

Appendix H

Clarifying Questions
For
CCGT Developmental Resources
For
Summer 2009
Request For Proposals (RFP)
For
Long-Term
Supply-Side Resources

~~DRAFT~~

Entergy Services, Inc.
~~July 16,~~ September 24, 2009

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

Summer 2009 Request for Proposals for Long-Term Supply Side Resources

As part of its notice of intent to issue the Summer 2009 Long-Term RFP, ESI developed a preliminary set of uniform questions for the benefit of and directed to all Bidders of proposals for developmental CCGT resources located within the Amite South planning region of the Entergy System. As part of the RFP, ESI has posted this Appendix H which contains a list of questions substantially equivalent to the preliminary list posted as part of the notice of intent for the Summer 2009 Request for Proposals for Long-Term Supply Side Resources. ESI will require Bidders who intend to submit a proposal(s) originating from a CCGT resource currently under development, provide a comprehensive response to each question accordingly and as applicable. Failure to provide such a response will result in an increased risk of a Bidder's proposal being deemed non-conforming and rejected from further consideration.

Bidders should prepare to respond to each question by 5:00 pm CPT November 19, 2009. The RFP Web Portal will not be used to collect the response to this Appendix H. Bidders are required to submit their response to the questions below in writing in such a way that clearly identifies the question to which each response pertains, and then provide the response via electronic mail or express delivery to the RFP Administrator by 5:00 pm CPT November 19, 2009. Failure to submit a response will result in increased risk of a Bidders proposal being rejected as non-conforming.

I. Project Status

A. Development Status

1. Has a preliminary design study been performed for the facility? If so, please provide the study. If not, when is this activity expected to be completed?
2. Has a detailed engineering study been performed for the facility? If so, please provide the study. If not, when is this activity expected to be completed?
3. Has a detailed construction schedule been developed? If so, please provide the schedule. If not, please answer the following questions:
 - a. When is this activity expected to be completed?
 - b. Has a summary level construction schedule been developed? If so, please provide the schedule. If not, when is this activity expected to be completed?
 - c. Has a project master schedule been developed that includes construction milestone dates for each of the following:
 - i) Receipt of Air Permit
 - ii) Limited Notice to Proceed (if applicable)
 - iii) Financial Close

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- iv) Full Notice to Proceed
- v) Major Equipment Purchases
- vi) Site Mobilization
- vii) Delivery of Major Equipment
- viii) Mechanical Completion
- ix) Substantial Completion
- x) Commercial Operation

Is so, please provide the schedule. If not, when are these activities expected to be completed?

4. How much time has been allowed for resolving unforeseen start-up and operations problems?
5. Describe the proposed staffing plan for the facility, and include a description of the operating experience with CCGT technology, and if any existing CCGT facilities are currently being operated and maintained.
6. Provide details on the proposed long-term equipment maintenance strategy.
7. Provide details on the project estimates for fixed and variable operating and maintenance costs.
8. Describe all recent experience with developing CCGT projects of this magnitude. Will the proposed project be based on a reference plant design or other CCGT facility currently in commercial operation?
9. Have permits for construction been obtained? If so, please provide a copy of the permit(s). If not, when is this activity expected to be completed?
- ~~6.~~ 10. Has a construction project team been assembled? If not, when is this activity expected to be completed?
- ~~7.~~ 11. Has an overall schedule been developed for the duration of construction activities? If not, when is this activity expected to be completed?

B. Construction Cost

1. Has a preliminary engineering, order of magnitude construction cost estimate been developed for the facility? If so, please provide any supporting information. If not, when is this activity expected to be completed?

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2. Has a detailed engineering +/- 25% construction cost estimate or better been developed for the facility? If so, please provide any supporting information. If not, when is this activity expected to be completed?

