

2010 Renewable RFP Proposal Requirements and Additional Considerations

ENTERGY SERVICES, INC.

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This presentation summarizes certain matters related to ESI's 2010 Renewable Generation Resource Request for Proposals (as it may be amended or modified, the "2010 Renewable RFP").

RFP Proposal: Threshold Requirements* Economic and Interconnection

- **Economic and RFP Need**
 - Pricing must be competitive in relation to market prices for long-term renewable resources
 - Proposals may be eliminated when the needs of the RFP have been met
 - Delivery term requirement: 10-20 years
- **Interconnection/Delivery**
 - Resource must be located within the state of Louisiana and must provide a minimum of 2 MW to Buyer at the delivery point
 - Bidders must file a complete Large Generator Interconnection Procedures (LGIP), Small Generator Interconnection Procedures (SGIP), or other applicable interconnection process application by the required proposal submission date for this RFP. Bidders must submit their respective acceptance/acknowledgement letter to the RFP Administrator no later than 45 days following the RFP's required proposal submission date.
 - The following standards are applicable if interconnecting to the Entergy system. If interconnecting to other utilities' or third party systems, other standards may be applicable.

Generator Facility Size	Interconnection Voltage Level	Applicable Interconnection Standard
500 kVA up to, but less than, 20 MVA	Less than 69 kV	Entergy's "Connecting Small Electric Generators to the Entergy Distribution System" Standard
500 kVA up to, but less than, 20 MVA	69 kV and higher	Small Generator Interconnection Procedures (SGIP)
20 MVA or greater	69 kV and higher	Large Generator Interconnection Procedures (LGIP)

- Bidder assumes all risks with regard to interconnection of the resource with the Entergy System and/or any other utility system, if applicable, including, but not limited to, the cost of interconnection, any point-to-point transmission service to transfer the power to point of delivery if interconnected to any third party system, the treatment of any associated service credits, and any charges associated with reliability requirements.

RFP Proposal: Threshold Requirements*

Viability

- **Viability**
 - Proposals will be evaluated to identify potential project risks (e.g. performance, permitting, financing, construction, execution, operational, environmental, fuel, legal, commercial, etc.)
 - Buyer will have the discretion to reject projects deemed to reflect unacceptable levels of risk
 - Each Bidders must provide project support and responses to diligence questions sufficient to establish Bidder's ability to meet its estimated commercial operation date for the proposed resource, including a detailed project timeline
 - Preference will be given to projects that utilize a technology with a demonstrated history of reliable commercial operation and are supported by meaningful manufacturer and contractor performance warranties and guarantees
 - Experience
 - Bidder or Sponsor Company must have completed at least one commercial power generation project comparable or larger than the project proposed by Bidder or otherwise meeting the requirements of this RFP ("Previous Projects")
 - Preference may be given to Bidders who have completed more than one Previous Project and/or have renewable generation project experience
 - **Project Development**
 - Bidder must provide evidence that it has translated the project from the screening and planning phase of development that led to a design basis into a project definition of sufficient detail and quality to allow efficient progression of detailed engineering and procurement if selected for award
 - Bidder must provide evidence that its project cost estimate is based on front-end engineering from a qualified external and/or internal source that supports a +/- 25% cost estimate and at a minimum should account for the following:
 - Mechanical and electrical equipment
 - Instrumentation and controls
 - Piping
 - Misc. buildings and structural steel
 - Site work and foundations
 - Retrofit allowance (if applicable)
 - Sales tax
 - Engineering costs
 - Indirect costs
 - Spare parts
 - Escalation and AFUDC/IDC

*ESI reserves the right to modify these requirements

RFP Proposal: Threshold Requirements*

Viability (continued)

- **Viability (continued)**
 - Production Profile and Fuel Supply
 - Bidders must provide verifiable profile data to substantiate expected production levels and the adequacy of fuel supply
 - For wind, solar and hydro, Bidder must provide profile data for two years using established data measurement equipment at or near the site of the proposed resource
 - For all other technologies, Bidder must provide a fuel supply or resource assessment
 - Site Control and Permitting
 - Bidders must own, control or have an enforceable option on the site where the resource will be located and on the mineral, wind, or other comparable rights necessary to ensure resource viability
 - Bidder must show that it has completed all necessary permitting due diligence, including identification of all necessary permits
 - Bidder must disclose any reasonably anticipated permitting obstacles and any pending claims, actions or disputes related to permitting activities completed to date
 - Project Structure and Finance
 - Bidder must describe the projected ownership structure pre- and post-commercial operation
 - Bidder must describe the plan for project finance, including how it intends to meet the credit/collateral requirements
 - Bidder must be able to provide evidence of at least one recent successful financing or that a lender(s) has been engaged in initial discussion to ascertain interest and market conditions
 - Bidder must provide support that the project meets the requirements of the Louisiana Public Service Commission (LPSC) as it relates to eligible resources

Additional Considerations

- **Regulatory Approvals**
 - All definitive agreements will be conditioned on Buyer's receipt of regulatory approvals, including, but not limited to, certification and full cost recovery
 - Buyer will have the right to terminate a definitive agreement if it does not receive all regulatory approvals on terms and conditions satisfactory to Buyer in its sole and absolute discretion
- **Reservation of Rights**
 - Buyer reserves the right to decline any or all resources submitted in the 2010 Renewable RFP
 - Failure of Bidder to meet the threshold requirements of this RFP may result in a proposal being eliminated from further consideration by the Buyer