

**2015 REQUEST FOR PROPOSALS FOR
LONG-TERM COMBINED-CYCLE GAS TURBINE
DEVELOPMENTAL CAPACITY AND ENERGY
RESOURCES AND LIMITED-TERM CAPACITY AND
ENERGY RESOURCES FOR ENTERGY TEXAS, INC.**

Bidders Teleconference/Webcast

MAY 27, 2015



TELECONFERENCE INTRODUCTION

- Purpose of the Teleconference
 - To give participants a high level overview of the 2015 Request for Proposals for Long-Term Combined-Cycle Gas Turbine Developmental Capacity and Energy Resources and Limited-Term Capacity and Energy Resources for Entergy Texas, Inc. (2015 ETI RFP or RFP) and related processes
- Questions
 - Please submit all questions in writing to the RFP Administrator and the Independent Monitor through email at etirfp@entergy.com and waynejoliver@aol.com to ensure an accurate record of each question posted
 - After the teleconference, ESI will post questions asked during the conference and definitive responses to those questions on the 2015 ETI RFP Website
 - To the extent that posted response differs from the oral response given during the conference, the written response will control
- Administrative
 - All phones must be on mute
 - Please do NOT place your phone on hold
 - Email the RFP Administrator at etirfp@entergy.com with any technical issues or questions
 - To the extent there are any inconsistencies between the information provided in this presentation and the requirements identified in the RFP materials, the RFP materials shall govern

AGENDA

- Introductions
- Independent Monitor Comments – Wayne Oliver
- 2015 ETI RFP Overview
- RFP Evaluation
- Break
- Q&A Session

INTRODUCTIONS

- Entergy Presenters
 - Misty Harris Project Manager
 - Chris Stout RFP Administrator
 - Rene Broussard Wholesale Executive-Procurement & Asset Optimization
 - Daniel Boratko Analyst, Supply Planning & Analysis
 - Mark Seaman Financial Analyst
 - Thomas Kidd Sr. Lead Accountant

- Independent Monitor
 - Wayne Oliver Merrimack Energy Group Inc.

**INDEPENDENT MONITOR COMMENTS
MERRIMACK ENERGY GROUP INC.**

(WAYNE OLIVER)

2015 ETI RFP OVERVIEW

**TENTATIVE RFP SCHEDULE, BIDDER REGISTRATION
AND PROPOSAL SUBMISSION**

(CHRIS STOUT)

TENTATIVE RFP SCHEDULE

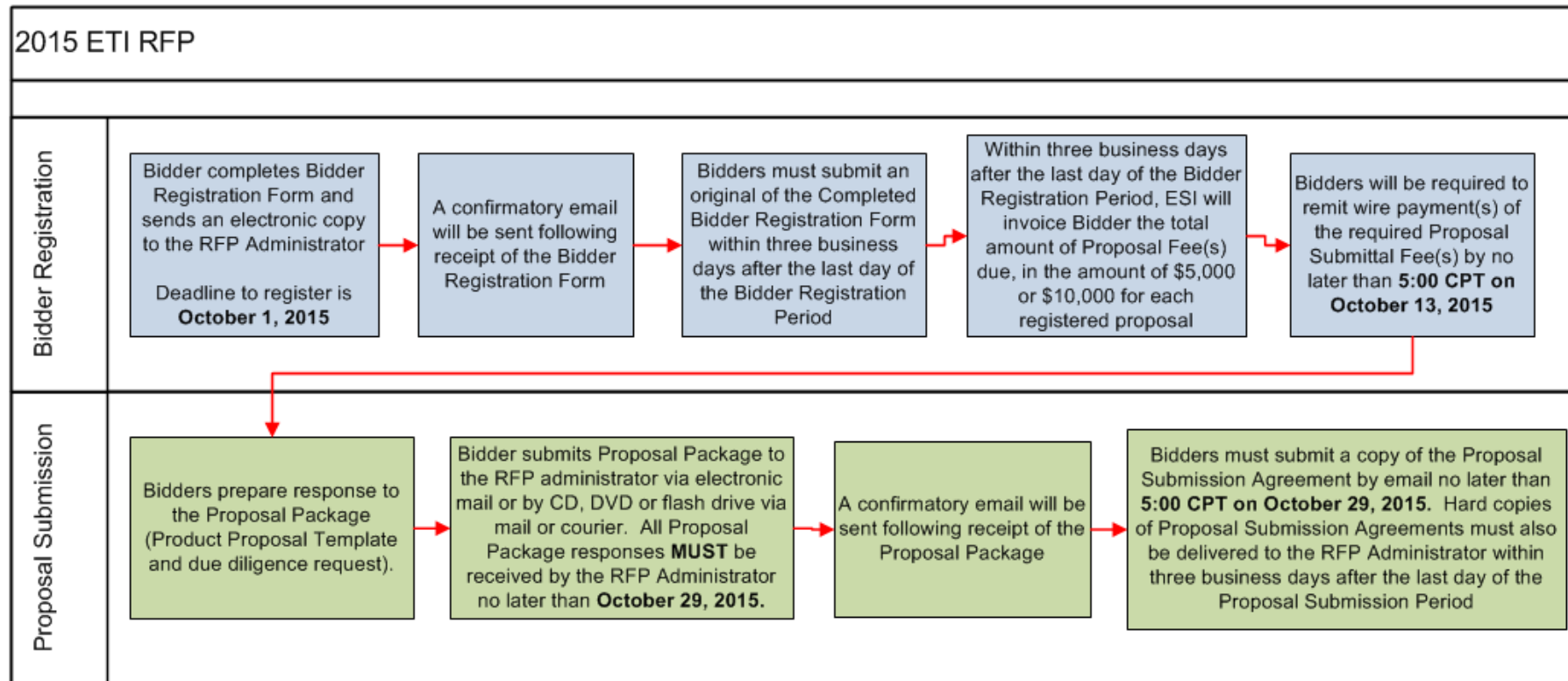
Activity	Target Date*
Final RFP Documents Issued	June 26, 2015
Bidder Registration Period	September 28–October 1, 2015
Final Date for Proposal Fees Payment	October 13, 2015
Proposal Submission Period	October 26–29, 2015
Primary/Secondary Selection Lists Announced	April 28, 2016
Comprehensive Negotiations & Due Diligence (if any) Begin	May 2016
Bidder(s) Remaining on Secondary Selection List Released from Proposals	August 2016
Definitive Agreement (if any) Executed	October 2016
Regulatory Approval Process Complete	As late as April 2018

