ENTERGY TEXAS, INC

Request for Proposal No. 235892

SCOPE OF WORK

2027-2031

DEMAND RESPONSE PROGRAMS

1. PROJECT SUMMARY

Entergy Texas, Inc (**ETI** or the **Company**) serves approximately 524,000 customers in its service area spanning 15,230 square miles in 27 counties across Southeast Texas. In 2024, -ETI sold approximately 21,240 gigawatt-hours (GWh) of electricity. The breakdown of those sales by customer class is as follows: residential (31%), commercial (23%), governmental (1%) and industrial (45%). ETI is issuing this Request for Proposals (**RFP**) for the selection of experienced Third Party Administrators (**TPA**) to administer and implement any number or all of the Residential, Commercial and Industrial (C&I) demand response (**DR**) offerings summarized herein as part of a new ETI DR program. The TPA(s) will be retained by ETI to design, implement, deliver, administer, and conduct Quality Assurance/Quality Control (**QA/QC**) and measurement and verification (**M&V**) of demand side management offerings.

The contracts covering this Scope of Work will have a term beginning upon regulatory approval (targeting Q4 of 2026.) and continuing through December 31, 2031. A **Sample Contract** is included with this RFP. ETI expects that the Sample Contract will not be substantially negotiated or amended. Bidder must note any exceptions to the provisions in the Sample Contract as part of its response in the Bidder Certification Form and must include a redline markup of the Sample Contract.

Bidders are requested to prepare and submit a detailed proposal as outlined herein no later than October 3, 2025. A detailed timeline of events is provided in the table below.

Bidders should submit proposals with programs that will be deemed cost effective to customers. ETI has not identified a specific targeted amount of megawatts (MW) for this new ETI DR Program. Rather, bidders should submit proposals that identify the amount of achievable MW that could be enrolled over the five-year program period. To the extent bidders would like to submit more than one enrollment scenario (e.g. a base case and a high enrollment case) for their proposed programs, such information will be considered.

ETI plans to register these new ETI DR program(s) with the Midcontinent Independent System Operator (MISO), and therefore any proposed DR program must comply and remain compliant with MISO rules and regulations for Load Modifying Resources (LMRs) and/or Demand Response Resources (DRRs) in effect during the five-year program period.

In addition, Entergy expects that each vendor makes commitments with respect to MISO penalties that could be levied as a result of non-performance of their products and/or the customers the vendor has enrolled in the pertinent DR program.

Table 1 – RFP Scheduled Milestones

Event	Dates
RFP Issued	8/15/2025

Deadline for submission of bidder questions prior to Pre-bid meeting.	8/29/2025
Pre- bid Webinar Conference	9/8/2025
Intent to bid due	9/9/2025
Deadline for supplier questions (*Bid doc clarification template)*	9/9/2025
Entergy response to supplier questions	9/16/2025
Proposal Submission Deadline: Bid with formal pricing due from suppliers	**10/03/2025**
Bid Finalists Selection process; bids to be selected for interview process.	10/24/2025
Supplier presentations & demos (down select only)	Week of 11/3-7
Contractors Selected	12/20/2025
Execution of contract(s)	Targeting Q4 of 2026?
Program Launch (After PUCT approval)	2nd half of 2026 (subject to regulatory approval) Target 3/1/2026

1.1. DEMAND RESPONSE PROGRAM SUMMARY

Options such as the following are available for proposals for the ETI 2027 to 2031 DR Program, however, this is not an exhaustive list, and other ideas that are deemed cost effective will be considered.

Residential

1. Smart Thermostat (Bring Your Own Thermostat)
2. Water Heater (Bring Your Own Device)
3. Electric Vehicle Charging (Bring Your Own Charger)
4. Battery Storage (Bring Your Own Device)

Commercial & Industrial

1. Smart Thermostats (Bring Your Own Thermostat)
2. Water Heater (Bring Your Own Device)
3. Fleet Electric Vehicle Charging (Bring Your Own Charger)
4. Battery Storage (Bring Your Own Device)
5. Building Energy Management System Control, including:
    a. HVAC
    b. Other Chilling/Refrigeration Systems
    c. Lighting
    d. Water Heating
6. Motor or process load control, including:
    a. Industrial Processes
    b. Pumps
    c. Compressed Air
7. Alternative C&I curtailment options offering two-way control (curtailment or load shaping solutions that are emissions free will be granted preference for this procurement)

The programs are expected to be available for implementation in the first half of 2027 (subject to regulatory approval). Other key criteria not described in the offering summary or descriptions below include:

