



DRAFT
Minimum Requirements

For

2014
Request For Proposals
For
Long-Term Supply-Side Developmental
Resources for Amite South

Entergy Services, Inc.
June 2, 2014

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.

DRAFT MINIMUM REQUIREMENTS FOR DEVELOPMENTAL RESOURCES

This draft Minimum Requirements for Developmental Resources sets forth certain minimum requirements that a generation resource not yet constructed (“Developmental Resource”) must satisfy in the 2014 Request for Proposals for Long-Term Supply-Side Developmental Resources for Amite South expected to be issued by Entergy Services, Inc. (“ESI”) on behalf of one or more of Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, and Entergy New Orleans, Inc. (the “RFP”) later this year (the “Minimum Requirements”). The proposed Minimum Requirements are specified in the chart below, and are in addition to other RFP requirements that a bidder in the RFP (“Bidder”) must satisfy. The draft Minimum Requirements are being created to ensure that any Developmental Resource that a Bidder offers in a proposal submitted in response to the RFP is developed to a degree meriting detailed, full-scale evaluation by the appropriate RFP evaluation teams and potential selection of the resource. Bidders are advised that the RFP will seek a substantial amount of information about any Developmental Resource proposed by a Bidder, not just the information necessary for a Bidder to meet the Minimum Requirements, and that satisfaction of the Minimum Requirements, standing alone, does not ensure a proposal’s eligibility for participation in the RFP; other RFP eligibility requirements specified in the RFP must also be met. This draft Minimum Requirements document is subject to change and will be superseded by and will take the form of an appendix to the RFP.

Category	Minimum Requirement	Information Required to Evaluate Proposals against the Minimum Requirements
Project Overview	A complete project description.	Bidder must provide a thorough summary description of the project, including, but not limited to, the proposed location, site description, technology, design basis, water source(s), fuel source(s), plan for engineering/procurement/construction, environmental compliance and permitting, and non-standard project components/considerations, as well as a summary of the work completed on each of the Minimum Requirements. The provision of information in the summary description does not relieve Bidder from or otherwise limit Bidder’s need to provide the information sought below.

Minimum Requirements for Developmental Resources

Bidder Experience	Bidder (or the person that will be the seller under Bidder’s proposal (“ <u>Seller</u> ”)) must have completed at least one utility-scale project with the proposed technology and have project team members who, in the aggregate, have had direct responsibility for at least three completed utility-scale projects, regardless of technology.	Bidder must provide a summary that includes the key project team members, their relation to Bidder (<i>e.g.</i> , employee of Bidder or Bidder parent), their backgrounds and development experience, and a description or list of relevant projects they and Bidder or Seller have completed.
Project Development	Bidder must provide reasonable evidence that project development for the proposed resource is beyond the conceptual phase for design, engineering, and plan for execution.	<ul style="list-style-type: none"> ○ <i>Engineering</i>: Bidder must provide reasonable evidence that the project has been translated from the screening and planning phase of development into a project definition of sufficient detail and quality to ensure the efficient progression of detailed engineering and procurement if the project is selected. ○ <i>Cost Estimate</i>: Bidder must provide reasonable evidence that its project cost estimate is based on front-end engineering from a qualified external and/or internal source that supports a Class 3 (as defined by ACE standards) cost estimate (-20% to +30%). At a minimum, the cost estimate should account for the following: <ul style="list-style-type: none"> i) mechanical and electrical equipment; ii) instrumentation and controls; iii) piping; iv) misc. buildings; v) structural steel; vi) site work and foundations; vii) retrofit allowance (if applicable); viii) sales tax; ix) engineering costs; x) indirect costs;