* All dates and time periods in the schedule are tentative and subject to change

BIDDER REGISTRATION AND PROPOSAL SUBMISSION

- Bidder Registration and Proposal Submission will utilize forms and materials posted to the 2015 ETI RFP Website, including:
 - Bidder Registration Agreement
 - Proposal Package
 - Product Proposal template
 - Due diligence questionnaire/VAT self-assessment
 - Proposal Submission Agreement
- All proposal-related document submissions must be made via courier or e-mail and submitted to ESI in accordance with RFP requirements
 - Subsequent delivery of original executed Bidder Registration Agreement
 - Subsequent delivery of original executed Proposal Submission Agreement
 - Responses to Proposal Submission Template and diligence requests (data limited to 10MB)
 - ESI will not accept paper copies of electronic proposals
- Bidders will be required to pay a fee of \$10,000 per registered proposal for the Long-Term Developmental proposals, and \$5,000 per registered proposal for the Limited-Term Resource proposals.

BIDDER REGISTRATION AND PROPOSAL SUBMISSION



- RFP Hotline
 - The RFP Hotline will be available during Bidder Registration and Proposal Submission Periods to assist Bidders with technical questions regarding either process
- Self-Build Proposal
 - ESI will require that the Proposal Package for the Self-Build Option, including the cost estimate for the Self-Build Option, be submitted to the RFP Administrator and the IM prior to the receipt of proposals from all other Bidders, and no later than 5 p.m. CPT on the Friday before the proposal submission period begins.

