



2014
Request For Proposals
For
Capacity Credits

~~DRAFT~~

Entergy Services, Inc.
~~March 5,~~ April 9, 2014

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

TABLE OF CONTENTS

- 1. GENERAL INFORMATION 1**
 - 1.1. Introduction 1**
 - 1.2. Included Entergy Operating Companies 1**
 - 1.3. RFP Documents 1**
 - 1.4. 2014 Capacity [Credit](#) RFP Website 2**
 - 1.5. RFP Administrator 2**
- 2. RFP OVERVIEW 3**
 - 2.1. RFP Purpose 3**
 - 2.2. Capacity Credit Planning Year Targets..... 3**
 - 2.3. Eligible Participants 3**
 - 2.4. Summary of Key Purchase Agreement Terms 4**
 - 2.5. Commercial Negotiations 5**
- 3. RFP SCHEDULE 5**
 - 3.1. Schedule..... 5**
 - 3.2. Schedule Implementation and Process Overview 6**
 - 3.3. Modifications of RFP Schedule 6**
- 4. RFP MILESTONES AND PROCESSES..... 6**
 - 4.1. Final RFP Issuance..... 6**
 - 4.2. Technical and Bidders’ Conferences 7**
 - 4.3. Bidder Registration Process 8**
 - 4.4. Proposal Submission 9**
 - 4.5 RFP Hotline 10**
- 5. BIDDER AND PROPOSAL EVALUATION..... 11**
 - 5.1. Overview 11**
 - 5.2. Credit/Collateral Requirements..... 11**
 - 5.3. Economic Evaluation 12**
 - 5.4. Notification of Evaluation Results and Purchase Agreement Execution 12**
- 6. OVERVIEW OF INFORMATION PROTECTION PROCESS..... 12**
 - 6.1. Contact with ESI and RFP Questions 12**

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

6.2. Confidentiality Procedures for Bidder Registration and Proposal Submission Information14

6.3. Affiliate Rules and Codes of Conduct15

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

APPENDICES

| Appendices | Title |
|------------|---|
| Appendix A | Glossary |
| Appendix B | Draft Form of Purchase Agreement |
| Appendix C | Reservation of Rights |
| Appendix D | Credit/Collateral Requirements |

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

2014 REQUEST FOR PROPOSALS FOR CAPACITY CREDITS

1. GENERAL INFORMATION

1.1. Introduction

Entergy Services, Inc. (“ESI”) hereby issues this 2014 Request for Proposals for Capacity Credits (this “RFP”) on behalf of one or more of Entergy Gulf States Louisiana, L.L.C. (“EGSL”), Entergy Louisiana, LLC, (“ELL”), Entergy New Orleans, Inc. (“ENOI”), and Entergy Texas, Inc. (“ETI”, together with EGSL, ELL and ENOI, the “Included Entergy Operating Companies”). This RFP solicits offers for the sale to one or more of the Included Entergy Operating Companies of Capacity Credits issued pursuant to the applicable rules of Midcontinent Independent System Operator, Inc. (“MISO”) for each of the MISO planning years (each, a “Planning Year” and, collectively, “Planning Years”) from June 2016 through May 2021.

1.2. Included Entergy Operating Companies

The Included Entergy Operating Companies provide retail electric service to customers in portions of the states of Louisiana and Texas. Purchases made by one or more of the Included Entergy Operating Companies pursuant to this RFP would be for the benefit of the Included Entergy Operating Companies and their customers.

1.3. RFP Documents

This RFP consists of a Main Body and four appendices. Among other things, the Main Body (i) offers general information pertaining to this RFP, (ii) describes the purpose and drivers of this RFP, identifies the quantity of Capacity Credits targeted for purchase in each Planning Year covered by this RFP, and provides a summary of key terms included in the form purchase agreement attached to this RFP and 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 ESI, and (v) provides an 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.

Appendix B is ~~a draft of~~ the form of the Capacity Credit Purchase Agreement (“Purchase Agreement”) that would apply to any purchase transaction arising out of this RFP.

