6.1. Overview

After the Required Proposal Submission Time, the RFP evaluation will begin. The RFP evaluation process consists of three (3) phases. The first two (2) make up the proposal evaluation process. In Phase I, ESI will evaluate the proposals submitted, subject to Section 2.3 above and Appendix D, for satisfaction of the Preliminary Shortlist Requirements and to establish a Preliminary Shortlist. The proposals on the Preliminary Shortlist will advance to Phase II, the main evaluation phase. In this phase, the surviving proposals will be reviewed and assessed based on economics, deliverability, viability, transactional considerations, including credit and commercial terms, and other factors. A final list setting forth the proposal(s) selected for immediate negotiation (the “Primary Selection List”) and the proposal(s) selected for possible negotiation (the “Secondary Selection List”) will be created at the end of Phase II. In Phase III, ESI expects to negotiate the final terms of a Definitive Agreement with Bidder(s) on the Primary Selection List. ESI may negotiate commercial terms with one or more Bidders on the Secondary Selection List in the event of the termination or suspension of negotiations with Bidder(s) on the Primary Selection List or ESI determines such negotiations are appropriate. Bidders whose proposals were not selected for either the Primary Selection List or Secondary Selection List will have no subsequent participation in this RFP and will be promptly notified.

The evaluation process will be carried out by four (4) separate evaluation teams (each an “Evaluation Team”):

- Economic Evaluation Team (“EET”)
- Delivery Assessment Team (“DAT”)
- Viability Assessment Team (“VAT”)
- Credit Evaluation Team (“CET”).

Their roles and responsibilities are described in Sections 6.2 through 6.5 below. Subject to Appendix G and securing appropriate confidentiality protections for Bidder information, ESI reserves the right to include as a member on any Evaluation Team, or to contract with, any third party agent,

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consultant, advisor, contractor, or representative to assist in the evaluation of proposals as ESI deems necessary.

Another team, the RFP Administration Team, will act to ensure that each Evaluation Team has the information needed to perform its analysis and to facilitate the evaluation of proposals by all Evaluation Teams to help ensure that the evaluation process properly reflects the economics and operational characteristics of the proposals. In addition, members of the RFP Administration Team may be consulted by the RFP Administrator if there is a question whether information related to a proposal may be needed by an Evaluation Team.

The primary objective of the evaluation is to select a proposal that meets the requirements of this RFP and the needs of the Western Region at the lowest reasonable cost, including, without limitation, increasing the Western Region's load-serving capabilities, maintaining or improving reliability, and reducing dependence on Entergy Texas' existing Lewis Creek generation, taking into account reliability, risk mitigation, and other relevant factors. The evaluation process is designed to facilitate the fair and impartial economic evaluation of all proposals.

The proposal evaluation process will be conducted in a carefully controlled manner, using procedures, methods, evaluation criteria, and assumptions that will be developed prior to the receipt of proposals. ESI will document key assumptions and model constructs and provide this documentation to the IM before the receipt of proposals. *However, the Evaluation Teams will retain full discretion, subject to oversight by the IM, to use the evaluation methods and assumptions they consider appropriate to identify those proposals that best meet the needs of the Western Region and the requirements and objectives of this RFP. Given that potential changes in circumstances, including, without limitation, the proposed transfer of operational control of the Entergy Operating Companies' transmission assets to MISO beginning no later than December 2013, may require adjustments to the proposal evaluation process, this document should be viewed as a general framework for the evaluation process and not as a detailed description of every aspect of the evaluation.*

The IM will oversee the evaluation and selection process to support ESI's efforts to ensure that the process is fair, objective, and impartial to all Bidders. The IM's responsibilities will include monitoring the precautions taken to restrict access to proposal information only to appropriate members of the Evaluation Teams in order to preserve the confidentiality of information contained in the proposals.

Upon ESI's reasonable request and reasonable prior notice, Bidder will be expected to make available, upon reasonable notice, its duly authorized officers, representatives, and advisers for the purpose of answering questions, conducting negotiations, and execution and delivery of Definitive Agreements. Any Bidder invited to finalize one or more Definitive Agreements will be expected to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done,

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all things necessary or appropriate to finalize, execute, and deliver such Definitive Agreements as promptly as possible.