C. Site Assessment

1. Has control of the site been obtained? If so, please provide supporting documentation. If not, does an option to obtain control of the site exist? If not, what plans are in place to obtain control of the site?
2. Has a risk assessment/Phase I been completed on the use of existing and shared facilities at the site? If so, please provide the supporting information. If not, when is this activity expected to be completed?
3. Has a thorough examination of the construction site area been conducted? If so, please provide the supporting information. If not, when is this activity expected to be completed?
4. Has soil sampling and other subsurface investigations of the site been conducted? If so, please provide the supporting information. If not, when is this activity expected to be completed?
5. Have transportation issues been identified and mitigation strategies developed for the construction areas? If so please provide the supporting information. If not, when are these activities expected to be completed?
6. List all the agreements (easements, rights-of-way) or other permissions that must be formally obtained to secure control of the site(s) required to construct, operate, and deliver the output of the proposed generating facility to a point inside the Entergy Control Area.

D. Engineering

1. Have operation and maintenance budget estimates been established for the facility under each of the following categories:
 - a. Variable O&M costs – fuel, disposal, make up water, other.
 - b. Fixed O&M costs – labor, maintenance materials, overhead burden, insurance, extraordinary maintenance, property taxes.

If so, please provide the supporting information. If not, when are these activities expected to be completed?

2. Have heat balance, material balance, process flow diagrams been developed? If so, please provide the supporting information. If not, when is this activity expected to be completed?

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3. Have auxiliary power requirements been established? If so, please provide the supporting information. If not, when is this activity expected to be completed?
4. Have design codes and standards for the facility been developed for the following:
 - a. Architectural
 - b. Civil Structural
 - c. Controls and Instrumentation
 - d. Electrical
 - e. Mechanical

If so, please provide the supporting information. If not, when are these activities expected to be completed?

5. Has the design basis been established for the facility site plan including the following:
 - a. General arrangement
 - b. Road and rail access
 - c. Water supply
 - d. Wastewater

If so, please provide the supporting information. If not, when are these activities expected to be completed?

6. Has the design basis been established for the facility plot plan including the following:
 - a. The power island
 - b. Fuel systems

If so, please provide the supporting information. If not, when are these activities expected to be completed?

7. Has the architectural design basis been established? If so, please provide the supporting information. If not, when is this activity expected to be completed?

8. Has the civil structural design basis been established for the following:
 - a. Foundations
 - b. Proposed loads
 - c. Design codes and materials
 - d. Structural steel
 - e. Chimney
 - f. Solid waste disposal area
 - g. Roads
 - h. Drainage

If so, please provide the supporting information. If not, when are these activities expected to be completed?

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9. Has the design basis been established for controls and instrumentation, including the distributed control system and functional logic diagrams? If so, please provide the supporting information. If not, when is this activity expected to be completed? Will the facility be designed and equipped to operate under automatic generation control?
10. Have the electrical design basis and specifications been established, including single line diagram and electrical system descriptions? If yes, please provide the supporting information. If not, when is this activity expected to be completed?
11. Has design basis been established for mechanical design, including the following:
 - a. Gas turbine and steam turbine specifications
 - b. HRSG
 - c. Fuel feed systems
 - d. Control systems
 - e. Heat exchangers
 - f. Auxiliary equipment

If so, please provide the supporting information. If not, when are these activities expected to be completed?

12. Has the design basis been established for balance of plant equipment? If so, please provide the supporting information. If not, when is this activity expected to be completed?

E. Contract Status

1. Is there an EPC contract in place for the facility? If so, please identify the EPC contractor and the EPC pricing structure. If not, please answer the following questions:
 - a. When is an EPC contract expected to be executed?
 - b. Is there a Letter of Intent in place with an EPC provider?
 - c. If no LOI is in place, have proposals been requested from possible EPC providers?
 - d. Provide the EPC pricing structure that is contemplated for the project.
2. If Bidder does not intend to use a traditional EPC for the facility, please answer the following questions:
 - a. Describe contracting methodology.
 - b. Are contracts in place for construction/construction management? If so, please provide supporting documentation as well as the pricing structure. If not, please answer the following questions:
 - i) When is this activity expected to be completed?
 - ii) Are there Letters of Intent in place with such providers?
 - iii) If no Letters of Intent are in place, have proposals been requested from providers of construction/construction management services?
 - iv) Provide the pricing structure contemplated for a definitive agreement.