* Dates are subject to change

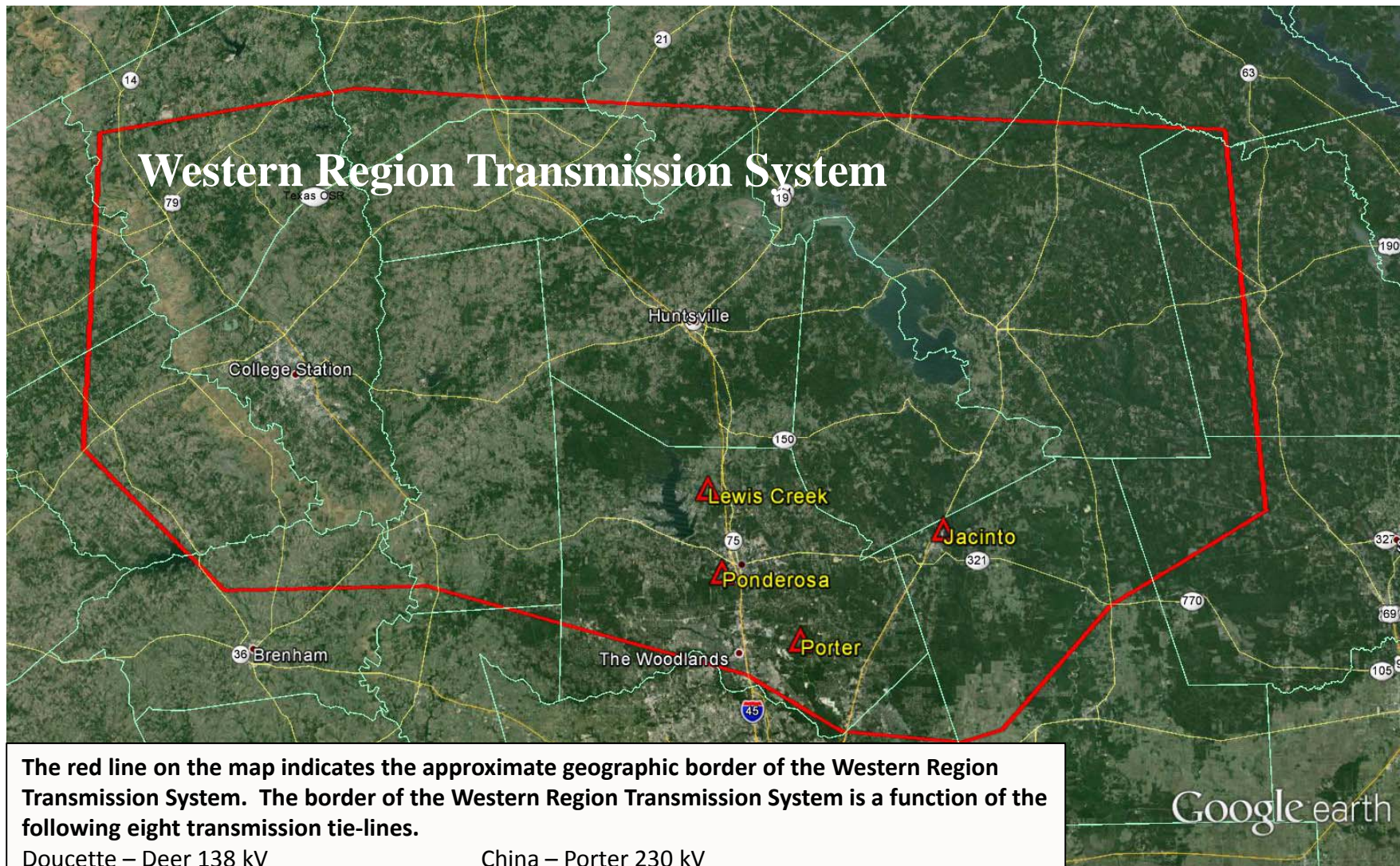
KEY OBJECTIVES AND PARAMETERS OF RFP

(MISTY HARRIS)

OBJECTIVES

- **Overall Portfolio Position**
 - ETI and other System Operating Companies face a large need for additional generating capacity in the coming years.
 - The supply needs are expected to be met by a combination of market purchases and capacity from new-build resources.
- **Supply Conditions in Western Region** (*Long-term Developmental Proposal only*)
 - As load grows, in-region generating resources age, and contracts expire, additional generating capacity is needed in the Western Region to meet resource requirements, maintain reliability and support storm recovery.
- **Local Voltage Stability Conditions in a Portion of the Western Region** (*Long-term Developmental Proposal only*)
 - Meeting NERC Transmission Planning Standards necessitates an expanded transmission and/or generation solution to address long-term local voltage stability issues in the affected region.

REQUIRED LOCATION – WESTERN REGION



PARAMETERS

Scope Item	Long-Term Developmental Capacity and Energy	Limited-Term Capacity and Energy
Target Start Date	On or before June 1, 2021	On or after June 1, 2017, but no later than June 1, 2021 (prefer start date coinciding w/ start of MISO planning yr)
Eligible Resources	Developmental resources only	Developmental and existing resources
Eligible Technology	Commercially-proven ¹ CCGT technology w/ AGC & operating parameters that include a max heat rate of 7,000 Btu/ kWh (HHV) & the ability to operate in base load & load-following roles consistent w/ MISO operating rules for units expected to provide ancillary services	Non-Intermittent resources able to obtain MISO capacity credit are eligible Demand-side management, distributed generation, energy efficiency, system sales and intermittent resources are not eligible
Location	Resource must be located and interconnected to ETI in the Western Region (as defined by Entergy Transmission) that would enable ETI to satisfy local reliability requirements	Resource must be located in MISO South
Capacity Sought (Summer Conditions)	Minimum: 800 MW Maximum: 1,000 MW	Up to 700 MW (prefer flexible dispatchable capacity) Minimum 150 MW per proposal/resource
Product Categories	Acquisition, PPA, or Tolling Agreement (Unit Contingent)	PPA or Tolling Agreement (Unit Contingent)
PPA Delivery Term	10-20 years (PPA and Tolls)	3 - 5 years
Affiliates	Ineligible to participate	Ineligible to participate
Self-Build	Lewis Creek Size - 800-1,000 MW	N/A

¹ Commercially-Proven Technology defined in Draft Minimum Requirements on page 4.

RFP PROPOSAL THRESHOLD REQUIREMENTS

- The RFP documents include threshold requirements , and only the proposals meeting the requirements of the RFP can be assured full consideration
 - Proposals not meeting the threshold requirements are non-conforming and may be eliminated from the RFP
 - Deliverability, viability, and credit threshold requirements as determined by the respective Evaluation Teams

(Illustrative requirements)

Threshold Requirement	Long-Term Developmental Capacity and Energy	Limited-Term Capacity and Energy
Capacity within Min/Max Guidelines	X	X
Commercially-Proven Technology	X	
No Joint Ownership	X	
Interconnection Request filed with MISO on or before the start of the Proposal Submission period targeted for 10/26/2015 ¹	X	X
Certification that proposal does not trigger Capital Lease, VIE, or other balance sheet treatment (Toll/PPA)	X	X
Resource Location	X	X

¹Developmental Resources and Existing Resources that do not meet the interconnection or deliverability requirements for existing resources 15

