



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

Entergy Services, Inc.
Date: December 10, 2010

1.	GENERAL INFORMATION	2
1.1.	Introduction	2
1.2.	Renewable Generation Resource Requirements.....	2
1.3.	Demand Response Program/Services, Energy Efficiency and Nuclear Generating Resources	3
2.	RFP OVERVIEW.....	3
2.1.	Purpose of RFP	3
2.2.	Threshold Requirements for RFP Participation.....	4
2.3.	Technology Diversification	8
2.4.	Summary Descriptions of Products and Term Sheets.....	8
2.5.	Baseload Product (Product Package A)	9
2.6.	As-Available Product (Product Package B)	9
2.7.	Interconnection and Deliverability Requirements.....	10
2.8.	RFP Suspension, Cancellation, Modification and Withdrawal.....	13
3.	OVERVIEW OF RFP BIDDER PARTICIPATION PROCESS.....	14
4.	OVERVIEW OF INFORMATION PROTECTION PROCESS.....	15
4.1.	Mechanisms for Protection	15
4.2.	Role of RFP Administrator.....	15
4.3.	Contact with ESI and RFP Questions	16
4.4.	Confidentiality Procedures for Bidder Registration and Proposal Submission Information.....	17
4.5.	Protocols for Protecting Market Sensitive Proposal Information.....	20
4.6.	Affiliate Rules and Codes of Conduct	20
5.	CONTACT WITH ENTERGY ENERGY DELIVERY BUSINESS UNIT AND INDEPENDENT COORDINATOR OF TRANSMISSION	21
6.	PROPOSAL REVIEW AND OVERALL EVALUATION PROCESS	21
6.1.	Proposal Review Process.....	21
6.2.	Economic Evaluation Process	23
6.3.	Transmission Service and Deliverability Evaluation Process	24
6.4.	Viability Assessment Process	26
6.5.	Credit/Collateral Requirements	29
6.6.	Other Bidder Requirements	29
7.	NOTIFICATION OF EVALUATION RESULTS AND NEGOTIATIONS.....	30
8.	REGULATORY APPROVALS AND OTHER CONSENTS, PERMITS, LICENSES, AND/OR APPROVALS	30

9. RESERVATION OF RIGHTS 31

10. BIDDER COSTS AND EXPENSES 34

APPENDICES	Title
Appendix A	Glossary
Appendix B	Detailed Instructions for Bidder Registration and Proposal Submission
Appendix C	Product Packages
Appendix D	Preliminary Due Diligence Questionnaire
Appendix E	Credit/Collateral Requirements
Appendix F	Representative Schedule

1. GENERAL INFORMATION

1.1. Introduction

Appendix A to this RFP is a glossary of all capitalized terms that may be used in the main body of, or Appendices to, this RFP. Bidders should review and familiarize themselves with Appendix A.

Entergy Services, Inc. (“ESI”), acting as agent for Entergy Gulf States Louisiana, L.L.C. (“EGSL”) and Entergy Louisiana, LLC (“ELL”), is issuing this RFP to solicit long-term proposals for the delivery of Capacity, energy, Other Associated Electric Products and Environmental Attributes, including, but not limited to, RECs, from RERs. This RFP can be accessed at ESI’s RFP Website: <https://emo-web.no.entergy.com/ENTRFP/index.htm>. As described in more detail in Section 4 below, ESI has established protocols to ensure that (1) the 2010 Renewable RFP process will be impartial and objective; (2) Bidders’ commercially sensitive information will be protected; (3) all proposals will be treated in a consistent fashion; and (4) no undue preference will be given to proposals from any Bidder.

1.2. Renewable Generation Resource Requirements

ESI is issuing this RFP in accordance with the terms of the LPSC’s Pilot Program and approved Implementation Plan,¹ which are available for review on Entergy’s website under the LPSC Reference tab. This RFP is designed to identify and select RERs that meet the requirements of the LPSC’s Pilot Program and approved Implementation Plan and are consistent with the objectives of the Entergy System’s Strategic Resource Plan (“SRP”). The SRP is a long-term view of the power supply needs of the Entergy System and the Entergy Operating Companies. The SRP results in capacity expansion planning scenarios that provide guidance on future Entergy Operating Company resource needs and additions. Based on assessments of available resource alternatives and of alternative portfolio strategies, the SRP reference planning scenario includes the potential addition of about two (2) gigawatts of renewable generation over the next twenty years. SRP analysis indicates that renewable generation, if available at economic prices, can provide supply diversity benefits for the Entergy Operating Companies’ customers.

¹ With the expectation that a long-term RFP for renewable resources would be conducted as part of the Pilot Program, ESI, on behalf of ELL and EGSL, submitted a request for waivers of the LPSC’s Market Based Mechanisms (“MBM”) Order via a letter dated June 4, 2010. The LPSC granted these waivers in Special Order 34-2010, dated August 30, 2010. Complete copies of the June 4, 2010, letter and Special Order 34-2010 can be found on the RFP Website.

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

1.3. Demand Response Program/Services, Energy Efficiency and Nuclear Generating Resources

ESI is not soliciting and is not accepting information regarding demand response, energy efficiency or nuclear generating resources/services in this RFP or any other resource that is not an Eligible Resource.

2. RFP OVERVIEW

2.1. Purpose of RFP

The purpose of the 2010 Renewable RFP is to solicit proposals for the sale to ELL and/or EGSL of up to 233 MW of Capacity, energy, Other Associated Electric Products and Environmental Attributes from Eligible Resources pursuant to a Definitive Agreement that has a Delivery Term, as specified by Bidder in its proposal, of no less than ten (10) years and no greater than twenty (20) years and other contract terms that are, subject to the resolution of exceptions taken by Bidder in the “Special Considerations” portion of its proposal, consistent with the terms set forth in Appendix C, Product Package A or Product Package B, as applicable (each a “Term Sheet”), and the requirements of the LPSC’s Pilot Program and approved Implementation Plan. Each proposal must be for Capacity and energy from an Eligible Resource reasonably expected to be in commercial operation by 2014.

ESI invites proposals from all potential suppliers capable of meeting the conditions and requirements identified in this RFP, including other electric utilities, marketers, wholesale generators, independent power producers, and QFs. Proposals from QFs will not be provided any preference or enjoy any priority in this RFP solely by virtue of their QF status. Off-System RERs that meet the requirements for participation in this RFP and can obtain firm transmission service to the Entergy Transmission System are eligible to participate. Entergy Competitive Affiliates are ineligible to participate in this RFP. Utility self-build and self supply options are not being considered in this RFP.

ESI will utilize four (4) teams to evaluate various aspects of the RFP proposals. The teams are identified below, and their respective roles and responsibilities are further described in this document.

- Economic Evaluation Team (a/k/a the EET)
- Delivery Assessment Team (a/k/a the DAT)
- Viability Assessment Team (a/k/a the VAT)
- Credit Evaluation Team (a/k/a the CET).

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

There are four phases in the evaluation process. The first three (3) make up the proposal evaluation process. An initial screening of proposals for satisfaction of the Threshold Requirements will be performed in Phase I. A “Preliminary Shortlist” of proposals will be created at the end of Phase II. Proposals not on the Preliminary Shortlist will be eliminated from further consideration under this RFP. In Phases II and III, proposals will be reviewed and assessed based on economics, deliverability, diversity of technologies, viability, transactional considerations, including credit and commercial terms, and other factors, as explained more fully later in this document. A list of primary selections (the “Primary Selection List”) and secondary selections (the “Secondary Selection List”) will be created at the end of Phase III. ESI expects to negotiate the final terms of a Definitive Agreement with Bidders on the Primary Selection List and may negotiate such terms with one or more Bidders on the Secondary Selection in the event of the termination of negotiations with one or more Bidders on the Primary Selection List.

The selection and allocation between ELL and EGSL of recommended resources will be made by the Entergy Operating Committee. All such selections and allocations will be made in accordance with the LPSC’s Pilot Program and approved Implementation Plan. The current proposed schedule for this RFP is Appendix F. The schedule is subject to change in ESI’s sole discretion.

2.2. Threshold Requirements for RFP Participation

ESI is seeking proposals for up to a maximum of 233 MW of Capacity and energy at a Delivery Point on the Entergy Transmission System. Proposals must meet, and proposals will be reviewed in Phase I of the RFP Evaluation Process for compliance with, the Threshold Requirements, all as further described in this document. Any proposal not meeting the Threshold Requirements will be considered non-conforming and may be eliminated from further consideration.

