**September 9, 2015**

**Updated Notice of Intent to Issue a Request for Proposals**

**2015 EGSL/ELL RFP**

On July 27, 2015, Entergy Services, Inc. (“ESI”) published notice of its intent to issue the 2015 Request for Proposals for Long-Term Developmental Combined-Cycle Gas Turbine Developmental Capacity and Energy Resources in WOTAB (as modified from time to time, the “RFP”) and issued draft RFP documents. After considering questions and comments on the RFP documents received to date, ESI is issuing this updated notice to reflect certain changes to the RFP, including terms related to the scope and parameters of the RFP. This updated notice supplements and modifies the July 27, 2015 notice. Henceforth, interested parties should reference this notice (or any subsequently issued supplemental notice) and the information available on the RFP website ([https://spofossil.entergy.com/ENTRFP/SEND/2015WOTABRFP/Index.htm](https://spofossil.entergy.com/ENTRFP/SEND/2015WOTABRFP/Index.htm%20)) in planning for involvement in the RFP. ESI retains the right to make additional modifications to the notice and the RFP as it deems appropriate.

**Updated Notice**

ESI hereby provides notice to interested parties that it intends to issue the 2015 Request for Proposals for Long-Term Developmental and Existing Capacity and Energy Resources on behalf of Entergy Gulf States Louisiana, L.L.C. (“EGSL”) and Entergy Louisiana, LLC (“ELL”) (collectively, the “Companies”). The RFP will include the market-test of a combined-cycle gas turbine (“CCGT”) self-build option that would be constructed in Louisiana within the West of the Atchafalaya Basin planning region (“WOTAB”)[[1]](#footnote-1). ESI intends to post final RFP documents in late-September 2015.

The Companies forecast an ongoing long-term need for capacity and energy resources. To help the Companies meet that need, the RFP is targeting up to 1,000 MW of long-term capacity, energy, and related products from developmental and/or existing resources with service beginning on or before June 1, 2020. The addition of a developmental CCGT capacity and energy generating resource in WOTAB would satisfy several important long-term planning objectives, including, but not limited to:

* increase load-serving capability within WOTAB;
* bolster reliability within WOTAB;
* satisfy the Companies’ long-term resource adequacy and energy requirements in the Midcontinent Independent System Operator, Inc. (“MISO”) market; and
* effectively contribute to meeting planning objectives.

Adding long-term capacity and energy from existing resources would help the Companies satisfy MISO’s long-term resource adequacy and energy requirements and other resource planning objectives.

For developmental resources, the capacity, energy, and related products will be required to be from a single integrated new-build CCGT generation resource to be located within the Louisiana portion of WOTAB. Resources in close proximity to the Lake Charles, Louisiana, area are preferred as they are expected to provide the greatest benefits to customers. The capacity size of the developmental resource must be at least 650 MW (summer rating[[2]](#footnote-2)) and may not be more than 1,000 MW (summer rating).

The developmental resource sought by the RFP must be powered by commercially-proven CCGT technology with automatic generation control. Operating parameters for the resource will include a maximum net heat rate of 7,000 Btu/kWh (HHV) at full output without supplemental duct-firing in summer conditions and the ability to operate in base load and load-following roles consistent with MISO operating requirements for units expected to provide ancillary services.

The RFP will include criteria to ensure that a new-build resource, at the time of proposal submission, is in a stage of development appropriate for evaluation in the RFP. The criteria include requirements that the resource satisfies, among other things, the RFP’s threshold development criteria described in Appendix D, the draft “Minimum Requirements for Developmental Resources.” The minimum requirements will apply to certain long lead-time items and items requiring the involvement of or documentation from MISO, transmission owners, or other third parties. Potential bidders of developmental proposals are strongly encouraged to review the minimum requirements as soon as reasonably practicable.

To be eligible to participate in the RFP, existing resources must be physically located in the MISO-South footprint and fueled by natural gas. The amount of capacity, energy, and related products offered into the RFP from an existing resource must be at least 250 MW (summer rating) and not more than 1,000 MW (summer rating). Eligible technologies for existing resources include CCGT and combustion turbine technologies. Capacity offered from the existing resource must be able to be dispatched consistent with MISO operating requirements for units expected to provide ancillary services. Qualifying facilities that have base load generating requirements due to existing arrangements with the facility’s steam and/or power host(s) (and thus dispatchability limitations that are not the result of manufacturer recommendations or requirements) will have an opportunity to participate in the RFP.

Bidders will be permitted to submit proposals into the RFP for power purchase agreements (“PPAs”), tolling agreements (“Tolls”), and asset acquisitions (developmental resources only). The delivery term for a PPA or Toll would be a minimum of ten (10) years and a maximum of twenty (20) years. The guaranteed start date for a PPA or Toll or closing date of an acquisition would be required to be no later than June 1, 2020. Bidders that wish to participate in the RFP but otherwise could not because the existing resource supports a bilateral PPA or Toll that ends after May 31, 2020, will be allowed to offer a short-term “bridge” agreement to supply the Companies with the unavailable amount of capacity, or capacity and energy, starting on June 1, 2020.

The buyer will not accept the risk of any transfer to its books of any debt or long-term liability associated with a PPA or Toll arising out of the Long-Term RFP (via, for example, capital lease, “variable interest entity,” or other accounting treatment).

As part of the RFP process, ESI will evaluate an 800-1,000 MW (summer rating) self-build option at EGSL’s Nelson site in Westlake, Louisiana. The self-build option will be considered and evaluated as an alternative to proposals submitted in response to the RFP. Additional details regarding the location, scope, and design of the self-build option are included in the draft RFP.

ESI’s competitive affiliates will not be permitted to participate in the RFP.

ESI has engaged Mr. Wayne Oliver of Merrimack Energy Group Inc. to serve as the Independent Monitor (“IM”) for the RFP. Both ESI and Mr. Oliver encourage open communication between the IM and market participants as needed. Mr. Oliver can be reached via email at [waynejoliver@aol.com](mailto:waynejoliver@aol.com).

Questions about this notice or the RFP should be directed to the administrator of the RFP at [esirfp@entergy.com](mailto:esirfp@entergy.com) and to Mr. Oliver at his specified email address. All dates and time periods referenced in this notice are subject to change. This notice is intended in part to give bidders interested in participating in the RFP advance notice of the RFP. While ESI expects to issue the RFP, by publishing this notice ESI expressly disclaims any obligation or commitment to issue the RFP or any other obligation or liability of any kind of ESI that could result from or arise out of this notice.

1. A map showing the current boundaries of WOTAB can be seen in Section 1.2 of the Main Body of the RFP and in Appendix D to the RFP (Minimum Requirements for Developmental Resources), each of which is available on the RFP website. [↑](#footnote-ref-1)
2. In this notice, “summer rating” refers to the resource capacity rating at summer conditions (97o Fahrenheit and 56% relative humidity), at full load, including duct-firing. [↑](#footnote-ref-2)