DESIGN FEATURES AND SUBMISSION OF SELF-BUILD OPTION

- Select resource design features in addition to previously identified RFP parameters within the Draft Minimum Requirements:
 - Evaporative cooling or inlet chilling
 - Duct burners for supplemental firing of HRSGs
 - Control technology for air emissions includes a CO catalyst
 - Heat rejection systems based on a mechanical draft cooling tower
 - Properly sized main condenser and mechanical draft cooling tower, or once through cooling using cooling reservoir
 - Air-cooled combustors
 - 2 x 100% boiler feed pumps on each HRSG; 2 x 100% or 3 x 50% condensate pumps;
2 x 100% air compressors
 - Vacuum pumps for condenser air evacuation
 - Properly sized demineralized water system capacity
 - Specified redundancy of on-site natural gas compressors if needed
 - **Not** included/ **Not** permitted:
 - steam injection for power augmentation
 - single shaft combined-cycle design
 - high-fogging equipment (overspray, wet compression, spray inter-cooling)
- As discussed in more detail earlier in this presentation, the RFP requires the proposal package for Self-Build Option to be submitted before proposal packages from Bidders (no later than 5 p.m. CPT on the Friday before the proposal submission period begins)

COMMERCIAL TERMS
(RENE BROUSSARD)

COMMERCIAL TERMS OVERVIEW

- Draft Minimum Requirements for Developmental Resources are posted on the RFP Website
- Term sheets for PPAs, Tolls and acquisitions will be issued with final RFP documents (June 26, 2015)
 - Term sheets expected to form the basis for any definitive agreement with 3rd party bidder
 - Important for Bidders to familiarize themselves with term sheets before preparing/submitting proposals
 - ETI will not post model contracts, though will provide draft contracts to parties in negotiation
- In proposals, Bidders may identify “special exceptions” to RFP terms/term sheets
 - ETI is under no obligation to agree to any exception
 - Significant requested changes or reservations could affect viability scores or eligibility
- For PPAs and Tolls, ETI will have the right to determine which party is Market Participant. If ETI is not Market Participant, ETI will require access to the MISO portal or access to all necessary operational, transactional, settlement and other data and information to exercise its rights and discharge its obligations in MISO with respect to the transaction

GENERAL COMMERCIAL TERMS FOR PPAS AND TOLLS

Term	<ul style="list-style-type: none"> • Long-Term PPAs and Tolls – 10 - 20 years beginning on or before June 1, 2021 • Limited-Term PPAs and Tolls – 3 – 5 years beginning on or after June 1, 2017 but no later than June 1, 2021
Guaranteed COD (Developmental Resources)	<ul style="list-style-type: none"> • Delay Damages • Capacity re-sizing or buy-downs • Termination rights for extended delays • Multi-prong test for COD • Performance Assurance Requirements
Capacity	<ul style="list-style-type: none"> • Dependable Capacity – ICAP or nameplate of facility • Recognized Capacity – UCAP consistent with MISO – Basis for monthly capacity payment to Seller • Seasonally-shaped payments • Buyer rights to Contract Capacity
Availability Requirements	<ul style="list-style-type: none"> • Commensurate with technology • CCGT – 98% (summer and winter months); 96% (shoulder months) • CT - 99% • Solid Fuel – 90-95% • Rolling 12-Month Availability Requirement (Buyer termination right if less) – 85% (CCGT); 90% (CT); % to be established based on technology (Solid Fuel)

GENERAL COMMERCIAL TERMS FOR PPAs AND TOLLS (CONT.)

Capacity Payment Discounts

- Based on availability of Dependable Capacity
- CCGT, Solid Fuel - 2% discount for each 1% shortfall to monthly availability requirement
- CT – 10% discount for each 1% shortfall to monthly availability requirement
- 1% discount for each 1% shortfall due solely to force majeure

Imbalances

- In general:
 - Transaction, scheduling, imbalance, revenue sufficiency, integration, etc. charges, disallowances, penalties, and costs will be Seller's responsibility
- Imbalances caused by Buyer will be Buyer's responsibility

Heat Rates

- Guaranteed heat rates expected to be consistent with the actual heat rates of the technology being offered

Buyer Conditions Precedent

- Include:
 - Regulatory approvals and consents
 - MISO requirements
 - Fuel supply and transportation (Toll)
 - Network deliverability
 - Transfer of capacity credits

COMMERCIAL TERMS – PRICING COMPONENTS FOR PPAs AND TOLLS

- PPA (Gas Resources)
 - Capacity Rate (\$/kW-year):
 - Fixed (for term or defined annually)
 - Inflation-Adjusted: Base Rate + CPI/PPI escalation (up or down)
 - Floating Energy Price: Average Heat Rate (match term sheet & unit attributes)* Fuel Index + Fuel Adder
 - Fuel Index: Houston Ship Channel
 - Fuel Adder (\$/MWh): Fixed or Bidder provided formula
 - Variable O&M (\$/MWh):
 - Fixed (for term or defined annually) or
 - Base Rate + CPI/PPI Escalation
 - Start Charge:
 - Fixed (for term or defined annually) or
 - Base Rate + CPI/PPI Escalation
 - Start Fuel: Gas Price (\$/MMBtu) * Start Fuel Amount (MMBtu)