Appendix C contains an express reservation of ESI’s rights in connection with this RFP; warranty, liability, and contract acceptance disclaimers; terms addressing the disclosure of RFP-related information by ESI, the Included Entergy Operating Companies, and Bidders in this RFP, Bidder’s

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

responsibility for RFP-related costs, and regulatory approvals; and Bidder's deemed acceptance of the rights and terms contained in Appendix C and ESI's and the Included Entergy Operating Companies' reliance upon such acceptance.

Appendix D generally describes the process by which the Credit Evaluation Team ("CET") will analyze Bidder's credit quality and Bidder's proposal(s) to assess potential credit risks and to establish collateral requirements for Sellers/Bidders.

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 Capacity Credit RFP Website

The official website for this RFP is <https://spofossil.entergy.com/ENTRFP/SEND/2014CapacityRFP/Index.htm> (the "2014 Capacity Credit RFP Website"). This RFP and related material and information are posted on the 2014 Capacity Credit RFP Website and available for review. The 2014 Capacity Credit RFP Website will be updated from time to time with additional information related to this RFP. Interested Persons are responsible for monitoring the 2014 Capacity Credit RFP Website to ensure the timely receipt of information about this RFP.

1.5. RFP Administrator

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

The RFP Administrator for this RFP is Ms. Jaime Williamson. The contact information for the RFP Administrator is:

Jaime Williamson
RFP Administrator
Entergy Services, Inc., T-PKWD-3A
10055 Grogans Mill Road, Suite 300
The Woodlands, TX 77380
Email: esirfp@entergy.com

As detailed in Section 6.1 below, all questions, requests, and other inquiries or communications from Bidders to ESI 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 4.5 below.

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

2. RFP OVERVIEW

2.1. RFP Purpose

This RFP is intended to identify opportunities for the Included Entergy Operating Companies to purchase Capacity Credits from reliable suppliers at the lowest reasonable cost for each of the Planning Years from June 2016 through May 2021. This RFP aims to satisfy important planning objectives of the Included Entergy Operating Companies, including:

- Partly satisfying their Capacity Credit needs at the lowest reasonable cost for the five specified Planning Years;
- Mitigating future Capacity Credit price risk; and
- Helping them meet future MISO resource adequacy requirements.

2.2. Capacity Credit Planning Year Targets

The aggregate number of Capacity Credits targeted for purchase in each of the Planning Years from 2016-2017 through 2020-2021 is set forth below:

| <u>Year</u> | <u>Planning Year</u> | <u>Target Capacity Credit Quantity*</u> |
|-------------|-----------------------------|---|
| 1 | June 1, 2016 – May 31, 2017 | 100-500 |
| 2 | June 1, 2017 – May 31, 2018 | 500-1,000 |
| 3 | June 1, 2018 – May 31, 2019 | 500-1,000 |
| 4 | June 1, 2019 – May 31, 2020 | 500-1,000 |
| 5 | June 1, 2020 – May 31, 2021 | 500-1,000. |

* UCAP MW

2.3. Eligible Participants

ESI invites proposals from all interested Persons 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. A “Bidder” in this RFP may not consist of more than one entity. Affiliates of Entergy Corporation, including Entergy Competitive Affiliates, are ineligible to participate in this RFP. Eligible Participants must be able to transfer Capacity Credits to any of the Included Entergy Operating Companies using the MECT or any successor system in accordance with the timing and other requirements of the Purchase Agreement. Without limiting ESI’s rights under Appendix C, otherwise Eligible Participants that do not comply with the terms, conditions, and requirements of this RFP may be determined by ESI to be ineligible to continue to participate in this RFP.

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

2.4. Summary of Key Purchase Agreement Terms

The following summarizes certain basic commercial terms of the Purchase Agreement.

