



***2014 Request For Proposals  
For  
Long-Term, Supply-Side  
and Renewable Generation  
Resources***

Entergy Arkansas, Inc.  
May 5, 2014

## TABLE OF CONTENTS

1.	GENERAL INFORMATION .....	1
1.1.	Introduction .....	1
1.2.	Entergy Arkansas .....	1
1.3.	RFP Documents .....	1
1.4.	2014 EAI RFP Website .....	2
1.5.	RFP Administrator .....	2
1.6.	Independent Monitor .....	3
1.7.	Eligible Participants .....	3
1.8.	Eligible Technologies.....	3
1.9.	Eligible Resources .....	4
2.	RFP OVERVIEW .....	4
2.1.	RFP Purpose .....	4
2.2.	Transactions Solicited and Selected Terms .....	5
	Overview .....	5
2.3.	RFP Proposal Requirements .....	9
2.4.	Interconnection and Energy Deliverability Considerations.....	11
2.5.	Cost Recovery .....	13
2.6.	Proposals for Developmental Resources .....	13
3.	RFP SCHEDULE.....	13
3.1.	Schedule.....	13
3.2.	Modifications of RFP Schedule.....	14
4.	RFP MILESTONES AND PROCESSES .....	14
4.1.	Bidders' Conferences .....	14
4.2.	Bidder Registration .....	15
4.3.	Proposal Submission .....	16
4.4.	RFP Hotline .....	17
5.	PROPOSAL EVALUATION .....	17
5.1.	Evaluation Process Overview.....	17
5.1.1.	Economic Evaluation .....	19
5.1.2.	Deliverability and Operations Assessment .....	19

5.1.3.	Viability Assessment .....	19
5.1.4.	Credit/Collateral Requirements.....	20
5.2.	Notification of Evaluation Results and Commercial Negotiations .....	20
6.	MISCELLANEOUS RFP MATTERS .....	21
6.1.	Contact with EAI and RFP Questions.....	21
6.2.	Multi-Person Bids.....	23

## APPENDICES

<b>Appendices</b>	<b>Title</b>
Appendix A	Glossary
Appendices B-1 and B-2	Commercial Term Sheets for PPAs and Tolls and Acquisitions
Appendices C-1 and C-2	Preliminary Due Diligence for Developmental and Existing Resources
Appendix D	Minimum Requirements for Developmental Resources
Appendix E	Credit/Collateral Requirements
Appendix F	Reservation of Rights

# **2014 REQUEST FOR PROPOSALS FOR LONG-TERM, SUPPLY-SIDE AND RENEWABLE GENERATION RESOURCES**

## **1. GENERAL INFORMATION**

### **1.1. Introduction**

Entergy Arkansas, Inc. (“EAI”) hereby issues this 2014 Request for Proposals for Long-Term, Supply-Side and Renewable Generation Resources (including all appendices, this “RFP”). EAI is seeking to acquire through this RFP from 200 to 600 MW of Capacity, capacity-related benefits, energy, Other Electric Products, and Environmental Attributes (if any) from Traditional Resources for deliveries beginning in 2017 and approximately 200 MW of the same products from Renewable Resources for deliveries starting as early as 2015, on the terms set forth herein, to help EAI meet its long-term resource planning objectives.

### **1.2. Entergy Arkansas**

EAI provides retail electric service to approximately 700,000 customers in the state of Arkansas through the interconnected, coordinated electric generating and bulk transmission facilities of EAI. EAI owns and manages in excess of 5,200 MW of electric generation capacity in order to serve the needs of its customers. Purchases made by EAI pursuant to a Definitive Agreement entered into as a result of this RFP would be for the benefit of EAI and its customers.

### **1.3. RFP Documents**

This RFP consists of a Main Body and eight appendices. Among other things, the Main Body (i) offers general information pertaining to this RFP, (ii) describes the purpose and drivers of this RFP and provides high-level considerations for Bidders, (iii) includes a milestone schedule for this RFP, (iv) sets forth terms governing the preparation and submission of proposals and RFP-related communications with EAI, and (v) provides a high-level overview of the process for evaluating and selecting proposals submitted in response to this RFP.

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

Appendices B-1 and B-2 are two term sheets (each, a “Term Sheet”), one for power purchase agreements (“PPAs”) and tolling agreements (“Tolls”), the other for acquisitions of generation assets. The Term Sheets summarize some of the key commercial terms that would apply to any PPA, Toll, or asset acquisition Transaction arising out of this RFP.

Appendices C-1 and C-2 contain questions or information Bidders will be required to answer or provide for proposals based on a Developmental Resource or an existing resource.

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

Appendix D describes the Minimum Requirements that Bidders must satisfy in order for Bidder to be assured that a conforming proposal offering a Developmental Resource will be considered in this RFP.

Appendix E generally describes the process by which the Credit Evaluation Team will analyze Bidder's credit quality and Bidder's proposal(s) to assess potential credit risks and to establish collateral requirements for proposals selected for the Primary Selection List or the Secondary Selection List.

Appendix F contains an express reservation of EAI's rights in connection with this RFP; warranty, liability, and contract acceptance disclaimers; terms addressing the disclosure of RFP-related information by EAI, Entergy Services, Inc. ("ESI") and Bidders in this RFP, Bidder's responsibility for RFP-related costs, and regulatory approvals; and Bidder's deemed acceptance of the rights and terms contained in Appendix F and EAI's and ESI's reliance upon such acceptance.

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

#### **1.4. 2014 EAI RFP Website**

The official website for this RFP is [http://entergy-arkansas.com/transition\\_plan/](http://entergy-arkansas.com/transition_plan/) ("2014 EAI RFP Website"). This RFP and related material and information are posted on the 2014 EAI RFP Website and available for review. The 2014 EAI RFP Website will be updated from time to time with additional information related to this RFP. Interested Persons are responsible for monitoring the 2014 EAI RFP Website to ensure the timely receipt of information about this RFP.

#### **1.5. RFP Administrator**

EAI has engaged ESI to administer this RFP and has designated an employee from ESI to serve as the "RFP Administrator". The RFP Administrator's responsibilities include (i) acting as a liaison between the participants in this RFP and EAI on all RFP-related matters, (ii) ensuring that Bidder questions EAI receives are addressed in an appropriate manner, (iii) receiving, recording and maintaining Bidder proposals, (iv) interfacing with the IM, and (v) managing other administrative matters relating to this RFP.

