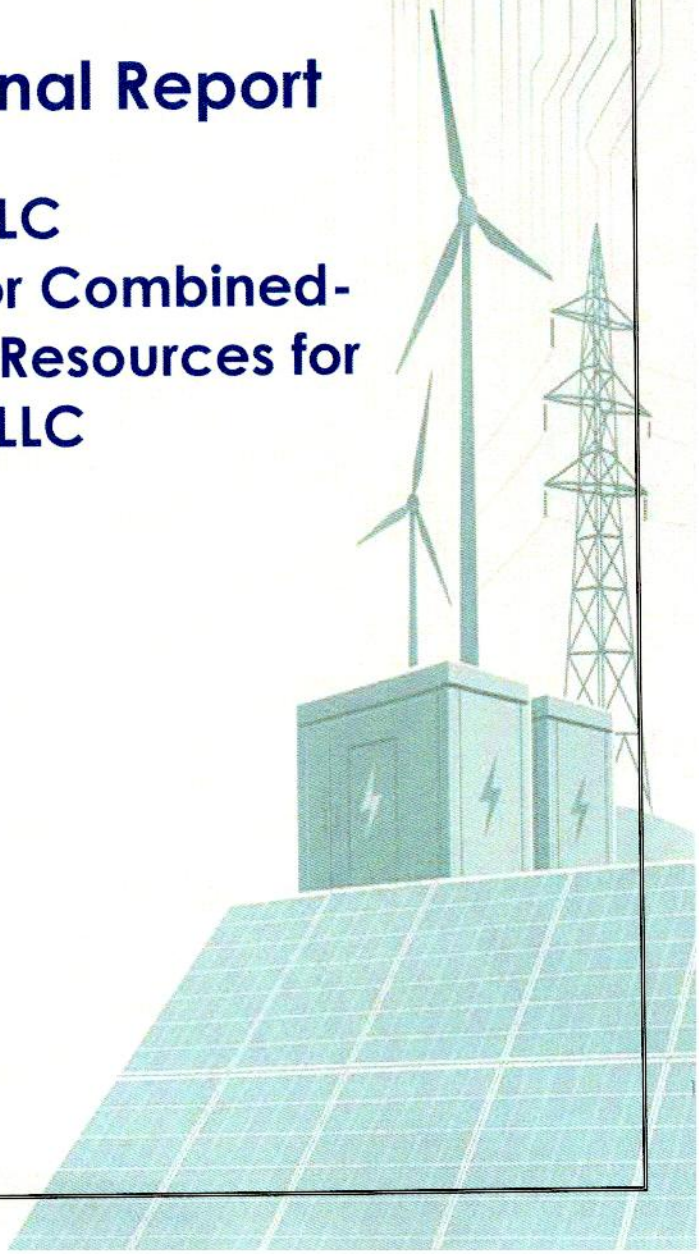
Independent Monitor Final Report

Entergy Services LLC
2024 Request for Proposals for Combined-Cycle Gas Turbine Capacity Resources for Entergy Louisiana, LLC



February 9, 2026

ELL 2024 CCCT RFP
Prepared for Louisiana Public Service Commission

MERRIMACK

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EXECUTIVE SUMMARY

ELL plans to file an application with the Louisiana Public Service Commission ("LPSC") for authorization to construct two self-build units for a total of 1,508 MW: (1) the Waterford 6 Advanced Power Station, a nominal 754 MW 1x1 combined cycle combustion turbine unit to be located and installed at ELL's existing Waterford property, near the Little Gypsy Power Plant site and (2) the Westlake Advanced Power Station, a nominal 754 MW 1x1 CCCT unit to be installed at ELL's Nelson Power Station site. The projects were selected as a result of ELL's 2024 Request for Proposals for Combined-Cycle Combustion Turbine Resources Request for Proposals ("RFP" or 2024 ELL CCCT RFP").[1]

Entergy Services, LLC ("Entergy Services" or "ESL")[2] issued the 2024 Request for Proposals for Combined-Cycle Combustion Turbine Resources for Entergy Louisiana on January 27, 2025. The RFP sought up to 2,000 MW (Summer Conditions, at full load, including duct-firing if included as part of the Facility) of Capacity, Capacity-Related Benefits, Energy, Other Electric Products, and Environmental Attributes (if any) from generation resources located in MISO Local Resource Zone-9 ("LRZ-9") for service commencing no later than January 1, 2031. Individual resource capacity solicited by this RFP should be 600 – 800 MW. ESL indicated it intended to market-test one or more self-build alternatives as part of the RFP.

Eligible proposal transaction types for the RFP could be in the form of a (1) Power Purchase Agreement ("PPA") or Tolling Agreement ("Toll") for unit contingent products; (2) Build Own Transfer ("BOT") Acquisition Transactions as asset purchases of Eligible Resources and related assets pursuant to a BOT Agreement, with Seller assuming development, construction, and financing risk; and (3) Self-Build options. Specific requirements for the resources should include:

- The proposed resource must be physically located in and interconnect directly to a transmission system within LRZ-9.
- The proposed resource must have a fully executed Generator Interconnection Agreement ("GIA") with MISO or be included and remain in the 2025 or earlier MISO DPP queue.

Through this RFP, ELL intends to market-test one or more self-build alternatives as part of this RFP. As noted in the RFP Main Body document, for this RFP, ELL may submit one or more CCCT projects as self-build options. One potential Self-build

[1] The ELL 2024 CCCT RFP received [redacted] However, ELL failed to reach agreement on a PPA with the third-party for the tolling agreement. Negotiations were eventually terminated with the third-party.

[2] ESL acts as agent for ELL.

option is for a CCCT facility that would be built at or near the site of the Roy S. Nelson generation facility (in the West of Atchafalaya Basin, or WOTAB region of ELL's service territory). Another is for a CCCT facility that would be built at or near the site of the Little Gypsy generation facilities (in the Amite South region of ELL's service area).

Merrimack Energy Group, Inc. ("Merrimack Energy") was selected to serve as the Independent Monitor ("IM") by ESL for the 2024 ELL CCCT RFP.

Merrimack Energy's involvement as IM began at the beginning of the draft RFP development process and continued through final evaluation and selection of the preferred resources. The overriding responsibility of the IM is to ensure the competitive bidding process is undertaken in a fair and unbiased manner and that no undue preference is given to affiliates and their bids, self-build, or self-supply projects. A Scope of Engagement for the IM was prepared and established for this solicitation. The high-level role of the IM includes the following:

- Monitor the design and implementation of the RFP solicitation, evaluation, selection and contract negotiation processes to ensure their impartiality and objectivity.
- Provide an objective, third-party perspective on ESL's efforts to ensure that all proposals are treated consistently and without undue preference to any Bidder.

The IM will have access to any employee of ESL or ELL, any data, process or analytical tool created or utilized by ESL or ELL in connection with the RFP, and any other material or information reasonably available to ESL or ELL related to the RFP to the extent the IM deems such access necessary for ensuring that the RFP design, processes, and reviews are developed or conducted in a fair and impartial manner and subject to appropriate confidentiality safeguards to protect the integrity of the process. The IM will also have the ability to communicate directly with the Louisiana Public Service Commission ("LPSC") staff members that are participating in overseeing the RFP process subject to appropriate confidentiality safeguards.

Consistent with other competitive bidding processes, the ELL solicitation process was designed to be completed in five stages as follows:

- Stage 1: Develop the RFP
- Stage 2: Issue the RFP/Bid Preparation
- Stage 3: Receipt of Proposals and Proposal Evaluation and Selection
- Stage 4: Contract Negotiations
- Stage 5: Regulatory Filing/Approval process

ESL provided a notice of intent to issue a Request for Proposals ("RFP") for Long-Term Development CCCT resources on behalf of ELL to the Louisiana Public

Service Commission ("LPSC") on July 23, 2024, as required by the Market Based Mechanism ("MBM") Order. On November 11, 2024, ESL issued a Notice of Release of Draft RFP documents and Bidder Registration and posted the draft document to the ELL website for the RFP.

ESL issued the Final RFP Documents on January 27, 2025, and Bidders were required to complete Bidder Registration in order to participate by February 6, 2025. For this solicitation, [redacted].

The evaluation and selection process was designed to evaluate bids through a consistent, defined process, culminating in the evaluation and selection of best bids for contract negotiation and/or approval.

Conclusions

Based on the review and evaluation undertaken by the IM, the IM concludes that the selection of the Waterford 6 Advanced Power Station and the Westlake Advanced Power Station projects, both 1x1 754 MW (summer conditions) Combined Cycle Combustion Turbine gas-fired facilities were reasonable decisions based on the results of the evaluation process undertaken by ESL and monitored by the IM. [redacted]

1 INTRODUCTION

1.1 BACKGROUND

Merrimack Energy Group, Inc. ("Merrimack Energy") has served as the Independent Monitor ("IM") for the 2024 ELL CCCT RFP. This RFP sought up to 2,000 MW Summer Conditions, at full load, (including duct-firing if included) of Capacity, capacity-related benefits, energy, other electric products, and Environmental Attributes (if any) from a generation resource located in MISO Local Resource Zone 9 for service commencing no later than December 31, 2031.

1.2 ROLES AND RESPONSIBILITIES OF THE INDEPENDENT MONITOR

Merrimack Energy's involvement as Independent Monitor began at the initiation of the RFP development process and continued through final evaluation, selection and request for approval of the preferred proposal. The role of the Independent Monitor is defined in the Scope of Engagement of the Independent

Monitor with ESL. During this time, the IM worked closely with ESL's Bid Event Coordinator for the RFP, RFP Administration Team, and members of the RFP teams. The IM monitored all aspects of the RFP development, administration, evaluation and selection processes. As defined in the Scope of Work, the overriding responsibility of the Independent Monitor is to help ensure that the RFP design, processes, and reviews described in the Scope of Engagement are impartial and objective, the Self-Build option and all proposals submitted in the RFP are treated in a consistent fashion, and no undue preference is given in connection with the RFP to the Self-Build option or to any proposal or any potential bidder in the RFP, including the group developing and submitting the Self-Build option in the RFP, the Entergy Self-Build Commercial Team. The major responsibilities of the IM are described later in this report.

This final report meets the requirements for the IM listed in the IM Scope of Engagement. The report addresses the IM's assessment of the implementation of the key project activities including whether they met the criteria and guidelines established by ESL for undertaking this solicitation and whether the process was undertaken in a fair and equitable manner for the benefit of customers.

Merrimack Energy staff has been actively involved in ELL's competitive bidding process from the beginning and has been involved in monitoring the process through participation in all major team meetings, conference calls and conversations regarding the decisions about the RFP and solicitation process. The objective of this involvement has been to ensure the process is fair and unbiased and to raise any concerns along the way, if necessary, to ensure the process stays on track to meet these objectives.

Outside of the role of IM, Merrimack Energy Group, Inc., has no other business relationship with ELL, ESL or any of their affiliates. However, Merrimack Energy has served in a similar role as Independent Monitor, Independent Evaluator or Independent Consultant on over one hundred seventy-five (175) competitive procurement processes in 23 states and 3 Canadian Provinces.

1.3 ORGANIZATION OF THE REPORT

For purposes of undertaking this assessment of ELL's competitive solicitation or RFP process, the following issues will be addressed in this report:

1. A summary of the Louisiana Market Based Mechanism competitive market rules and bidding requirements;

2. A list and description of the Scope of Engagement of the Independent Monitor;

3. Discussion of the various steps or activities associated with the development of the ELL RFP and related documents. This includes a discussion of the development of the RFP processes for communicating with bidders, processes and safeguards implemented by ESL to maintain confidentiality of bidder information and development of the bid evaluation criteria and bid evaluation processes;

4. A brief description of the contents of the 2024 ELL RFP document, including the objectives of the RFP, requirements of the bidders, the proposed evaluation process, and other information;

5. Discussions of the bid receipt and bid redaction process;

6. Process for the review and evaluation of the proposals received;

7. Evaluation and selection of the preferred proposals;

8. Conclusions associated with the 2024 ELL CCCT RFP process.

2 SUMMARY OF THE LOUISIANA MARKET-BASED MECHANISM ("MBM") REQUIREMENTS

As noted, the competitive bidding process initiated by ELL was undertaken to be consistent with the Louisiana MBM Order. As a result, the solicitation process has been designed around the MBM requirements. The Louisiana Public Service Commission issued a General Order ("Market Based Mechanism Order") on April 10, 2002[3]. The General Order developed a market-based mechanism to evaluate proposals to construct or acquire generating capacity. In the Order, the Commission directed that the market-based mechanism shall be a Request for Proposal competitive solicitation process. According to the Order, the adoption of the use of a market-based mechanism was to demonstrate that applications for the construction and/or acquisition of additional regulated generation by utilities is the least cost alternative and in the public interest. In the Commission's Order of October 29, 2008 in Docket No. R-26172, Sub-Docket C the Commission stated that it believes that the process provides both the structure and use of the wholesale market sought by parties while at the same time preserving to the utilities their traditional responsibility for supply planning and acquisition (page 1 of 9).

[3] The MBM Order was decided at the March 21, 2002, Business and Executive Session.

While the Market-Based Mechanism Order has undergone several rounds of review and comments by interested participants,[4] the general tenets of the Order generally remain.

The major provisions of the Market-Based Mechanism as amended by the 2008 Order include:

- Electric utilities subject to the jurisdiction of the Louisiana Public Service Commission are required to employ a market-based mechanism to support the acquisition of generating capacity or purchase power contracts intended to serve LPSC-jurisdictional retail customers. The MBM shall be based on use of a Request for Proposal (RFP) competitive solicitation process to support the acquisition of power supply. The results and analysis from employing this mechanism shall serve as part of the justification required in paragraph (2) of the 1983 General Order.

- The market-based mechanism shall be a Request for Proposal (RFP) competitive solicitation process. The utility may propose an alternative market-based mechanism or procedure if it can demonstrate that circumstances indicate that a formal RFP would not be in the public's interest.

- The MBM process is to be coordinated with the LPSC Staff.

- The Order includes exceptions regarding project eligibility requirements, including size limits (resources < 50 MW do not require the use of a market-based mechanism) and term (contracts of three years or less in duration with an un-affiliated entity, or one year or less with an affiliated entity do not have to be secured through a formal bidding process).

- Utility self-build options and utility affiliate bids are allowed to compete. If a utility's corporate affiliate submits a bid in the RFP process, the utility must ensure that the affiliate has no preferential access to information or has any unfair advantage over other potential bidders.

[4] The Order was amended in 2004, 2006 and 2008. As discussed in the Commission's Order in 2008, in comments submitted by parties for the last review in 2007-2008, the following consensus was reached: (1) All parties strongly support the retention of the MBM Order, in most cases with fine tuning modifications rather than any fundamental changes. The parties stressed the importance of the rigorous "market test" for new capacity resources that the MBM Order provides; (2) the parties support or accept the participation in RFPs, where appropriate, of self-build projects, but recognize the need for stricter oversight and procedures for accounting for changes in projected construction costs; (3) several suggestions for streamlining or clarifying the MBM Order were accepted by the parties.

- The electric utility shall conduct its planning and RFP process with the objective being the provision of reliable electric service at lowest reasonable cost.

- The Order provides for an Independent Monitor in cases where a utility self-build option or affiliate bid is expected to ensure the utility does not provide undue preference to an affiliate or self-build option. The IM selected by the utility shall coordinate with and report its findings to Staff and the utility, including its Final RFP Evaluation Report.

- The IM will review and track the utility's conduct of the RFP to ascertain that no undue preference is given to affiliates and their bids, self-build or self-supply projects. This will include, to the extent necessary, reviewing the draft RFP and the utility evaluation of bids, monitoring communications (communication protocols) with market participants; monitoring adherence to codes of conduct; and monitoring contract negotiations.

- The IM shall report to the Commission Staff at appropriate intervals and facilitate regular communications between Commission Staff and the utility on the RFP process. The IM will immediately report any irregularities, problems, or concerns with the RFP process to the utility and Staff. The IM shall also submit a final RFP evaluation report to Commission Staff and the Commission, including any recommendations for improving the process.

- The electric utility shall hold one or more technical conferences with Staff and participating organizations to review the utility's filing and proposals.

- The electric utility shall provide RFP bid results and its evaluation of those bids to Commission Staff and participating organizations deemed eligible to review such material subject to appropriate confidentiality protections. The electric utility shall provide an opportunity for Staff and eligible participant consultation before selecting power contract offers and/or rejecting RFP bids in favor of its own capacity construction process.

- Any bidder whose bid is not selected by the utility for acquisition or contract award may request and the utility on a timely basis shall provide a written explanation for bid rejection.

