

## **2022 ELL Renewables RFP Q&A**

1. Received 4/13/2022 - Does the LA MISO Solar asset need to be on the ELL system or can it be on a CLECO line if within the SELPA LA MISO system?

**Response:** The RFP requires solar resources offered into the RFP to interconnect directly to a transmission system within the Louisiana portion of MISO South, preferably within the SELPA or WOTAB region. Accordingly, a solar resource interconnected to the CLECO transmission system, to the extent within the Louisiana portion of MISO South, would meet the RFP's locational requirements.

2. Received 5/11/2022 - The RFP document specifies that up to 1,500 MWAC of capacity is sought. Please provide the basis for this amount of capacity and for the timing of the addition of this capacity.

**Response:** As stated in the RFP documents and the Technical and Bidders Conference presentation, this target aligns with ELL's resource planning objectives to meet long-term capacity and energy needs. Additionally, the RFP's deadline for the guaranteed commercial operation date was selected to ensure that ELL customers can obtain the economic benefits of the Investment Tax Credits (ITCs) available for projects that are placed in service by the end of the 2025 calendar year. After 2025, under the current federal tax rules, the ITC rate drops from 26% to 10%.

3. Received 5/11/2022 - On page 7 of the RFP document, it is stated that the total capacity sought in the RFP is 1,500 MWAC and further that BOTs may fill up to the full amount, while PPAs appear to be limited to 750 MWAC. Please explain the basis for the limitation on PPA capacity and provide supporting documents that explain/justify this limitation on PPA capacity.

**Response:**

- a. Balanced portfolio of renewable resources: ELL does not currently own or operate any solar resources. As stated in the previous RFP Q&A, ELL desires to have a balanced portfolio of renewable PPA and BOT resources.
  - b. Desired experience with BOTs: ELL set these targeted caps as it desires to obtain direct experience with the ownership and operation of solar resources, which experience is expected to provide long-term benefits to ELL customers.
4. Received 5/11/2022 - On page 5, Section 1.9, "Eligible Technologies" states that Eligible Technologies are "...limited to Solar PV and wind technologies." Please explain all reasons why other resource types are not permitted to offer into this RFP.

**Response:** The reference resource plan included in ELL's 2019 Integrated Resource Plan ("IRP") concludes that solar resources are considerably more economic than other renewable resources and are expected to be the preferred renewable technology for the next several years. The objective of the economic evaluation is to fairly and consistently compare the economics of proposals as part of the process to identify the solar resource proposals that meet ELL's needs. It has already been determined that the addition of solar resources to ELL's portfolio will support the objectives of serving ELL's customers reliably, at the lowest reasonable cost, while considering risk; therefore, within the context of ELL's 2022 RFP, other resource types will not be directly considered as incremental alternatives to solar. Additionally, ELL is interested in economic opportunities for wind resources that can be delivered to ELL's load zone and is seeking to market test the availability of such resources through this RFP.

5. Received 5/12/2022 - What happens if we have no credit rating, nor credit rated parent guarantee, nor audited financials? Would this disqualify our bid or provided we can post the required deposits, can we still participate?

**Response:** The bid would not be disqualified if the proposed seller has no credit rating, or no credit-rated parent guarantor, or no audited financials. If its proposal is selected, the seller would be required to post the required credit support for the proposed transaction as specified in Appendix F to the RFP and the applicable model contract.

6. Received 5/12/2022 - Can we participate with 2 options with the same project: one as ERIS and one as NRIS?

**Response:** Yes, the RFP provides that a bidder can submit two separate proposals for the same project (such as one proposal with NRIS and another with ERIS). The bidder would be required to pay a proposal submission fee for each.

7. Received 5/12/2022 - Under the BOT option what steps are taken to make sure the fixed price doesn't prevent the seller to deliver the project under adverse conditions (large EPC price increase in the future, or large increase in financing costs being two examples).

**Response:** The RFP generally assigns project development risks to the seller. The seller can attempt to address project development risks that it considers unacceptable through the special exception process.