- While vendor branded offerings will be considered, ETI has a preference for white-label or co-branded offerings.
- ETI is in the process of an enterprise Grid Modernization initiative that expects to leverage grid-edge assets for system benefit. ETI may validate demand reduction (MW) using AMI, SCADA, etc. as additional real-time telemetry and metrology systems come online.
- ETI has completed its deployment of AMI meters.
- .TPA should assume in their proposals that they'll handle incentive payments, however ETI will have the contractual option to assume responsibility of the customer incentive payments at our sole discretion, and with appropriate advance notice to the vendor, during the five-year program period.
- Data collection methodologies will need to be updated periodically.
- ETI requires at least 25% of each TPA's bid to be "at risk" and subject to achieving net evaluated contracted demand savings goals. Demand response offerings are designed to be cost effective, as determined by a UCT and/or RIM score, through the life of the offering's proposal period.
- TPAs should allow a minimum of three months for completing contracts once ETI makes a winning proposal decision. Final contracts will not be finalized, and implementation cannot begin, until the Public Utility Commission of Texas ("PUCT") approves the proposed offerings. ETI reserves the right to refuse any and/or all proposals.

- Prior to gaining access to customer data, TPAs should allow 3-4 months and sufficient budget dollars in their bids to complete the Company's "Governance for Understanding and Assessing Risk to Data" (GUARD) policy & process. More detailed information on the GUARD policy will be provided after a Bidder's proposal is selected – and is available to Bidders prior to proposal selection upon request.
- TPA will maintain an independent database for management and tracking of invoice payments and regulatory reporting. In the event that an ETI database is created, all information shall be formatted and uploaded to the database, in accordance with ETI's requirements at a minimum of once per week unless otherwise agreed to by ETI.
- TPA will also be active in supporting any required regulatory reporting of the ETI DR offerings.
- TPA's will need to account for support resources for third party independent evaluation in their bids. Independent evaluators often require administrative support, project management assistance and field resources when reviewing and verifying reported savings.

2. OFFERING TARGETS AND COST ALLOCATION

Bidders should include sufficient detail to support their estimates of load reduction (MW). ETI recognizes that potential for C&I curtailment will be driven by the load shape of each customer enrolled. Through this program, ETI seeks to better understand the market potential of various DR offerings and incentive structures within the C&I sector. Proposals should cover both the incentive and non-incentive costs. ETI expects that at least 25% of the TPA's fee will be at risk, based upon its performance in the areas of, at a minimum, kW reduction and customer satisfaction. As part of Bidder's response and Cost Proposal, Bidder will be required to propose a structure for setting or creating performance metrics for the performance-based compensation. Bidder proposal should be specific about how this will be captured. Bidder needs to identify the level of performance-based compensation that will be linked to each of the relevant performance areas.

3. ROLES AND RESPONSIBILITIES

This section provides an overview of the roles and responsibilities of ETI with regards to oversight of the TPA and the DR offering in order to aid the Bidder in their development of budget, marketing and other responses requested in this RFP. The TPA's Roles and Responsibilities are defined within the Scope of Work requirements in Section 4 below.

3.1. ENTERGY TEXAS, INC's, ROLES AND RESPONSIBILITIES

ETI anticipates providing regulatory services, high level administrative, contract management and oversight of the selected TPA through a dedicated project manager. The following is a high-level review of the anticipated roles and responsibilities for ETI staff:

3.1.1. Obtain regulatory approval to implement any or all offerings;
3.1.2. Provide high-level guidance and direction to the TPA, including review and revision of proposed annual implementation plans and milestones;
3.1.3. Evaluate portfolio and offering effectiveness; recommend and approve modifications to the offerings on an as-needed basis;
3.1.4. Oversee offering metrics, budget, timeline and evolving offering design;
3.1.5. Coordinate with TPA on further development of criteria for each offering;
3.1.6. Perform periodic field observations and monitoring to provide quality assurance regarding customer related interactions and other programmatic responsibilities fulfilled by the TPA and participating trade allies;
3.1.7. Provide internal and external reporting of offering performance to ETI leadership and to the PUCT;
3.1.8. Coordinate and be responsible for the flow of DR funds from ratepayer collection to offering expenditures as specified in the offering budget;
3.1.9. Audit the invoices of TPA and subcontractors;
3.1.10. Review and approve any printed materials and advertising plans;
3.1.11. Assist marketing efforts through normal customer service activities;
3.1.12. Report annual results to regulators and seek approval for any offering changes as a result of market or other changes;
3.1.13. Provide database for TPA to report offering results;
3.1.14. ETI will review and approve all marketing campaigns and collateral before distribution.

