

2021 EAL Renewables RFP Q&A

Q- 1 (8/10/21) Is there a typo or another reason for the difference in eligibility between the Arkansas and Texas RFP? From the current Entergy Texas RFP:

1.9. Eligible Resources Generation resources that (i) will produce its energy output from an Eligible Technology, (ii) have an existing generator interconnect agreement with MISO or are included and remain in the 2019, 2020, or 2021 MISO DPP Queue, (iii) are new-build generation resources, (iv) will interconnect directly to the Texas region of MISO South, (v) are single resources, (vi) are not and will not be part of a shared facility-type structure or arrangement, and (vii) meet the other criteria for participation in this RFP are “Eligible Resources.” (As of the RFP issuance date, the generation interconnection application deadline for a resource to be eligible for inclusion in the 2021 MISO DPP Queue is July 22, 2021.) 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. No Bidder may condition the effectiveness of any proposal it submits into this RFP on ETI’s selection of one or more other proposals from Bidder or any Affiliate of Bidder, excluding permitted proposals for battery energy storage and operation and maintenance, which by the terms of this RFP are conditioned on the selection of the Solar PV proposal to which they relate.

From the current Entergy Arkansas RFP – Notice of Intent and RFP Threshold Requirements

Bidders in the RFP would be permitted to submit proposals for eligible Solar PV or Wind resources that have a fully executed Generator Interconnection Agreement (“GIA”) with EAL and MISO or are active in the MISO Definitive Planning Phase (“DPP”) 2020 Cycle studies or an earlier DPP study. Wind resources in SPP would be required to have a fully executed GIA with SPP or be active in the SPP 2020 Definitive Interconnection System Impact Study (“DISIS”) Cluster Study or an earlier DISIS study. Resources that are not included in any of these DPP or DISIS studies and lack an executed GIA would be ineligible to participate in the RFP. The guaranteed substantial completion date for a B-O-T transaction and the guaranteed commercial operation date for a PPA transaction (both of which may be extended for qualifying force majeure events) would be no later than October 31, 2025. Any resource location or RFP schedule question should be directed to the Bid Event Coordinator (see the final paragraph below).

A-1 The 2021 EAL Renewables RFP language is correct as is. As stated in Table 1 (Threshold Requirements) of the Main Body, for solar BOT transactions, wind BOT transactions, and solar PPA transactions, the developmental or existing resource must have an executed GIA with MISO or be included in the 2019 or 2020 MISO DPP Queue. Wind PPA resources must have an executed GIA with MISO or SPP or be included in the 2019 or 2020 MISO DPP Queue or the 2019 or 2020 SPP DISIS Queue.

Q-2 (8/10/21) Are you accepting wind development projects in LRZ 9? Or only in LRZ 8?

A-2 As stated in Table 1 (Threshold Requirements) of the Main Body, for both solar and wind BOT transactions and for solar PPA transactions, the proposed Facility is required to be located in the state of Arkansas and interconnected directly to the MISO transmission system in local resource zone (LRZ) 8 of MISO South. For wind PPA transactions (whether involving a new-build or an existing generation resource), the proposed Facility is required to be located in MISO or SPP with deliverability to EAL’s load in LRZ 8 of MISO South.

Q-3 (8/10/21) Would you be able to elaborate on what the EAI Load Node is and if there is historic pricing available at this node for analysis?

A-3 The name of the EAL Load Node is “EAI.EAILD”. Historical pricing for this node is available in the Market Reports found on MISO’s website at www.misoenergy.org.

Q-4 (8/10/21) Additionally, in your 2016 RFP Q&A it was mentioned that you may consider settling to another node if it is on EAI transmission, given that a detailed congestion cost analysis is performed between the proposed financial delivery point and the EAI Load Node. Is this also the case for the 2021 RFP?

A-4 No, it is not. For the 2021 EAL Renewables RFP, energy deliveries under any PPA are required to settle at the EAL Load Node (EAL.EAILD).

Q-5 (8/11/21) 2020 MISO South DPP1 result is being delayed, given the situation, is there possibility of postponement on the already announced RFP schedule?

A-5 EAL does not expect that the 2020 MISO South DPP I study delay will result in any delay in the 2021 EAL Renewables RFP. As noted in the response to Q-1 above, the RFP requirement for any proposed resource without a GIA is that the resource be in one of the specified MISO or SPP queues (not that the results of any particular study be known or definitive).

Q-6 (8/11/21) We noticed the Entergy RFP specifications exclude CATL from battery vendors, is this purposeful or would Entergy entertain CATL as an approved supplier? CATL is one of our main approved suppliers, this is the reasoning behind the vendor allowance request.

A-6 After considering your question, CATL has been determined to be an approved supplier of the optional battery energy storage systems contemplated by the 2021 EAL Renewables RFP.

Q-7 (8/11/21) Entergy mentioned that they will not allow Fixed Tilt projects, we have found that many suppliers will not substantiate warranties for projects that require a Cat III risk build standard in these areas. We have found fixed tilt is the best solution to accommodate the Cat III Risk Standard and required racking guarantees.

A-7 For a variety of reasons, the 2021 EAL Renewables RFP is not soliciting proposals for fixed tilt solar projects.

