



# Appendix A

# Glossary For Fall 2006 Request For Proposals (RFP) For Limited-Term Supply-Side Resources



#### GLOSSARY

"2006 Long-Term RFP" means ESI's 2006 Request for Proposals for Long-Term Supply-Side Resources, dated April 17, 2006, and posted as of such date on the RFP Website.

"<u>Accepted Electrical Practices</u>" means those practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment and in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety and expedition. Accepted Electrical Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of others, but rather to those practices, methods and acts generally accepted or approved by a significant portion of the electric utility industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.

"<u>Actual Capacity Availability</u>" means the maximum Capacity actually available from the generating unit, up to the Contract Capacity.

"<u>Affiliate</u>" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the direct or indirect ownership or control of, or the possession, directly or indirectly, of the power to vote, five percent (5%) or more of the outstanding voting securities of such Person, or the possession , directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"<u>Affiliate Rules and Codes of Conduct</u>" or "<u>Codes of Conduct</u>" means rules and regulations promulgated by federal, state and local regulatory agencies to address interactions between a utility and its affiliates engaged in competitive markets; settlement agreements between an Entergy Operating Company and a regulatory agency to address such interactions; and FERC-ordered standards of conduct to address interactions between ESI's transmission function and ESI's wholesale merchant functions.

"<u>AFC</u>" or "<u>Available Flowgate Capacity</u>" means the amount of transfer capability over a flowgate that remains available for additional transmission service reservations above and beyond existing uses of the Entergy transmission system.

"<u>AGC</u>" or "<u>Automatic Generation Control</u>" means a generating unit under automatic dispatch from the System control center.

"<u>Amite South</u>" the region of Louisiana south of the Amite Substation that is serviced by one or more of the Entergy Operating Companies and other utilities (generally from east of the Baton Rouge, Louisiana metropolitan area to the Mississippi state line and south to the Gulf of Mexico).

"<u>Availability</u>" means the number of hours that the <u>Contractspecified</u> Capacity of a generating unit is actually available divided by the total hours in a set time period, usually a year.

"<u>Availability Requirement</u>" means the minimum required Availability of the generating unit, measured on an hourly basis and regardless of whether or not dispatched.

-"<u>Bidder</u>" means any Person, that submits (or, prior to the applicable due date, intends or expects to submit) a proposal or Bidder Registration Form in response to this RFP, or any group of Persons having a pre-existing contractual relationship, such as co-owners of a facility, that submits jointly (or, prior to the due date, intends or expects to submit jointly) a proposal or Bidder Registration Form based on such pre-existing contractual relationship in response to this RFP. A group of Persons also may be a Bidder when a proposal has been developed jointly pursuant to the procedures set forth in Section 2.9 of the RFP.

"<u>Bidder Credit Rating</u>" means, with respect to either Bidder or Bidder's Credit Support Provider, CET's assessment of such entity's agency ratings and other financial indicators, including but not limited to, split agency ratings, ratings outlooks, publicly available financial information and stock and market cap information. CET will evaluate these financial factors as well as ratings assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard & Poor's Ratings Group (a division of McGraw Hill, Inc.) or its successor and Moody's Investor Services, Inc. or its successor, to determine such rating.

"<u>Bidder ID</u>" or "<u>Bidder Identification Number</u>" means the unique Bidder identification number assigned to the Bidder during the Bidder Registration Process. The Bidder ID will include the letter "B" followed by two numeric characters (*e.g.*, B12), and is further described in Section 1.5 of Appendix D to this Fall 2006 RFP.

"<u>Bidder Registration Form</u>" means a Bidder Registration Form in the form attached as Appendix B that Bidders are required to submit in order to participate in this RFP.

"<u>Bidders' Conference</u>" means the meeting to be held on or about  $\frac{9/112/23}{06}$ , as discussed in Section 2.3 of this RFP.

"<u>Btu</u>" means British thermal unit, the quantity of heat required to raise one pound of water one degree Fahrenheit at or near its point of maximum density.

"<u>Business Day</u>" means any day except Saturday, Sunday, Federal Reserve Bank holiday, or a holiday as defined by the North American Electric Reliability Council or any successor

organization thereto. <u>For notice purposes, a</u>A Business Day shall open at 8:00 AM and close at 5:00 PM Central Prevailing Time.