- To implement the market-based mechanism the utility is required to submit an informational filing which includes the following information:

- Description of proposed capacity additions, including timing, amount and type of preferred resources.
- Description of the utility's proposed resource option and cost of the resource. Absent a Commission waiver, such acquisition(s) shall be priced no higher than the cost of service associated with the asset(s).
- Schedule for conducting the RFP.
- Draft of the RFP, Power Purchase Agreement and Confidentiality Agreement.
- Description of the methods and criteria for evaluating RFP bid responses.
- Description of how transmission system impacts will be addressed in the evaluation process.
- Description of the safeguards to protect confidentiality of bidder information.
- Description of safeguards to ensure utility or affiliate bids do not receive preferential treatment.

- The MBM Order also described the schedule for implementing the solicitation process.

- The MBM Order also contains provisions to address self-build cost changes:
  - In the event of a material change to the estimated self-build project cost, projected completion date or design attributes (e.g., rated capacity, heat rate, etc.) subsequent to the submission of the "best and final" bids, the utility staff responsible for the self-build plan submission shall promptly notify the utility's RFP staff. The utility RFP team must promptly notify the Independent Monitor and the Commission Staff of the change. For purposes of this Order, a "material change" is defined as either an increase in construction costs of 20% or more or a change in cost, schedule or design that plausibly could alter the project evaluation rankings.
  - The utility conducting the RFP process shall identify the date at which the RFP is completed. If a self-build project is selected, the RFP team must certify its best estimate of the construction and transmission costs as of that RFP completion date, its best estimate of the self-build project commercial operation date and any material changes to the project design attributes compared to the "best and final" submission. This information shall be promptly provided to the Independent Monitor and Commission Staff.
  - For purposes of this RFP, the communication of information on changes in cost, completion schedule or design attributes by the utility self-build staff to the utility RFP staff, subsequent to the "best

and final" bid submission date, pursuant to this rule does not constitute a violation of the RFP's code of conduct.

- In the event of a material change in project cost, schedule or design attribute for the selected self-build project subsequent to the utility's completion of its bid ranking process, the utility shall perform an updated bid ranking. The updated analysis shall be reviewed by the IM and Commission Staff.
- In any such updated bid ranking process, the utility RFP staff shall consult with the IM and Commission Staff as to whether the third-party suppliers competing with the selected self-build project should be permitted to refresh their bids for purposes of an updated bid evaluation.
- To the extent the utility RFP team concludes the self-build project costs to be uncertain (i.e., beyond allowances built into the project construction budget for cost escalation and contingency), the utility is encouraged to develop a range of costs for bid ranking purposes. The bid ranking evaluation process also shall consider the cost risk of the self-build relative to the cost risk of competing third-party bids.
- The bid re-screening requirements discussed above do not necessarily apply to transmission upgrade cost changes that might be associated with the self-build project. However, the utility shall use the best available information on transmission costs associated with both the self-build project and competing resources.
- Nothing in this Rule is intended to restrict any party from proposing and the Commission from adopting a "cost cap" or similar protective mechanism as part of a certification or other proceeding for a self-build project.

3 ROLE AND ACTIVITIES OF THE IM IN THE COMPETITIVE BIDDING PROCESS

To effectively assess the performance of ESL in developing and implementing a fair and unbiased process, it is necessary for the IM to be actively involved in the process. The major tasks and activities of the IM are described in the IM Scope of Engagement. The activities of the IM can be classified into two categories: (1) process issues and (2) technical issues. The IM was actively involved in both aspects of the assignment.

The proposed activities of the IM throughout the competitive bidding process and the actual tasks and activities performed by the IM are summarized in Table 1. The IM's role is described briefly for each phase of the solicitation process. The responsibilities and activities of the IM include oversight, review, monitoring and reporting. Overall, the role of the IM is to ensure the solicitation process is undertaken in a fair and equitable manner and ensure that the process leads to the best results for customers.

Table 1: IM Activities Identified in IM Scope of Engagement

1. 2024 ELL CCCT RFP Development Activities • Review and comment on the proposed (1) project specifications and planning criteria to ensure they are reasonably aligned with the requirements in the LPSC Order No. U-36697[5] and have not been designed to provide undue preferential treatment to any potential bidder , including the self-build option; (2) technical product descriptions and types of products solicitated in the RFP; (3) RFP proposal evaluation criteria to ensure the process is fair and equitable for all Bidders and meets the stated objectives of the RFP; • Review and comment on the draft 2024 ELL CCCT RFP documents; • Review and comment on the structure of the RFP evaluation teams and the processes for protection of proposal information used by the evaluation teams; • Review and comment on the proposed RFP processes to ensure that they are designed to comply with applicable Codes of Conduct, affiliate rules, confidentiality agreements and restrictions and monitor ESL's and ELL's compliance: • Make recommendations as needed to improve the solicitation process throughout the RFP process; • Review and comment on ESL's evaluation methods, analytical tools and processes, data inputs and assumptions, and price and non-price criteria for the Self-Build option and RFP proposals; • Review and comment on the description of the evaluation processes to be provided in the RFP documentation to ensure such processes are accurately and appropriately described; • Reserve the right to recommend that ESL consider using or analyzing different inputs, scenarios, and sensitivities in addition to those that ESL plans to use in the proposal evaluations.
2. Proposal Solicitation (2024 ELL CCCT RFP Issuance, Bidder Registration, and Proposal Submission):

[5] Although the Scope of Engagement referenced LPSC Order No. U-36697, the requirements of that Order were determined not to apply to the 2024 ELL CCCT RFP.

- Monitor implementation of the ELL RFP to ensure that the RFP process is administered in a manner that is objective and impartial to all potential Bidders and that no undue preference is given to any potential bidder, including the Entergy Self-Build Commercial Team, or any resource, including the Self-Build option;
- Participate in any Technical or Bidders conferences that ESL may hold for the RFP;
- Monitor questions submitted by prospective bidders and work with ESL to ensure timely and accurate responses are provided, consistent with appropriate Confidentiality Safeguards;
- Review Bidder Registration information received from prospective bidders;
- The IM will have the ability to respond directly to bidders, and to communicate directly with bidders with respect to questions, issues or concerns.

3. Proposal Receipt

- Prior to the deadline for submission of third-party proposals in the RFP, the IM will be provided with detailed information regarding the self-build option, including the projected cost;
- Review information submitted regarding the Self-Build option and each proposal a bidder submits in the RFP. In coordination with ESL, ensure the information provided meets the threshold requirements stated in the RFP;
- Review and monitor the distribution of data reports generated for each area of proposal evaluation;
- ESL, with the oversight of the IM, will determine whether a non-conforming proposal should be rejected or provided the opportunity to cure, and the requirements for cure;
- The IM will have access to any document, process, or other information that the IM deems necessary to ensure that the proposal receipt process is conducted in a fair and impartial manner and subject to appropriate Confidentiality Safeguards

4. Proposal Evaluation and Selection

- Oversee the RFP evaluation and selection process to ensure the process is objective and impartial to all Bidders and that no undue preference is given any potential bidder including the self-build option;
- Review and comment on written communications between ESL and Bidders;
- Monitor the economic evaluation of all proposals and review the quantitative and qualitative analyses performed;
- Monitor the evaluation of the interconnection/transmission-related and other non-price aspects of the proposals and review

quantitative and qualitative analyses performed in connection with such evaluation;
- Monitor the credit evaluation of Bidders and review formal quantitative and qualitative credit analyses;
- Monitor the viability assessments performed to ensure such assessments are reasonable and appropriate;
- Review all written recommendations and materials to be presented to the Entergy Operating Committee ("EOC"), the Entergy Louisiana Operating Committee ("ELL OC") and Authorized Entergy Executives;
- Review any preliminary and final proposal ranking, portfolio selection, or proposal selection or elimination in the RFP before this information is presented to the EOC. If the IM disagrees with any such rankings, selection or elimination and ESL does not resolve such disagreement to the IM's satisfaction, the IM may address the issues in a report presented to the EOC;
- The IM will not make decisions regarding the selection of proposals for the primary selection list or the secondary selection list; rather those decisions will be made by the Company OC, or the President and CEO of ELL, as applicable.

5. Due Diligence and Negotiations
- The IM will have access to all materials and information used by or available to ESL regarding the establishment and implementation of the RFP's due diligence and negotiation processes;
- The IM may participate in all aspects of discussions between ESL and representatives of any Self-Build option to ensure the process is objective and impartial and conducted at arms-length;
- IM may monitor negotiations with third-party Bidders. The IM may request updates on the status of such negotiations subject to appropriate limitations required by any bidder;
- The IM may monitor the adequacy and thoroughness of due diligence performed by ESL in the RFP's due diligence and negotiation processes on any proposal or the Self-Build option.

6. Other Functions of the IM including Communications with Participating Staff
- The IM and participating Staff may communicate with each other on matters related to the RFP without restriction;
- If there are disagreements between ESL and a Bidder that are not resolved to the IM's satisfaction, the IM may communicate such disagreement to participating Staff.

7. Final Reports
- At the conclusion of the RFP process or at the appropriate point in time (for example, at the time of the filing of an application seeking

regulatory approval of a contract or project arising out of the RFP) the IM will prepare one or more reports stating the IM's analysis of and conclusions regarding the RFP process, including any suggestions for improvement.

As noted, the IM was involved from the very beginning of the process and was involved in all project phases associated with development of the RFP through bid evaluation and, selection. Throughout the process, the IM conducted reviews and analyses of Entergy's evaluation results and raised questions about aspects of the evaluation process. One of the objectives of the IM was to ensure that the approaches and methodologies proposed by Entergy were entirely consistent with industry standards and consistent with the protocols and procedures developed and identified by ESL to the bidders. The IM was also focused on ensuring that all cost information for each proposal was appropriately incorporated in the analysis and that all Bidders/proposals were treated fairly and equitably.

4 DESCRIPTION OF ELL 2024 CCCT RFP SOLICITATION PROCESS

This section of the report provides an overall description of ELL's solicitation process and identifies the major components of the RFP. The traditional stages for development and implementation of a competitive bidding process are first identified. The description of ELL's process is structured as a "chronology" of the key events and issues addressed within the stages of the process, from initiation and development of the RFP documents to selection of the final proposal.

4.1 RFP DEVELOPMENT PROCESS

The development process for the ELL 2024 CCCT RFP was initiated in mid-2024. Merrimack Energy was retained in June 2024 to serve as Independent Monitor for the ELL 2024 CCCT RFP.

4.1.1 Notice of Intent to LPSC to Issue a Potential Request for Long-Term Developmental Combined-Cycle Combustion Turbine Resources

On July 23, 2024, Entergy Services submitted a notice of intent to the LPSC to issue a Request for Proposals for Long-Term Developmental Combined-Cycle Combustion Turbine Resources on behalf of Entergy Louisiana, LLC. The letter served as advanced notification to the LPSC as required by the MBM Order. Entergy Services noted that this should not be construed as a commitment of ESL or ELL to proceed with the RFP. The notice stated that the Draft RFP was expected to be issued no earlier than September 23, 2024, which will be more than 30 days

after the instant notification, as required by the MBM Order. At this time, ELL expects that this RFP would be open to developmental CCCT resources in MISO Local Resource Zone 9 ("LRZ-9"). As required, the final RFP will be issued 60 days following issuance of the Draft RFP.

The notice of intent stated that ESL expects that the RFP will market test self-build generating projects to be located in Amite South planning region and at the Nelson site, relative to additional long-term generation to be constructed by potential bidders. As contemplated by the MBM Order, ELL will work with Commission Staff in development of the RFP.

4.1.2 Initial Kick-Off Meeting

A project team kickoff meeting was held between ELL, LPSC Staff and the IM on November 7, 2024. ELL's objective was to provide an overview of the 2024 ELL CCCT RFP solicitation process to the LPSC Staff and IM. Agenda items for the meeting included:

- Overview of Entergy Louisiana 2024 CCCT RFP;
- Rationale for the RFP (including capacity and energy needs and market constraints as identified in the presentation);
- RFP Scope Matrix;
- Key RFP milestones and schedule;
- Process safeguards;
- General discussion and next steps.

4.1.3 Notice of Intent to Issue RFP

On November 11, 2024, ESL provided a notice to interested parties indicating that it intended to issue a Request for Proposals for Combined Cycle Combustion Turbine ("CCCT") Capacity and Energy Resources on behalf of Entergy Louisiana, LLC ("ELL"). The Notice of Intent stated that ESL expects to post draft RFP documents as early as November 2024 and final RFP documents as early as January 2025. RFP documents will be posted to ESL's website for the RFP. The Notice also stated that ESL plans to conduct a Bidders and Technical Conference in November 2024 after the draft RFP documents are posted.

The Notice stated that the ELL RFP is anticipated to target a minimum of 600 MW (summer rating) up to a maximum of 800 MW of capacity, energy, and related products from a single integrated new build CCCT generating resource. The resource would need to be located in LRZ-9.

The resources sought by the RFP will be required to be powered by commercially proven CCCT technology with automatic generation control. The resource would be required to have a quantity of energy resource interconnection services

("ERIS") and network resource interconnection service ("NRIS") that meets the threshold for ERIS and NRIS set forth in the Main Body document. Operating parameters for any new-build resource will include a maximum net heat rate of 7,000 Btu/kWh (HHV) at full output without supplemental duct-firing (if included as part of the facility) in summer conditions and the ability to operate in baseload and load-following roles consistent with MISO operating requirements for units expected to provide ancillary services.

The Notice identified the proposal options acceptable (i.e., PPA, Toll, and Asset Acquisitions). The delivery term for the PPA or Toll would be 10 years and the maximum 20 years. The guaranteed start date or closing date for the acquisition would be no later than December 31, 2030. The Notice also stated that ELL will not enter into a PPA or Toll that will or may result in the recognition of a long-term liability on the books of ELL, whether the long-term liability is due to lease accounting, the accounting for a variable interest entity ("VIE") or derivative. Finally, ELL stated in the notice that it will evaluate two self-build options as part of the solicitation process.

4.1.4 IM Review of Draft RFP Documents

ESL provided the draft version of the RFP documents to the IM for review and comments in late October 2024 prior to posting the draft documents on the ELL website. The IM reviewed all the RFP documents and provided comments to ESL on several of the documents including:

- Appendix C – Due Diligence – Developmental Resources
- Main Body Document
- CCCT RFP BOT Term sheet

The IM submitted comments to ESL and then participated in conference calls with the ESL Administration Team to review and discuss the comments. The IM found that ESL was receptive to the comments provided.

4.1.5 Notice of Release of Draft RFP Documents

ESL sent out a notice to its contact list indicating that it has posted the draft RFP documents to the 2024 ELL CCCT RFP to the CCCT RFP website (https://spofossil.entergy.com/ENTREP/SEND/2024CCCTRFP) where the documents were available for review.

4.1.6 ELL Website

ESL established a website for the 2024 ELL CCCT RFP. The website address was included in the Notice of Intent to Issue a Request for Proposals for the 2024 ELL

CCCT RFP and is listed in the previous section. The final website included the following tabs:

- Home
- RFP Documents
- Redline Documents (which contain any revisions to the RFP documents through the course of the process).
- Notifications about the RFP for Bidders
- Reference Information (including Bidders Teleconference Webcast Presentation),
- Questions and Answers[6]
- Contacts
- Affiliate Rules

4.1.7 Comments from Parties

Two parties submitted comments on the draft RFP as allowed prior to the due date of January 13, 2025.

Occidental Chemical Corporation commented that the RFP excludes existing resources from bidding into it due to the limitation that only new developmental resources are eligible. Also, Occidental Chemical questioned the eligibility requirement that eligible resources have to be in the 600 – 800 MW range (summer rating capacity).

ELL noted that Entergy Louisiana had an RFP open throughout 2024 for proposals for energy and capacity from existing natural gas-fired generation and also capacity credits from renewable resources. ELL also noted that it seeks up to 2,000 MW in this RFP. Also, ELL intends to market test a technology generally in the 680 to 730 MW range. ELL did expand the range for purposes of determining eligibility to participate in the RFP.

Louisiana Energy Users Group ("LEUG") also submitted comments. The first two comments were the same as Occidental Chemicals comments. The third comments stated that the RFP is discriminatory with respect to requiring that resources either already have an existing interconnection agreement with MISO or already are included in the 2024 or earlier MISO Interconnection Definitive Planning Phase queue. ELL responded to both Occidental Chemical and LEUG that the window for participation in MISO's DPP 2024 cycle has not yet closed, as of the date of this response. It should be noted that ELL has recently learned that MISO is renaming the 2024 DPP Queue to the 2025 DPP Queue to align with the calendar year. MISO has indicated that the 2025 DPP Queue should remain open until Q3 of 2025. ELL intends to update RFP documents to reflect this change.