The RFP Administrator for this RFP is Ms. April Phelps. The contact information for the RFP Administrator is:

April Phelps  
RFP Administrator  
Entergy Services, Inc., T-PKWD-3A  
10055 Grogans Mill Road, Suite 300

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

The Woodlands, TX 77380  
Email: [eaifp@entergy.com](mailto:eaifp@entergy.com)  
Fax: (281) 297-5350

As detailed in Section 6.1 below, all questions, requests, and other inquiries or communications from or on behalf of Bidders to EAI about this RFP must be directed in writing or via email to the RFP Administrator, except with respect to the RFP Hotline, as discussed in Section 4.4.

### **1.6. Independent Monitor**

EAI has retained Ms. Elizabeth (Betsy) Benson of Energy Associates to act as the Independent Monitor (“IM”) for this RFP. The role of the IM is defined in the “Scope of Work Activities” for the IM, the specifics of which are posted on the 2014 EAI RFP Website. In summary, the IM’s role will be to (i) monitor the design and implementation of the RFP solicitation, evaluation, selection, and contract negotiation processes to ensure that they are impartial and objective and (ii) provide an objective, third-party perspective on EAI’s efforts to ensure that all proposals are treated consistently and without undue preference to any Bidder. Bidders wishing to communicate with Ms. Benson may reach her by email at [erbens@aol.com](mailto:erbens@aol.com) or phone at (703) 641-7948.

### **1.7. Eligible Participants**

EAI invites proposals from all potential suppliers capable of meeting the conditions and requirements identified in this RFP (“Eligible Participants”), including other electric utilities, marketers, wholesale generators, independent power producers, and QFs. Proposals from QFs will not be provided any preference in this RFP solely by virtue of their QF status. Entergy Regulated and Competitive Affiliates are ineligible to participate in this RFP. A “Bidder” in this RFP may consist of more than one entity. For additional information concerning multi-party Bidders, please see Section 6.2 below. Otherwise Eligible Participants that do not comply with the terms, conditions, and requirements of this RFP may be determined by EAI, after consultation with the IM, to be ineligible to continue to participate in this RFP.

### **1.8. Eligible Technologies**

Generation technologies permitted for proposals responsive to this RFP (“Eligible Technologies”) include (i) combustion turbine (“CT”) technology, combined-cycle natural gas turbine (“CCGT”) technology, and solid fossil fuel technologies that incorporate (a) scrubbing technology capable of removing greater than 90% of SO<sub>2</sub> emissions, (b) selective catalytic reduction, or “SCR,” technology, and (c) controls capable of achieving all of the 2015 Mercury and Air Toxics Standards, or “MATS,” limits (collectively, “Traditional Resources”) and (ii) biomass, run-of-river hydroelectric, solar photovoltaic, and wind resources (collectively, “Renewable Resources”).

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

Technologies that do not meet the requirements of this RFP, including, without limitation, nuclear, demand-side management, distributed generation, transmission line, energy efficiency technologies, and any other technology not listed above or that does not meet the requirements of this RFP, are not Eligible Technologies. Two or more forms of generation technologies (whether in a single facility or separate facilities) may not be combined to create a permitted Eligible Technology.

## **1.9. Eligible Resources**

Generation resources that are or will be powered by an Eligible Technology and meet the other criteria for participation in this RFP are permitted, subject to the other terms of this RFP (“Eligible Resource”). Generation resources proposed may be existing resources or Developmental Resources. EAI prefers resources located within Local Resource Zone 8 of MISO; however, resources located outside Local Resource Zone 8 that meet the requirements for participation in this RFP are eligible to participate, including resources outside of MISO. Each generation resource proposed must be a single resource (or portion thereof) in order to support a proposal submitted in this RFP. Generation resources located at separate facilities will be considered multiple resources and may not be combined or aggregated to form a “system” of generation resources.

## **2. RFP OVERVIEW**

### **2.1. RFP Purpose**

To satisfy a projected long-term need for generation resources beginning in 2017 (as may be modified from time to time, the “Identified Generation Need”), EAI is seeking to acquire from 200 to 600 MW of baseload, load-following, and/or peaking Capacity, capacity-related benefits, energy, and Other Electric Products from Traditional Resources in this RFP. Given the nature of utility resource planning, the Identified Generation Need is subject to change. Accordingly, the amount of Capacity and related products that EAI targets and may select in this RFP, as well as the timing for the commencement of service, to meet the Identified Generation Need could differ from that specified in this RFP.

In addition to the Identified Generation Need, EAI is seeking to acquire, for service starting as early as 2015, approximately 200 MW of baseload, intermittent, and/or dispatchable intermittent renewable Capacity, capacity-related benefits, energy, and Other Electric Products and Environmental Attributes from Renewable Resources in this RFP. As of the issuance date of this RFP, EAI is not bound by any Renewable Portfolio Standard (RPS) mandating the inclusion of any set or target amount of renewable generation resources in EAI’s resource plan.

Without limiting its rights in Appendix F, EAI reserves the right to contract for more or less than the amounts stated in the prior two paragraphs to meet the long-term resource planning needs and/or Renewable Resource target described above. EAI may elect to contract with one or multiple counterparties to meet the objectives of this RFP. EAI may also select proposals out of rank order to promote diversity of supply in this RFP, gain experience with different renewables technologies, limit

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

exposure to a particular counterparty, technology, or resource or a particular set of risks, or achieve other commercial goals EAI deems appropriate.

To address future uncertainties that may affect EAI's resource planning process, EAI may consider proposals received in this RFP in connection with any near-term determination by EAI whether or not to replace or refurbish, upgrade, or otherwise modify existing generation in EAI's portfolio with other supply-side resources (a "Modification Decision"). RFP proposals could also be selected to meet a resource need (other than the Identified Generation Need) in the 2018-2020 time frame, should the need arise. No proposal submitted in this RFP may have a start time later than the beginning of June 1, 2020.

Proposals offered into this RFP will be evaluated for their ability to meet the Identified Generation Need or the stated Renewable Resource target in accordance with the terms of this RFP at the lowest reasonable cost, taking into account, without limitation, reliability, risk mitigation, and other relevant factors. The RFP evaluation results and related information could also be used by EAI in its assessment of alternatives in the event EAI makes a Modification Decision or identifies a separate EAI resource need beyond the Identified Generation Need. Interested Persons are advised that any Modification Decision or decision to fill a separate EAI resource need are planning decisions distinct from any decision to meet the Identified Generation Need or the Renewable Resource target and are beyond the scope of this RFP.

