

Appendix A Glossary

for

2020 Request for Proposals for Combined-Cycle Gas Turbine Capacity and Energy Resources

for

Entergy Texas, Inc.

Entergy Services, LLC
April 28, 2020

CONFIDENTIAL

APPENDIX A

GLOSSARY

- "2020 ETI RFP Website" has the meaning given that term in Section 1.4 of the Main Body.
- "Accounting Evaluation Team" or "AET" has the meaning given that term in Section 6.1 of the Main Body.
- "Accounting Officer" has the meaning given that term in Section 6.1.5 of the Main Body.
- "Affiliate" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by," and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities or interests having voting power, by agreement, or otherwise.
- "Affiliate Rules" means rules and regulations promulgated by federal, state, and local regulatory agencies to address interactions between a utility and its affiliates engaged in competitive markets; settlement agreements between an Entergy Operating Company and a regulatory agency to address such interactions; and FERC-ordered standards of conduct to address interactions between transmission function and marketing functions employees.
- "AGC" or "Automatic Generation Control" means a generating unit under automatic dispatch from a system control center.
- "ASC" means the Accounting Standards Codification.
- "<u>Balancing Authority</u>" means the entity that integrates resource plans ahead of time, maintain load-interchange-generation balance within a balancing authority area, and supports interconnection frequency in real time, and is more fully described in the Term Sheets included in the RFP as Appendix B-1 and B-2.
- "Balancing Authority Area" means an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (i) match, at all times, the power output of the generators within such electric power system(s) and the net power purchased from or sold to Persons outside such electric power system(s) with the load within such electric power system(s); (ii) maintain scheduled interchange with other such electric power system(s), within the limits of accepted electrical practices; (iii) maintain the frequency of such electric power system(s) within reasonable limits in accordance with accepted electrical practices; and (iv) provide sufficient generating capacity to maintain operating reserves in accordance with accepted electrical practices.

"Bid Event Coordinator" means the individual identified in Section 1.5 of the Main Body (or any successor to such individual) who, among other things, (i) acts as a liaison between the participants in the RFP and ETI on all RFP-related matters, (ii) ensures that Bidder RFP-related questions that ESL receives are addressed in an appropriate manner, (iii) receives, records, and maintains Bidder proposals throughout the RFP, (iv) works with the IM throughout the RFP, and (v) manages other administrative matters relating to the RFP.

"Bidder" means a Person that submits (or, prior to the applicable due date, intends or expects to submit) a proposal or completes the Bidder Registration Process in response to this RFP, or any group of Persons having a pre-existing contractual relationship, such as co-owners of a resource, that submits jointly (or, prior to the due date, intends or expects to submit jointly) a proposal or completes the Bidder Registration Process in response to this RFP based on such pre-existing contractual relationship. A group of Persons that has jointly developed a proposal pursuant to the procedures set forth in the Main Body may also be a "Bidder."

"Bidder ID" means the unique Bidder identification number assigned to Bidder during the Bidder registration process.

"<u>Bidder Registration Agreement</u>" means the Bidder Registration Agreement described in Section 5.2 of the Main Body that Bidders are required to submit to ESL in order to participate in this RFP.

"Bidder Registration Deadline" has the meaning given that term in Section 5.2 of the Main Body, and as of the date of issuance of the RFP is stated in the RFP Schedule to be June 30, 2020.

"<u>Bidder Registration Period</u>" has the meaning given that term in Section 5.2 of the Main Body , and means the period beginning at the Bidder Registration Start Date and ending at the Bidder Registration Deadline.

"<u>Bidder Registration Process</u>" means the process of filling in and submitting via PowerAdvocate the required documentation for Bidder to register proposals for submission in the RFP.

"Bidders Conference" means the conference relating to this RFP described in Section 5.1 of the Main Body and held on the date for the Bidders Conference set forth in Section 5.1 of the Main Body.

"BOT" has the meaning given that term in Section 2.2.2 of the Main Body.

"Business Day" means any day except Saturday, Sunday, or, with respect to the scheduling, bidding, and/or offering of power, a holiday as defined by the North American Electric Reliability Council or any successor organization thereto or, with respect to payments and all other matters, a holiday observed by Federal Reserve Banks in New York, New York. For notice purposes, a Business Day shall begin at 8:00 a.m. and end at 5:00 p.m. Central Prevailing Time.

"Buyer" means ETI.