- *Capacity Credit Term* - The minimum number of Planning Years for which Capacity Credits will be purchased and sold under the Purchase Agreement (“Capacity Credit Term”) is one (1) Planning Year. The maximum Capacity Credit Term is five (5) Planning Years. Capacity Credits may be offered for one, more than one, or all of the Planning Years.
- *Contract Quantity* – For any Planning Year, a proposal may offer a minimum of 50 Capacity Credits and no more than the maximum Target Capacity Credit Quantity set forth in Section 2.2 for such Planning Year. ESI prefers proposals offering less than the maximum Target Capacity Credit Quantity for a given Planning Year. Without limiting Appendix C, ESI and the Included Entergy Operating Companies reserve the right to (i) select and enter into Purchase Agreements with multiple Bidders for Capacity Credit purchases in any Planning Year, (ii) select proposals outside of rank order in order to, among other things, diversify the Included Entergy Operating Companies’ committed Capacity Credit supply pool, gain Capacity Credit purchase experience with multiple sellers of Capacity Credits, and/or reduce the Included Entergy Operating Companies’ exposure to counterparty default risk and (iii) select from any Bidder fewer than the offered number of Capacity Credits except to the extent Bidder’s proposal expressly prohibits ESI and the Included Entergy Operating Companies from doing so.
- *Delivery Deadline* – The Contract Quantity for a given Planning Year must be transferred by the earliest of (i) noon central time on the March 1st immediately preceding such Planning Year, (ii) ten (10) Business Days before any MISO deadline applicable to the filing of any MISO resource adequacy plan for such Planning Year, ~~and~~ (iii) ten (10) Business Days before the first day of the MISO incremental capacity auction for such Planning Year and (iv) ten (10) Business Days before any applicable MISO deadline regarding the use of Capacity Credits to satisfy MISO’s resource adequacy requirements.
- *Pricing* – Each Capacity Credit for a given Planning Year will have an associated fixed price expressed in \$/MW-Planning Year.
- *Price Adjustments*
 - An adjustment will be made to the price paid for a Capacity Credit sold under the Purchase Agreement if such Capacity Credit is sourced from a MISO Planning Resource not located within the Local Resource Zone associated with the applicable Included Entergy Operating Company’s load (Zone 9).

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

- Any Capacity Credit sold to Buyer for a particular Planning Year that limits or restricts Buyer's ability to obtain the full benefit of such Capacity Credit for MISO resource adequacy purposes will be deemed not to have been delivered to Buyer and Seller will not be entitled to payment from Buyer for such Capacity Credit.
- *Seller Credit Support* - The Seller of Capacity Credits may be required to provide performance assurance to support its Purchase Agreement commitments to the Included Entergy Operating Company buyer(s). Appendix D provides a general description of processes involved in the determination of the initial performance assurance, if any, that Seller will be required to provide.

The foregoing is not intended, and should not be taken, as an exhaustive list of important commercial terms of the ~~draft~~ Purchase Agreement.

2.5. Commercial Negotiations

ESI will not negotiate any of the terms of the Purchase Agreement posted with the final RFP documents. If a Bidder's proposal in this RFP is selected for execution of a contract, ESI expects to modify the posted Purchase Agreement as it deems appropriate to account for the terms of Bidder's proposal and not to make any other modifications. ESI urges Bidders to review carefully the ~~draft~~[final form](#) Purchase Agreement attached to the Main Body as Appendix B. ~~Any desired change to, or clarification of, any term of the draft Purchase Agreement must be sought by Bidder, in accordance with Sections 4.2 and 6.1 below, on or before March 28, 2014 (under the current RFP Schedule).~~

Bidders should be guided by the terms and conditions in the final form Purchase Agreement (as well as the other terms of this RFP) in formulating their proposals. In the event of any inconsistency between a provision in the [final](#) form Purchase Agreement and any other part of this RFP, including the Main Body, the [final](#) form Purchase Agreement will control. Proposals that take exception to any terms contained in the final form of the Purchase Agreement or are contingent on any "special consideration" or "special exception" will be considered non-conforming and will be eliminated from further consideration.