8. Received 5/12/2022 - Please send me the electronic version of the presentation that was given this morning in the technical conference.

**Response:** The presentation is to be uploaded to the 2022 ELL RFP Website page under the "Reference" tab.

9. Received 5/12/2022 - Given ELL's perspective on keeping storage somewhat separate from generation bids, would a planned solar-plus-storage project bidding in to the RFP risk triggering a material modification and losing its queue position if selected as a solar-only project by ELL? If so, does ELL have any strategies to mitigate this risk?

**Response:** ELL is not in a position to advise bidders on the processes and procedures MISO employs in this regard.

10. Received 5/12/2022 - In the section about commercial terms given by Chris Sistrunk in today's technical conference for the Entergy RFP, it seemed to be focused on solar energy only especially regarding the payment scheduled to take place over time. This implies that Entergy would become the owner and operator of the system providing the power. It is my understanding that ownership of wind power projects/assets would be retained by the developer/builder and not transferred to Entergy. Could you clarify if I am correct in this understanding and the payment structure for a wind power operation?

**Response:** Yes, you are correct in your understanding that, in the RFP, wind resources will only be considered if offered as a PPA. The RFP's model wind PPA details the payments to the seller and related terms.

11. Received 5/12/2022 - Further, when terms and conditions differ between solar and wind power, can you distinguish which terms/conditions would apply to wind power suppliers vs. solar?

**Response:** This response assumes the question relates to PPA resources only. Please refer to the terms of the model wind and solar PPA documents provided in the posted RFP documents.

12. Received 5/12/2022 - In the presentations regarding the maximum capacity of the resources, the presenter referred to the 1500 mW set forth in the ppt slide and also in the draft Main Body RFP, but then made a comment wherein he stated that the maximum capacity actually referred to solar resources without further explanation. Please clarify the presenter's comments, including whether the 1500 mW refers to the total of wind and solar resources or solar resources only and whether there are any other stated or unstated limitations (allocations/set asides) or preferences as to the resource type (wind or solar) and/or the ISO for wind resources (SPP or MISO).

**Response:** The RFP is targeting 1,500 MW of solar resources that have firm NRIS deliverability. Additionally, the RFP seeks solar resources that have ERIIS deliverability, as well as wind resources with firm deliverability.

13. Received 5/12/2022 - Confirm that eligible resources do not include wind BOTs. If confirmed, then explain why.

**Response:** Yes, in the RFP, ELL is only soliciting wind PPAs, due principally to a lack of wind resources in the Louisiana region of MISO South that are in the MISO queue.

14. Received 5/12/2022 - In the presentation and in the draft Main Body RFP document, Entergy states: "Financial Settlement. Products will be financially settled at the ELL Load Node. Seller will be responsible for any basis differential between the product price at the Injection Point and the product price at the ELL Load Node and related costs." Describe in greater detail how the basis differential will be determined (calculated), including whether the seller or Entergy will make these calculations and how the differential will be billed to and/or recovered from the seller.

**Response:** MISO determines that basis differential. ELL is not in a position to advise bidders on the processes and procedures MISO employs in this regard. Assuming that the parties settle via financial schedules as set forth in the model PPA, MISO will allocate the basis differential cost or benefit to the seller.

15. Received 5/16/2022 - Unfortunately we missed the Technical and the Bidders Conference, but we would like have the opportunity to comment on the draft documents for the May 25th deadline. Please advise if this is acceptable and if you need any additional information from our end in order to participate? Thank you for your time and consideration.

**Response:** Yes, per Section 4.1.1 of the Main Body, comments are encouraged, particularly from potential Bidders and interested Governmental Authorities. Please email your comments to the Bid Event Coordinator at [ellrfp@entergy.com](mailto:ellrfp@entergy.com) by the deadline of 5/25/2022, and we will provide them to ELL for review. Thank you for your interest in the 2022 ELL Renewables RFP.

16. Received 5/16/2022 - We would like to confirm the preferred substations that you have and if the interconnection will change between substations? If that is the case, do they all have to be connected to 230, or if there are options to 69 or 34?

