

Appendix C
Due Diligence Questionnaire

2024 Request for Proposals

for

***Energy and Capacity from Existing Generation Resources***

***for***

***Entergy Arkansas, LLC***

Entergy Services, LLC
May 21, 2024

# **APPENDIX C**

# **Due Diligence List**

Bidders who intend to submit a proposal in the RFP must provide a comprehensive response to each request set forth in this Appendix C. Bidders should respond to any request that does not apply to the proposed resource (“resource”) with an “N/A” or “not applicable.” **Bidders must respond to each request by 5:00 pm CPT on the Proposal Submission Deadline via PowerAdvocate to the Bid Event Coordinator.** Bidders are required to submit their responses to the requests below in such a way that clearly identifies the request to which each response pertains.

If selected for the Shortlist, Bidder’s complete responses to this Appendix C and more detailed information that may be requested by EAL will be required to be provided to the Bid Event Coordinator no later than one (1) week of the notice and request. Failure to provide a comprehensive response could negatively affect a proposal’s overall viability ranking. Bidders should keep in mind that this Appendix C is not a prescriptive list of requirements for its Facility, but instead is a list of items that the RFP evaluation teams will use to assess the viability of individual resources. Any item requested in this Appendix C that is not available, not presently known, or not otherwise provided by Bidder may count against its final viability score, but will not necessarily, in and of itself, cause its proposal to be declared non-conforming.

