



Appendix J

***Minimum Requirements
For
Developmental Resources***

For

***2011 Western Region
Request For Proposals
For
Long-Term Supply-Side Resources***

Entergy Services, Inc.
December 9, 2011

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.

**APPENDIX J
MINIMUM REQUIREMENTS FOR DEVELOPMENTAL RESOURCES**

This Appendix J establishes certain minimum requirements that a Developmental Resource must satisfy in order to be assured of continued participation in this RFP (“Minimum Requirements”). The Minimum Requirements are set forth in the chart below, and are in addition to other requirements Bidder must satisfy in this RFP. Meeting the Minimum Requirements does not guarantee that a Developmental Resource will be placed on the Preliminary Shortlist (see Sections 2.3 and 6 of the Main Body). The Minimum Requirements were created to ensure that a Developmental Resource offered in any proposal submitted in response to this RFP is developed to a degree meriting full-scale Phase II evaluation by the Evaluation Teams. Appendix H of this RFP seeks a substantial amount of information about any Developmental Resource proposed by Bidder in this RFP. If Bidder answers each request in Appendix H as required, Bidder will not need to submit any information in response to this Appendix J.

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 as requested in Section 1 of Appendix H, including, but not limited to, the proposed location, site description, technology, design basis, water source(s), fuel source(s), plan for engineering/procurement/construction, and non-standard project components/considerations, as well as a summary of the work completed on each of the Minimum Requirements. Anything provided in the summary should not otherwise limit Bidder’s response to any of the requirements below.
Bidder Experience	Bidder (or Seller a parent or sponsor company) must have completed at least one utility-scale project with the proposed technology and project team members with a combined direct responsibility for at least three completed utility-scale projects,	Bidder must provide a summary that includes the key project team members, Bidder (or parent or sponsor) and key team members’ backgrounds and development experience, and a description or list of projects completed, all as requested in Section 2 of Appendix H.

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	regardless of technology.	
Project Development	Bidder must provide 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 evidence that the project has been translated from the screening and planning phase of development (led to the project design) into a project definition of sufficient detail and quality to allow efficient progression of detailed engineering and procurement if selected, all as requested in Section 3 of Appendix H. ○ <i>Cost Estimate</i>: Bidder must provide evidence that its project cost estimate is based on front-end engineering from a qualified external and/or internal source that supports a +/- 25% cost estimate and, at a minimum, 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; xi) spare parts; xii) escalation; xiii) construction financing costs; xiv) fuel handling and storage equipment; <u>and</u>

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		<p>xv) any other category not listed here and reasonably expected to be included for the proposed technology, all as requested in Section 3 of Appendix H.</p> <p>○ <i>Project Schedule:</i> Bidder must provide a detailed project timeline that supports all aspects of project execution, including development, engineering, financing, procurement, permitting and construction, and project support materials that, along with the information provided in response to Appendix H, demonstrate Bidder's (or Seller's or an Affiliate's) capability to meet the Guaranteed Commercial Operation Date 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.), all as requested in Section 3 of Appendix H.</p>
Site Control	Bidder must show that Seller or an Affiliate under Seller's control) has control of the project site <u>or</u> that it has a binding contract to obtain control of the project site.	Bidder should provide a redacted copy of the definitive agreements or documents establishing the requisite control, as requested in Section 3 of Appendix H.
Fuel Supply & Transportation	Bidder must have a viable plan for fuel supply and transportation capable of meeting the requirements of the corresponding product package.	<p><u>CCGT technology (natural gas fired, as requested in Section 5 of Appendix H)</u></p> <p>○ Bidder must identify all available pipelines that can be interconnected with the project.</p> <p>○ Bidder must provide the minimum design fuel requirements of the</p>

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		<p>resource.</p> <ul style="list-style-type: none"> ○ Bidder must identify the pipeline interconnection(s) that is supported by the project cost estimate, including the pipeline operating pressure and whether any firm transportation capacity is available. ○ Bidder must provide 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 that is supported by the project cost estimate. <p><u><i>Solid fuel technology (fossil fuel, pet coke, nuclear, as requested in Section of 5 in Appendix H)</i></u></p> <ul style="list-style-type: none"> ○ Bidder must identify the source of, and detailed specifications for, the primary and (if applicable) secondary fuel supply required for the technology/design (<i>e.g.</i>, identify the fuel type and source, and provide a typical analysis of fuel specifications). ○ Bidder must demonstrate that an adequate supply of the primary fuel exists to support the life of the proposed resource (<i>e.g.</i>, projected fuel supply availability for the entire Delivery Term or remaining life of unit). ○ Bidder must identify the primary mode of transportation for the primary and (if applicable) secondary fuel supply (<i>e.g.</i>, anticipated quantity of daily deliveries and documentation of carrier capacity). ○ Bidder must provide a description of the fuel storage facility design, including assumptions used to develop storage capacity (<i>e.g.</i>, facility used