3. RFP SCHEDULE

3.1. Schedule

The schedule for this RFP ("RFP Schedule"), which is subject to change, is presented below. The RFP Schedule sets out milestone events and dates and is critical for Bidders interested in participating in this RFP. Notice of any change to the then-current RFP Schedule will be posted on the 2014 Capacity [Credit](#) RFP Website.

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

| Activity | Scheduled Date |
|--|---------------------------|
| Draft RFP Documents Issued | March 5, 2014 |
| Technical Conference and Bidders' Conference | March 26, 2014 |
| Comments to Draft Documents Due | March 28, 2014 |
| Final RFP Documents Issued | April 9, 2014 |
| Bidder Registration Period | April 9 to April 14, 2014 |
| Last Date to Pay Bidder Fees | April 22, 2014 |
| Proposal Submission Period | April 29 to May 2, 2014 |
| Bidders Notified of Credit Requirements | May 9, 2014 |
| Bidders Notified of RFP Results | May 28, 2014 |
| Purchase Agreement(s) Executed | June 30, 2014 |
| Regulatory Approvals | April, 2015 |

3.2. Schedule Implementation and Process Overview

As the RFP Schedule indicates, this RFP will use a multi-step process for proposal solicitation, Bidder registration, proposal submission, proposal evaluation, and selection of proposals. The RFP process is described in Sections 4 and 5 below.

3.3. Modifications of RFP Schedule

Without limiting the generality of Appendix C, ESI 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. ESI 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 Capacity [Credit](#) RFP Website.

4. RFP MILESTONES AND PROCESSES

4.1. Final RFP Issuance

~~This is a draft RFP; its terms are subject to change. Beginning On March ~~6~~5, 2014, ESI will accept written feedback on this RFP from interested Persons. Comments from regulatory agencies and other interested Governmental Authorities are encouraged. The anticipated deadline for delivering comments to the RFP Administrator is March 28, 2014 (under the current RFP Schedule). ESI desires to receive all such comments by that date in order for them to be taken into consideration by the time of publication of the final RFP. ESI will issue the final RFP after the Technical Conference and the Bidders' Conference and consideration of timely input on the draft RFP received from potential Bidders, Governmental Authorities and other interested Persons. ESI will make those modifications to the draft RFP documentation that it, in its sole discretion, has determined will enhance or improve this~~

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

~~RFP or are otherwise appropriate. ESI expects to post the final RFP documents to the 2014 Capacity RFP Website on or about~~ issued the initial draft version of this RFP. The initial draft was replaced by the version posted to the 2014 Capacity Credit RFP Website on April 9, 2014. ~~Although~~As previously indicated, ESI does not anticipate changing the content of the RFP documents ~~after the final versions are posted, on April 9, 2014, but~~ it reserves the right, ~~as permitted~~in accordance with Appendix C, to make such changes ~~after the final RFP is posted.~~ Modifications to any of the April 9, 2014 (or subsequent) versions of the RFP documents will be posted to the 2014 Capacity Credit RFP Website.

4.2. Technical and Bidders' Conferences

~~The LPSC Staff has announced its intention to host a technical teleconference/webcast for this RFP ("Technical Conference") on March 26, 2014. Immediately following the Technical Conference, ESI plans to host a Bidders' teleconference/webcast ("Bidders' Conference"). The conferences will be designed to give~~On March 26, 2014, a technical conference and a Bidders' conference occurred (collectively, the "Technical and Bidders' Conferences"). The Technical and Bidders' Conferences gave participants a high-level overview of, and other information concerning, this RFP and related processes; and ~~will be~~ were open to all interested Persons. ESI personnel ~~will be~~ were available at the conferences to answer questions about the Bidder Registration Process, Proposal Submission Process, ~~proposal~~ evaluation process, technical RFP issues, and Purchase Agreement terms and conditions, and to respond to other requests for information about this RFP.