## **2.2. Transactions Solicited and Selected Terms**

### Overview

Through this RFP, EAI is seeking Capacity, energy, and related products from Traditional Resources and Renewable Resources that can help EAI meet its long-term resource planning objectives. Proposals responsive to this RFP may be submitted for PPAs, Tolls, or acquisitions. Proposals for PPAs will be considered for Traditional Resources and Renewable Resources. Proposals for Tolls will be considered only for Traditional Resources utilizing CT or CCGT technology. Proposals for acquisitions of Renewable Resources are outside the scope of this RFP and will not be accepted.

The different transaction types are described in the Term Sheets forming Appendix B. Each Term Sheet generally describes certain key terms for a particular transaction type. Appendix B-1 contains the Term Sheet for PPAs and Tolls, and Appendix B-2 contains the Term Sheet for acquisitions. Select highlights of the different transaction types are provided later in this Section 2.2.

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

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

Bidders not wishing to agree to a term or condition set forth or described in the applicable Term Sheet must identify the specific term or condition to which Bidder takes exception and provide a reasonably complete and detailed explanation of Bidder's position in the "Special Considerations" section of its proposal. Submission of an exception in the Special Considerations section of Bidder's proposal does not mean that EAI will accept (and EAI is under no obligation to accept or agree to, in whole or in part) the exception in any negotiation of a Definitive Agreement.

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

Any purchase of Capacity and energy made pursuant to this RFP, whether under a PPA or Toll and whether from a Traditional Resource or a Renewable Resource, will also include any and all capacity-related benefits (such as Capacity Credits), Other Electric Products, and Environmental Attributes associated with such Capacity and/or energy, EAI's share of the proposed resource, or the Transaction. Bidders are encouraged to review the Term Sheet for PPAs and Tolls regarding terms and conditions applicable to the products and services to be provided to and acquired by Buyer under the Definitive Agreement.

### PPAs and Tolls

In this RFP, the PPAs and Tolls being sought are for the long-term purchase of unit contingent Capacity, energy, capacity-related benefits, Other Electric Products, and Environmental Attributes from an Eligible Resource and related services. EAI will consider proposals for purely

---

<sup>1</sup> The Term Sheet for acquisitions is generally based upon the acquisition of CCGT resource. If a resource selected for negotiation of a Definitive Agreement for acquisition of a generation resource is based upon a technology other than CCGT technology, the terms of the Definitive Agreement will be adjusted and revised as necessary to reflect, in a manner consistent with the approach taken in the Term Sheet for acquisitions when possible and appropriate, the differences attributable to or arising out of the selection of such other technology.

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

“financial” PPAs (such as a firm financial schedule contract in MISO) and, as discussed in Section 2.4 below, EAI contemplates the use of financial schedules in support of PPAs and Tolls.

Pricing for a PPA will be based on:

- (i) exclusively for Traditional Resources and biomass Renewable Resources, a Capacity Rate, which will be fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/kW-year;
- (ii) an energy price, which will be one of the following: (x) for Renewable Resources (including biomass), fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh; (y) for biomass Renewable Resources, based on a base energy price proposed by Bidder, expressed in \$/MWh, and escalated annually by CPI or PPI (as proposed by Bidder); or (z) for Traditional Resources, based on a guaranteed heat rate multiplied by the applicable fuel index, as proposed by Bidder, plus a fuel adder (if any) that is fixed or based on a Bidder-provided formula, and expressed in \$/MMBtu;<sup>2</sup>
- (iii) exclusively for Traditional Resources and biomass Renewable Resources, a Variable O&M Rate which will be either (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh or (y) based on a base Variable O&M Rate proposed by Bidder, expressed in \$/MWh, and escalated annually by CPI or PPI (as proposed by Bidder);
- (iv) exclusively for Traditional Resources utilizing CT or CCGT technologies, a Start Charge (if proposed by Bidder), which will be either (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/completed Start or (y) based on a base Start Charge proposed by Bidder, expressed in \$/completed Start, and escalated annually by CPI or PPI(as proposed by Bidder); and
- (v) exclusively for Traditional Resources utilizing CT or CCGT technologies, a Start Fuel Charge (if proposed by Bidder), which will be based on the product of the start fuel amount (expressed in MMBtu per completed Start) and the applicable gas price (expressed in \$/MMBtu), as proposed by Bidder.

Pricing for a Toll will be based on:

---

<sup>2</sup> To ensure clarity, Bidders of biomass Renewable Resources are permitted to offer an energy price as provided in either clause (x) or (y) (but may not offer an energy price that is a combination of the pricing in clause (x) and clause (y)).

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

- (i) a Capacity Rate, which will be fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/kW-year;
- (ii) a Variable O&M Rate, which will be either (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/MWh or (y) based on a base Variable O&M Rate proposed by Bidder, expressed in \$/MWh, and escalated annually by CPI or PPI (as proposed by Bidder); and
- (iii) a Start Charge (if proposed by Bidder), which will be either (x) fixed for the entire Delivery Term or defined annually (as proposed by Bidder) and expressed in \$/completed Start or (y) based on a base Start Charge proposed by Bidder, expressed in \$/completed Start, and escalated annually by CPI or PPI (as proposed by Bidder).

The following highlights a few, basic commercial terms for PPAs and Tolls being sought by this RFP:

- *Monthly Availability and Long-Term Availability or Deliverability Requirements* - The monthly availability requirement and long-term availability requirement for PPAs and Tolls will depend on whether the resource is a dispatchable Traditional Resource, a baseload Traditional Resource, or a Renewable Resource. PPAs for Renewable Resources other than biomass will include guaranteed annual energy delivery minimums. See Appendix B-1 for additional details.
- *Delivery Term* – EAI prefers a Delivery Term for PPAs and Tolls of ten (10) consecutive years, but will consider a Delivery Term of up to twenty (20) consecutive years.
- *Delivery Term Commencement* – For Traditional Resources, EAI is willing to accept proposals with a Delivery Term commencing in 2017, 2018, 2019, or 2020 (but no later than June 1, 2020). For Renewable Resources, EAI is willing to accept proposals with a Delivery Term commencing in 2015, 2016, 2017, 2018, 2019, or 2020 (but no later than June 1, 2020). EAI prefers that the Delivery Term commence on June 1, especially for Traditional Resources, biomass Renewable Resources, and any other Renewable Resource that is expected to provide significant capacity value to EAI.
- *Contract Capacity* - The amount of generating Capacity to be made available for purchase under a PPA or Toll will be no less than 100 MW for a Traditional Resource or 30 MW for a Renewable Resource. Except for Capacity from a solid fossil-fuel fired resource, Buyer may not be allocated less than all of the Capacity of either the entire Facility or any individual generating unit at the Facility.
- *Scheduling and Dispatch Flexibility* – The scheduling and dispatch flexibility and rights of Buyer under the PPAs and Tolls will be substantially equivalent to those that Buyer would have if Buyer owned the Capacity being purchased.