3.1.15. Assist with handling escalated customer complaints;
3.1.16. While ETI may obtain the services of independent EM&V consultant, the implementing contractor may be responsible for some M&V;
3.1.17. ETI maintains the right to perform customer satisfaction surveys at the Company's sole discretion;
3.1.18. Final approval at offering rates, requirements, eligibility criteria and incentive levels.
3.1.19. Offering management, oversight and coordination with all ETI organizations with assistance of TPA as maybe required.

4. SCOPE OF WORK

The major areas of focus for the Scope of Work for the TPA shall be Bidder Qualifications and Experience; Reporting; Offering Design, Implementation, and Delivery; Marketing; Data Management and Tracking. Please provide a concise yet detailed narrative (maximum 50 pages) indicating your proposed approach to providing the TPA Scope of Work, including the detailed tasks, timelines and stages involved, in response to the sections below.

4.1. QUALIFICATIONS – EXPERIENCE

Please include descriptions of your firm and/or team's experience and capabilities in managing, delivering and implementing the offerings requested for this scope of work. Bidders should provide detailed information on their overall core team qualifications and experience. Please note if any staff are located near or within the ETI service territory.

4.1.1. Management Structure

4.1.1.1. Provide a brief description of your company and the services it provides including number of employees, office locations and capabilities. Describe the business structure under which you typically operate (i.e., -for-profit corporation, not-for-profit corporation, partnership, etc.). If a new organizational structure is planned by a Bidder, that structure should be described fully and clearly.

4.1.1.2. Include your management and organizational chart to accomplish the tasks included in the Scope of Work below. Indicate position, title, job responsibilities, percentage of FTE equivalent and where the positions/personnel are located.

4.1.2. Provide the professional experience and resumes of partners, principals and employees in your company who will be responsible for, and actively involved in, the provision of professional services related to this scope of work including the appropriate evidence of accreditation, certification or licensing in their respective stated professions. Also provide proof that it, its staff and the staff of Subcontractors is (or has a plan prior to contract execution to be) in compliance with applicable state and city permitting, licensing and certification requirements.

4.1.3. Bidders must clearly specify any Subcontractors who are retained by the Bidder at the time of the application and/or who are expected to perform work as a Subcontractor in connection with this project. Provide the same detailed information regarding Subcontractors' project staff as requested above for the Bidder's proposed staff. The Bidder must obtain the prior written consent from ETI to use any Subcontractors who are not included in the original bid submission.

4.1.4. Please provide information on whether Bidder or any Subcontractor has been found in noncompliance with respect to the regulations of any state electricity regulatory commission, MISO, or the Federal Energy Regulatory Commission.

4.1.5. Please provide any additional information that may be useful in evaluating your proposal.

4.2. REPORTING

4.2.1. Bidders shall describe their proposed approach for general management, budgeting, financial management and reporting. This section shall address the methods through which the Bidder proposes to manage the required data, information technology requirements and reporting functions.

4.2.2. Bidder will describe their financial management systems related to budgeting, invoicing and payments to Subcontractors, Participating Local Contractors, employees and customers. Please confirm that your financial accounting system is consistent with generally accepted accounting principles. Please also confirm that you will be able to provide information and documentation required for independent annual financial audits.

4.2.3. Describe your proposed plan to administer the incentive funds flow between ETI, the TPA and the customers or trade allies. If your proposal requires ETI to advance incentive funds to the TPA, additional forms of security will be required.

4.2.4. Describe the reports you will prepare and provide on a weekly, monthly, quarterly and annual basis detailing offering performance to date, anticipated activities, accomplishments, issues and opportunities. Please include in your exhibits to the proposal templates of reports to be delivered to ETI.

4.2.5. Describe ability to assist in the preparation of regulatory reporting requirements.

4.2.6. Describe your approach to accommodating updates and revisions to the offering design in coordination with ETI staff to ensure performance targets are achieved.

4.2.7. Please provide any additional information that may be useful in evaluating your proposal.

4.3. OFFERING DESIGN, IMPLEMENTATION AND DELIVERY

4.3.1. Please describe your approach and strategy for DR offering design, implementation and delivery. Outline your proposed timeline from initial contract signing to offering launch and ongoing delivery for the contract period ending 2031. Please outline all appropriate milestones and goals.

