

2016 ELL Renewables Request for Proposals

Questions and Answers

As of 8/2/2016

Q-1. The NOI mentions a 50 MW maximum per project. Does that maximum apply to all renewable projects, regardless of technology or does it only apply to solar projects.

A-1. Yes, the 50 MW maximum is per project and applies to all renewable projects, regardless of technology.

Q-2. The NOI mentions “To be eligible to participate in the RFP, the resource would need to be physically delivered to MISO and financially delivered to the Louisiana Load Zone.” Do projects need to be MISO NRIS resources or are ERIIS resources acceptable? Will there be a preference for one type of resource?

A-2. NRIS, which would permit ELL to obtain capacity credit for the resource as determined by MISO, is preferred.

Q-3. Will industrial waste heat recovery (i.e. Waste Heat-to-Power) be considered an eligible technology in this RFP?

A-3. No, waste heat technology is not considered an eligible technology in this RFP.

Q-4. Does the ELL Load Node include the Entergy Gulf States and Entergy Louisiana areas?

A-4. The business combination of Entergy Gulf States Louisiana, L.L.C. (“Old EGSL”) and Entergy Louisiana, LLC (“Old ELL”), into a single operating company, Entergy Louisiana, LLC (“New ELL”) became effective on October 1, 2015. Since that time, the ELL Load Zone within MISO consists of both the Old EGSL Load Zone and the Old ELL Load Zone.

Q-5. What is the reason for the May 9 deadline for submitting IR’s? The proposals are not due until August.

A-5. Please see response A-6 below (revised 5/4/2016).

Q-6. (As a follow up to answer A-5) Section 4.2.4 of MISO’s BPM-015 specifies that “The Feasibility Study will determine the number of constraints on the transmission system for the purpose of calculating a portion of the DPP entry milestone.” In other words, the main purpose of the Feasibility Study is not to provide a preliminary indication of the potential interconnection costs to the interconnection customer. Instead, the main purpose of the Feasibility Study is to use the results to calculate a portion of the DPP milestone that would be assigned to the interconnection customer.

Section 6.1 of MISO's BPM-015 on the other hand states that the System Planning and Analysis Phase "System Impact Study results would include a preliminary indication of the planning level estimate of cost and length of time that would be necessary to implement any Network Upgrades identified in the analysis."

Given these details, is the May 9 deadline for an interconnection request necessary since no specific interconnection cost information can be provided by MISO or ELL before proposals are due?

A-6. (REVISED 6/1/2016) Although MISO advises interconnection customers that feasibility study results are used only for purposes of calculating the definitive planning phase (DPP) entry milestones, a May 9 submission deadline may allow bidders to receive feasibility results that could affect their understanding of constraints regarding their proposals and the magnitude of the constraints associated with the proposal. ELL has moved the May 9 deadline back to July 11, 2016, the required due date for a valid application for a feasibility study to be performed in the next MISO feasibility study cycle. Bidders should note that the RFP provides that the resource must receive the necessary amount of NRIS from MISO by the proposed contract start date and that all interconnection and deliverability-related costs with respect to a resource contracted for pursuant to the RFP will be borne by Bidder. MISO's generation interconnection study calendar can be found at

<https://www.misoenergy.org/Library/Repository/Study/Generator%20Interconnection/Generator%20Interconnection%20Study%20Calendar.pdf>.

Q-7. (REVISED 6/1/2016) What is Entergy's preferred transmission strategy regarding wind energy power plants located in Northern MISO?

A-7. All proposed resources located within MISO are expected to procure network resource integration service (NRIS) as provided in Section 2.4 of the Main Body of the RFP document through MISO's interconnection process. NRIS will allow ELL, in turn, to request full network integration transmission service (NITS) for the term of the proposal. For related information, please see response A-8, response A-9, response A-29, and response A-33.

Q-8. What are Entergy Louisiana's transmission arrangements with SPP? Would Entergy Louisiana receive power at an RTO border point?

A-8. Entergy Louisiana has no transmission arrangements with SPP. Bidders proposing resources external to MISO should reserve firm, point-to-point transmission service to the physical delivery point, which is defined as a point in MISO South. For a resource located in SPP, the physical delivery point may be a MISO/SPP interface commercial pricing node. ELL will, in turn, request transmission service to its load. The financial delivery point for proposals should be the Entergy Louisiana Load Zone (EES.ELILD).

Q-9. If coming from outside Southern MISO, does Entergy Louisiana have a preference for a particular node for delivery of power?

A-9. If the proposed resource is located in MISO North, please see response A-7. If the proposed resource is external to MISO, bidders are required to reserve firm, point-to-point service to a point in MISO South and should financially schedule the products to the ELL Load Zone (EES.ELILD). ELL prefers delivery commercial pricing nodes interfacing with MISO local resource zone 9.

Q-10. What is the timeline for submitting the Confidentiality Agreement? Is there a chance for prospective bidders to mark/redline the CA?

A-10. A Bidder would be expected to execute a confidentiality agreement with ESI if, but not until (except in rare situations described in Section 5.1 of the RFP's Main Body document), Bidder's proposal(s) is (are) selected for negotiation of a definitive agreement. During the Bidder Registration, Proposal Submission, and Proposal Evaluation periods of the RFP, Bidder's confidential information is protected under the terms described in detail in Section 6.5 of the Main Body and in Appendix G, Process for Protection of Proposal Information. Suggested changes to the CA can be proposed after the Bidder's proposal has been selected.

Q-11. Is it possible to move up the timeline and move through the milestones at a faster pace, due to the time constraints of the incentives such as the Production Tax Credit?

A-11. Due to the time required to conduct the RFP, to negotiate, receive internal approvals for, and execute the contracts for resources selected in the RFP, and to obtain the necessary regulatory approvals of those contracts, we are unable to move up the current June 1, 2018 date.

Q-12. I would like to offer a comment that this RFP process should be expedited in order to receive wind energy proposals that will begin construction by the end of 2016 in order to fully qualify for the federal production tax credit (PTC). The PTC is due to reduce in value by 20% each year starting in 2017, and phase-out completely by 2020.