- Toll (Gas Resources Only)
 - Capacity Rate (\$/kW-year):
 - Fixed (for term or defined annually)
 - Inflation-Adjusted: Base Rate + CPI/PPI escalation (up or down)
 - Variable O&M (\$/MWh):
 - Fixed (for term or defined annually) or
 - Base Rate + CPI/PPI Escalation
 - Start Charge:
 - Fixed (for term or defined annually) or
 - Base Rate + CPI/PPI Escalation

- PPA (Solid Fuel Resources)
 - Capacity Rate (\$/kW-year):
 - Fixed (for term or defined annually)
 - Inflation-Adjusted: Base Rate + CPI/PPI escalation (up or down)
 - Floating Energy Price: Average Heat Rate (match term sheet & unit attributes)* Fuel Index + Fuel Adder
 - Fuel Index Options: [Coal – PRB, CAPP, Illinois Basin; Pet Coke – US Gulf Coast]
 - Fuel Adder (\$/MWh): Fixed or Bidder provided formula
 - Variable O&M (\$/MWh):
 - Fixed (for term or defined annually) or
 - Base Rate + CPI/PPI Escalation

COMMERCIAL HIGHLIGHTS FOR ACQUISITIONS

- Asset purchase, not stock
- No assumed liabilities for period prior to effective closing date
- Facility performance testing and consequences
- Hart Scott Rodino and Federal Power Act Section 203 approval timing
 - EPC contractor-based approach
 - Open to other structures

NOTE ON COMMERCIAL TERMS

- ESI has not completed its analysis of all of the commercial terms applicable to the RFP (including, for example, determination of the market participant) and thus has not fully developed or finalized its position on all commercial terms
- Partly as a result, this presentation does not cover certain commercial terms that may be important to bidders
- ESI expects any open issues will be resolved by the time the final RFP documents are issued

INTERCONNECTION/DELIVERABILITY

(DANIEL BORATKO)

ELECTRIC INTERCONNECTION/DELIVERABILITY

- Bidder/Seller will be responsible for and bear all the costs associated with the electric interconnection and deliverability of the proposed resource
- Long-Term Combined-Cycle Gas Turbine Developmental Capacity and Energy Resources
 - Resource must have a quantity of ERIS sufficient for the maximum capability of the resource and quantity of NRIS sufficient to allow the resource to receive the maximum capacity credits a resource of its capacity size can receive under MISO rules
 - Transmission service must be long-term MISO network service (NRIS)
 - Bidders must have submitted a complete generator interconnection request for the proposed resource under the MISO Generator Interconnection process on or before the start of the proposal submission period targeted for October 26, 2015
 - Resources must remain in the interconnection queue until the resource is eliminated or interconnection service is obtained
 - These costs must be accounted for in Bidder's pricing
 - Bidders must separately identify, within proposal submission, each of the estimated interconnection and deliverability-related costs included in their proposal to obtain (1) ERIS and (2) NRIS
 - Bidders may update the costs within 90 days after the deadline for proposal submissions
- Limited-Term Capacity and Energy Resources (Developmental Resources and Existing Resources that do not meet the Existing Resources requirements below)
 - Resource must be located in MISO South
 - Otherwise same as above for Long-Term Combined-Cycle Gas Turbine Developmental Capacity and Energy Resources
- Limited-Term Capacity and Energy Resources (Existing Resources)
 - Resource must be located in MISO South
 - Capacity must qualify for MISO capacity credits for purposes of satisfying MISO Resource Adequacy requirements
 - Resource must have a quantity of ERIS sufficient for the maximum capability of the resource
 - Amount of NRIS for resource must either (i) be sufficient to allow resource to receive the maximum capacity credits a resource of its capacity size can receive under MISO rules or (ii) be allocated and prioritized such that the NRIS level associated with the resource capacity under contract to ETI cannot limit the MISO capacity credits that ETI receives for any planning year during the delivery term

RFP EVALUATION

EVALUATION OVERVIEW

(MISTY HARRIS)

EVALUATION OVERVIEW

- The RFP evaluation will seek to identify a proposal that meets ETI's needs and RFP requirements at a reasonable cost, taking into account reliability, risk mitigation, and other relevant factors
- Five RFP Proposal Evaluation Teams will evaluate proposals
 - Economic Evaluation Team (EET)
 - Deliverability Assessment Team (DAT)
 - Viability Assessment Team (VAT)
 - Accounting Evaluation Team (AET)
 - Credit Evaluation Team (CET)
- Proposals will be reviewed and assessed for the following:
 - Economics (Net Supply Cost)
 - Production Cost (Aurora)
 - Transmission/Delivery
 - Viability
 - Credit and Collateral Requirements
 - Accounting Treatment
- ETI reserves the right to make shortlist selections of Bidder(s) proposals
- Process designed to be fair, impartial, and consistently applied

SELECTION PROCESS OVERVIEW

- Primary Selection List
 - Bidder with a proposal on primary selection list may be required to enter into a letter of intent (LOI) to proceed to a definitive agreement
 - Due diligence/finalization and execution of definitive agreement would follow execution of LOI
 - Inclusion on primary selection list is not acceptance of proposal or related contract terms
 - There is no requirement for ETI to place any proposals on primary selection list

