



*Appendix C  
Product Package A*

*Baseload Product  
For  
2010  
Request For Proposals (RFP)  
For  
Long-Term Renewable Energy  
Resources*

Entergy Services, Inc.  
December 10, 2010

**PART 1**  
**REQUIRED PROPOSAL SUBMISSION INFORMATION**  
**Baseload Product**

**ECONOMIC AND OPERATIONAL PROJECT EVALUATION**

**Instructions:** Proposals are being sought for Baseload product from RERs. Please furnish the required information requested herein via the RFP Web Portal during the Proposal Submission Process. Additional information requests may be made via the RFP Web Portal during the Proposal Submission Process. The guidance provided in this section of the product package should be considered in addition to, and not in place of, the commercial terms and conditions outlined in “Summary of Principal Terms” below and the requirements of the LPSC’s Pilot Program and approved Implementation Plan. Bidders are responsible for reviewing and taking into account the Summary of Principal Terms, the other terms of this RFP and LPSC’s Pilot Program and approved Implementation Plan in providing the information requested herein.<sup>1</sup>

For purposes of this RFP, the term “Baseload” is as defined in the Product Description row in “Summary of Principal Terms” below.

<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
<p><b>Capacity Quantity:</b></p> <p>» Capacity of Entire Unit (Yes/No)</p> <p>» Dependable Capacity Allocated to Buyer (MW)</p>	<p>Buyer is seeking proposals from RERs that have a minimum Dependable Capacity allocated to Buyer of two (2) MW and a maximum Dependable Capacity allocated to Buyer of two hundred thirty-three (233) MW. Each of these quantities must be specified in MW as net capacity at the Delivery Point. Buyer prefers Bidders to offer to Buyer the entire Capacity of the RER (net of any capacity allocated for internal use). For RERs that have a Dependable Capacity of less than ten (10) MW, Buyer will consider the offer only if Buyer is allocated the entire Capacity of the RER. If the Dependable Capacity offered to Buyer is incremental to existing contracts on the RER, please indicate so in the Proposal Submission Form.</p> <p>The portion of the Dependable Capacity of the RER allocated to Buyer must be constant throughout the Delivery Term.</p>
<p><b>Delivery Term:</b></p> <p>» Length of Delivery Term (10 to 20 years)</p>	<p>Buyer is seeking a Delivery Term of a minimum of ten (10) years to a maximum of twenty (20) years, starting preferably no earlier than 2012 and preferably no later than the end of 2014. At the time of Bidder’s</p>

<sup>1</sup> Appendix A to this RFP contains a glossary of capitalized terms used in this RFP. Capitalized terms used but not otherwise defined in this Appendix C, Product Package A, shall have the meanings given to them in Appendix A, unless the context otherwise requires or the terms of this Appendix C, Product Package A otherwise directs. In the event of a conflict between a term herein or a term in the main body or another Appendix (including Appendix A) of this RFP, the term herein will control.

The statements contained in this Product Package are made subject to the Reservation of Rights set forth in the RFP and subject to the terms and acknowledgements set forth in the Proposal Submission Agreement.

<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
<p><i>New RERs:</i></p> <ul style="list-style-type: none"> <li>» Expected Commercial Operation Date</li> <li>» Guaranteed Commercial Operation Date (no later than 120 days after the Expected Commercial Operation Date)</li> </ul> <p><i>Existing RERs:</i></p> <ul style="list-style-type: none"> <li>» Proposed Start Date for Deliveries</li> </ul>	<p>submission of its proposal under this RFP, the RER should reasonably be expected to achieve commercial operation in the 2011-2014 timeframe.</p> <p>Buyer requires Bidders to state the proposed length of Delivery Term and:</p> <p>for new RERs, (i) the Expected Commercial Operation Date and (ii) the Guaranteed Commercial Operation Date (the Guaranteed Commercial Operation Date should be no later than one hundred twenty (120) days after the Expected Commercial Operation Date); and</p> <p>for RERs already in commercial operation, the proposed start date for deliveries.</p> <p>The start of the Delivery Term will be measured (a) for new RERs, from the later of the Commercial Operation Date of the RER or the Expected Commercial Operation Date and (b) for existing RERs, from an agreed start date for deliveries. Commencement of the Delivery Term will be subject to the satisfaction or waiver of all applicable conditions thereto.</p> <p>For new RERs, (i) Buyer will consider proposals to purchase energy delivered after the Commercial Operation Date but prior to the Expected Commercial Operation Date, and (ii) Buyer will not purchase test energy or any other energy deliveries prior to the Commercial Operation Date. For pre-Commercial Operation Date energy deliveries, Bidder may wish to consult the power purchase tariffs of the interconnection utility for the RER.</p>
<p><b>Capacity Rate:</b></p> <p><i>Option 1: Indexed</i></p> <ul style="list-style-type: none"> <li>» Base Capacity Rate (\$/kW-year)</li> <li>» Escalator (CPI or PPI)</li> </ul> <p><i>Option 2: Fixed</i></p> <ul style="list-style-type: none"> <li>» Fixed Capacity Rate (\$/kW-year) for each year</li> </ul>	<p>Bidders must choose from the following options to establish a Capacity Rate:</p> <ol style="list-style-type: none"> <li>1) Indexed; or</li> <li>2) Fixed.</li> </ol> <p>Option 1 requires Bidder to propose (a) a base Capacity Rate expressed as \$/kW-year applicable to the entire Delivery Term and (b) an annual escalator, which shall be either CPI or PPI and shall apply on each anniversary of the start of the Delivery Term. The Capacity Rate will be the base Capacity Rate multiplied by the percentage change in the escalator from the start of the Delivery Term through the applicable anniversary of the start of the Delivery Term on which the annual escalator is applied.</p> <p>Option 2 requires Bidder to propose a fixed Capacity</p>

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<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
	Rate expressed as \$/kW-year for each year of the Delivery Term.
<p><b>Energy Price:</b></p> <p><i>Option 1: Indexed</i></p> <ul style="list-style-type: none"> <li>» Base Energy Price (\$/MWh)</li> <li>» Escalator (CPI or PPI)</li> </ul> <p><i>Option 2: Fixed</i></p> <ul style="list-style-type: none"> <li>» Fixed Energy Price (\$/MWh) for each year</li> </ul>	<p>Bidders must choose from the following options to establish an Energy Price:</p> <p>1) Indexed; or</p> <p>2) Fixed.</p> <p>Option 1 requires Bidder to propose (a) a base Energy Price expressed as \$/MWh applicable to the entire Delivery Term and (b) an annual escalator, which shall be either CPI or PPI and shall apply on each anniversary of the start of the Delivery Term. The Energy Price will be the base Energy Price multiplied by the percentage change in the escalator from the start of the Delivery Term through the applicable anniversary of the start of the Delivery Term on which the annual escalator is applied.</p> <p>Option 2 requires Bidder to propose a fixed Energy Price expressed as \$/MWh for each year of the Delivery Term.</p>
<p><b>Variable O&amp;M Rate:</b></p> <p><i>Option 1: Indexed</i></p> <ul style="list-style-type: none"> <li>» Base Variable O&amp;M Rate (\$/MWh)</li> <li>» Escalator (CPI or PPI)</li> </ul> <p><i>Option 2: Fixed</i></p> <ul style="list-style-type: none"> <li>» Fixed Variable O&amp;M Rate (\$/MWh) for each year</li> </ul>	<p>Bidders must choose from the following options to establish a Variable O&amp;M Rate:</p> <p>1) Indexed; or</p> <p>2) Fixed.</p> <p>Option 1 requires Bidder to propose (a) a base Variable O&amp;M Rate expressed as \$/MWh applicable to the entire Delivery Term and (b) an annual escalator, which shall be either CPI or PPI and shall apply on each anniversary of the start of the Delivery Term. The Variable O&amp;M Rate will be the base Variable O&amp;M Rate multiplied by the percentage change in the escalator from the start of the Delivery Term through the applicable anniversary of the start of the Delivery Term on which the annual escalator is applied.</p> <p>Option 2 requires Bidder to propose a fixed Variable O&amp;M Rate expressed as \$/MWh for each year of the Delivery Term.</p>
<p><b>Monthly Availability Requirement:</b></p> <ul style="list-style-type: none"> <li>» Summer Months</li> <li>» Winter Months</li> <li>» Other Months</li> </ul>	<p>Bidder is required to propose a Monthly Availability Requirement expressed as a percentage for each month according to whether that month is a Summer Month, Winter Month or Other Month defined as follows:</p> <p>Summer Month – June, July or August;</p>

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Baseload Product  
Product Package A

<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
	<p>Winter Month – December, January or February; and Other Month – March, April, May, September, October or November.</p> <p>Buyer prefers higher Monthly Availability Requirements for the Summer Months and Winter Months.</p>
<b>Automatic Generation Control (AGC) Availability:</b>	Is the RER capable of, and is Bidder willing to offer, operation under AGC? If so, please describe any operating limitations that differ from the offer being made under this Product Package A.
<b>Planned Maintenance:</b> » Maximum Equivalent Planned Maintenance Hours	Please provide the maximum number of Equivalent Planned Maintenance Hours ( <i>i.e.</i> , hours of Planned Maintenance excluded from the calculation of Monthly Availability).
<b>Emissions Rates:</b> » SO <sub>2</sub> (lbs/MMBtu HHV) » NO <sub>x</sub> (lbs/MMBtu HHV) » CO <sub>2</sub> (lbs/MMBtu HHV)	Please provide the average hourly emission rates of the RER per MMBtu HHV of fuel input for the gases listed. If the RER does not emit a gas listed, please specify zero lbs/MMBtu HHV as the emissions rate for such gas.
<b>Other Emission Issues:</b>	Please describe any issues or restrictions relating to any greenhouse gas or other emissions by the RER.