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- c. Are contracts in place for cost and schedule control? If not, when is this activity expected to be completed?

If so, please provide supporting information. If not, when are these activities expected to be completed?

3. Are contracts in place for the following matters:
 - a. Project scoping
 - b. Design engineering
 - c. Support of permitting
 - d. Major equipment purchase
 - e. Long term service agreements
 - f. Other

If so, please provide supporting information. If not, when are these activities expected to be completed?

II. LGIP/LGIA Interconnection

1. All generating resources currently interconnected, or in the process of becoming interconnected, with the Entergy System, are responsible for complying with Entergy's OATT administered pursuant to FERC Order No. 2003-A's Standard Large Generator Interconnection Agreement and Standard Large Generator Interconnection Procedures or any successor requirements in effect. Bidders will be required to provide SPO with a copy of the completed LGIP application forms submitted to the ICT by the proposal submission deadline.
2. Provide any information regarding land options, land purchase agreements, permits, etc required to complete the installation of the generating facility or interconnection facilities (i.e. transmission line rights-of-way).
3. Provide a development schedule that includes procurement of long lead time equipment and construction activities.
4. What is the approximate distance to the nearest substation location and voltage level of the development resource?

III. Fuel Supply & Transportation

1. What pipelines will interconnect to the facility?
 - a. Have the interconnect agreements been completed? If so, please provide a copy of the contract(s). If not, when is this activity expected to be completed?

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- b. For planned or executed interconnections, provide the identity of the pipeline, and the pipeline zone of service, and the pipeline operating pressure.
 - c. Provide the designed range of gas flow capability for each pipeline to be connected to the generating facility.
 - d. If the generating facility will interconnect with multiple pipelines, will those pipelines be able to flow simultaneously? If so, what mode (pressure or flow control) will each pipeline be designed and contracted to operate under during simultaneous flow? Will they be able to operate in either mode or limited to one only?
 - e. Do easement agreements need to be executed? If so, please list all easement agreements that are expected to be executed.
 - f. Are there any pipelines within 5 miles of the of the development site which will not be interconnected with the generating facility? If so, please list the pipeline(s).
 - g. Will any piping under the generating facility's ownership extend beyond the boundaries of the facility? If so, will that piping be under the jurisdiction and regulation of DOT? If so, will that piping be operated and maintained by the owner of the facility?
 - h. Provide the planned design pipeline pressure and the maximum allowable operating pressure (MAOP) for the in-plant gas piping. Will the in-plant piping be designed to exceed the MAOP of the delivery pipelines? If not, what protection will be put in place to prevent over-pressurization of the in-plant piping?
2. Have transportation agreements been executed? If so, please a copy of the agreement(s). If not, when is this activity expected to be completed?
3. Have the following elements been determined for the facility's fuel supply:
- a. Pipeline ability to deliver gas at the required pressure
 - b. Generating unit(s) minimum pipeline pressure required to operate
 - c. Adequate measurement facilities and ability to access and monitor such equipment
 - d. Determination of control of gas flow
 - e. Clarification of points of ownership and clarification of maintenance responsibilities
 - f. Process required to adjust gas flow

If so, please provide the supporting information. If not completed, specify when each of these activities is expected to be completed.

4. Have the following elements of the gas supply contract been completed?
- a. Source of supply
 - b. Price
 - c. Term of Contract
 - d. Firmness of Service
 - e. Imbalance provisions
 - f. Counterparty

If so, please provide the supporting information. If not completed, specify when each of these activities is expected to be completed.