4.3.1.1. Please provide a high-level diagram of your system architecture, focusing on mechanisms for control, communications channels, and event management. Within event management, please highlight the capabilities of your platform to provide:

4.3.1.1.1. Contract management

4.3.1.1.2. Event scheduling: day-ahead and “real-time”

4.3.1.1.3. Forecasted and “real-time” capacity available

4.3.1.1.4. Event communications: pre, post, and mid-event, with a focus on available channels for messaging. In situations where dispatch may not be fully automated, please outline your communications paths and describe SLA’s for event performance

4.3.1.1.5. Grouping or cycling capabilities to manage capacity over longer duration events

4.3.1.1.6. Post-event performance data

4.3.1.1.7. Compliance with OpenADR 2.0b. While the Company has not yet adopted this standard, we would like to understand how your platform would respond as a Virtual End Node (VEN) if we were to develop an enterprise Virtual Top Node (VTN).

4.3.1.2. Please identify the bidder(s) and model number(s) of control and communications hardware that will be used to deliver the proposed offering

4.3.1.2.1. Where relevant, please identify the types of load that can be addressed/mitigated by each proposed control methodology. In particular, please highlight any unique control capabilities that may be provided with the selection of your platform.

4.3.1.3. Additionally, please help ETI understand any:

- Unique experience with loads or customers within ETI's service territory
- Exclusive access to third-party API's or hardware
- Proprietary systems that offer incremental capabilities to competing platforms

4.3.2. Please describe your launch strategy, start-up activities and ongoing offering delivery strategy; provide specifics for each offering, where needed.

4.3.3. If applicable, describe your plan with respect to trade allies including:

4.3.3.1. Recruitment plan; this plan will be a factor considered in the evaluation process.

4.3.3.2. Plan to ensure that these contractors are licensed and insured; and

4.3.3.3. Training and Certification plan.

4.3.3.4. On-going marketing support for trade allies (business to business). The criteria for including the trade allies and the process to exclude or remove a trade ally from offering participation.

4.3.4. Describe your plans to deliver training to ETI staff to help facilitate offering coordination and success.

4.3.5. The TPA must provide access to a professional, dedicated and knowledgeable call center for customers inquiring about the ETI DR offering. The call center will handle all inbound customer inquiries. Describe your approach to providing this service including call center location, staffing and projected performance levels.

4.3.6. Define, in broad terms, the activities that will be taken to achieve the load reduction.

4.3.7. As mentioned above, the Company is currently engaged in an enterprise "Grid Modernization" project that will enable greater system engagement with grid-edge assets. Please highlight your experience integrating with or receiving signals from Market Operators (both ISO and utility driven dispatch) and utility Distribution Management Systems (DMS/ADMS).

4.3.8. Highlight any new and innovative ideas as your proven best practice approaches that you propose for the ETI DR offerings.

4.3.9. Please note whether you directly participate as an aggregator of retail customers (ARC) in any regional transmission organization (RTO) across the country.

4.3.9.1. If so, please disclose [a] the description and quantification of any penalties or charges imposed by an operator of a wholesale market in any jurisdiction and [b] the description of any Federal Energy Regulatory Commission (FERC) filings by the

ARC or FERC complaints or FERC actions affecting the ARC before the proposal date.

4.3.10. Please provide any additional information that may be useful in evaluating your proposal.

4.4. MARKETING[1]

Describe your previous overall experience developing marketing and outreach plans and materials to support similar offering. Include relevant examples of creative marketing and technical support pieces for design proposals (e.g. mock-ups of DR website designs) as an exhibit(s) to your proposal. Examples should be included as separate attachments to the Proposal; hyperlinks or references to external sources **will not be accepted** as a satisfactory response.

4.4.1. Given your understanding of ETI's local market, generally describe your marketing and communications strategy to support the DR offering delivery. The marketing strategy shall include both pre- and post-launch components. Marketing strategy shall include coordination with ETI customer service representatives where appropriate.

4.4.2. Provide the marketing strategy to raise awareness and demand for each customer segment (residential, commercial & industrial) and each offering within those customer segments, including key milestones and timeline.

4.4.2.1. If Bidder intends to propose multiple offerings, please delineate marketing strategy for each offering, by segment.

4.4.2.2. If Bidder solution is industry specific, please outline your targeted marketing approach and provide a high-level estimate of available capacity that can be addressed by bidder offering

4.4.3. Describe your means of tracking the results of marketing initiatives, including the description of any databases to be used for this purpose.

4.4.4. Please provide any additional information that may be useful in evaluating your proposal.

4.5. DATA MANAGEMENT AND TRACKING

The TPA shall develop and maintain a data management system to track offering participation and integrate with the ETI database. As determined appropriate by ETI, TPA will be expected to provide data on site visits with customers.

4.5.1. Include your experience and approaches to offering and participant data tracking.

4.5.2. Provide a brief overview of your existing data tracking system capabilities and proposed enhancements. Include representative "screen shots" of your proposed data tracking system as an indication of what will be developed for this offering.