[6] Only one question was submitted.

LEUG also notes that the RFP fails to include consideration of customer-centered options. ELL responded that this view is consistent with LEUG's recommendation to allow select industrial customers to bypass the utility and purchase from unregulated entities. ELL noted that this is a rare issue and at this time the LPSC staff has not recommended that the Commission depart from the rate regulated model nor has the Commission voted to allow it.

4.1.8 ESL Technical and Bidders Conference

While the draft RFP identified the date for the Technical and Bidders conference as November 25, 2024, the LPSC staff and ELL issued a joint notice on December 16, 2024, indicating that the Technical and Bidders conference would now be held on December 30, 2024. Potential bidders and other parties that planned to participate were required to notify ELL of its planned participation.

The Technical and Bidders Conference was held on December 30, 2024. The topics addressed at the Conference included:

- Introductions of Entergy Team members, the LPSC Staff and the IM
- RFP Scope Summary[7]
- RFP Schedule
- Bidder communications regarding the 2024 CCCT RFP
- Bidder registration
- Proposal submission fees
- Initial threshold determination
- Evaluation process and evaluation teams
- Proposal selections
- Commercial terms overview
- BOT commercial terms overview
- PPA commercial terms
- Viability assessment
- Economic evaluation
- Transmission evaluation
- Accounting evaluation
- Credit evaluation
- Process safeguards
- Q&A session

Outside of Entergy, LPSC, and IM representatives, a total of seven (7) participants representing six (6) companies attended the Bidders and Technical conference.

[7] The Scope Summary addressed the target start date (COD), eligible resources, eligible technologies, capacity sought, location requirements, product categories, delivery term, and MISO interconnection queue requirements.

4.1.9 RFP Safeguards

From a fairness perspective, one of the concerns often raised by Bidders is an assurance that the utility self-build option does not have an undue competitive advantage in the solicitation process due to preferential treatment or access to information to which third-party Bidders do not have access. This issue is generally raised in solicitations where a self-build option is allowed to compete. As IM, Merrimack Energy is very sensitive to the safeguards utilized by the host utility and the application of the safeguards to prevent any opportunity for self-dealing between the self-build team and evaluation teams in the process to the competitive detriment of third-party options.

Since it was expected that a self-build generation project would be an eligible option, one of the initial topics of discussion between the ESL Administration Team and the IM was the safeguards that ESL intended to include in the solicitation process. During discussions, ESL informed the IM that the safeguards included procedures to ensure confidential treatment of RFP information and the establishment of protocols that defined who would have access to the specific information, how information would be processed and distributed, and how the process of communication between ESL and the Bidders would be handled. The safeguards that ESL planned to incorporate into the solicitation process included the following:

- Separation of the self-build team from the RFP development and evaluation teams to ensure self-dealing concerns could be eliminated at the very beginning of the process. This process was also designed to ensure that all potential bidders would be treated the same and no bidder would have access to information about the process before any other bidders;
- Application of Confidentiality Agreements ("CA"), as signed by members of all teams, a Code of Conduct, affiliate rules, and Appendix F of the RFP – Process for the Protection of Proposal Information;
- ESL personnel involved with the ELL RFP evaluation process will adhere to the provisions of a confidentiality acknowledgement that governs access to and use of information contained in proposals and proposal related documents;
- Designation of an RFP Administrator (i.e., Bid Event Coordinator) as a single point of contact to manage RFP communications. Bidders were required to direct all RFP questions, information requests, and other inquiries to the RFP Administrator in writing using the RFP Administrator's email reference included in the RFP Main Body document;
- Development of a dedicated website specifically for the RFP which contained all pertinent RFP information managed by the RFP Administrator. This allows all prospective bidders to access the website at any time and assist in decisions about proposal preparation. In addition, ESL also utilized

the PowerAdvocate Platform[8] for submission of proposals and documents with the ESL Administration team upon completion of Bidder registration;

- Submission and "lock down" of the self-build option several days prior to submission of other proposals. The self-build proposal was available to the IM at the same time it was submitted in the RFP via the PowerAdvocate platform, several days before other proposals were due;
- Requirement that the self-build option submit all the same information as other proposals to ensure the same information for each proposal is consistently utilized and evaluated;
- Use of Bidder and project ID numbers to distinguish each proposal rather than using and revealing Bidder and project names to some of the evaluation teams, notably the Economic Evaluation Team. The ID numbers were used for purposes of providing information to the project teams for each proposal. The intent of this process element along with redaction of information noted below is to eliminate or minimize any bias in the evaluation if evaluation team members had other knowledge about a specific project;
- Redaction of bidder names and other information to "blind bids" and ensure there is no possible bias in the evaluation[9];
- Development of a formal redaction process and information distribution process to the various proposal evaluation teams;
- Inclusion of an Independent Monitor to oversee the process to ensure it is fair and equitable to all Bidders;
- The RFP documents were publicly posted on ESL's 2024 ELL RFP website which allowed all Bidders access to the same information at the same time. In addition, ESL held a Bidders Conference for all prospective Bidders and also allowed Bidders to ask questions which could assist in developing their proposals.

All Entergy employees were required to adhere to the applicable Affiliate Rules (posted on the website for the RFP) and Confidentiality Agreements ("CA").

In addition, employees involved with the RFP evaluation process will adhere to the provisions of a confidentiality acknowledgement that governs access to and use of information contained in proposals and proposal related documents.

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[8] PowerAdvocate Sourcing Intelligence Platform is an interactive web-based information exchange platform designed to allow for communications between the utility and Bidders. The platform contains all information pertinent to the solicitation process, including the RFP and related documents, questions and answers, announcements regarding the solicitation process, bid forms which respondents must complete and submit with regard to Commercial, Technical and Pricing information, and other documentation to support the Bidder's proposal.

[9] For example, project pricing information would be provided only to the teams that required such information.

Entergy also defined the personnel involved in each of the evaluation teams and provided a list of the employees, their contact information and the team on which they participate to the IM who oversees and reviews the roles of the teams during the process.

The self-build team was by design functionally and physically separate from the RFP teams.[10] The self-build team was comprised of employees who essentially operated as the project development group within Entergy. Members of the self-build team and any individuals supporting them were required to sign Confidentiality Agreements detailing any restrictions regarding information or other activities affecting them and the requirement that they abide by the same processes and requirements as any third-party.

One of the recommendations made by the IM based on experience with other solicitations was that in any case where a meeting or discussion would occur between any members of the self-build team and RFP Administration or Evaluation team members regarding the RFP, that the IM should be informed of the communications and could be present, either via telecom or in person to monitor any discussions. The RFP Administrator indicated that this was a common practice adopted by ESL for such solicitations.

The application of safeguards to ensure that the self-build option or company bid has no inherent advantage in the solicitation process is important for eliminating any concerns by prospective bidders over self-dealing. ESL has included a comprehensive list of safeguards in the solicitation process.[11]

4.1.10 Issuance of Final RFP

The 2024 ELL CCCT RFP documents, including the Main body document, were posted to the website by ESL on January 27, 2025. ELL noted that the final versions of the RFP documents include revisions to the RFP documents made as a result of ELL's consideration of the input received during the comment period as well as a schedule update. The notice of issuance of the final RFP also provided the requirements for registering for the RFP and identified the processes for submitting questions.

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[10] From a physical separation perspective, the self-build team's offices were located in the same ESL building as the evaluation teams' offices but were located on a separate floor. Moreover, most employees worked remotely during the pendency of the RFP due to the COVID pandemic.

[11] The IM was actively involved in designing the Framework for Competitive Bidding in Hawaii, including the safeguards to ensure the process was a fair and equitable process for all Bidders and is very familiar with the safeguards adopted throughout the industry, including those safeguards included in Bidding Rules or Guidelines adopted in a number of states. ESL's list of safeguards utilized generally exceeds industry practices.

In addition to posting the RFP documents to its website, Entergy also sent an email to its contact list for similar RFPs and also issued the notice to trade publications announcing the issuance of the expected final RFP documents and availability of the ESL website for the RFP.

The documents posted to the website on January 27, 2025, included the following:

- Appendix A (Glossary)
- Appendix B-1 (Term Sheet - PPA)
- Appendix B-2 (Term Sheet - Toll)
- Appendix B-3 (Term Sheet - BOT)
- Appendix B-4 (Scope Book – BOT)
- Appendix C (Due Diligence – Developmental)
- Appendix D (Reservation of Rights)
- Appendix E (Credit Collateral Requirements)
- Appendix F (Protection of Proposal information)
- Appendix G (Supplier Information)
- Bidder Registration Agreement
- Bidder Registration Form
- Main Body
- Proposal Submission Agreement
- Viability Self-Assessment
- Proposal Submission Template

A few of these Appendices are worth elaborating on given their importance in the proposal development and evaluation process. For example, Appendices C (Due Diligence - Developmental) contain questions and requests for information or materials that Bidders will be required to answer or provide in connection with any proposal submitted into this RFP based on a Developmental Resources (Appendix C). Information is requested in the following categories:

- Project Overview
- Bidder Experience
- Project Development Status
- Electrical Interconnection and Transmission Service
- Environmental
- Project Structure, Credit and Financial Information
- Taxes
- NERC/CIP Compliance
- Fuel Supply and Transportation
- Carbon Capture and Storage (BOT Resource Only)

Much of this information would be used by the Viability Assessment Team ("VAT") to conduct its due diligence and project viability assessment for each proposal.

The Proposal Submission Template is another important document. The Proposal Submission Template contains the following tabs:

- Proposal and operational information
- Guaranteed heat rate
- Pricing
- Special Considerations

This document includes the pertinent pricing and operational information that the Economic Evaluation Team and Aurora teams would use in their evaluation. In addition, the Special Considerations section allows Bidders to include any special operational conditions associated with their project or identify any constraints.

The final important document for bid evaluation is the Viability Self-Assessment Form. This Form requests the following information provided by the project sponsor:

- Resource Overview
- MISO Interconnection and Transmission Service information
- Commercial
- Operations and Maintenance
- Special Exceptions

Merrimack Energy reviewed these documents and forms in detail to ensure the information that was requested by Entergy in Appendix C – Due Diligence was used in the bid evaluation process and that the evaluation criteria and information requested were closely linked. In other words, based on the evaluation criteria established, Merrimack Energy was focused on whether the information requested allowed the analysts the ability to effectively evaluate all the proposals consistently. Comments raised by the IM were focused on ensuring that a complete list of criteria were addressed and that the information required to conduct the evaluation relative to the criteria was consistent.

A summary of the key parameters and requirements for the products solicited in the RFP is provided in Appendix A. Also included in this Appendix A is a further description of the components of the RFP, including requirements of bidders, eligibility requirements, evaluation process, and other important provisions included in the Main Body document.

4.1.11 RFP Schedule

The RFP schedule envisions an approximate 11-month period from issuance of the final RFP to execution of the Agreements from the RFP. Table 2 provides the schedule for the RFP as listed.

Table 2: RFP Schedule

Activity	Schedule Date
Draft RFP Documents Issued	November 11, 2024
Bidders Conference	November 25, 2024
2nd Bidders Conference	December 30, 2024
Comment Deadline for Draft RFP Documents	January 13, 2025
Final RFP Documents Issued	January 27, 2025
Bidder Registration Period	February 3, 2025 until February 6, 2025
Proposal Submission Fee Payment Deadline	February 13, 2025
Commencement for Self-Build Option Proposal Submission Period	March 14, 2025
Self-Build Option Proposal Submission Deadline	March 20, 2025
Commencement for 3rd Party Proposal Submission Period	March 21, 2025
3rd Party Proposal Submission Deadline	March 27,2025
Notice to Bidders of Primary and Secondary Selection Lists	June 30, 2025
Comprehensive Due Diligence and Definitive Agreement Negotiations Begin	July 1, 2025
Bidders Remaining on Secondary Selection List Released from Proposals	August 1, 2025
Definitive Agreement Executed	December 31, 2025
Regulatory Approval Process Complete	December 31, 2026

4.2 Evaluation Process

According to the 2024 ELL CCCT RFP, ELL will undertake a two-phase evaluation process. Following proposal submission, proposals will be assessed for compliance with the Threshold Requirements. Proposals remaining in the RFP after the Threshold Requirements compliance review will then be evaluated in Phase I to identify the most economic proposals and significant high-level risks or RFP nonconformities associated with such proposals. Based on the Phase I evaluation results, ESL may reduce the number of proposals under consideration and may develop a preliminary shortlist of proposals. Phase I will end after the completion of the Phase I evaluation of proposals and the establishment of the shortlist or the determination by ESL that the shortlist is not necessary for this RFP.

In Phase II of this RFP, proposals placed on the shortlist or otherwise remaining in this RFP will be evaluated in greater detail. Both quantitative and qualitative assessments will be undertaken with the objective of assigning a proposal ranking

and a recommended disposition for each proposal. In Phase II, the VAT will review the remaining proposals and develop a risk assessment/viability profile of the proposals. From a quantitative perspective, the EET will evaluate shortlisted proposals based on sensitivity analysis of key assumptions as well as potentially a range of project costs, particularly for the self-build option. A final list setting forth the proposals selected for possible negotiation of a Definitive Agreement will be created. A final list of proposals will be developed including those selected for negotiations of a Definitive agreement and those selected for a secondary selection list.

The roles of each team are provided in more detail below with regard to the evaluation process based on the description of the teams included in the RFP.

4.3 RFP ADMINISTRATION TEAM

ESL designates a Bid Event Coordinator and RFP Administration Team for each solicitation. As described in the RFP Main Body document, the RFP Administration team will act to ensure that each Evaluation Team has the information needed to perform its analysis and act to facilitate the evaluation of proposals by all Evaluation Teams so that the evaluation process results in the proper assessment of the economics and other relevant elements of the proposals. The RFP Administration Team will also determine which proposals (if any) will be placed on the Primary Selection list and the Secondary Selection list. Each of the Evaluation Teams, the RFP Administration Team, and the RFP Administrator will have the right to ask Bidders clarifying questions or request additional information that it believes may help the evaluation process.

The Bid Event Coordinator's responsibilities include (1) acts as liaison between the Participants in the RFP and ELL on all RFP-related matters; (2) ensures that Bidder questions that ELL receives are addressed; (3) receiving, recording, and maintaining Bidder proposals; (4) interacting with the IM; and (5) managing other administrative matters related to the RFP.

4.4 ROLES & RESPONSIBILITIES OF THE RFP PROPOSAL EVALUATION TEAMS

The proposal evaluation process will be carried out by five separate evaluation teams: (1) the Economic Evaluation Team ("EET"); (2) the Transmission Evaluation Team ("TET"); (3) the Viability Assessment Team ("VAT"); (4) the Accounting Evaluation Team ("AET"); and (5) the Credit Evaluation Team ("CET"). In addition, the process includes an RFP Administration Team as well as a Bid Event Coordinator, who is a member of the Administration Team. The Bid Event Coordinator acts as the liaison between the participants in the RFP and ESL on all

RFP-related matters. The RFP document also describes each of the Evaluation Teams and their roles.[12]

4.4.1 Economic Evaluation Team ("EET")

The EET team is responsible for evaluating the economics of proposals received in this RFP and developing the economic ranking of such proposals. EET's evaluation will rely on tools and methods commonly used by ESL and ELL for long-term planning and resource evaluations, including spreadsheet modeling and production cost modeling using the Aurora model. The EET's economic evaluation team will perform a customer net benefit analysis to identify the most economic proposals submitted into the RFP. The economic evaluation will estimate each proposal's net benefit or cost by subtracting the total cost of a supply portfolio that includes that proposal from the total cost of a supply portfolio that does not. The analysis considers fixed and variable costs and benefits, including proposed pricing, interconnection, and transmission upgrade costs, fixed gas reservation charges, (if applicable), emissions credit costs (if applicable), property tax estimates, capacity value, variable supply cost impacts, and any other applicable costs and benefits. Variable supply cost impacts produced by each proposal when added to ELL's resource portfolio will be estimated using the Aurora production cost model. All costs and benefits will be evaluated over the full evaluation period.

The Production Cost Assessment sub-team of the EET uses the AURORA production cost model to produce a forecast of variable costs, energy revenues, and projected operations for each proposal and to assess the effect of each conforming proposal on ELL's variable supply cost over the evaluation period. AURORA results will feed into the EET economic evaluation models as inputs for the net benefit analysis.