"Capacity" means the MW output that the relevant facility is capable, as of a given moment, of producing and making available, taking into account the operating condition of the facility, the facility's auxiliary energy requirements, solar irradiance, temperature and relative humidity conditions, losses, and other relevant factors at such time.

"<u>Capacity-Related Benefits</u>" means any benefit associated with the Contract Capacity, including any ZRCs, other capacity credits, and similar rights and benefits, but excluding Contract Energy, Other Electric Products, and Environmental Attributes.

"Capacity Credits" means ZRCs or (i) if ZRCs are no longer recognized by MISO, such other form of capacity credits or capacity-related benefits that replaces ZRCs and that MISO recognizes for use in the satisfaction of MISO's resource adequacy requirements or (ii) if a Balancing Authority other than MISO is the applicable Balancing Authority, such other form of capacity credits or capacity-related benefits that such Balancing Authority recognizes for use in the satisfaction of its resource adequacy or other similar requirements.

"CCGT" means combined-cycle gas turbine.

"Closing" means the date of the closing of the BOT purchase and sale transaction under a Definitive Agreement.

"Commercially-Proven CCGT Technology" means technology that ESL determines has, as of August 31, 2020 [the due date of Bid Proposal submission], a sufficient amount of operational and performance data and information demonstrating, to ESL's satisfaction, (i) sustained, reliable, and otherwise acceptable performance in the CCGT configuration proposed and (ii) the CCGT technology's suitability for service in the resource's intended roles as an ETI resource (e.g., meeting local voltage support and load-serving responsibilities in a load pocket), as described in Section 1.8 of the Main Body and Appendix D to this RFP.

"<u>CPI</u>" means the Consumer Price Index for All Urban Consumers; US City Average; All Items: Not Seasonally Adjusted (base index year 1982-1984 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics, from time to time.

"CP Node" mean commercial pricing node.

"Contract Capacity" means the amount of Capacity required to be delivered by Seller under a PPA, and which is provided to be the entire MW output that the Facility is capable, as of a given moment, of producing and making available, taking into account the operating condition of the Facility, the Facility's auxiliary energy requirements, solar irradiance, temperature and relative humidity conditions, losses, and other relevant factors at such time.

"Contract Energy" means the Energy to be provided by Seller under a PPA, and which is provided to be the Energy associated with or provided or to be provided from the Contract Capacity.

"Cost Recovery Risks" has the meaning given that term in Section 2.2.1 of the Main Body.

"CPT" or "Central Prevailing Time" means the local time in Houston, Texas.

"Credit Evaluation Team" or "CET" has the meaning given that term in Section 6.1 of the Main Body.

"Credit Support Provider" means any Person that Bidder proposes in a proposal under the RFP as a credit support provider on its behalf or is serving as a credit support provider under a Definitive Agreement, including the Seller parent that provides a parent guaranty.

"CT" mean combustion turbine.

"<u>Definitive Agreement</u>" means a legally binding agreement, mutually executed and delivered by authorized representatives of Buyer and Bidder (or Seller), arising out of a proposal submitted by Bidder in the RFP and setting forth the definitive terms and conditions of a BOT acquisition transaction contemplated by the RFP. For the avoidance of doubt, a "Definitive Agreement" does not include a letter of intent, memorandum of understanding, or any other similar preliminary written agreement or document with respect to the Transaction, or any acceptance, written, oral, or other, of any offer or proposal.

"Definitive Planning Phase" and "DPP" means the final phase of MISO's generator interconnection study process, during which MISO conducts reliability and deliverability studies that determine whether there is available transmission capacity to accommodate the interconnection of a new, proposed generation facility or whether network upgrades are needed. Under this process, MISO conducts a system impact study in each of the three DPP phases to account for project withdrawals and to refine and update its analysis.

"<u>Delivery Term</u>" means the term for deliveries of Contract Capacity, Capacity-Related Benefits, Contract Energy, and Other Electric Products from Seller to Buyer under a Definitive Agreement that is a PPA, and will be a minimum of ten (10) and a maximum of twenty (20) consecutive years.

"Developmental Resource" means a Facility that, as of the date of Bidder's proposal with respect to such Facility and the execution of the Definitive Agreement (if any) in respect of such proposal, (i) (a) has never been placed into commercial service and has not been accepted by its owner as having achieved (or been deemed to have achieved) the requirements for commercial operation (or analogous term) under the applicable project construction contracts or (b) has been and remains removed from commercial service and (ii) will make available and generate the power to be provided to Buyer under the Definitive Agreement from new power generation equipment that meets the requirements of this RFP.