**Response:** Please refer to the map on slide 10 of the Bidders Conference presentation, which has been posted to the 2022 ELL Renewables RFP public website, linked here:

<https://spofossil.entergy.com/ENTRFP/SEND/2022ELLRenewablesRFP/EntergyReference.htm>. As described in the RFP Main Body, ELL requires that any proposed Solar PV resource interconnect directly to the Louisiana region of MISO Transmission System with preference for SELPA and WOTAB regions. There are multiple transmission voltage levels in those areas including 500, 230, 138, 115, and 69 kV.

17. Received 5/16/2022 - We are working on designing both solar & wind hybrid systems. Would you prefer one proposal with both installations or two separate proposals?

**Response:** Per Section 4.4 of the Main Body, Bidders are required to pay a Proposal Submission Fee of \$5,000 for each proposal registered in the RFP. Proposals that are alternatives to each other will be considered separate proposals, including proposals that include differences in pricing, the commercial operation date, the term of PPA, and any other difference, and should be registered as separate proposals.

18. Received 5/16/2022 - We are interested in developing a portion of the modules to be constructed for Agri-Voltaics. We believe this could be a good opportunity to cultivate crops typically not grown in the region. Is Agri-Voltaics an area of interest for this RFP or should it solely concentrate on the MW output from solar and wind as a whole so that we omit Agri-Voltaics from consideration?

**Response:** Although Entergy has no prohibitions on the use of agri-voltaics, it places no additional value on agri-voltaics. If used, the agri-voltaic shall not negatively impact the site's capacity or yield nor have a negative impact on the site's resilience or reliability (i.e., minimal function specification including hydrology)

19. Received 5/22/2022 - Is the RFP applicable to offshore wind power? If so, and appreciating that the "substantial completion date" in the RFP is September 2025, could an offshore wind farm developer get an extension of the "substantial completion date" because of the more extensive time required for development and construction of such a project as compared to the time required to develop a solar project?

**Response:** Per the Main Body Section 1.2; Wind resources must be physically located in and interconnect directly to the MISO or SPP transmission system and, for SPP wind resources, with firm transmission service to MISO South. Given the concern that you have expressed with your project's ability to meet ELL's required COD for the current RFP, we would encourage your participation in a future RFP.

20. Received 5/23/2022 - Does ELL have a preference on the size of the battery, besides the 4-hour discharge and being capable of charging and discharging 24 hours a day, 7 days week? Does the battery need to match the same size of the PV capacity?

**Response:** No, ELL prefers that the bidder optimize the battery resource size to complement its solar proposal.

21. Received 5/24/2022 - Could you verify if projects that do not have the interconnection approved or registered are allowed to participate? Should we include the interconnection / registration in our RFP?

**Response: Updated 6/15/22:** Please refer to Main Body Section 1.11 for the following interconnection requirements. BOT transaction/Solar PPA transaction: The proposed resource must have an executed GIA with MISO or be included in the 2019, 2020, or 2021 MISO DPP queue. Wind PPA transaction: The proposed resource must have an executed GIA with MISO or SPP or be included in the 2019, 2020, or 2021 MISO DPP queue or the 2018-001 or earlier SPP DISIS queues. Per Main Body Section 2.4, Bidders must provide the interconnection, deliverability, and transmission service documentation for their proposals to the Bid Event Coordinator or as part of their Proposal Registration and any updates as part of the Proposal Package, all in accordance with the applicable requirements of this RFP.

22. Received 5/24/2022 - With regard to the tax system that governs Louisiana for this type of project. Could you tell us how it works? If you could provide us with a common tax framework that would be helpful.

**Response:** Given the lack of specificity in the question provided, ELL has requested that the bidder provide additional context and re-submit their question. However, it should be noted that the Company is not in a position to advise potential bidders on tax issues.