6.2. Economic Evaluation

The EET is responsible for the evaluation of the economics of proposals received in response to this RFP and, with input from the DAT and VAT, the ranking of such proposals. The economic evaluation estimates the full-in economic cost and benefit of each proposal. The evaluation will rely on tools and methods commonly used by ESI and the Entergy Operating Companies for long-term planning and resource evaluation, including, without limitation, a “Fundamental Economic” analysis and a “Net Benefits” (production cost) analysis.

Fundamental Economic Analysis

The “Fundamental Economic” analysis uses spreadsheet models that compare the full-in fixed and variable cost of each conforming proposal based on a prescribed set of operating assumptions. Costs will be measured on a dollar per megawatt-hour (\$/MWh) basis and will reflect the levelized cost of each conforming proposal over the evaluation term. The Fundamental Economic analysis for each conforming proposal will reflect the price and operating cost provided by Bidder. Modeling assumptions will include, without limitation, the resource’s projected annual capacity factor and number of Starts, fuel costs, emissions/allowance costs, and other variable inputs. Sensitivities may be modeled to test a range of key operating assumptions (*e.g.*, fuel pricing, capacity factor, etc.).

Net Benefits Analysis

The “Net Benefits” analysis relies on production cost modeling to assess the effect (measured on a net present value basis in \$/kW) of each conforming proposal on the total variable cost (fuel, variable O&M, emissions, start charges, purchased power costs, etc.). In other words, it determines the variable cost savings projected when a proposal is added incrementally to the Entergy System. Results are levelized over the evaluation term and then coupled with an assessment of each proposal’s fixed costs (fixed O&M, revenue requirements, etc.) to determine the Net Benefits (calculated by subtracting the fixed costs from the projected variable cost savings) of the proposal.

In addition to the Fundamental Economic and Net Benefits analyses, the economic evaluation may utilize and rely on additional tools and methods deemed necessary for the effective assessment of proposal economics, including, but not limited to, qualitative considerations. The EET will perform evaluations over Phases I and II.

Phase I: Preliminary Analysis

During Phase I, the EET, with input from the DAT and VAT, will identify proposals that meet the Preliminary Shortlist Requirements. The EET will also develop a high level, preliminary

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economic ranking of the proposals. Economic evaluations during Phase I will exclude, among other things, the cost of any required transmission upgrades necessary for the subject resource to become a Long-Term Network Resource under the Entergy OATT or to make its Capacity, energy and Other Electric Products deliverable to the Western Region. At the end of Phase I, the EET will issue a Preliminary Shortlist of proposals. The Preliminary Shortlist is expected to exclude only those proposals that fail to satisfy the Preliminary Shortlist Requirements, although ESI reserves the right to exclude, subject to oversight of the IM, proposals that are uneconomic or on other grounds. Proposals not on the Preliminary Shortlist will be eliminated from further consideration in this RFP.

Phase II: Detailed Evaluation

During Phase II, the EET will update and finalize the economic evaluation of the remaining proposals using the most current information available to it. In order to develop an integrated, comprehensive, and consistent assessment of each conforming proposal in Phase II, the EET will seek to incorporate into the refreshed economic ranking of proposals pertinent findings and conclusions of the DAT and VAT, including, but not limited to, the results of the deliverability evaluation and the viability assessment. The Phase II economic analysis will be supplemented with other tools, information, and analyses, such as detailed fuel evaluations, transmission cost estimates, and other criteria assessments from the DAT and VAT, as necessary to assess the relative costs and benefits of the remaining proposals and identify the proposal(s) that best fulfills the objectives of this RFP. Based on the results of the Phase II analysis, the EET will prepare the Primary Selection List and the Secondary Selection List. The selection of proposals made by EET will be based on a variety of factors, including, but not limited to, relative economics, deliverability to the Entergy System and the Western Region, viability and transactional considerations.