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5. If the elements in question 4 above have been agreed to with the provider/counterparty, are there any executed supply agreements or other commitments in place? If so, please provide the specific elements of each agreement and/or a copy of the agreement(s) as listed in question 4 above.
6. Will natural gas purchases be “FOB to the development site” or require separate transportation arrangements through pipelines for delivery to the development site?
7. What type of assurances are planned that will protect the facility from fuel curtailments during severe conditions such as hurricanes and other extreme weather conditions?
8. Provide the hourly (instantaneous) and daily swing flexibility expected under each planned fuel supply source. Define limitations of fuel delivery which may limit the operation of the generating facility between its minimum and maximum.
9. Define any applicable state and local taxes which apply to the fuel(s) planned to be in use at the facility.
10. Will the generating unit(s) be designed with dual fuel capability? If so, describe the type of fuels that can be combusted and clarify any operating restrictions placed on the unit(s).
11. If an alternative or dual fuel capability is planned, and that fuel is either diesel or some other type of liquid commodity, provide the storage capacity of the tanks designed to contain the fuel. Also provide the following:
 - a. The mechanism for re-supply of the alternative fuel
12. If the generating facility consists of more than one power block, will each power block have separate fuel metering equipment?
13. Provide the OEM primary and alternative fuel quality design requirements for the generating unit(s) to be installed.
14. Will separate fuel metering equipment be installed to measure the amount of fuel consumed to be able to compare to the metering equipment used by the delivering pipelines to measure gas flow (pipeline’s equipment is typically known as custody transfer metering)?

IV. Environmental

A. Land/Groundwater

1. Have the previous land uses for the facility/site been identified? If so, please list those uses or provide the supporting information.

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2. Are there any potentially contaminated activities at nearby facilities/sites that have been identified? If so, please list and describe those identified.
3. Has an Environmental Impact Study been conducted for the facility/site? If so, please provide a copy of the study.
4. Provide the number of groundwater monitoring or production wells at the facility/site and provide copies of state registrations for each well.
5. Does documentation exist on the details of the geological and hydro geological nature of the soil and groundwater underneath the facility/site? If so, please provide the supporting information.
6. Has a siting certificate been obtained for the facility/site? If so, please provide a copy of the certificate.
7. ~~Does~~Has a Wetland Survey been complete for the proposed site~~contain?~~ Have any potential Wetlands² been identified on the property? Please provide a copy of any wetland surveys which have been completed (including desktop reviews and on-site surveys).

B. Permits

1. Provide a list of all environmental permits required by the Owner or any of its affiliates. Please provide a copy of any permits received for the project to date.
2. Are there any current activities or uses at the facility/site requiring any permit/registrations for which no permit/registrations has been sought or obtained? If so, please list the activities and required permit(s).

C. Air/Noise

1. Has the site or facility been evaluated to determine air permitting concerns or needs related to construction, modification or a change in operations required for the CCGT project? If so, state any special concerns or limitations and note whether any air permitting activity has been undertaken by the Owner or submitted to any government agency.
2. What is the national Ambient Air Quality Standards (NAAQS) attainment status for the project region, on a pollutant basis for all criteria pollutants?
3. What are the anticipated or current controls for air emissions and noise?
4. Have the anticipated hourly maximum and annual emissions of NO_x, SO₂, CO, VOC, and PM₁₀ been determined? If so, please provide the emission values.

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5. What are the OEM design emission rates for NO_x, SO₂, CO, VOC, and PM₁₀ for the combustion turbines prior to any planned or designed-in-place emissions control? What are the OEM design emission rates for NO_x, SO₂, CO, VOC, and PM₁₀ for the combustion turbines in consideration of any planned or designed-in-place emissions controls?
6. For existing facilities, have there been any noise surveys (identifying on and off-site impacts) or modeling completed? If so please provide the results.

D. Water/Tanks

1. Has a compliance plan been developed to meet Federal 316(b) regulations, if applicable? If so, please provide a copy of the compliance plan.
2. What is the anticipated source and estimated daily usage of water at this facility? Are there any state usage fees or taxes associated with the water source?
3. Has a water supply source been identified? If so please provide and describe the supply type.
4. Are identified water source(s) capable of supplying the maximum design requirements of the facility?
5. What is the daily wastewater discharge rate in mgd?