~~All questions regarding this RFP in connection with the Technical Conference and/or the Bidders' Conference should be submitted in writing to the RFP Administrator (using the contact information provided in Section 1.5 above) or, if Bidder wishes to submit questions anonymously, to the LPSC Staff (using the contact information provided in the paragraph immediately following this paragraph). Bidders are strongly encouraged to submit written questions to the RFP Administrator or the LPSC Staff prior to the Technical Conference and the Bidders' Conference. ESI desires to receive all such questions, through the RFP Administrator or the LPSC Staff, prior to the Technical Conference and the Bidders' Conference in order for them to be taken into consideration by the time of the Technical Conference and the Bidders' Conference. ESI will provide written responses to all written questions and, in order to provide all interested Persons ready access to the information elicited, will post the questions and answers on the 2014 Capacity RFP Website. Please refer to Section 6 below for additional information concerning questions about this RFP.~~

~~Bidder should use the following contact information for the LPSC Staff with respect to questions regarding this RFP in connection with the Technical Conference and/or the Bidders' Conference:~~

~~_____ Ann Hill
_____ Louisiana Public Service Commission
_____ P.O. Box 91154
_____ Baton Rouge, Louisiana 70821-9154~~

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

————— Email: ~~Ann.Hill@LA.GOV~~

Logistical information concerning the Technical Conference and Bidders' Conference is provided below:

Time: 1:30—4:30 CPT
Date: ~~March 26, 2014~~
Dial-in Number: 888-446-7584
Dial-In Access Code: 1366812
Webex/Live Meeting: <https://www.webmeeting.att.com>
Meeting Number: ~~888-446-7584~~
Access Code: ~~1366812~~

The first time you use the Web Meeting Service, you will need to download the client software. Web Meeting HELP & Software Downloads can be found at: <https://www.webmeeting.att.com>

~~Bidders are strongly encouraged, but are not required, to participate in the Technical Conference and the Bidders' Conference. ESI may post the [ESI has posted](#) written materials expected to be presented during the conferences to the 2014 Capacity [Credit](#) RFP Website. Bidders are advised that, if posted, those materials may not duplicate all of the information provided at the conferences.~~

~~By no later than March 25, 2014, ESI will request that participants notify the RFP Administrator by electronic mail of the names of all of the individuals representing the participant who plan to participate in the Technical Conference and/or the Bidders' Conference. The notice should specify the name of the participating organization, as well as the name, title, and telephone number(s) of each individual representing the participating organization at the Technical Conference and/or the Bidders' Conference.~~

~~[Responses to questions received following the Technical and Bidders' Conferences are posted on the 2014 Capacity Credit 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 Technical and Bidders' Conference presentations or the responses to questions received during the Technical and Bidders' Conferences posted on the RFP Website or provided verbally, the RFP documents will control.](#)~~

4.3. Bidder Registration Process

In order to be eligible to participate in the solicitation process, each Bidder must complete the Bidder Registration Process, as described in this Section 4.3. Bidder registration is scheduled to begin at 8:00 a.m. CPT on April 9, 2014 and end at 5:00 p.m. CPT on April 14, 2014 (the "Bidder Registration Period").

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

2014 Capacity Credit RFP—~~DRAFT~~

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 Bidder Registration Fees by the deadline for payment of such fees (currently, 5:00 p.m. CPT on April 22, 2014).

To register for this RFP, Bidders will be required to submit a completed “Bidder Registration Form and Questionnaire” 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 Form and Questionnaire by the specified deadline.** The Bidder Registration Form and Questionnaire 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 Signature Page no later than 5:00 p.m. CPT on the third (3rd) Business Day after the last day of the Bidder Registration Period. Only Bidders registered in accordance with this RFP will be permitted to submit proposals.

Following submission of its completed Bidder Registration Form and Questionnaire, Bidder will receive a confirmatory email and be issued a unique Bidder ID. Bidder 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 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 such information.

