



Entergy Louisiana, LLC Combined Cycle Combustion Turbine Request for Proposals

Technical & Bidders Conference
November 25, 2024



LPSC Technical Conference:
Conducted in Compliance with Section 9
of the LPSC Market Based Mechanisms Order
(General Order R-26127 C, dated 10/29/2008)

Justin Bello

Introduction

Purpose of the Conference

- To give participants an overview of the Entergy Louisiana, LLC ("ELL") Combined Cycle Combustion Turbine Request for Proposals ("RFP").

Questions

- Please submit all questions to the Bid Event Coordinator via email at ellrfp@entergy.com
 - Bidders may submit questions anonymously by emailing LPSC Counsel via Justin Bello at Justin.Bello@la.gov
- Refrain from including bidder specific or confidential information in the question to preserve anonymity
- This presentation, along with RFP questions and responses, will be posted to the RFP Website at <https://spofossil.entergy.com/>

Administrative

- In the event of inconsistency between the presentation and the RFP documents, the RFP documents will control
- All phones must be on mute. Please do not place your phone on hold
- Email the Bid Event Coordinator at ellrfp@entergy.com with any technical issues or questions

Agenda



Introductions

Entergy Presenters

George Harrison	RFP Administration Team
John Woodham	Viability Assessment Team
Jadd Al-Nahas	Economic Evaluation Team
Kyle Watson	Transmission Evaluation Team
David Batten	Accounting Evaluation Team
Laura Hamner	Credit Evaluation Team

Additional Entergy Participants

Harry Barton	ESL Counsel
Meta Danzey	ESL Counsel
James Miller	ESL Counsel
Laura Beauchamp	ELL Resource Planning
Shawn Allen	ELL Resource Planning
Kalsey Belle	ELL Resource Planning
Misty Harris	RFP Administration Team
Evaluation Teams	

Louisiana Public Service Commission

Justin Bello	LPSC Counsel
Lane Sisung	LPSC Staff Consultant
Jake Chapman	LPSC Staff Consultant

Independent Monitor

Wayne Oliver	Merrimack Energy Group, Inc.
Keith Oliver	Merrimack Energy Group, Inc.

RFP Scope Summary, Schedule & Process

RFP Scope Summary

Scope Item	Developmental Long-Term Capacity and Energy
Target Start (COD) Date	On or before December 31, 2030
Eligible Resources	Developmental
Eligible Technology	Commercially-proven CCCT technology with the ability to operate in base load & load-following roles consistent with MISO operating rules for units expected to provide ancillary services
Location	LRZ-9
Capacity Sought	Up to 2,000 MW (600MW Min – 800 MW Max)
Product Categories	Acquisition, PPA, or Tolling Agreement (Unit Contingent)
Delivery Term	20 years (PPA or Tolls)
Affiliates	Ineligible to Participate
Independent Monitor	Yes, Merrimack
Self-Builds	Not precluded from participation
Registration Fee	\$5,000 per proposal
MISO Interconnection Queue	DPP-2024-Cycle or earlier

Schedule

RFP Milestone	Milestone Date
RFP Documents Issued	November 11, 2024
Bidders Conference and Q&A Session	November 25, 2024
Final RFP Documents Posted*	January 6, 2025
Bidder Registration Period*	January 13, 2025 to January 16, 2025
Proposal Submission Fee Payment Deadline*	January 23, 2025
Self-Build Option Proposal Submission Period*	March 7, 2025 to March 13, 2025
Proposal Submission Period* (other than for Self-Build Option Proposals)	March 14, 2025 to March 20, 2025
Selections Announced*	June 23, 2025
Definitive Agreement Negotiations Begin**	June 24, 2025
Definitive Agreements Executed**	December 31, 2025
Regulatory Approval Process Complete**	December 31, 2026

* Target dates subject to change.