Minimum Requirements for Developmental Resources

		<ul style="list-style-type: none"> xi) spare parts; xii) escalation; xiii) construction financing costs; xiv) fuel handling and storage equipment; <u>and</u> xv) any other category not listed here and reasonably expected to be included for the proposed technology. <p>○ <i>Project Schedule:</i> Bidder must provide, at a minimum, a Level 2 (as defined by AACE standards) project schedule that supports all aspects of project execution, including development, engineering, financing, procurement, permitting, construction, and testing, and project support materials that, along with the information provided in response to ESI’s due diligence questions in the RFP, demonstrate Bidder’s (or Seller’s) capability to meet the date by which commercial operation of the Developmental Resource is guaranteed by Bidder to have occurred and related project milestones for the proposed resource (<i>e.g.</i>, financial closing, partial and full releases of EPC contractor, equipment deliveries, foundation pours, completion of interconnections, etc.).</p>
<p>Certain Required Project Attributes</p>	<p>Technology - CCGT technology. Developmental Resource – Single integrated plant.</p> <p>Net Plant Output at summer conditions (97° F and 56% relative humidity) (“<u>Summer Conditions</u>”) - Not less than 650 MW and not more than 1,000 MW.</p> <p>Net Unit Heat Rate at Summer Conditions - No greater than 7,000 Btu/kWh (HHV) at full output ,</p>	<p>○ Bidder must identify the original equipment manufacturers of the major equipment being proposed and detail the (technology-based) operating parameters of each generating unit comprising the Developmental Resource (<i>e.g.</i>, Net Plant Output, Net Unit Heat Rate, and operating ranges at Summer Conditions, maximum ramp rates, start times (cold, warm, and hot), restrictions on starts, minimum dispatch levels, and minimum down times).</p> <p>○ Note: The Entergy buyer(s) of power from the Development Resource intend to require in any power purchase or tolling agreement arising out of the RFP that they have the flexibility to schedule and dispatch the Developmental Resource as they would their own generation resources.</p>

Minimum Requirements for Developmental Resources

	<p>without supplemental duct-firing.</p> <p>AGC - Required.</p> <p>Steam Injection for Power Augmentation - Not permitted.</p> <p>Heat Rejection Systems, including the main condenser and mechanical draft cooling tower – Must be sufficiently sized to allow continued operation of all combustion turbines in the event of a steam turbine trip.</p>	
Project Location	The project location must be electrically interconnected to the Entergy transmission system within the “Amite South” planning region (see the attached map).	<ul style="list-style-type: none"> ○ Bidder must include a map and plat of the project location. ○ A project located within or in close proximity to the area identified on the map as “DSG” is preferred.
Site Control	Bidder must show that Seller (or an affiliate under Seller’s control) has control of the site on which the project would be located <u>or</u> has a valid, binding, and enforceable contract to obtain control of the project site for the full delivery term proposed by Bidder or the expected useful life of the Developmental Resource.	<ul style="list-style-type: none"> ○ Bidder should provide a redacted copy of the definitive agreements or documents establishing the requisite control. ○ The three potential buyers under the RFP (identified in the first paragraph above) do not intend to offer to third-party bidders the use or control of any potential project site that they own or control.
Fuel Supply & Transportation	Bidder must have a viable plan for fuel supply and transportation capable of meeting the RFP’s	The fuel supply and transportation plan should include (and provide reasonable support for the viability of) the project’s fuel supply, source(s), transportation, storage (if applicable), and infrastructure for the delivery and

Minimum Requirements for Developmental Resources

	<p>requirements for the resource, and provide reasonable support for the viability of the plan.</p>	<p>processing of fuel for the resource.</p> <ul style="list-style-type: none"> ○ Bidder must identify all available pipelines that would reasonably be considered candidates for interconnection with the project. ○ Bidder must provide the minimum design fuel requirements of the resource. ○ Bidder must provide an estimate of the cost to interconnect with the pipeline(s) that would serve the project. ○ Bidder must identify the pipeline interconnection(s) covered in and supported by the project cost estimate, including the pipeline operating pressure(s) and whether firm transportation capacity is available. ○ Bidder must provide reasonable evidence that the pipeline(s) can provide adequate flexibility to ensure load-following capability of the proposed unit(s) (<i>e.g.</i>, non-ratable service, swing capability, imbalance provisions). ○ Bidder must identify the pipeline easements necessary for each pipeline interconnection covered in and supported by the project cost estimate.
<p>Environmental Compliance, Assessment & Permitting</p>	<p>Bidder must provide a viable environmental compliance plan, including reasonable descriptions of Bidder’s plan to engineer, design, develop, build, test, own/lease, operate, maintain, and repair the project (including the site) in compliance with all applicable environmental laws, permits, authorizations, and other requirements, and provide reasonable support for the viability of the plan. Bidder must show that</p>	<ul style="list-style-type: none"> ○ Bidder must provide a summary of the plan for complying with environmental laws and requirements applicable to the project. ○ Bidder must show that all permitting due diligence necessary to prepare to apply for all required permits has been completed (<i>e.g.</i>, a copy of the draft permit application(s) <u>or</u> a summary of the permit application requirements, including descriptions of the plan to meet those requirements and obtain the permit(s)). ○ Bidder must provide reasonably detailed plans to complete a Phase 1 environmental site assessment in accordance with ASTM E1527-13 and evidence and documentation of due diligence specific to the proposed site sufficient to support such an assessment (<i>e.g.</i>, documentation of work necessary to meet the primary components required under a Phase I