Bidders are required to pay a Bidder Registration Fee of \$1,000.00 in order to submit a Bidder Registration Form and Questionnaire and be considered for participation in this RFP. ESI will bill Bidder the Bidder Registration Fee within three (3) Business Days after the end of the Bidder Registration Period. Bidder will be required to remit payment of the Bidder Registration 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 Bidder Registration Fee by the payment due date will cause Bidder to become ineligible to participate in this RFP.**

Bidder Registration Fees will not be refunded to Bidders unless ESI cancels or terminates this RFP prior to the selection of proposals for the Primary Selection List and 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 the cancellation or termination of this RFP prior to the selection of proposals for the Primary Selection List and the Secondary Selection List, including, without limitation, if no proposal submitted by any Bidder is selected for the Primary Selection List or Secondary Selection List after ESI has completed its evaluation of proposals, no refund of Bidder’s Bidder Registration Fee will be made.

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

4.4. Proposal Submission

The Proposal Submission Process requires each Bidder to submit to ESI a completed Proposal Submission Template and Proposal Submission Agreement (including executed signature page) as provided herein in order to have its proposals evaluated under this RFP. The period during which a Bidder may submit a completed Proposal Submission Template and Proposal Submission Agreement will begin at 8:00 a.m. CPT on April 29, 2014 and end at 5:00 p.m. CPT on May 2, 2014 (the deadline for submission, the “Required Proposal Submission Time”).

To submit proposals, Bidders must deliver their completed Proposal Submission Template and Proposal Submission Agreement to the RFP Administrator by the Required Proposal Submission Time. Bidders must deliver their complete Proposal Submission Template, in its native Excel form, either 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. The Entergy electronic communications network generally will not accept “zip” (or similar) 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. Bidders should not send, and the RFP Administrator will not accept, paper copies of electronic proposals.

Bidders must execute the Proposal Submission Agreement by handwritten signature. The signature must be made by an officer or other representative of Bidder who is authorized to sign the Proposal Submission Agreement and to submit the tendered proposal(s) on behalf of Bidder. 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 Submission Template and Proposal Submission Agreement, 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.

Bidders will bear the risk of any failure to submit the completed Proposal Submission Template and Proposal Submission Agreement 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 are non-conforming and may be eliminated from consideration.

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

4.5 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. BIDDER AND PROPOSAL EVALUATION

5.1. Overview

The RFP evaluation process consists of two (2) phases. The first phase (“Phase I”) will begin after the Bidder Registration Period. In Phase I, ESI will evaluate the information provided by Bidder in the Bidder Registration Form and Questionnaire. The second phase (“Phase II”) will follow the Proposal Submission Period. In Phase II, proposals will be reviewed and assessed based on their full-in economic cost and the credit support requirements for each Bidder will be established, as described in more detail in Appendix D. A final list setting forth the proposal(s) selected for execution of a Purchase Agreement (the “Primary Selection List”) and the proposal(s) selected for possible execution of a Purchase Agreement (the “Secondary Selection List”) will be created at the end of Phase II. Bidders who did not have a proposal 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 two (2) separate evaluation teams (each an “Evaluation Team”):

- Credit Evaluation Team (CET)
- Economic Evaluation Team (“EET”).

The primary objective of the evaluation process is to select a proposal that meets the requirements of this RFP and the needs of the Included Entergy Operating Companies at the lowest reasonable cost, taking into account risk mitigation and other relevant factors. The evaluation process is designed to facilitate the fair and impartial economic evaluation of all proposals.

The proposal evaluation process will be conducted in a carefully controlled manner, using procedures, methods, evaluation criteria, and assumptions that will be developed prior to the receipt of proposals. ESI will document key assumptions and model constructs before the receipt of proposals. *However, the Evaluation Teams will retain full discretion to use the evaluation methods and assumptions they consider appropriate to identify those proposals that best meet the needs of the Included Entergy Operating Companies and the requirements and objectives of this RFP.*

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

5.2. Credit/Collateral Requirements

Following the Bidder Registration Process, the CET will begin its credit assessments for this RFP. The credit evaluation process seeks to assure that the credit quality of Bidder (or, if different, Seller), when considered in light of its RFP proposal(s), complies with ESI's corporate risk management standards and that any associated requirements for collateral or security to protect the interests of the Included Entergy Operating Companies under any Purchase Agreement arising out of Bidder's proposal are identified. Appendix D provides specific information about the credit evaluation process and the credit requirements for this RFP.