**The time required to negotiate and execute Definitive Agreements typically varies by transaction type and depends upon numerous other factors. Similarly, the date on which the regulatory approval process concludes for a transaction turns on the execution date of the Definitive Agreement, the amount of docket congestion, and other circumstances that can differ materially from transaction to transaction and Procurement Window to Procurement Window

Bidder Communications

- Prior to Bidder Registration
 - Communications via ellrfp@entergy.com
 - Forms available on the ELL CCCT RFP Website
 - <https://spofossil.entergy.com/ENTRFP/SEND/2024CCCTRFP/Documents.htm>
- Proposal Submission Onward
 - Communications via PowerAdvocate
 - Include Bidder, Resource and Proposal ID(s) assigned during bidder registration
 - Proposal packages must be submitted via PowerAdvocate to be accepted
 - Bidder will receive a message in PowerAdvocate confirming receipt of proposal(s)
 - Forms available in PowerAdvocate and on the ELL CCCT RFP Website

Bidder Registration

- Complete the bidder registration process, including the forms below:
 - Bidder Registration Agreement
 - Bidder Registration Form
 - Executed MISO GIA or MISO DPP application
- Bidder, Resource, and Proposal ID numbers will be issued after registration is complete
 - Include these identification numbers in communications going forward

Proposal Submission Fees

- \$5,000 for each registered proposal
- Fees will be invoiced after the conclusion of the Bidder Registration Period
- Targeted due dates can be found in Main Body Section 4.1
- Proposals may be subject to elimination if payment deadlines are missed
- Proposal packages must be submitted via PowerAdvocate to be accepted

Redactions & Initial Threshold Determination

- Purpose
 - Ensure evaluation teams receive information relevant to their respective areas
 - Bid price is removed from the information provided to the Viability Assessment Team and the Transmission Evaluation Team (other than specified pricing approved by the RFP Administration Team that is needed)
- The RFP Administration Team will open and redact all proposals. In consultation with the Independent Monitor, initial conformity determinations will occur early in the proposal review process
- All proposals will be reviewed to identify any fatal flaws and to confirm conformity to RFP requirements, including all Threshold Requirements, Credit Support Requirements, and any additional requirements noted in the Viability Self-Assessment or RFP
- Proposals not meeting Threshold Requirements will be subject to elimination
- Threshold Requirements in Main Body Section 2.4 include, but are not limited to, those concerning:
 - Eligible Participants
 - Eligible Resources
 - Eligible Technology
 - Resource Location
 - Eligible Transactions
 - Delivery Terms

Evaluation Process

- Process is designed to be fair, impartial, and consistently applied.
 - An overview of evaluation factors and general decision criteria can be found in Main Body Section 5.
 - Detailed inputs and evaluation scenarios are considered confidential and highly proprietary and will not be shared with potential bidders
- Evaluation Teams
 - AET – Accounting Evaluation Team
 - CET – Credit Evaluation Team
 - EET – Economic Evaluation Team
 - TET –Transmission Evaluation Team
 - VAT –Viability Assessment Team

Selections

- ELL will seek to make Selections June 23, 2025*
- Bidder(s) with a proposal on the selection list will be invited to negotiate a definitive agreement
 - Inclusion on selection list is not acceptance of proposal or related contract terms
 - No requirement for ELL to place any proposal on the selection list

* Target dates subject to change.

Commercial Terms & Viability Assessment

John Woodham

Commercial Terms Overview

○ All Proposals

- Bidders must include any proposed exceptions to the term sheets in their proposal package
 - ELL is under no obligation to agree to any exception; significant requested changes could affect viability ratings or eligibility for continued RFP participation
- Guaranteed Substantial Completion Date (BOT) or Commercial Operation Date (PPA) may be no later than as December 31, 2030

○ BOT Proposals

- Seller will develop, design, build, commission, test, and sell proposed project per Appendix B-3 (Model BOT Term Sheet) and Appendix B-4 (Model BOT Scope Book (technical requirement)), any proposed deviations must be noted in the bid
- Seller's obligation to begin construction conditioned on the satisfaction of Buyer "FNTP" conditions
- Prior to the Closing, Seller will have care, custody, and control of the project, and will bear construction, financing, and project completion risk, as well as risk of loss for the project
- Care, custody, and control of the project will transfer to Buyer at the Substantial Completion Payment Date