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**PART 2**  
**REQUIRED PROPOSAL SUBMISSION INFORMATION**  
**Baseload Product**

**TRANSMISSION SERVICE/INTERCONNECTION**

**Instructions:** Please furnish the information requested herein via the RFP Web Portal during the Proposal Submission Process. Additional information requests may be made by ESI via the RFP Web Portal during the Proposal Submission Process. Bidders are encouraged to provide as much information as possible regarding each of the items below in order to allow ESI to appropriately evaluate each proposal. In addition to the items mentioned below, please detail any other interconnection or transmission considerations or other appropriate information that may be relevant to ESI’s consideration of Bidder’s proposal. The guidance provided in this section of the product package should be considered in addition to, and not in place of, the commercial terms and conditions outlined under “Summary of Principal Terms” below and the requirements of the LPSC’s Pilot Program and approved Implementation Plan. Bidders are responsible for reviewing and taking into account the Summary of Principal Terms, the other terms of this RFP, and the LPSC’s Pilot Program and approved Implementation Plan in providing the information requested herein.

<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
<b>Voltage Level:</b>	Please describe the voltage levels at each point of the step-up transformer and at the interconnection point.
<b>VAR Capability:</b> » Maximum/Minimum VAR output leading » Maximum/Minimum VAR output lagging	
<b>Voltage Response Capability:</b> » Automatic Voltage Regulator » Low Voltage Ride Through Capability	
<b>Interconnection:</b> » Point of Interconnection » Total Interconnection Costs » Embedded Interconnection Costs	Bidders should describe the point at which the RER will be interconnected.  Bidders must file a complete application for interconnection of the RER pursuant to the Standard Large Generator Interconnection Procedures (LGIP), Standard Small Generator Interconnection Procedures (SGIP) or other applicable interconnection standards (as applicable as described below) by the Required Proposal Submission Date. Bidders must forward their respective acknowledgement letter/email to the RFP Administrator by the Required Proposal Submission Date and acceptance letter to the RFP Administrator no later than 45 days after

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<u>Required Information</u>	<u>Additional Information</u>
	<p>the Required Proposal Submission Date.</p> <p>Bidders with electric generators having a rated capacity of 500 kVA up to, but less than, 20 MVA that interconnect on a distribution system of an Entergy Operating Company at distribution level voltage levels below 69 kV or on the Entergy Transmission System at transmission level voltage levels of 69 kV or above must follow the Standard Small Generator Interconnection Procedures.</p> <p>Bidders with electric generators having a rated capacity of 20 MVA and greater that interconnect on the Entergy Transmission System at transmission level voltage levels of 69 kV or above must follow the Standard Large Generator Interconnection Procedures. In the unusual case that electric generators having a rated capacity of 20 MVA and greater intend to interconnect on a distribution system of an Entergy Operating Company at distribution level voltage levels below 69 kV, please consult the applicable tariff or Entergy Operating Company.</p> <p>If the RER interconnects to other utilities or third party transmission or distribution systems, other standards may apply.</p> <p>All interconnection and upgrade costs that are or would be assigned to Bidder under the electric interconnection agreement for the RER will be borne by Seller and should be considered in the Capacity Rate offered by Bidder. These costs will include all costs required to allow the RER to interconnect at the level of interconnection service requested by Bidder and could include upgrades beyond the point of interconnection; however, upgrades beyond the Delivery Point required solely to obtain firm transmission or transfer of power from the RER beyond the Delivery Point (that are not required to allow the RER to interconnect at the level of interconnection service requested by Bidder or for the firm transmission or transfer of power to the Delivery Point) will be the responsibility of Buyer as described under “Transmission beyond Delivery Point” below.</p> <p>Bidder must break out as separate line items (a) the total interconnection and upgrade costs that are or are expected to be assigned to Bidder under the electric interconnection agreement for the RER (the “Total Interconnection Costs”) and (b) the portion of such Total Interconnection Costs that do not, or are not expected to, generate or result in financial rights or credits pursuant to Attachment T of the Entergy OATT or, if applicable, the distribution level tariff of an</p>

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<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
	<p>Entergy Operating Company (or, for RERs that are not or would not be directly interconnected to the Entergy Transmission System or a distribution system of an Entergy Operating Company, other applicable compensation) and, as a result, have been embedded in the Capacity Rate (the “Embedded Interconnection Costs”). Bidders may update the Total Interconnection Costs, Embedded Interconnection Costs and, for purposes of reflecting any change in the Embedded Interconnection Costs only, the Capacity Rate offered by Bidder until, but no later than, 90 days following the required proposal submission date for this RFP by submitting such updated Total Interconnection Costs, Embedded Interconnection Costs and Capacity Rate to the RFP Administrator. If, based on the information available prior to entering into any Definitive Agreement, the actual Total Interconnection Costs that will not be separately compensated to Bidder are reasonably expected to be below the Embedded Interconnection Costs reflected in Bidder’s proposal, the Capacity Rate proposed by Bidder shall be reduced to reflect the effects of such difference.</p>
<p><b>Delivery Point:</b></p>	<p>Bidders should describe the Delivery Point at which power from the RER will be delivered to Buyer (or indicate that it is the same as the interconnection point). The Delivery Point must be located on the Entergy Transmission System.</p>
<p><b>Transmission to Delivery Point:</b></p> <ul style="list-style-type: none"> <li>» Description of how firm transmission or transfer of power to the Delivery Point will be achieved</li> <li>» Total T&amp;D Costs</li> <li>» Embedded T&amp;D Costs</li> </ul>	<p>All proposals involving RERs that are not or would not be directly interconnected to the Entergy Transmission System (or otherwise will have a Delivery Point that is beyond the Interconnection Point for the RER) should provide for the firm transmission or transfer of power to the Delivery Point. All such proposals must describe how firm transmission or transfer of power to the Delivery Point will be achieved.</p> <p>All costs of any transmission or distribution system additions, modifications or service required by the RER for the transmission or transfer of power to the Delivery Point will be borne by Seller and should be considered in the Capacity Rate offered by Bidder. For RERs that are not or would not be directly interconnected to the Entergy Transmission System (or otherwise will have a Delivery Point that is beyond the Interconnection Point for the RER), Bidder must break out as separate line items (a) the total costs of any transmission or distribution system additions, modifications or service required by the RER for the firm transmission or transfer of power to the Delivery Point that are or would be assigned to Bidder under the applicable tariff (the “Total T&amp;D Costs”) and (b) the portion of such Total T&amp;D Costs that will not, or are not expected to, be</p>

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<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
	<p>separately compensated and, as a result, have been embedded in the Capacity Rate (the “Embedded T&amp;D Costs”). Bidders may update the Total T&amp;D Costs, Embedded T&amp;D Costs and, for purposes of reflecting any change in the Embedded T&amp;D Costs only, the Capacity Rate offered by Bidder until, but no later than, 90 days following the required proposal submission date for this RFP by submitting such updated Total T&amp;D Costs, Embedded T&amp;D Costs and Capacity Rate to the RFP Administrator. If, based on the information available prior to entering into any Definitive Agreement, the actual Total T&amp;D Costs that will not be separately compensated to Bidder are reasonably expected to be below the Embedded T&amp;D Costs reflected in Bidder’s proposal, the Capacity Rate proposed by Bidder shall be reduced to reflect the effects of such difference.</p>
<b>Transmission beyond Delivery Point:</b>	<p>Buyer will be responsible for the transmission or transfer of power from the RER beyond the Delivery Point (<i>i.e.</i>, after Buyer’s receipt on the Entergy Transmission System). In this regard, Buyer will be responsible for the costs of transmission system additions and/or modifications beyond the Delivery Point that are required solely to obtain firm transmission or transfer of power from the RER beyond the Delivery Point (<i>i.e.</i>, excluding those that are required to allow the RER to interconnect at the level of interconnection service requested by Bidder or for the firm transmission or transfer of power to the Delivery Point), and Bidder should not include any such costs in the pricing offered by Bidder.</p>
<b>Other Considerations:</b>	<p>Please describe in detail any other special items that ESI should take into consideration with respect to transmission/interconnection, including:</p> <ul style="list-style-type: none"> <li>» limited transfer capability;</li> <li>» potential delivery inflexibility;</li> <li>» potential instability issues or special reliability studies;</li> <li>» affected system studies;</li> <li>» known or potential constraints; and</li> <li>» except for applicable laws and other matters of general applicability, any matter that would be expected to have a negative effect on Seller’s ability to transmit or transfer power from the RER to the Delivery Point.</li> </ul>

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**PART 3**  
**REQUIRED PROPOSAL SUBMISSION INFORMATION**  
**Baseload Product**

**FUEL SUPPLY AND TRANSPORTATION**

**Instructions:** Please furnish the information requested herein via the RFP Web Portal during the Proposal Submission Process. Additional information requests may be made via the RFP Web Portal during the Proposal Submission Process. Bidders are encouraged to provide as much information as possible regarding each of the items below in order to allow ESI to appropriately evaluate each proposal. In addition to providing detailed information on the items below, please detail any other fuel supply and transportation considerations that may be relevant to ESI’s consideration of Bidder’s proposal. The guidance provided in this section of the product package should be considered in addition to, and not in place of, the commercial terms and conditions outlined under “Summary of Principal Terms” below and the requirements of the LPSC’s Pilot Program and approved Implementation Plan. Bidders are responsible for reviewing and taking into account the Summary of Principal Terms, the other terms of this RFP and the LPSC’s Pilot Program and approved Implementation Plan in providing the information requested herein.