Economic Threshold Requirements

- Pricing must be reasonably competitive, in ESI’s judgment, in relation to market prices for long-term renewable resources.

Delivery Thresholds Requirements

- Resources must provide to Buyer at least two (2) MW of Capacity at the Delivery Point on the Entergy Transmission System.
- Resources must be reasonably expected to be commercially available by 2014, and energy and Other Associated Electric Products therefrom must be physically deliverable to the Entergy Transmission System.

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

- Bidders must provide a copy of (i) the completed application for interconnection of the RER under the Standard Large Generator Interconnection Procedure (“LGIP”), Standard Small Generator Interconnection Procedure (“SGIP”), or other applicable interconnection standard and (ii) the related acknowledgement letter to the RFP Administrator by the Required Proposal Submission Date. Bidders must also provide the acceptance letter in respect of their interconnection request to the RFP Administrator no later than 45 days following the Required Proposal Submission Date.

Viability Threshold Requirements

- Bidder must provide evidence demonstrating that the proposed RER is an Eligible Resource.
- The Delivery Term under the proposed Definitive Agreement must be at least ten (10) and no more than twenty (20) years.
- If the Capacity provided by the proposed RER at the Delivery Point on the Entergy Transmission System is less than ten (10) MW, Buyer must be allocated the full amount of the Capacity not dedicated to serve Seller’s internal load, if applicable.
- Each Bidder’s project support materials, including a detailed project timeline, and responses to all applicable diligence questions in Appendix D must establish Bidder’s ability to meet its Guaranteed Commercial Operation Date and related project milestones for the proposed resource (*e.g.*, financial closing, full release of EPC contractor, equipment deliveries, foundation pours, completion of interconnections, etc.). ESI reserves the right to ask clarifying questions to obtain additional information ESI believes may help with its analysis of Bidder’s satisfaction of this requirement.
- Bidder must provide sufficient documentation to establish that the proposed RER uses a technology with a demonstrated history of reliable, commercial operation.
- Bidder or parent company must have completed at least one commercial power generation project comparable in size to, or larger than, the project proposed by Bidder.

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

- For Developmental Resources, Bidder must provide evidence that it has translated the project from the screening and planning phase of development into a project with sufficient detail and quality to allow efficient progression of detailed engineering and procurement.
- For Developmental Resources, Bidder must provide evidence that its project cost estimate is based on front-end engineering from an external and/or internal source that supports a $\pm 25\%$ cost estimate and, at a minimum, accounts for the following:
 - Mechanical and electrical equipment
 - Instrumentation and controls
 - Piping
 - Miscellaneous buildings and structural steel
 - Site work and foundations
 - Retrofit allowance (if applicable)
 - Sales tax
 - Engineering costs
 - Indirect costs
 - Spare parts
 - Escalation and Allowance for Funds Used During Construction (AFUDC)/Interest During Construction (IDC)
- Bidder must provide verifiable profile data to substantiate expected production levels and adequacy of fuel supply.
 - For As-Available products, Bidder must provide historical hourly generation profile data for at least two (2) recent years using established data measurement equipment at or near the site of the proposed resource. A template is posted to the RFP Website for Bidders to use in response to this requirement.
 - For Baseload products, Bidder must provide a fuel supply or resource assessment that includes an assessment of the cost, available sources, and supply of the particular fuel that will be used for its proposed RER.
- Bidder must own, control or have a legally enforceable option on the site where the RER will be located and on the mineral, wind, or other comparable rights necessary to ensure resource viability.

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

- Bidder must show that it has completed all necessary permitting due diligence for the RER and sale of power therefrom, including identification of all necessary permits. Bidder must disclose all reasonably anticipated permitting obstacles and all pending claims, actions, or disputes related to permitting activities completed to date.
- Bidder must describe the current ownership structure of the RER (if applicable) and Bidder and the expected ownership structure of the RER and Bidder prior to and after the Commercial Operation Date.
- Bidder must describe the project finance plan, including how Bidder intends to meet the credit/collateral requirements of this RFP.
- Bidder must be able to provide evidence of at least one recent successful power project financing by Bidder or a parent company thereof and that it or a parent company has engaged a lender(s) in initial discussions about the possible financing of Bidder's proposed RER to ascertain interest and market conditions.
- Bidder must be able to demonstrate that any RER from which Bidder proposes to deliver Baseload Capacity must be capable of meeting, at minimum, a Rolling 12 Month Availability Requirement of 85%.

Credit Threshold Requirements

- Bidder must provide information as to the business structure and credit contact information as requested by ESI during bidder registration or through Appendix D.
- If applicable, Bidder must provide the most recent Published Credit Rating of Bidder (from Standard & Poor's, Inc. and Moody's Inc., as available).
- Bidder must provide the annual audited financial statements (and accompanying notes) for the past two (2) years, the current-year reviewed quarterly financial statements (and accompanying notes) of Bidder and any Credit Support Provider, and the other information requested in Section 8.7.1 of Appendix D to this RFP.
- If Bidder proposes that a Person serve as a Credit Support Provider with respect to Bidder's proposal, each of the three previous Threshold Requirements will apply to such Credit Support Provider. Bidder must extract and submit as separate documents by the Proposal Submission Deadline all financial data and information of Bidder, Credit Support

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

Provider, or both (as applicable) that is consolidated with financial data or information of another Person and required under this Section 2.2.

2.3. Technology Diversification

In part to further the Commission's objectives in the LPSC's Pilot Program and approved Implementation Plan, ESI reserves the right to select proposals for the Primary Selection List or Secondary Selection List that reflect a diversified group of technologies and to evaluate proposals accordingly. For additional discussion, please refer to Section 6.1 below.

2.4. Summary Descriptions of Products and Term Sheets

The 2010 Renewable RFP is focused on product types that can be structured to meet the RER requirements of EGSL and ELL over a long-term planning horizon. ESI is soliciting Baseload and As-Available resources capable of satisfying the Entergy Operating Companies' resource planning objectives. Each type of resource is described in more detail in the Product Packages included in Appendix C to this RFP and in Sections 2.5 (Baseload) and 2.6 (As-Available) below. Bidders are advised to review carefully the Term Sheet applicable to the product for which Bidder intends to submit a proposal. If Bidder intends to submit a proposal for a Baseload product, "Product Package A" of Appendix C will apply. If Bidder intends to submit a proposal for an As-Available product, "Product Package B" of Appendix C will apply.

The Term Sheets establish certain key terms and conditions for each product. Bidders are responsible for reviewing and taking into consideration all terms and conditions in the applicable Term Sheet(s) when developing and preparing their proposal(s). ESI expects these terms and conditions will be a part of any Definitive Agreement executed for a proposal.

Bidders that do not wish to agree to a term or condition set forth or described in the applicable Term Sheet must identify the specific term or condition that Bidder declines to accept and should provide a full and detailed explanation for Bidder's position in the "Special Considerations" section of its proposal. Submission of an exception in the Special Considerations section of Bidder's proposal does not mean that ESI will accept the exception in negotiations. Bidder should identify whether a special consideration on the terms proposed by Bidder is a prerequisite to its agreement to enter into a Definitive Agreement.

ESI wishes to emphasize to Bidders that any purchase of Capacity and energy made pursuant to this RFP, whether in respect of a Baseload product or an As-Available product, will also include any and all Other Associated Electric Products and

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

Environmental Attributes associated with such Capacity and/or energy. Bidders are encouraged to review the Term Sheet applicable to its proposal terms and conditions applicable to Other Associated Electric Products or Environmental Attributes provided to and acquired by Buyer under the Definitive Agreement.

2.5. Baseload Product (Product Package A)

The “Baseload Product” consists of a long-term purchase of Capacity, energy, Environmental Attributes, and all Other Associated Electric Products from an Eligible Resource with the ability to generate in all hours of the Delivery Term, subject to the capabilities of the generating unit specified and the corresponding availability requirements defined in Product Package A of Appendix C to this RFP. Seller will be solely responsible for providing any fuel required for the RER (*e.g.*, biomass, derived methane gas, etc.). The Rolling 12 Month Availability Requirement for the Baseload Product under this RFP is 85%.