E. Waste

1. Describe the type and disposal management method for wastes generated or anticipated to be generated at the location.

F. Compliance (Applicable to Brownfield development sites or existing facilities, except where noted.)

1. Where are copies of any facility or site environmental audit reports maintained, including results and corrective actions? This would include audits conducted internally and externally by federal or state agencies.
2. Have there been any compliance actions as a result of prior environmental audit findings?
3. Has the facility/site received any complaints from governmental or citizen groups concerning environmental matters involving the Owner or any of its affiliates? (Greenfield development proposals prepare to respond as well)
4. Does the Bidder/Owner have (i) an environmental policy or statement of environmental commitment; and (ii) an environmental management system? (Greenfield development proposals prepare to respond as well). If so, please provide a copy of the policy(s).

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G. Operations (Applicable to Brownfield sites or existing facilities, except where noted.)

1. Are there any proposed or pending environmental regulatory changes that would affect the plant operating status? Will facility equipment changes be required? If so, please list and describe each pending change.
2. Are there any environmental authorizations that (i) limit production or throughput; or (ii) would render it necessary to increase significantly the volume of production or throughput at the facility? (Greenfield development proposals prepare to respond as well)
3. Have there been any discontinued operations of the Owner and any of its affiliates at the location of the facility/site?
4. Has an assessment been made to determine if any material capital expenditures or material expenses need to be incurred to comply with any existing environmental regulations? (Greenfield development proposals prepare to respond as well)
5. Has an assessment been made to determine if any material capital expenditures or material expenses need to be incurred to comply with any environmental regulations that have been proposed (whether in preliminary or final form) but have not become effective? (Greenfield development proposals prepare to respond as well)

V. Project Structure and Finance

1. Provide an overview of the projected ownership structure for the project prior to and following commercial operation
2. A summary of the Bidder's/Developer's plan for structuring and funding the project financing
3. Bidder's plan for meeting the credit/collateral requirements outlined in the RFP
4. Form of collateralization Bidder or Bidder's credit support provider intends to offer for purposes of meeting the RFP credit and collateral requirements
5. List of any plant-specific debt instruments; credit agreements, indentures, letters of credit, reimbursement agreements, guarantees, indemnity or assumption agreements and agreements relating to contingent obligations and any amendments thereto; security or pledge agreements and any agreements or instruments evidencing a lien or encumbrance on or other right with respect to any of the assets of the plant.
6. Pro-forma financial statements for the Bidder's project and audited financial statements for the Bidder and/or the Bidder's credit support provider; including balance sheet, income

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statement and cash flow along with the long-term debt structure. Any ratings (if available) from the major ratings agencies, S&P, Moody's, Fitch. Lien information that might impact the credit worthiness of the Bidder and/or the Bidder's credit support provider.

7. Any tax abatement agreements with state or local authorities and any amendments thereto
8. Copies of any material contracts/commitments not otherwise requested and any amendments thereto
9. A list of any pending claims, actions, disputes or other proceedings currently pending or threatened against the project
10. Copies of all bankruptcy court orders, including the order discharging the project and debtor from the bankruptcy proceedings
11. Documents related to any formal or informal property tax protests, litigation filed, related correspondence, legal opinions received, and judicial or administrative decisions rendered during the last ten years and year-to-date, and current status of any such proceedings
12. Copies of any formal or informal property tax agreements (i.e. PILOT, TIP, etc.) with state or local authorities in force during the preceding five years, or effective in the current year or succeeding years
13. List of all applicable tax jurisdictions, tax rates, millage rates, assessment ratios, current equalization ratio
14. List of real estate and related facilities, both owned and leased, with legal description
15. List of all easements, right-of-way, or other agreements for use of land or facilities entered into for purposes of securing the ability to construct the generating facility and associated infrastructure

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