"<u>Buyer</u>" means one or more of the Entergy Operating Companies (whether acting on its own behalf or through ESI as its agent) acting in its capacity as buyer with respect to a particular Transaction.

"<u>Call Option</u>" means an Option entitling the Option Buyer to purchase and receive Capacity, and entitling but not obligating the Buyer to purchase and receive energy and Other Associated Electric Products from the Option Seller for the Delivery <u>TermPeriod</u> for which the Option may be exercised, all as specified in the Transaction.

"<u>Candidate Proposal</u>" means proposals selected by the Economic Evaluation Team to undergo a Deliverability Evaluation.

"<u>Capacity</u>" means the megawatt output level that the generating unit, or the components of equipment thereof, is capable, as of a given moment, of continuously producing and making available at the Delivery Point, taking into account the operating condition of the equipment at that time, the auxiliary loads, and other relevant factors.

"<u>Capacity Payment</u>" means the price payable by the Buyer to the Seller for Capacity expressed in  $kW_{2}$  for a certain period during the term of the Definitive Agreement less any adjustments based on the Actual Capacity Availability of the generating unit.

"<u>Capacity Quantity</u>" means the amount of Capacity of a rated generating unit or Contract Capacity, expressed in megawatts.

"<u>Central</u>" means the certain area of southern Arkansas, northern Louisiana and western Mississippi serviced by one or more of the Entergy Operating Companies and other utilities (generally south of the North Arkansas region and north of the WOTAB and Amite South regions, but includes the Baton Rouge, Louisiana metropolitan area).

"Codes of Conduct" see "Affiliate Rules and Codes of Conduct."

"<u>CCGT</u>" means combined cycle gas turbine. The characteristics of a load-following CCGT are described in Section 1.6 of the RFP.

<u>"Commercial Operation Date</u>" means the date after the test period on which the generating unit became (or will become) commercially operational and began (or will begin) generating and delivering power on a reliable basis.

"<u>Contract Capacity</u>" means the total Capacity Quantity from a generating unit expressed in MW agreed to be provided by the Seller to the Buyer pursuant to a Definitive Agreement with the Buyer.

"<u>Control Area</u>" means an electric power system or combination of electric power systems to which a common AGC scheme is applied in order to: (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s); (2) maintain scheduled interchange with other such electric power system or combination of electric power systems, within the limits of Good Utility Practices; (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practices; and (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practices.

"CPT" means the local time in New Orleans, Louisiana.

"<u>Credit Evaluation Team</u>" or "<u>CET</u>" means member(s) of the Proposal Evaluation Team responsible for analyzing potential credit issues associated with each proposal.

"<u>Credit Rating</u>" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard & Poor's Ratings Group (a division of McGraw Hill, Inc.) or its successor or Moody's Investor Services, Inc. or its successor.

"<u>Credit Support Provider</u>" means any Affiliate of Bidder having on or prior to the date of effectiveness of any guaranty made on behalf of the Bidder, (i) all requisite corporate authority to execute, deliver and perform its obligations pursuant to a guaranty of the obligations of the Bidder, and (ii) a Bidder Credit Rating by CET sufficient to cover the amount of such guaranty subject to the limits in Figure F-1 of Appendix F.

"<u>CT</u>" means simple cycle combustion turbine.

"<u>Daily Energy Dispatch Notice</u>" means the notice given by the Buyer to the Seller to dispatch the applicable generating unit by providing a forecasted schedule of energy delivery for the following business day.

"<u>Day</u>" or "<u>day</u>" means a period of twenty four (24) consecutive hours, beginning at 12:01 a.m., local time, at the Delivery Point; <u>provided</u>, <u>however</u>, that on the Day on which Central Daylight Time becomes effective, the period shall be twenty-three (23) consecutive hours, and on the Day on which Central Standard Time becomes effective, the period shall be twenty-five (25) consecutive hours; <u>provided</u>, <u>however</u>, if FERC or any other Governmental Authority having jurisdiction should modify the beginning time for a day, the beginning and ending time for a Day shall be revised to correspond to the time established by FERC or such Governmental Authority, as the case may be.

"<u>Definitive Agreement</u>" means a legally binding agreement setting forth the terms and conditions and other provisions relating to a Transaction, signed by an authorized representative of each of the Buyer and the Seller, but does not include an executed letter of intent or any other

preliminary written agreement; nor does it include any written or oral acceptance of any offer or proposal.