4.4.2 Transmission Evaluation Team ("TET")

For the RFP process, the TET is responsible for assessing the interconnection, deliverability, and transmission considerations associated with each proposal received in the RFP, identifying and estimating for this RFP the timing, scope, and costs of transmission upgrades required to interconnect and deliver the energy output of the proposed resource to the applicable Electrical Interconnection Point, reviewing proposals for compliance with the interconnection, deliverability,

[12] The Evaluation Teams have a prominent role in the solicitation process including preparing the evaluation criteria and evaluation methodology for their function, reviewing the sections of the proposals pertinent to their evaluation responsibilities, preparing any follow-up questions for Bidders, and conducting evaluation and due diligence for each proposal. The flow of information between each of the teams and the RFP Administration team is reviewed and signed off on by the IM.

and transmission requirements of this RFP, evaluating other interconnection, deliverability and transmission aspects of proposals, and informing the RFP Administration Team of the results of its assessment. Its cost estimating responsibilities include developing and providing the RFP Administration Team cost estimates associated with interconnection, deliverability, or transmission upgrades not identified in a Bidder's proposal but identified by the TET or appropriately identified in the proposal, but in the TET's opinion, may not be properly estimated.

The specific analysis the TET expects to perform in its evaluation of proposals includes the following:

- ERIS: Evaluate the ERIS upgrades and cost estimates associated with a proposal;
- NRIS (or NITS): Evaluate the NRIS (or, if applicable, NITS) upgrades and cost estimates associated with a proposal;
- Reliability: Evaluate the proposal's ability to meet the NERC TPL-001-4 standard and the applicable Entergy Transmission Planning Criteria and determine any necessary upgrades and cost estimates to satisfy these standards:
- Transient Stability: Assess each proposal's impact on satisfying the NERC TPL-001-4 standard and the applicable Entergy Transmission Planning criteria. The evaluation will include the assessment of any upgrades, improvements, and costs necessary for the proposal to meet these standards and criteria:
- Consolidated Upgrades: Determine the incremental upgrades needed to satisfy the reliability standards and transient stability criteria in conjunction with Bidder's identified upgrades for obtaining ERIS and NRIS or, if applicable, NITS.

In conducting its proposal evaluations, the TET will be considering the deliverability of power from the proposed resource, the resource's effect on system reliability and the deliverability of power from other resources, and the adequacy of interconnection, deliverability, and transmission cost estimates and upgrades identified in the proposals to meet all applicable NERC, MISO and ELL requirements, criteria, and standards, and all applicable laws.

4.4.3 Viability Assessment Team ("VAT")

The VAT team reviews and assesses the technical, environmental, fuel supply and transportation and commercial merits of the proposals. The VAT team includes subject matter experts within the company associated with each of the

evaluation criteria focus areas.[13] The subject matter expert in a specific area is responsible for developing the evaluation criteria and evaluating each proposal with respect to his or her area of expertise. The key objectives and functions of the VAT team include the following:

- Review the Bidder's response to the Project Self-Assessment form, due diligence questionnaires, proposal templates, and clarifying questions for its proposal;
- VAT will review proposals to determine if the proposal meets the VAT assessment threshold requirements;
- Confirm that the operational characteristics and related costs provided by the Bidders in their proposals are reasonable and credible;
- Assess and evaluate risks associated with each proposal based on the evaluation criteria established and scorecard developed;
- The VAT will develop a final viability ranking and recommendation for each proposal and seek the IM's concurrence with the final scores and ranking;
- Provide a final viability ranking and recommendation, with supporting documentation, to be factored into the evaluation of proposals that will lead to the selection of resources for the Primary Selection List and/or Secondary Selection List.

VAT may seek and incorporate into its viability assessments input from other Evaluation Teams as well.

4.4.4 Credit Evaluation Team ("CET")

The Credit Evaluation Team (CET) analyzes each proposal (except the self-build) to assess potential credit risks and attendant collateral requirements and credit costs. The CET's evaluation seeks to assure that the credit quality of the Bidder (or, if different, Seller), when considered in context of its RFP proposal(s) to ELL, complies with Entergy's corporate risk management standards and that any requirement for material credit support associated with the proposal is made known to Bidder in advance and can be appropriately considered in preparation and evaluation of the proposal. The proposal submitted must include a completed certification that the Bidder understands the credit requirements and its proposal pricing reflects the credit requirements.

[13] These include Plant and Equipment, Operation and Maintenance, Commercial terms, Environmental and Permitting, Fuel Supply and Transportation, Real Estate, and other disciplines as required.

4.4.5 Accounting Evaluation Team ("AET")

The AET will perform an assessment of each proposed Definitive Agreement to determine the relevant accounting treatment with respect to such proposal, including an analysis of whether the Agreement (1) contains a lease and whether the lease is a finance lease or an operating lease pursuant to the Financial Accounting Standards Board ("FASB"); (2) whether the legal entity owning the subject generation asset during the contract term is a Variable Interest Entity ("VIE"); (3) whether the proposed agreement is or includes a Derivative; or (4) whether there are any other adverse accounting implications.

The AET's accounting assessment of proposals offered into the RFP will include assessments based on the existing accounting standards at the time of the AET's assessment, but also includes assessments based on future accounting standards if applicable.

The RFP states that ELL will not enter into a Definitive Agreement for a PPA, Toll, or any related agreement pursuant to this RFP that will or may result in the recognition of a long-term liability on the books of ELL, whether the long-term liability is due to lease accounting, the accounting for a VIE, or any other applicable accounting standard. If the Bidder offers a PPA or Toll, the Bidder must include in its proposal a certification from the Bidder that, to the best of the Bidder's knowledge, will not result in the recognition of a long-term liability by ELL. The Certification must be prepared under the direction of and signed by the Principal Accounting Officer.

4.5 SELF-BUILD OPTION

In its Main Body RFP document, ELL noted that it intends to develop and submit into the RFP one or more Self-Build Options. The RFP noted that one potential Self-Build Option would be a CCCT facility that would be built at or near the site of the Roy S. Nelson generation facilities in the WOTAB region of ELL service area. The second Self-Build option would be a CCCT facility that would be built at or near the site of the Little Gypsy generation facilities in the Amite South region of ELL's service area. The self-build options will optimize the proposed CCCT base configuration and may include options such as HRSG duct-firing or evaporative cooling to increase performance or output of the proposed resource. The self-build options will be designed to run exclusively on natural gas or a blend of natural gas and hydrogen.

The Self-Build options may utilize existing infrastructure and resources at the ELL sites, including existing administrative or plant support infrastructure. Generation

from a facility offered as a self-build option may interconnect with existing ELL transmission located at or near the site.

The Self-Build option will be considered an alternative to third-party proposals submitted into the RFP. If one or more third-party resources from the RFP are selected for contract negotiations, ELL may continue to take the steps necessary to preserve one or more of the self-build options as a viable option in case negotiations with any third-party do not lead to a Definitive Agreement. If selected in the RFP, the self-build facility is planned to be placed into commercial service by no later than December 31, 2030.

The RFP required the Self-build team to submit a completed proposal based on the same information required of all other Bidders to the RFP Administrator and the IM prior to receipt of proposals from other Bidders. For this RFP, the Self-build option is due no later than 5 p.m. Central time on March 20, 2025, before the proposal submission period begins for non-self-build options (i.e., March 21,2025).

4.6 RETENTION OF AN INDEPENDENT ENGINEER ("IE")

During the development of the solicitation process, ESL reminded the IM that one of its general practices for ELL solicitations was to retain, through the IM, an Independent Engineer to provide technical assistance to evaluate the reasonableness of the major cost components associated with Entergy's self-build proposals, and potentially, assist with assessment of RFP submittals by third-parties. As listed in the Request for Information prepared by ESL for potential IE candidates, the role of the IE is to provide technical assistance to evaluate the reasonableness of the major cost components associated with Entergy's self-build proposal(s), and potentially third-party developmental resources.

ESL and the IM discussed options for soliciting the services of an IE prior to developing a Request for Information for qualified Independent Engineering consultants. The parties prepared a Request for Information. Attachment 1 of the Request for Information describes the tasks expected of the IE for the Self-build option monitoring activities. The IE will be required to monitor the cost estimates associated with the self-build option. The IE's cost estimate monitoring will be to evaluate the reasonableness of various cost estimates developed by the Entergy self-build commercial team, including the following specific cost categories:

- Equipment
- Bulk materials
- Engineering, Construction Management, and start-up services
- Insurance
- Taxes, Legal expenses, and permits and fees
- Contingency costs

- Owners Costs
- O&M costs
- Capital Expenditures

The IE will be required to identify any deficiency in the assumptions and methods used in developing the self-build option costs and will work with ESL to address and resolve such deficiencies.

Since the previous IE, Burns & McDonnell, declined to offer IE services for this RFP, ESL initiated outreach activities to identify other engineering firms that could provide an IE review of the self-build proposals. ESL identified one company, Worley Consulting, who was willing to submit a quote for IE Services that did not have a conflict of interest with the self-build development team. Merrimack issued the Request for Information ("RFI"), which required that the IE would monitor the cost estimates associated with the Self-Build Option.

Worley provided an acceptable proposal and quote and therefore was retained as IE. ESL and the IM agreed to retain Worley Group, Inc. as the IE based on their proposal to provide a review of the cost estimates associated with the self-build option(s). The IEs cost estimate monitoring will evaluate the reasonableness of the various cost estimates developed by the self-build team. Worley indicated it would utilize a combination of proprietary in-house statistical database of benchmarking and metrics for project actuals (from final constructed projects) and project estimates along with industry standard benchmarking analytics.

4.7 BIDDER REGISTRATION PERIOD

The Bidder registration period was scheduled for February 3, 2025, to February 6, 2025. According to the RFP, a Bidder must complete the Bidder Registration process to be eligible to submit a proposal. To register for the RFP, all Bidders, including those sponsoring the Self-Build Option would be required to complete a Bidder Registration Agreement and Form.[14] Only Registered Bidders would be permitted to submit proposals into the RFP. Following submission of its completed Bidder Registration Agreement, Bidders will be issued a unique Bidder ID number. Additionally, each registered resource and proposal would receive its own Resource ID and Proposal ID. The ID numbers were to be used by the Bidder as identification of its project when submitting information to ESL. The use of ID numbers was designed to ensure that appropriate protections are in place to

[14] The Bidder Registration Form requested the following information from the prospective Bidder: (1) Bidder Name; (2) Bidder Contacts; (3) Generation Facility name; (4) Facility location; (5) Owner of facility; (6) Proposal type (i.e., PPA, Toll, Acquisition); (7) MISO Queue number; (8) Nameplate capacity; (9) Target Commercial Operation Date; and (10) Electrical Interconnection Point; and (11) Facility Deliverability details.

minimize the dissemination of information that explicitly identifies Bidders to Evaluation Team members who do not need to know that information. The use of Bid numbers in combination with redaction of bidder names and project information is designed to ensure the bid evaluation process is as generic or neutral as possible.

Bidders were also required to pay a Proposal Submittal Fee of $5,000 for each proposal registered. ESL bills the Bidder the total Proposal Submittal Fees following the end of the Registration Period.[15]

There were [redacted], one of which was the self-build team.

4.8 ECONOMIC EVALUATION TEAM MEETINGS WITH IM & LPSC

ESL organized a meeting for the IM and several ELL Project teams on March 14, 2025. As is standard practice, prior to receiving proposals, the EET team met with the IM to discuss their proposed methodologies for evaluation of proposals in their specific area of expertise. The purpose of the meeting was to identify the key components of the economic evaluation and implementation methodology in the total supply cost calculation for each proposal.

The Economic Evaluation involves integration among several teams. The purpose of EET's presentation is to identify key components of the economic evaluation and describe how each component will be considered in the total supply cost calculation for each proposal. The EET's objective is to generate a Net Cost/Benefit calculation for each proposal and to rank proposals based on the three metrics; (1) Total Net Benefits – NPV 2025 $ (Million $); (2) levelized real $/kW-year over the proposal delivery term; and (3) levelized real $/MWh. ELL noted that the economic evaluation would utilize tools and methods commonly used by ELL for long-term planning and resource evaluation, including a Net Benefit analysis using an Excel model and the Aurora[16] production cost model outputs. The Net Benefits of a proposal would be determined by subtracting the total costs from

[15] Proposal fees are refunded to Bidders only under the following circumstances as described in the RFP: (1) Bidder registers a proposal and pays the fees but does not complete the proposal submission; (2) Bidder completes a proposal but withdraws the proposal prior to the Proposal Submission deadline; (3) ESL cancels or terminates the RFP prior to selection of proposals.

[16] Aurora is the primary production cost tool used by Entergy for long-term planning and for MISO market modeling. Aurora simulates the hourly operations of the power market over a projected study period. The Aurora team runs the model to assess the energy value attributed to the gas project addition.

the projected benefits (i.e., Capacity Value and Variable Supply Cost Savings).[17] Table 3 details the costs and benefits of each resource type as described in the presentation.

Table 3: Costs and Benefits of Each Transaction Type

BOT/Self-Build	PPA/Tolls
Costs	
Acquisition Capital Cost	PPA Pricing
Transmission & Interconnection Costs	Fixed Cost
Additional Capital Revenue Requirements	Transmission costs
Land Acquisition & Land Lease Costs	Other costs
Fixed and Variable O&M	On Balance Sheet Lease Treatment
Property Tax	Imputed Debt
Insurance	Transaction Adder
Fuel Transportation	Fuel Transportation Costs (Tolls)
Transaction Adder	
Benefits	
Capacity Value	
Variable Supply Cost Savings	

For PPA or Tolling agreements, the Bidder will provide the capacity price ($/kW-year), either fixed or escalating which should be inclusive of property taxes and operating costs, as well as Variable O&M and heat rate. The bidder provided variable O&M, heat rate, and delivered gas price will be included in the Aurora model to utilize in the Variable Supply Cost Savings calculation.

Aurora will generate Variable Supply Cost Savings for the base case (no additional resources) and cases with each of the proposals included. EET will utilize the data to calculate the Variable Supply Cost Savings between the base

[17] The Aurora team and EET work closely together on the quantitative evaluation methodology. Components of the Aurora outputs are combined with the EET spreadsheet model to generate the total Supply Cost for each proposal and portfolio. Essentially the EET model combines the fixed cost components and value of each proposal along with a forecast of variable operating costs and energy revenues to generate a Net Supply Cost for each proposal. The Net Supply Cost analysis relies on production cost modeling and spreadsheet models to project the cost of serving the Company's customers with the addition of the proposed RFP resource to the generation portfolio. The analysis considers fixed and variable costs, as well as forecasted energy revenues and capacity value. The effect of each proposal on total supply cost will be compared over the evaluation period.

case and change case. For PPAs and Tolls, the Aurora team will include bidder specific variable O&M in their modeling.

For Capacity value calculations, capacity will be valued at ELL's Business Plan 2025 levelized cost of a CT with hydrogen firing and fuel demand charges. Seasonal capacity credits for the resource will be provided by the bidder.

The Aurora Team's primary role is to run the Aurora Electric Market Model, a production cost model, to assess the impact of each conforming proposal on ELL's Variable Supply Cost.[18] Project Variable Supply Cost from the Aurora runs will be provided to the EET team for use in the Total Resource Cost Analysis.

EET also identified sensitivity cases around risks and key drivers that EET plans to run. These include:

- TET Transmission Cost Estimate – TET will perform an independent assessment of proposed transmission costs and provide to EET
- Without On Balance Sheet Lease Treatment
- Without Imputed Debt
- Power Generation Costs – EET may evaluate a scenario in which power generation provided fixed O&M, variable O&M, and additional capital are used
- Fuel Transportation Costs – Reflect non-firm fuel transportation based on bidder-provided information
- Property Tax Benedit – Show property tax for Acquisitions as both a cost and a benefit to reflect the societal benefits property taxes provide to ELL's customers.

4.9 INPUT ASSUMPTIONS & MODEL REVIEW

One of the objectives of ESL at this time was to lock-down the forecasts and key input assumptions for the reference case as part of the evaluation process prior to receipt of proposals.

The Aurora assumptions, including fuel, CO2 prices, and plant operational assumptions were locked down by March 14, 2025. The following input assumptions were presented:

- Book Life for Developmental Resources and Transmission Upgrades
- MACRS Schedule for CT, CCCT, and Transmission
- ELL Weighted Average Cost of Capital
- ELL Tax Rate
- Inflation Rate

[18] Variable Supply Cost = [Load Payment + Uplift Charge + Generator Variable Cost] – [Generator Energy Revenues + Make-Whole Payment +FTR Revenue].

- Normalization of Proposal Duration[19]
- Fixed O&M Rate

EET also sent a copy of its evaluation model that would be used for evaluation of all cases and sensitivity cases. The IM reviewed the model prior to lockdown.