5.3. 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 economic evaluation will result in an estimation of the full-in economic cost and benefit to customers of the proposals assessed.

The EET may assess and factor into its evaluation costs, risks and matters 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 evaluation will rely on tools and methods commonly used by ESI and the Included Entergy Operating Companies for planning and resource evaluations.

Without limiting Appendix D or Section 2.4 (Contract Quantity) above, the EET will evaluate the proposals and select the portfolio of proposal(s) that it determines best meet the planning objectives of maintaining the lowest reasonable costs while considering risks and other factors.

5.4. Notification of Evaluation Results and Purchase Agreement Execution

After the completion of Phase II, the RFP Administrator will communicate to each Bidder the status of its proposal. As previously noted, ESI will not negotiate the final terms of a Purchase Agreement with Bidder(s) on the Primary Selection List. Bidders whose Proposals are placed on the Primary Selection List are required to execute the final version of the Purchase Agreement by no later than June 30, 2014 (under the current RFP Schedule), promptly after all applicable internal approvals and consents for the transaction have been obtained by the Included Entergy Operating Company purchaser(s). Proposals not making the Primary Selection List or the Secondary Selection List will be considered rejected.

6. OVERVIEW OF INFORMATION PROTECTION PROCESS

This section details various mechanisms utilized by ESI to protect confidential information provided by Bidders to ESI pursuant to this RFP.

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

6.1. Contact with ESI and RFP Questions

Authorized Bidder Communications Channels

The following communication restrictions will become effective beginning on March 5, 2014 and will continue through Bidder notification of the creation of the Primary Selection List and 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. Any contact or communication concerning this RFP (i) between Bidders, or representatives of Bidders, on the one hand, and personnel or employees of ESI or any of the Included Entergy Operating Companies other than the RFP Administrator or (ii) between different Bidders, or representatives of different Bidders, made without the specific, prior written consent of the RFP Administrator 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 ESI, 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 RFP Administrator are generally permitted and attendance by Bidder, or a representative of Bidder, at any meeting organized by ESI and to which ESI invites one or more participants is not a disclosure that violates the terms of this RFP.

Posting of Questions

Subject to ESI's consideration of the confidentiality concerns described in the next two paragraphs, ESI intends to post all questions submitted by Bidders, as well as ESI's responses to those questions, on the 2014 Capacity [Credit](#) RFP Website. All questions will be posted anonymously, to shield the identity of Bidders who posed the questions. ESI'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 ESI as early as possible, in consideration of the proposal submission deadlines. ESI 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 Capacity [Credit](#) 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 ESI, any of the Entergy Operating Companies, or their

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

Affiliates. If ESI 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 ESI's response, then ESI will respond to the question in writing, via certified mail, but only if Bidder posing the question has executed and returned to ESI a confidentiality agreement in form and substance acceptable to ESI.

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 ESI can determine whether Bidder's question requires the disclosure, either by Bidder or by ESI, of Bidder's confidential information, or whether such disclosure is unnecessary or can be avoided. If ESI determines that the disclosure of confidential Bidder information is necessary and appropriate, ESI will execute a confidentiality agreement acceptable to ESI so that the question may be submitted. Questions containing confidential Bidder information that are submitted timely will be answered by ESI by electronic mail or express mail sent to Bidder.

6.2. Confidentiality Procedures for Bidder Registration and Proposal Submission Information

ESI has procedures that its employees, agents, and consultants participating in the evaluation of proposals will be required to follow in order to protect the confidentiality of Bidder information provided in response to this RFP. These procedures are designed and used so that information will be disclosed to the evaluation teams only to the extent necessary for resource evaluation and to other employees, agents and consultants of ESI or its Affiliates only to the extent necessary for them to perform their functions related to this RFP.