6.3. Deliverability Evaluation

The DAT is responsible for conducting the Deliverability Evaluation Process (“DEP”). The DEP for this RFP is the process used to assess the issues and costs associated with the delivery of a Product offered by Bidder under the terms of its proposal. The results of the DEP will be provided to the EET in Phase II for consideration in its evaluation and ranking of proposals. Please see Appendix E for details of the DEP.

6.4. Viability Assessment

The VAT reviews and assesses the technical, environmental, fuel supply/transportation, and commercial merits of the Conforming Proposals. This Section 6.4 describes the process and general criteria with which the VAT will conduct its assessment.

During all phases of the evaluation process, the viability assessment will be carried out by subject matter experts (each an “SME”) who are members of the VAT. The subject matter expertise of the VAT team members includes:

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- commercial
- project status/plant & equipment/O&M
- environmental
- fuel supply & transportation
- transmission and distribution
- other disciplines, as appropriate.

Each SME will be responsible for providing an overview and assessment of each proposal with respect to his or her area(s) of expertise.

Phase I: Preliminary Assessment

The primary purpose of the VAT during Phase I is to review proposals for satisfaction of the Preliminary Shortlist Requirements for which the VAT has responsibility. (Please see Section 2.3 above for a recitation of such requirements.) The VAT will base its assessment on its review and analysis of data and information provided in Bidder's responses to questions or requests in Appendices H, I-1, and I-2, information submitted via the RFP Portal as part of or in connection with its proposal, information provided to the RFP Administrator in response to any questions during Phase I, and other information available to the VAT. The VAT will provide input to the EET in order to allow the EET to develop the Preliminary Shortlist and rank proposals, as discussed in Section 6.2 above. The VAT may notify the CET of Bidders proposing Developmental Resources who submitted responses to Appendix J that fail to meet the Minimum Requirements set forth therein. *Such Bidders may be required to provide to Entergy Texas, within thirty (30) days of issuance of the Preliminary Shortlist, a letter of credit meeting the requirements set forth in Appendix F in the amount of up to \$5,000,000.00 as a condition to the participation of the non-conforming proposals in Phase II of this RFP. Please see Appendix F and Appendix J for additional information.*

Phase II: Detailed Evaluation

In Phase II, the VAT will review proposals to develop a detailed risk assessment and overall risk profile of the remaining proposals. These risk and viability evaluations will include assessments of Bidder experience, project status (developmental, operational, etc.), fuel procurement, proposed commercial terms, project financing plan (if applicable), resource deliverability, and other factors the VAT determines may bear on a proposal's risk and viability. A key component of the second phase will be direct communication between the DAT/VAT (and, possibly, the CET) and the Bidder(s), if any, placed on the Preliminary Shortlist at the conclusion of Phase I. The objective of the communications is clarification of the status of each resource and a better understanding of the technical, environmental, fuel supply/transportation, and commercial aspects of a proposal. Direct communication with Bidders would be approved and monitored by the IM. The VAT will seek and incorporate the input of the DAT into the Phase II viability assessments.

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The detailed evaluation in Phase II is based on a qualitative assessment of various criteria in the general risk categories. This qualitative assessment is scored using quantitative measures that result in an overall quantitative ranking. A risk category score will be developed for the proposal by scoring multiple criteria in several risk categories using ranking criteria. The weighted sum of each risk category's score will compose the VAT's overall quantitative ranking for the proposal. This ranking will be factored into the collaborative evaluation of proposals in Phase II leading to the creation of the Primary Selection and Secondary Selection Lists. ESI will have the right to reject a proposal on the ground that the proposal, in the judgment of the applicable Evaluation Team(s) or ESI, does not meet the criteria for viability established in connection with this RFP or otherwise is not viable.

6.5. Credit/Collateral Requirements

The CET will analyze each proposal to assess potential credit risks and collateral requirements flowing from the proposal. The CET's evaluation seeks to assure that the credit quality of Bidder (or, if different, Seller), when considered in light of its RFP proposal(s), complies with ESI's corporate risk management standards and that any associated requirements for collateral or security to protect Entergy Texas' interests in connection with a Definitive Agreement arising out of Bidder's proposal are identified. The CET will not reject a proposal from consideration on the basis of credit quality. Appendix F contains additional information about the credit evaluation process.