The gas and CO2 price assumptions were not reviewed during the initial evaluation meeting but were provided later in the process in the selection presentation.

4.10 QUALITATIVE EVALUATION

In addition to the economic evaluation, the VAT team will evaluate proposals relative to qualitative considerations. The VAT will conduct an initial proposal review and check the proposals to ensure they meet the minimum or threshold requirements qualification checklist. VAT has prepared such a checklist and uses the checklist to confirm whether the proposal is conforming or not.

The VAT team provides several functions in the evaluation process. First, the VAT team reviews and assesses the technical, environmental, fuel supply and transportation, and commercial merits of the proposals submitted to determine if the proposals meet threshold requirements. VAT reviews the self-assessment provided by each Bidder and will use the self-assessment to determine Bidder's compliance with the RFP requirements. Second, the VAT team conducts a detailed viability assessment of each proposal based on the evaluation criteria established prior to receipt of proposals for each of the attributes identified.

VAT also developed a Scoring Legend that includes each evaluation category and sub-categories along with the criteria for scoring proposals The members of the VAT team, which include subject matter experts from different functional areas within ESL, are responsible for evaluating each proposal relative to their area of expertise. The VAT team reviews the Bidder's response to the Project Self-Assessment provided by the Bidder with its proposal, due diligence questionnaires, proposal templates, and responses provided by Bidders to VAT team questions. All told, there are six (6) high-level categories and twenty-seven (27) sub-categories in total within the high-level categories.

The criteria and weights for each criterion that serve as the basis for the VAT evaluation are listed in Table 4.

[19] ESL will use the levelized real approach to calculate proposal net benefits on a $/kW-year (2025$), levelized real basis. This will allow for the comparison of proposals with different terms.

Table 4: Viability Assessment Criteria

Evaluation Criteria	Weight
Commercial	
Deviation from Key Proposal Guidelines	
Product Delivery Term/Start Date	
Viability as Long-Term Supplier	
Power Supply Off-Take Agreements	
Site Control	
Long-Term Liability Risk	
Financial Information	
Operations	
Overall Status & Condition of Major Equipment	
Key Plant/Support Personnel Experience & Knowledge	
Risk	
Flood Zone	
Flood Mitigation	
Property Construction & Fire Protection Risk Profile	
Environmental	
Status of Critical Permits	
Environmental Compliance	
Operating Restrictions/Concerns	
Taxes	
State & Local Sales/Use Tax Compliance	
Ad Valorem Tax	
General State/Local Incentives	
Permitting, Registrations, & Other Fees	
Fuel Supply and Transportation	
Access to Supply Areas	
Gas Pressure Rating	
Swing Capability Rating	
Availability of Regional Gas Storage	
Pipeline Interconnection	
Type of Transportation Available (Firm/IT)	
Fuel Metering for Allocation to Power Blocks	
Business Experience with Pipelines	

Total	100%

The VAT also developed a more detailed definition of the parameters for scoring each proposal on a 1 (Meets Few Requirements), 5 (Meets Some Requirements), or 10 (Meets Most Requirements) point scale, with the definition developed and locked-down prior to receipt of proposals. ESL also included a listing of requirements under each of the above point categories which applied to a PPA/Toll resource and a BOT resource separately.

A third role of the VAT team is to provide input to other teams as required, such as the EET, in such areas as fuel supply and transportation costs and environmental cost issues. For example, the members of the VAT team validated operational information provided in the proposals such as heat rates, operational parameters, variable costs, etc. before the information is input into the EET model.

5 RECEIPT OF PROPOSALS AND EVALUATION & SELECTION PROCESS

5.1 PROPOSAL SUBMISSION

ELL received [redacted] Table 5 provides a summary of the proposals submitted.

Table 5: Summary of Proposals Submitted

Bidder/ID	Proposal ID	Resource Name	Transaction Type	Guaranteed COD	Nameplate Capacity (MW)
[redacted]					

5.2 PROPOSAL REDACTIONS

ESL proposed to redact the proposals after submission and prior to distribution to the appropriate evaluation teams. The Administration team removed pricing from all VAT documents, and also scrubbed other documents as needed for information that was required to flow to other teams.

Once the proposals were submitted and the redaction process was initiated, the IM reviewed the proposed redactions from the ESL Administration team for each document and either agreed with the information redacted or requested clarification about the proposed redacted information that would be sent to the various teams. Once the IM reviewed the redacted information for each proposal and approved the redactions, the RFP documents were then made available to the evaluation teams based only on the information required to conduct their evaluations. This process was intended to ensure that each evaluation team only receives the information pertinent to their respective evaluations. The objective of the redaction process was to reduce the potential for bias on behalf of Entergy's evaluation teams and increase the efficiency of each team's evaluation process.

5.3 CONFORMANCE WITH THRESHOLD REQUIREMENTS & CLARIFICATION QUESTIONS

After proposal submission, the Administration Team and Evaluation teams reviewed the proposals offered into the RFP in order to determine compliance with the Threshold Requirements. Proposals that fail to satisfy the Threshold Requirements may be eliminated from this RFP on that basis or may be allowed to continue in the evaluation process. ESL submitted over thirty-five (35) questions in total to both bidders via the PowerAdvocate platform to clarify offer details, all of which were answered by the respective bidders.

There were concerns about the eligibility of [redacted] due to the Toll transaction potentially triggering lease accounting. ELL communicated with the bidder through PowerAdvocate and scheduled a call on May 5, 2025, that the IM attended. ELL raised the concerns of the tolling agreement resulting in a lease liability and discussed potential options and opportunities to mitigate this concern. As a result of the call, on May 16, 2025, the bidder submitted an updated proposal. To eliminate the accounting issues, [redacted] Additionally, the bidder noted that a fuel services agent would manage the fuel services and a market participant would manage the resource's participation in MISO markets, where Entergy could serve in both roles. Entergy, in consultation with internal evaluation teams and the IM, determined that the updated proposal was conforming.

5.4 INDEPENDENT ENGINEER REVIEW OF SELF-BUILD PROPOSAL

Worley Consulting was retained by ESL to conduct an independent evaluation of the self-build proposal(s) submitted by Entergy into the 2024 ELL CCCT RFP. The

projects reviewed by the IE were the two 754 MW_{AC} Waterford 6 and Westlake projects. Worley reviewed the capital costs of the projects, the resource and energy assessments provided, status of site control, and O&M costs.

On April 9, 2025, ESL coordinated a meeting with Worley and the self-build team to provide an overview of the two self-build projects submitted. This provided Worley and the IM the opportunity to ask questions about the projects and discuss administrative items such as document organization prior to the IE beginning their in-depth assessments. Table 6 provides the key details of each proposal as presented.

Table 6: Overview of Key Resource Details

Resource Name	Westlake	Waterford 6
Proposal ID	P5787	P1010
Technology	1x1 CCCT (MHA 501 JAC Air Cooled Standard Design)	1x1 CCCT (MHA 501 JAC Air Cooled Standard Design)
Summer Nameplate Capacity (MW)	754	754
COD	[redacted]	[redacted]
POI	Nelson Substation	Little Gypsy Substation
Interconnection/Transmission	Plans to use Interconnection rights from adjacent retiring Nelson coal plant	Plans to replace Little Gypsy generator and utilize that facility's NRIS
Purchase Price	$1,821,600,000	$1,728,300,000
Interconnection Costs	[redacted]	[redacted]

During Merrimack's due diligence review of the self-build projects, the IM developed a list of questions for each proposal that the self-build team responded to. The questions revolved around cost estimate components, transmission and interconnection assumptions, fuel transportation, and carbon capture retrofitting. These questions and responses were provided to the IE.

On May 27, 2025, Worley presented their IE report to ESL and the IM. Worley provided the following conclusions in their report:

- The estimates met the minimum qualifications for a Class 4 cost estimate; however, the information did not fully meet the requirements of a Class 3 cost estimate, as it wasn't organized according to the Work Breakdown Structure ("WBS") or Code of Accounts ("COA"). Additionally, a Basis of

[20] Interconnection costs do not include any potential network upgrade costs to obtain NRIS, as it is assumed that the NRIS can be transferred from the Nelson coal plant.

Estimate ("BOE") document, which provides transparency and clarity into the cost estimate, was not provided in the proposal packages.

- The projects reflect a Total Installed Cost ("TIC") that is conservative and 10-20% higher than Worley's in-house cost estimates. The values provided for equipment costs were up to 50% higher than Worley's internal assessments. Due to the limited details and no BOE, Worley was unable to effectively determine the underlying reasons for the cost differences. Worley contemplates that higher costs may stem from the equipment design which is tailored to allow for future carbon-related modifications.
- The Level 2 schedule has a projected duration of eighty-two (82) months, which is longer than expected for similar projects. However, Worley was unable to determine the reason for the extended schedule that may be due to constructability, equipment lead-time, or phased construction approaches.

Given some of the concerns, an additional meeting with Worley and the self-build team was held to discuss the cost estimates and documentation provided. The primary discussion topic was that since the self-build proposals stated that the cost estimates were Class 3 estimates, Worley evaluated the self-build documents as Class 3 estimates. The self-build team noted that the cost estimates for both self-build proposals were based on an as-built reference projects which Entergy has recently constructed that utilizes the same technology, configuration, and contractors; therefore, it would be closer to a Class 4 or 5 estimate.

Following the review of the draft report and meeting with the self-build team, Merrimack raised a few questions about the findings. ESL coordinated a meeting with Merrimack and Worley to discuss the clarification questions, which revolved around the benchmark resource cost categories and number of projects included in the IE's benchmark cost estimates. All of the questions were addressed satisfactorily by the IE.

Ultimately, Worley concluded that both estimates are either within the industry norms and expected values (both as overall $/KW and in terms of % of TIC) or within a margin of error. During the presentation, the IM and ESL asked a number of questions related to the IE Report's findings. The primary discussion topic was around the estimate Class, as Worley conducted their assessment with the understanding that a Class 3 estimate was provided, since that is what was stated in the self-build proposals. While Worley concludes that the estimates provided and supporting documentation do not constitute a Class 3 estimate, it should be noted that there is no requirement in the RFP for self-build or BOT proposals provide a Class 3 estimate.

The final IE report is included as Appendix B to the IM Confidential report.

5.5 PROPOSAL REVIEW AND INITIAL EVALUATION

ESL began to evaluate the proposal and supplement the evaluation results based on Bidder response to the questions submitted by ESL to the bidders.

In preparation for receipt of ESL's evaluation results, the IM undertook the following tasks leading up to review of evaluation results:

- Reviewed the proposals in detail;
- The IM prepared a summary sheet of the proposal designed to allow the IM to review all the key proposal inputs relative to the proposal information submitted by the Bidder. The term summary sheet prepared by the IM included detailed proposal pricing information, operational characteristics, heat rates, fuel supply and transportation options, costs and pipeline capacity required (based on VATs fuel cost matrix), electric transmission costs and options, and other proposal information. The IM used the summary sheet as a means of checking all the proposal inputs used by EET for the evaluation of each proposal;
- The IM also focused on ensuring that all costs were properly captured for the self-build. The IM conducted a review of the costs submitted by the self-build team in its proposal and identified cost items for discussions with the ESL Administration team, if required;
- The IM also reviewed the EET model to ensure the equations would accurately calculate the key evaluation metrics as required and appropriately applied the methodology with regard to several important categories. These include:
    - The IM conducted a detailed review of the methodology included in the EET model regarding calculation of imputed debt costs to ensure the model accurately captured the methodology for calculating imputed debt as applied in the industry based on comparison to the imputed debt methodologies used by other utilities;
    - The IM also reviewed the Revenue Requirements sections of the model to ensure all costs associated with the self-build or acquisition option would be calculated properly based on an appropriate revenue requirements methodology.

5.6 EET & VAT EVALUATION RESULTS

On July 7, 2025, the ESL held a meeting with the IM to review the quantitative evaluation results with EET team members and the qualitative evaluation results with VAT team members. EET conducted the net benefit analysis for [redacted]

Table 7 provides an overview of the input assumptions for each proposal.

Table 7: Proposal Input Assumptions for Economic Evaluation

Bidder ID	[redacted]
Proposal ID	
Resource ID	
Resource Name	
Transaction Type	
COD	
Max. Capacity ICAP (MW)	
Min. Capacity (MW)	
Full Load Heat Rate (BTU/kWh)	
Hot Start Fuel (MMBtu/CT)	
Acquisition Price ($M)	
Toll Price ($/kW-month)	
VOM ($/MWh)	
Reference Fuel	
Reference Fuel Adder ($/MMBtu)	
Unplanned Outage Factor	
Maintenance Rate	

Bidder B21 provided an alternate option for proposal P1010 with an earlier COD, which was evaluated. Table 8 provides a summary of the evaluation results presented during the meeting.

Table 8: ELL CCCT RFP EET Results

Bidder ID	Proposal ID	Capacity (MW_{AC})	Start Date	NPV $/kW-yr Levelized 2025$
[redacted]				

ELL calculated the NPV for each proposal under the following sensitivities:

- VSC Savings extrapolated from 2044
- Reference Gas; Medium CO2
- Low Gas; No CO2

For all sensitivities, [redacted]

There were a few assumptions about Transmission and Interconnection costs for [redacted]:

- Transmission costs for P5787 assume NRIS rights can be obtained from the existing Nelson 6 unit once that unit is retired. If NRIS rights cannot be obtained, the transmission and interconnection costs would increase.
- Transmission costs for P1010 may end up higher than assumed depending on the final project design
- For P6384, there were no transmission or interconnection costs included in the NPV analysis, so the inclusion of these costs would make the net benefits results even more negative

While P6384 had negative net benefits under all sensitivities, ELL noted that a portfolio selection [redacted] would result in positive net benefits for the entire portfolio, while also allowing ELL to continue serving their growing load.

On July 7, 2025, the Viability Assessment Team ("VAT") detailed the results of their non-price assessment of each of the proposals utilizing their pre-established criteria and scorecard. Table 9 presents the final evaluation results for [redacted] All of the point totals for each category are out of a total of ten possible points.

Table 9: VAT Scores for Each Proposal

VAT Category	Weighting	[redacted]
Commercial		
Operations		
Risk		
Environmental		
Fuel & Transportation		
Tax		
Weighted Sum		

There were issues raised relating to permits not being in place, potential wetland impacts, and siting relative to zoning and adjacent residential areas; however, none of the issues raised were identified as critical roadblocks.

The IM reviewed the scores developed by VAT as well as the proposals and generally agrees with the overall scores. Following the meeting to review evaluation results, the IM was provided with the EET and VAT presentation decks as well as the backup scorecard and models.

As a result of the evaluation results, ELL decided to select [redacted] including proposal 1010 with an earlier COD date. ELL concluded that [redacted] would allow ELL to continue serving growth while addressing speed-to-market constraints.

5.7 SELECTION NOTIFICATION

On July 9, 2025, ELL remitted selection notices for the three resources selected. ELL requested that the bidder respond with an acknowledgement of their intent to proceed with negotiations with ELL. All bidders confirmed their intent to proceed with negotiations.

6 CONCLUSIONS

Following are the conclusions reached by the IM regarding ELL's 2024 CCCT solicitation process:

- The 2024 ELL CCCT solicitation process was undertaken in a fair, equitable and unbiased manner by ESL with the oversight of the IM. The solicitation process initiated by ESL was a consistent and equitable process designed to treat all proposals the same throughout the process. The IM found that ESL followed its protocols and objectives throughout the solicitation and maintained confidentiality of RFP information throughout the process. ESL's Administration Team and the IM agreed that information about the number of potential bidders should remain confidential with no change in the process to ensure the self-build option would submit its pricing expecting competitive options.

- Through this solicitation process ELL selected three projects for execution and approval including two self-build CCCT units and one Tolling agreement with a third-party provider for a total of 2,128 MW. All three projects scored fairly high from a viability perspective. Both self-build proposals provided positive net benefits to the ELL system. [redacted]

- It has been Entergy's practice to retain an Independent Engineering firm that reports to the IM. The role of the IE is to assess the reasonableness of the self-builds' costs and ensure all costs are appropriately accounted for in the proposal. As IM, Merrimack Energy has often focused on ensuring that all costs are included in the utility self-build proposal or other utility

ownership options. The IE retained for this solicitation was Worley Consulting which has significant experience as an owners engineer on similar projects. Worley concluded that based on its metrics for US$/kW for similar projects, Worley stated that the EPC package values are approximately 10-20% higher than comparable projects. Worley noted that it was not certain the basis of the higher costs, but it did note that the analysis does not factor in the current tariff uncertainties in the US. Worley Consulting also concluded that the costs were reasonable and are the equivalent of a Class 4 estimate.