4.5.3. Describe your capability to provide a secure web-based password protected data tracking system and real-time reporting capabilities for TPA and upload access for ETI. Describe read only access for project manager and potential independent EM&V to monitor.

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[1] ETI retains ultimate responsibility for offering marketing and marketing strategy. ETI will review, modify, and reach agreement with TPA prior to implementation. Furthermore, ETI's Marketing Communications will create and provide approved templates for any recurring communications, and ETI will review and approve all marketing campaigns and collateral before distribution to ETI customers.

4.5.4. Demonstrate your ability to provide and maintain a proven data management system. The near-term data management system shall include but not be limited to the following information:

Recommended Data Fields Description	Description
Participating Customer Information Unique customer identifier, such as account number • Customer contact information – name, mailing address, telephone number, title, business hours, etc. • Date/s of major customer milestone such as rebate application date, approval date, rebate processing date, etc.	Information to readily identify customers for follow-up Contact
Measure Specific Information (if applicable) • Measure Group (Equipment Type) • Equipment size • Equipment quantity • Efficiency level • Estimated savings • Estimated incremental measure cost, if applicable • Equipment Useful Life • Measure Name - Text Description • ***** Measure Code- Numerical Code • Serial Number (where applicable) • Reported age of equipment replaced (if available) • Reported measure type of equipment replaced (if available) • Hourly savings profile (8,760-hour format)	Information which documents the details of the equipment installed and equipment replaced under the offering ***Measure Codes**: All data should be captured in numeric format to facilitate data tracking and analysis. Therefore, a data legend should be identified for each measure type and contractor type. This data legend should be clearly identified in the database's supporting materials.
Vendor Specific Information (if applicable) • Name and Contact Information for trade ally • Contractor Type • Date of Installation • Cost of the installed equipment (if available) • Efficiency level of the installed equipment	To be collected when the measure is installed by a third-party vendor (trade ally.) This information can be determined from the supporting documentation provided to qualify for the offering incentive
Offering Tracking Information • Date of the initial offering contact/rebate information • Date of rebate/incentive paid • Incentive amount paid to date • Incentive amounts remaining • Application Status (i.e., number of applications approved, pending or denied) • Reason and Reason code for application denial	Information to determine offering cost effectiveness and timing for rebate applications and processing
Offering Costs • Overall offering budgets • Offering costs to date • Incentive Costs • Administrative Costs • Marketing/Outreach Costs • Evaluation Costs	This information related directly to offering expenses. This information may be tracked in a separate worksheet from measure costs; however the totals should be reported annually.

Recommended Data Fields Description	**Description**
Marketing and Outreach Activities • Advertising and marketing spending levels • Media schedules • Summary of number of community events/outreach activities • Other media activities - estimated impressions via mailings, television/radio, print ads • To the extent possible, the Company would like to understand channel effectiveness in the marketing of each offering. Please identify and track marketing touchpoints for each enrollment, with a particular focus on the channel through which the enrollment was "closed."	The TPA should provide separate documentation regarding the type, number, and estimated impressions made for each marketing or outreach activity.

Database tracking and development also should capture the following types of information during data collection to facilitate program review.

Data Collection Fields

Data Collection Fields	Description
Premise Characteristics • Industry (SIC or NAICS, corrected as necessary) • Total Sq Footage • Peak and average load • Description of facility • Estimated/Actual Square Footage	This information includes descriptions of the facility type and questions asked of customers during the enrollment process. Measure Installation

4.5.5. Describe the software format, data exchange format and database structure you propose to use for tracking participant and savings data, and your ability and flexibility to change formats depending on the request of ETI. Any custom software and databases built for ETI shall be considered property of ETI and transferred upon request.

4.5.6. Outline your proposed quality assurance procedures and controls, such as protection of customer information and audit procedures in compliance with Section 14.7 of the Sample Contract.

4.6. PROGRAM REVIEW

At minimum, TPA will support program review submittals as required by the PUCT.

4.6.1. Detail the M&V activities you plan to include for each offering.

4.6.2. Describe how deemed savings will be verified annually.

4.6.3. Describe what variables will be considered in your analysis.

4.6.4. Describe your QA/QC process to verify that installations and work claimed and charged by trade allies have been adequately performed.

4.6.4.1. Describe the quality control process to evaluate the performance of trade allies.

4.6.4.2. Describe the process to verify and track customer satisfaction, complaints and satisfactory resolution.

4.6.5. Please provide any additional information that may be useful in evaluating your proposal.