A-12. Please see response A-11.

Q-13. Bidder has a question on the MISO Generator Interconnection Application as it relates to the current RFP. Question 4 section J is "If this Interconnection Request is made in connection with a resource solicitation process, attach a copy of a written agreement assigning the Interconnection Customer's rights under the GIP to the solicitor of the process and granting the solicitor the right to act as the Interconnection Customer's agent for all purposes in the GIP."

Does the ELL RFP document satisfy this requirement or is there another document we must provide? I appreciate your assistance in this matter and look forward to hearing back from you at your earliest convenience.

A-13. Please select the “NRIS” option as opposed to the “NRIS in connection with a resource solicitation process” option on the application. By selecting the “NRIS” option, the requirements of section 4j do not apply.

Q-14. What is the definition of a “registered proposal”?

A-14. A registered proposal is a proposal that has been submitted in the RFP after Bidder’s completion of the Bidder Registration Process, as defined and described in the RFP documents. The Bidder Registration Process will include, among other things, Bidder’s submission of a signed Bidder Registration Agreement and payment of a Proposal Submittal Fee of \$5,000 for each proposal. Please see response A-15 for additional information regarding what constitutes a proposal.

Q-15. If a company creates one proposal with multiple project options presented, does that constitute a single \$5,000 response fee, or is there a fee for each project variation? What if it’s the same project, with options presented for pricing? What would cause there to be more than one \$5,000 response fee due?

A-15. Proposals that are alternatives to each other or otherwise require separate evaluation by the RFP evaluation teams, such as in each of the examples provided in the question above, will be considered separate proposals, each requiring payment of a separate \$5,000 Proposal Submittal Fee.

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Q-16. Does the MBM order require such a long timeline?

A-16. The General Order of the Louisiana Public Service Commission (LPSC) in Docket No. R-26172, Sub Docket C (as amended, the Market Based Mechanisms Order or “MBM order”), requires a competitive solicitation process but does not specifically dictate the schedule. The MBM order is available on the 2016 ELL Renewables RFP Website under the “Reference” tab. Please see response A-11, response A-12, and response A-18 for additional information on the RFP timeline.

Q-17. Will the slide deck be made available?

A-17. Yes, the final presentation for the May 12, 2016 Technical and Bidders Conferences is available on the 2016 ELL Renewables RFP Website under the “Reference” tab.

Q-18. Is Entergy aware that this exceptionally long RFP process risks losing the best bids to faster moving utilities?

A-18. For a complete RFP process - which includes adequate time (i) for ELL to develop the RFP, process market feedback on proposed RFP terms, evaluate proposals, negotiate letters of

intent and contracts, and obtain all necessary internal and regulatory approvals and (ii) for Bidders to prepare comments and questions regarding the RFP and develop proposals that conform to the requirements of the RFP - this is not an exceptionally long time frame.

Q-19. Is Entergy aware that the wind energy production tax credit will decline in value by 20% for projects that begin construction in 2017?

A-19. Entergy Louisiana is aware of the referenced decline in production tax credit value. Please see response A-11, response A-12, and response A-18.

Q-20. Is Entergy aware that waiting until May 2018 for regulatory approval risks losing 40% of the federal wind energy production tax credit value? Or increase a wind PPA by about \$6/MWh - \$11/MWh?

A-20. Entergy Louisiana is aware of the referenced decline in production tax credit value. Please see response A-11, response A-18, and response A-19.

Q-21. Is there an interconnect fee schedule and/or estimated fees?

A-21. Section 4.2.5 of MISO's Business Practice Manual for Generation Interconnection, Manual No. 015 (BPM 15), provides detailed information on the fees associated with the generator interconnection studies for resources located in MISO. Please see <https://www.misoenergy.org/Library/BusinessPracticesManuals/Pages/BusinessPracticesManual.s.aspx>. For resources located outside of MISO, Bidders should contact the applicable interconnection service provider.

Q-22. How does ELL plan to coordinate this RFP with the EAI RFP?

A-22. The Entergy Louisiana and Entergy Arkansas RFPs are independent of each other. There is no coordination between the two companies concerning the RFPs.

Q-23. In the last renewables RFP allowed bidders to update their bids, in this RFP that is not being allowed. Please discuss why not.

A-23. In the last renewables RFP conducted by Entergy Louisiana's predecessors, Bidders were specifically allowed to update interconnection and distribution/off-system transmission costs because, unlike in the current RFP, the timeline for the last renewables RFP allowed time for a potentially meaningful update. The total evaluation period (the time between proposal submission and selection) in the last renewables RFP was eight months. The current RFP's expected evaluation period is about half that time, approximately four months. Entergy Louisiana anticipates winnowing proposals partway through the evaluation process, at the end of "Phase I." In the prior renewables RFP, bidders had more than four months to update interconnection and transmission costs. It was not unreasonable to expect that, in that RFP, bidders could gain incremental information over a four-plus-month period that would improve

the quality of the interconnection, distribution, and/or off-system transmission component(s) of their proposals. For the current RFP, the likelihood that bidders would have material new information on their interconnection and deliverability costs in the period before end of Phase I (expected to be around six to eight weeks after bid submission) was sufficiently low and the potential adverse effect of updating on the timing for proposal evaluation was significant enough that no updating was determined to be necessary. MISO's current schedule for processing interconnection service requests, which does not allow Bidders to obtain study results with cost information before the anticipated end of Phase I, played into Entergy Louisiana's decision-making.

Q-24. During Phase 1: If during the evaluation a short coming is found, will the bidder be given the opportunity to fix or revise?

A-24. The decision to allow a Bidder to fix or revise a specific deficiency with its proposal will depend on the particular facts and circumstances and, accordingly, will be made on a case-by-case basis.

Q-25. For (2) 50 MW projects, PPA's that are co-located, do you expect there to be two separate interconnections or can both PPA's be served with one interconnection?