6.6. Notification of Evaluation Results and Commercial Negotiations

After the completion of Phase II, the RFP Administrator will communicate to each Bidder the status of its proposal and whether additional discussions or negotiations are warranted. As noted, ESI expects to negotiate the final terms of a Definitive Agreement with Bidder(s) on the Primary Selection List, and may negotiate such terms with Bidder(s) on the Secondary Selection List. Proposals not making either list will be considered rejected. Bidders with a proposal(s) on the Secondary Selection List will be released from their proposal(s) if two (2) months have passed since notification of their proposal(s)' placement on the Secondary Selection List and they have not been invited to negotiate the terms of a Definitive Agreement under this RFP.

Placement of a proposal on the Primary Selection List, the Secondary Selection List, the Preliminary Shortlist, or any other list in connection with this RFP does not constitute or signal acceptance by ESI of any proposal or related contract terms. Without limiting Appendix D, ESI and Entergy Texas (and their respective Affiliates) (i) have no obligation, and make no commitment, of any kind, to enter into a Transaction with any Bidder in connection with this RFP, including a Bidder with a proposal on the Primary Selection List, and (ii) more generally, have no obligation or liability with respect to a Transaction or arising out of this RFP except as may be expressly set forth in a Definitive Agreement or a provision binding upon ESI or Entergy Texas in the LOI (defined below).

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As indicated in Appendix F, Bidder (or its designee) may be required to enter into a Letter of Intent (the “LOI”) with ESI, as agent for Entergy Texas, with respect to the proposed transaction pending the negotiation and execution of the Definitive Agreement. Upon execution of the LOI, Seller will be required to provide a letter of credit meeting the requirements set forth in Appendix F in the amount of \$2,000,000.00 (and up to \$7,000,000.00 in the event the material and information provided in Bidder’s responses to Appendix J failed to meet the Minimum Requirements set forth in Appendix J).

7. MISCELLANEOUS RFP MATTERS

7.1. Contact with ESI and RFP Questions

Authorized Bidder Communications Channels

The following communication restrictions will become effective beginning September 30, 2011, and will continue through Bidder notification of the creation of the Primary Selection List and the Secondary Selection List. Except as otherwise expressly provided in this RFP, all communications, including questions, regarding this RFP must be submitted in writing to the RFP Administrator. The IM will obtain and review all written communications between ESI and Bidders. The IM may comment on responses proposed by ESI prior to issuance, and ESI’s responses may reflect input from the IM. Any contact or communication concerning this RFP (i) between Bidders, or representatives of Bidders, on the one hand, and personnel or employees of ESI or any of the Entergy Operating Companies other than the RFP Administrator or those employees within the Entergy Energy Delivery Business Unit (as described in 7.2 below), on the other hand, or (ii) between Bidders, or representatives of Bidders, made without the specific, prior written consent of the RFP Administrator after consultation with the IM is not allowed and is grounds for disqualification of the non-compliant Bidder(s). Bidders are of course permitted to communicate internally to their organizations with regard to this RFP as necessary.

Without limiting, and subject to, the previous paragraph, Bidders may not, without the prior consent of ESI, disclose to any other Person their participation in the RFP process or disclose, collaborate on or discuss with any other Person bidding strategies or the substance of proposals, including, without limitation, the price or any other terms or conditions of any contemplated, indicative or final proposal. Such disclosures, collaborations or discussions would violate the terms of this RFP and the Proposal Submission Agreement and may result in Bidder’s proposal(s) being rejected. For clarity, disclosures to the IM, the RFP Administrator or other Persons participating in the same proposal, as described in Section 7.3 below, are generally permitted and attendance by Bidder, or a representative of Bidder, at any meeting organized by ESI and to which ESI invites one or more participants is not a disclosure that violates the terms of this RFP.

