



***Draft Minimum Requirements  
For  
Developmental Resources  
  
For  
  
2016 Request For Proposals  
  
For  
  
Renewable Generation Resources***

Entergy Arkansas, Inc.

## DRAFT MINIMUM REQUIREMENTS FOR DEVELOPMENTAL RESOURCES

This draft Minimum Requirements for Developmental Resources sets forth certain minimum requirements that a generation resource not yet constructed or not operational (“Developmental Resource”) must satisfy in the 2016 Request for Proposals for Renewable Generation Resources (“RFP”) expected to be issued by Entergy Arkansas, Inc. (“EAI”) later this year (the “Minimum Requirements”). The proposed Minimum Requirements are specified in the chart below, and are in addition to other RFP requirements that a bidder in the RFP (“Bidder”) must satisfy. The draft Minimum Requirements are being created to ensure that a Developmental Resource offered in any proposal submitted in response to the RFP is developed to a degree meriting detailed, full-scale evaluation by the appropriate RFP evaluation teams and potential selection. Bidders are advised that the RFP will seek a substantial amount of information about any Developmental Resource proposed by a Bidder, not just the information necessary for a Bidder to meet the Minimum Requirements, and that satisfaction of the Minimum Requirements, standing alone, does not ensure a proposal’s eligibility for participation in the RFP; other RFP eligibility requirements specified in the RFP must also be met. This draft Minimum Requirements document is subject to change and will be superseded by and take the form of an appendix to the RFP.

Category	Minimum Requirement	Information Required to Evaluate Proposals against the Minimum Requirements
Project Overview	A complete description of the Developmental Resource project (the “ <u>Project</u> ”).	Bidder must provide a thorough summary description of the Project.
Bidder Experience	Bidder (or the Person that will be the seller under Bidder’s proposal or a parent of either) must have completed at least one utility-scale project with the proposed technology and must have key Project team members with a combined direct responsibility for at least three completed utility-scale projects, regardless of technology.	Bidder must provide a summary that includes the key Project team members, Bidder (or seller or parent), their backgrounds and development experience, and a description or list of projects completed.
Project Development	Bidder must provide evidence that project development for the proposed resource is beyond the conceptual phase for design, engineering, and plan for execution.	<ul style="list-style-type: none"> <li>○ <i>Engineering</i>: Bidder must provide evidence that the Project has been translated from the screening and planning phase of development into a project definition of sufficient detail and quality to allow the efficient progression of detailed engineering and procurement if the Developmental Resource is selected.</li> <li>○ <i>Cost Estimate</i>: Bidder must provide evidence that its Project cost estimate</li> </ul>

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		<p>is based on front-end engineering from a qualified external and/or internal source that supports a Class 3 (as defined by AACE standards) cost estimate (-20% to +30%). (Bidders should not read the cost estimate allowance incorporated in this minimum requirement as indicating that Bidders may offer contingent pricing in their RFP proposals, except to the extent the contingency is solely the result of discrete, separately priced options offered to EAI in Bidder's proposal).</p> <ul style="list-style-type: none"> <li>○ <i>Project Schedule:</i> Bidder must provide, at a minimum, a Level 2 (as defined by AACE standards) project schedule that supports all aspects of Project execution, including development, design, engineering, financing, procurement, permitting, and construction, and Project materials that demonstrate Bidder's capability to meet the date by which commercial operation of the Developmental Resource will be guaranteed to have occurred.</li> </ul>
Project Location	Bidder must provide certain project location information.	<ul style="list-style-type: none"> <li>○ Bidder must include a map and plat of the project location.</li> </ul>
Site Control	Bidder must show that Seller or an affiliate under Seller's control has control of the site on which the Project would be located <u>or</u> that it has a valid, binding, and enforceable contract to obtain control of the Project site for the full delivery term proposed by Bidder or the expected useful life of the Developmental Resource, as applicable.	Bidder should provide a redacted copy of the definitive agreements or documents establishing the requisite control.
Fuel Supply & Transportation; Energy Source Reliability;	Bidder must have a reasonably detailed plan for fuel supply and transportation and waste disposal for the Project that is viable and, if implemented, would meet	<ul style="list-style-type: none"> <li>○ For biomass resources, Bidder must provide its fuel supply and transportation plan, which should include the Project's fuel supply, source(s), transportation, storage (if applicable), and infrastructure for the delivery and processing of fuel, and provide reasonable support for the</li> </ul>