Minimum Requirements for Developmental Resources

	due diligence has been completed and action plans established to a level sufficient to support all permitting activities.	<p>according to ASTM E1527) or, if completed, an accurate summary of such assessment.</p> <ul style="list-style-type: none"> ○ Bidder must disclose any reasonably anticipated material permitting obstacles and any pending claim, action or dispute related to permitting activities related to the resource.
Electric Interconnection	Bidder must have submitted a complete generator interconnection application (“ <u>IA</u> ”) for the proposed resource under the MISO generator interconnection process and the resource must be able to be qualified as a designated network resource and fully deliverable within MISO.	<ul style="list-style-type: none"> ○ Bidder must provide a copy of the IA submitted to MISO and MISO queue number. ○ Bidder must provide a copy of the IA acknowledgement letter and/or IA study results from MISO. ○ Bidder must identify the substation(s) to which the project would be directly electrically interconnected.
Water Source, Treatment, and Disposal	Bidder must have a viable plan for access to adequate and sustainable supplies of water capable of meeting the maximum design requirements of the proposed resource at Summer Conditions, the treatment of water for the resource, and disposal of waste water, and provide reasonable support for the viability of the plan.	Bidder must describe the proposed primary source(s) and quality of the project’s raw water supply, the physical and contractual requirements necessary to secure and utilize the water supply, the adequacy and availability of the water supply to meet the generating resource requirements at full load during Summer Conditions, quality specifications and chemical or physical treatment requirements, and a description of any reasonable available alternatives. Bidder must also describe its wastewater disposal plan, which should include reasonable descriptions of the source(s) and type(s) of wastewater to be disposed of, the means and manner of disposal.

Minimum Requirements for Developmental Resources

Project Structure & Finance	Bidder must have a viable plan for project structure and financing that is supported by recent experience and/or market intelligence.	<ul style="list-style-type: none"> ○ Bidder must describe the plan for project finance, including a detailed description of any application for publicly subsidized loans, debt guarantees, or tax relief. ○ Bidder must describe the projected ownership structure of the Developmental Resource prior to the delivery term commencement date or closing (as applicable) and, if proposing a power purchase or tolling agreement, after the delivery term commencement date. ○ Bidder must be able to provide evidence of at least one recent successful project financing completed by Bidder, Seller, or the parent of Seller <u>or</u> that potential lenders have been engaged in initial, bona fide commercial discussions to ascertain interest, market conditions and indicative terms. ○ Bidder must describe how it intends to meet the applicable credit/collateral requirements specified in the RFP.
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Bidders who fail to meet one or more of the Minimum Requirements may be required, at ESI’s election (in consultation with the RFP’s Independent Monitor), to provide, or to have Seller provide, supplemental security (i) as a condition to continued participation in the RFP and (ii) to support any letter of intent entered into in connection with the RFP. The security would be separate from, and in the case of clause (ii) above, incremental to, any letter of credit required to be posted in connection with clause (ii). The purpose of the enhanced collateral support would be to hedge the risk that Bidder (or Seller) is unable to honor the terms of the proposal, including withdrawing the proposal or substantially changing the material terms of the proposal prior to completing the negotiation of a definitive agreement between Seller and the buyer(s). The amount of the supplemental security would be determined by ESI on a case-by-case basis and would be dependent upon its assessment of the Minimum Requirements not satisfied by Bidder. The assessment would take into consideration evidence provided by Bidder that it has been using, continues to use, and will continue to use good faith efforts to meet the Minimum Requirements that Bidder has failed to satisfy. The amount of required supplemental security would not exceed \$5 million.

If called upon to post supplemental security, Bidder will have the option either to post (or have Seller post) the required amount of supplemental security or to withdraw the proposal(s) that failed to meet the Minimum Requirements from the RFP. The proposal(s) of any Bidder that posts the required amount of supplemental security according to the terms of the RFP will be allowed to remain in the RFP, subject to compliance with the other participatory terms of the RFP.

Minimum Requirements for Developmental Resources

Supplemental security posted as a condition to continued participation in the RFP may be replaced with other security upon execution of a definitive agreement between Seller and the buyer(s). If Bidder is required to post supplemental security pursuant to clause (i) above and (a) is not selected for negotiation or potential negotiation of a definitive agreement with the buyer(s) or (b) is selected but is subsequently released from its proposal(s) as allowed for in this RFP, the supplemental security will be returned to Bidder, subject to and in accordance with the terms of the RFP and the letter of credit. Buyer will have no obligation to return and may retain any and all funds drawn under the letter of credit in accordance with the terms thereof.

Minimum Requirements for Developmental Resources