"<u>Deliverability Evaluation</u>" means the process performed by Entergy's System Planning and Operations Department's personnel, detailed in Section 4 of this Fall 2006 RFP, to identify and characterize transmission issues that could materially impact the expected total delivered cost of a resource over the term of its availability to the System, and to assess whether cost impacts associated with potential transmission issues could materially limit ESI's ability to realize the expected reliability and/or cost benefits of the proposed generating unit.

"<u>Delivery Point</u>" means the point at which deliveries of capacity and energy under a Definitive Agreement are required to be made and shall be measured which, for any generating unit located inside the Entergy Control Area, shall be the Interconnection Point, and, for any generating unit located outside of the Entergy Control Area, shall be a delivery point on the Interface.

"<u>Delivery Term</u>" means the total period of time during which the product is to be delivered by the Seller to the Buyer as further defined for each applicable product in Appendix C of this RFP.

"<u>Dispatch</u>" or the correlative term "<u>Dispatched</u>" means the dispatch of energy or Other Associated Electric Products associated with the Contract Quantity of Capacity.

"Displacement Proposal" means proposals with terms of between six and ten years that are able to displace the capacity and/or energy from older gas-fired generation in a manner that produces savings to customers and that meet certain requirements set forth in the Main Body of the RFP.

"<u>Economic Evaluation Team</u>" or "<u>EET</u>" means member(s) of the Proposal Evaluation Team responsible for analyzing the economics of each proposal.

"<u>Entergy Competitive Affiliate</u>" means any Affiliate of Entergy Corporation, other than Entergy Services, Inc. ("ESI"), Entergy Operations, Inc., any of the Entergy Operating Companies or System Energy Resources, Inc.

"Entergy Control Area" means the Control Area of the Entergy System.

"Entergy Operating Committee" means the administrative organization established pursuant to the Entergy System Agreement-dated January 1, 2000, consisting of members designated by the chief executive officers of the Entergy Operating Companies and by the chief executive officer of Entergy Corporation. The duties of the Entergy Operating Committee include, but are not limited, to the following: the day-to-day administration of the Entergy System Agreement and any amendments thereto; the decisions on the installation of generation, bulk power transmission, communication, and other facilities necessary for the supply of capacity and energy to the Entergy System; promulgating standards that may be required for the safe and reliable operation of the Entergy System; and determining and generally supervising communications,

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.

interchange and AGC, metering, economic dispatch and relaying facilities necessary for the purpose of the Entergy System Agreement.

"<u>Entergy Operating Companies</u>" or "<u>Operating Companies</u>" are Entergy Arkansas, Inc. ("EAI"), Entergy Gulf States, Inc. ("EGS"), Entergy Louisiana, LLC ("ELL"), Entergy Mississippi, Inc. ("EMI"), and Entergy New Orleans, Inc. ("ENO").

"<u>Entergy System</u>" or '<u>System</u>" means the interconnected, coordinated, electric utility systems of the Entergy Operating Companies that provide retail electric service to their customers.

"<u>Entergy System Agreement</u>" means that certain System Agreement dated as of January 1, 1994, by and among ESI and the Entergy Operating Companies, as amended from time to time.

"Environmental Laws" means -all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules, standards and regulations, now or hereafter in effect, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, in each case above, to the extent imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and Environmental Laws include the Comprehensive Environmental Response. vegetation). Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §§ 5101 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.); the Clean Air Act (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.); and the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.), and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

"<u>Equivalent Force Majeure Hours</u>" means (i) the product of (a) <u>the Contract</u> Capacity unavailable or limited because of a Force Majeure event, expressed in MW, and (b) the period for which –such <u>Contract</u> Capacity is unavailable or limited <u>because of a Force Majeure event</u>, expressed in hours (or any portion thereof) (ii) divided by the <u>Contract</u> Capacity.<u>-of the affected</u> generating unit.

"<u>Equivalent Planned Maintenance Hours</u>" means (i) the product of (a) Capacity unavailable or limited due to Planned Maintenance, expressed in MW, and (b) the period of such Planned Maintenance, expressed in hours (or any portion thereof), (ii) divided by the Capacity of the affected generating unit.

"Evaluation Independent Monitor" or "Evaluation IM" means Potomac Economics, an independent consulting firm, which has assisted and will continue to assist in the development

of, and will monitor the RFP solicitation, evaluation and selection processes to seek to ensure that the RFP and evaluation process will be objective and impartial. The role of the Evaluation IM is described in the Scope of Work Activities, which is posted on the RFP Website.