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

- *Liability Transfer* – EAI will not accept the risk of a transfer of a long-term liability onto the books of EAI in connection with a PPA or Toll, whether due to lease accounting, variable interest entity accounting, or otherwise.

The foregoing is not intended, and should not be construed, as an exhaustive listing of important commercial terms for any PPA or Toll arising out of this RFP. Please refer to Appendix B-1 for a broader-based summary of select terms of PPAs and Tolls and Sections 2.3 through 2.6 below for other relevant commercial provisions or considerations.

### Acquisitions

In this RFP, the acquisitions being solicited are asset purchases of a Traditional Resource or (for solid fuel resources only) an undivided interest in a Traditional Resource. The purchase price must be expressed as a single fixed payment for the proposed acquisition. The amount of generating Capacity to be acquired must be no less than 100 MW. The Capacity offered must be baseload, load-following, and/or peaking capacity. For CCGT resources, Bidders may propose the sale of all or a portion of the Facility, but may not propose that Buyer acquire any portion of the Facility that is less than a full CCGT train and the pro rata share of the associated assets owned by the owner(s) of the Facility (“Common Facilities”).<sup>3</sup> If Bidder proposes the acquisition of less than all of the nameplate capacity of the Facility, the Definitive Agreement will include or address, among other things, terms and conditions for (i) metering, offering/scheduling with the Balancing Authority, or similar action (if applicable), (ii) settlement, (iii) operation and maintenance of the Common Facilities and the portions of the Facility under separate ownership (“Separate Facilities”), (iv) joint ownership of the Common Facilities, and (v) separate ownership of the Separate Facilities. EAI will accept proposals for acquisitions that are scheduled to close in 2017, 2018, 2019, or 2020. EAI recognizes that acquisition proposals with a 2018, 2019, or 2020 closing date could create a risk that any required FERC, HSR, or other authorization for the Transaction would need to be obtained more than once or confirmed by the applicable federal agency. EAI encourages any Bidder who submits such a proposal to specify its strategy for mitigating that timing risk in the Special Considerations section of the proposal.

### **2.3. RFP Proposal Requirements**

Subject to the other terms of this RFP, EAI will consider only proposals submitted in accordance with and meeting the requirements of Section 4.3 below. In addition to those proposal submission requirements, proposals under this RFP are required to satisfy, and will be reviewed in the first phase of the RFP evaluation process for compliance with, the “Preliminary Shortlist Requirements.” Any proposal not meeting the Preliminary Shortlist Requirements will be considered

---

<sup>3</sup> For example, if the capacity of the applicable Facility is 600 MW (summer rating) and the Facility consists of two identical CCGT trains of 300 MW each, Bidder may propose the sale of one of the 300 MW CCGT trains and a one-half undivided ownership interest in the Common Facilities, but may not propose the sale of, say, 275 MW or 350 MW of the Facility.

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

non-conforming and may be eliminated from further consideration in this RFP after consultation with the IM. The “Preliminary Shortlist Requirements” mean the Minimum Requirements for proposals to advance to the second phase of this RFP, including, but not limited to:

Delivery Assessment Preliminary Shortlist Requirements

- The proposed resource must be eligible to qualify as a Long-Term Network Resource under the MISO OATT.
- The proposed resource must be capable of providing the offered amount of Capacity, capacity-related benefits, energy, and Other Electric Products to Buyer at the Physical CP Node (defined below).
- For a Developmental Resource located inside the MISO footprint, Bidder must have submitted a complete generator interconnection request to MISO on or before May 30, 2014.

Viability Assessment Preliminary Shortlist Requirements

- The Facility supporting Bidder’s proposal must be an Eligible Resource, and Bidder must provide evidence satisfactory to EAI demonstrating that the proposed resource is an Eligible Resource.
- Bidder must be an Eligible Participant.
- The Delivery Term for the proposed Definitive Agreement for a PPA or Toll must be no less than ten (10) and no more than twenty (20) consecutive years.
- Bidder must offer at least 100 MW of delivered Capacity and related products from a Traditional Resource and/or at least 30 MW of delivered Capacity and related products from a Renewable Resource, each from a single resource.
- Resources must be free of fatal design flaws and/or non-standard operational or permitting restrictions that would reasonably be expected to prevent it from meeting the requirements of this RFP and/or the Minimum Developmental Requirements listed in Appendix D.
- Bidders offering a proposal for a wind, solar photovoltaic, or run-of-river hydroelectric resource must provide historical hourly generation profile data for at least two (2) recent years using established data measurement equipment at or near the site of the proposed resource. Bidders should provide this information in the appropriate fields in the Proposal Submission Template posted on the 2014 EAI RFP Website.

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

### Credit Assessment Preliminary Shortlist Requirements

- Bidder must provide the most recent Published Credit Rating of Bidder or, if different from Bidder, Seller (from S&P and Moody's) , to the extent such a rating exists.
- Bidder must provide the annual audited financial statements (and accompanying notes) for the past two (2) years and the current-year reviewed quarterly financial statements (and accompanying notes) of Bidder or, if different from Bidder, Seller.
- If Bidder proposes that a Person serve as a Credit Support Provider with respect to Bidder's proposal, each of the two previous Preliminary Shortlist Requirements will apply to such Credit Support Provider. Bidder must extract and submit as separate documents by the Required Proposal Submission Time all financial data and information of Bidder, Credit Support Provider, or both (as applicable) that is consolidated with financial data or information of another Person and required under this Section 2.3.

### **2.4. Interconnection and Energy Deliverability Considerations**

EAI prefers to contract for resources located in Local Resource Zone 8 of MISO; however, Eligible Resources located outside the MISO System or inside the MISO System but outside of Local Resource Zone 8 of MISO may also be offered into this RFP. This Section 2.4 identifies and addresses certain interconnection deliverability issues that Bidders must address and should consider as they prepare a proposal for this RFP.