Pricing for the Baseload Product will be based on (i) a Capacity Rate, which will be either (x) fixed for the entire term or defined annually (as proposed by Bidder) and expressed in \$/kW-year or (y) based on a base Capacity Rate proposed by Bidder, expressed in \$/kW-year, and escalated annually by CPI or PPI; (ii) an energy price, which will be either (x) fixed for the entire term or defined annually (as proposed by Bidder) and expressed in \$/MWh or (y) based on a base energy price and escalated annually by CPI or PPI; and (iii) a Variable O&M Rate, which will be either (x) fixed for the entire term or defined annually (as proposed by Bidder) and expressed in \$/MWh or (y) based on a base Variable O&M Rate proposed by Bidder, expressed in \$/MWh, and escalated annually by CPI or PPI.

Product Package A summarizes specific terms applicable to the Baseload Product. In the event of any inconsistency between any of the terms of Product Package A and any of the other terms of this RFP, the terms of Product Package A will govern.

2.6. As-Available Product (Product Package B)

The “As-Available Product” consists of a long-term purchase of Capacity, energy, Environmental Attributes, and all Other Associated Electric Products from an Eligible Resource that can deliver Capacity and energy to the proposed Delivery Point on an intermittent basis. This RFP requires Bidders to offer for each contract year in the Definitive Agreement an “Annual Guaranteed Energy Quantity” (expressed in MWh), which, for the As-Available Product, is the amount of As-Available energy that Bidder guarantees Buyer will receive from the RER in that contract year.

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

Pricing for the As-Available Product will be based on a fixed, all-in energy price, which will be either of the following (expressed in \$/MWh):

- 1) fixed for the entire term or defined annually; or
- 2) based on a base all-in energy price for each of the following periods: Summer On-Peak, Non-Summer On-Peak, and Off-Peak, each escalated annually by CPI or PPI.

Bidder's all-in energy pricing should include all costs Bidder proposes to pass through to Buyer. Product Package B summarizes terms applicable to the As-Available Product. In the event of any inconsistency between any of the terms of Product Package B and any of the other terms of this RFP, the terms of Product Package B will govern.

2.7. Interconnection and Deliverability Requirements

This section describes certain transmission and distribution issues Bidders should be aware of or must address as they prepare a proposal for this RFP.

Distribution and Off-System Transmission Service

Sellers will be solely responsible for obtaining, at its expense, all transmission service, including transmission upgrades, for Off-System RERs and all distribution service, if any, including distribution upgrades, for any RER (whether located inside or outside of the Entergy System) necessary in each case for the RER to deliver Capacity, energy and Other Associated Electric Products to Buyer at the Delivery Point on the Entergy Transmission System. All transmission service for proposed Off-System RERs and all distribution service, if any, for any proposed RER must be firm to the Delivery Point on the Entergy Transmission System, *i.e.*, Firm Point-to-Point Service, for the Delivery Term. Bidders should include the costs of such transmission and distribution services in their proposal pricing. Please refer to Appendix C to this RFP and the subsection below entitled "Deliverability Cost Information" for additional details.

Entergy System Transmission Service

For all Dependable Capacity and energy offered in a proposal submitted pursuant to this RFP, Buyer will be solely responsible for obtaining, at its expense, the corresponding amount of Long-Term Network Integration Transmission Service within the Entergy System after the Delivery Point. Bidders are asked to *exclude* from the pricing in their proposal any estimate of the cost of transmission service within the Entergy System, including, without limitation, the cost of potential transmission additions or upgrades on the Entergy Transmission System. For additional details, please refer to

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

Appendix C to this RFP, the subsection below entitled “Deliverability Cost Information,” and Entergy’s OATT. ESI expects that any RER that sells power to Buyer pursuant to this RFP will qualify as an Entergy Long-Term Network Resource. Using the methodology generally described in Section 6.3 below, the DAT will develop an estimate of the cost to qualify the resource as an Entergy Long-Term Network Resource to be used by the EET in the economic evaluation of proposals.

Interconnection Service

If Bidder does not have a fully executed electric interconnection agreement for the proposed resource or has not submitted an interconnection study request for the proposed resource with the Independent Coordinator of Transmission, the Entergy Energy Delivery Business Unit, or a third party utility, as applicable, Bidder must initiate this process and submit the appropriate application, including the required supporting information, to the ICT, the Entergy Energy Delivery Business Unit or the third party utility, as the case may be, prior to the Required Proposal Submission Date. The RFP Administrator must receive a copy of the interconnection service application and acknowledgement letter or, if applicable, email from the ICT, the Entergy Energy Delivery Business Unit, or the third party utility, as applicable, by the Required Proposal Submission Date. It is not necessary for Bidder to have received the results of the interconnection study or executed an electric interconnection agreement in order to submit a proposal. Each Bidder will be allowed 45 days from the Required Proposal Submission Date to email to the RFP Administrator a copy of its acceptance letter or, if applicable, email from the ICT, the Entergy Energy Delivery Business Unit, or the third party utility, as the case may be, confirming that the information in the application for Bidder’s proposed RER is complete and valid.

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

Table: DAT 1: Interconnection Application Reference

	Applicable Interconnection Standard	Voltage Level	Generator Facility Size	Point of Contact*	Criteria**	Expected Receipt of Acknowledgement Letter (days)	Expected Receipt of Acceptance Letter (days)
Entergy	LGIP	69 kV and higher	20 MVA or greater	ICT	\$10k deposit required with completed application to SPP/ICT	5	10
	SGIP	Any	greater than 2 MVA, but less than 20 MVA	Entergy	\$1k deposit required with completed application to Entergy Transmission	3	10
Non-Entergy	Bidder must follow other applicable standards						

Note: All interconnection packages will need to be submitted to the appropriate point of contact and the RFP Administrator. The interconnection process is to be completed independent of the evaluation of the 2010 Renewable Energy RFP. A description of each interconnection standard along with the application for each process will be posted on the RFP website.

Interconnection Service Charges are those one-time charges that recover costs for facilities changes required to safely and reliability interconnect a generator to either the transmission or distribution system. Transmission and Distribution Service Charges are those monthly charges necessary to move power from a generator to load.

Transmission and Distribution Service Charges for a generator interconnected directly to Entergy Operating Companies and selling their output to the Entergy Operating Companies are provided for under Entergy Operating Companies' service agreement. Charges for a generator's interconnection service are the responsibility of the generator.

*The point of contact for the ICT is Antoine Lucas. The point of contact for Entergy Energy Delivery Business Unit is Michael Gravolet.

**Queue position will be assigned by the point of contact upon receiving completed application.

All RERs currently interconnected, or in the process of becoming interconnected, with the Entergy Transmission System are responsible for complying with Entergy's Open Access Transmission Tariff ("OATT"), which is administered by the ICT pursuant to FERC Order No. 2003-A, including the Standard Large Generator Interconnection Agreement ("LGIA") and Standard Large Generator Interconnection Procedures ("LGIP), or any successor requirements in effect. Information used in the evaluation of a proposal submitted under this RFP (i) is not considered a substitute for information received from the Independent Coordinator of Transmission ("ICT") using FERC-approved procedures, and (ii) will be used by ESI only for the purpose of evaluating proposals and making final selections.

For Eligible Resources located within the Entergy System and interconnecting to the Entergy System, the cost allocation methodology outlined in Attachment T to the Entergy OATT will apply. If any interconnection costs incurred by Bidder are for upgrades to the Entergy Transmission System that create additional transmission capacity, financial rights will accrue to Bidder as and to extent provided in Attachment T. Additional information pertaining to interconnection-related costs can be found in Appendix C to this RFP, the following subsection and Entergy's OATT.

Deliverability Cost Information

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

As discussed above, Bidders must exclude from their proposals all transmission costs within the Entergy Transmission System. Bidders should *include* in their proposals the all-in interconnection cost (whether the RER is interconnected inside or outside of the Entergy System), the all-in Off-System transmission cost, and the all-in distribution cost (if any) associated with the proposals and must break out each such cost as a separate line item for evaluation by the DAT and the EET. The separate line items must include break-outs of (i) the amount of each such cost and (ii) the portion of each such cost for which Bidder will not, or is not expected to, be separately compensated (*e.g.*, through transmission rights). Bidders will be permitted to update each of these costs for a period of 90 days after the Required Proposal Submission Date to reflect any cost refinement or change occurring since the submission of Bidder's proposal. If Bidder elects to update any of these costs, Bidder will be permitted to modify the pricing in its proposal to incorporate the updated costs. Bidders must submit the permitted updates and corresponding pricing modifications to the RFP Administrator by email no later than 90 days after the Required Proposal Submission Date. Any submission received after the 90-day period will not be accepted, except as ESI may determine otherwise in its sole discretion.