All Persons having access to Bidder's confidential information in connection with this RFP will be contractually and/or professionally bound to protect that confidential information and to use it for no other purpose besides activities related to the resource evaluation process or the 2014 Capacity [Credit](#) RFP process. Notwithstanding the foregoing or anything to the contrary in this RFP, ESI and its Affiliates will have no, and expressly disclaim any, liability to a Bidder for losses or damages of any kind resulting from any disclosure of any Bidder or proposal information.

Proposals or other information or correspondence submitted in response to this RFP will not be returned to Bidders. At the conclusion of this RFP process (including regulatory review of any transactions resulting from this RFP), except as otherwise provided in any confidentiality agreement entered into between ESI and Bidder, all proposals will be either destroyed or archived by ESI, subject

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

to the procedures described in this section providing for the treatment of such proposals as confidential and any applicable Codes of Conduct.

All information contained in a proposal (i) may be required to be disclosed by ESI or any Included Entergy Operating Company pursuant to any applicable law, rule, or regulation or in any legal proceeding involving ESI or any of its Affiliates and (ii) may be subject to review by one or more of the regulatory commissions, including their staffs, having jurisdiction over ESI and/or any of the Included Entergy Operating Companies, in connection with any regulatory proceeding involving ESI or any of the Included Entergy Operating Companies, or by any other Governmental Authority with jurisdiction over ESI, any of the Included Entergy Operating Companies or any Affiliate thereof over any matter related to this RFP, and may be subject to legal discovery or disclosure. By submitting a proposal in response to this RFP, Bidder agrees to allow ESI to use any of the information contained in the proposal as information, testimony or evidence in any proceeding before any such regulatory commission or other Governmental Authority and to disclose any of such information when required to do so as described above; provided, however, that in the event such information is to be so disclosed and it concerns pricing, ESI will use its reasonable efforts to obtain from the regulatory commission or other Governmental Authority to whom such disclosure is being made, a confidentiality agreement, protective order or other mechanism to protect the confidentiality of such information and to limit its dissemination. ESI can provide no assurance of the outcome of any attempt to obtain a confidentiality agreement, protective order or other mechanism. In addition, ESI advises Bidders that interveners, including merchant generators, in prior regulatory proceedings have sought access to confidential Bidder information about potential resource acquisitions in proceedings relating to previous RFPs or in which ESI and/or one or more of the Included Entergy Operating Companies have been involved, and similar requests for access could be made in proceedings relating to this RFP.

6.3. Affiliate Rules and Codes of Conduct

All employees of ESI, any Entergy Operating Company, or any Entergy Competitive Affiliate must adhere to the Affiliate Rules and Codes of Conduct as applicable. A link providing access to complete copies of the Affiliate Rules and Codes of Conduct is available at the 2014 Capacity [Credit](#) RFP Website.

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

Document comparison by Workshare Compare on Wednesday, April 09, 2014
5:04:05 PM

| Input: | |
|---------------|--|
| Document 1 ID | file://C:\Users\jpietra\Documents\RFPs\Capacity\Final Documents\Initial Posting\RFP Main Body_Final_Revised (2).docx |
| Description | RFP Main Body_Final_Revised (2) |
| Document 2 ID | file://C:\Users\jpietra\Documents\RFPs\Capacity\Final Documents\Final Versions\RFP Main Body_FINAL.docx |
| Description | RFP Main Body_FINAL |
| Rendering set | Standard |

| Legend: | |
|---------------------------|--|
| Insertion | |
| Deletion | |
| Moved from | |
| <u>Moved to</u> | |
| Style change | |
| Format change | |
| Moved deletion | |
| Inserted cell | |
| Deleted cell | |
| Moved cell | |
| Split/Merged cell | |
| Padding cell | |

| Statistics: | |
|----------------|-------|
| | Count |
| Insertions | 33 |
| Deletions | 54 |
| Moved from | 2 |
| Moved to | 2 |
| Style change | 0 |
| Format changed | 0 |
| Total changes | 91 |