A-25. ESI will accept for evaluation PPA proposals that offer less than the entire capacity of the generation facility and meet the requirements for participation in the RFP. Any proposal for a PPA submitted into the RFP must be for a resource that has or will have interconnection, metering, generating, compliance, communications, permitting, and other attributes required or appropriate to support registration, operation, and reasonable administration in MISO, in accordance with applicable MISO requirements and laws, as a reliable intermittent independent generating resource. Whether the two projects posited in the question can be served by one interconnection and be a viable resource for Entergy Louisiana will depend on the relevant facts and circumstances.

Q-26. If Seller acts as the Market Participant will Entergy consider taking financial settlement at the node instead of the zone. If not, is there a reason why?

A-26. Entergy Louisiana settles bulk power purchases with MISO at the Entergy Louisiana load node (EES.ELILD). Because Entergy Louisiana wishes to mitigate congestion pricing risk between the physical point of delivery and the Entergy Louisiana load node, the RFP provides for financial settlement of transactions under any PPA arising out of the RFP at the Entergy Louisiana load node regardless of whether the seller or Entergy Louisiana serves as the market participant.

Q-27. How will Entergy determine the reasonableness of the credibility of bids?

A-27. The RFP evaluation team known as the “Viability Assessment Team,” or “VAT,” will evaluate a proposal to assess its technical, environmental, interconnection, deliverability, transmission, energy source supply, and commercial merits. This assessment could include quantitative and qualitative assessments whether a proposal is “credible.” Please refer to the viability assessment section of the Main Body for more detail on VAT assessments. Assessments by other teams could also factor into determinations of the viability or credibility of a proposal.

Q-28. Will Entergy rely on existing contracted PPA prices?

A-28. As we appreciate the question’s intent, Entergy Louisiana will assess proposals offered into the RFP based on the proposed pricing terms and the economic evaluation tools and processes utilized in the RFP. As part of its evaluation, Entergy Louisiana may consider publicly-available PPA prices.

Q-29. Why is Entergy requiring firm point-to-point transmission outside of MISO, when other transmission options could be cheaper and more readily available?

A-29. Entergy Louisiana desires to receive capacity accreditation for the resource in MISO. In order for a generation resource located outside of MISO to participate in the MISO capacity market, MISO requires that the resource have firm, point-to-point transmission to MISO. Please see Section 4.2.4.2 of MISO’s Business Practice Manual for Resource Adequacy, Manual No. 011 (BPM 11).

Q-30. Will the full 200 MW of renewable energy be purchased by ELL if there are viable bidders/generators of this power. Is ELL guaranteeing to purchase this power as a result of the RFP?

A-30. The target amount of contract capacity for the RFP is up to 200 MW. As stated in the RFP documents, Entergy Louisiana reserves the right to contract for more or less than 200 MW. Accordingly, there is no guaranty that ELL will purchase 200 MW or any capacity out of the RFP. Similarly, there is no guaranty that ELL will not purchase greater than 200 MW of capacity out of the RFP. Please see response A-46 for related information.

Q-31. Does ELL have a preference for assuming the role of Market Participant (MP)? If so, Why? (ELL acting as Market Participant may clear up or shorten some of the terms or negotiating some of the term sheets.)

A-31. For resources that will not be registered with MISO as a Load Modifying Resource, Entergy Louisiana expects that the seller initially will serve as the Market Participant (MP) in MISO. For resources that will be registered with MISO as a Load Modifying Resource, Entergy Louisiana expects to serve initially as the MP. The RFP documents provide that, in either case, Entergy Louisiana will have the right to determine from time to time throughout the term of the

applicable PPA whether it or the seller will serve as the MP for the resource. Entergy Louisiana's MP expectations are based in part on its experiences in MISO and its understanding of the MISO market. Entergy Services, Inc.'s history of negotiating power purchase contracts on behalf of Entergy Louisiana and its regulated utility affiliates suggests that Entergy Louisiana being the MP may not simplify the negotiation process.

Q-32. How can a bidder redact the name/identity in the proposal? (e.g. in the financial statements, the name will appear in many places)

A-32. The RFP Administration Team is responsible for redacting specific identifying information from proposals prior to distribution to the appropriate evaluation teams. The redaction process has been implemented in numerous prior Entergy Louisiana RFPs.

Q-33. If we have a resource outside of Zone 9, Does ELL need a proof to have Firm PTP to Zone 9? Does MISO have a mechanism to offer firm PTP between two zones?

A-33. If the resource is located outside of MISO Local Resource Zone 9 but within MISO, firm point-to-point service to MISO Local Resource Zone 9 is not required. If the resource is located outside of MISO, firm, point-to-point service to MISO South (MISO Local Resource Zone 8, 9, or 10) is required. Please see response A-8, response A-9, and response A-29 for related information.

Q-34. For resources outside of MISO, does ELL need PTP to any bus in Zone 9?

A-34. Please see response A-8, response A-9, response A-29, and A-33.

Q-35. Question about requirement for on-site meteorological data (2 yrs). Does this requirement apply to solar PV which typically is based solely on satellite data?

A-35. All Bidders offering developmental resources in the RFP must include an hourly generation profile in their proposal package as well as a detailed explanation of how the hourly generation profile was derived. If available, Bidders should also include supporting meteorological data from satellite, onsite, or nearby ground-mounted data measurement devices and/or a third-party resource assessment study. Entergy Louisiana would prefer that Bidders provide two or more years of onsite meteorological data for proposed projects, but recognizes this data may not be available for all proposals.

Q-36. Paul Girard stated that Entergy would prefer MISO Zone 9 resources.

- a. How will that be measured?
- b. Would Entergy accept higher cost bids just because they are in Louisiana?

A-36.

- a. Assuming the "that" refers to "prefer" in the question, the preference for a resource in Local Resource Zone 9 is a general preference without specific evaluation criteria. The

proposal evaluations in the RFP are designed to consider costs, benefits, and risks of each proposal, including those based on the location of the proposed resource.

- b. Entergy Louisiana will assess proposals to determine which proposal(s) best meet its resource planning objectives and needs at the lowest reasonable cost, taking into account, without limitation, reliability, risk, risk mitigation, and other factors that Entergy Louisiana deems relevant to the assessment.

Q-37. What is meant by Fundamental Analysis?