"Eastern Region Transmission System" or "Eastern Region" means the portion of Texas encompassing an area from the Texas/Louisiana state border on the East, the Gulf of Mexico on the South, the ETI planning region known as the "Western Region" on the West, and the

Southwest Power Pool ("SPP") on the North. A map showing the Eastern Region Transmission System is provided in Section 1.2 of the Main Body and in Appendix D to this RFP.

"Economic Evaluation Team" or "EET" has the meaning given that term in Section 6.1 of the Main Body.

"<u>Electric Interconnection Point</u>" means the physical point recognized by MISO as a Commercial Pricing Node at which the Facility interconnects to the host utility's transmission system.

"Eligible Technology" means the generation technology eligible to participate in the RFP (as further described in Section 1.8 of the Main Body).

"Eligible Participants" means Persons eligible to participate in this RFP (as further described in Section 1.7 of the Main Body).

"Eligible Resources" has the meaning given that term in Section 1.9 of the Main Body.

"Energy Resource Interconnection Resource" and "ERIS" means an interconnection service under the MISO Tariff that allows the interconnection customer to connect its generating facility to the MISO transmission system or distribution system, as applicable, to be eligible to deliver the generating facility's electric output using the existing firm and non-firm capacity of the transmission system on an available basis.

"Entergy Competitive Affiliate" means any Affiliate of Entergy Corporation, other than ESL, Entergy Operations, Inc., any of the Entergy Operating Companies, or System Energy Resources, Inc.

"Entergy Operating Companies" or "Operating Companies" means the regulated electric utilities owned, directly or indirectly, by Entergy Corporation. As of the date of this RFP, the Entergy Operating Companies are Entergy Arkansas, LLC., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, LLC., Entergy New Orleans, LLC., and Entergy Texas, Inc.

"Entergy Transmission System" means the interconnected group of transmission lines and substations owned or leased by the Entergy Operating Companies that are used to transfer bulk electricity between supply and delivery points.

"Environmental Attributes" means any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil, or water.

"EPC" has the meaning given that term in Section 1.3 of the Main Body.

"ESL" means Entergy Services, LLC

"ETI" means Entergy Texas, Inc.

"ETI Transmission System" means ETI's Transmission System (as defined according to the MISO Rules) to which the Facility will be physically interconnected.

"Evaluation Team" means the group of individuals responsible for evaluating one or more aspects of the proposals (or specific components thereof) submitted in response to this RFP. Most of the Evaluation Teams will consist primarily of members of SPO and Entergy's Fossil Generation Department. The Evaluation Teams consist of the Economic Evaluation Team, the Transmission Evaluation Team, the Viability Assessment Team, the Accounting Evaluation Team, and the Credit Evaluation Team, all as more particularly described in the Main Body has the meaning given that term in Section 6.1 of the Main Body.

"Facility" means the electric generation facility specified as such in a Bidder proposal.

"FASB" has the meaning given that term in Section 6.1.5 of the Main Body.

"FERC" means the Federal Energy Regulatory Commission, or any successor thereto.

"GIA" has the meaning set forth in Section 2.4.2 of the Main Body.

"Governmental Authority" means any federal, foreign, state, local, or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body, or other authority (including FERC, any electric reliability organization, any market monitor, any independent coordinator of transmission, any Balancing Authority (including any ISO or RTO), and any other transmission provider) exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory, or taxing authority or power; or any court or governmental tribunal.

"HRSG" means a heat recovery steam generator.

"HSR" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"<u>Independent Monitor</u>" or "<u>IM</u>" means Mr. Wayne Oliver of Merrimack Energy Group, Inc., an independent consulting firm retained by ESL to act as independent monitor for this RFP.

"IS <u>Deficient Existing Resource</u>" means an existing resource that has not obtained from MISO, or that MISO has not conditionally granted, the Required ERIS Quantity and the Required NRIS Quantity.

"<u>ISO</u>" means a Person operating a transmission system and determined by the FERC to be an Independent System Operator.

"kW" means kilowatt, a unit of electrical power equal to one thousand watts.