As between Bidders/Sellers and Buyers, Bidders will assume all risk with respect to the receipt and actual cost to obtain transmission service outside of the Delivery Point on the Entergy Transmission System, distribution service (if any) and interconnection service, including, but not limited to, the cost of upgrades, the treatment of any associated transmission service credits or financial rights, the charges, if any, associated with reliability requirements, and the interconnection costs. Bidders are reminded that ESI cannot guarantee that all or any of the studies conducted by the ICT, the Entergy Energy Delivery Business Unit, or a third party utility concerning Off-System transmission service, distribution service, if any, or interconnection service will be complete within the 90-day period allotted to Bidders to update such costs. Bidders may consider working with a third party consultant or expert to develop and/or refine their Off-System transmission service, distribution service, if any, or interconnection service cost estimates for their proposals.

2.8. RFP Suspension, Cancellation, Modification and Withdrawal

ESI reserves the right to suspend, cancel, modify any term of (including, without limitation, any term concerning the RFP schedule) or withdraw this RFP in its sole and absolute discretion. ESI will endeavor to notify all participants who have completed Bidder Registration of any such suspension, cancellation, modification or withdrawal made prior to the Required Proposal Submission Date and to post notice of any such action on its RFP Website; however, neither ESI nor any Affiliate of EIS will have any responsibility or liability to any Person arising out of or in connection with any failure to provide such notice or post notice of such action.

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

3. OVERVIEW OF RFP BIDDER PARTICIPATION PROCESS

This RFP will use a multi-step process for Bidder registration and proposal submission (described in detail in Appendix B). All steps will be processed electronically via the RFP Website, the RFP Web Portal, or email, as specified in this RFP.

ESI will accept bidder registrations and proposal submissions only electronically, via the RFP Web Portal, as described in Appendix B to this RFP. The RFP Web Portal has been designed and will be implemented and operated to facilitate a web-based submission, receipt, and processing of Bidder proposals to help streamline the RFP process, to support ESI's efforts to protect the confidentiality of proposal information, and to help ensure that all proposals are consistently, accurately and fairly evaluated by the RFP Evaluation Team. Appendix B contains information on access to and use of the RFP Web Portal, as well as detailed instructions on the registration process, the payment of proposal submission fees (\$5,000 per proposal), and proposal submission.

ESI will solicit due diligence requests (see Appendix D to this RFP) and desired clarifications of proposal information outside of the RFP Web Portal. Due to the volume of information being solicited through these requests, ESI will accept Bidder responses either through files attached to electronic mail or through other electronic/ digital media acceptable to ESI (*e.g.*, a CD). If the information responsive to a diligence request is not available electronically, Bidders will be allowed to submit their response in hard copy or digital media form by courier to the RFP Administrator. Bidders should refer to the representative schedule in Appendix B for the deadlines associated with each step of this RFP.

All proposals submitted to ESI pursuant to this RFP must be signed by an officer or other representative of Bidder who is authorized to sign and submit the proposal on behalf of Bidder and must be Bidder's ***good faith best offer*** for the applicable product. Except under extraordinary circumstances, and then only with ESI's prior written approval, no proposal may be modified after its submission to the RFP Administrator other than as provided in Section 2.7 above (under the caption "Deliverability Cost Information"). Any Bidder wishing to submit a proposal contingent on a prior sale or commitment involving the RER (for example, another company's request for proposals) must specify each contingency and reason(s) therefor in the "Special Considerations" section of its Proposal Submission Form. ESI does not intend to contact any Bidder to clarify its proposal, although ESI reserves the right to do so in accordance with Section 6 of this document.

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

4. OVERVIEW OF INFORMATION PROTECTION PROCESS

4.1. Mechanisms for Protection

Consistent with ESI's June 4, 2010, letter to the LPSC and the LPSC's approval in Special Order 34-2010, this section details various mechanisms utilized by ESI to protect confidential information provided by Bidders to ESI pursuant to this RFP.²

4.2. Role of RFP Administrator

Consistent with previous ESI RFPs, ESI has designated an "RFP Administrator" (identified in Section 4.3 below) who will serve a multi-purpose role that includes acting as a liaison between the market participants in this RFP and ESI on all 2010 Renewable RFP-related matters as well as ensuring that Bidder questions received by ESI are appropriately addressed. ESI reserves the right not to respond to questions that cannot be answered without revealing confidential information of any Bidder, ESI or any of the Entergy Operating Companies. In such a situation, however, the RFP Administrator expects to work with Bidder, to the extent reasonably possible, to address the question in a responsible manner, as further described in Section 4.3 below.

If there is a question whether information related to a proposal may be needed by an evaluation team, the RFP Administrator may consult with members of the RFP Administration Team or any other organization within ESI, individuals who are not members of an evaluation team or executives responsible for selection of proposals in this RFP. The RFP Administration Team acts to ensure that each evaluation team has the information needed to perform its analysis in a manner that is fair and impartial and can result in the selection of the most viable and economic resources.

All information submitted to ESI through the Bidder registration process will be included in a confidential database accessible only by the RFP Administrator, who, together with anyone designated to assist by the RFP Administrator, will review Bidders'

² As noted in footnote 1, ESI sent a letter dated June 4, 2010, to the LPSC. In addition to seeking waivers of the LPSC's MBM Order, the letter explains the reasons for changes to the RFP evaluation process for the 2010 Renewable RFP. ESI advised that more open communication was needed in the later stages of proposal review to allow for better examination and evaluation of "the unique and varied technologies" that may be bid into this RFP. A formal waiver from the LPSC was not needed for the proposed changes, and the LPSC had no objection to them. See LPSC Special Order 34-2010, posted on the RFP Website.

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

information and oversee preparation of reports that transmit the relevant proposal information to the relevant evaluation teams, as described below.³

The RFP Administrator will be responsible for maintaining 2010 Renewable RFP files and information and ensuring their proper organization, storage, and security so as to protect the confidentiality of information in accordance with the processes and procedures described herein.

4.3. Contact with ESI and RFP Questions

Except as described in Section 5 below with respect to delivery matters and in Appendix B with respect to the RFP Hotline, all questions, requests and other inquiries or communications from Bidders about this RFP must be directed in writing or via email to:

April Phelps
RFP Administrator
Entergy Services, Inc., T-PKWD-3A
10055 Grogans Mill Road, Suite 300
The Woodlands, TX 77380
Email: ESIRENEWABLE@ENTERGY.COM
Fax: 281-297-5350.

Any unsolicited contact or communication between Bidders, or representatives of Bidders, and personnel or employees of ESI or any of the Entergy Operating Companies other than the RFP Administrator or those employees within the Entergy Energy Delivery Business Unit (as described in Section 5 below) concerning this RFP made without the specific, prior written consent of the RFP Administrator is not allowed and is grounds for disqualification of the non-compliant Bidders. This prohibition is effective beginning December 10, 2010 and continuing through the notification to Bidders of the creation of the Primary Selection and Secondary Selection Lists.

Subject to ESI's consideration of the confidentiality concerns described in the next two paragraphs, ESI intends to post all questions submitted by Bidders, as well as ESI's responses to those questions, on the RFP Website. All questions will be posted anonymously, to shield the identity of Bidders who have posed the questions. ESI's objective in posting these questions and answers is to afford Bidders equal access to information potentially relevant to their proposals. Bidders are urged to submit RFP questions to ESI as early as possible, in consideration of the proposal submission

³ Certain technical personnel responsible for computer systems and information necessarily will have access to the confidential database. This access will be solely for the purpose of providing computer-related technical support.

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

deadlines. During the proposal submission period, ESI expects to provide answers only to questions that are specific to an actual proposal submission issue.

ESI does not expect that it will be required to provide information that is confidential to ESI or any of the Entergy Operating Companies or their Affiliates in any of its responses to Bidder questions. If, however, ESI determines that (1) a Bidder's question calls for an answer that would contain such confidential information and (2) the provision of such confidential information is necessary and appropriate for ESI's response, then ESI will respond to that question in writing via certified mail to all Bidders who have timely executed and returned to ESI a confidentiality agreement.