A-37. “Fundamental Analysis” refers to a spreadsheet-based analysis that evaluates the \$/MWh energy cost offered in a Bidder’s proposal and calculates the levelized \$/MWh value of the offered energy cost. It does not include an assessment of the proposal’s effect on Entergy Louisiana’s variable supply cost effect or customers’ locational marginal prices. This production cost assessment will be included in a later stage of the RFP evaluation process (Phase II).

Q-38. How will Entergy evaluate capacity and does the MISO capacity value prevail?

A-38. Entergy Louisiana will assess the capacity value of a proposed resource in the MISO market based on Entergy Louisiana’s capacity valuation criteria. All proposals of similar technologies will be evaluated on a uniform basis. All assumptions in the evaluation model will be locked down and shared with the Louisiana Public Service Commission Staff prior to the start of the proposal submission period. Entergy Louisiana maintains and will utilize, in the economic assessment of proposals, a forecast of the capacity value in MISO South. Please see response A-39 for supplemental information.

Q-39. In the economic evaluation please discuss the amount of capacity credit that will be assigned to the different renewable technologies. Is it going to be based on MISO requirements? Please discuss.

A-39. Entergy Louisiana will assess the amount of capacity credit for a given proposal taking into account several factors, including, without limitation, characteristics of the facility and the technology, expected operating and generation profiles, and MISO’s treatment of similar resources. The capacity credit assumptions in the evaluation model will be locked down prior to receipt of proposals. Please see response A-38 for information concerning capacity valuations.

Q-40. Please discuss how intermittent technologies will be evaluated. For example, will there be a \$/MWh penalty, and if so how will it be determined?

A-40. The economic evaluation of any proposal will measure the expected cost and benefit of the proposal. Price, profile, and timing of benefits are key factors in measuring a proposal’s net benefit. The economic evaluation is not expected to impose a standalone “penalty” on resources relying on an intermittent technology.

Q-41. As part of the economic evaluation are you going to compare cost of renewables to each other only, or are you also going to evaluate renewables against avoided costs?

A-41. In the economic evaluation, proposals offering similar technology will be compared to one another as well as to proposals offering different technology. The economic evaluation will compare the benefit of each proposal relative to its cost and assess the proposal's overall total supply cost net benefit (positive or negative) for Entergy Louisiana.

Q-42. Will there be any additional RFP's next year?

A-42. Possibly, but at this point Entergy Louisiana has none planned for 2017.

Q-43. Max capacity of 100 MW per technology, 50 MW max capacity per proposal. How did Entergy select these arbitrary cut-offs?

A-43. These limits are not arbitrary. Given the RFP's capacity procurement target of up to 200 MW, the per-technology and per-proposal maximums were established to meet Entergy Louisiana's objective to gain experience across more than one renewable technology and with multiple counterparties.

Q-44. Is Entergy aware that larger renewable energy projects reach economies of scale to provide larger ratepayer savings?

A-44. Yes, Entergy Louisiana is aware of potential benefits that can be achieved from economies of scale.

Q-45. Does ELL anticipate curtailment of this renewable energy instead of curtailing their own generation facilities?

A-45. Curtailment of renewable energy from resources contracted for out of the RFP is expected to be dependent upon the locational marginal prices for the energy delivered under the applicable PPA or the result of instructions from MISO or other applicable balancing authority for reliability purposes.

Q-46. If through this RFP Process, Entergy or the LPSC find exceptional value in more than 200 MW of renewables, will Entergy or the LPSC consider raising this cap?

A-46. There is no 200 MW cap. The target for the RFP is up to 200 MW. The target does not establish a ceiling for capacity purchases under the RFP. Please see response A-30. Entergy Louisiana anticipates completing the RFP in accordance with the specified scope, but that does not preclude it from selecting proposals that would total more than 200 MW if they are expected to produce economic value for Entergy Louisiana's customers. Entergy Louisiana cannot speak for the Louisiana Public Service Commission (LPSC), but, ultimately, the LPSC regulatory approval process applies to any and all resources that may be selected through the RFP.

Q-47. Is 20 years the maximum term for a PPA allowed under this RFP process or are alternative proposals specifying a longer term (e.g. 25 or 30 years) acceptable?

A-47. Twenty years is the maximum delivery term for PPAs in the RFP.

Q-48. Is June 1, 2020 the latest PPA energy delivery start date or are proposals offering a start date after June 1, 2020 acceptable as an alternative proposal? The reason is that some developmental proposals may simply not be able to meet a June 1, 2020 start date giving construction time requirements and the fact that PPA execution is not likely before June 1, 2017.

A-48. June 1, 2020 is the latest guaranteed start date for resources that will be considered in the RFP.

Q-49. How much relative value is there for a resource to be in MISO South versus being located outside of MISO South?

A-49. The relative value will depend on the specifics of the proposal and will be determined by the evaluation of each proposal. Please see response A-36.

Q-50. (a) What is long-term in terms of a “long-term liability” for Entergy?

(b) Is 20-years the PPA term limit that avoids impacts on ELL’s balance sheet?

A-50. (a) Entergy Louisiana considers a “long-term liability” a liability with a maturity date that is greater than one year.

(b) The effect any proposed PPA would have on Entergy Louisiana’s financial statements is dependent on the specific facts and structure of the proposed PPA, not necessarily any one contract term, such as contract duration. There are multiple ways that a PPA could result in an on-balance sheet effect for Entergy Louisiana, including, but not limited to, through lease, variability interest entity, or derivative accounting. See an overview of the accounting evaluation section in the Main Body of the RFP for additional information.

Q-51. Sec 2.4.2 (p 16) of the RFP Draft document indicates that the deadline to submit an interconnection request was May 9th, but the slide deck and discussion indicated July 11th is the right date. Please confirm when an interconnection request with MISO must be filed.

A-51. The May 9 date was updated to July 11 after issuance of the draft documents for the RFP. July 11, 2016 is the correct date. Please see response A-6 for more information on the change.

Q-52. The table in Section 3.1 on pg 19 of the RFP document indicates that the Proposal Submission Period is August 1-4, 2016. However, Section 4.4 (p 23) indicated the period to be Aug 8-11, 2016. Please confirm which dates are correct.

