



Appendix C-2

***Preliminary Due Diligence List
(Existing Resources)
For
2015 Request For Proposals
For
Long-Term Combined-Cycle Gas Turbine
Capacity and Energy Resources and
Limited-Term Capacity and Energy
Resources
For
Entergy Texas, Inc.***

Entergy Services, Inc.
June 26, 2015

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PRELIMINARY DUE DILIGENCE LIST (EXISTING RESOURCES)

Bidders who intend to submit a proposal in the Long-Term RFP or the Limited-Term RFP based upon an existing resource must provide a comprehensive response to each question set forth in this Appendix C-2. Bidders should respond to any question that does not apply to the proposed existing resource with an “N/A” or “not applicable.” **Bidders must respond to each question by 5:00 pm CPT on the Proposal Submission Deadline.** Bidders are required to submit their response to the questions below in writing in such a way that clearly identifies the question to which each response pertains, and then provide the response via electronic mail or express delivery to the RFP Administrator.

If selected for the Preliminary Shortlist, Bidder’s complete responses to this Appendix C-2 and more detailed information that may be requested by ETI will be required to be provided to the RFP Administrator no later than one week of the notice and request. Failure to provide a comprehensive response could negatively affect a proposal’s overall viability ranking. Bidders should keep in mind that this Appendix C-2 is not a prescriptive list of requirements for its facility, but instead is a list of items that the RFP evaluation teams will use to assess the viability of individual resources. Any item requested in this Appendix C-2 that is not available, not presently known, or not otherwise provided by Bidder may count against its final viability score, but will not necessarily, in and of itself, cause its proposal to be declared non-conforming..

PRELIMINARY DUE DILIGENCE LIST FOR ALL RESOURCES

The following Sections 1 – 7 apply to all existing resource proposals submitted, regardless of resource type.

1. Resource Overview and Market Experience

- 1.1. Bidder must provide a thorough summary description of the resource, including, but not limited to, the location, site description, nameplate capacity and the capacity of the proposed Facility at Summer Conditions, technology/generating equipment, water source(s), and fuel source(s). Anything provided in the summary should not otherwise limit Bidder’s response to any of the requirements below.
- 1.2. In detail, please describe Bidders experience within MISO or other RTO markets.
- 1.3. Please provide a list and summary of all power supply contracts (including ancillary services).
- 1.4. Please provide a summary of the ownership or joint ownership of the resource.

2. Environmental

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- 2.1. Does your facility have an Environmental Management System in place? If so please describe the system in detail.
- 2.2. Provide a list and summary of any potentially contaminated activities at or nearby the facility/site that may have been identified or that Bidder may be aware of
- 2.3. Provide a list and summary of all environmental permits/registrations, including any federal, state or municipal permits issued related to the facility or site
- 2.4. Describe any pending permit-renewal proceedings, any pending requests for modification, and any expected hurdles to re-issuance
- 2.5. Provide copies of any past or current environmental site assessments, including any draft and final reports of investigations or remediation studies of site or facility conditions, regarding past or current environmental conditions whether prepared on behalf of the owner or in the owner's possession or control
- 2.6. Describe the facility's environmental performance over the past five years (*i.e.*, annual wastewater violations, excess air emissions unrelated to startup and shutdown, reportable spills and releases)
- 2.7. Has the site or facility been evaluated for a change in operations or alteration, including start-up and shut-down emissions and any expansion? If so, state whether any environmental review of the alteration has been undertaken by the owners or requested by or submitted to any government agency. Provide copies of all relevant documents, including any assessment, form, statement, or environmental report, and specify the status of such document(s) and the process
- 2.8. Provide a list of all groundwater monitoring or production wells at the site or facility and provide copies of state registrations for each well. Additionally, provide copies of geological and hydro geological maps that provide details of the soil and groundwater underneath the plant