Similarly, ESI does not expect that any questions Bidders may submit will contain information that Bidder considers to be confidential. If Bidder believes that certain information contained in a question Bidder intends to submit should be treated as confidential, Bidder is strongly urged to attempt to exclude all of the information Bidder believes to be confidential, whether by redaction or other means, and then to submit the question. If Bidder believes it is necessary or advisable to submit the question without redacting or otherwise shielding the confidential information from disclosure, then Bidder should, without providing any confidential information, notify the RFP Administrator in writing of the purpose of the question and the nature of the confidential information such that ESI can determine whether Bidder's question requires the disclosure, either by Bidder or by ESI, of confidential information, or whether such disclosure is unnecessary or can be avoided. If ESI determines that the disclosure of confidential Bidder information is necessary and appropriate, ESI will notify Bidder and ESI and Bidder will execute the confidentiality agreement that is posted on the RFP Website so that the question may be submitted. Questions containing confidential Bidder information that are submitted timely will be answered by ESI by direct email or express mail.

ESI, its agents and representatives will treat each Bidder proposal as confidential. Bidders should submit their proposals with the knowledge and understanding that any information submitted by Bidders – even confidential information - is subject to possible disclosure to regulatory commission(s) and their staffs, or any other governmental authority or judicial body with jurisdiction over a matter or Person relating to this RFP, and may be subject to legal discovery or disclosure. The process for protection of proposal information is further described below.

4.4. Confidentiality Procedures for Bidder Registration and Proposal Submission Information

ESI has procedures that its employees, agents, and consultants participating in the evaluation of proposals will be required to follow in order to protect the confidentiality of

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

Bidder information provided in response to this RFP. These procedures are designed and used so that information will be disclosed to the evaluation teams only to the extent necessary for resource evaluation and to other employees, agents and consultants of ESI or its Affiliates only to the extent necessary for them to perform their functions related to this RFP.

Upon completion of the bidder registration and proposal submission process, the RFP Administrator will prepare a summary report of the proposals. The summary report will contain: (1) the number of Bidders submitting proposals; (2) the total number of resources for which proposals have been submitted, categorized by technology; (3) the number of proposals submitted for each product category, (4) resource location, by state and/or region, and (5) any additional information that executives and/or Commission Staff may request and that the RFP Administrator agrees is appropriate to provide.

ESI uses reporting software to generate automated proposal data reports that will contain a limited amount of proposal data. The RFP Administrator will review the output of this automated system prior to the distribution of any proposal data information to members of the Proposal Evaluation Team. There are four distinct proposal data reports:

- a report containing the operational and economic characteristics of the proposal, which will be provided to the EET;
- a report containing proposal information regarding Bidder experience, operational characteristics of the proposed resource, fuel supply, and resource development material for each proposal, which will be provided to the VAT;
- a report containing proposal information regarding the location of Bidder's RER, which will be provided to the DAT; and
- a report containing proposal information that includes Bidder's identity and the pricing, capacity amount, term, and other necessary proposal information to perform the credit analysis, which will be provided to the CET.

These proposal data reports will provide only the information the evaluation teams require to perform the evaluation for which each team is responsible. The economic evaluation report described above will exclude data specifically identifying Bidder (*e.g.*, Bidder company name, Bidder company address and Bidder company contact information), and each proposal will be identified by its unique Proposal ID and/or Plant ID.

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

The evaluation teams will prepare reports that summarize information from the data reports described above and from the analysis of Bidders' proposals. ESI and the Entergy Operating Companies' senior advisors and other decision-makers will review these summary reports at various stages of the evaluation process. Once proposals have been reviewed and determined to meet the threshold Phase I requirements of this RFP, all evaluation teams will be notified of the proposals that may move forward into Phase II analysis. At and after such time, all evaluation teams may meet and openly discuss the various proposal benefits and risks of the remaining proposals to establish a ranking of proposals and a proposed Preliminary Shortlist. Once a proposal has been selected for the Preliminary Shortlist, all information relating to such proposal will also be provided to the appropriate executives and other decision-makers of ESI and the Entergy Operating Companies.

All Persons having access to confidential information as described above will be contractually and/or professionally bound to protect Bidders' confidential information and to use it for no other purpose besides activities related to the resource evaluation process or the 2010 Renewable RFP process. Notwithstanding the foregoing or anything to the contrary in this RFP, ESI and its Affiliates will have no, and expressly disclaim any, liability to a Bidder for damages of any kind resulting from any disclosure of any Bidder or proposal information.

Proposals or other information or correspondence submitted in response to this RFP will not be returned to Bidders. At the conclusion of this RFP process (including regulatory review of any Transactions resulting from this RFP), all proposals will be either destroyed or archived by ESI, subject to the procedures described in this section providing for the treatment of such proposals as confidential and any applicable Codes of Conduct.

All information contained in a proposal (1) may be required to be disclosed by ESI or any Entergy Operating Company pursuant to any applicable law, rule, or regulation or in any legal proceeding involving ESI or any of its Affiliates and (2) may be subject to review by one or more of the regulatory commissions, including their staffs, having jurisdiction over ESI and/or any of the Entergy Operating Companies, in connection with any regulatory proceeding involving ESI or any of the Entergy Operating Companies, or by any other Governmental Authority with jurisdiction over ESI, any of the Entergy Operating Companies or any Affiliate thereof over any matter related to this RFP, and may be subject to legal discovery or disclosure. By submitting a proposal in response to this RFP, Bidder agrees to allow ESI to use any of the information contained in the proposal as information, testimony or evidence in any proceeding before any such regulatory commission or other Governmental Authority and to disclose any of such information when required to do so as described above; provided, however, that in the event such information is to be so disclosed, ESI will use its reasonable efforts to obtain

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

from the regulatory commission or other Governmental Authority to whom such disclosure is being made, a confidentiality agreement, protective order or other mechanism to protect the confidentiality of such information and to limit its dissemination. ESI can provide no assurance of the outcome of any attempt to obtain a confidentiality agreement, protective order or other mechanism. In addition, ESI advises Bidders that interveners, including merchant generators, in prior regulatory proceedings have sought access to confidential Bidder information about potential resource acquisitions in proceedings relating to previous RFPs or in which ESI and/or one or more of the Entergy Operating Companies have been involved, and similar requests for access could be made in proceedings relating to this RFP.

4.5. Protocols for Protecting Market Sensitive Proposal Information

Because ESI has numerous departments and personnel involved in resource planning, asset management/supply procurement, and operations, ESI has implemented specific protocols for the protection of market sensitive proposal information provided by Bidders in response to this RFP, including the following:

- No proposal information will ever be disclosed to any Entergy Competitive Affiliates, except to the extent that such information is made public by a Person other than ESI.
- Prior to the selection of proposals for the Preliminary Shortlist, Proposal Evaluation Team members may provide proposal information only to any individual who is a member of a designated RFP evaluation team or the RFP Administrative Team or, if the information is contained in the summary reports provided for in Section 4.4 above, a senior advisor or decision-maker of ESI or an Entergy Operating Company.
- No proposal information shall be provided to RFP evaluation team members prior to the expiration of the proposal submission deadline.
- ESI management is responsible for communicating to Proposal Evaluation Team members the importance of compliance with these protocols, both at the outset of the 2010 Renewable RFP process and on a continuing basis.
- ESI personnel involved with the 2010 Renewable RFP process will sign a confidentiality acknowledgement that governs access to and use of information contained in proposals and proposal documents.

4.6. Affiliate Rules and Codes of Conduct

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

All employees of ESI, any Entergy Operating Company, or any Entergy Competitive Affiliate must adhere to the Affiliate Rules and Codes of Conduct as applicable. A link providing access to complete copies of the Affiliate Rules and Codes of Conduct is available at the RFP Website.

5. CONTACT WITH ENTERGY ENERGY DELIVERY BUSINESS UNIT AND INDEPENDENT COORDINATOR OF TRANSMISSION

The Entergy Transmission System is managed and operated by the Entergy Energy Delivery Business Unit, which is functionally separate from the wholesale merchant functions of ESI and the Entergy Operating Companies, as required by FERC. Any inquiries about the Entergy Transmission System must be directed to the Entergy Energy Delivery Business Unit through the Entergy OASIS website, <http://oasis.e-terrasolutions.com/OASIS/EES>, or to the ICT. Contact information for the ICT can be found at <http://oasis.e-terrasolutions.com/documents/EES/ICTPlanningStudiesAndRelatedDocuments.htm>.