○ PPA Proposals

- Bidders may propose a PPA that includes buyer purchase options during and/or at the end of the Delivery Term
- Must be for the sale of all products (capacity, energy, etc.) from the entire Facility
- Energy deliveries and Other Electric Products will settle financially in MISO at the ELL Load Node

BOT Commercial Terms Overview

Purchase Price

- Bidders are required to provide an all-in purchase (expressed as a single fixed price)
- The purchase price will be payable by Buyer to Seller at three major milestones: Closing, Substantial Completion, and Final Completion

Credit Support

- Seller will be required to post and maintain credit support as provided in the Model BOT Term Sheet and Appendix E and to certify at proposal submission its understanding and acceptance of the core credit support terms

Warranties

- All warranties and related rights obtained by Seller prior to the Closing (but not the underlying contracts themselves) will be required to be transferred to Buyer at the Closing. This RFP does not obligate Seller to provide a comprehensive “wrap” warranty of the project work

Tax Credits

- Buyer will require at the Closing the exclusive entitlement to and transfer of all rights to applicable investment tax credits (“ITC”), or production tax credits (“PTCs”), or any other renewable energy tax credit for which the Facility is or would be eligible after issuance of this RFP
- Seller will be required to commit to deliver a project that (i) either is exempt from or, if the project was not offered as an exempt project, satisfies IRS prevailing wage and apprenticeship (“PWA”) requirements

PPA Commercial Terms Overview

PPA Pricing

- Energy rate (expressed in \$/MWh), which will be either fixed for the entire Delivery Term or defined annually (as proposed by Bidder)
- Pricing must reflect an “all-in” energy price (including all related fees and expenses)

Delivery Term

- Delivery Term may be for a minimum of 10 years and a maximum of 20 years, with an interest in 15-year or shorter terms

Delivery Requirements

- ELL will be entitled to liquidated damages if the guaranteed annual energy delivery minimums are not met, and ELL will have the right to terminate the PPA for specified failures to meet energy delivery minimums over any two (2) consecutive contract years or any three (3) contract years

Credit Support

- Seller will be required to post and maintain credit support as provided in the Model Solar PPA and Appendix F and to certify at proposal submission its understanding and acceptance of the core credit support terms

Liability Transfer

- The PPA may not result in the recognition of long-term liabilities to ELL’s balance sheet, whether the long-term liability is due to lease treatment, accounting for a variable interest entity, or any other applicable accounting standard

Cost Recovery

- Sellers will be required to absorb Cost Recovery Risks as provided in Section 2.6 of the Main Body

Viability Assessment

- The VAT analysis will include a detailed review of non-price attributes of each proposal to assess the risk of key aspects of individual projects in a pre-defined scorecard, leading to a viability rating for each proposal
- The review will be based on Bidder-provided information, including, but not limited to:
 - Appendix C – Preliminary Diligence List Developmental
 - Viability Self Assessment/Proposal Submission Template
 - Clarifying Questions
- The review includes, but is not limited to, the following:
 - Resource capabilities
 - Environmental compliance risks
 - Safety concerns
 - Proposed commercial terms (including redlines and special exceptions to model agreements)
 - Resource deliverability
 - Regulatory considerations

Economic Evaluation

Jadd Al-Nahhas

Economic Evaluation

- The EET will conduct an economic evaluation of proposals submitted in the RFP on a present value basis from the perspective of ELL's aggregate customer base
- The evaluation will:
 - Identify proposals that meet the RFP requirements most economically relative to one another
 - Utilize tools and methods commonly used by Entergy Louisiana for long-term planning and resource evaluations, including, but not limited to:
 - Variable supply cost analysis within the context of the MISO markets based on simulations using the Aurora production cost modeling software
 - Proposal pricing based on proposal submissions and responses to clarifying questions issued to bidders
 - Fuel reservation fee estimates (if necessary) from the VAT Fuel Supply team
 - Property tax estimates from Entergy's Tax Services group
 - Transmission cost estimates from the TET for expected required projects to ensure NERC TPL-001-4 compliance for each proposal
 - ERIS (transmission owner interconnection facilities [TOIF])
 - NRIS (network upgrades [NU], standalone network upgrades [SANU])
 - Long-term avoided capacity value
 - Lease accounting treatment, if applicable
 - Emissions fixed cost estimates (e.g. offset credits), if applicable
 - Any other applicable taxes or costs
 - Include qualitative risk considerations and sensitivity analysis (e.g. scenarios around natural gas and carbon prices) if needed