<b><u>Required Information</u></b>	<b><u>Additional Information</u></b>
<b>Fuel Supply Sources:</b>	<p>Describe the primary fuel type utilized by the RER, and if applicable, any secondary fuel type(s).</p> <p>With respect to any secondary fuel type:</p> <ul style="list-style-type: none"> <li>» Describe how it is used (<i>e.g.</i>, start-up or back-up).</li> <li>» Describe any limitation and/or other effect of using the secondary fuel type on the qualification of energy generated by the RER as renewable energy that generates RECs. For example, if the secondary fuel type is used for start-up, will the first hour of energy during Start-up not qualify for RECs? Note that any such limitation and/or other effect does not excuse the requirement for Seller to provide the Guaranteed Environmental Attributes (as defined under “Summary of Principal Terms” below) to Buyer for each MWh of energy delivered to Buyer throughout the Delivery Term (even if some of that energy in any settlement interval is serviced from a secondary fuel and does not qualify as renewable energy).</li> <li>» List any additional costs associated with using the secondary fuel type.</li> <li>» Describe any other effect of using the secondary fuel type on the RER (<i>e.g.</i>, output, performance, performance risk, fuel conversion requirements, maintenance, etc.).</li> <li>» Describe any limitation on the use of the secondary fuel type, such as a high minimum tender requirement with</li> </ul>

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<u>Required Information</u>	<u>Additional Information</u>
	the transporter(s), physical storage capacity and/or any permitting or operating restrictions.
<b>Fuel Storage:</b>	<p>» List any inventory handling and fuel storage facilities, including their locations (and specifying on-site or off-site).</p> <p>» Describe the fuel storage capacity, reclaim capability and fuel blending capability at each storage site.</p> <p>» Describe the inventory policy for the RER and state how much inventory is typically maintained at each inventory handling facility.</p>
<b>Fuel Supply/Transportation Strategy:</b>	<p>» Provide a description of Bidder's fuel supply and transportation strategy and, if applicable, criteria that serves as the basis for evaluating and selecting fuel suppliers and transporters.</p> <p>» List the delivery methods the RER can accommodate (barge/rail/pipe/truck/etc.) and describe the primary transportation method.</p> <p>» Describe Bidder's primary supply source.</p> <p>» Describe whether Bidder has firm or dedicated supply and transportation throughout the Delivery Term and, if so, from whom.</p> <p>» Please indicate whether dispatchability of the RER has or can be expected to be constrained due to fuel supply or transportation issues.</p>
<b>Fuel Quality and Measurement Requirements/Issues:</b>	» Describe any fuel quality or decay rate constraints applicable to the RER.

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**Special Considerations:**

***Please refrain from using Bidder and/or generating plant names in this section. Use the Bidder ID and/or Plant ID(s) issued by ESI during Bidder Registration as substitutions.***

Please describe in detail below any special items that ESI should take into consideration when evaluating the proposal submitted by Bidder, including:

1. Whether this proposal and one or more other proposals being submitted by Bidder are mutually exclusive and, if so, the product(s) to which the other proposal(s) relate;
2. If Bidder believes that a particular requested disclosure is not applicable to Bidder's proposal and Bidder responded with a "N/A," then Bidder should specify why the disclosure is not applicable;
3. If Bidder wishes to submit a proposal contingent on another company's RFP, or an issue that Bidder believes may subject the proposal to a material risk of being withdrawn, Bidder may do so provided that it indicates such conditions and reasons;
4. If Bidder proposes to allocate to Buyer less than all of the capacity of the RER, Bidder must describe in detail how it intends to sub-divide the capacity, including proposed procedures for metering, tagging or scheduling with the Balancing Authority or similar action, settlement and exercise of curtailment rights;
5. If Buyer desires to submit a proposal that is not on an RER-specific basis or a proposal on a firming and shaping basis, Buyer must describe in detail such proposal. Please note that Bidder may submit such proposal only if Bidder can establish the firm delivery of power to the Delivery Point (on the Entergy Transmission System) and that Seller delivers to Buyer the Guaranteed Environmental Attributes for each MW of capacity allocated to Buyer or each MWh of energy delivered to Buyer (as applicable) throughout the Delivery Term;
6. The environmental attributes (and associated renewable portfolio standard or other renewable energy, emissions reduction or reporting rights program) for which Bidder's proposed RER is eligible as of the date of Bidder's proposal;
7. Whether the RER is or will be eligible for capacity credits or other capacity-related benefits and whether the RER is or will be capable of providing any ancillary services and, in each case, if so, which ones and the basis of that belief;
8. Buyer prefers proposals that offer Buyer enhanced dispatch and/or curtailment flexibility. Buyer is willing to consider specific pricing adjustments proposed by Bidder for providing enhanced dispatch and/or curtailment rights to Buyer. For each such enhanced dispatch and/or curtailment right (or collection of dispatch and/or curtailment rights), Bidder must separately set out and specify in its proposal the enhanced dispatch and/or curtailment right (or collection of dispatch and/or curtailment rights) and the proposed price adjustment, if any; and
9. All other items Bidder deems appropriate, including any proposed exceptions to the "Summary of Principal Terms" below or any known risks or circumstances that could result in the withdrawal of a proposal and any other special items that ESI should take into consideration when evaluating the proposal submitted by Bidder.

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**Summary of Principal Terms  
Baseload Product Package A (Long-Term)**

Buyer is seeking proposals from Bidders for the purchase of long-term energy, capacity and other capacity-related benefits, ancillary services and RECs and other Environmental Attributes from Baseload RERs. The terms and conditions listed below will be binding on Bidder (but not Buyer) and establish the basis for the negotiation and execution of the Definitive Agreement, with necessary changes to accurately reflect any exceptions set forth in the applicable Seller’s proposal that are accepted by Buyer.<sup>2</sup> If Bidder is selected for final negotiation of a Definitive Agreement, Bidder and Buyer shall enter into a Letter of Intent that will set forth in more detail the terms and conditions of the proposed Definitive Agreement, pending the negotiation and execution of the Definitive Agreement. Upon execution of an LOI, Bidder will be required to provide a letter of credit meeting the requirements set forth in Appendix E to this RFP in the amount of 0.5% of the projected notional value of the Definitive Agreement (including estimated energy purchases), not to exceed \$2,000,000.

Buyer will conduct due diligence on each proposal selected for future negotiations. Without limiting its right to terminate, at any time and for any reason, its discussions with Bidder (or to modify or withdraw any proposed term set forth herein), to the extent that any estimates are furnished by a Bidder and such estimates deviate from the actual value of any item disclosed or required to be disclosed as specified herein or elsewhere in the Proposal Submission Form, Buyer may address any or all such inconsistencies during negotiation of the Definitive Agreement.

	<b><u>Basic Information</u></b>	<b><u>Additional Information</u></b>
<b>Product Description</b>	<p>These terms and conditions apply to the purchase by Buyer of long-term energy, capacity and other capacity-related benefits, ancillary services and RECs and other environmental attributes from “Baseload” RERs.</p> <p>“Baseload” means 7 x 24, round-the-clock deliveries of energy from the RER (as described under “Delivery/Receipt Commitment” below), provided that Buyer’s obligation to accept Baseload deliveries from the RER shall be subject to</p>	<p>If Seller wishes to submit proposals for more than one Baseload product from the same RER or proposals from different RERs, please submit a separate Proposal Submission Form for each proposal.</p> <p>Buyer shall be entitled to all energy, capacity and other capacity-related benefits, ancillary services and RECs and other environmental</p>

<sup>2</sup> Appendix A to this RFP contains a glossary of capitalized terms used in this RFP. Capitalized terms used but not otherwise defined in this Appendix C, Product Package A, shall have the meanings given to them in Appendix A, unless the context otherwise requires or the terms of this Appendix C, Product Package C otherwise directs. In the event of a conflict between a term herein or a term in the main body or another Appendix (including Appendix A) of this RFP, the term herein will control.

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Baseload Product  
Term Sheet A

	<b><u>Basic Information</u></b>	<b><u>Additional Information</u></b>
	<p>(i) Reliability Curtailments (as defined below under “Buyer Right to Curtail”) and curtailments for any other circumstances and (ii) Buyer’s rights under “Buyer Right to Curtail” below and Buyer’s additional dispatch flexibility rights, if any, offered by Bidder in its proposal. Please refer to the LPSC-approved Implementation Plan for a listing of the technologies eligible to participate in this RFP.</p>	<p>attributes from the RER (or, in the event Bidder proposes to allocate to Buyer a portion of the capacity of the RER, the pro rata portion thereof).</p> <p>If Bidder proposes to allocate to Buyer less than all of the capacity of the RER, please describe in detail under “Special Considerations” how Bidder intends to subdivide the capacity, including proposed procedures for metering, tagging or scheduling with the Balancing Authority or similar action, settlement and exercise of curtailment rights. Buyer prefers proposals allocating the entire output of the RER to Buyer.</p>
<b>Pricing</b>	<p>Pricing for this product will be composed of (i) a Capacity Rate expressed in \$/kW-year; (ii) an Energy Price expressed in \$/MWh; and (iii) a Variable O&amp;M Rate expressed in \$/MWh. Each of these components may be indexed or fixed, as described below in this “Summary of Principal Terms.”</p>	<p>Except to the extent otherwise expressly provided in this “Summary of Principal Terms,” Buyer will not be required to pay any amounts to Seller other than the Capacity Payment (equal to the Capacity Rate multiplied by the Dependable Capacity allocated to Buyer) and the energy payment (equal to the sum of the Energy Price and the Variable O&amp;M Rate multiplied by the energy from the RER delivered to Buyer at the Delivery Point), so the Capacity Rate, Energy Price, and Variable O&amp;M Rate should include all costs of generating and delivering capacity, energy and ancillary services to the Delivery Point and generating and providing environmental attributes and</p>