23. Received 5/27/2022 - Independently, on behalf of our CEO, REDACTED and REDACTED, we wanted to ask you if there was any possibility that we could coordinate an in person meeting with the Entergy Team leading the RFP this upcoming week. The ideal date for a meeting would be Friday, June 3rd at 10am. Please advise if we could coordinate this meeting.

**Response:** Thank you for your interest in this RFP. Please refer to Section 6 of the RFP main body. Except as otherwise expressly provided in this RFP, all communications, including questions, regarding this RFP must be submitted in writing to the Bid Event Coordinator (using the contact information provided above in the Bid Event Coordinator section). If you have specific questions, we invite you to please submit them, and we will respond promptly. Regarding your request for an in-person meeting, at this time we will defer to answering specific questions. The RFP process is designed and carried out to assure fair and impartial treatment of all Bidders. Subject to ESL's consideration of the confidentiality concerns, ESL intends to post all questions submitted by Bidders, as well as ESL's responses to those questions, to the 2022 ELL Renewables RFP Website. ESL's objective in posting questions and answers publicly is to afford Bidders equal access to information potentially relevant to their proposals. We look forward to discussing your proposal during the evaluation period as necessary.

24. Received 6/13/2022 - Is Entergy willing to provide an hourly load curve? We will use this to help fine tune our PV+S shape.

**Response:** ELL will not provide a load curve for the 2022 ELL Renewables RFP; however, ELL may consider providing a load curve in future RFPs.

25. Received 6/27/2022 - Please confirm if proposal pricing is required to be submitted when proposals are due in August and then can be updated prior to the pricing supplement deadline in September, or if pricing is not required to be submitted until the pricing supplement deadline in September?

**Response:** Pricing should be included in the initial Proposal Package due in August. Per section 4.5 of the of the RFP Main Body, Bidders will have the opportunity to update their Solar PV Proposal Package to reflect pricing and other changes that Bidders desire to make following the US Department of Commerce's preliminary determination in the pending Auxin Solar matter. The allowed periods for submitting updates to a Self-Build Proposal or the other proposals in the RFP are shown below and in Section 4.1 of the RFP Main Body.

<b>Self-Build Option Proposal Submission Period (for Self-Build Option Proposals and proposals from Entergy Competitive Affiliates)</b>	8:00 a.m. CPT on August 1, 2022, through 5:00 p.m. CPT August 7, 2022*
<b>Proposal Submission Period (for all proposals other than for Self-Build Option Proposals and proposals from Entergy Competitive Affiliates)</b>	8:00 a.m. CPT on August 8, 2022, through 5:00 p.m. CPT on August 12, 2022*
<b>Pricing supplement period following Department of Commerce preliminary decision-(for Self-Build Option Solar PV Proposals and Solar PV proposals from Entergy Competitive Affiliates)</b>	8:00 a.m. CPT on September 12, 2022, through 5:00 p.m. CPT on September 18, 2022*
<b>Pricing supplement period following Department of Commerce preliminary decision-(for all Solar PV proposals other than for Self-Build Option Proposals and proposals from Entergy Competitive Affiliates)</b>	8:00 a.m. CPT on September 19, 2022, through 5:00 p.m. CPT on September 23, 2022*

26. Received 7/7/2022 - We are reviewing the Credit-Collateral Requirements document and had a quick question. Before Entergy allows a PG in lieu of cash/LCs, you want to perform a credit analysis. Will you need to perform that same analysis for a future buyer of the project? We are curious if an Investment Grade investor will automatically be eligible to post a PG to get the reduction in LC/cash?

**Response:** There is no automatic granting of an offset to the liquid credit support obligations of a future buyer of a project/transaction bid into the RFP. A future buyer and its proposed guarantor would be subject to a credit assessment. The results of that assessment may be considered by Entergy Louisiana in determining whether an offset is available or will be provided to the future buyer. Please bear in mind that the sale of an offered project/transaction before execution of a definitive agreement is not contemplated by the RFP. See Section 6.8 of the main body. In addition, the RFP's model BOT agreement does not contemplate the seller's potential sale of the project (other than to ELL or its assignee) after contract execution.