- Secondary Selection List
 - Bidder with a proposal on secondary selection list may be invited to negotiate the terms of a contingent LOI and/or definitive agreement or may simply be advised of proposal status
 - Bidder would execute a definitive agreement only if a Bidder on primary selection list is removed from list
 - Bidder must hold open offer for three months after notification of secondary selection

ECONOMIC EVALUATION TEAM

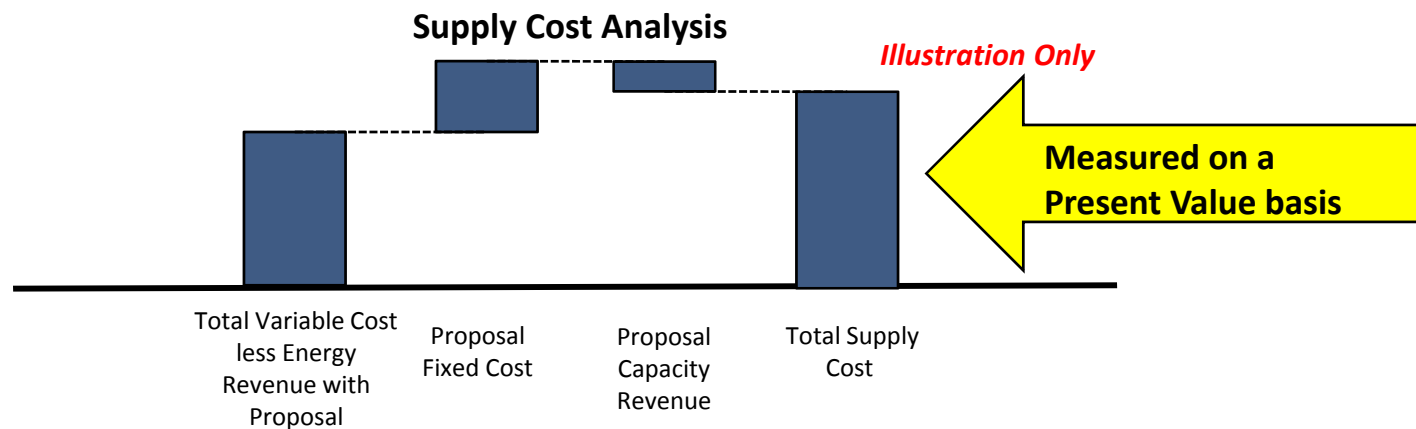
(MARK SEAMAN)

INTRODUCTION

- The Economic Evaluation Team will conduct an economic evaluation of proposals submitted in the RFP to identify the proposal(s) that economically meet(s) ETI's supply needs, considering risk
- The economic evaluation will
 - Identify a proposal(s) (if any) that meet(s) the needs and requirements of ETI, as described in the RFP, at the lowest reasonable cost, considering risk
 - Utilize tools and methods commonly used by Entergy Operating Companies for long-term planning and resource evaluation, including, but not limited to:
 - Supply Cost analysis with results from Aurora production cost modeling
 - Commitment Cost calculation
 - Others as needed
 - Involve additional tools as appropriate to effectively evaluate proposals relative to the objectives of the RFP, including, but not limited to, qualitative considerations
- Long-Term and Limited-Term proposals will be evaluated independently

SUPPLY COST ANALYSIS

- Economics will be assessed from the customers' perspective and will consider all relevant costs
- Economics will be evaluated on a present value of total supply cost basis
- The measurement of total supply cost will rely on projections of total variable cost and energy revenue from the Aurora production cost model, coupled with an assessment of each proposal's fixed costs and capacity revenue, to determine the total supply cost with the addition of the proposal to Entergy's generation portfolio
- The Supply Cost analysis may also include a portfolio evaluation for Limited-Term resources offered into the RFP that will compare Entergy's generation portfolio with multiple proposals



CONSIDERATION OF RISK

- The economic evaluation will consider that projections of total supply cost are uncertain and that proposals may involve greater or lesser levels of risk.
- In order to assess risk, the economic evaluation may rely on various metrics and comparisons, as needed, including but not limited to:
 - Sensitivity analysis
 - The relative variability in total supply costs across sensitivities
 - The level of fixed cost commitment
 - The relative uncertainty of fuel savings compared with fixed cost commitment
 - The projected time to break even (i.e., how quickly projected savings equal fixed cost)

DELIVERABILITY ASSESSMENT TEAM

(DANIEL BORATKO)

DELIVERABILITY ASSESSMENT (LONG-TERM COMBINED-CYCLE GAS TURBINE DEVELOPMENTAL CAPACITY AND ENERGY RESOURCES ONLY)