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		<p>to store fuel inventory).</p> <ul style="list-style-type: none"> ○ Bidder must specify the capacity of the proposed inventory yard and the target inventory levels for on-site storage. ○ Bidder must provide a description of the design for all fuel handling facilities (including unloading, processing, and delivery) and demonstrate that the designs are sufficient in size and capacity to support plant operations (<i>e.g.</i>, equipment and facilities used to unload, handle and recover fuel from delivery and storage).
Environmental Assessment & Permitting	Bidder must show that due diligence has been completed and action plans established to a level sufficient to support all permitting activities.	<p>As requested in Section 6 of Appendix H:</p> <ul style="list-style-type: none"> ○ 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 a “Phase I” environmental site assessment according to ASTM E1527 <u>or</u> 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 according to ASTM E1527). ○ Bidder must disclose any reasonably anticipated material permitting obstacles and any pending claims, actions or disputes related to permitting activities completed to date.

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		<ul style="list-style-type: none"> ○ For solid fuel Developmental Resource proposals, Bidder must provide a summary of the plan to address potential public and private opposition, conduct community outreach, and seek support of local, regional and state officials with some element of jurisdiction over the project (<i>e.g.</i>, permitting, citing, zoning, property tax, etc.). <p>For CCGT and solid fuel technologies, Bidder must provide a summary of the plan for complying with pending environmental regulations.</p>
Electric Interconnection	Bidder must have submitted a complete application for interconnection of the proposed resource under the LGIP or, if the resource is an Off-System Resource that will not be directly interconnected with the Entergy Transmission System, other applicable interconnection requirements, and (ii) the acceptance letter from the ICT or the third party transmission utility/balancing authority, as applicable, confirming the information in the application for such resource is complete and valid.	<ul style="list-style-type: none"> ○ Bidder must provide a copy of the interconnection application and acceptance letter. ○ If proposing to interconnect to the Entergy Transmission System, Bidder must identify the substation(s) for interconnection of the project. ○ If proposing to interconnect to a control area/balancing authority other than Entergy Electric System or an Entergy Operating Company, Bidder must identify the following: <ul style="list-style-type: none"> » the host control area/balancing authority; » the substation(s) for interconnection of the resource; <u>and</u> » the interface with the Entergy Transmission System at which the resource proposes to deliver all Capacity, energy and Other Electric Products, <p>all as requested in Section 4 of Appendix H.</p>
Water Source	Bidder must have a viable plan for access to adequate and sustainable	Bidder must describe the proposed primary source of plant raw water supply, the physical and contractual requirements necessary to secure and utilize the

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	supplies of water capable of meeting the maximum design requirements of the proposed resource at RFP Summer reference conditions (97 degrees Fahrenheit and 56% Relative Humidity).	water supply, the adequacy and availability of the water supply to meet the generating resource requirements at full load during Summer reference conditions (97 degrees Fahrenheit and 56% Relative Humidity), quality specifications and chemical or physical treatment requirements, and a description of any reasonable available alternatives.
Project Structure & Finance	Bidder must have a viable plan for project structure and financing that is supported by recent experience and/or market intelligence.	<p>As requested in Section 7 of Appendix H:</p> <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 or debt guarantees. ○ Bidder must describe the projected ownership structure prior to, and if proposing a long-term PPA, after the Commercial Operation Date. ○ Bidder must be able to provide evidence of at least one recent successful financing <u>or</u> that potential lenders have been engaged in initial discussions to ascertain interest, market conditions and indicative terms. ○ Bidder must describe how it intends to meet the credit/collateral requirements outlined in Appendix F.

As provided in Appendix F, Bidders who fail to meet one or more of the Minimum Requirements may be required, at ESI's election (in consultation with the IM), to provide, or to have Seller provide, supplemental security (i) as a condition to participation in Phase II of the RFP (as further described in Section 6.4 of the Main Body) and (ii) to support any LOI entered into in connection with this RFP. The security would be separate from, and in the case of clause (ii) above, incremental to, the \$2 million letter of credit required to be posted

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under Appendix F. 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 prior to completing the negotiation of a Definitive Agreement. The amount of the supplemental security would be determined by the CET, with input from the VAT, on a case-by-case basis and would be dependent upon the VAT's 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 this RFP. The proposal(s) of any Bidder that posts the required amount of supplemental security according to the terms of this RFP will be allowed to remain in this RFP.

The supplemental security posted as a condition to participation in this RFP may be replaced with other security upon execution of a Definitive Agreement between Seller and Buyer. If Bidder is required to post the supplemental security pursuant to clause (i) above and (a) is not included on either the Primary Selection List or the Secondary Selection List or (b) is included on the Secondary Selection List but is subsequently released from its proposal as allowed for in this RFP, the supplemental security will be returned to Bidder, subject to and in accordance with the terms of this RFP and the letter of credit. Buyer will have no obligation to return any funds drawn under the letter of credit in accordance with the terms thereof.

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