6. PROPOSAL REVIEW AND OVERALL EVALUATION PROCESS

6.1. Proposal Review Process

A multi-phase evaluation process will be carried out by four (4) separate evaluation teams, the EET, the DAT, the VAT and the CET. As further described below, the proposal economic evaluation process and the creation of the Preliminary Shortlist and the Primary Selection and Secondary Selection Lists is accomplished through the ranking of proposals, which is primarily the responsibility of the EET, with input from the DAT, VAT, and CET.

During Phase I, the RFP Administrator will provide to each evaluation team only the Bidder proposal information that the evaluation team needs to perform its preliminary screening analysis. The evaluation teams will conduct their analyses to validate that proposals satisfy the Threshold Requirements. Proposals that do will proceed to Phase II evaluation.

Phase II is designed to allow for a collaborative review that uses input from each evaluation team to produce a fair and impartial evaluation of the relative economics, deliverability, project/resource viability of the proposals and related credit risks. The evaluation process will allow open communication between all evaluation teams in this (and the next) phase so that all aspects of proposals received in response to this RFP can be assessed. ESI reserves the right during Phase II to reduce the number of remaining proposals under consideration. In determining whether to exclude a proposal through the exercise of this right, ESI may take into account, among other things, the aggregate

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

number of megawatts requested in this RFP, the likelihood of a Transaction resulting from the proposal, the number of Eligible Resources with similar technologies, and the burden on the evaluation teams if the right is not exercised. At the conclusion of Phase II, all Bidders will be notified whether their proposal(s) will be included on the Preliminary Shortlist and advance to Phase III.

Phase III includes a more detailed evaluation of quantitative and qualitative components of the remaining proposals, such as preliminary due diligence and deliverability costs to become an Entergy Network Resource. Phase III may also include teleconference or in-person meetings with Bidders to discuss resource characteristics or elements of the proposal. At the conclusion of Phase III, ESI will determine which proposals will be included on the Primary Selection List and which, if any, will be on the Secondary Selection List.

The RFP Administration Team will facilitate the collaborative evaluation of proposals by all evaluation teams to help ensure that the evaluation process properly reflects the economics and operational characteristics of the proposals. ESI's goal is for the RFP results and selection of renewable resources to reflect the lowest reasonable cost, reliable resources available for customers and minimize risk. ESI reserves the right to retain or select for the Preliminary Shortlist and/or the Primary Selection and Secondary Selection Lists proposals representing a variety of RER technologies regardless of the relative economic ranking of such proposals. The RFP Administration Team will coordinate the review by evaluation teams as well as applicable executives to determine if such a selection is in the interest of the Operating Companies.

Circumstances may require adjustment of the proposal evaluation process, and the process described in this RFP should be viewed as a general framework for evaluation, not a prescriptive procedure. Throughout this RFP, ESI will be working with the Commission Staff to ensure that the overall goals of the LPSC's Pilot Program and approved Implementation Plan are met and the Operating Companies meet their obligation to provide reasonable least cost reliable service to ratepayers.

ESI's proposal evaluation process, Bidder information, and resulting rankings are considered confidential and proprietary and will not be shared with Bidders, even after this RFP has concluded. ESI reserves the right to reject incomplete, non-conforming or unclear proposals from further consideration and to communicate with Bidders to clarify proposal terms or request additional information. ESI expects that clarifications will be the exception and that Bidders will properly complete the web-based proposal submission process via the RFP Web Portal and provide clear and complete responses to the information requested in Appendix D (as applicable). If ESI believes it should contact Bidder for clarification or additional information, the RFP Administrator will contact Bidder, who will then submit its response to the RFP Administrator. The RFP

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

Administrator will redact identifying information (as applicable) and submit the Bidder response to the relevant evaluation team members. When these exchanges include confidential information, they will be conducted in accordance with the procedures described above in Section 4.3.

After making proposal selections at the end of Phase III, ESI will notify Bidders with a proposal(s) on either the Primary Selection List or Secondary Selection List and begin comprehensive due diligence and negotiations to finalize the Letter of Intent (“LOI”) and (subsequently) the Definitive Agreement. Bidders with a proposal(s) on the Secondary Selection List may be invited to participate in commercial negotiations with ESI should negotiations with one or more Bidders on the Primary Selection List terminate prior to execution of an LOI or a Definitive Agreement. Bidders with a proposal(s) on the Secondary Selection List will be released from their proposal(s) if two (2) months have passed since notification of their proposal(s)’ placement of the Secondary Selection List and they have not been invited to negotiate the terms of a Definitive Agreement under this RFP.

6.2. Economic Evaluation Process

The economic evaluation process seeks to identify renewable generation resources that meet the requirements of the LPSC’s Pilot Program and approved Implementation Plan at the lowest reasonable cost while considering the objectives of reliability and risk mitigation. The economic evaluation estimates the full-in economic cost and benefit of each proposal, including, but not limited to, the busbar cost, carbon and other emission costs or value, and transmission and distribution costs within the Entergy System. For As-Available proposals, the evaluation will consider costs arising from the intermittent nature of the RER’s output, including, without limitation, operation integration cost and capacity match-up cost. The latter is included to ensure a proper comparison between resources that provide limited or no contribution to planning reserve and those that do.

The economic evaluation will rely on tools and methods commonly used by the Entergy Operating Companies for long-term planning and resource evaluation, including fundamental analysis and production cost modeling. The evaluation will rely on such additional tools and methods as may be deemed necessary for the effective evaluation of proposals, including, but not limited to, qualitative considerations. The selection of proposals made by EET will be based on a variety of factors, including, but not limited to, relative economics, deliverability to the Entergy System, value of Environmental Attributes, viability and transactional considerations.

Below is a preliminary process for the economic evaluation. The actual process is expected to be adjusted from time to time as appropriate.

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

Phase I: Preliminary Screening Analysis

During Phase I, the EET will develop a preliminary economic ranking of proposals. Once the DAT completes their review for conforming proposals, the EET may share the economic ranking by proposal identification number (no actual cost information) with the DAT.

Phase II: Preliminary Shortlist

In Phase II, the EET will update the economic ranking of the remaining proposals based on updated interconnection, off-system transmission and distribution pricing information provided by Bidders and available information from the VAT and DAT assessments. During this phase and throughout the remainder of the evaluation, the EET, DAT, VAT, CET and the RFP Administration Team will work together to assess proposals. Based on the results of the Phase II analysis, the EET will recommend a Preliminary Shortlist of proposals to be considered in Phase III.

Phase III: Detailed Evaluation

During Phase III, the economic analysis will be refreshed for proposals on the Preliminary Shortlist based on available information, including, but not limited to, the results of the deliverability evaluation, the generation interconnection evaluation, and viability assessment. The Phase III economic analysis will be supplemented with other tools, information and analyses as necessary to assess the relative costs and benefits of the remaining proposals.

At the conclusion of Phase III, the EET, relying on the results of the evaluation, will rank proposals (and portfolios as necessary) and recommend a Primary Selection List and Secondary Selection List of proposals.

6.3. Transmission Service and Deliverability Evaluation Process

The Transmission and Distribution Deliverability Evaluation (“TDDE”) process seeks to analyze the potential for utilizing the generation, distribution and bulk transmission facilities of the Entergy System to deliver a balanced and diversified portfolio of resources resulting in the highest overall value to customers without materially degrading supply reliability. This section describes the deliverability evaluation process, criteria and methods that ESI intends to use in this RFP to conduct a TDDE of the proposals. TDDEs are conducted by, or at the request of, the DAT throughout Phase I, Phase II and Phase III, and the results of this analysis will be provided to the EET for consideration in its evaluation and ranking.

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

Phase I: Preliminary Delivery Confirmation

During Phase I, the DAT, in conjunction with the Entergy Energy Delivery Business Unit, will perform a high-level review of proposals based on applicable Threshold Requirements (*e.g.*, the two (2) MW minimum capacity requirement at the Delivery Point on the Entergy Transmission System and the applicable interconnection package acknowledgement letter) to identify any obvious deliverability-related non-conformities in a proposal. Once the DAT has completed its Phase I analysis and provided its applicable list of conforming proposal identification numbers to the RFP Administrator, the DAT may receive an economically ranked list of proposal identification numbers (without actual proposal price information) from the EET in order to prioritize the preliminary deliverability cost evaluation. The preliminary deliverability cost evaluation will continue through Phase II.