A-52. The correct period is August 1-4, 2016. The dates will be updated in the final RFP documents.

Q-53. What credit support will be required if the seller has an investment grade credit rating? Is it still the \$150k - 300k per mw range?

A-53. The \$150,000-\$300,000/MW range applies to all sellers of PPAs resulting from the RFP, but sellers with higher “CET Credit Ratings” (described in Appendix E of the RFP documents) will get credit towards these amounts that may reduce or eliminate the requirement for such sellers to initially provide credit support under the PPA.

Q-54. Regarding cost recovery risk and in the event of a disallowance, would Entergy consider keeping the PPA rate whole through the life of the PPA with a tracking account used to reimburse Entergy following the end of the term? Keeping the PPA rate whole is important for lenders and investors.

A-54. Bidders may propose different treatment or apportionment between Entergy Louisiana and the PPA seller of the regulatory cost recovery risk, as discussed in Section 2.5 of the Main Body of the RFP. Entergy Louisiana expects it would consider a proposal similar to that described in the question. Bidders should note that this response is not a comment on the merits of such a proposal or its acceptability to Entergy Louisiana.

Q-55. Is Entergy open to bids that have a financial settlement point at the project busbar?

A-55. The RFP provides, and Entergy Louisiana expects, that financial settlement of transactions under any PPA arising out of the RFP will occur at Entergy Louisiana’s load node (EES.ELILD). Failure to offer the ELL load node settlement price would be a basis for elimination. If a bidder offers an alternative energy price with a different settlement location as a special consideration, that pricing may or may not be evaluated depending on the number of proposals received and whether the alternative pricing represents a compelling offer relative to other proposals. Bidders considering whether to propose one or more Special Considerations are strongly encouraged to review Section 2.2 of the Main Body of the RFP.

Q-56. Can bidders get a redacted copy of the PPA executed with Nextera and Entergy Arkansas?

A-56. As the question notes, the referenced PPA is with Entergy Arkansas. Entergy Louisiana is a separate operating company altogether. It is not a party to and has no rights to the Entergy Arkansas PPA.

Q-57. Is Entergy open to alternatives to the accounting consolidation/long term liability PPA terms? The ongoing right to terminate the PPA in the event of a consolidation due changes in accounting rules could be troubling for lenders and investors.

A-57. The RFP provides that Entergy Louisiana will not accept the risk of any transfer to its books of a long-term liability associated with a PPA arising out of the RFP. Bidder may propose

in the Special Considerations portion of its proposal alternative solutions that address the risk that the accounting treatment of a transaction arising out of its proposal would result in the transfer of any long-term liability to Entergy Louisiana. Bidders considering whether to propose one or more Special Considerations are strongly encouraged to review Section 2.2 of the Main Body of the RFP.

Q-58. When do you apply funds from LOC?

A-58. As we appreciate the question, Entergy Louisiana may draw on a letter of credit provided as credit support for a proposal, the drawing certificate attached as Exhibit 2 to the form letter of credit attached to Appendix F as Annex F-1 includes the events that are expected to give rise to Entergy Louisiana's right to draw on the letter of credit.

Post Bidders Conference

Q-59. Is EGSL part of Entergy Louisiana's Balancing authority?

A-59. Please see response A-4 above. Old EGSL is in the New ELL Local Balancing Authority.

Q-60. The [Redacted] proposal considers offshore wind as the prime mover of the renewable energy program. The system is equipped with a bolting storage system which facilitates intermittent methods and provides a suitable emergency standby regarding the power produced by offshore wind power. Please indicate if Entergy has a problem with including battery storage as part of the renewable energy program?

A-60. Battery storage is not a technology that is an eligible technology in the RFP. Under the terms of the RFP, ineligible technologies may not be combined with eligible technologies for generation resources.

Q-61. Due to the excellent wind source offshore, the renewable energy program will be proposed to be located at [Redacted] (Location A). This location is considered to be the preferred one. Location B considers the offshore wind farm to be located near [Redacted]. Please let me know if both locations can be proposed in one submittal?

A-61. Please see response A-15. The proposals would be separate proposals and should be submitted as separate proposal packages. Bidder may avoid duplication of materials and information for one proposal by referencing Bidder's other proposal that provides the necessary materials or information.

Q-62. Please let me know if the offshore wind design will be reviewed, i.e. accepted or rejected as part of the Entergy evaluation.

A-62. Commercially-proven offshore wind technology is an eligible technology in the RFP. A proposal based on an eligible technology will be permitted to participate in the RFP, subject to the other terms of the RFP.

Q-63. Wind data reflects the total power which can be produced from a certain wind farm. The nameplate generator capacity is the basis for calculation. In regards to the daytime, wind velocities are greater during the day than evening wind velocities. Hence power can be produced at peak loading time events. Will Entergy pay a percentage for peak power performance?

A-63. We were unable to appreciate the question's intent. Would you kindly restate the question?

Q-64. Due to the wind power design, there is a restart of the power system after a storm, i.e. immediate power. Hence, [Redacted] employs subsea, subsurface power and coastal cables. Will Entergy pay a premium fee for the ability to restart in a timely fashion much before the normal turnaround of power, restart after a storm?

A-64. Bidder may include the price associated with the described restart feature of its resource in the all-in energy price provided in its proposal. It is expected that the benefits of the described restart feature would be assessed as part of the viability assessment of the proposal.

Q-65. Offshore wind farms can be expanded by increasing generator capacity and additional units. Would Entergy project additional renewable energy requirements in a 5 year period?

A-65. As of the date of this response, Entergy Louisiana has not defined a specific need for additional renewable generation in its portfolio. Entergy Louisiana closely monitors its need for capacity and energy resources, including renewable energy resources, and may identify additional renewable energy resource needs in the future.

Q-66. Due to the offshore wind power design and due to the complexities of the system, it must be understood that technical input from Entergy is not required and the power provider will be in charge of any and all construction and maintenance. Will Entergy respect the confidentiality of our system? Please let me know Entergy's position regarding equipment and operations.