- "<u>kWh</u>" means kilowatt-hour, a basic unit for measuring the flow of electric energy. A kWh is equal to one kilowatt of power supplied continuously for one hour (or the amount of electricity needed to light ten 100-watt light bulbs for one hour).
- "<u>Letter of Intent</u>" or "<u>LOI</u>" means a letter of intent between Buyer and Bidder (or authorized Seller) with respect to a proposal submitted by Bidder pursuant to this RFP and selected by ESL for negotiation of a Definitive Agreement.
- "Long-Term Network Resource" means a generating resource that has qualified for network integration transmission service for one year or longer provided under the MISO OATT.
- "Main Body" means the main document describing this RFP and to which thirteen (13) Appendices (A-I) are attached.
- "Market Participant" means a legal entity certified by MISO to submit bids to purchase energy, submit offers to supply energy and operating reserve, hold financial transmission or auction revenue rights, and conduct other market-related activities under the MISO Tariff
- "Mechanical Completion" has the meaning set forth in Appendix B-4 BOT Term Sheet
- "Minimum Requirements" means the Minimum Requirements that Bidders must satisfy in order for Bidder to be assured that a conforming proposal offering a Developmental Resource will be considered in this RFP.
- "MISO" means Midcontinent Independent System Operator, Inc.
- "MISO Agreement" has the meaning given that term in Section 2.4.3 of the Main Body.
- "MISO OATT" means the Open Access Transmission Tariff of MISO, filed at FERC in compliance with FERC Order Nos. 888 and 890.
- "MISO Rules" means the policies, rules, guidelines, procedures, protocols, standards, criteria, instructions, directives and requirements of MISO, including the MISO Tariff and MISO's Business Practice Manuals.
- "MISO System" means the interconnected group of transmission systems coordinated, controlled, and monitored by MISO.
- "MISO Tariff" means the Open Access Transmission, Energy and Operating Reserve Market Tariff of MISO, filed at FERC.
- "MMBtu" means one million British thermal units.
- "Moody's" means Moody's Investors Service, Inc.

- "MW" means megawatt, a unit of electrical power equal to one million watts or one thousand kilowatts.
- "MWh" means megawatt-hour, a unit of electrical energy equal to one MW delivered for one hour.
- "Network Resource Interconnection Service" and "NRIS" means an interconnection service under the MISO Tariff that allows the interconnection customer to integrate its generating facility with the transmission system in the same manner as for any generating facility being designated as a network resource. NRIS includes any network resource interconnection service established under an agreement with, or the tariff of, a transmission owner prior to the integration into MISO that is determined to be deliverable through the integration deliverability study process.
- "Network Upgrades" and "NU" has the meaning set forth in MISO's standard Generator Interconnection Agreement, and generally means the additions, modifications, and upgrades to the transmission system required at or beyond the point at which the interconnection facilities connect to the transmission system to accommodate the interconnection of the generating facility to the transmission system.
- "O&M" means operation and maintenance.
- "Other Electric Products" or "ancillary services" means reactive power production, reactive power absorption, voltage control, regulation and frequency response, energy balancing, load following, reserves and any other services, capabilities or products (including any ancillary services, but excluding any Capacity Credit or similar right or benefit or Environmental Attribute) available from or associated with Contract Capacity and/or Contract Energy.
- "Person(s)" means any individual, Governmental Authority, corporation, limited liability company, partnership, limited partnership, trust, association, bank, financial institution, fund or other entity.
- "Phase I" has the meaning given that term in Section 6.1 of the Main Body.
- "Phase II" has the meaning given that term in Section 6.1 of the Main Body.
- "Physical Delivery Point" means the Electric Interconnection Point, and is the physical point recognized by MISO as a Commercial Pricing Node at which the Facility interconnects to the host utility's transmission system.
- "PowerAdvocate" means the tool utilized by ESL and Bidder after Bidder Registration for ESL to send RFP updates and documents to Bidder, for Bidder to submit to ESL its Proposal Package(s), and for ESL and Bidder to communicate with each other regarding the RFP.
- "PPA" has the meaning given that term in Section 1.3 of the Main Body.
- The statements contained in this Appendix A are made subject to the Reservation of Rights set forth in Appendix E of this RFP and the terms and acknowledgements set forth in the Proposal Submission Agreement.