"<u>Fall 2002 RFP</u>" means ESI's Fall 2002 Request for Proposals for Supply-Side Resources, dated October 31, 2002, and posted as of such date on the RFP Website.

"<u>Fall 2003 RFP</u>" means ESI's Fall 2003 Request for Proposals for Supply-Side Resources, dated November 10, 2003, and posted as of such date on the RFP Website.

"<u>Fall 2004 RFP</u>" means ESI's Fall 2004 Request for Proposals for Supply-Side Resources, dated February 22, 2005, and posted as of such date on the RFP Website.

"FERC" means the Federal Energy Regulatory Commission, or any successor agency.

"<u>Fixed Cost Charge</u>" means charges that may include capital investment such as equipment, overhead, property taxes or any cost included in the cost of service that does not tend to fluctuate with the amount of energy produced.

"<u>Fixed Heat Rate</u>" means the Heat Rate commitment made by the Bidder in its proposal that will apply to all levels of dispatch.

"<u>Fixed Start-Up Payment</u>" means for each generating unit, the <u>non-fuel</u> charge for Starts, as specified in the product packages.

"<u>Force Majeure</u>" shall have the meaning set forth in the applicable Definitive Agreement relating to a particular product, as the context requires.

"<u>Fuel Evaluation Team</u>" or "<u>FET</u>" means member(s) of the Proposal Evaluation Team responsible for estimating ESI's delivery cost for fuel with respect to proposals.

"<u>Good Utility Practices</u>" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practices are not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others, but rather to mean acceptable practices, methods, or acts generally accepted in the region.

"<u>Governmental Authority</u>" means any federal, state, local or municipal governmental body; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"<u>Guaranteed Heat Rate</u>" means the Heat Rate <u>guarantee</u> made by the Bidder in its proposal that will apply to all levels of dispatch <del>guaranteed</del> within a 3% band width.

"<u>Heat Rate</u>" means, in respect of a generating unit, the ratio of the quantity of fuel consumed (Btus), measured on a "high heating value" basis, to the net output of electric energy (kW) as measured in any period.

"<u>Hourly and Daily Swing Capabilities</u>" means the fluctuation of gas supply on an hourly basis between the nomination of gas to be delivered or drawn from the gas pipeline system.

"<u>ICT Proposal</u>" means the proposed revisions to Entergy's Open Access Transmission Tariff that are the subject of FERC Docket No. ER05-1065-000.

"<u>Imbalance Charges</u>" means any penalties, fees or charges assessed by (i) a transmission provider or a Control Area operator for failure to satisfy requirements for balancing of electric energy receipts and deliveries or loads and generation, including, without limitation, any amounts payable by Seller pursuant to the Generator Imbalance Agreement relating to its facility or (ii) a transporter for failure to satisfy the transporter's balance and/or nomination requirements.

"<u>Independent Coordinator of Transmission</u>" or "<u>ICT</u>" means an independent entity which provides direct and substantial oversight of the operations of the Entergy transmission system.

"<u>Independent Monitors</u>" or "<u>IMs</u>" means, collectively, the Evaluation IM and the Process IM.

"<u>Interconnection Point</u>" means the point at which two systems or Control Areas meet or intersect, where power can flow from one system to another, or the delivery point at which facilities interconnect a generating unit to transmission within a Control Area or system, as the context requires.

"<u>Interface</u>" or "<u>Entergy Interface</u>" means the border of the Entergy System which contains Interconnection Points, where energy can be delivered to the Entergy System, if the applicable generating unit is located outside the Entergy Control Area.

"January 2003 Supplemental RFP" means ESI's 2003 Supplemental Request for Proposals for Supply-Side Resources, dated January 17, 2003, and posted as of such date on the RFP Website.

"<u>kWh</u>" means <u>kilowatt-hour</u>, the basic unit for <u>measuring the flow ofpricing</u> electric energy and <u>is</u>, equal to one kilowatt of power supplied continuously for one hour (or the amount of electricity needed to light ten 100-watt light bulbs for one hour). One kWh equals 1,000 watthours. One kWh = 3.306 cu ft of natural gas.

"<u>Long-Term Network Integration Transmission Service</u>" means transmission service provided under Part III of Entergy's Open Access Transmission Tariff that is one year or longer.

<u>"Long-Term Network Resource</u>" means a generating resource that has qualified for Long-Term Network Integration Transmission Service.