- The objective of the Deliverability Assessment is to assess transmission/ deliverability considerations associated with a resource offered in a proposal for Long-Term Combined-Cycle Gas Turbine Developmental Capacity and Energy Resources
- Threshold considerations may include, but are not limited to:
 - Resource location - verification that the resource is located in the Western region
 - Electric interconnection - verification that the interconnection application has been submitted
 - Network deliverability - verification that the resource will be eligible for designation as a network resource
- Deliverability Assessment will evaluate the transmission upgrades and costs associated with each proposed resource:
 - ERIS: Assess the sufficiency of the Bidder's ERIS upgrades and cost estimates.
 - NRIS: Review the upgrades and cost estimates included in the proposal to obtain NRIS.
 - Fault Induced Delayed Voltage Recovery (FIDVR): Assess each proposal's impact on satisfying the NERC TPL-001-4 and Entergy's transmission planning criteria by determining any upgrades necessary for the proposal to meet this criteria.
 - Reliability: Evaluate the proposal's ability to meet the Entergy Transmission Planning Reliability standards and determine any necessary upgrades and cost estimates to satisfy these standards.
 - Consolidated Upgrades: Determine the incremental upgrades needed to meet FIDVR target and satisfy reliability standards in conjunction with the Bidder's identified upgrades for obtaining ERIS and NRIS.

VIABILITY ASSESSMENT TEAM

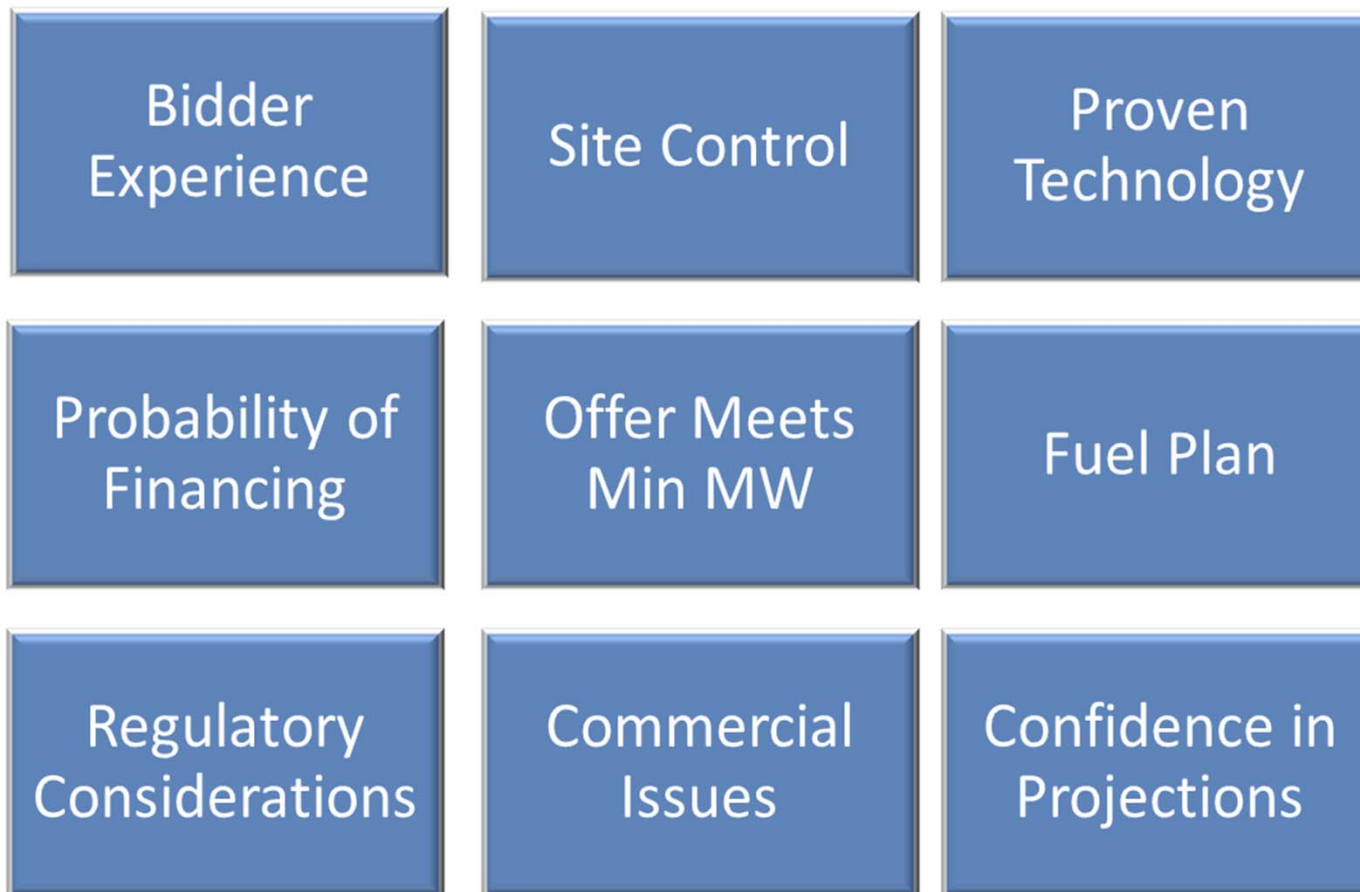
(RENE BROUSSARD)