Phase II: Preliminary Delivery Assessment

During Phase II, the DAT will provide the EET with a high-level deliverability cost estimate to obtain Long-Term Network Integration Transmission Service for resources on the prioritized list of proposals. The DAT will also review and consider the reasonableness of the Bidder-provided interconnection costs and assess the location and delivery risks of proposed RERs as part of its TDDE. Any identified concerns or risks will be communicated to the VAT for inclusion in its viability assessment.

Phase III: Detailed Evaluation

During Phase III, the DAT will provide the EET with a more detailed deliverability cost estimate to obtain Long-Term Network Integration Transmission Service for resources on the Preliminary Shortlist. The TDDE methodology seeks to identify transmission constraints that may limit deliveries from resources identified on the Preliminary Shortlist, to evaluate those resources' ability to secure firm transmission service required to prevent transmission flows from exceeding transmission limits and to estimate all of the upgrades and other costs required to obtain such service. DAT may perform a portfolio analysis that will include potential mitigation strategies that may contribute to the RER's ability to obtain transmission service.

The DAT will continue to review Bidder responses to Appendix D and supplement the delivery risk assessment from time to time as appropriate. This effort may entail additional review of Bidder interconnection cost estimates and locational/delivery risk of proposed RERs. Any identified concerns or risks will be communicated to the VAT for inclusion in its viability assessment.

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

The commencement of the Delivery Term based on a proposal identified in the Primary Selection List will be contingent upon, among other things, ESI receiving corresponding System Impact Study and, if applicable, Facilities Study results that are acceptable to ESI in its sole and absolute discretion.

6.4. Viability Assessment Process

The VAT reviews and assesses the technical, environmental, fuel supply/transportation, and commercial merits of the various proposals submitted in this RFP. This section describes the process and general criteria with which the VAT will conduct its assessment.

During all phases of the evaluation process, the viability assessment will be carried out by subject matter experts (each an “SME”) who are members of the VAT. The subject matter expertise of the VAT team members includes:

- commercial
- project status/plant & equipment/O&M
- environmental
- fuel supply & transportation
- transmission and distribution
- other, as appropriate.

Each SME will be responsible for providing an overview and assessment of each proposal with respect to his or her area(s) of expertise.

Phase I: Preliminary Assessment

The primary purpose of the VAT during Phase I will be to review proposals for satisfaction of the Threshold Requirements for which the VAT has responsibility. (Please see Section 2.2 above for such requirements). Upon completion of its Phase I assessment, the VAT will review its recommendation for each proposal with the RFP Administration Team.

Phase II: Review of Proposals/Shortlist Development

In Phase II, the VAT will review proposals to develop a high-level risk assessment and overall risk profile of the proposals through a three-tier system. These risk and viability evaluations for proposals will include assessments of Bidder experience, project status (developmental, operational, etc.), fuel procurement, commercial terms offered, project financing plan, viability of technology, transmission

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

interconnection and other factors determined by the VAT to bear on the risk and viability of a proposal. Based on the evaluations, the VAT will categorize proposals as low risk, medium risk, or high risk. These profiles will be factored into the collaborative evaluation of proposals performed in Phase II. In addition to the above assessment, the VAT will utilize the economically ranked list of proposals provided by the EET to prioritize its review of proposals for fatal flaws and/or unacceptable commercial terms proposed by Bidders.

Phase III: Detailed Evaluation

During Phase III, the VAT will expand upon the preliminary assessment conducted by the SMEs in Phases I and II. Direct communication with the remaining Bidders is key to this phase. The objective of the communications is clarification of the status of each resource and a better understanding of the technical and commercial aspects of a proposal. The VAT may include members of other evaluation teams in these communications.

The detailed evaluation in Phase III is based on a qualitative assessment of various criteria in the general risk categories, including, but not limited to, those discussed below. This qualitative assessment is scored using quantitative measures that result in an overall quantitative ranking. A risk category score will be developed for the proposal by scoring multiple criteria in each of the following risk categories using ranking criteria. The weighted sum of each risk category's score will compose the VAT's overall quantitative ranking for the proposal. This ranking will be factored into the collaborative evaluation of proposals in Phase III leading to the creation of the Primary Selection and Secondary Selection Lists.

➤ Commercial Assessment

The VAT will conduct a more detailed assessment of the commercial terms and conditions of the remaining proposals in Phase III. Examples of potential areas for commercial assessment include, but are not be limited to, exceptions taken to terms in the Term Sheets, operational flexibility of the RER, Delivery Term, pricing structure, and Expected and Guaranteed Commercial Operational Dates.

➤ Project Status/Plant & Equipment/Operations & Maintenance Assessment

During Phase III, the VAT will perform a more detailed evaluation of the engineering, procurement and construction cost estimate provided for a

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

proposal. The VAT will also further evaluate the details of the project's site control status and determine if a thorough examination of the construction site area has been conducted. For Developmental Resources, the Phase III assessment will include a review of all the real property agreements (easements, rights-of-way, etc.) or other rights that must be obtained to secure control of the real property interests necessary to construct and operate the proposed RER. The VAT will identify or continue to assess risks related to construction and/or operation of the RER and determine whether acceptable mitigation strategies have been developed for these risks. The VAT is expected to have direct communication with Bidders as part of this evaluation.

➤ **Environmental Assessment**

The purpose of the VAT's Phase III environmental assessment is to complete a "critical issues" review that will serve to identify environmental constraints, environmental regulations, and other material environmental matters that could affect the evaluation of the proposed Eligible Resources. The Phase III environmental assessment will use the data received from the Phase I VAT assessment and additional available data to determine the proposal's overall viability and risks from an environmental perspective. The fact-finding and data-gathering activities occurring during the detailed Phase III environmental assessment could address, for example, and for purposes of illustration only, facility and site development, the required permits and/or related regulatory and public reviews for the RER, including the studies needed to support permit applications and time needed to obtain the permits. For proposals from existing Eligible Resources, the VAT will conduct a comprehensive review of existing environmental programs and permits, environmental performance and compliance history.

➤ **Fuel Supply & Transportation Assessment**

The goal of the Phase III fuel evaluation process is to assess in greater detail the capability of the fuel supply and delivery systems for the proposed RERs. Fuel supply and delivery capabilities will be evaluated using several qualitative criteria, including, without limitation, supply, storage, and transportation reliability.

➤ **Transmission Delivery Assessment**

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

The goal of the Phase III delivery assessment is to further review the cost and delivery risk of RERs as described in the subsection entitled “Phase III: Detailed Evaluation” in Section 6.3.

➤ **Other**

The VAT may identify other viability risks not captured by the above categories and associated with a proposal. These risks will be defined and may be included in a proposal’s overall quantitative ranking.

6.5. Credit/Collateral Requirements

In addition to the economic, deliverability, and viability evaluations of the proposals, each conforming proposal will be evaluated to determine Bidder’s creditworthiness and the amount and type of credit support required of Bidder, all as described in detail in Appendix E to this RFP.

6.6. Other Bidder Requirements

ESI is making every reasonable effort to maximize fair and impartial competition and prevent or avoid collusion by any parties in this RFP process. Proposals determined by ESI to have been made with the intent or effect of creating artificial prices, terms, or conditions may be rejected. ESI expects all Bidders to comply with all the terms and conditions and conform to all of the requirements of this RFP in order to be eligible to participate in the solicitation process.

If Bidder is comprised of more than one Person, the members of Bidder may enter into contribution, indemnity, allocation, sharing or other similar arrangements or agreements among themselves to allocate their respective obligations, but no such agreements or arrangements will affect the rights of ESI or any of the Entergy Operating Companies without the express written agreement of ESI or the affected Entergy Operating Companies, which agreement will be negotiated upon the execution of a Definitive Agreement. Any Entergy Operating Company may agree to be affected by such agreements or arrangements only as to that particular Operating Company, and no such agreement will be effective as to any other Entergy Operating Company or as to ESI. When proposals are submitted, all such contribution, indemnity, allocation, sharing and similar arrangements, agreements and understandings must be fully disclosed to ESI, which may be accomplished by sending a written letter of disclosure to the RFP Administrator by the Proposal Submission deadline.