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		all other costs that Bidder is proposing to pass through to Buyer, including the costs of cyclical, major and other maintenance, fuel costs (including Start-up fuel), any applicable Start-up costs, fuel taxes, and adders and any applicable ancillary services and other balancing authority services, penalties, settlements and other charges.
<b>Delivery Term</b>	Buyer is seeking a Delivery Term of a minimum of ten (10) years to a maximum of twenty (20) years, starting preferably no earlier than 2012 and preferably no later than the end of 2014. At the time of Bidder's submission of its proposal under this RFP, the RER should reasonably be expected to achieve commercial operation in the 2011-2014 timeframe. The start of the Delivery Term will be measured (a) for new RERs, from the later of the Commercial Operation Date of the RER or the Expected Commercial Operation Date and (b) for existing RERs, from an agreed start date for deliveries. Commencement of the Delivery Term will be subject to the satisfaction or waiver of all applicable conditions thereto.	For new RERs, (i) Buyer will consider proposals to purchase energy delivered after the Commercial Operation Date but prior to the Expected Commercial Operation Date, and (ii) Buyer will not purchase test energy or any other energy deliveries prior to the Commercial Operation Date. For pre-Commercial Operation Date energy deliveries, Bidder may wish to consult the power purchase tariffs of the interconnection provider for the RER.
<b>Capacity Quantity</b>	Capacity Payments and availability calculations will use the Dependable Capacity allocated to Buyer, as specified in the Proposal Submission Form, but subject to adjustment as described in the immediately following paragraph. ("Dependable Capacity" means the Capacity that the RER is capable of delivering to Buyer at the Delivery Point on a 7 x 24, round-the-clock basis, subject to exceptions for unit contingencies. For this purpose, "delivering" Capacity means, during each hour, delivering a quantity of energy at the Delivery Point equal to such Capacity multiplied by one hour.)  The Dependable Capacity allocated to Buyer shall be adjusted	Buyer is seeking proposals from RERs that have a minimum Dependable Capacity allocated to Buyer of two (2) MW and a maximum Dependable Capacity allocated to Buyer of two hundred thirty-three (233) MW. The minimum and maximum quantities above are expressed as net Capacity at the Delivery Point, and the amount of Dependable Capacity proposed by Bidders must be specified as net Capacity at the Delivery Point.

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	<p>according to (a) in the case of new RERs, a Capacity test conducted in connection with the achievement of the Commercial Operation Date and (b) in the case of all RERs, Capacity tests conducted semi-annually or as part of or shortly after the completion of extraordinary repairs to the RER, at Seller’s expense, with Buyer purchasing the power delivered pursuant to such tests, and additional Capacity tests conducted at the request of Buyer at its expense; provided, however, that in no event shall the Dependable Capacity allocated to Buyer be increased above the Dependable Capacity allocated to Buyer as specified in the Proposal Submission Form (or, if the last paragraph under “Completion” below applies, the tested Dependable Capacity allocated to Buyer determined in the Capacity test conducted in connection with the achievement of the Commercial Operation Date and on which Seller bases the payment in such paragraph). The semi-annual Capacity tests of the RER shall occur during the months of December or January and June or July of each year, except to the extent waived by Buyer, and shall be performed in accordance with standard industry practices and testing protocols to be set forth in the Definitive Agreement.</p>	<p>The portion of the Dependable Capacity of the RER allocated to Buyer must be constant throughout the Delivery Term.</p> <p>Buyer prefers Bidders to offer to Buyer the entire Capacity of the RER. For RERs that have a Dependable Capacity of less than ten (10) MW, Buyer will consider the offer only if Buyer is allocated the entire Capacity of the RER (net of any capacity allocated for internal use). If the Dependable Capacity offered to Buyer is incremental to existing contracts on the RER, please indicate so in the Proposal Submission Form.</p> <p>If Bidder proposes to allocate to Buyer less than all of the RER’s Capacity, please describe in detail under “Special Considerations” how Bidder intends to subdivide the Capacity, including proposed procedures for metering, scheduling, tagging or scheduling with the Balancing Authority or similar action and settlement.</p> <p>For eligible cogeneration units, Buyer will consider proposals for the full Capacity of the specified RER less any host load requirements. Neither ESI nor any Entergy Operating Company shall be obligated to assume responsibility for any host load requirements.</p>
<b>Capacity-Related Benefits</b>	Any benefit associated with the capacity of the RER allocated to Buyer, including any capacity credit or similar right or	Bidders should indicate under “Special Considerations” whether the RER is or will

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	benefit, shall exclusively and solely accrue to and be owned by Buyer. Seller will be required, at its own expense, to timely execute and file all documents (including any applicable request for qualification as a capacity resource) and take all other actions necessary to obtain and transfer to Buyer capacity-related benefits, provided that Seller shall not be required to pay for any system additions and/or modifications beyond the Delivery Point that are required solely to obtain such capacity-related benefits (that would not otherwise be required to allow the RER to interconnect at the level of interconnection service requested by Bidder or for the firm transmission or transfer of power to the Delivery Point).	be eligible for capacity credits or other capacity-related benefits and, if so, which ones and the basis of that belief. Bidders should describe any studies or other actions needed to qualify the RER for capacity-related benefits. Bidders should also describe the status and any results of any such actions. Except as otherwise provided in the proviso set forth in the adjacent column, all costs required for any capacity qualification will be borne by Seller and should be considered in the Energy Price offered by Bidder.
<b>Ancillary Services</b>	Seller will be required to qualify the RER for, and (at Buyer's request) provide for Buyer's account at Seller's own expense, ancillary services (if any) capable of being provided by the RER at the applicable time.	Bidders should indicate under "Special Considerations" whether the RER is or will be capable of providing any ancillary services and, if so, which ones and the basis of that belief.
<b>Delivery/Receipt Commitment</b>	Subject to the other terms hereof, Seller shall be required to provide, sell and deliver to Buyer, and Buyer shall be required to purchase and accept from Seller, during each hour of the Delivery Term a quantity of energy at the Delivery Point equal to the Dependable Capacity allocated to Buyer (as determined according to the "Capacity Quantity" section above), multiplied by one hour. In addition, Seller shall be required to offer to Buyer, for delivery to Buyer at the Delivery Point, any Capacity of the RER in excess of the Dependable Capacity allocated to Buyer that the RER is capable of delivering to the Delivery Point at any time (other than that corresponding to any Dependable Capacity allocated to another buyer), and, to the extent dispatched by Buyer (in its sole discretion), Seller shall provide, sell and deliver to Buyer at the Delivery Point	

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	the energy associated with such excess Capacity.																									
<b>Capacity Rate</b>	The Capacity Rate, <b>expressed in \$/kW-year</b> , will be allocated to each month according to the schedule below and be payable monthly in arrears in respect of the Dependable Capacity allocated to Buyer (as determined according to the “Capacity Quantity” section above), provided that such payment ( <i>i.e.</i> , the Capacity Payment) shall be subject to a Capacity Payment Discount based on actual Capacity availability as described in the “Availability Requirement” section below.	<p>Bidders must choose from the following options to establish a Capacity Rate:</p> <p>1) Indexed; or</p> <p>2) Fixed.</p> <p>Option 1 requires Bidder to propose (a) a base Capacity Rate expressed as \$/kW-year applicable to the entire Delivery Term and (b) an annual escalator, which shall be either CPI or PPI and shall apply on each anniversary of the start of the Delivery Term. The Capacity Rate will be the base Capacity Rate multiplied by the percentage change in the escalator from the start of the Delivery Term through the applicable anniversary of the start of the Delivery Term on which the annual escalator is applied.</p> <p>Option 2 requires Bidder to propose a fixed Capacity Rate expressed as \$/kW-year for each year of the Delivery Term.</p>																								
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Month</u></th> <th style="text-align: center;"><u>% of Capacity Rate</u></th> </tr> </thead> <tbody> <tr><td style="text-align: center;">January</td><td style="text-align: center;">7%</td></tr> <tr><td style="text-align: center;">February</td><td style="text-align: center;">7%</td></tr> <tr><td style="text-align: center;">March</td><td style="text-align: center;">4%</td></tr> <tr><td style="text-align: center;">April</td><td style="text-align: center;">4%</td></tr> <tr><td style="text-align: center;">May</td><td style="text-align: center;">9%</td></tr> <tr><td style="text-align: center;">June</td><td style="text-align: center;">15%</td></tr> <tr><td style="text-align: center;">July</td><td style="text-align: center;">15%</td></tr> <tr><td style="text-align: center;">August</td><td style="text-align: center;">15%</td></tr> <tr><td style="text-align: center;">September</td><td style="text-align: center;">9%</td></tr> <tr><td style="text-align: center;">October</td><td style="text-align: center;">4%</td></tr> <tr><td style="text-align: center;">November</td><td style="text-align: center;">4%</td></tr> <tr><td style="text-align: center;">December</td><td style="text-align: center;">7%</td></tr> </tbody> </table>		<u>Month</u>	<u>% of Capacity Rate</u>	January	7%	February	7%	March	4%	April	4%	May	9%	June	15%	July	15%	August	15%	September	9%	October	4%	November	4%
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December	7%																									
<b>Energy Pricing</b>	For each MWh of energy delivered to Buyer at the Delivery Point, Buyer shall pay the Energy Price.	<p>Bidders must choose from the following options to establish an Energy Price:</p> <p>1) Indexed; or</p> <p>2) Fixed.</p>																								