- "PPI" means the Producer Price Index for "All commodities WPU00000000," as published by the United States Bureau of Labor Statistics.
- "<u>Primary Selection List</u>" means a final list setting forth the proposal(s) selected for immediate negotiation of Definitive Agreement(s).
- "Products" means the PPA, Toll, asset acquisition products, and BOT asset acquisition solicited by this RFP and described in Section 1.10 of the Main Body and in the Term Sheets.
- "Proposal ID" means the unique proposal identification number assigned to Bidder for each proposal that Bidder registers during the Bidder Registration Process.
- "<u>Proposal Package</u>" means a completed Proposal Submission Template, completed responses to Appendix C, as more fully described in Section 5.3 of the Main Body, and the Proposal Submission Agreement.
- "<u>Proposal Submission Agreement</u>" means the Proposal Submission Agreement that each Bidder is required to execute and deliver to the Bid Event Coordinator as part of the Proposal Submission Process.
- "Proposal Submission Deadline" means 5:00 p.m. CPT on the date specified in the applicable RFP Schedule as the last date for Bidders (other than ETI with respect to the Self-Build Option) to submit Proposal Packages (under the RFP Schedule in effect as of the date of issuance of the RFP, 5:00p.m. CPT on August 27, 2020).
- "Proposal Submission Fee" means the amount paid by Bidder for each proposal registered with ESL for submission and evaluation in this RFP.
- "Proposal Submission Fee Payment Deadline" means the deadline for payment of Proposal Submission Fees as set out in the RFP Schedule (as of the date of issuance of the RFP, 5:00 p.m. CPT on July 10, 2020).
- "<u>Proposal Submission Period</u>" means the period for submission of proposals into the RFP as set out in the RFP Schedule, and which at the date of issuance of the RFP is indicated to be from August 24, 2020, to August 27, 2020 (the date of the Proposal Submission Deadline).
- "Proposal Submission Process" means the Proposal Submission Process set out in Section 5.3 of the Main Body.
- "Published Credit Rating" means, with respect to any Person, on any date of determination, the qualifying public issuer or debt credit rating by S&P or Moody's as applicable, as further described in Appendix F, each as published on such agency's respective Web page. No private or unpublished ratings will be accepted.

"Qualifying Facility" or "QF" means a cogeneration or small power production facility that meets the requirements for qualifying facility status under the Public Utility Regulatory Policies Act of 1978, as amended, and the applicable federal and state implementing regulations.

"<u>RECs</u>" means any and all renewable energy credits, renewable energy or green certificates, green tags, and other fuel, emissions, air quality, or other environmental characteristics, credits, benefits, reductions, offsets, and allowances arising out of any applicable law or out of any voluntary rules, guidelines, or programs, including any such applicable law or voluntary rule, guideline, or program relating to any avoided, reduced, displaced, or off-set emissions of sulfur dioxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), mercury (Hg), soot, particulates, carbon dioxide (CO₂), and any other greenhouse gas (GHG) or pollutant that is now or may in the future be regulated under applicable laws or any voluntary rules, guidelines, or programs.

"Regional Transmission Organization" or "RTO" means any Person that satisfies the characteristics and functions of Regional Transmission Organizations as set forth in 18 C.F.R. 35.34. The RTO is voluntary in each region and may include transmission system owners, wholesale purchasers, and independent power generators.

"Required ERIS Quantity" means a quantity of ERIS sufficient for the maximum generation capability of a given resource.

"Required NRIS Quantity" means a quantity of NRIS that (i) is sufficient to allow the resource to receive the maximum Capacity Credits a resource of its Capacity size can receive under the MISO Rules (for proposals offering the full amount of the Capacity of the resource) or (ii) can and will be allocated and prioritized such that the NRIS level associated with the resource Capacity under contract to ETI cannot limit the amount of MISO Capacity Credits that ETI would receive for any planning period during the Delivery Term (for proposals offering less than the full amount of the Capacity of the resource).

"Resource ID" means the unique resource identification number assigned to Bidder for each generating plant (or portion thereof) that Bidder registers during the Bidder Registration Process.

"RFP" means this 2020 Request for Proposals for Combined-Cycle Gas Turbine Capacity and Energy Resources for Entergy Texas, Inc., dated April 28, 2020 (including all Appendices and other attachments thereto).

"RFP Administration Team" has the meaning given that term in Section 1.5 of the Main Body.

"<u>RFP Schedule</u>" means the schedule of milestones related to this RFP set forth in Section 4.1 of the Main Body, as may be modified by ESL from time to time in accordance with this RFP.

"S&P" means Standard & Poor's Financial Services LLC.

"Scope Book" has the meaning given that term in Section 1.3 of the Main Body and means the document included as the Model Scope Book in the RFP as Appendix B-5.