#### Interconnection Service

Bidders offering a Developmental Resource are required to have submitted a complete generator interconnection request ("IR") of the proposed resource under the MISO Generator Interconnection Process or, if the resource is located outside the MISO System, provide a plan to complete the interconnection service request process of the applicable Balancing Authority for the resource. For a Developmental Resource located inside the MISO System, Bidder must submit an IR for the proposed resource to MISO by no later than May 30, 2014 and provide a copy of the IR submitted to MISO as part of its Proposal Package. For a Developmental Resource located outside the MISO System, Bidder must provide a plan detailing the actions and timing required to complete the interconnection process of the applicable Balancing Authority for the resource by a time that supports the project schedule and proposed service commencement date and identifying the resource's delivery interface to MISO.

Bidder will be responsible for and bear all the costs associated with the electric interconnection of the proposed resource (regardless of the resource's location or the transaction type), including, without limitation, (i) the cost to connect the resource to the specified interconnection point on the MISO System or the interconnected third party's/Balancing Authority's transmission system, as applicable and (ii) the cost of interconnection-related upgrades. Bidder will

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

be responsible for reflecting the costs associated with the electric interconnection of the proposed resource in Bidder's proposed pricing.

### Transmission Service for PPAs and Tolls

For PPAs and Tolls, EAI is seeking to settle energy and Other Electric Product deliveries from the generation resource at the commercial pricing node ("CP Node") in the MISO financial model for EAI's load, EAI.EAILD ("EAILD"). EAI intends for Seller to deliver physical products scheduled by EAI to a specified CP Node (the "Physical CP Node") and financially schedule those products to the EAILD CP Node. For a resource located within MISO (including within Local Resource Zone 8), the Physical CP Node will be a CP Node within the MISO System. For a resource located outside of the MISO System, the Physical CP Node will be a CP Node that is either an interface between the MISO System and another regional transmission organization or Balancing Authority or a CP Node within the MISO System. The financial schedules that would settle energy and related product deliveries under the PPA or Toll at the EAILD CP Node would be submitted to MISO and would, among other things, identify the Physical CP Node as the source point, the EAILD CP Node as both the internal delivery point and the sink point, and EAI as the buyer.

Seller will be responsible for and bear the costs of (i) firm transmission service to deliver Capacity, energy and Other Electric Products (to the extent capable of delivery) from the generation resource to the Physical CP Node, including, without limitation, electric losses, ancillary service costs, and transmission service, application, study, and improvement costs, fees, charges and other costs, and (ii) financial scheduling energy and Other Electric Products from the Physical CP Node to the EAILD CP Node, including, without limitation, electric losses and MISO financial scheduling fees, charges and other costs. All transmission service obtained by Seller for a Transaction arising out of this RFP must be firm (*i.e.*, firm point-to-point service or other comparable level of firm transmission service) for the Delivery Term.

EAI expects to designate any resource under a Definitive Agreement arising out of this RFP as a Long-Term Network Resource under the MISO OATT, and requires that any resource selling power to Buyer pursuant to this RFP be eligible to qualify as a Long-Term Network Resource in MISO. Seller will be responsible for and bear any and all costs associated with the resource being recognized as a Long-Term Network Resource under the MISO OATT, including, without limitation, any and all application, study, improvements, or deliverability fees, charges, and other costs.

Bidder will be required to break out and identify each transmission-related cost or expense included in its pricing for a PPA or Toll Transaction. A proposal that omits these costs or takes exception to this requirement in the "Special Considerations" section of its proposal will be considered non-conforming and may be rejected.

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

## Transmission Service for Acquisitions

For any acquisition Transaction, EAI will be responsible after consummation of the Transaction for the delivery of energy and Other Electric Products (to the extent capable of delivery) from the Facility. The assets purchased by EAI from Seller will include, without limitation, any and all transmission-related rights held by or for Seller or any Affiliate thereof as of the closing, to the extent used in connection with or otherwise related to the acquired generation assets.

### **2.5. Cost Recovery**

As part of this RFP, EAI is interested in evaluating long-term PPA, Toll, and acquisition opportunities on a comparable basis, including, without limitation, costs, benefits, and risks. The risk evaluation will include an assessment of the risks of regulatory disallowance or exclusion of Buyer costs due to reasons other than Buyer's fault. To assist EAI in the evaluation process, each Bidder proposing a PPA or Toll will be asked to specify with particularity in diligence questions the extent to which it is willing to absorb or share in cost recovery risks in the Definitive Agreement and, if it is, the extent to which the absorption or sharing of cost recovery risk is included in its pricing. Proposals on cost recovery risk should address cost allocation, termination rights, timing considerations, and other terms material to a meaningful evaluation of the proposal. EAI makes no commitment and is under no obligation in this RFP to accept any proposal offered by Bidder regarding cost recovery risk or to assume cost recovery risk.

### **2.6. Proposals for Developmental Resources**

Proposals for Developmental Resources are permitted in this RFP. EAI requires that any Developmental Resource offered into this RFP meet the project development criteria established in this RFP and in Appendix D.

## **3. RFP SCHEDULE**

### **3.1. Schedule**

The RFP Schedule below sets out milestone events and dates and is critical for Bidders interested in participating in this RFP. After consultation with the IM, notice of any change to the then-current RFP Schedule will be posted on the 2014 EAI RFP Website.

<b>Activity</b>	<b>Scheduled Date</b>
Final RFP Documents Issued	May 5, 2014
Bidder Registration Period	May 20 – May 23, 2014
Proposal Fees Due	June 4, 2014
Proposal Submission Period	June 9 – June 12, 2014

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

Preliminary Shortlist Announced	August 18, 2014
Deadline for Preliminary Shortlist Bidders to Provide Required Due Diligence Information	August 25, 2014
Primary/Secondary Selection Lists Announced	November 2014
Comprehensive Negotiations and Due Diligence Begin	November 2014
Bidders Remaining on Secondary Selection List Released from Proposals	February 2015
Definitive Agreements Executed	July 2015
Regulatory Approval Process Complete	December 2016*

\*If EAI selects a Renewable Resource with a 2015 delivery term start date, EAI will be prepared to work toward such a start date, but is unable to provide any assurance that such a start date will be achieved.

### **3.2. Modifications of RFP Schedule**

Without limiting the generality of Appendix F, EAI reserves the right to withdraw, suspend, cancel, or terminate this RFP, or to modify any term of this RFP, including, without limitation, any term concerning the RFP Schedule (including any date), at any time in its sole discretion. EAI will endeavor to notify all participants who have completed Bidder Registration of any such withdrawal, suspension, cancellation, termination, or modification made prior to the Required Proposal Submission Time and to post notice of any such action on the 2014 EAI RFP Website.