Under the terms of the Proposal Submission Agreement (posted on ESI’s RFP Website), Bidders may not, without the prior consent of ESI, disclose to any other Person

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

(except for those Persons participating in the same proposal, as described above, the host of a renewable energy facility being offered by a Bidder and the RFP Administrator) their participation in the RFP process (other than by attendance at any meeting to which more than one participant is invited by ESI, which attendance in and of itself will not violate this provision of the RFP), and Bidders also may not disclose, collaborate on or discuss with any other Person (except for those participating in the same proposal, as described above) bidding strategies or the substance of proposals, including without limitation, the price or any other terms or conditions of any contemplated, indicative or final proposal. Such disclosure, collaboration or discussion would violate this RFP and the Proposal Submission Agreement and may result in the proposal being rejected.

Unless and until ESI announces or otherwise notifies Bidder that the RFP process is terminated or concluded, or that its proposal has been rejected, Bidder will be expected to make available, upon reasonable notice, its duly authorized officers, representatives, and advisers for the purpose of questions, negotiations, and execution and delivery of Definitive Agreements. Any Bidder invited to finalize one or more Definitive Agreements will be expected to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or appropriate to finalize, execute, and deliver such Definitive Agreements as promptly as possible.

7. NOTIFICATION OF EVALUATION RESULTS AND NEGOTIATIONS

The RFP Administrator will contact each Bidder to notify it of the status of its proposal and whether additional discussions or negotiations are warranted.

Placement of a proposal on the Preliminary Shortlist, the Primary Selection List, the Secondary Selection List, or any other list does not indicate acceptance by ESI of any proposed contract terms. ESI, ELL, and EGSL (and their Affiliates) have no obligation and make no commitment of any kind under or in connection with this RFP to enter into a Transaction with any individual Bidder. ESI, ELL, and EGSL (and their Affiliates) will have no obligation or liability with respect to a Transaction or arising out of this RFP except as may be expressly set forth in a Definitive Agreement or a provision binding upon ESI, ELL or EGSL in an LOI.

8. REGULATORY APPROVALS AND OTHER CONSENTS, PERMITS, LICENSES, AND/OR APPROVALS

Buyer (*i.e.*, ELL and/or EGSL) will be responsible for obtaining all applicable Regulatory Approvals for any Transaction arising out of this RFP, including, but not limited to, authorization from the LPSC and FERC under applicable law or regulations, including the LPSC-approved Implementation Plan requiring a certification proceeding for selected resources. The commencement of the Delivery Term under any Definitive

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

Agreement will be conditioned on Buyer's receipt of all such Regulatory Approvals on terms acceptable to Buyer in its sole and absolute discretion. Please consult Appendix C to this RFP for additional information regarding Regulatory Approvals and Buyer's conditions precedent to the Delivery Term.

Bidders/Sellers will be responsible for obtaining and maintaining all consents, permits, licenses, and/or approvals necessary for them to perform their obligations under their respective Definitive Agreements, other than the Regulatory Approvals.

9. RESERVATION OF RIGHTS

Bidder's proposal will be deemed accepted only when a Definitive Agreement with respect to such proposal has been executed and delivered by ESI (on behalf of ELL and/or EGSL) and Bidder. Although ESI intends to enter into Transactions for resources that offer sufficiently attractive environmental, economic, and/or reliability benefits to the Entergy System, ESI has no obligation to accept any proposal, whether or not the stated price in such proposal is the lowest price offered in the RFP process, and may reject any proposal, in its sole and absolute discretion, for any reason and without any obligation to assign or disclose any reason(s) for rejection.

BY PARTICIPATING IN THE RFP PROCESS, EACH BIDDER AGREES THAT (A) EXCEPT TO THE EXTENT CONTAINED IN A DEFINITIVE AGREEMENT WITH BIDDER, ANY AND ALL INFORMATION FURNISHED BY OR ON BEHALF OF ESI OR ANY OF THE ENTERGY OPERATING COMPANIES IN CONNECTION WITH THIS RFP IS BEING OR WILL BE PROVIDED WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING, WITHOUT LIMITATION, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND (B) EXCEPT AS OTHERWISE PROVIDED IN A DEFINITIVE AGREEMENT, NONE OF ESI, ANY OF ITS AFFILIATES, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, PARTNERS, EMPLOYEES, AGENTS, REPRESENTATIVES OR ADVISORS SHALL HAVE ANY LIABILITY TO ANY BIDDER, ANY OF ITS AFFILIATES OR ANY OF RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, PARTNERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ADVISORS, LENDERS, OR INVESTORS RELATING TO OR ARISING FROM THE USE OF OR RELIANCE UPON ANY SUCH INFORMATION OR ANY ERRORS OR OMISSIONS THEREIN OR OTHERWISE IN CONNECTION WITH THIS RFP.

ESI reserves the right to negotiate with any or all qualified Bidders to resolve technical or contractual specifications. ESI, ELL and EGSL may, and expressly reserve the right to, at any time and from time to time, without prior notice and without assigning any reason therefore:

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

- cancel, modify or withdraw this RFP, reject any and all proposals or responses, and terminate negotiations at any time during the RFP process;
- discuss the terms of any proposal submitted by Bidder with, and obtain clarification or additional information concerning its proposal from, Bidder and its directors, officers, employees, agents, representatives, and advisors;
- consider all proposals to be the sole property of ESI, subject to the provisions of this RFP relating to confidentiality and any applicable confidentiality agreement executed in connection with this RFP process, and destroy or archive any information or materials provided in the proposal submission process (currently, ESI intends to retain all proposal information until all related regulatory approval processes to which that information relates have been completed);
- request from Bidder any information that is not explicitly detailed in or required by this RFP but that, in ESI's sole opinion, is necessary for evaluation of Bidder's proposal(s);
- determine which proposals to accept, favor, recommend, pursue or reject;
- accept or reject any proposal submitted outside the timeframe set forth in this RFP;
- evaluate and consider opportunities to acquire resources offered outside the formal RFP process from Persons that are not Entergy Competitive Affiliates, as such opportunities arise;
- reject any proposal that is incomplete or contains irregularities, or waive any irregularity in any proposal;
- reject any proposal determined by ESI to have been made with the intent to create artificial prices, terms, or conditions or to have that effect;
- elect not to accept proposals that provide the lowest cost based on the criteria and analyses described in this RFP if a proposal review identifies issues detrimental to the Entergy System not specifically identified in the criteria and analyses described herein;
- elect to select a proposal based on its ability to help ESI achieve a diverse set of renewable generation resources, regardless of the proposal's economic ranking;

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

- determine which Bidders to allow to participate in the RFP process, including disqualifying a Bidder due to a change in the qualifications of Bidder or in the event that ESI determines or believes that Bidder has failed to comply with the requirements of this RFP;
- invite further or supplemental submissions of proposals from all eligible RFP participants;
- modify Appendix F to this RFP or any of the dates, times or places related to the 2010 Renewable RFP process;
- conduct negotiations with any, some or all Bidders or other Persons;
- sign one or more Definitive Agreements with a Bidder who submits a proposal or with any other Person, or not sign any Definitive Agreement;
- suspend the RFP process in whole or in part as to one or more Bidders if at any time ESI determines in its sole judgment that there is a defect in the RFP process or a deviation from the requirements of this RFP or collusive or fraudulent bidding has occurred or appears to have occurred, and
- take any and all other actions it deems necessary or appropriate, in its sole and absolute discretion, in connection with this RFP and the RFP process.

Each of the foregoing rights (including any right listed in a series of rights) may be exercised individually by ESI, ELL or EGSL. ESI, ELL and EGSL may exercise these rights through their respective directors, officers, employees, agents, and representatives. The reservation of rights contained in this Section 9 is in addition to other rights reserved to ESI, ELL and/or EGSL elsewhere in this RFP.

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

10. BIDDER COSTS AND EXPENSES

Each Bidder is exclusively responsible for all costs and expenses it incurs in connection with the RFP process. Through its participation in this RFP, each Bidder agrees that under no circumstance, including, without limitation, ESI's withdrawal from or suspension, cancellation, or termination of the RFP process at any time, will ESI, any of its Affiliates or any of their respective directors, officers, members, partners, employees, agents, representatives or advisors have any responsibility or liability of any kind to Bidder any of its Affiliates or any of their respective directors, officers, members, partners, employees, agents, representatives, advisors or lenders for any cost or expense directly or indirectly incurred by Bidder (no matter how incurred) in connection with the RFP process.

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

2010 RENEWABLE RFP