**Due Diligence List**

1. **Resource Overview and MISO**
	1. Bidder must provide a thorough summary description of the resource, including, but not limited to, the location, site description, nameplate capacity and the Capacity of the Facility at Summer and Winter Conditions, commercial operation date, years in service, technology/generating equipment, water source(s), and fuel and transportation source(s). Anything provided in the summary should not otherwise limit Bidder’s response to any of the requests below.
	2. Provide a list and summary of all power supply contracts or other off-take agreements that are currently in place or that are expected to be in place anytime in the future (including ancillary services). The list and summary shall include any electrical utility supply, including transmission or distribution sources used for powering plant or site auxiliary loads.
	3. Provide a summary of the ownership or any joint ownership or control of the resource, and if the resource has joint ownership or control, indicate whether negotiation of the proposed Transaction and/or execution of a Definitive Agreement will or may trigger a transfer of equity interest rights, such as a right of first offer, right of first refusal, tag right, and drag right.
	4. For PPAs, Tolls, and standalone Capacity Credit Transactions, describe in detail Bidder’s experience with MISO or other RTO markets.
	5. Provide the details of the current MISO commercial model registration for the resource, including the market participant, MDMA, and Facility generation unit parameters.
	6. Is the resource represented in the MISO market by an entity that is not Bidder or Bidder’s Affiliate?  If so, provide summary details and a copy of any marketing or similar agreement regarding the resources’ representation in MISO that may be in place after the commencement of the Delivery Term or the closing of the Acquisition, as applicable.
	7. For any year the resource has participated in the annual MISO planning resource auction, provide the results, including the MW amount bid and the MW amount awarded.
	8. For any year the resource did not participate in the annual MISO planning resource auction (after the resource was in MISO), please explain why the resource was not made available to MISO for the planning resource auction.
	9. Provide all details, including sink nodes, for any Auction Revenue Right (ARR) entitlements, if any, that are sourced from the resource.
	10. For any year the resource had ARR entitlements, please provide the results, including the MW amount nominated and the MW amount awarded in the MISO ARR allocation process.
	11. If the proposal is for an Acquisition of less than the entire Facility, describe the modifications to the Facility (if any) and the additional contracts or material contract amendments or modifications that would be required to enable or accommodate the proposed Transaction in accordance with the requirements of the RFP terms.
2. **Environmental**
	1. Does the resource have an Environmental Management System in place? If so, describe the system in detail.
	2. Provide a list and summary of any areas at or near the Facility site known or suspected by Bidder or an Affiliate to be environmentally contaminated or potentially contaminated.
	3. Provide a list and summary of all environmental permits/registrations related to the Facility or the Facility site, including any issued federal, state, or local permits.
	4. Describe any pending permit-renewal proceedings, any pending requests for permit modification or renewal, and any expected hurdles to permit re-issuance.
	5. Provide copies of any past or current environmental site assessments for the Facility site (in whole or in part), including any draft and final reports of investigations or remediation studies of site or facility conditions, regarding past or current environmental conditions, whether prepared on behalf of the owner or in the owner’s possession or control.
	6. Provide copies of any facility or site environmental audit reports, including results and corrective actions (including audits conducted internally and externally by federal or state agencies).
	7. Have there been any compliance actions as a result of prior environmental audit findings?
	8. Describe the Facility’s environmental performance over the past five (5) years (i.e., annual wastewater violations, airborne emissions above allowed permit or contractually stipulated levels or lawful legal limits, reportable spills and releases).
	9. Are there any proposed or pending environmental regulatory changes that would affect the Facility’s operating status or require Facility equipment changes?  If so, please list and describe each pending change.
	10. Has an assessment been made to determine if any material capital expenditures or material expenses need to be incurred for the Facility or the Facility site to comply with any proposed or pending environmental regulations (whether in preliminary or final form) that have not become effective?
	11. Has the site or Facility been evaluated for a change in operations or alteration, including start-up and shut-down emissions and any expansion? Provide copies of all relevant documents, including any assessment, form, statement, or environmental report, and specify the status of such document(s) and the process.
	12. Provide a list of all groundwater monitoring or production wells at the site or Facility and provide copies of state registrations for each well.
	13. Provide copies of any geological (including hydrogeological) reports, studies, and maps of the soil, subsurface strata, groundwater/water, and other elements at or beneath the Facility site.
	14. Has a wetlands survey been conducted for the Facility site?  Have any wetlands or potential wetlands been identified on the property?  Please provide a copy of any completed wetlands surveys (including desktop reviews and on-site surveys).
	15. Has the site been evaluated to determine if it is located in a flood hazard area? If so, identify the FEMA flood zone and the corresponding level of exposure and provide a copy of the study.
	16. If the site is within a one hundred (100)-year floodplain or flood-prone area (in whole or in part), provide a map or depiction of the affected portions of the site and a detailed flood mitigation plan.
	17. Has the resource site ever flooded? If so, for each flood event provide:
		1. The date(s) and duration of the event, as well as the water depth impacting the site.
		2. A statement advising whether the resource was able to continue operating during the flood event. If the resource was taken out of service, advise whether it was taken offline as a precaution or because the flood event caused the resource to be inoperable.
		3. A list identifying and describing all water damage or flood-based repairs (including cost) to the Facility (including equipment).
		4. A list of all outages and derates caused by each flood event.
		5. A list of all actions taken or planned to prevent or reduce the likelihood that the resource site or resource will be damaged or impacted by future floods.
		6. Provide any sea level rise study performed for the resource site.
	18. Describe the Cross-State Air Pollution Rule (CSAPR) (or the equivalent regulation in place or proposed) compliance requirements and the quantity of emission allowances allocated to the Facility.
3. **Site Control and Assessment**

Describe the Facility site, including the following:

* + 1. List the real estate and related facilities and real property interests, with legal description(s), required for the ownership, use, and/or operation and maintenance of the resource. Include in the response whether the Facility site is owned in fee or leased (or a combination of both).
		2. Provide a site map showing the boundary of the full Facility site and the footprint of the Facility.
		3. Has the Facility site been formally assessed for risks related to environmental conditions/contamination, wildlife/habitat (including flora and fauna), or similar conditions? Please provide the executive summary of any formal reports.
		4. Indicate what surveying or testing has been performed at the Facility site and summarize the results or provide any executive summaries related to the surveying or testing.
		5. For Acquisition Transactions only, list all easements, rights-of-way, servitudes, and other land or facility use agreements entered into in support of the ownership, use, and/or operation and maintenance of the Facility and associated infrastructure.
		6. Provide the following details regarding the proposed site:
			- Describe the exact location, i.e., street address or latitude and longitude if in a rural location.
			- Provide a property plat, if available.
			- Other available acreage adjacent to the site.
		7. For Acquisition Transactions only, provide the following documentation for the proposed site:
			- Title insurance policies or commitments covering all real property (including appurtenant easements) comprising the Facility site.
			- ALTA surveys, referencing the above title commitments, covering all real property (including appurtenant easements) comprising the proposed site, showing all existing improvements and site features, access to nearest public roads, and plotting all plottable exceptions listed on such title commitments (or noting that such exceptions are either unplottable or do not affect the site).
			- Copies of the vesting instruments for the proposed site (including appurtenant easements), and all documents listed as exceptions in such title commitments or surveys.
			- Copies of real property tax documentation.
			- Other available real property documentation.
1. **Transmission**
	1. Provide a description of the interconnection facilities for the Facility.
	2. Provide a copy of the GIA and any and all related or similar agreements for the resource that have been executed or are material to the interconnection, deliverability, or transmission capabilities of the Facility.
	3. Provide the maximum generator/facility capability as studied in the GIA (PMAX Value).
	4. Provide details regarding any RTO-sponsored deliverability studies for the Facility.
	5. Provide any available details about any past system impact studies or facility studies for NRIS or ERIS for the Facility.
	6. Provide any available information that will help the TET evaluate the ability of Bidder to qualify the Facility (or portion thereof) as a Long-Term Network Resource in MISO.
2. **Credit and Financial Information**
	1. Provide a detailed description and organizational chart of the current ownership structure of the Facility as well as any past ownership.
	2. For Acquisition Transactions only, provide a reasonably detailed summary of Bidder’s/Seller’s plan for meeting the credit/collateral requirements outlined in the RFP, include the form of collateralization Bidder intends to offer for purposes of meeting the RFP credit and collateral requirements.
	3. List any actual or expected:
		1. Resource-specific debt instruments.
		2. Credit agreements, indentures, letters of credit, reimbursement agreements, guarantees, indemnity or assumption agreements, and agreements relating to contingent obligations and any amendments thereto.
		3. Security, mortgage, or pledge agreements.
		4. Any agreements or instruments evidencing a lien or encumbrance on or other right with respect to any of the assets of the Facility.
	4. Provide, in PDF form, the current pro forma financial statements for Bidder (or if different from Bidder, Seller), the audited financial statements for Seller for the most recent two (2) years, and the current-year reviewed quarterly financial statements, including the auditor’s opinion and notes to the financial statements, the balance sheet, the income statement, and the cash flow statement (indicating which of the following are being submitted:  10-Ks; 8-Ks; 10-Qs; and Other (describe)), along with the long-term debt structure and lien information that might affect the creditworthiness of Bidder.  If financial data and information of Bidder or Seller that are required to be provided pursuant to this Appendix C are consolidated with that of another Person, all such data and information must be extracted and segregated from the consolidated data and information and included as a separate PDF document.
	5. The Proposal Package must include the following information for Bidder (or if different from Bidder, Seller) in respect of any Definitive Agreement:
		1. Type of Business
			* Corporation
			* Limited Liability Company
			* Partnership
			* Other (describe)
		2. Organization
			* Legal Corporate Name
			* Street Address
			* City, State, Zip Code
			* Dun & Bradstreet Number
			* Federal Tax ID Number
			* Beneficial Ownership
			* List of Executives and Directors
		3. Credit Contact
			* Name
			* Title
			* Phone Number
			* Email Address
		4. For Corporations/Limited Liability Companies
			* Date and State of Incorporation/Registration
			* Street Address
			* City, State, Zip Code
		5. For General Partnerships
			* Name of General Partner
			* Address of General Partner/Registered Agent
			* City, State, Zip Code
		6. Most recent credit rating as determined by Moody’s and/or S&P (if available).