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		<p>Option 1 requires Bidder to propose (a) a base Energy Price expressed as \$/MWh applicable to the entire Delivery Term and (b) an annual escalator, which shall be either CPI or PPI and shall apply on each anniversary of the start of the Delivery Term. The Energy Price will be the base Energy Price multiplied by the percentage change in the escalator from the start of the Delivery Term through the applicable anniversary of the start of the Delivery Term on which the annual escalator is applied.</p> <p>Option 2 requires Bidder to propose a fixed Energy Price expressed as \$/MWh for each year of the Delivery Term.</p>
<b>Variable O&amp;M Rate</b>	For each MWh of energy delivered to Buyer at the Delivery Point, Buyer shall pay the Variable O&M Rate.	<p>Bidders must choose from the following options to establish a Variable O&amp;M Rate:</p> <ol style="list-style-type: none"> <li>1) Indexed; or</li> <li>2) Fixed.</li> </ol> <p>Option 1 requires Bidder to propose (a) a base Variable O&amp;M Rate expressed as \$/MWh applicable to the entire Delivery Term and (b) an annual escalator, which shall be either CPI or PPI and shall apply on each anniversary of the start of the Delivery Term. The Energy Price will be the base Variable O&amp;M Rate multiplied by the percentage change in the escalator from the start of the</p>

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		<p>Delivery Term through the applicable anniversary of the start of the Delivery Term on which the annual escalator is applied.</p> <p>Option 2 requires Bidder to propose a fixed Variable O&amp;M Rate expressed as \$/MWh for each year of the Delivery Term.</p>
<b>Environmental Attributes</b>	<p>Any current or future RECs and other environmental attributes associated with the capacity of the RER allocated to Buyer or the generation of energy from such capacity, including any environmental attributes related to the avoidance of the emission of any gas (including carbon dioxide and other greenhouse gases), chemical or other substance into the environment and including the Guaranteed Environmental Attributes (as defined in the adjacent column), shall exclusively and solely accrue to and be owned by Buyer. For the avoidance of doubt, Buyer shall not be required to pay any amounts for such Environmental Attributes; all consideration for Environmental Attributes associated with the capacity of the RER allocated to Buyer is included in the Capacity Rate, and all consideration for Environmental Attributes associated with the generation of energy from such capacity is included in the Energy Price and Variable O&amp;M Rate.</p> <p>Seller shall be required to provide to Buyer, for each MW of capacity allocated to Buyer or each MWh of energy delivered to Buyer, as applicable, throughout the Delivery Term (even if some of that energy in any settlement interval is serviced from the imbalance energy market or any of that capacity or energy is produced by fossil fuel for any reason), the environmental attributes required for compliance with the LPSC’s renewable energy Pilot Program, the other Guaranteed Environmental</p>	<p>Bidder should describe under “Special Considerations” the environmental attributes (and associated renewable portfolio standard or other renewable energy, emissions reduction or reporting rights program) for which its proposed RER is eligible as of the date of its proposal (the “Guaranteed Environmental Attributes”). <b>The Guaranteed Environmental Attributes must include the environmental attributes required for compliance with the LPSC’s Pilot Program and approved Implementation Plan.</b> Seller shall be required to provide the Guaranteed Environmental Attributes to Buyer for each MW of capacity allocated to Buyer or each MWh of energy delivered to Buyer (as applicable) throughout the Delivery Term (even if some of that energy in any settlement interval is serviced from the imbalance energy market or any of that capacity or energy is produced by fossil fuel for any reason).</p>

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	<p>Attributes and any Environmental Attributes for which the RER becomes eligible during the Delivery Term. For any such environmental attribute that Seller does not provide to Buyer (provided that Seller shall first be required to use best efforts to provide such environmental attribute), Seller shall pay to Buyer the highest “alternative compliance payment” (or equivalent concept/market value) then in effect pursuant to the renewable portfolio standard or other renewable energy, emissions reduction or reporting rights program for which such Environmental Attribute would have qualified.</p>	
<p><b>Failure to Deliver Required Annual Delivery Quantity</b></p>	<p>If Seller does not deliver to Buyer energy at the Delivery Point in an amount at or above the “Required Annual Delivery Quantity” (see adjacent column) in any year of the Delivery Term, then Seller shall be required to transfer to Buyer the environmental attributes that Seller would have been obligated to transfer to Buyer if the energy shortfall had been generated and delivered. For each MWh of any such environmental attribute that Seller does not provide to Buyer (provided that Seller shall first be required to use best efforts to provide such environmental attribute) according to the preceding sentence, Seller shall pay to Buyer the highest “alternative compliance payment” (or equivalent concept/market value) then in effect pursuant to the renewable portfolio standard or other renewable energy, emissions reduction or reporting rights program for which such environmental attribute would have qualified.</p> <p>For purposes of the provisions set forth above, the Required Annual Delivery Quantity for any year will be reduced by each MWh that would have been, but was not, delivered to Buyer from the RER due solely to a transmission curtailment occurring beyond the Delivery Point within the Entergy Transmission System (except if attributable to Seller) or to a</p>	<p>The Required Annual Delivery Quantity will be used for purposes of determining whether Buyer is owed any RECs and other environmental attributes or any financial settlement for RECs and other environmental attributes that were not delivered or transferred to Buyer by Seller during a year due to the under-delivery of energy from the RER. The “Required Annual Delivery Quantity” will equate to, in any year, the total amount of energy that would be delivered to Buyer from the RER in such year assuming that the RER operates throughout such year at the weighted average of the Monthly Availability Requirements (see below) for such year.</p>

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	Force Majeure. The amount of such reduction shall be calculated by Seller using Accepted Electrical Practices, which calculation shall be subject to audit and dispute by Buyer.	
<b>Availability Requirement</b>	<p>The Definitive Agreement shall contain a Monthly Availability Requirement to be agreed for the applicable technology and a Rolling 12 Month Availability Requirement of eighty-five percent (85%).</p> <p>Monthly Availability will be calculated monthly based on the availability of Capacity relative to the Dependable Capacity. (Please see the definition of “Monthly Availability” in Appendix A to this RFP for the basics of the calculation.) If the Monthly Availability is below the applicable Monthly Availability Requirement, a ‘Capacity Payment Discount’ will apply. The Capacity Payment Discount will be two percent (2%) for each one percent (1%) shortfall to the Monthly Availability Requirement; provided, however, that (a) to the extent of unavailability as a result of Force Majeure, the Capacity Payment Discount will be one percent (1%) for each one percent (1%) shortfall to the Monthly Availability Requirement and (b) in no event will the Capacity Payment be reduced below zero (0). For the avoidance of doubt, and without limiting clause (a) above, the Dependable Capacity will be considered unavailable to the extent it is unavailable due to any curtailment occurring outside of the Entergy Transmission System or otherwise at or before the Delivery Point.</p> <p>If, during the Delivery Term, the average of the Monthly Availabilities during any Rolling 12 Month Period is less than the Rolling 12 Month Availability Requirement of eighty-five percent (85%), Buyer shall have the right to terminate the</p>	

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	<p>Definitive Agreement and calculate and obtain damages.</p> <p>Subject to exceptions identified below, Equivalent Planned Maintenance Hours and, to the extent not attributable to Seller, equivalent hours in which energy is not delivered from the RER to the Delivery Point due solely to a transmission curtailment occurring beyond the Delivery Point within the Entergy Transmission System will be excluded from the calculation of Monthly Availability (including for the purpose of calculating the average of the Monthly Availabilities during any Rolling 12 Month Period); however, the RER will be considered unavailable for purposes of the calculation of Monthly Availability (including for the purpose of calculating the average of the Monthly Availabilities during any Rolling 12 Month Period) to the extent it is unavailable as a result of Force Majeure.</p>	
<b>Replacement Products</b>	<p>When Seller is not capable of providing the full availability of Capacity, energy and/or ancillary services from the RER, Seller may, but shall not be obligated to, provide and deliver replacement Capacity, replacement energy and/or replacement ancillary services, but, in each case, (a) from another RER that qualifies for the same environmental attributes as then required to be provided from the RER, (b) only upon Buyer's agreement to accept any such replacement (which agreement may be withheld in Buyer's absolute discretion) and (c) at the Delivery Point and at no additional cost or expense to Buyer. If Seller provides replacement Capacity, replacement energy and/or replacement ancillary services according to the requirements of the immediately preceding sentence (including that Buyer, in its absolute discretion, agrees to accept such replacement Capacity, replacement energy and/or replacement ancillary services), such replacement product(s) shall be treated the same</p>	

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	<p>as if Seller provided Capacity, energy and/or ancillary services (as applicable) from the RER for the period for which Buyer has agreed that Seller may provide such replacement product(s), except to the extent the parties have agreed otherwise in writing (including in the agreement(s) permitting Seller to provide such replacement product). Without limiting and subject to the foregoing, replacement Capacity shall be treated as Dependable Capacity for all purposes under the Definitive Agreement, including availability calculations.</p>	
<p><b>Delivery/ Transmission/ Tagging</b></p>	<p>Seller shall be responsible for all arrangements and other actions (including tagging or scheduling with the Balancing Authority or similar action, if required) required to deliver the energy to Buyer at the Delivery Point, and for any associated costs, losses and charges that are now or may in the future be assessed, including any transaction fees, Imbalance Charges, ancillary services, other Balancing Authority services (including regulation), integration charges, operating reserve, distribution and transmission study and upgrade costs, distribution and transmission congestion costs, distribution and transmission losses and other distribution and transmission service costs (to the extent that any of the foregoing may be in effect at the applicable time).</p>	<p>All proposals involving RERs that are or would not be directly interconnected to the Entergy Transmission System (or otherwise will have a Delivery Point that is beyond the Interconnection Point for the RER) should provide for the firm delivery of power to the Delivery Point (as specified by Seller in its proposal). The Delivery Point must be located on the Entergy Transmission System.</p> <p>Provided that Bidder can establish the firm delivery of power to the Delivery Point and that Seller delivers to Buyer the Guaranteed Environmental Attributes for each MW of capacity allocated to Buyer or each MWh of energy delivered to Buyer (as applicable) throughout the Delivery Term, Buyer would consider (a) proposals that are not on an RER-specific basis and (b) proposals on a firming and shaping basis. Bidder may, in the “Special Considerations” portion of the Proposal Submission Form, offer to Buyer proposals on either of these two alternate</p>