Economic Evaluation

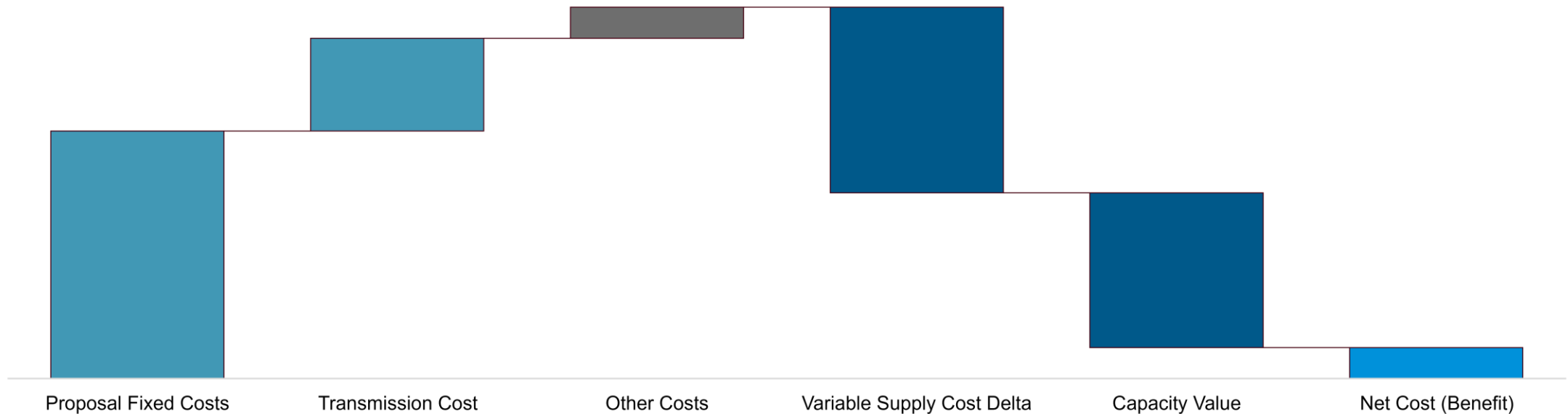
- The evaluation will include evaluation of the following components, as they apply to the proposal being assessed

BOTs and Self-Build Options (\$/kW_{AC})	PPAs (\$/kWh)
Acquisition Cost	All-in PPA Energy Pricing
Transmission, Interconnection, and Deliverability Costs	Imputed Debt Cost
Land Acquisition or Land Lease Costs	
Other Costs (if applicable)	Other Costs (if applicable)
Capacity Factor	Capacity Factor

Economic Evaluation

- A net cost / benefit calculation will be performed for each proposal
- Net cost / benefit will be presented in \$M, \$/kW, and \$/MWh to account for differences in proposal size, expected energy production, and duration

ELL Customer Net Cost/Benefit Calculation (Illustrative)



Transmission Evaluation

Kyle Watson

Transmission Evaluation

- The objectives of the TET evaluations are to:
 - Ensure that the addition of a resource will maintain (or enhance) the reliability of the transmission system
 - Identify any upgrades needed to maintain reliability
 - Assess the costs of all transmission infrastructure-related improvements required to incorporate each studied resource
- Considerations may include, but are not limited to:
 - Electric Interconnection:
 - Verification that the resource has the appropriate Interconnection status as defined by the RFP scope
 - Study inclusion of any bidder-submitted transmission upgrades
 - Network Deliverability (if applicable):
 - Verification that the resource will be eligible for designation as a network resource for ELL and the bidder has included associated costs in the proposal pricing
 - Determining incremental upgrades needed to meet all RFP deliverability and transmission requirements
 - Individual resources will be studied as part of this assessment, but reliability studies may be revisited if it is determined that multiple resources should be studied together