"LPSC" means the Louisiana Public Service Commission or its successor agency.

"<u>Model Contracts</u>" means any of the proposed forms of a power purchase and sale agreement, capacity sale and tolling agreement, or any other agreement or letter of intent providing for a Transaction, furnished by ESI to potential Bidders.

"<u>Month</u>" or "<u>month</u>" means the period beginning at 12:01 a.m., local time, on the first Day of each calendar month and ending at the same hour on the first Day of the next succeeding calendar month

"<u>MUCCO Product</u>" means a <u>multiple-year unit capacity</u> call option product provided by unit contingent capacity, energy and <u>Other Associated Electric Productsother associated electric</u> products (all found in Appendix C, Product Packages C, E, F, and G).

"<u>MUCPA Product</u>" means a dispatchable <u>multiple-year unit capacity purchase</u> <u>agreementMUCPA</u> product (found in Appendix C, Product Packages B and D).

"<u>MW</u>" means megawatts, a unit of electrical power equal to one million watts or one thousand kilowatts.

"<u>MWh</u>" means megawatt-hour, a unit of electrical energy equal to one MW delivered for one hour.

"<u>NERC</u>" means the North American Electric Reliability Council, or its successor agency.

"<u>Network Resource</u>" means the term as defined in Section 1.26 of Entergy's Open Access Transmission Tariff.

"<u>North Arkansas</u>" means the certain area of northern Arkansas serviced by one or more of the Entergy Operating Companies and other utilities (generally north of Sheridan, Arkansas).

"<u>O&M</u>" means operations and maintenance.

"<u>OASIS</u>" means Open Access Same-Time Information System, required by FERC to be the only source of information on electric transmission capacity availability. The OASIS website is <u>http://oasis.e-terrasolutions.com/OASIS/EES</u>.

"Operating Committee" see "Entergy Operating Committee."

"<u>Option Premium</u>" means the price payable by the Buyer to the Seller for Capacity, expressed in \$/kW-year during the term of the Definitive Agreement.

"<u>Other Associated Electric Products</u>" or "<u>other associated electric products</u>" means all of the capabilities and products associated with the Contract Capacity and energy which Buyer is entitled to under the applicable Definitive Agreement, as it specifically relates to Buyer's ability to utilize the Contract Capacity and/or energy in accordance with the Scheduling and Dispatch rights as detailed in the applicable Definitive Agreement to provide load following, reserves or other similar products.

"<u>Person</u>" means any individual, Governmental Authority, corporation, limited liability company, partnership, limited partnership, trust, association, <u>bank</u>, <u>financial institution</u>, <u>fund</u> or other entity.

"<u>Planned Maintenance</u>" means the removal of a generating unit from service to perform work on specific components that is scheduled well in advance and has a predetermined <u>start date and</u> duration.

"<u>Plant ID</u>" or "<u>Plant Identification Number</u>" means the unique resource identification number assigned to Bidder for each generating plant Bidder registered during the Bidder Registration Process. The Plant ID will include the letter "R" followed by three numeric characters (*e.g.*, R345), and is further described in Section 1.5 of Appendix D to this Fall 2006 RFP.

"<u>Point(s) of Delivery</u>" means point(s) on TBU's transmission system where Capacity and energy transmitted by TBU will be made available to Buyer under Part II of TBU's transmission tariff. The Point(s) of Delivery shall be specified in the agreement for transmission service.

"<u>Point(s) of Receipt</u>" means point(s) of interconnection on TBU's transmission system where Capacity and energy will be made available to TBU by Seller under Part II of TBU's transmission tariff. The Point(s) of Receipt shall be specified in the agreement for transmission service.

"<u>Point-To-Point Transmission Service</u>" means transmission service under TBU's transmission tariff that is reserved and/or scheduled between specified Points of Receipt and Points of Delivery pursuant to Part II of TBU's transmission tariff.

"<u>Process Independent Monitor</u>" or "<u>Process IM</u>" means Elizabeth Benson of Energy Associates, an independent consulting firm, which has assisted and will continue to assist in the development of, and will monitor the RFP solicitation, evaluation and selection processes to seek to ensure that the RFP and evaluation process will be objective and impartial. The role of the Process IM is described in the Scope of Work Activities, which is posted on the RFP Website. Contact information for Ms. Benson can be found in Section 1.2 of the RFP.