- ELL undertook a competitive procurement process with oversight by an Independent Monitor designed to ensure all Bidders were treated fairly and equitably. The process was designed based on previous ESL solicitation processes implemented in other states which have implemented formal competitive rules or guidelines.

- The ELL solicitation process contains a number of safeguards[21] designed to ensure that all proposals are treated fairly and that there is no inherent advantage possible for the self-build option. The IM finds that the implementation of the safeguards instituted in the process exceed industry standards. Furthermore, the safeguards were diligently maintained throughout the solicitation process.

- The role of the IM in the ELL solicitation process was designed to be a very active role. Essentially, all communications between the Bid Event Coordinator, ESL Administration Team, Evaluation Teams and all Bidders are passed by the IM.

- ESL treated the self-build option fairly and consistently relative to all other potential proposals from the beginning of the process. The self-build resource was required to provide the same information as all other proposals, was required to respond to follow-up questions and was evaluated consistently relative to the methodology and procedures established for all proposals. Furthermore, ESL ensured all cost information

[21] The safeguards included in the ELL RFP include: (1) separation of the self-build team from the evaluation team; (2) application of a Code of Conduct and Affiliate Rules; (3) designation of an RFP Administrator as a single point of contact with bidders; (4) submission and lock-down of the self-build proposal several days before other proposals are submitted; (5) requirement that all bidders, including the Self-Build Team, submit the same proposal information to ensure each proposal is consistently evaluated; (6) use of bidder, proposal and project ID numbers to eliminate any potential bias in the evaluation; (7) blinding of bid information and redaction of bidder names of other non-pertinent information when distributing information to the bid evaluation teams; and (8) inclusion of an active role for the IM.

provided by all prospective proposals, including the self-build was consistent and complete.

- The RFP process was a reasonably transparent process, providing a reasonable level of information about the requirements for bidding, the products requested, the evaluation methods and methodology, the evaluation process, bid evaluation criteria, information required of the bidder, requirements of the bidder for submitting its proposal, the schedule for undertaking the process, and risk parameters of the Company as identified in the RFP and related contracts. In conjunction with the role of the IM throughout the process, the transparency of the process was consistent and, in some cases, exceeded industry standards for other competitive bidding processes.

- The objective of solicitation process was that all bidders would be treated the same and provided access to the same information, including third-party bidders and the self-build team. The ESL management team was very effective in providing consistent information to all bidders throughout the process, and for ensuring all proposals provided consistent information.

- The Confidentiality Agreement requirements, Code of Conduct and communication protocols were well developed and clearly identified in the RFP and were taken very seriously by ESL team members. The IM was not aware of any violations of ELL's Confidentiality Agreements, Code of Conduct and communication protocols. The Company appeared to diligently follow these guidelines and did not deviate from the requirements.

- The proposal evaluation models and methodologies were appropriate and reasonable for the cost and risk analysis undertaken by ESL. While ESL's analysis for the ELL RFP was based on a fixed supply plan, such an application is common for such an analysis.

- Merrimack Energy has concluded that the models and methodologies used are sufficiently detailed and comprehensive, accurately accounting for all costs associated with the evaluation. The Aurora model, a well-regarded production cost model, which provides input to the overall economic evaluation, is a standard industry production cost model which allows the utility to model broad geographical power markets at a detailed level. For this analysis, ESL modeled existing and proposed resources at the nodal level for the MISO market, incorporating operational information about each unit within the MISO market. This analysis allows ESL to evaluate the impacts of each proposal on total system cost.

- The level of documentation supporting the resource evaluation and selection process was very detailed. The IM had access to the inputs and outputs of the Aurora and EET models in a timely manner and also had opportunities to meet with the EET and Aurora evaluation teams on multiple occasions to review and question the results. ESL provided the detailed back-up documentation to the IM during the evaluation process.

- ESL followed the established process for the 2024 ELL CCCT RFP throughout the competitive solicitation. This included strict application of the threshold requirements, a detailed price and non-price assessment, and documentation of the decisions in the process. In essence, ESL's process proved to be a disciplined and detailed bidding process.

Appendix A – Summary of Key Provisions of the 2024 ELL CCCT RFP

RFP Characteristics	Provision Description
Products Solicited	PPAs and Tolls (Unit Contingent); BOT Acquisition Transactions; and Self-Build Resources.
Requirements	Through this RFP, ELL is soliciting up to 2,000 MW (Summer Conditions) for Capacity, Energy, other available electric products and Environmental Attributes from CCCT Developmental Resources that are eligible resources.
Guaranteed Substantial Completion and Commercial Operation Date	The Guaranteed Commercial Operation Date (PPA and Toll Transactions) is no later than January 1, 2031 The Guaranteed Substantial Completion Date (BOT Transaction) is no later than December 31, 2030.
Eligible Participants	ELL invites proposals from all potential suppliers capable of meeting the conditions and requirements identified in this RFP. Proposals from Qualifying Facilities ("QFs") will not be provided any preference in this RFP solely by virtue of their QF status. Entergy Competitive Affiliates are not precluded from submitting proposals to this RFP. ESL does intend to market-test a self-build alternative as part of the RFP.
Eligible Resources	Existing generation and Developmental Resources meeting the criteria for Eligible Resources must address the following minimum requirements: • Bolster reliability in the LRZ-9 Region; • Satisfy ELL's Long-Term Resource Adequacy and Energy Requirements; • Increase LRZ-9 Storm-Restoration Capabilities.
Eligible Technology	The generation technology permitted for proposals responsive to this RFP is CCCT technology that is equipped with functioning automatic generation control (AGC), has operating parameters that include the ability to operate in baseload and load following roles consistent with MISO operating rules for resources expected to provide ancillary services and is commercially proven CCCT technology. Commercially proven is technology that ESL determines has, as of March 30, 2025, a sufficient amount of operational, maintenance, and performance data.
PPA and Tolls Delivery Term	A minimum of 10 consecutive years and a maximum of 20 consecutive years, with an interest in 15-year or shorter

	terms. ELL typically assumes a 30-year useful life for CCCT technology.
Location	The proposed resource must be physically located in and interconnect directly to a transmission system within LRZ-9.
Capacity Sought	Up to 2,000 MW (Summer conditions) but ELL reserves the right to contract for more or less than 2,000 MW. Individual resource capacity solicited by the RFP is 600-800 MW (Summer conditions). For BOT transactions any proposal must be for the sale of the entire facility.
Technical Requirements - BOT	BOT proposals only – The BOT Scope Book (Appendix B-4) provides general technical specifications for the Facility and related engineering, procurement, and construction matters.
Requirements for PPAs and Tolls	PPAs and Tolls are being sought for the purchase of unit-contingent capacity, capacity-related benefits, energy, other electric products and environmental attributes. ELL will accept PPA and Toll proposals that offer less than the entire capacity of the generation resource. The resource must be fully dispatchable. The pricing components for PPAs and Tolls are identified in the Main Body RFP for each project structure but generally includes capacity payment, energy price, Variable O&M rate, a start charge ($/complete start), and a Start Fuel Charge (fuel amount times gas price).
Commercial Terms and Requirements for a PPA and Toll	The following are a sample of the commercial terms required for a PPA and Toll: • The Monthly Availability Requirement – the resource will be subject to a Monthly Availability Requirement which will be 98% in the Summer Months and Winter Months and 96% in other months. A failure to meet the Monthly Availability Requirement will result in a payment reduction to Seller; • A Rolling 12-month Availability Requirement of 85% will apply for the CCGT resource. A failure to meet the Rolling 12-Month Availability Requirement may result in a termination and termination payment to Buyer; • The scheduling and dispatch flexibility and rights of Buyer under a PPA or Toll will be substantially equivalent to those the Buyer would have if the

	Buyer owned the physical Capacity being purchased; • PPAs and Tolling Agreements arising out of this RFP will include numerous conditions precedent, SC Seller will be required to absorb the risks of the possible disallowance, disapproval, or preclusion of recovery of the LPSC and/or other Governmental Authorities of ELL costs incurred in connection with a PPA or Toll arising out of the RFP under the conditions identified in the agreements.
Commercial Terms and Requirements for a BOT and Acquisition	The RFP also lists commercial terms that are applicable to a BOT or Acquisition option. Among the commercial terms for a BOT are the following: • With the BOT structure, Seller would agree to develop, design, build, commission, test and sell the proposed project to Buyer for a pre-agreed purchase price. Buyer would buy the project and related assets from the Seller at the consummation of the purchase, after each of the Closing conditions had been fulfilled; • The purchase price for the project and other project assets will be payable by Buyer to Seller at three major milestones: the Closing, the Substantial Completion Payment Date, and Final Completion. Seventy-five percent (75%) of the purchase price will be payable at Closing. • The Closing will be scheduled to occur on or before May 31, 2026; • The project and/or project schedule, including guaranteed substantial completion date, may be modified by Change Orders; • Seller will be required to provide a comprehensive "wrap" warranty of the project work performed by or for Seller.
Threshold Requirements	Any proposal not meeting the Threshold Requirements will be considered non-conforming and may be eliminated from further consideration in this RFP by ESL, after consultation with the IM. The threshold requirements are listed in the RFP and include: • Transmission Assessment Threshold Requirements o The proposed resource must be eligible to qualify as a Long-Term Network Resource of ETI under the MISO OATT;

	○ The proposed resource must be capable of providing the offered amount of Capacity, energy, and other electric products to Buyer at the Electric Interconnection Point; ○ Bidder or Seller must have either (i) entered into and remain a party to a GIA granting to the proposed resource the required IS Quantities or (ii) submitted, prior to the application deadline for MISO DPP-2020-Cycle 1 submission, and application with MISO seeking to obtain the Required IS Quantities for the resource or be in a prior existing MISO Definitive Planning Phase ("DPP") Queue cycle; • Viability assessment threshold requirements: ○ Bidder must be an Eligible Participant; ○ For Developmental proposals, Bidders must meet the applicable Minimum Requirements for Developmental Resources as set forth in Appendix D: ○ For proposals offering a PPA or Toll Product, the proposal Delivery Term must be no less than 10 and no more than 20 consecutive years, and the Bidder-proposed guaranteed start date for the Delivery Term must be no earlier than May 31, 2025 and no later than May 31, 2026. The Bidder proposed closing date for an acquisition Product offered into the RFP must be no earlier than May 31, 2025 and no later than May 31, 2026; • Accounting Assessment Threshold Requirements ○ If a Bidder offers a proposal for a PPA or toll, Bidder must include in the Proposal package the accounting certification required; ○ For PPA and Toll proposals, the proposed transaction will not result in the recognition of a long-term liability on the books of ETI; • Credit Assessment Threshold Requirements ○ Bidder must provide the most recent Published Credit Rating from S&P and Moody's of Bidder and the proposed Seller

	Parent Guarantor, to the extent such a rating exists; o Bidder must provide the annual audited financial statements for the past two years and the current year quarterly financial statements; • Sellers will be required, under the terms of any Definitive Agreement, to have obtained and bear the full costs and risks of the arrangement, procurement, receipt and maintenance of the interconnection, deliverability, and firm transmission service necessary for the resource to make available and deliver to the Physical Delivery Point the full energy output, capacity and other electric products; • ELL expects to seek and qualify any resource selected from this RFP as a Long-Term Network Resource of ETI in MISO. The Definitive Agreement will require Seller to take all actions necessary or advisable to cause the resource to be qualified and/or recognized in MISO as a Long-Term Network Resource of ETI, with full network integration transmission service, and to cause ETI to be eligible for and receive all transmission rights and entitlements associated with the contract Capacity of the resource, including auction revenue rights and financial transmission rights; • For any PPA or Toll arising out of this RFP, Seller will be required to make available contract Capacity and deliver contract energy and other Electric Products at the Physical Delivery Point.
Proposal Submission	The proposal submission process requires each Bidder to submit the following to ESL: • A Proposal Submission Agreement signed by an officer of the Company; • A completed Proposal Submission Template; • A completed Viability Self-Assessment; • A completed Preliminary Due Diligence Questionnaire (Appendix C); • Completed response to the applicable Due Diligence Questionnaire, including: o Documents requested o Demonstration of control over project site

	○ A project summary • A completed, properly executed Form of Credit Certification and properly executed accounting certificate; • All other documents and information that Bidder is required to provide under this RFP for the proposal submitted.

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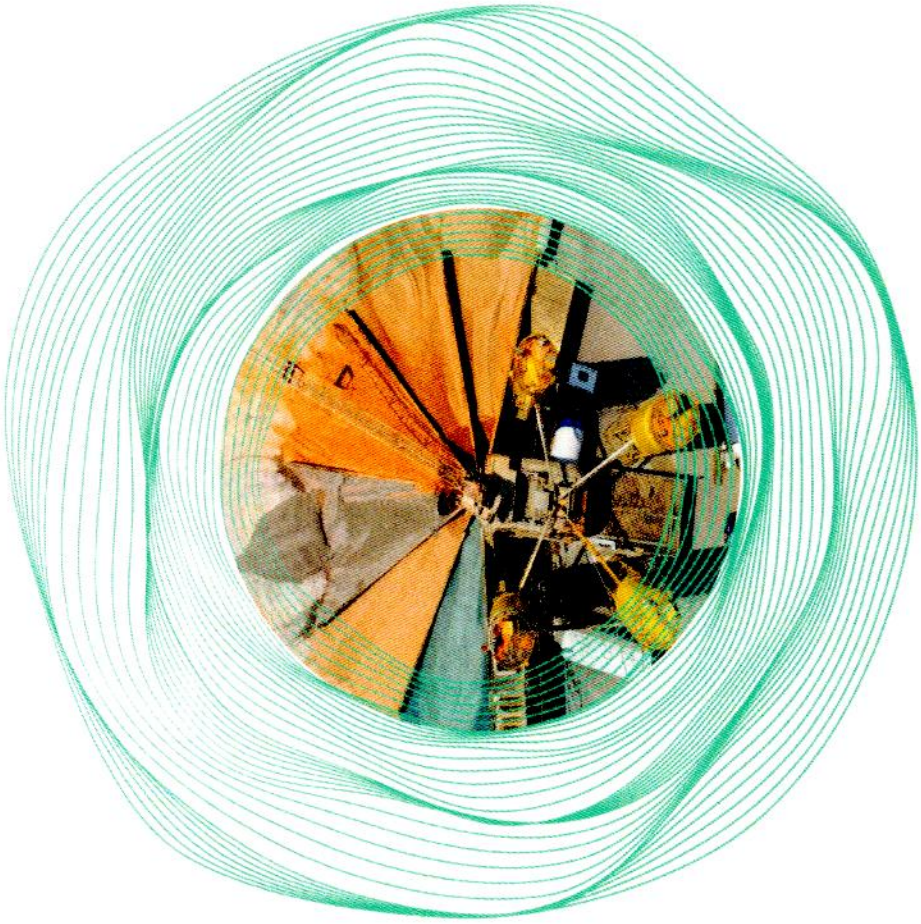
ENTERGY SERVICES, LLC'S (ESL)

2024 ELL CCCT RFP - POWER PLANT 754 MW

SELF BUILD PROPOSALS 1010 WATERFORD AND 5787 WESTLAKE

Estimate Reasonableness Evaluation

Document no. : 418162-59779-ES-EVAL



20 May 2025

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PROJECT 418162-59779- : 2024 ELL CCCT RFP – POWER PLANT 754 MW							
Rev	**Description**	**Originator**	**Reviewer**	**Worley Approver**	**Revision Date**	**Customer Approver**	**Approval Date**
Draft A	IFR For External Review	Luis Lara	Dorrie Chow	Michael Hurley	27 MAY 2025		

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1. Introduction

ENTERGY SERVICES, LLC (ESL) engaged Worley Consulting to conduct a high-level reasonableness evaluation and review of two (2) Class 3 Capital Cost Estimates along with self-build generation proposals for the 2024 ELL CCCT RFP Project. The proposals pertain to a 1X1 CCCT Standard Reference Plant, designed based on recent projects, with a capacity of 754 MW under ISO conditions, across the following two (2) locations:

- Entergy Louisiana, LLC (ELL) Waterford property in Killona, LA.
- Entergy Louisiana, LLC (ELL) Nelson Power Station in Westlake, LA.

1.1 Project Objective

Review of two (2) ELL CCCT proposal packages and assessment to evaluate the reasonableness of ELL's CCCT self-build generation proposals as part of the 2024 Request for Proposals for Combined-Cycle Combustion Turbine (754 MW ISO) Capacity and Energy Resources for Entergy Louisiana, Inc.