3. Transmission

Interconnection

- 3.1. Description of interconnection facilities
- 3.2. Maximum generator/facility capability as studied in the generator interconnection agreement (PMAX Value)
- 3.3. Interconnection Agreements
 - 3.3.1. Current status of interconnection agreement including status of any pending interconnection requests (including for ERIS) and any interconnection-related upgrades associated with those requests.
 - 3.3.2. List of mandatory thermal, stability and short circuit upgrades along with cost and time frames to implement the mitigation. (*Based upon facility study, if completed and available.*)

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Network Service

- 3.4. Provide any information available that will help ETI evaluate the ability of the Bidder to qualify the facility (or portion thereof) as a Long-Term Network Resource in MISO
- 3.5. Provide a description and details of any existing NRIS
- 3.6. Provide any details that are available about any past system impact studies or facility studies for NRIS for the facility
- 3.7. Provide details regarding any RTO-sponsored deliverability studies from the facility
- 3.8. Provide details regarding any pending requests for NRIS for the facility
- 3.9. Provide a description of any and all NRIS that will be needed for the facility as well as the timing requirements to secure that service

4. Financial Information

- 4.1. Current ownership structure
- 4.2. List of plant-specific debt instruments; credit agreements, indentures, letters of credit, reimbursement agreements, guarantees, indemnity or assumption agreements and agreements relating to contingent obligations and any amendments thereto; security or pledge agreements and any agreements or instruments evidencing a lien or encumbrance on or other right with respect to any of the assets of the plant.
- 4.3. Financial statements for the past three years for the Bidder and/or the Bidder's Credit Support Provider; including balance sheet, income statement and cash flow along with the long-term debt structure.
- 4.4. Any ratings (if available) from the major ratings agencies, S&P or Moody's.
- 4.5. Lien information that might impact the credit worthiness of the Bidder and/or the Bidder's credit support provider.
- 4.6. A list and summary of any material contracts/commitments not otherwise requested and any amendments thereto.
- 4.7. A list and summary of any pending claims, actions, disputes or other proceedings currently pending or threatened against the resource.
- 4.8. A list and summary of all bankruptcy court orders, including the order discharging the project and debtor from the bankruptcy proceedings

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- 4.9. A list and summary of project contracts not rejected during the bankruptcy proceedings and still in effect, in any
- 4.10. Advise as to whether any project funds are subject to a constructive trust or equitable lien in favor of third parties (per ruling of bankruptcy court)
- 4.11. A list and summary of any pending claims, actions, disputes or other proceedings currently pending or threatened against the project
- 4.12. A list and summary of contracts rejected by the debtor/project and terminated during the bankruptcy proceedings

5. NERC/CIP Compliance

- 5.1. Information on what Regional Transmission Organization this plant was registered with and when
- 5.2. Copy of current NERC/CIP compliance program documents pertaining to facility
- 5.3. Copy of or explanation of any open mitigation plans and associated actions
- 5.4. Copy of last audit report (public version).

6. Plant and Equipment

- 6.1. Summary of property, plant and equipment
- 6.2. Site plan and general arrangement drawings, including fuel and transportation infrastructure, inventory storage (if applicable) and one line diagrams
- 6.3. Station description and major equipment list (*e.g.*, turbines, air pollution control equipment, water supply and wastewater discharge, fuel and ash handling)
- 6.4. Plant design life
- 6.5. Operational characteristics
 - 6.5.1. Provide a description of the various modes of operation of the generating unit.
 - 6.5.2. Provide the minimum and maximum load range in each mode of operation and the limiting factor(s) for each mode.
 - 6.5.3. Provide declared maximum and historical ramp rates over the load range for each mode of operation.
 - 6.5.4. Provide minimum run times and the basis for the established minimum run time.
 - 6.5.5. Provide a typical start-up MW and fuel usage profile versus time for each type of start-up (hot, warm and cold)
 - 6.5.6. Define hot, warm and cold start-up in terms of time off-line.
 - 6.5.7. Provide the typical shutdown time.
 - 6.5.8. Turbine generator ramp rate

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- 6.5.9. Cold start time
- 6.5.10. Hot start time
- 6.5.11. Minimum down time
- 6.5.12. Provide the MVAR capability range of the generator. (Include 'as tested results')
- 6.5.13. Is the unit equipped with automatic generation control (AGC)?
- 6.5.14. What is the operating range of the unit under AGC?