VIABILITY ASSESSMENT

- In general, the viability assessment will consist of a review and assessment of the non-price attributes of the resources and corresponding proposals submitted in response to the RFP
- A self-assessment form will be posted on the RFP website that bidders will be required to complete
- The VAT will consist of Subject Matter Experts from at least five core areas critical to a thorough assessment of project viability, including:
 - Plant & Equipment/Operations & Maintenance
 - Environmental
 - Fuel Supply & Transportation
 - Commercial
 - Long-Term Planning
- The viability assessment will:
 - Confirm Bidder's project self-assessment
 - Evaluate compliance with minimum requirements and threshold criteria
 - Evaluate proposals based on a list of key attributes associated with each of the focus areas identified for the viability assessment
 - Advise the EET regarding any resource deficiencies so that appropriate steps can be taken to address the deficiencies in the economic evaluation, as necessary
 - Provide a final viability ranking and recommendation
- The VAT will confirm each of the other evaluation teams that a Bidder's proposal meets the minimum requirements and threshold criteria (or notify them of discrepancies)

VIABILITY ASSESSMENT

- The VAT's role includes evaluating elements of the proposals not assessed by the EET, DAT, CET or AET
- Some of these elements are shown below



ACCOUNTING EVALUATION TEAM

(THOMAS KIDD)

ACCOUNTING EVALUATION

- The Accounting Evaluation Team will determine the accounting treatment for each PPA/Toll proposal
 - The Accounting Evaluation Team’s review areas will include, but are not limited to:
 - Whether the proposal contains a lease, and if so, whether the lease is capital or operating (ASC 840 analysis)
 - Whether the legal entity owning the asset is a variable interest entity (VIE), and if so, who will consolidate the VIE throughout the term of the agreement (ASC 810 analysis)
 - Whether the contract is, or includes a derivative, and if so, the appropriate accounting for the derivative (ASC 815 analysis)
 - Other accounting impacts from the proposal
- The current RFP requirements for each PPA/Toll proposal include:
 - ETI will not accept the risk of on-balance sheet accounting
 - The bidder will provide ETI a certification affirming that the contract does not result in on-balance sheet accounting for ETI (To be provided upon proposal submission and annually throughout the term of any definitive agreement)
 - The bidder agrees to make available all information required to verify and/or independently determine the accounting treatment associated with a proposal
 - The bidder must communicate any event or circumstance that triggers on-balance sheet accounting by ETI when they become aware

<p>ETI will not accept the risk of any transfer to its books of any liability/asset associated with any PPA or Toll arising out of the RFP</p>
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CREDIT EVALUATION TEAM

(MISTY HARRIS)

CREDIT EVALUATION

- The Credit Evaluation Team evaluates Bidder's credit and other credit-related matters
- Generally, no Bidder will be excluded or prohibited from participating in the RFP on the basis of credit
- No credit postings will be required of Bidder prior to execution of an LOI with that Bidder
 - Exception: Bidders failing to meet the minimum developmental requirements may be required to post collateral (up to \$5 million) to continue to participate in the RFP
- \$2 million letter of credit (L/C) will be required with any LOI signed between ESI and Bidder/Seller
 - May be higher (up to \$5 million extra) if Bidder still has not met all minimum developmental requirements
 - Form L/C will be attached to the credit appendix to the Main Body of the RFP
- CET/ESI will determine the required amount(s) and form of collateral during negotiation of any definitive agreement
 - Security requirements will be based on, among other things
 - Creditworthiness of bidder or guarantor
 - Entergy credit exposure
 - Construction phase
 - Operation phase
 - Contract tenor and type
 - Other contract/proposal terms; financial environment
- Acceptable forms of collateral may include
 - Parental guaranty, L/C, cash, asset lien, escrow, a credit solution suggested by Bidder/Seller and acceptable to ESI, or any combination of the foregoing

CREDIT EVALUATION

- The CET will assign a Bidder credit rating (or Bidder's credit support provider's credit rating) for all proposals, based on, among other things
 - S&P and Moody's ratings
 - 10K/10Q/8K evaluation
 - If SEC reports unavailable, two years of audited financial statements provided by Bidder
 - Financial statements include balance sheet, income statement and cash flow statement
 - If financial information is consolidated with other entities, all data related solely to the offering entity will be extracted and submitted as separate documents by Bidder
 - Credit-related diligence materials provided by Bidder
- Bidder credit rating/exposure will be discussed with Bidder on Primary or Secondary Selection List
 - Bidders on either list will be invited to discuss Seller's proposed credit rating and the type of credit support Seller will provide to meet the RFP's credit support requirements
- Bidder's credit rating will have no effect on selection of proposals for Primary or Secondary Selection List
- Proposals placed on either selection list are, under certain circumstances, subject to elimination following the RFP and during commercial negotiations on basis of credit

BREAK

Q&A SESSION

ESI requests that Bidders submit all questions regarding this presentation, in writing, to the RFP Administrator at etirfp@entergy.com

Q&A FOLLOW-UP

- Questions received during today's Bidders Conference will be posted to the RFP Website: <https://spofossil.energys.com/ENTRFP/SEND/2015ETIRFP/Index.htm>
- ESI will accept written questions/feedback about the RFP from market participants and other interested parties
- Questions and other comments pertaining to the RFP must be communicated to the RFP Administrator at etirfp@energys.com or to the Independent Monitor at waynejoliver@aol.com