"<u>Proposal Evaluation Team</u>" or "<u>Evaluation Team</u>" means the group of individuals who, individually or collectively, are responsible for evaluating specific components of the proposals submitted in response to the RFP. The Proposal Evaluation Team will consist primarily of members of ESI's System Planning and Operations Department. The Proposal Evaluation Team

consists of the Economic Evaluation Team, the Transmission Analysis Group and the Fuel Evaluation Team described further in Appendix E and the Credit Evaluation Team described further in Appendix F. Members of the Proposal Evaluation Team work completely separately from the Self-Build Commercial Team and from any Entergy Competitive Affiliate, and according to the terms of Appendix G to this Fall 2006 RFP.

"<u>Proposal ID</u>" or "<u>Proposal Identification Number</u>" means the unique proposal identification number assigned to Bidder for each proposal Bidder registered during the Bidder Registration Process. The Proposal ID will include the letter "P" followed by three numeric characters (*e.g.*, P3457), and is further described in Section 1.5 of Appendix D to this Fall 2006 RFP.

"<u>Proposal Submittal Fee</u>" means the amount that Bidder will be invoiced and is due for each registered proposal <u>submitted</u> prior to the deadline as further described in Section 1.4 of Appendix D to this Fall 2006 RFP.

"<u>Proposal Submission Form</u>" means a Proposal Submission Form in the form attached as Appendix C to this Fall 2006 RFP that Bidders are required to submit in order to submit a proposal in <u>response to</u> this RFP.

"<u>Proposal Withdrawal Form</u>" means a Proposal Withdrawal Form in the forms attached as Attachment D1 and Attachment D-2 of Appendix D to this Fall 2006 RFP that Bidders are required to submit in order to withdraw a registered proposal from the RFP process.

"<u>PURPA</u>" means the Public Utility Regulatory Policies Act of 1978, as amended.

"Qualifying Facility" or "QF" means a cogeneration or small power production facility that meets certain requirements under PURPA and the accompanying regulations enacted by the LPSC in its Avoided Cost Order. In general, a cogeneration facility is one that generates electricity from steam or other forms of energy used for industrial, commercial, heating, or cooling purposes. A small power production facility is one that (1) has power production capacity of less than 80 MW, (2) obtains 75% or more of its energy input from biomass, waste, or renewable or geothermal resources, and (3) is not more than 50% owned by one or more electric utilities or electric utility holding companies.

"<u>Regulatory Approvals</u>" means the review and acceptance of the contractual provisions governing a product or Transaction by all regulatory agencies having jurisdiction to approve the Transaction or rate recovery of the costs and/or investment associated with the Transaction or any other matter pertaining to the Transaction.

"<u>RFP</u>" means either this Fall 2006 Request for Proposals for Limited-Term Supply-Side Resources or another Request for Proposal issued by ESI, as the context may require.

"<u>RFP Lead Team</u>" means the group of individuals who, individually or collectively, are responsible for reviewing summary analysis and recommendations relating to proposals

submitted in response to the RFP. The RFP Lead Team will consist primarily of members of ESI's System Planning and Operations Department. The RFP Lead Team will not include any employees of the Transmission Business Unit.

"<u>RFP Website</u>" means the internet website https://emo-web.no.entergy.com/ENTRFP/index.htm.

"<u>Rolling 12 Month Period</u>" means, as of the end of any Month, the average of the Monthly Availabilities from and including the first Month in the twelve (12) consecutive Months during the Delivery Period ending with such Month to and including such Month; <u>provided</u>, <u>however</u>, that the Availability during any Month not within the Delivery Period shall be disregarded for this purpose, and for the first Contract Year there shall be no measurement of the Rolling 12 Month Availability until the end of the sixth (6th) Month of such Contract Year, at which time and thereafter for the remainder of the first Contract Year, the average shall be determined based on the actual number of Months then elapsed during the Delivery Period.

"<u>RTO</u>" means a regional transmission organization which is based on the FERC proposal to establish regional groups to expedite the coordination of wholesale wheeling, or any successor organizations. The RTO is voluntary in each region and may include transmission system owners, wholesale purchasers, and independent power generators.

"<u>Schedule</u>" or "<u>Scheduling</u>" means the actions of the Seller, Buyer and/or their designated representatives, including each party's transmission providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of product to be delivered on any given day during the <u>Delivery Termterm of the Definitive Agreement</u> at a specified Delivery Point.