*To the extent the information herein requested has been provided as part of the Bidder Registration Form, Bidder may note this fact in its response and provide only the material and information not previously provided. If financial information is consolidated with other entities, the data related to Seller must be extracted and submitted as separate documents by Bidder.*

* 1. List and summarize any pending claims, actions, disputes, or other proceedings currently pending or threatened against the resource or Bidder (or if different from Bidder, Seller) related to the resource.
	2. Has Bidder (or if different from Bidder, Seller) or the resource been subject to any bankruptcy or similar proceeding? If so, list and summarize any bankruptcy court orders applicable to Bidder (or if different from Bidder, Seller) or the resource, including the order discharging the resource and debtor from the bankruptcy proceedings.
	3. If there are any such bankruptcy court orders, list and summarize all (i) project contracts not rejected during the bankruptcy proceedings and still in effect, and (ii) contracts rejected and terminated during the bankruptcy proceedings.
	4. Advise whether any project funds are subject to a constructive trust or equitable lien in favor of third parties (per ruling of bankruptcy court).
1. **Taxes**
	1. Provide any tax abatement or other tax reduction or similar agreement executed by or on behalf of Bidder/Seller or any Affiliate with any federal, state, or local authority with respect to or affecting the resource or the resource site, including all amendments to any such agreement. If no such agreement is in place, identify and describe any proposed tax abatement or tax reduction proposed for the project or assumed in the proposed purchase price.
	2. Provide relevant 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.
	3. Provide copies of any formal or informal property tax agreements (*i.e*., PILOT, TIP, etc.) with state or local authorities that are in force during the current or preceding five years or will take effect in the current year or succeeding years and related to the Facility site.
	4. List of all applicable tax jurisdictions, tax rates, millage rates, assessment ratios, and current equalization ratio.
2. **NERC/CIP Compliance** (Acquisitions only)
	1. Provide information detailing which NERC Regional Entity the Facility is registered with, together with date of registration.
	2. Provide copies of the current NERC/CIP compliance program documents pertaining to the Facility.
	3. Provide a copy of or explanation of any open mitigation plans and associated actions.
	4. Provide a copy of the last audit report (public version).
	5. Provide the CIP impact level of the interconnection and plant facilities.
3. **Plant and Equipment**
	1. Provide a description of the Project and a summary of the resource’s property, plant, and equipment. Include a list of major equipment, e.g., gas and/or steam turbines and associated generators, boilers, or HRSGs, air pollution control equipment, water supply and wastewater discharge, fuel and fuel handling.
	2. Provide the Facility site plan and general arrangement drawings, including fuel and transportation infrastructure, inventory storage (if applicable), and one-line diagrams.
	3. Operational characteristics
		1. Provide a description of the various modes of operation of the Facility.
		2. Provide the minimum and maximum load range in each mode of operation and the limiting factor(s) for each mode.
		3. Provide declared maximum and historical ramp rates over the load range for each mode of operation.
		4. Provide minimum run times and the basis for the established minimum run time.
		5. Provide a typical start-up MW and fuel usage profile versus time for each type of start-up (hot, warm, and cold).
		6. Define hot, warm, and cold start-up in terms of time off-line.
		7. Provide the typical shutdown time.
		8. Provide the minimum down time.
		9. Provide the MVAR capability range of the generator (include “as tested” results).
		10. Is the unit equipped with automatic generation control (AGC)?
		11. What is the operating range of the unit under AGC?
	4. Operating Parameters

Please provide the following for the resource:

* + 1. The Start-Up Charges ($/Completed Start/CT) under any LTSA or other applicable contract and the Start-Up Charges (if any) proposed by Bidder, in each case for hot, warm, and cold starts.
		2. Start Fuel Amounts (MMBtu (HHV)) for hot, warm, and cold starts.
		3. Maximum number of Completed Starts per day and per contract year.
		4. Minimum Run Time following a Completed Start.
		5. Minimum Down Time required between Completed Starts.
		6. Maximum Start-Up times, i.e., the amount of time permitted to complete a hot, warm, and cold start, respectively.
		7. Maximum Ramp Rate.
	1. Plant design life (Acquisitions only):
		1. Provide the original Commercial Operation Date for the resource and/or all major pieces of equipment (if different).
		2. Provide the OEM design life of the resource’s major pieces of equipment.
		3. How many years of useful life for the resource remain?
		4. Have any modifications, upgrades, improvements, or practices been made to extend the resource beyond an assumed 30-year life? If so, provide a detailed list of any and all modifications, upgrades, improvements, or practices, including the cost.
		5. Are modifications, upgrades, improvements, or practices planned that will extend the resource beyond an assumed 30-year life? If so, provide a detailed list of any and all modifications, upgrades, improvements, or practices, including the cost.
1. **Operations and Maintenance**
	1. For Acquisition Transactions only, provide all Capital and Maintenance Expenditures from 2014 to the present, by FERC accounting code, or if not available by FERC accounting code, then by significant category.
	2. List the entities that have been in charge of the operation and maintenance of the Facility, including any major subcontractors to date, and provide a timeline if there have been multiple entities.
	3. Provide all electric generating statistics for the resource (COD – current), including, but not limited to:
		1. Gross, auxiliary, and net generation and (if applicable) current UCAP (or unforced capacity) and ICAP (or installed capacity) recognized by MISO.
		2. Unit heat rate with and without supplemental firing (e.g., duct firing).
		3. Average annual unit heat rate.
		4. Actual heat rate curve (at unit minimum, 50%, 75%, unit maximum):
			* Summer months
			* Winter months
			* All other months
		5. Guaranteed Heat Rate Curves (at unit minimum, 50%, 75%, unit maximum):
			* Summer months
			* Winter months
			* All other months.
		6. Provide emissions rates for NOx, CO, CO2, SO2, PM, PM10, ammonia, greenhouse gases, and any other emission or pollutants associated with operation of the Facility.
		7. Provide all NERC GADS events from 2014 to current.
		8. Provide the following information from 2014 to current by year.
			* Equivalent Forced Outage Rate (EFOR)
			* Equivalent Availability Rate (EAF)
			* Capacity Factor (CF)
			* Service Factor (SF)
			* Historic outage rates (forced, maintenance, planned, etc.)
			* Planned outage schedule
			* History of planned and unplanned major maintenance events
			* Historic service hours
			* Accredited unit capacity
			* Derate causes, time, and kWh.
		9. Turbine overhaul cycle (year) and outage time (weeks).
		10. Start fuel quantity (MMBtu) and start time (hours) for a hot, warm, and cold start.
	4. Provide the number of boiler and turbine cold, warm, and hot starts since COD, and a summary of LTSA limitations (if any) per year.
	5. Provide the resource’s black start capability, if applicable.
	6. Provide the spinning and operating reserve capabilities and historic performance of the resource since 2014.
	7. For Acquisition Transactions only, provide a list and summary of all existing and past (since 2014) operation/maintenance contracts (e.g., operating agreements, LTSA, water contract and rights).
	8. Please confirm whether the Facility site has any water usage restrictions or seasonal raw water supply risks that could potentially impact sustained operations.
	9. Provide all LTSA contractor-related operation summaries/reports for the resource since 2014.
	10. List and summarize the results of any boiler/HRSG, turbine, or unit performance tests from commissioning and also since COD.
	11. List and provide copies of all inspection reports for boilers/HRSGs, turbines, generators, major pumps and motors, high energy pipe, cooling towers, and condenser(s) since 2014.
	12. Capital Projects (Acquisitions only):
		1. List all major capital expenditures (over $1 million) that will be required over the next ten (10) years.
		2. Provide detailed information on all major capital expenditures (over $1 million) made on the resource over the last five (5) years.
		3. Provide capital work requests and major maintenance expenditures planned for the next five (5) years.
		4. Provide a list of all capital projects/commitment contracts, agreements, and orders.
	13. For Acquisition Transactions only, provide a detailed list of site spares inventory (major components and value).
	14. For Acquisition Transactions only, provide a list and summary of any material contracts/commitments for the resource and any amendments thereto. In the list, also note which material contracts/commitments would be expected to be assigned to Buyer.
2. **Fuel**
	1. Provide the projected delivered fuel costs for the resource over the next five (5) years, broken out by commodity and transportation.
	2. List and summarize all commodity, transportation, and storage tariffs and/or agreements for the Facility.  At a minimum, include counterparty name, execution date, contract term, cost structure, and receipt / delivery points for each.
	3. Provide the current pipeline infrastructure, design capacity, and contractual arrangements for all pipelines interconnected to the Facility.
	4. Provide the details (including distance and location) of any other pipeline located near the Facility (but not currently interconnected to it).
	5. Provide a fuel burn history for the most recent 12-month period. Also include an average hourly burn profile (i.e., average amount of fuel burned over that period in hour ending 1 through hour ending 24).