A-66. As between the seller and Entergy Louisiana, the seller will have exclusive responsibility for construction and maintenance of the proposed resource. If the resource is interconnected to the Entergy Louisiana grid, the resource will need to be equipped, constructed, and maintained in accordance with applicable tariffs/project interconnection agreements with Entergy Louisiana, MISO rules (including tariffs), and NERC, SERC, and other applicable rules and requirements. It is anticipated that if Entergy Louisiana and the seller enter into commercial contract such as a PPA, both parties will be subject to customary limitations on the disclosure and use of the other's confidential information.

Q-67. What is driving the maximum size per project of 50 MW? Larger projects can provide economies of scale. Would the Company consider alternative proposals for larger projects if the bidder also provides bids that are conforming?

A-67. The maximum size per proposal is discussed in response A-43. As noted in response A-44, Entergy Louisiana is aware of the potential benefits of economies of scale. A proposal that exceeds the 50 MW limit per proposal would be non-conforming whether or not Bidder also submitted into the RFP a separate proposal that was conforming.

Q-68. Is the June 1, 2020 COD deadline a firm date? Would projects with COD anytime in 2020 be considered?

A-68. Please see response A-48.

Q-69. Would the Company consider reviewing RFP responses for projects within its territory that do not currently have a queue position for a MISO interconnect?

A-69. Proposals supported by a resource that requires MISO interconnection service must submit a valid MISO interconnection application by July 11, 2016, in order to conform to RFP requirements.

Q-70. What requirements with respect to interconnection applications are there for projects connecting below 69 kV?

A-70. Entergy Louisiana maintains interconnection standards that detail the application process and applicable studies and associated fees for proposed generation facilities that interconnect to the Entergy Louisiana grid at a voltage level below 69 kV (distribution interconnections). The specific interconnection application requirements for such an interconnection will depend on the required amount of distribution interconnection service and other factors. Bidders should contact the RFP Administrator with any distribution interconnection-related questions concerning their proposal that may require materials or information from Entergy Louisiana (as a potential distribution interconnection service provider for the resource). If the distribution interconnection service provider for the proposed resource will not be Entergy Louisiana, Bidders should contact the proposed resource's distribution interconnection service provider to obtain the applicable distribution interconnection application requirements.

Q-71. Would a site location in a 1% flood zone disqualify that project from consideration under the RFP, or would it just be a case of engineering around it?

A-71. A site located in a 1% flood zone would not necessarily disqualify a proposal offering a resource on that site. The site's location in a flood zone and Bidder's mitigation plan (including site/project design and engineering) could be factors considered in the viability assessment of the proposal, and the viability assessment could play a role in whether the proposal is selected in the RFP.

Q-72. In regards to bidders including 2 years of historic energy generation - Our company has yet to develop a project in your region - therefore is our historic generation still required by Entergy or are we available to move forward using a forecast or must we submit data from other regions?

A-72. The generation information and data your company must provide will be specific to the resource your company offers into the RFP. The RFP terms state that if Bidder is offering a developmental resource into the RFP, Entergy Louisiana anticipates that Bidder will provide an expected hourly generation profile of the developmental resource along with a detailed explanation as to how it was derived. Supporting meteorological data from satellite, onsite, or nearby ground-mounted data measurement devices and/or a third-party resource assessment study of the developmental resource site should be provided if that data or information is available to Bidder. Entergy Louisiana prefers that the profile be based upon two (2) or more recent years of onsite meteorological data for the site, but recognizes that this data may not be available for all proposals. (Please note that failure to include profile data or a lack of relevant generation information or data in Bidder's proposal may adversely affect the evaluation of the proposal in the RFP.)

If Bidder is offering an existing resource into the RFP, Bidder is expected to provide P50, P75, P90, and P99 annual generation levels for the resource for each year of its remaining life. The methodology and supporting documentation for the determination of each such generation level should also be supplied. In addition, Bidder is expected to provide historic hourly generation output data for the resource for each year that it has been in commercial operation, but for no more than the prior 60 months of commercial operation.

Please also see response A-35.

Q-73. Is the proposal and the "bidder registration" due any time from the 27th of June through the 30th of June?? Or, is the proposal due on the 1st of August through the 4th of August with the "ID" that you will supply us having submitted the bidder registration from June 27 – 30, 2016??

A-73. The executed bidder registration agreement is due during the bidder registration period (currently, June 27-30, 2016). A Bidder that duly completes Bidder registration will be provided a Bidder ID, a Proposal ID (one for each registered proposal), and a Resource ID (one for each registered generation resource). Bidders will use these IDs in connection with the submission of their proposals into the RFP. Proposals are due during the proposal submission period (currently, August 1-4, 2016).

Q-74. Can a JV submit a proposal? Is the JV required to have a business license and a contractor's license with the State of Louisiana? Or, will the ownership of the JV with both a business license and contractor's license be valid for the JV?

A-74. A joint venture ("JV") may submit a proposal into the RFP. The JV should be formed before Bidders submission of the Bidder Registration Agreement. The JV should have the

licenses necessary to conduct business in the state of Louisiana and/or to lawfully submit its proposal(s) into the RFP. Please see Appendix C, Section 3.1.15 for additional license related information that the Bidder will be required to provide in its proposal package.

Q-75. In regards to determining what constitutes an individually registered proposal – how does Entergy define “alternatives” in sentence “Proposals that are alternatives to each other will be considered separate proposals and must be registered as such.” For example, if a Bidder submits one proposal at one unique site, with one MW capacity but has different COD options is that considered one proposal or multiple?

A-75. Proposals that are alternatives to each other are those that require separate evaluation by the RFP evaluation teams. In the example provided above, with one unique site, one MW capacity amount, but different CODs, Bidder would need to submit separate proposals for each different COD (or option) that Bidder would want evaluated.

Q-76. Please clarify whether Bidders should wait for Entergy to invoice for proposal fees, which are then due July 12, 2016 by wire.

A-76. Each Bidder should wait for Entergy Services to provide the proposal fee invoice to Bidder before making payment. Bidders should expect to receive proposal fee invoices within three (3) business days after June 30, 2016. Proposal fee payments will be due to Entergy Services on July 12, 2016, by wire transfer of immediately available funds (preferred) or check.