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Waste Disposal Plan	the requirements of the RFP applicable to Bidder’s proposal.	<p>viability of the plan.</p> <ul style="list-style-type: none"> <li>○ For wind, solar photovoltaic, and run-of-river hydroelectric resources, Bidder must provide reasonably verifiable profile data for at least two (2) recent years, using established and accurate data measurement equipment at or near the site of the resource, to substantiate the resource’s expected production levels.</li> <li>○ For resources with a commercial waste component (including solid waste), Bidder must provide its waste disposal plan, which should include reasonable descriptions of the types of waste to be disposed of, the means and manner of disposal, and any material environmental issues associated with disposal known to or reasonably foreseeable by Bidder, and provide reasonable support for the viability of the plan.</li> </ul>
Environmental Assessment & Permitting	Bidder must show that due diligence has been completed and action plans established to a level sufficient to support all permitting activities for the Project.	<ul style="list-style-type: none"> <li>○ Bidder must provide the status and timing of all Project permits and/or permit applications.</li> <li>○ Bidder must provide reasonably detailed plans to complete a Phase 1 environmental site assessment in accordance with ASTM E1527-13 or, if completed, an accurate summary of the assessment for the Project.</li> <li>○ Bidder must disclose any reasonably anticipated material permitting obstacle and any pending claim, action, or dispute related to its permitting activities for the Project.</li> <li>○ Bidder must provide a viable environmental compliance plan, including reasonable descriptions of Bidder’s plan for the Project (including the site) to be engineered, designed, developed, built, tested, owned, operated, maintained, and repaired in compliance with all applicable environmental laws, permits, authorizations, and other requirements.</li> <li>○ Bidder must submit reasonably detailed local community engagement and action plans related to Project permitting activities.</li> </ul>
Electric	Bidder must have submitted a complete	<ul style="list-style-type: none"> <li>○ For a Developmental Resource located inside the MISO footprint, Bidder</li> </ul>

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Interconnection /Transmission	generator interconnection request (IR) of the proposed Developmental Resource under the MISO Generator Interconnection Process or, if the resource is located outside of the MISO footprint, must provide a plan to complete the interconnection service request process of the applicable balancing authority for the resource.	<p>must provide a copy of the IR submitted to MISO. (Note: According to the MISO timeline (available on the MISO website) and to meet the RFP timing requirements, a valid application must be submitted to MISO before July 11, 2016.)</p> <ul style="list-style-type: none"> <li>○ Bidder must provide a copy of the IR acknowledgement letter and/or IR study results from MISO.</li> <li>○ For a Developmental Resource located outside of the MISO footprint, Bidder must provide a plan detailing the actions and timing required to complete the interconnection process of the applicable balancing authority for the resource and identifying the resource’s delivery interface to MISO.</li> </ul>
Water Source	Bidder must have a viable plan for access to adequate and sustainable supplies of water for the Developmental Resource.	For resources that require water for the generation of power or operation of the resource, Bidder must provide a viable water supply plan, including reasonable descriptions of the proposed primary source and quality of the Project’s raw water supply and any physical and contractual requirements necessary to secure and utilize the water supply.
Project Structure & Finance	Bidder must have a viable plan for Project structure and financing that is supported by recent experience and/or market intelligence.	<ul style="list-style-type: none"> <li>○ Bidder must describe the plan for financing the Project, including a detailed description of any application for publicly subsidized loans, debt guarantees, tax relief, bonds, or other public funding.</li> <li>○ Bidder must describe the projected ownership structure of the Developmental Resource prior to the delivery term commencement date or closing (as applicable) and, if proposing a long-term power purchase, after the delivery term commencement date.</li> <li>○ Bidder must describe how it intends to meet the applicable credit/collateral requirements specified in the RFP.</li> <li>○ Bidder must be able to provide evidence of at least one recent successful project financing completed by Bidder <u>or</u> that potential lenders have been engaged in initial, bona fide commercial discussions to ascertain interest, market conditions and indicative terms.</li> </ul>

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Bidders who fail to meet one or more of the Minimum Requirements may be required, at EAI's election (in consultation with the Independent Monitor for the RFP), to provide supplemental security to support their proposal (the "Minimum Requirements Security"). The purpose of the Minimum Requirements Security would be to hedge the risk that a selected Bidder of a Developmental Resource is unable to honor the terms of its proposal prior to execution of a definitive agreement. Additional information about the Minimum Requirements Security will be provided in subsequent RFP documents.

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