



***Appendix I
Supplier Diversity***

For

***2020 Request for Proposals
for Combined-Cycle Gas Turbine
Capacity and Energy Resources
for
Entergy Texas, Inc.***

Entergy Services, LLC
April 28, 2020

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Resources solicited through the RFP will require construction of facilities in Texas that can have significant impacts on local and regional economies. Any resource selected through this RFP will be paid for by ETI's customers, which represent a diverse group of individuals and businesses across the State of Texas. ESL and ETI request that proposals submitted in the RFP indicate the level (expressed as a percentage) of Addressable Spend (defined below) during construction that is expected with local and/or diverse suppliers and also the extent to which Bidder will guaranty the stated Addressable Spend levels in any Definitive Agreement. This information and other related information requested in Appendix C to this RFP may be considered by ETI in selecting resources from this RFP. However, nothing contained in this Appendix I is intended to imply or to impose any obligation on the part of Bidder to pay a premium for the utilization of diverse or local suppliers. Consistent with good business practices, Bidders should address these objectives while maintaining competitive prices for goods and services procured from all suppliers and vendors.

A "local" supplier is generally defined for purposes of this Appendix I as a supplier that has an office located within the State of Texas or any of the other states in which the Entergy regulated utilities operate (Arkansas, Mississippi, and Louisiana) and engages in business in such state through that office.

"Diverse" suppliers are generally defined for purposes of this Appendix I as follows:

WBE	Women Owned Business Enterprise	At least 51% owned
MBE	Minority Owned Business	At least 51% owned
VBE	Veteran Owned Business	At least 51% owned
SDVBE	Service-Disabled Veteran Owned Business	At least 51% owned
HUBZone	Small business operating in a historically underutilized business zone owned and controlled by one (1) or more US Citizens	At least 35% of its employees reside in a HUBZone
LGBT	Lesbian, Gay, Bi, or Transgender owned business	At least 51% owned

"Addressable Spend" means the total costs and expenditures for the EPC work to be performed by or for Seller for the resource that is subject to the applicable Definitive Agreement and any other work in connection with Seller's performance of its obligations under the applicable Definitive Agreement, excluding the costs and expenditures for goods and services to be provided (i) by original equipment manufacturer (OEM) suppliers, (ii) by one or more named suppliers

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required by Buyer in the applicable Definitive Agreement (including in connection with any customized or quasi-customized goods engineered to Buyer's specifications, such as engineered parts or equipment), (iii) directly by Seller or any of its Affiliates, and (iv) with respect to PPA transactions, by operation and maintenance (O&M) providers.

Contract Requirements for Diverse and Local Addressable Spend

If Bidder's proposal indicates that Bidder will use diverse and/or local suppliers, the Definitive Agreement between ETI and Bidder selected to provide products and services under the RFP will contain, at a minimum, the following key terms:

(i) Seller will be required to comply with a contracting plan for the retention of, and a target Addressable Spend for, diverse and local suppliers.

(ii) In the event of non-compliance with the plan, Seller may be required to take corrective actions to ensure Seller's adherence to the plan and Buyer may have other remedies to be included in the applicable Definitive Agreement.

(iii) Seller may be required to participate and provide information and materials for periodic performance review meetings with ETI.

(iv) Seller may be required to provide quarterly reports of diverse supplier spending and provide data and other inputs to or for use in ETI's diverse and local supplier performance tracking tool.

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