Q-77. Please clarify the methods and factors used to evaluate proposals from a capacity and economic perspective. Is LCOE the most important factor to Entergy (Louisiana/Arkansas) when performing the economic evaluation or will the profile of energy delivery be weighed against LCOE to give energy provided at certain times of the day an advantage?

A-77. In the 2016 ELL Renewables RFP, the most important factor for ELL in the economic evaluation of proposals is the net benefit projected to be provided by each proposal. The determination of projected net benefit considers the energy production profile of each resource and its levelized cost of energy (LCOE). In some instances, LCOE analysis will be relied upon during the Phase I evaluation as a screening method to identify resources that are the most likely to provide the greatest net benefit. LCOE comparisons will be made by technology type.

Q-78. In our case, [redacted] will interconnect directly with the Entergy Louisiana transmission system. Is our assumption correct that in this case the Physical Point of Delivery will be equal to the Financial Settlement Point (and for further avoidance of doubt also the Electrical Interconnection Point and IC node)? In other words, given [redacted] interconnect directly to Entergy Louisiana, is there still a potential financial settlement to be taken into account? Please note that a financial settlement risk would render the PPA severely unbankable/unfinanceable for any professional [redacted] RFP bidder.

A-78. If a project interconnects directly to ELL's transmission system, the interconnection point will be the Physical Delivery Point. The RFP provides that, in that circumstance, the project still will be required to financially schedule the energy to the CP Node for the Louisiana Load Zone (EES.ELILD). Please see Sections 1.9, 1.10, 2.2, and 2.4.3 of the Main Body, Appendix B, and responses A-26 and A-55 above for additional information.

Q-79. Given the above interconnection assumption and the assumption that 100% of the energy to be delivered under the PPA will be delivered to ELL, does ELL require us to be a MISO Market Participant? Would it not make much more sense that ELL is such Market Participant from the COD onwards? If ELL would still require us to be the starting Market Participant, can you elaborate on your reason why this would be required?

A-79. Please see the response A-31.

Q-80. Is PPA Termsheet Section 10 applicable to capacity resource PPA's only or also applicable to energy resource PPA's [redacted]?

A-80. Section 10 of the PPA term sheet is applicable to all resources that meet the requirements of the RFP.

Q-81. Is PPA Termsheet Section 18 (in its entirety but also specifically the 2nd paragraph) applicable to capacity resource PPA's only or also applicable to energy resource PPA's? Please note that a [redacted] PPA would severely become unbankable/unfinanceable for any professional [redacted] RFP bidder if indeed it could be confronted with energy curtailment in case MISO market pricing (day ahead or other) would be lower than the agreed PPA rate in some hours of the year. So called "merchant PPA's" are not bankable/financeable in current US financing markets.

A-81. Section 18 of the PPA term sheet, including the provisions addressing Seller's compensation for Buyer-Curtailed Energy, is applicable to all resources that meet the requirements of the RFP.

Q-82. Please provide the calculation that will be used to determine liquidated damages paid for failure to deliver Annual Guaranteed Energy Quantity.

A-82. The calculation of liquidated damages for Seller's failure to meet the Annual Guaranteed Energy Quantity is expected to be the product of (i) the amount of the shortfall (in MWh) multiplied by (ii) the sum of (x) a material, fixed dollar amount per MWh and (y) if positive, the difference, if any, between the average of the day-ahead LMPs (expressed in \$/MWh) at the Financial Delivery Point for contract energy delivered by Seller to Buyer during the applicable contract year minus the contract energy price under the PPA.

Q-83. The way the PPA term sheet is written, there is only a 12.15% chance that the Seller will not drop below the Annual Guaranteed Energy Quantity at least once during the maximum delivery term. Would Entergy consider:

a. A higher guarantee (P95) that's adjusted for weather

OR

b. A more reasonable threshold that has a lower chance of being hit. For instance, 85% of a P50 energy number

A-83. ELL believes an Annual Guaranteed Energy Quantity based on the P90 amount is reasonable and consistent with industry norms. The PPA term sheet provides, and ELL expects, that the Annual Guaranteed Energy Quantity will be based on the P90 amount. Failure to offer an Annual Guaranteed Energy Quantity based on the P90 amount would be a basis for elimination. If a Bidder offers a proposal with an Annual Guaranteed Energy Quantity based on an amount other than the P90 amount, that proposal may or may not be evaluated depending on the number of proposals received and whether such proposal represents a compelling offer relative to other proposals. Bidders considering whether to propose one or more Special Considerations are strongly encouraged to review Section 2.2 of the Main Body of the RFP.

Q-84. We, as Bidder, are a solar project development firm that is partnered with a single financing company for each of our registered proposals. These financing companies are listed as Co-Bidders on each of our registered proposals. These Co-Bidders will provide project finance, ongoing operation and maintenance, and other project functions, including selection of engineering, procurement, and construction (EPC) subcontractors that comply with the licensing requirements outlined in the RFP. We intend to include all of the required licensing documentation from subcontractors with whom we intend to work in our Proposal Package at the time of proposal. Will this satisfy the licensing requirements that relate to Bidder Eligibility? If not, would this be grounds for disqualification from the bid process?

A-84. The bidder will be required to ensure that it complies with all licensing regulations and requirements applicable to the submission of any proposal into the RFP or the performance of any work related to the construction of a proposed project offered into the RFP. If any bidder or any of its contractors or subcontractors do not hold the licenses the contractor or subcontractor is required to hold at the time of bid submission, the bidder will be required to demonstrate in its proposal package that the necessary licenses will be obtained from the appropriate licensing authorities and that the timing for obtaining those licenses is consistent with and supports the project schedule, including expected and guaranteed commercial operation dates specified in the bidder's proposal. The compliance rule applies to any bidder involved in a co-bid submission. If the applicable licensing regulations and requirements do not require a particular bidder in a co-bid arrangement to have a license, the RFP will not impose an independent compliance obligation on that bidder. If the applicable licensing regulations and requirements do not require a particular bidder in a co-bid arrangement to have a license but require that one or more particular bidders in the co-bid have the required license, the co-bidders must determine the manner in which it will comply with the rule or requirement and then comply. Please note that

this response does not opine on whether a license is required to submit a proposal into the RFP or any other actual or potential individual licensing rule or requirement.