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Posting of Questions

Subject to ESI's consideration of the confidentiality concerns described in the next two paragraphs, ESI intends to post all questions submitted by Bidders, as well as ESI's responses to those questions, on the Western RFP Website. All questions will be posted anonymously, to shield the identity of Bidders who posed the questions. ESI's objective in posting questions and answers is to afford Bidders equal access to information potentially relevant to their proposals. Bidders are urged to submit RFP questions to ESI as early as possible, in consideration of the proposal submission deadlines. ESI expects to provide answers only to questions posed during the proposal submission period that are specific to an actual proposal submission issue (and such answers may or may not be posted to the Western RFP Website).

Questions Involving Confidential Information

Bidders should frame their questions, if possible, so that the answers do not require the disclosure of information that is confidential to ESI, any of the Entergy Operating Companies, or their Affiliates. If ESI receives a question that calls for, in its opinion, an answer that would contain such confidential information and the provision of such confidential information is necessary and appropriate for ESI's response, then ESI will notify the IM and will respond to the question in writing, via certified mail, only to those Bidders who have timely executed and returned to ESI a confidentiality agreement.

Similarly, Bidder's questions should be structured to avoid, if possible, the disclosure of Bidder's confidential information. If Bidder believes that certain Bidder information contained in a question it intends to submit is confidential, it is strongly urged to attempt to exclude such information, whether by redaction or other means, and then to submit the question. If Bidder believes it is necessary or advisable to submit the question without redacting or otherwise shielding its confidential information, Bidder should, without divulging its confidential information, notify the RFP Administrator in writing of the purpose of the question and the nature of the confidential information so that ESI can determine whether Bidder's question requires the disclosure, either by Bidder or by ESI, of Bidder's confidential information, or whether such disclosure is unnecessary or can be avoided. If ESI determines that the disclosure of confidential Bidder information is necessary and appropriate, ESI will notify the IM and execute a confidentiality agreement acceptable to ESI so that the question may be submitted. Questions containing confidential Bidder information that are submitted timely will be answered by ESI by electronic mail or express mail sent to Bidder.

7.2. Contact with Entergy Energy Delivery Business Unit and the ICT

Internal management of the Entergy Transmission System is handled by the Entergy Energy Delivery Business Unit, which is functionally separate from the wholesale merchant functions of ESI and the Entergy Operating Companies, as required by FERC. Inquiries about the Entergy Transmission System must be directed to the Entergy Energy Delivery Business Unit through the

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Entergy OASIS website, <http://oasis.e-terrasolutions.com/OASIS/EES>, or to the ICT. Contact information for the ICT can be found at <http://oasis.e-terrasolutions.com/documents/EES/ICTPlanningStudiesAndRelatedDocuments.htm>. Bidders must not direct questions or other communications regarding the Entergy Transmission System to the RFP Administrator. Conversely, Bidders must not direct questions or other communications concerning any other matter related to this RFP to the Entergy Energy Delivery Business Unit or the ICT, including, without limitation, questions or communications concerning the DEP or the ranking or selection of proposals in this RFP.

7.3. Multi-Person Bids

If Bidder is comprised of more than one Person, the individual members may enter into contribution, indemnity, allocation, sharing or other similar arrangements or agreements amongst themselves to allocate their respective rights and obligations; however, no such agreement or arrangement will affect any rights reserved to ESI, Entergy Texas or any of other Entergy Operating Companies in connection with this RFP or otherwise disadvantage ESI, Entergy Texas or any of their Affiliates relative to its position with other Bidders without ESI's prior written agreement, either on its own behalf or as agent. Bidder must fully disclose to ESI all such contribution, indemnity, allocation, sharing or similar arrangements or agreements. Disclosure may be accomplished by means of a written letter to the RFP Administrator by the proposal submission deadline. Bidder may be required to respond to subsequent diligence inquiries concerning the arrangements or agreements.

7.4. Bidder Costs and Expenses

As discussed in more detail in Appendix D, each Bidder (or potential Bidder) is exclusively responsible for all costs and expenses it incurs in connection with this RFP.

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