## **4. RFP MILESTONES AND PROCESSES**

### **4.1. Bidders' Conferences**

On April 2, 2014, EAI held a Bidders' Conference. The Bidders' Conference gave participants a high-level overview of, and other information concerning, this RFP and related processes and was open to all interested Persons. EAI personnel and the IM were available at the conference to answer questions about the Bidder Registration Process, Proposal Submission Process, evaluation process, technical RFP issues, and commercial terms, and to respond to other requests for information about this RFP. ESI has posted written materials presented during the conference to the 2014 EAI RFP Website. Bidders are advised that those materials may not duplicate all of the information provided at the conference.

Responses to questions received during the Bidders' Conference are posted on the 2014 EAI RFP Website. Please refer to Section 6.1 below for additional information concerning questions submitted in connection with this RFP. In the event of an inconsistency between the RFP documents and the Bidders' Conference presentation or the responses to questions received during the Bidders' Conference posted on the RFP Website or provided verbally, the RFP documents will control.

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

## 4.2. Bidder Registration

In order to be eligible to participate in the solicitation process, each Bidder must complete the Bidder Registration Process, as described in this Section 4.2. Bidder registration is scheduled to begin at 8:00 a.m. CPT on May 20, 2014 and end at 5:00 p.m. CPT on May 24, 2014 (the “Bidder Registration Period”).

Bidders wishing to submit one or more proposals under this RFP must have completed Bidder registration by the end of the Bidder Registration Period and paid all Proposal Submittal Fees by the deadline for payment of such fees (currently, 5:00 p.m. CPT on June 4, 2014).

To register for this RFP, Bidders will be required to submit a completed Bidder Registration Agreement (including the Bidder Registration Form attached thereto) to the RFP Administrator via courier or electronic mail (as a .pdf attachment) by 5:00 p.m. CPT on the last day of the Bidder Registration Period. Bidders will bear the risk of failing to submit the completed Bidder Registration Agreement by the specified deadline. The Bidder Registration Agreement must be executed by an officer or other representative of Bidder who is authorized to sign on Bidder’s behalf, and, if delivery is made by electronic mail, Bidder must subsequently deliver to the RFP Administrator an original of the duly executed Bidder Registration Agreement by 5:00 p.m. CPT within three (3) Business Days after the last day of the Bidder Registration Period. Only Bidders registered in accordance with this RFP will be permitted to submit proposals in this RFP, and only proposals registered in accordance with this RFP will be eligible for submission.

Following submission of its completed Bidder Registration Agreement, Bidder will be issued a unique Bidder ID. In addition, each registered resource and proposal will receive its own Resource ID and Proposal ID, respectively. Bidder IDs, Resource IDs, and Proposal IDs will be used by Bidders in the Proposal Submission Process and in connection with the evaluation of proposal information received by ESI. The use of Bidder IDs, Resource IDs, and Proposal IDs is part of ESI’s attempt to ensure that appropriate protections are in place to minimize the dissemination of information that explicitly identifies Bidders to Evaluation Team members who do not need to know that information.

Bidders are required to pay a Proposal Submittal Fee of \$5,000.00 *for each registered proposal*. Proposals that are alternatives to each other will be considered separate proposals and must be registered as such. ESI will bill Bidder for the total Proposal Submittal Fees due from Bidder within three (3) Business Days after the end of the Bidder Registration Period. Bidder will be required to remit payment of the Proposal Submittal Fee in accordance with the instructions provided in the invoice. Payment will be due by the date specified in the applicable RFP Schedule. **Bidder’s failure to submit the Proposal Submittal Fee by the payment due date will cause Bidder to become ineligible to participate in this RFP.**

Proposal Submittal Fees will be refunded to Bidders only under the following circumstances:

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

1. Bidder registers a proposal and pays the Proposal Submittal Fee but does not complete Proposal Submission for that registered proposal;
2. Bidder registers a proposal, properly completes Proposal Submission, but subsequently withdraws the proposal prior to the Required Proposal Submission Time; or
3. EAI cancels or terminates this RFP prior to the selection of proposals for the Primary Selection List or the Secondary Selection List.

If Bidder, or any proposal submitted by Bidder, becomes ineligible or is eliminated from this RFP for any reason other than a reason set forth in (1) through (3) above, including, without limitation, if no proposals are selected for either the Primary Selection List or the Secondary Selection List after EAI has completed its evaluation of proposals, no refund of Bidder's Proposal Submittal Fee(s) will be made.

### **4.3. Proposal Submission**

The Proposal Submission Process requires each Bidder to submit to ESI a completed Proposal Submission Template, VAT self-assessment (discussed in Section 5.1.3 below), and responses to Appendix C-1 or Appendix C-2, as applicable (collectively, the "Proposal Package"), and, subject to Section 5.1.3 of the Main Body, in order to have its proposal(s) evaluated under this RFP. Under the current schedule, the period during which a Bidder may submit a completed Proposal Package will begin at 8:00 a.m. CPT on June 9, 2014 and end at 5:00 p.m. CPT on June 12, 2014 (the deadline for submission, the "Required Proposal Submission Time").

To submit proposals, Bidders must deliver their completed Proposal Package to the RFP Administrator, by the Required Proposal Submission Time, as (i) files attached to electronic mail or other electronic/digital media acceptable to ESI or (ii) a digital form acceptable to ESI (*e.g.*, a CD, a flash drive) delivered to the RFP Administrator by courier. Bidders must deliver their completed Proposal Submission Template in its native Excel form. The Entergy electronic communications network will not accept "zip" files or electronic mail with file attachments containing, individually or collectively, approximately ten (10) megabytes or more of data. Proposal information that is not accepted by the Entergy electronic communications network or is not properly addressed to and not timely received by the RFP Administrator will be considered undelivered. Proposals failing to provide complete responses as required may be considered non-conforming. Bidders should not send, and the RFP Administrator will not accept, paper copies of electronic proposals.

Bidders are also required to execute and deliver to the RFP Administrator the Proposal Submission Agreement by the Required Proposal Submission Time. The Proposal Submission Agreement must be executed by an officer or other representative of Bidder who is duly authorized to

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

sign the Proposal Submission Agreement and tender the submitted proposal(s) on behalf of Bidder. (Electronic or stamp signatures are not permitted.) The Proposal Submission Agreement may be delivered to the RFP Administrator via courier or electronic mail (as a .pdf attachment). If delivery is made by electronic mail, Bidder must subsequently deliver to the RFP Administrator an original of the duly executed Bidder Proposal Submission Agreement (including hand-signed signature page) by 5:00 p.m. CPT within three (3) Business Days after the Required Proposal Submission Time.