- "Secondary Selection List" means a final list setting forth the proposal(s) selected for possible negotiation of Definitive Agreement(s).
- "Self-Build Option" means a gas-fired, combined-cycle CCGT self-build facility generally described in this RFP, including Section 3 of the Main Body.
- "Seller" means, with respect to any proposal submitted by Bidder in the RFP, the seller under the Definitive Agreement (if any) with Buyer resulting from such proposal.
- "Seller Parent" means an entity that is a direct or indirect parent of Bidder.
- "Seller Parent Guarantor" means the Seller Parent providing credit support for Seller's obligations under the Definitive Agreement and related agreements.
- "SME" means subject matter expert.
- "Special Considerations" means the specific term(s) set forth or described in the applicable Term Sheet identified by a Bidder to which such Bidder takes exception and provides a reasonably complete and detailed explanation of Bidder's position in the "Special Considerations" section of its proposal.
- "SPO" means Entergy's System Planning & Operations organization.
- "Standalone Network Upgrades" and "SANU" has the meaning set forth in MISO's standard Generator Interconnection Agreement, and generally means the network upgrades that may be constructed without affecting the day-to-day operations of the transmission system during their construction.
- "Start Charge" means the charge, if any, expressed in \$/completed Start-up, payable by Buyer to Seller in connection with Seller's delivery of energy and Other Electric Products to Buyer pursuant to a Definitive Agreement.
- "Start Fuel Charge" means the charge, if any, based on the product of the Start fuel amount (expressed in MMBtu per completed Start-up) and the applicable gas price (expressed in \$/MMBtu), payable by Buyer to Seller in connection with Seller's delivery of energy and Other Electric Products to Buyer pursuant to a Definitive Agreement.
- "Start-up" or "Start" means a start-up of one or more of specified generating units after a shutdown of such unit(s). A Start may be a completed Start or a failed Start, as the context requires, will involve the delivery of "ramping" energy, and will be described in more detail, if and as necessary, in the Definitive Agreements.
- "Substantial Completion" has the meaning set forth in the Scope Book.
- "Substantial Completion Payment Date" has the meaning set forth in the Scope Book

"Summer Conditions" means 93° Fahrenheit and 57% relative humidity.

"<u>Term Sheets</u>" means the term sheets in Appendices B-1, B-2, B-3 and B-4 for PPAs relating to the RFP, Tolls relating to the RFP, acquisitions of generation assets relating to the RFP, that describe in varying degrees of detail some of the key commercial terms that would apply to any PPA, Toll, or asset acquisition Transaction arising out of this RFP.

"Threshold Requirements" means the minimum requirements for proposals submitted into this RFP to advance to the next evaluation stage of this RFP, as described in Section 2.3 of the Main Body.

"Toll" means a tolling agreement requiring the conversion of natural gas into electric products.

"<u>Transaction</u>" means a commercial transaction arising or resulting from this RFP in which Seller provides to Buyer Capacity, energy, Environmental Attributes (if any), and Other Electric Products from a specified resource and that is structured as a PPA, Toll, or a purchase and sale of generating facilities.

"<u>Transmission Evaluation Team</u>" or "<u>TET</u>" has the meaning given that term in Section 6.1 of the Main Body.

"Transmission Owner's Interconnection Facilities" or "TOIF" has the meaning set forth in MISO's standard Generator Interconnection Agreement, and generally means all the facilities and equipment owned by the transmission owner from the point of change of ownership to the point of interconnection, including modifications, additions, or upgrades to such facilities and equipment. Transmission Owner's Interconnection Facilities shall not include Network Upgrades or Standalone Network Upgrades.

"Treasury Officer" has the meaning given that term in Section 6.1.6 of the Main Body.

"<u>Variable O&M Rate</u>" means the rate, expressed in \$/MWh, payable by Buyer to Seller for variable O&M costs for a defined period during the Delivery Term, as more particularly described in Section 2.2.1 of the Main Body and Appendices B-1, B-2 and B-4 to this RFP.

"<u>Viability Assessment Team</u>" or "<u>VAT</u>" has the meaning given that term in Section 6.1 of the Main Body.

"VIE" means variable interest entity.

"Winter Conditions" means 10° Fahrenheit and 60% relative humidity.

"Zonal Resource Credit" or "ZRC" has the meaning given to such term in the MISO Rules. For the avoidance of doubt, as of the date of this RFP, ZRCs include any ZRCs properly generated from Demand Response Resources (as defined in the MISO Rules) and/or Load Modifying Resources (as defined in the MISO Rules).