7. Operations and Maintenance

- 7.1. O&M expenses from 2012 to current, by significant category
- 7.2. List the various entities that have been in charge of operation and maintenance of the plant, including any major sub-contractors to date, and provide a timeline if there have been multiple entities.
- 7.3. All electric generating statistics including, but not limited to: (COD – present)
 - 7.3.1. Gross, auxiliary, and net generation and (if applicable) current UCAP (or unforced capacity) and ICAP (or installed capacity) recognized by MISO (or the RTO where the facility is located)
 - 7.3.2. Unit heat rate
 - 7.3.3. Average annual unit heat rate
 - 7.3.4. Actual heat rate curve (at unit minimum, 50%, 75%, unit maximum)
 - 7.3.4.1. Summer months
 - 7.3.4.2. Winter months
 - 7.3.4.3. All other months
 - 7.3.5. Guaranteed Heat Rate Curves (at unit minimum, 50%, 75%, unit maximum)
 - 7.3.5.1. Summer months
 - 7.3.5.2. Winter months
 - 7.3.5.3. All other months
 - 7.3.6. EFOR
 - 7.3.7. Historic outage rates (forced, maintenance, planned, etc.)
 - 7.3.8. Planned outage schedule
 - 7.3.9. History of planned outages major units
 - 7.3.10. Historic service hours
 - 7.3.11. Accredited unit capacity
 - 7.3.12. Derate causes, time, and kWh
 - 7.3.13. Turbine overhaul cycle (year) & outage time (weeks)
- 7.4. Number of boiler and turbine cold and hot starts since COD, and a summary of LTSA limitations per year
- 7.5. Site black start capability
- 7.6. Spinning and operating reserve capabilities and historic performance

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- 7.7. List and summary of all existing operation/maintenance contracts (*e.g.*, operating agreements, LTSA, water contract/rights)
- 7.8. A list and results summary of any boiler, turbine, or unit performance tests
- 7.9. A list of all inspection reports (boilers, turbines, generators)
- 7.10. Capital Projects – describe any major capital expenditures required over the term of the proposed contract.
 - 7.10.1. Provide detailed information on all major capital expenditures (over \$1 million) made on the generating resource over the last three years
 - 7.10.2. Capital work requests and major maintenance expenditures planned
 - 7.10.3. List of all capital projects/commitments contracts, agreements and orders
- 7.11. List of site spares inventory (major components and value)

ADDITIONAL PRELIMINARY DUE DILIGENCE REQUEST FOR SOLID FUEL

The following Section 8 applies to all existing resource proposals submitted from a solid fuel facility.

8. Fuel

- 8.1. Projected fuel and transportation costs (5 years)
- 8.2. Projected consumable, reagent, and catalyst costs
- 8.3. List and summary of all fuel and transportation contracts, including hedges
- 8.4. Storage quantity on site, summarize and inventory restrictions or policies
- 8.5. Does the unit have dual fuel capability? If so, please describe and provide key contractual terms for such fuel arrangements
- 8.6. Describe your recent fuel procurement and transportation strategy for the project as well as your strategy going forward if any revisions are expected.

ADDITIONAL PRELIMINARY DUE DILIGENCE LIST FOR NATURAL GAS RESOURCES

The following Section 9 applies to all existing resource proposals submitted from a natural gas resource.

9. Fuel

- 9.1. Projected Fuel Costs (5 years)
- 9.2. List and summary of all commodity, transportation and storage tariffs and/or agreements
- 9.3. Current pipeline infrastructure, design capacity and contractual arrangements for all pipelines interconnected to the facility
- 9.4. Details (including distance and location) of any other pipeline located near the facility (but not current interconnected)

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