After the RFP Administrator has electronically received Bidder's completed Proposal Package, Bidder will receive a confirmatory email from the RFP Administrator. Bidder should contact the RFP Administrator if a confirmatory email is not received within one (1) Business Day after Bidder's submission of the Proposal Submission Template and Proposal Submission Agreement.

**Bidder will bear the risk of any failure of Bidder to submit the completed Proposal Package by the Required Proposal Submission Time as required by this RFP. Proposals for which Bidder does not submit all agreements, information, and material as required by this RFP may be considered non-conforming and eliminated from consideration.**

#### **4.4. RFP Hotline**

A dedicated phone line ("RFP Hotline") will be available to Bidders from 8:00 a.m. to 5:00 p.m. CPT on each Business Day throughout the Bidder Registration Period and the Proposal Submission Period. Bidders may use the RFP Hotline to ask technical questions regarding the Bidder Registration and Proposal Submission Processes. The number for the RFP Hotline is (281) 297-3758.

## **5. PROPOSAL EVALUATION**

### **5.1. Evaluation Process Overview**

After the Required Proposal Submission Time, the RFP evaluation will begin. The RFP evaluation process consists of three (3) phases. The first two phases make up the proposal evaluation process. In Phase I, EAI will evaluate the proposals submitted, subject to Section 2.3 above and Appendix F, for satisfaction of the Preliminary Shortlist Requirements. During Phase I, the EET will also develop a preliminary economic ranking of proposals. EAI reserves the right during Phase I to reduce, following consultation with the IM, the number of proposals under consideration. In determining whether to exclude a proposal through the exercise of this right, EAI may take into account, among other things, the aggregate number of megawatts requested in this RFP, the likelihood of a Transaction resulting from a proposal and the burden on the Evaluation Teams if this right is not exercised. At the conclusion of Phase I, a Preliminary Shortlist will be established and all Bidders will be notified whether or not their proposal(s) has been included on the Preliminary Shortlist and advanced to Phase II.

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

In Phase II, all of the remaining proposals will be combined and a portfolio or portfolios of proposals constructed and reviewed based on economics, deliverability, viability, transactional considerations (including credit and commercial terms), and other factors. Based on qualitative and quantitative assessments, proposals will be assigned a final proposal ranking and a recommended disposition. After ranking the proposals, a final list setting forth the proposal(s) selected for immediate negotiation (the “Primary Selection List”) and the proposal(s) selected for possible negotiation (the “Secondary Selection List”) will be created.

In Phase III, EAI expects to negotiate the final terms of a Definitive Agreement with the Bidder(s) on the Primary Selection List. EAI may negotiate commercial terms with one or more Bidders on the Secondary Selection List in the event of the termination or suspension of negotiations with Bidder(s) on the Primary Selection List or EAI determines such negotiations are appropriate. Bidders whose proposals were not selected for either the Primary Selection List or Secondary Selection List will be promptly notified and will have no subsequent participation in this RFP.

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

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

The roles and responsibilities of the Evaluation Teams are described in Sections 5.1.1 through 5.1.4 below. EAI may include as a member on any Evaluation Team, or contract with, any third-party agent, consultant, advisor, contractor, or representative to assist in the evaluation of proposals as EAI deems necessary or appropriate.

The primary objective of the evaluation is to select one or more proposals that meet the requirements of this RFP and the needs of EAI at the lowest reasonable cost, taking into account reliability, risk mitigation, and other relevant factors. The evaluation process is designed to facilitate the fair and impartial economic evaluation of all proposals.

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

Upon EAI’s reasonable request and reasonable prior notice, Bidder will be expected to make available its duly authorized officers, representatives, and advisors for the purpose of answering questions, conducting negotiations, and execution and delivery of Definitive Agreements. Any Bidder invited to finalize one or more Definitive Agreements will be expected to use its reasonable

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

best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or appropriate to finalize, execute, and deliver such Definitive Agreements as promptly as possible.

### **5.1.1. Economic Evaluation**

The EET is responsible for the evaluation of the economics of proposals received in response to this RFP and the ranking of such proposals. The EET will compare the full-in fixed cost, variable cost, and revenue of each proposal and incorporate the results from the other Evaluation Teams to support the development of the Primary Selection List and the Secondary Selection List.

The EET may also assess and factor into its evaluation other costs, risks, and matters that the EET determines to be relevant to an estimate of the full-in economic cost or benefit of a proposal or its evaluation of a proposal. The economic evaluation will rely on tools and methods commonly used by EAI for long-term planning and resource evaluation, including, without limitation, a “Fundamental Economic” analysis and production cost modeling (Aurora).

### **5.1.2. Deliverability and Operations Assessment**

The DOAT is responsible for evaluating the risks and costs associated with the delivery of the Capacity, energy and Other Electric Products offered by Bidder under the terms of its proposal. If and to the extent required, the DOAT will also perform production cost modeling to assess the energy value based on the locational marginal pricing and resource generation, of a proposal. Results will then be coupled with an assessment of the proposal’s total fixed cost and total variable costs to determine the net benefits of the proposal.

### **5.1.3. Viability Assessment**

The VAT reviews and assesses the technical, environmental, fuel supply/transportation, and commercial merits of proposals. During Phase I, Bidders will be required to provide a self-assessment for each submitted proposal. The VAT will use this self-assessment to determine Bidders’ compliance with the RFP proposal requirements.

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

- commercial
- plant & equipment/O&M
- environmental & permitting
- fuel supply & transportation
- transmission
- other disciplines, as appropriate.

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

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

The VAT will use the information provided in response to Appendices C-1 and/or C-2 for its evaluation. Bidders are encouraged to provide complete responses to the applicable appendix at the time they submit their proposals; however, only Bidders who are notified of their inclusion on the Preliminary Shortlist will be *required* to provide a response to all the requests in Appendices C-1 and/or C-2. If selected for the Preliminary Shortlist, Bidder's complete response to Appendix C-1 or C-2, as applicable, must be provided to the RFP Administrator by no later than August 25, 2014, under the current RFP Schedule. Failure to provide a comprehensive response could negatively affect a proposal's overall viability ranking.