"<u>Seller</u>" means a Bidder or other Person that enters into a Definitive Agreement with Buyer pursuant to this RFP process.

"Signature ID" or "Signature Identification Number" means the unique electronic signature identification number assigned to Bidder. The Signature ID will include the letter "S" followed by four numeric characters (*e.g.*, S3456), and is further described in Section 1.5 of Appendix D to this Fall 2006 RFP.

"SPO" means Entergy's System Planning and Operations organization.

"Spring 2003 RFP" means ESI's Spring 2003 Request for Proposals for Supply-Side Resources, dated April 18, 2003, and posted as of such date on the RFP Website.

"<u>Start</u>" or "<u>Start-up</u>" means the <u>ramping unconditional release</u> of <u>one or more Units to (to</u> the <u>extent applicable)generating unit for ramping to</u>, and the attainment of, the Scheduled Capacity level (,-which shall be considered for purposes of a single occurrence for purposes of this Transaction regardless of the number of Units involved) after a Shutdownshall be deemed to have occurred upon delivery of energy by Seller to Buyer pursuant to a Scheduling and Dispatch

Notice and Tag. The Scheduled Capacity level shall be deemed to have been attained after a Shutdown upon the initial sustained delivery by Seller to Buyer of the full amount of energy associated with the Contract Quantity of Capacity requiredsent by the applicable Scheduling and Dispatch Notice and TagBuyer to Seller.

"Summer Capacity Season" means, for any given year, the months of April, May, June, July, August and September.

"<u>Summer Dependable Capacity</u>" means capacity rating based on ambient conditions of <u>9792</u>° Fahrenheit and 56% relative humidity.

"<u>Summer Maintenance Period</u>" means, for any given year within the term of a contract, the months of May through September.

"Summer Season" means, for any given year, the months of June, July and August.

"<u>Supplemental Upgrades</u>" means those transmission upgrades defined in Section 1.3 of proposed Attachment T to Entergy's Open Access Transmission Tariff that is contained in the ICT Proposal. As more fully specified in Attachment T, the costs of Supplemental Upgrades are recovered from the customer requesting such upgrades.

"<u>System Impact Study</u>" means an assessment by the Transmission Business Unit of (i) the adequacy of Entergy's transmission system to accommodate a request for either firm Point-To-Point Transmission Service or Long-Term Network Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

"<u>Transaction</u>" means a commercial transaction or series of transactions in which a Seller provides to Buyer electric capacity and/or an energy supply resource, arising or resulting from this RFP process, and structured as a purchase and sale of electric capacity, energy and Other Associated Electric Products, a gas tolling agreement, a purchase and sale of generating facilities, or a similar exchange or series of exchanges.

"<u>Transmission Analysis Group</u>" or "<u>TAG</u>" means <u>the</u> member(s) of the Proposal Evaluation Team responsible for the Deliverability Evaluation and related transmission analyses. The Transmission Analysis Group consists of employees of the Transmission Engineering Services group in ESI's System Planning and Operations Department, and performs the evaluation using best publicly available data without discussion <u>with</u> and/or review from the Transmission Business Unit staff or outside consultant. The Transmission Analysis Group will not include any employees of the Transmission Business Unit.

"<u>Transmission Business Unit</u>" or "<u>TBU</u>" means the ESI organization that plans, constructs, and operates the interconnected transmission system owned by the Entergy Operating Companies or any successor entity.

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"<u>Variable O&M</u>" means variable operations and maintenance.

"<u>Weekly Procurement Process</u>" means the weekly bid-based optimization process conducted in accordance with the terms and conditions of proposed Attachment V to Entergy's Open Access Transmission Tariff that is contained in the ICT Proposal.

"<u>Winter Capacity Season</u>" means, for any given year, the months of October, November, December, January, February and March.

"<u>Winter Dependable Capacity</u>" means capacity rating based on ambient conditions of 68° Fahrenheit and 74% relative humidity.

"<u>Winter Maintenance Period</u>" means, for any given year within the term of a contract, the months of December, January and February.

"Winter Season" means, for any given year, the months of December, January and February.

"<u>WOTAB</u>" means the region in southwestern Louisiana and southeastern Texas that is west of the Atchafalaya Basin and that is serviced by one or more of the Entergy Operating Companies and other utilities (generally west of the Baton Rouge, Louisiana metropolitan area, to the westernmost portion of EGS's service territory in Texas).

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