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		bases.
<b>Buyer Right to Curtail</b>	<p>Buyer shall have the right to notify Seller to curtail the delivery of energy from the RER, and Seller shall immediately comply with such notification. Buyer may provide such notification for any reason and in its sole discretion.</p> <p>If Buyer exercises its curtailment rights, then:</p> <p>(1) Seller shall provide to Buyer a calculation of the quantity of energy that would have been generated by the RER and delivered to Buyer at the Delivery Point had Buyer not exercised its curtailment rights (determined in accordance with Accepted Electrical Practices), which calculation shall be subject to audit and dispute by Buyer;</p> <p>(2) Buyer shall pay to Seller, for each MWh of curtailed energy, (i) the Energy Price and Variable O&amp;M Rate that would have been applicable to such curtailed energy, minus (ii) either (A) if, using commercially reasonable efforts, Seller could re-sell such curtailed energy to another purchaser for a price that exceeds its costs saved as a result of not generating such curtailed energy (and Buyer does not expressly direct Seller not to re-sell such curtailed energy), the price obtained by Seller by re-selling such curtailed energy (or that would have been obtained by Seller had it used commercially reasonable efforts to re-sell such energy) or (B) otherwise, the costs saved by Seller as a result of not generating such curtailed energy (or that would have been saved by Seller had it not generated such curtailed energy); and</p> <p>(3) Seller shall receive credit toward the Required Annual Delivery Quantity for such curtailed energy.</p>	<p>Buyer prefers proposals that offer Buyer enhanced dispatch and/or curtailment flexibility. Any Bidder wishing to propose enhanced dispatch and/or curtailment flexibility may do so in the “Special Considerations” portion of the Proposal Submission Form. Buyer is willing to consider specific pricing adjustments proposed by Bidder for providing enhanced dispatch and/or curtailment rights to Buyer. For each such enhanced dispatch and/or curtailment right (or collection of dispatch and/or curtailment rights), Bidder must separately set out and specify in its proposal the enhanced dispatch and/or curtailment right (or collection of dispatch and/or curtailment rights) and the proposed price adjustment, if any.</p>

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	<p>For the avoidance of doubt, for purposes of this RFP and the Definitive Agreement, Buyer shall be considered an entity entirely separate and distinct from the Entergy transmission organization. Further, any curtailment made, initiated, directed or ordered by the Entergy transmission organization (or the Independent Coordinator of Transmission, FERC, Regional Transmission Organization or any other entity other than Buyer) or resulting, in whole or in part, from curtailments on the Entergy Transmission System or any distribution system of any of the Entergy Operating Companies, emergencies or reliability events or conditions (even if any order, directive or other communications from the Entergy transmission organization or the occurrence of any such event or condition is communicated to Seller through Buyer) (each a “Reliability Curtailment”) shall not be considered an exercise of Buyer’s rights under this “Buyer Right to Curtail” section or a breach or default by Buyer or otherwise an act or omission of Buyer and, except to the extent set forth in clause (b) under “Other Curtailment” below, shall not give rise to the compensation set forth above.</p>	
<b>Other Curtailment</b>	<p>Notwithstanding anything to the contrary, Buyer shall have no obligation to pay for (and shall have no other liability for and shall not be considered in breach or default under the Definitive Agreement as a result of) any energy that, regardless of reason therefore (including force majeure or any Reliability Curtailment), has not actually been delivered to Buyer at the Delivery Point, except to the extent (a) set forth under “Buyer Right to Curtail” above or (b) resulting solely from Buyer’s failure to contract for firm transmission from the Delivery Point to load of the amount of energy scheduled by Seller for delivery to Buyer at the Delivery Point. For the avoidance of</p>	

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	doubt, clause (b) shall not apply if Buyer contracts for non-firm transmission from the Delivery Point to load of the amount of energy scheduled by Seller for delivery to Buyer at the Delivery Point and such non-firm transmission is curtailed but would have nonetheless been curtailed if it had been firm transmission. Any curtailment to which clause (b) above applies shall be deemed an exercise by Buyer of its curtailment rights under “Buyer Right to Curtail” above (including for purposes of compensation to Seller).	
<b>Fuel Supply and Transport</b>	If and as applicable, Seller shall, directly or indirectly, arrange, procure, supply, transport, store and deliver fuel for the RER during the Delivery Term.	Buyer seeks proposals with fuel supply flexibility, which may include multiple fuel supply sources and/or the use of alternative fuels.
<b>Maximum Annual Planned Maintenance</b>	Seller is required to offer coordinated maintenance scheduling for Planned Maintenance. During the Delivery Term, Seller and Buyer will develop mutually acceptable schedules for Planned Maintenance. Planned Maintenance schedules will be sent to Buyer on or prior to (a) September 1, for the next March/April Maintenance Period, and (b) February 1, for the next October/November Maintenance Period. Changes to Planned Maintenance schedules will require the Parties’ mutual agreement. No Planned Maintenance may be scheduled to occur during May through September or December through February. Any Equivalent Planned Maintenance Hours that comply with the scheduling requirements above, up to a maximum number of Equivalent Planned Maintenance Hours per contract year, will be excluded from the calculation of Monthly Availability.	<p>Bidders must indicate the maximum number of Equivalent Planned Maintenance Hours (<i>i.e.</i>, hours of Planned Maintenance excluded from the calculation of Monthly Availability) via the RFP Web Portal in Part 1 of their proposals.</p> <p>The maximum Equivalent Planned Maintenance Hours proposed should be reasonable and may vary from year to year to reflect major maintenance needs, original equipment manufacturer requirements, and other similar factors. For example, Buyer would be willing to consider an increased number of Planned Maintenance hours every 5<sup>th</sup> year or a predetermined number of equivalent operating hours to allow for major maintenance or inspections. Such increase</p>

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		would require significant ( <i>e.g.</i> , one-year) prior notice from Seller and must be agreed to by Buyer.
<b>Force Majeure</b>	<p>“Force Majeure” means any event that meets all of the following criteria: (i) the event occurs after the execution of the Definitive Agreement; (ii) the event and its effects are not within the reasonable control, directly or indirectly, of the party claiming Force Majeure (including its direct and indirect contractors, subcontractors and suppliers); (iii) the event and its effects are unavoidable or could not be prevented, overcome or removed by the reasonable efforts and diligence of the party claiming Force Majeure (including its direct and indirect contractors, subcontractors and suppliers); (iv) the event and its effects do not result from such party’s negligence or fault or the negligence or fault of its direct or indirect contractors, subcontractors or suppliers; and (v) the event causes the party claiming Force Majeure Event, despite such party’s (including its direct and indirect contractors, subcontractors and suppliers) use of reasonable efforts and diligence, to be actually delayed in performing, or unable to perform, its obligations under the Definitive Agreement, in whole or in part (for reasons other than economic hardship, including lack of money). Provided the event meets all of the criteria described above, Force Majeure shall include: natural disasters; landslides; drought; fire; flood; earthquake; hurricanes; tornados; tsunamis; hail and ice and ice storms that are abnormally severe for the period of time when, and the area where, such weather event or condition occurs; epidemic; war (whether declared or undeclared) or other armed conflict; riot; explosions; civil disturbance; sabotage; vandalism; terrorism; documented threats of terrorism; and blockades.</p>	In no event will any delay or failure of performance caused by any event of Force Majeure extend the Delivery Term.

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	<p>Force Majeure shall not include: (a) mechanical failure or other breakdown, flaw, defect, or failure of equipment or systems not the direct or proximate result of acts of God (which acts of God shall include floods, earthquakes, hurricanes, tornadoes, and lightning); epidemics; war; riots; civil disturbances; and, subject to clause (b) of this sentence, sabotage; (b) sabotage by employees, agents, representatives, or direct or indirect contractors, subcontractors or suppliers of the party claiming Force Majeure; (c) delay in obtaining, or failure to obtain or revocation of, a permit, consent, license or other authorization; (d) any event stated in the technical specifications of the RER to be within the tolerance of the RER; (e) the failure or other act or omission of employees, agents, representatives, or direct or indirect contractors, subcontractors or suppliers of the party claiming Force Majeure (including the failure of a direct or indirect contractor, subcontractor or supplier to furnish machinery, spare parts, materials, consumables (including fuel), labor, equipment or services in accordance with its contractual obligations) or any non-delivery, delayed delivery, shortages or other unavailability of machinery, spare parts, materials, consumables (including fuel), labor, equipment or services (including any interruption or curtailment of fuel transportation or electric transmission), unless (A) the party claiming Force Majeure has a firm contract for the applicable service or item and (B) the provider, if it were a party to the Definitive Agreement, would be able to claim Force Majeure for the same; (f) any weather event or condition that is not abnormally severe for the period of time when, and the area where, such weather event or condition occurs; (g) Seller's ability to sell the energy, capacity and other capacity-related benefits, ancillary services and/or RECs and other environmental attributes at a price greater than provided for in the Definitive Agreement;</p>	