Q-8 (8/11/21) Would Entergy be amenable to a Cat II Risk build standard, this is the prescribed risk standard [REDACTED] uses for its [REDACTED] fleet and we recognize the topology and risk synergies that Entergy must consider? [REDACTED] has found this build standard optimizes the risk the value of the level cost of energy delivered, but we recognize and respect that each state and each company must operate under its own standards.

A-8 EAL reaffirms that a requirement of the RFP is that developmental resources, regardless of technology or location, must be designed to a standard equivalent to or greater than the ASCE 7-16 required wind speed of Risk Category III. Existing resources, regardless of technology or location, are not required to have been built to the ASCE 7-16 Risk Category III wind speed (or equivalent) standard; however, EAL's preference for resources built to the Category III or better standard will be considered in the qualitative assessment of proposals submitted in the RFP.

Q-9 (8/11/21) Provided the developer is owning the risk of the project under the PPA construct, will Entergy accept a Cat II build standard for the PPA Submission? From the developer, owner, operator perspective, we are comfortable delivering a project with a Cat II build standard and insuring the project in accordance with financing standards.

A-9 Please see the response to Q-8 above.

Q-10 (8/11/21) We recognize Entergy Louisiana and Entergy Texas are requesting solar projects that are inherently closer to the coastline. Are there any wind speed limit requirements associated with the BOT bid submissions? We did not notice a limit reference in our first review of the bid documents, but any guidance would be greatly appreciated.

A-10 Please see the response to Q-8 above.

Q-11 (8/13/21) MISO is evaluating new seasonal capacity accreditation methods for all generation resources. Will EAL evaluate seasonal capacity accreditation for wind and solar resources in this RFP?

A-11 EAL is aware of MISO's proposed new seasonal capacity accreditation. Without getting into the specifics of EAL's economic evaluation methodology or assumptions, EAL will evaluate the relevant cost and benefits associated with each

proposal received in the RFP, including its capacity, energy, electric and environmental attributes. The models and methodology are reviewed with the Independent Monitor (IM) to ensure fairness and impartiality.

Q-12 (8/13/21) How will EAL establish capacity accreditation for wind and solar resources?

A-12 The resource will be registered with the respective RTO (MISO for solar, MISO or SPP for wind), through each RTO's respective accreditation process.

Q-13 (8/13/21) How will capacity accreditation value for wind and solar resources be scored in the RFP selection process?

A-13 EAL will assess and quantify the capacity value associated with the wind and solar resources offered in the 2021 EAL Renewable RFP.

Q-14 (8/13/21) Can bidders supplement proposals by including capacity purchases through the MISO Annual Planning Reserve Auction?

A-14 The RFP is seeking capacity, energy, other electric products and environmental attributes from a wind or solar generation facility that is fully deliverable to receive capacity credit. EAL is not soliciting MISO Planning Resource Auction (PRA) Zonal Resource Credits (ZRCs) individually in this RFP.

Q-15 (8/18/21) The bottom line item in the RFP schedule says regulatory approval process is expected to be complete in November 2023. Does that mean Entergy prefers COD to be after November 2023?

A-15 As stated in Section 1.6 of the Main Body, existing resources are required to be offered as a PPA with a Guaranteed Delivery Term Commencement Date of June 1, 2024, or June 1, 2025; however, developmental resources offered as a PPA, the applicable Guaranteed Delivery Term Commencement Date is required to be no later than June 1, 2025. A proposal taking exception to the PPA Delivery Term Commencement Dates will be considered non-conforming.

Developmental Resources offered as a BOT must offer a Guaranteed Substantial Completion Date (GSPD) no later than May 31, 2025 unless the Seller accepts a reduction on the Force Majeure Cap on a day-for-day basis for each day between May 31, 2025 and the GSCD offered. As currently drafted, the 150-day period assumes the GSCD at the time of execution of the Definitive Agreement is May 31, 2025. If at the time of execution of the Definitive Agreement the GSCD is earlier than May 31, 2025, the cap on Force Majeure extensions will be increased day-for-day, up to a maximum of thirty (30) additional days. If the GSCD at the time of execution of the Definitive Agreement is later than May 31, 2025, the cap on Force Majeure extensions will be reduced day-for-day until the cap is zero (0) days.

We encourage bidders to review the RFP documents for the requirements of the RFP, including the Model Solar BOT Agreement, Term Sheet for Wind BOT, Model Solar PPA, and Model Wind PPA. The RFP schedule includes target dates for the RFP and are subject to change for a variety of reasons. One example would be if the regulatory approval process is completed earlier or later than November 2023 and the effects that will have on the timing of the start of a PPA or issuance of FNTF for BOTs.

Q-16 (8/18/21) Entergy mentioned that project needs to guarantee a minimum capacity of 50MW for all proposals. To our understanding, wind project in LRZ 8 does not have a modeled Average ELCC % in MISO due to the lack of wind project in the region. How will wind capacity be valued in Entergy's evaluation process?

A-16 The RFP requires all resources have a minimum nameplate capacity of 50 MW for all proposals. Please also see the response to question Q-13.