Transmission Evaluation

- Bidders will bear the responsibility for all upgrades and costs to secure full deliverability
 - Confirm that the resource has ERIS and either NRIS or NITS
 - Alternatively, confirm that the resource has ERIS without either NRIS or NITS
 - ERIS-only option is not preferred by ELL
 - If the resource has only ERIS or insufficient NRIS/NITS, Bidders must also provide a description of the transmission upgrades and costs included in their proposal to obtain ERIS and, if applicable, NITS
 - Transmission upgrade costs identified by the TET will be considered Class 5 estimates
- ESL Transmission Planning will evaluate transmission system upgrades and cost estimates associated with each proposed resource:
 - Review the upgrades and cost estimates to obtain transmission service
 - Adherence to Entergy Local Planning Guidelines and Criteria and NERC TPL-001-5
 - Evaluation of bidder's long-term proposal for meeting transmission system reliability requirements
- To ensure each proposal meets the above requirements, the TET may incorporate the following analyses in its proposal evaluations
 - Steady state power flow analysis
 - Transient Stability analysis
 - Short Circuit analysis
 - Deliverability analysis

Accounting Evaluation

David Batten

Accounting Evaluation

- Review each proposal to determine the accounting treatment and impact. The accounting review specifically addresses, but is not limited to, the following areas
 - Lease accounting guidance
 - Variable Interest Entity (VIE) guidance
 - Derivative guidance
- As specified in the RFP, ELL will not accept the risk that any long-term liability will or may be recognized on its books (or any of its affiliates) in connection with any PPA arising out of the RFP, whether the long-term liability is due to lease accounting, the accounting for a VIE or derivatives, or any other applicable accounting standard or requirement
- If requested, Bidder will certify that it has determined that, to the best of its knowledge, the proposed PPA will not require in the recognition of a long-term liability accounting by ELL or its affiliates
- Bidder will be required to make available all information required to verify and/or independently determine the accounting treatment associated with a proposal

Credit Evaluation

Laura Hamner

Credit Evaluation

- The CET will evaluate Bidder credit and other credit-related matters
- Individual proposals will be evaluated to determine the amount of liquid credit support required at various milestones to mitigate ELL's potential exposure
- Bidders will be assigned a credit rating by the CET based on the information submitted in the RFP
- Requirements of Appendix E Credit and Collateral Requirements include:
 - Financial statements and public credit ratings, if any, for Bidder must be provided during proposal submission
 - Forms of acceptable liquid credit support are letters of credit or cash
 - Required liquid credit support amounts at the various milestones are defined in the credit appendix to the RFP
 - Special exceptions to core credit terms are not permitted
 - Bidder must submit with its proposal(s) a credit compliance certification acknowledging its familiarity with the terms of the credit appendix and certifying that the terms of the proposal(s) (including proposal pricing) reflect and comply with credit appendix requirements
 - See Appendix E for full details

Process Safeguards

George Harrison

Process Safeguards

○ Code of Conduct

- All employees of ESL, any Entergy Operating Company, or any Entergy Competitive Affiliate must adhere to the applicable Affiliate Rules and Codes of Conduct
- Links are provided on the ELL CCCT RFP website

○ Additional Protocols

- Each ELL CCCT RFP Evaluation Team is made up of designated personnel
 - Team composition is overseen by the IM
- ESL personnel involved with the ELL CCCT RFP adhere to the provisions of a confidentiality acknowledgement that governs access to and use of proposal information and related documents

○ RFP Process Design and Implementation

- The RFP process has been designed to assure fair and impartial treatment of all Bidders

○ Stakeholder Participation

- RFP is posted on ESL's public ELL CCCT RFP website and is publicized to encourage robust market participation
- Bidders Conference and Q&A Session
- Potential Bidders provided opportunities to ask questions and seek clarification on the RFP process

Q&A Session

Submit questions to the Bid Event Coordinator at ellrfp@entergy.com. Questions may be submitted anonymously by emailing LPSC Counsel- Justin Bello at Justin.Bello@la.gov