#### **5.1.4. Credit/Collateral Requirements**

The CET will analyze each proposal to assess potential credit risks and attendant collateral requirements. The CET's evaluation seeks to assure that the credit quality of Bidder (or, if different, Seller), when considered in light of its RFP proposal(s), complies with Entergy's corporate risk management standards and that any associated requirements for collateral or security to protect EAI's interest in connection with a Definitive Agreement arising out of Bidder's proposal are identified. Subject to the proposal satisfying the Credit Assessment Preliminary Shortlist Requirements set forth in Section 2.3 above, the CET will not reject a proposal from consideration solely on the basis of credit. Appendix E contains additional information about the credit evaluation process and the credit requirements for this RFP.

#### **5.2. Notification of Evaluation Results and Commercial Negotiations**

After the completion of Phase II, the RFP Administrator will communicate to each Bidder the status of its proposal(s) and whether additional discussions or negotiations are warranted. As noted, EAI expects to negotiate the final terms of a Definitive Agreement with Bidder(s) on the Primary Selection List, and may negotiate such terms with Bidder(s) on the Secondary Selection List. Proposals not making either list will be considered rejected. A Bidder with a proposal on the Secondary Selection List will be released from its proposal three (3) months after notification of the proposal's placement on the Secondary Selection List, unless Bidder has been invited to negotiate the terms of a Definitive Agreement under this RFP based on that proposal.

Placement of a proposal on the Preliminary Shortlist, the Primary Selection List, the Secondary Selection List, or any other list in connection with this RFP does not constitute or indicate acceptance by EAI of any proposal, any term thereof, or any related contract term. Without limiting Appendix F, EAI (i) has no obligation, and makes no commitment, of any kind, to enter into a Transaction with any Bidder, including a Bidder with a proposal on the Primary Selection List, or to be bound by any term proposed by Bidder, and (ii) more generally, has no obligation or liability with

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

respect to a Transaction or arising out of this RFP except as may be expressly set forth in a Definitive Agreement or a provision binding upon EAI in an LOI (defined below).

As indicated in Appendix E, Bidder (or its designee) may be required to enter into a Letter of Intent (the "LOI") with EAI with respect to the proposed Transaction pending the negotiation and execution of the Definitive Agreement. Upon execution of the LOI, Seller will be required to provide a letter of credit meeting the requirements set forth in Appendix E in the amount of \$2,000,000.00 (and up to \$7,000,000.00 in the event the material and information provided in Bidder's response to Appendix D failed to meet the Minimum Requirements set forth in Appendix D).

## **6. MISCELLANEOUS RFP MATTERS**

### **6.1. Contact with EAI and RFP Questions**

#### Authorized Bidder Communications Channels

The following communication restrictions will become effective on May 5, 2014, and will continue through Bidder notification of the creation of the Primary Selection List and, if applicable, the Secondary Selection List. Except as otherwise expressly provided in this RFP, all communications, including questions, regarding this RFP must be submitted in writing to the RFP Administrator. The IM will obtain and review all written communications between EAI and Bidders. The IM may comment on responses proposed by EAI prior to issuance, and EAI's responses may reflect input from the IM. Any contact or communication concerning this RFP (i) between Bidders, or representatives of Bidders, on the one hand, and personnel or employees of EAI other than the RFP Administrator, on the other hand, or (ii) between different Bidders, or representatives of different Bidders, made without the specific, prior written consent of the RFP Administrator after consultation with the IM is not allowed and is grounds for disqualification of the non-compliant Bidder(s). Bidders are, of course, permitted to communicate internally to their organizations and to their representatives with regard to this RFP as necessary.

Without limiting, and subject to, the previous paragraph, Bidders may not, without the prior consent of EAI, disclose to any other Person their participation in the RFP process or disclose, collaborate on or discuss with any other Person bidding strategies or the substance of proposals, including, without limitation, the price or any other terms or conditions of any contemplated, indicative or final proposal. Such disclosures, collaborations, or discussions would violate the terms of this RFP and the Proposal Submission Agreement and may result in Bidder's proposal(s) being rejected. For clarity, disclosures to the IM, the RFP Administrator, or other Persons participating in the same proposal, as described in Section 6.2 below, are generally permitted, and attendance by Bidder, or a representative of Bidder, at any meeting organized by EAI and to which EAI invites one or more participants is not a disclosure that violates the terms of this RFP.

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

### Submission and Posting of RFP Questions

Bidders and other interested Persons are encouraged to submit questions about this RFP, including, without limitation, the Term Sheets, to the RFP Administrator (using the contact information provided above in Section 1.5). Alternatively, Bidder may submit questions to the IM (using the contact information provided in Section 1.6). All questions regarding this RFP must be submitted in writing. Interested Persons are requested to submit questions as promptly as possible to ensure the timely receipt of EAI's response. EAI requests that all questions be submitted to the RFP Administrator or the IM by no later one week prior to the start of the Proposal Submission Period.

Subject to EAI's consideration of the confidentiality concerns described in the next two paragraphs, EAI intends to post all questions submitted by Bidders, as well as EAI's responses to those questions, on the 2014 EAI RFP Website, subject to IM review. All questions will be posted anonymously, to shield the identity of Bidders who posed the questions. EAI's objective in posting questions and answers is to afford Bidders equal access to information potentially relevant to their proposals. Bidders are urged to submit RFP questions to EAI as early as possible, in consideration of the proposal submission deadlines. EAI expects to provide answers only to questions posed during the Proposal Submission Period that are specific to an actual proposal submission issue (and such answers may or may not be posted to the 2014 EAI RFP Website).

### Questions Involving Confidential Information

Bidders should frame their questions, if possible, so that the answers do not require the disclosure of information that is confidential to EAI or its Affiliates. If EAI receives a question that calls for, in its opinion, an answer that would contain such confidential information and the provision of such confidential information is necessary and appropriate for EAI's response, then EAI will notify the IM and will respond to the question in writing, via certified mail, but only if Bidder posing the question has executed and returned to EAI a confidentiality agreement in form and substance acceptable to EAI.

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

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

containing confidential Bidder information that are submitted timely will be answered by EAI by electronic mail or express mail sent to Bidder.

## **6.2. Multi-Person Bids**

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

## **6.3 Return of Information**

Proposals and any correspondence or other material (including electronic material) provided to EAI in connection with this RFP will not be returned to Bidders. At the conclusion of the RFP process (including regulatory review of any Transaction entered into as a result of this RFP), all proposals will be either destroyed or archived by EAI in accordance with internal policies governing the storage and retention of records.

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