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	<p>(h) a party's financial inability to perform; (i) events that affect the cost of equipment or materials or other costs of owning, operating, or maintaining the RER or changes in market conditions affecting the economics of either party (including a change in commodity prices or increased inflation) or any other economic hardship (including lack of money); (j) wind conditions that do not qualify as a hurricane, tornado, tsunami or other storm of an equivalent magnitude; or (k) labor strikes, slowdowns or stoppages.</p> <p>If any Force Majeure prevents substantially all construction of the RER for more than 180 consecutive days or more than 365 days in the aggregate or, following the Commercial Operation Date, prevents substantially all deliveries of energy to Buyer for more than 365 consecutive days (such 365-consecutive day period to be reduced in length by an amount specified in the Definitive Agreement at agreed intervals over the course of the Delivery Term), either party may (so long as the consecutive days are continuing) terminate the Definitive Agreement upon notice to the other party, provided that, in the case of the party claiming Force Majeure as the terminating party, such party's failure to comply with its obligations with respect to such Force Majeure (including to use reasonable efforts to overcome the Force Majeure as soon as reasonably possible) did not result in the continuing inability to perform. Neither party shall have any liability arising out of a termination effectuated in accordance with this paragraph.</p>	
<b>Completion</b>	<p>The "Commercial Operation Date" shall be the date all of the following conditions have been satisfied or expressly waived by Buyer:</p> <p>(a) the RER has achieved "Substantial Completion" (or</p>	<p>The Guaranteed Commercial Operation Date will be the date specified by Bidder in its proposal, provided that such date shall be extended on a day-for-day basis to the extent that the Commercial Operation Date is</p>

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	<p>equivalent term meaning completion in all material respects, except punch list items that do not materially adversely affect the ability of the RER to operate as intended) under its engineering, procurement and construction contract (or, if the RER does not have a single engineering, procurement and construction contract, under each of the subcontracts that together aggregate the scope of an engineering, procurement and construction contract) at a nameplate quantity equal to the full Dependable Capacity (as specified by Bidder in its proposal) and any testing of the RER required pursuant to its interconnection agreement(s), financing documents or permits and other authorizations for the commencement of commercial operation shall have been successfully completed;</p> <p>(b) the RER (i) has successfully completed its initial Capacity test at a Capacity equal to at least 95% of the full Dependable Capacity (as specified by Bidder in its proposal), (ii) has achieved initial synchronization with the grid, (iii) is available for normal and continuous operation and fully capable of reliably producing the energy and other products to be provided to Buyer and delivering such products to Buyer at the Delivery Point at the full Dependable Capacity (as specified by Bidder in its proposal) and (iv) is in compliance with the interconnection agreement(s) and applicable laws;</p> <p>(c) the interconnection upgrades required by the electric interconnection agreement for the RER (i) have been completed, (ii) have been tested in accordance with the interconnection agreement, (iii) are available for normal and continuous operation and fully capable of reliably transmitting and delivering to the Delivery Point at the full Dependable Capacity (as specified by Bidder in its proposal) and (iv) are in compliance with the electric interconnection agreement and</p>	<p>delayed as a result of Force Majeure.</p>

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	<p>applicable laws;</p> <p>(d) the communications and telemetry equipment required by the Definitive Agreement has been programmed, installed, commissioned and tested and has demonstrated that it is fully capable of reliably transmitting real-time data to Buyer according to the Definitive Agreement;</p> <p>(e) Seller is in compliance in all material respects with the Definitive Agreement and there are no defaults (or events or circumstances that with the passage of time or the giving of notice or both would constitute a default) of Seller thereunder that has occurred and is continuing;</p> <p>(f) Seller has obtained all material permits and other authorizations, entered into all agreements and made all other arrangements and acquired all other tangible and intangible rights required to construct the RER and produce the energy and other products to be provided to Buyer, deliver such products to Buyer at the Delivery Point and otherwise perform its obligations according to the Definitive Agreement; such permits and authorizations, agreements, arrangement and other rights are in full force and effect and not subject to conditions precedent; and no party thereto is in default thereunder, and no event or circumstance shall have occurred and be continuing that with the passage of time or the giving of notice or both would constitute a default by a party thereunder;</p> <p>(g) the RER is qualified for, and has all necessary accounts to obtain and transfer to Buyer, the Guaranteed Environmental Attributes and any other environmental attributes for which the RER becomes eligible prior to the Commercial Operation Date; without limiting the foregoing, the RER is certified for the</p>	

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	<p>LPSC's Pilot Program and approved Implementation Plan;</p> <p>(h) any additional credit support required at the Commercial Operation Date pursuant to the Definitive Agreement has been posted by Seller in accordance with the requirements of the Definitive Agreement;</p> <p>(i) certificates of insurance evidencing the coverages required by the Definitive Agreement at the Commercial Operation Date have been obtained and submitted to Seller;</p> <p>(j) all arrangements for the supply of required electric services to the RER, including the supply of turbine unit Start-up and shutdown power, house power and maintenance power, have been completed by Seller separate from the Definitive Agreement, are in effect, and are available for the supply of such electric services to the RER; and</p> <p>(k) staffing and training of Seller's personnel for the operation, maintenance and asset management of the RER has been completed.</p> <p>Seller shall notify Buyer immediately when the Commercial Operation Date has occurred, which notice shall include reasonable evidence to Buyer of the satisfaction of all of the conditions set forth above and shall include a certification to that effect by an officer of Seller familiar with the RER after due inquiry Seller. In addition, the Definitive Agreement will require Seller to provide periodic progress reports.</p> <p>If the Commercial Operation Date does not occur on or before the Guaranteed Commercial Operation Date (see adjacent column), Seller shall pay to Buyer liquidated damages, for each</p>	

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	<p>day after the Guaranteed Commercial Operation Date until the Commercial Operation Date, in an amount equal to (A) the number of MWs equal to the full Dependable Capacity allocated to Buyer (as specified by Bidder in its proposal), multiplied by (B) \$300/MW; provided, however, that Seller's aggregate liability for liquidated damages pursuant to this paragraph shall be limited to (Y) the number of MWs equal to the full Dependable Capacity allocated to Buyer (as specified by Bidder in its proposal), multiplied by (Z) \$54,000/MW.</p> <p>If the Commercial Operation Date does not occur on or before six (6) months after the Guaranteed Commercial Operation Date, <u>then</u>:</p> <p>(i) Buyer shall have the right, at any time thereafter until the Commercial Operation Date occurs, to (a) terminate the Definitive Agreement upon notice to Seller (and to receive termination damages arising out of any such termination) or (b) if Seller has satisfied all of the conditions to the Commercial Operation Date other than condition (b)(i), require Seller to resize the maximum Dependable Capacity to the then-tested Dependable Capacity; and</p> <p>(ii) If (a) Buyer's right to terminate set forth in clause (i) above applies and Buyer has not elected to terminate within seven (7) months after the Guaranteed Commercial Operation Date, (b) Seller has satisfied all of the conditions to the Commercial Operation Date other than condition (b)(i) and (c) Seller demonstrates to Buyer's reasonable satisfaction that it is not possible to achieve a tested Dependable Capacity equal to at least 95% of the full Dependable Capacity (as specified by Bidder in its proposal), Seller shall have the right, at any time thereafter, to re-size the maximum Dependable Capacity to the</p>	

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	<p>then-tested Dependable Capacity.</p> <p>If Buyer requires Seller to, or Seller elects to, re-size the maximum Dependable Capacity according to clause (i) or (ii) above, Seller shall pay to Buyer an amount equal to (i) \$200,000, multiplied by (ii) the number of MW by which (A) the then-tested Dependable Capacity allocated to Buyer <u>is below</u> (B) the full Dependable Capacity allocated to Buyer as specified by Bidder in its proposal. Upon such payment, condition (b)(i) to the Commercial Operation Date shall be deemed achieved; provided, however, that thereafter, in no event shall the Dependable Capacity allocated to Buyer be increased (by further Capacity testing or otherwise) above the then-tested Dependable Capacity allocated to Buyer referenced in clause (ii)(A) above.</p>	
<b>Right of First Refusal</b>	<p>Seller shall not (and shall not permit any direct or indirect parent or Affiliate of Seller to) sell or transfer the RER (or its direct or indirect equity interests in Seller), including by merger, consolidation or sale of all or substantially all of its assets, unless prior to such sale or transfer, Seller provides written notice of such sale or transfer to Buyer that includes a copy of the definitive agreement for such sale or transfer. Upon Buyer's receipt of such notice, Buyer shall have the right, for one hundred twenty (120) days, to enter into (or cause a nominee to enter into) a purchase agreement to purchase the RER on the same terms and conditions set forth in the definitive agreement included in Seller's notice, provided that (i) if such definitive agreement specifies any non-cash consideration, Buyer (or its nominee) may pay the cash equivalent of such non-cash consideration; or (ii) if any governmental or regulatory approvals or other consents or authorizations are required for Buyer to consummate the</p>	

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	<p>transaction, Buyer will have a reasonable period of time to seek and obtain all necessary approvals, consents or authorizations (with times and on terms consistent with those applicable to Buyer’s approvals, consents and authorizations under the Definitive Agreement). Seller will provide, in a timely manner, information regarding the RER which is reasonable or customary to allow Buyer to perform due diligence and to otherwise evaluate in good faith the purchase of the RER.</p> <p>In the event that Buyer does not exercise its right to purchase, then, subject to “Other Transfer Restrictions” below, Seller (or any direct or indirect parent or Affiliate of Seller) shall have the right to consummate the sale or transfer of the RER according to the definitive agreement included in Seller’s notice to Buyer (excluding any amendments thereto that make such definitive agreement more favorable to the purchaser), provided that such sale or transfer is consummated within one hundred eighty (180) days after the date that Buyer elects not to exercise its right to purchase (or such right to purchase expires). If Seller does not consummate the sale or transfer of the RER in accordance with the preceding sentence within such one hundred eighty (180) days, Seller shall not (and shall not permit any direct or indirect parent or Affiliate of Seller to) sell or transfer the RER (or its direct or indirect equity interests in Seller), unless prior to such sale or transfer, Seller provides a new written notice of such sale or transfer to Buyer and these provisions are applied with respect to such new written notice.</p>	
<b>Other Transfer Restrictions</b>	<p>Seller shall not (and shall not permit any direct or indirect parent or Affiliate of Seller to) sell or transfer the RER (or its direct or indirect equity interests in Seller), including by merger, consolidation or sale of all or substantially all of its assets, without the prior written consent of Buyer, such consent not to be unreasonably withheld or delayed, provided that it</p>	