Q-85. Typically, solar project developers and financiers select Engineering, Procurement, and Construction (EPC) subcontractors in the months leading up to project construction. If we include language in our proposal package committing to work only with EPC subcontractors that meet the licensing requirements outlined in the RFP, will this satisfy the Bidder Eligibility requirements?

A-85. Please see response A-84 above.

Q-86. I wanted to clarify the accounting requirements under item 37 in the PPA Term sheet. This is not something we've seen in other RFPs and it will be difficult for us to opine on the accounting treatment for Entergy as we are not accounting experts and are not party to the other financial details of Entergy. Is there any more information you can provide on why this is a requirement or how parties can even get comfortable with this representation?

A-86. Entergy Louisiana will not enter into a PPA that will or may result in the recognition of a long-term liability on the books of ELL or any of its affiliates. The effect any proposed PPA would have on Entergy Louisiana's financial statements is dependent on the specific facts and structure of the proposed PPA. A PPA could result in the recognition of a long term liability by ELL in multiple ways, including, but not limited to, through lease, variability interest entity, or derivative accounting. To ensure that a bidder's proposal will meet the RFP's accounting requirements, bidders should work with internal and external accountants with expertise in the recognition of long-term purchaser liabilities in PPAs. See an overview of the accounting evaluation in Section 5.1.4 of the Main Body of the RFP for additional information.

Q-87. New GAAP lease guidance is effective in 2020. Can you tell us when ELL plans to adopt this or if ELL plans to adopt early as this could impact the required Accounting representations?

A-87. Entergy Louisiana currently plans to adopt the new lease standard on January 1, 2019, in accordance with the applicable effective date for public companies.

Q-88. Does the accounting representation regarding long term liability treatment also include provisions if the PPA is considered a derivative and prices fall below the PPA price?

A-88. If the proposed PPA would or may be accounted for as a derivative, the bidder should also consider whether accounting for the PPA as a derivative would or may result in the recognition of a long-term liability on ELL's books.

Q-89. Would it be possible to have a call with the Accounting Evaluation Team or at a minimum at short-list?

A-89. Entergy Louisiana's preference is for bidder questions to be posed to the RFP Administrator in writing and for Entergy Louisiana to respond in kind. Communicating in that manner ensures that all potential bidders and interested participants receive access to the

information at the same time and no potential bidder is at an information disadvantage with respect to the matters presented to Entergy Louisiana by bidders or other RFP participants during the Q&A phase. If a bidder believes that addressing a particular question or matter outside the written Q&A process contemplated by the RFP is necessary or appropriate, the bidder should contact the RFP Administrator and provide the supporting rationale for its view.

Q-90. Is this representation on accounting treatment for ELL a firm requirement? i.e. if parties don't agree to this, you will be automatically disqualified from consideration?

A-90. A bidder's proposal package is required to include a certification that, to the best of the bidder's knowledge, the proposed PPA will not result in the recognition of a long-term liability by Entergy Louisiana or any of its affiliates. If a bidder is unable to make or fails to provide the certification, the proposal would not conform with the requirements of the RFP. A proposal with this non-conformity would be subject to potential disqualification from the RFP. If the proposal were not disqualified for failing to make or provide the necessary certification, the proposal would be subject to potential disqualification at a later stage of the RFP if it would or may result in the recognition of a long-term liability on the books of ELL or any of its affiliates.

Q-91. I wanted to clarify a point in the Entergy Louisiana RFP relating to the "financial settlement node" and "physical delivery point." Section 6€ of the PPA Term Sheet reads, in part, as follows:

"(e) all transformer, line, energy, capacity, and other losses or costs related to the interconnection, deliverability, transmission, or financial settlement service with respect to the Facility (including, without limitation, any basis differential and associated costs between the Physical Delivery Point and the Financial Settlement Point with respect to any power delivered from the Facility (or portion thereof allocated to Buyer) at the Physical Delivery Point in accordance with the terms of the Definitive Agreement)"

Is this intended to set up a "fixed for floating" swap whereby the Seller delivers power and sells into the LMP node closest to the project but then the settlement relative to the fixed price is based on the rate at the Financial Settlement Point (identified as EES. ELILD in the RFP)? We are trying to determine if we need to price in basis risk if our project will settle at another LMP node within Entergy's service territory.

A-91. Bidders should account in their proposals for the basis risk between the designated physical delivery and financial settlement points. At any given point in time, the locational marginal price (LMP) at the physical delivery point (the commercial pricing node (CP Node) for the resource if it is within MISO, the point of delivery into MISO if the resource is outside MISO) may be different from the LMP at the CP Node for Entergy Louisiana's load (the RFP-specified financial delivery point). The RFP provides that the financial settlement of contract energy and any other electric product provided by the seller under the PPA will reflect (i) any price difference in the applicable market for energy or other electric products between those two

nodes and (ii) related deliverability, loss, and similar congestion costs. In addition, with respect to each capacity-related benefit (e.g., zonal resource credits/capacity credits), the financial settlement of the benefit will reflect the price difference, if any, for the benefit in the MISO Local Resource Zone (or comparable region) in which the physical delivery point is located and in MISO Local Resource Zone 9 and related costs.

Q-92. If we have a project that is interconnecting at the distribution level within Entergy and is not part of a MISO interconnection how does the settlement at the hub work as there's no way to determine the basis?

A-92. Entergy Louisiana anticipates that a project connecting at the distribution voltage level will be registered with MISO as a behind-the-meter generator in the Entergy Louisiana Load Zone and treated as an offset to Entergy Louisiana's aggregate load. As an offset to load in Entergy Louisiana's Load Zone, there would be no basis differential in energy pricing. The megawatts delivered by the resource would simply reduce the energy required to serve Entergy Louisiana's load. Bidders are reminded that the RFP term sheet generally reserves to Entergy Louisiana the right to register a resource in MISO from time to time as it deems appropriate, in accordance with MISO rules.