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	<p>shall be deemed reasonable for Buyer to withhold its consent if (a) the proposed transferee is not a qualified operator, (b) the proposed transferee has a creditworthiness that is below that of Seller, (c) any credit support provided by Seller prior to such sale or transfer would not remain in effect or be substituted with credit support acceptable to Buyer or (d) in the case of a direct transfer of the RER, Seller does not concurrently assign its rights and obligations under the Definitive Agreement according to the assignment provisions thereof.</p>	
<b>Conditions Precedent</b>	<p>Buyer’s obligations under the Definitive Agreement will be conditioned upon the fulfillment or express waiver, by Buyer, of all of the following conditions:</p> <p>(a) Buyer has obtained from FERC and/or each of the state or local governmental authorities having jurisdiction over Buyer or Buyer’s operations (i) regulatory approval of the Definitive Agreement and any transaction thereunder or contemplated thereby, including approval of the full recovery of all Buyer costs associated with the Definitive Agreement (through base rates, fuel adjustment charges, and/or such other rates or charges as may be applied pursuant to a rider or otherwise) pursuant to a finding that the participation by Buyer in the Definitive Agreement is prudent and in the public interest, and/or (ii) any other regulatory treatment in connection with the Definitive Agreement and any transaction contemplated thereby desired by Buyer, including with respect to timing, scope, means of recovery, and any certificate of convenience and necessity, which approvals are, in each case, final and non-appealable and on terms and conditions acceptable to Buyer in its sole and absolute discretion;</p> <p>(b) Buyer has obtained the governmental approvals and other third-party consents necessary or prudent for Buyer to</p>	

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	<p>enter into the Definitive Agreement or to perform its obligations thereunder, which approvals and consents are, in each case, on terms and conditions acceptable to Buyer in its sole and absolute discretion;</p> <p>(c) Buyer has obtained the consents, approvals and authorizations contemplated by the “Management Approvals” section below on terms and conditions acceptable to Buyer in its sole and absolute discretion;</p> <p>(d) the RER has qualified as a firm network resource on the Entergy Transmission System and Buyer has otherwise obtained transmission service in respect of the energy and other products to be provided hereunder on terms and conditions acceptable to Buyer in its sole and absolute discretion, including terms and conditions (1) concerning the timing, installation, location, cost, or cost recovery of transmission upgrades or other transmission improvements, (2) relating to deliverability, re-dispatch or outages of any generation resource of any of the Entergy Operating Companies (including any resource under contract), or (3) that may, if accepted or given effect, adversely affect reliability or operation of the Entergy Transmission System or resources therein;</p> <p>(e) credit support meeting the requirements of the Definitive Agreement has been posted by Seller; and</p> <p>(f) certificates of insurance evidencing the coverages required by the Definitive Agreement have been obtained and submitted to Seller.</p> <p>In addition, other Buyer conditions precedent may be required, depending on the transmission path, other operational aspects</p>	

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	of the specific proposed RER, the status of applicable laws, rules and regulations and other factors as Buyer deems relevant in its sole and absolute discretion.	
<b>Management Approval</b>	Each Transaction is subject to review and approval by the Entergy Operating Committee, the Entergy Corporate Risk office, the Board of Directors and such other governing bodies of Buyer as shall be necessary. The Definitive Agreement shall be contingent upon the consents, approvals and authorizations from such bodies as Buyer deems relevant in its sole and absolute discretion.	
<b>Select Contract Terms and Conditions</b>	<p>The Definitive Agreement shall also include, among others, the following covenants, terms and/or conditions:</p> <ul style="list-style-type: none"> <li>• Seller shall engineer, procure equipment for, design, install, construct, operate and maintain the RER in accordance with Accepted Electrical Practices and the requirements of all applicable permits, consents, and laws, the interconnection agreement(s), the Definitive Agreement and other applicable agreements;</li> <li>• Seller shall maintain adequate reserves for, and schedule and perform according to the Definitive Agreement, required maintenance; and</li> <li>• Seller shall insure against all insurable risks with coverage in an amount not less than full replacement cost and on terms specified in the Definitive Agreement.</li> </ul>	
<b>Credit Support</b>	Seller will be expected to meet the credit support requirements detailed in the RFP, including Appendix E thereto, all of which will be more fully developed in the Definitive Agreement.	

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<b>Events of Default</b>	<p>The Definitive Agreement shall include the following events of default of Seller:</p> <ul style="list-style-type: none"> <li>• failure to pay amounts due;</li> <li>• failure of the Commercial Operation Date to occur on or before six (6) months after the Guaranteed Commercial Operation Date and the failure of certain other milestones to occur within agreed times specified in the Definitive Agreement;</li> <li>• breach of representations and warranties;</li> <li>• breach of covenants;</li> <li>• the average of the Monthly Availabilities during any Rolling 12 Month Period is less than the Rolling 12 Month Availability Requirement of eighty-five percent (85%);</li> <li>• Bankruptcy, dissolution or liquidation of Seller;</li> <li>• failure to provide or maintain required credit support;</li> <li>• failure of the resulting, surviving or transferee entity in a merger or sale of all or substantially all of the assets of Seller to assume such party's obligations under the Definitive Agreement;</li> <li>• assignment by Seller of the Definitive Agreement or sale or transfer of the RER (or the direct or indirect equity interests in Seller) by Seller (or any direct or indirect parent or Affiliate of Seller), including by merger, consolidation or sale of all or substantially all of its assets, not in compliance with the Definitive Agreement;</li> <li>• Seller sells, assigns, or otherwise transfers, or commits to sell, assign, or otherwise transfer, the energy or other products that are subject to the Definitive Agreement, or</li> </ul>	

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	<p>any portion thereof, to any Person other than Buyer;</p> <ul style="list-style-type: none"> <li>• Seller makes any material misrepresentation or material omission in any availability report, metering report or invoice required to be made or furnished by Seller pursuant to the Definitive Agreement or Seller’s actual fraud, tampering with Buyer-owned facilities or material intentional misrepresentation or misconduct in connection with the Definitive Agreement or operation of the RER;</li> <li>• default of Seller under any agreements relating to indebtedness for borrowed money in excess of a specified aggregate amount;</li> <li>• default of Seller under, or failure to maintain in effect, any project document (including the electric interconnection agreement and any transmission service agreement);</li> <li>• Seller’s abandonment of construction or operation of the RER;</li> <li>• Seller’s failure to maintain in effect any agreement required to deliver energy to the Delivery Point; and</li> <li>• Seller’s failure to maintain any necessary qualification for, or any necessary account to obtain and transfer to Buyer, the Guaranteed Environmental Attributes (including any failure to maintain the qualification of the RER for the LPSC’s Pilot Program and approved Implementation Plan) or any other environmental attributes for which the RER is eligible (unless, in the case of the Guaranteed Environmental Attributes, such failure is caused solely by a change in the eligibility requirements after execution of the Definitive Agreement and Seller is complying with its</li> </ul>	

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	obligation to provide the Guaranteed Environmental Attributes for each MW of allocated to Buyer or each MWh of energy delivered to Buyer, as applicable).	
<b>Termination Rights</b>	The Definitive Agreement shall contain provisions entitling a party the right to terminate the Definitive Agreement upon the occurrence and continuation of an event of default by the other party and to calculate termination damages based on the costs, gains or losses incurred by the non-Defaulting Party arising out of termination of the Definitive Agreement.	
<b>Use of Real-Time Information</b>	Seller will limit the availability of real-time generation, scheduling and outage information related to the RER to its designated asset management personnel primarily responsible for operation and management of the RER. Seller and such personnel may use all such real-time information only for the limited purpose of operating and scheduling the RER and otherwise performing its obligations under the Definitive Agreement. Seller will not use such real-time generation, scheduling and outage information to enable Seller to engage in any other activity.	
<b>Audit Rights</b>	Buyer will have the right to examine the books and records of Seller and any Affiliates of Seller involved, directly or indirectly, in the transactions or actions contemplated by the Definitive Agreement, including the records for the RER, which records shall include actual generating records for the RER and all NERC tags or other schedules associated with the RER, to the extent reasonably necessary or appropriate to verify, among other things, (a) the accuracy of any statement, charge or computation made pursuant to the provisions of the Definitive Agreement or (b) Seller's performance under or compliance with the terms and provisions of the Definitive	

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	<p>Agreement. Seller will be responsible for ensuring that all first tier and lower tier suppliers, vendors, agents, contractors and representatives of Seller or its Affiliates performing work or providing services relating to the RER (or, to the extent that Seller is not the owner of the RER, the owner(s)) commit to supply to Seller, and allow Seller to freely provide to Buyer, the records supporting any cost or charge paid by Seller and passed on to Buyer according to the terms of the Definitive Agreement. Any information obtained by Buyer under its audit rights will be required to be kept confidential pursuant to the confidentiality section of the Definitive Agreement. As a condition precedent to the Definitive Agreement becoming effective, to the extent that Seller is not the owner of the RER, Seller shall provide to the Buyer evidence satisfactory to Buyer of its ability and rights to facilitate Buyer's access to the books and records of such owner pursuant to the provisions of the audit section of the Definitive Agreement.</p>	

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