1.2 Worley Scope of Work

Worley's scope of work involved the review of and reasonableness evaluation of ELL's CCCT self-build cost packages. Utilizing the information provided by ESL, Worley was to structure the data to enable a high-level verification of the cost estimates, focusing on their quality, accuracy, capital cost, and compliance within the standards of a ACCEi (Association for the Advancement of Cost Engineering International) Class 3 cost estimate.

The review and high-level evaluation were originally intended to include the following activities:

- Compliance with AACEi Estimate Class;
- Review of the Basis of Estimate;
- Review of the Estimate Summary and relevant backups, including high level math checks and spot checks;
- Review of the degree of completion of the engineering deliverables;
- Review of estimate structure for consistency and completeness;
- Analysis of installation labor and crew rates, and construction work hour validation;
- Benchmark unit rates for the major construction activities;
- Analysis of construction indirect cost and Pro-Services cost;
- Review of escalation build-up; and
- Review of the contingency build-up/approach.

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During the evaluation, it was confirmed by ESL that the two EPC packages had been derived heavily utilizing a factored methodology from a previous ELL as-built "of similar scope and location". While the use of a factored methodology for smaller, less significant line items is acceptable in an AACEi Class 3 designation, the expectation is that the more significant aspects of the cost line items are backed by a level of detail not present in the packages presented. With full understanding that different entities have varying requirements for project financing and approvals, we realize that ESL may not require a full Class 3 estimate for its internal processes, Worley was tasked to evaluate the EPC packages as Class 3 estimates. And as such, the following report is based upon this direction.

Without thorough Basis of Estimate documents or detailed cost build-up rationale, Worley had to shift our approach in order to conduct an analysis as opposed to the comprehensive analysis as initially planned. Consequently, the scope of our evaluation was limited to the limited data and details available. See Appendix 3: 3.1 Summary of Client Input and File Contents for list of supplied data.

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2. Executive Summary

Worley conducted the estimate review using a combination of methodology checks, evaluations against internal data, and publicly available information (refer to Appendix 3.2), ensuring that comparisons adhered to ACCEi requirement standards and/or Worley standards, recent comparable projects, and publicly accessible data.

The cost packages were determined to:

- **Not meet the requirements of a AACEi Class 3 cost estimate.** The packages lacked sufficient project definition and engineering deliverables to qualify as a Class 3 cost estimate. According to Worley's standards, the packages are better aligned with a Class 4/5 cost estimate and should be treated as such.
- **Reflect a Total Installed Cost (TIC) that is conservative.** Based on Worley metrics for USD/KW, the EPC package TIC values are approximately 10-20% higher than comparable projects. However, due to limited details available to Worley, the underlying reasons for this discrepancy remain unclear. One possible explanation is that the elevated costs may stem from the described design, which is tailored to allow for future carbon-related modifications and thus, making it pricier than typical projects of a similar scope. It should be noted that this analysis does not factor in the current tariff uncertainties in the United States.

2.1 Key Findings and Recommendations

Based on our evaluation, the key findings outlined below apply to both cost packages reviewed:

- **Verification of the cost packages as a Class 3 cost estimate.** The methodology involved comparing the cost packages against the provided deliverables and scope definition in relation to typical AACEi standards and Worley requirements. Our findings reveal that each cost estimate primarily serves as a simplified project control cost (spending) package based on an "as-built" plant, adjusted (with limited detail as to the specific adjustments made) to account for slight differences to each site. The estimates appear to be back-calculated from an "as-built" cost reference and modified for capacity. This approach aligns with a factored methodology, which is acceptable for a Class 5 or Class 4 cost estimate but does not meet the more stringent requirements for a built-up Class 3 cost estimate. **Based on our evaluation, the estimates narrowly met the minimum qualifications for classification of a Class 4 cost estimate.** See Section 2.2 for details.

- **CAPEX Estimates and Backups** - Cost summaries, including ELL's detailed cost breakdown and estimate summaries for the EPC bid proposal, were provided (refer to Paragraph 2.4,

CAPEX Review). However, the information did not fully meet the requirements of a Class 3 cost estimate, as it was not organized according to the Work Breakdown Structure (WBS) or Code of Accounts (COA). Additionally, some key details—such as equipment specifications, bulk material quantities, labor hours, and associated costs—were not included. A significant percentage of the identified costs was listed as "subcontracts" without further specifics or definition. While we understand that backup vendor data from the referenced as-built costs existed, it was not provided for review. Furthermore, given the uncertainty in current procurement and sourcing environments, the relevancy of past as-built costs should be scrutinized, especially when concerning the supply of long-lead materials. For more details, see Section 2.4, CAPEX Review, where Worley reorganized the provided information into Worley TIC Cost Summaries for analysis.

- **Basis of Estimate (BOE) document** – The BOE is a crucial document for any cost estimate because it serves as the foundation for understanding how the estimate was developed. A well-documented BOE provides transparency, clarity, and accountability by documenting the methodologies, assumptions, inputs, and limitations underlying the estimate. Unfortunately, BOE documents were not available to Worley for analysis. As such, Worley had to compile the various documents and extract and piece together information to the best of our ability in order to gain an understanding on how the cost estimates were developed. In consideration of the limitations of a factored methodology, we highly recommend that ESL require BOEs from EPC Contractors as it is essential for many reasons, to include:
    - Clarity and Consistency: It ensures that all stakeholders understand the approach used in generating the cost estimate, reducing misunderstandings and misalignment.
    - Traceability: The BOE enables the estimate to be traced back to its source data, assumptions, and methods, which is critical for validating and refining the estimate.
    - Risk Identification: By detailing assumptions and limitations, the BOE helps identify potential risks and uncertainties, allowing for better risk management and contingency planning.
    - Decision Support: A well-documented BOE provides decision-makers with the context needed to evaluate the estimate and make informed choices.
    - Comparison and Benchmarking: It facilitates comparisons with previous or similar projects by providing a clear framework for aligning scope, inputs, and methodologies.

- **Benchmarking Study** - The cost estimates shared did not appear to include benchmarking study components. However, we were able to perform some high-level benchmarking analysis of the information provided. Our findings included the following:

    - The **TIC is slightly higher (10-20%) than expected** when comparing against our in-house project data and publicly available information utilizing US$/KW metrics. However, due to limited details available to Worley, the underlying reasons for this discrepancy remain unclear. One possible explanation is that the higher costs may stem from the equipment's design, which is tailored to allow for future carbon-related modifications, making it pricier than typical projects of a similar scope. It should be

noted that this analysis does not factor in the current tariff uncertainties in the United States.

- **Equipment cost:** The provided equipment list was broad and lacked specific sizing details. The numbers presented as equipment cost were at the higher end of than typical industry norms and up to 50% higher than Worley's internal analogs. However, due to the absence of detailed specifications, we were unable to determine whether the higher cost was justified.
- **Bulk Materials Cost:** The cost per quantity was **generally within expected ranges** for the items that could be reviewed.
- **Labor productivity and wage** rates - insufficient Cost Labor Breakdown information. Some partial construction labor cost information was available and used for analysis. See Section 2.4.4 and 2.4.5 for details. Based on our workhours expectations for greenfield projects, **the productivities assumed in the cost estimate available for analysis is generally reasonable with the exception of concrete work,** which is higher than expected (lower hours per quantity concrete than expected). We were not able to opine on the subcontract hours as details such as scope, quantities, labor hours, labor cost, etc. were not available.
- **EPC Schedule**: Based on the submitted Level 2 schedule, the projected duration of 82 months (over 6–7 years) is longer than what we would expect for projects with similar scopes. However, we do not have full insight to the drivers of the provided schedules, which may not be due solely to constructability, long-leads or a phased approach. Therefore, there may be opportunities to optimize the EPC schedule taking into account the project's type, size, and complexity.

2.2 Estimate Classification

Worley utilized our internal Management System Project Framing, Cost Estimate Classification Matrix and Estimate Deliverables Matrix as references to accurately determine the appropriate classification for the cost estimate.

Table 2.2.1 Worley Management System Project Framing

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7
Identify	**Evaluate**	**Define**	**Design**	**Build**	**Commission and Handover**	**Asset Management**
Estimate Class						
Class 5	**Class 3/4**	**Class 2/3**	**Class 1/2**	**Class 1**	**Class 1**	**Class 1**

Table 2.2.2 Worley Cost Estimate Classification Matrix (aligned with AACEi)

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Estimate Class	Primary Characteristic Maturity Level of Project Definition Deliverables Expressed as % of complete definition	Secondary Characteristic			
		Worley Project Phasing	End Usage Typical purpose of estimate	Methodology Typical estimating method	Expected Accuracy Range Typical variation in low and high range (a)
Class 5	0% to 2%	Phase 1	Concept screening	Capacity factored, parametric models, judgement or analogy	L: - 20% to -50% H: +30% to +100%
Class 4	1% to 15%	Phase 2	Study or feasibility	Equipment factored or parametric models	L: - 15% to -30% H: +20% to +50%
Class 3	10% to 40%	Phase 2/3	Budget authorization or control	Semi-detailed unit costs with assembly level line items	L: -10% to -20% H: +10% to +30%
Class 2	30% to 75%	Phase 3/4	Control or bid / tender	Detailed unit cost with forced detailed take-off	L: -5% to -15% H: +5% to +20%
Class 1	65% to 100%	Phase 4 -7	Check estimate or bid / tender	Detailed unit cost with detailed take-off	L: -3% to -10% H: +3% to +15%

According to the Cost Estimate Classification Matrix, the factored methodology adopted in the cost estimates correspond with the criteria for a Class 4 and Class 5 estimate.

To evaluate the level of project definition, Worley compared the cost estimate deliverables against our checklist of typical estimating deliverables, as outlined in the Estimate Deliverables Matrix below in Table 2.2.3.
Based on this comparison, Worley determined that the estimates do not meet Class 3 criteria and are more appropriately classified as Class 4 or 5.

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Table 2.2.3. Worley Estimate Deliverables Matrix

ESTIMATE DELIVERABLES MATRIX (WORLEY DOCUMENT)

Client: ENTERGY SERVICES LLC
Project: 2024 ELL CCCT RFP ESTIMATE REVIEW (COMBINED-CYCLE COMBUSTION TURBINE)
Capital Cost Estimate Title: CAPEX EPC MAIN CONTRACT
Estimate Class: INPUT SHOWING CLASS 3 & DELIVERABLES SHOWING MATURITY BETWEEN CLASS 4 & 3

Level of Definition of Project Deliverables/Information					
DESCRIPTIONS		ESTIMATE CLASS			
	Class 5 Phase 1 Class 4 Phase 2 Class 3 Phase 3 Class 2 Phase 4	P = Preliminary, A = Issued for Approval, D = Issued for Design, C = Issued for Construction, F = Final, IH = In-House Estimate, BQ = Budget Quotation, FQ = Firm Quotation, PO = Purchase	Class 4	Class 3	Yes / No
	PURPOSE / END USAGE		Study or feasibility (Assess and select)	Budget authorization or control	Quality Level Comments (Specific for Received Input for this Project)
All Lines of Business		IPA Stages (Approx.)	FEL-1	FEL-2	
General	Project requirements; site/plant location; unit information; technology selection; other related projects; etc....		✓	✓	Yes — General description included in the input of the Documentation Package
	WBS; AWP (Areas); ISBL/OSBL; Pre-TA/TA/Post-TA (alignment with Customer, Engineering Etc.)		✓	✓	No — Not identified Detailed Basis in the input of Documentation Package
	Historical Data From Similar Projects		✓	✓	Yes — General reference back up based on_Document_Project Cost Model_RFP_Submission
	Basis Of Design (All Disciplines)		✓	✓	No — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Product And Plant Capacity		✓	✓	Yes — General description included in the input of the Documentation Package
	Approximate Percentage of Overall Engineering Design Complete		5%	20%	No — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Reserves Evaluation		Seismic Surveys / Exploratory Drilling	Preliminary Model	N/A — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Mineral Resources and Ore Reserves - based on the The Canadian Institute of Mining, Metallurgy and Petroleum (CIM), the Australian Joint Ore Reserves Committee Code (JORC Code), the South African Code for the Reporting of Mineral Resources and Mineral Reserves (SAMREC)		Inferred/Indicated	Indicated and Measured (Probable)	N/A
	Preliminary Utilities Summary and Infrastructure Requirements		✓	—	Not identified Detailed Basis in the input of Documentation Package
	Demolition, Remediation, Abandonment and Restoration Plan		P	A	No — Not identified Detailed Basis in the input of Documentation Package
	Project Execution Plan		P	A	No — Not identified Detailed Basis in the input of Documentation Package
	Materials & Equipment Procurement Execution Plan		P	A	No — Not identified Detailed Basis in the input of Documentation Package
	Contracting Strategy		P	A	No — Not identified Detailed Basis in the input of Documentation Package
	Subcontracts Execution Plan		P	A	No — Not identified Detailed Basis in the input of Documentation Package
	Construction Execution Plan		P	A	No — Not identified Detailed Basis in the input of Documentation Package
	Advanced Work Packages (Pre/Post Turnaround, Turnaround)		—	—	No — Not identified Detailed Basis in the input of Documentation Package
	Estimate Plan (at minimum an Initial Draft of a comprehensive Basis of Estimate)		✓	✓	No — Not identified Detailed Basis in the input of Documentation Package
	Basis of Estimate		✓	✓	No — Not identified Detailed Basis in the input of Documentation Package / COST MODEL TAB in Blank
Process	Block Flow Diagrams		✓	✓	Yes — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Process Flow Diagrams		✓	✓	Yes — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	P&IDs		—	P	No — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Heat and Mass Balance (Process)		—	P	No — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Heat and Mass Balance (Utility and Service Systems)		—	P	No — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
Mechanical Plant & Equipment	Preliminary Mechanical Plant and/or Equipment List w/Sizing & General Specs, Budget quote (non-binding) for Critical Items		✓	✓	No — Partial Description of Major Equipment
	Preliminary Equipment Specifications / Data Sheets - Budget Quotation		—	✓	No — Partial Input of Major Equipment
	Equipment Specifications / Data Sheets (RFQ) - Firm Quotes for Major Equipment (as defined in the estimate plan)		—	—	No — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Equipment Specifications / Data Sheets (RFP/ITB) - Firm Quotes / Purchase Order Prices		—	—	No — Not identified Detailed Basis in the input of Documentation Package
	Spares Basis (Construction, Commissioning, Insurance etc.)		✓	✓	No — Not identified Detailed Basis in the input of Documentation Package
	Vendor representatives		Factored	Factored	No — Not identified Detailed Basis in the input of Documentation Package
	Equipment Location Plans		—	—	No — Partial: Representative General Arrangement Drawings
	Quantity Basis - Equipment Insulation (incl. spec / application)		Factored	Area by Type	No — Partial Information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Equipment Painting (incl. spec / application)		Factored	Factored	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
Site Development	Site Location		✓	✓	No — Representative General Arrangement Drawings
	General Description of Site and Facilities		P	A	Yes — Due Diligence: App. C. 3.1.7 EPC Technical Specification and Design Criteria - WFE
	Overall Plot Plans / Marked up plot plan		P	A	No — Representative General Arrangement Drawings
	Subsoil Investigation Geotech and contaminants assessment		—	✓	No — Not identified Detailed Basis in the input of Documentation Package
	Surveys (eg topographical, condition, access, bathymetry data, metocean data)		Historical	P	No — Not identified Detailed Basis in the input of Documentation Package
	Scope of Site Improvements		✓	✓	No — Not identified Detailed Basis in the input of Documentation Package
	Scope of Site Improvements (Roads, Fences, Landscaping, etc.)		—	P	No — Not identified Detailed Basis in the input of Documentation Package
	Topo Maps, Ground Contours, General site Preparation Drawings		—	P	No — Not identified Detailed Basis in the input of Documentation Package
	Quantity Basis		Factored	Key Qtys.	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Material Costing Approach		IH	BQ/IH	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Subcontract Costing Approach		IH	BQ/IH	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
Buildings, Civil and Structures	Preliminary Sizes and Type of Construction		✓	✓	No — Not identified Detailed Basis in the input of Documentation Package
	Structural Design Sketches		—	P	No — Not identified Detailed Basis in the input of Documentation Package
	Civil / Foundation Sketches / Criteria		—	P	No — Not identified Detailed Basis in the input of Documentation Package
	Architectural Criteria		—	—	No — Not identified Detailed Basis in the input of Documentation Package
	Building List		P	A	No — Not identified Detailed Basis in the input of Documentation Package
	Building Plans & Elevations		—	P	No — Not identified Detailed Basis in the input of Documentation Package
	Fdn / Structural Detail Designs and Specifications		—	P	No — Not identified Detailed Basis in the input of Documentation Package
	Quantity Basis - Buildings		Floor Area by Type	Floor Area by Type	No — Partial Information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Concrete / Piling / Earthworks		Factored	Key Qtys.	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Structural Steel		Factored	Key Qtys.	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Structural Steel Fireproofing		Factored	Key Qtys.	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Material Costing Approach		IH	BQ/IH	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Subcontract Costing Approach		IH	BQ/IH	No — Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary

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Piping	Plot Plans	P	A	No	Due Diligence: App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6.
	Quantities on non-factored piping	P	A	No	Not identified Detailed Basis in the input of Documentation Package
	Piping line list with insulation / painting / tracing requirements	P	A	No	Not identified Detailed Basis in the input of Documentation Package
	Tie-Ins, Specialty, and Valve Lists		A	No	Not identified Detailed Basis in the input of Documentation Package
	Piping Layouts & Routing		P	No	Not identified Detailed Basis in the input of Documentation Package
	Piping Layout Drawings / ISOs			No	Not identified Detailed Basis in the input of Documentation Package
	Quantity Basis - Underground Piping (Buried)	Key Qtys.	Key Qtys.	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Aboveground Piping - Small Bore	Factored	Factored	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Aboveground Piping - Large Bore	Factored	Key Qtys.	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Aboveground Piping - Valves			No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Aboveground Piping Insulation	Factored	Key Qtys.	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Aboveground Piping Painting	Factored	Factored	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Pipe and Valves Material Costing Approach	IH	BQ/IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	All Other Material Costing Approach	IH	IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Subcontract Costing Approach	IH	IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
Electrical	Power Requirements from Power Load List	✓	✓	No	Due Diligence: App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6.
	Single Lines Diagrams		P	No	Due Diligence: App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6.
	Power Transmission Route Survey	P	A	No	Not identified Detailed Basis in the input of Documentation Package
	Power Generation Configuration	P	A	No	Not identified Detailed Basis in the input of Documentation Package
	Substation Layouts		A	No	Not identified Detailed Basis in the input of Documentation Package
	Electrical Equipment List		A	No	Due Diligence: App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6.
	Electrical Equipment Layout		A	No	Partial; Representative General Arrangement Drawings
	Lighting requirements / layout		A	No	Not identified Detailed Basis in the input of Documentation Package
	Major Electrical Equipment (Substation/Switchgear, etc.) Designs and Specifications, Budget quote (non-binding) for Critical Items		P	No	Due Diligence: App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6.
	Major Electrical Equipment (Substation/Switchgear, etc.) - Budget Quotation		✓	No	Not identified Detailed Basis in the input of Documentation Package
	Major Electrical Equipment (Substation/Switchgear, etc.) - Firm Quotes / P.O.s			No	Not identified Detailed Basis in the input of Documentation Package
	Quantity Basis - Underground (Buried)	Factored	Key Qtys.	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Aboveground	Factored	Key Qtys.	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Bulk Material Costing Approach	IH	BQ/IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Subcontract Costing Approach	IH	BQ/IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
Instrumentation	Process Control System Philosophy	✓	✓	No	Due Diligence: App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6.
	Instrument List / Index	P	P	No	Not identified Detailed Basis in the input of Documentation Package
	Control Room Lay Out		P	No	Not identified Detailed Basis in the input of Documentation Package
	Major Instrumentation components, w/ General Specs, Budget quote (non-binding) for Critical Items		✓	No	Not identified Detailed Basis in the input of Documentation Package
	Major Instrumentation components, Specifications / Data Sheets (RFQ) Firm Quotes (as defined in the estimate plan)			No	Not identified Detailed Basis in the input of Documentation Package
	Major Instrumentation components, (RFP/ITB) - Firm Quotes / Purchase Order Prices			No	Not identified Detailed Basis in the input of Documentation Package
	Quantity Basis - Tagged Items	Factored	Key Qtys.	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Quantity Basis - Bulks	Factored	Key Qtys.	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Bulk Material Costing Approach	IH	BQ/IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Subcontract Costing Approach	IH	BQ/IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
Other Construction Costs	Direct and Indirect Cost Factored	✓		No	Not identified Detailed Basis in the input of Documentation Package
	Direct & Indirect Cost Estimate Based on IFA Documents & Schedule		✓	No	Not identified Detailed Basis in the input of Documentation Package
	Direct & Indirect Cost Estimate Based on IFD Documents & Schedule			No	Not identified Detailed Basis in the input of Documentation Package
	Direct & Indirect Cost Based on Resource Loaded Schedule on IFC Documents			No	Not identified Detailed Basis in the input of Documentation Package
	Indirect Requirements (Site Staffing, Temporary Facilities, scaffolding, Heavy Lift, Fire Watch etc.) Detailed by Construction Department			No	Not identified Detailed Basis in the input of Documentation Package
	Labor Wage Rates and Crew Mixes		✓	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Work week, Shifts, Overtime, etc.		✓	No	Not identified Detailed Basis in the input of Documentation Package
	Pricing of indirects		BQ/IH	No	Partial information has been submitted in the ENTERGY EPC Cost Breakdown Summary
	Direct Labor Productivity Adjustments Provided by Construction Department			No	Not identified Detailed Basis in the input of Documentation Package
Professional Services	Percentage of Total Installed Costs or of Direct Costs	✓	✓	Yes	Partial Input from Overall Cost Summary
	Detailed ProService Estimate (Deliverable Based)			No	Not identified Detailed Basis in the input of Documentation Package
	Detailed Construction Management Estimate (manpower loading based)			No	Not identified Detailed Basis in the input of Documentation Package
Miscellaneous	Escalation Rates Based on In-House and/or 3rd Party Sources and/or Supply Management	✓	✓	No	Not identified Detailed Basis in the input of Documentation Package
	Shipping / Freight / Duties and other logistic Requirements and Rates by Supply Management		✓	No	Not identified Detailed Basis in the input of Documentation Package
	Licenses, Permits, Insurance, Tax Requirements and Rates		✓	No	Not identified Detailed Basis in the input of Documentation Package
Schedule	Start-up Year	✓	✓	Yes	Level 2 Project Schedule
	Approximate Design / Construct Time	✓	✓	Yes	Level 2 Project Schedule
	Master Schedule With Milestones		✓	Yes	Level 2 Project Schedule
	Peak Site Manning		✓	No	Not identified Detailed Basis in the input of Documentation Package
	Detailed Resource Loaded Schedule			No	Not identified Detailed Basis in the input of Documentation Package

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Operating Costs	Labor Rates	Investigate	Current	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Labor Burden	Calculated	Calculated	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Manning Estimate	Investigate	Required	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Utilities / Fixed Consumables (eg Power, Fuel, Water, etc.) Costs	IH	IH	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Fixed Overheads	IH	IH	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Product Transport / Shipping / Marine costs	IH	IH	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Reagents (Catalyst & Chemicals)	IH	IH	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Mine Fleet	IH	Client Input	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Drilling Costs (Rig rates / type)	IH	Client Input	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Spares	IH	IH	Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
Risk Assessment	Qualitative	✓			
	Quantitative		✓	No	Not identified Detailed Basis in the input of Documentation Package
	Range Contingency	<25%	<15%	Yes	Partial Input from Overall Cost Summary
	Specific/Project/Event Risk			No	Not identified Detailed Basis in the input of Documentation Package
	Schedule Risk Analysis			No	Not identified Detailed Basis in the input of Documentation Package
Escalation	Assumed / Experience	✓		Yes	General reference back up based on_Document_Project Cost Model_RFP_Submission
	Published Indices		✓	No	Not identified Detailed Basis in the input of Documentation Package
Fee	Calculated	✓	✓	No	Probably be included in Summary. Not identified Detailed Basis in the input of Documentation Package
Onshore/Offshore Pipelines	Well locations and number	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF8. / Some Fuel Co
	Wells and Wellpad designs	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Pipeline Quantities	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Pipeline Metallurgy Report	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Geotechnical Reports and Survey Data	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Pipeline Key Plan	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Pipeline Route Map (Pipeline Network)	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Pipeline Alignment and X-sectional drawings		A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Onshore Pipeline Crossings Drawings (Canals, Roads, tracks, Open Cut etc.)		A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Subsea to Shore Crossing Drawings	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Installation Strategy (Offshore Marine Spreads)	Assumed	P	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Offshore Pipeline Free Span Correction Information	P	P	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Pipeline Tie-Ins or Tie Backs	P	A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
	Block Valve Station Layouts/Compressor Station Layouts		A	N/A	Due Diligence; App. C 3.1.7 EPC Technical Specification and Design Criteria - WF6. / Some Fuel Co
Owner's Cost	Geotechnical Work - Drilling / Consultants	NRM	RES	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Hydrogeological Work - Drilling / Testing / Consultants	NRM	RES	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Geology - Reserve Conversion Drilling / Modeling	NRM	RES	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Mining Engineering	NRM	RES	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Metallurgical Testwork	NRM	RES	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	ESR / Permitting / HSLP / IT / HR / SCM / Security / Gen Svcs / Rd & Fac Maint / EPCM / Business	FQ	FQ	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Projects Group Expenditures	FQ	FQ	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Study Management	FQ	FQ	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Project Management	FQ	FQ	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Remainder of Owners Costs - Quantity-Based, Factored, Ratioed, Other	FQ	FQ	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Detailed Estimate		P	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Detailed Estimate of Next Stage Costs	✓	✓	Yes	To be Verified; General reference back up based on_Document_Project Cost Model_RFP_Submission
	Basis of Estimate - Owner's Cost	P	✓	No	Not identified Detailed Basis in the input of Documentation Package

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2.3 CAPEX Review

High-level CAPEX summaries, EPC bid tabs, and cost models from ELL's RFP submission have been provided for the two (2) cost estimates. Worley translated the cost data from the figures below (including the backups into Worley Estimate Summaries for evaluation purpose).

WATERFORD Cost Estimate

Per the data in the below figures, the Main Contract account for [redacted] of the total project cost (Grand Total) This Main Contract account represents the general EPC cost while the below-line items are typically associated with Owner's cost. The subsequent reviews are based on the Main Contract breakdown.

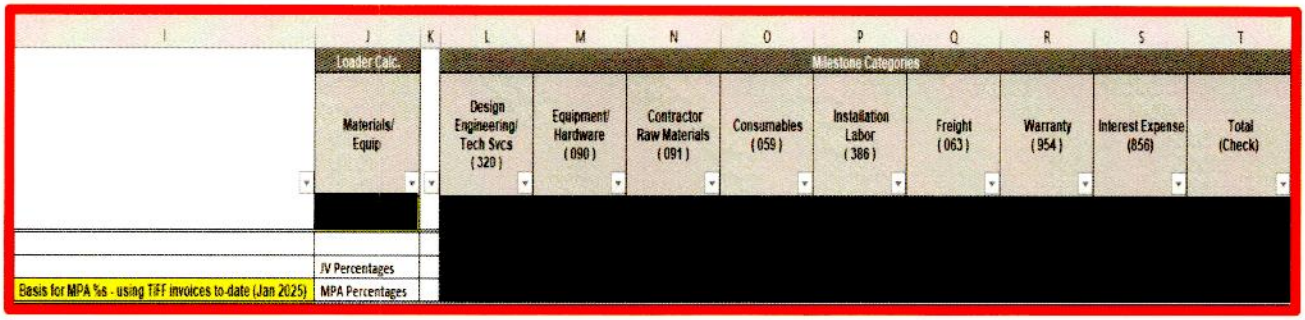
It should be noted that we have not analyzed the other cost items other than Main Contract because we did not have insight into the details or assumptions.

Figure 2.3.1. Waterford Project Cost Model

DIRECT COST	[redacted]
Main Contract	
Sales Tax	
Engineering/Consultants	
Expense	
Materials & Tools	
Other Vendors	
Total Payroll	
Fuel	
TOTAL DIRECT COSTS	
INDIRECT COST	
Material & Supplies Loader	
Depreciation	
Capital Suspense	
Payroll Loaders	
ESI Overheads	
TOTAL INDIRECT COSTS	
AFUDC	
CONTINGENCY	
TOTAL GENERATION	
Interconnection & Breakers	
TOTAL TRANSMISSION	
GRAND TOTAL	**$ 1,728,300,000**

Public Redacted Version

Figure 2.3.2. Waterford Cost Breakdown



I	J	K	L	M	N	O	P	Q	R	S	T
	Loader Calc.		Milestone Categories								
	Materials/ Equip		Design Engineering/ Tech Svcs (320)	Equipment/ Hardware (090)	Contractor Raw Materials (091)	Consumables (059)	Installation Labor (386)	Freight (063)	Warranty (954)	Interest Expense (856)	Total (Check)
	JV Percentages										
Basis for MPA %s - using TiFF invoices to-date (Jan 2025)	MPA Percentages										

To further analyze the allocated cost by Code of Accounts, we converted the available data into an estimate summary formatted according to Worley's standards. See the table below. Worley reviewed the allocation using the percentages in the "% UNESCL COST" column and determined that spending across key accounts—including Equipment, Site Work, Piling and Concrete, Electrical and Instrumentation/Control Systems etc.—are reasonable and aligns with expectations.

Public Redacted Version

Table 2.3.1. Waterford Main Contract Cost Breakdown in Worley format

CLIENT : ENTERGY
PROJECT : WATERFORD STD POWER PLANTS 754 MW
LOCATION : LOUISIANA
PROJECT NO :
PROJECT MANAGER :
CONSTRUCTION REP :

TIC SUMMARY
CLASS 4 +/-30% ESTIMATED COSTS

DATE: 30-Apr-25
ESTM BY :
CHKD BY :
FILE REF NO :
REV NO : A

Total Costs | Total Costs

Total ISBL/OSBL Project - EPC WATERFORD 1010

CODE	DESCRIPTION			Total Quantities	UOM	Direct Hire Costs: MHs	$/MH	Labor $	Material $	Hrs	Subcontract Costs: MHs	Subcon $	Total Costs	% UNESCL COST	% TIC
DIRECT COST				[redacted]											
01.000	EQUIPMENT	01.000 thru 39.999													
40.000	MODULES	MITSUBISHI	1.00												
41.000	OPEN	ADDITIONAL W SOW ADJUSTMENTS	1.00												
51.000	DEMOLITION														
52.000	SITE EARTHMOVING														
53.000	SITE IMPROVEMENTS		PAVING & DRAINAGE												
54.000	PILING, CAISSONS														
55.000	BUILDINGS														
56.000	CONCRETE														
57.000	MASONRY,REFRACTORY														
58.000	STRUCTURAL STEEL														
59.000	CORRUGATED SIDING & DECKING														
60.000	FIREPROOFING														
61.000	DUCT WORK														
62.000	PIPING		Approx 60%/40% SS & 4 to 6"AVG												
63.000	INSULATION		Piping & EQP												
64.000	INSTRUMENTATION	TBC EXCLUDED DCS / CONTROL EQUIPMENT ?													
65.000	ELECTRICAL Raceway & Cable/Wires		300,937.00												
66.000	PAINTING		Piping & EQP												
67.000	FURNITURE , LAB & SHOP														
77.991	FREIGHT - OCEAN														
77.998	FREIGHT - FOREIGN INLAND														
77.999	FREIGHT - INLAND														
A	TOTAL DIRECT COST														
SUPPORT CRAFT COST															
68.000	VENDOR ASSISTANCE														
69.100	SCAFFOLDING														
69.200	FIRE WATCH / HOLE WATCH														
	CONST EQP & OP+SM TOOLS + TEMP PWR														
B	TOTAL SUPPORT CRAFT COST														
STANDARD INDIRECT COST															
75.000	CONSTRUCTION SERVICE LABOR		%												
76.000	TEMPORARY FACILITIES		%												
78.000	PREMIUM TIME		%												
79.000	FRINGE BENEFITS		%												
80.000	PAYROLL TAXES & INSURANCE		%												
81.000	NON-PAYROLL INSURANCE, TAXES & PERMITS		%												
83.000	SMALL TOOLS		%												
84.000	CONSUMABLES & SAFETY SUPPLIES		%												
85.000	CONSTRUCTION EQUIPMENT		%												
86.000	CRAFT PER DIEM & INCENTIVES		%												
87.200	CONSTRUCTION MGMT & FIELD OFFICE SUPPORT		%												
C	SUBTOTAL STANDARD INDIRECT COST														
NON-STANDARD INDIRECT COST			%												
81.100	SALES OR USE TAX		%												
81.800	GENERAL LIABILITY		%												
88.000	HEAVY CRANES & TRANSPORTS		%												
82.000	MOBILIZATION/DEMOBILIZATION		%												
	OTHER NON-STANDARD INDIRECTS		%												
	CONSTRUCTION OH&P		%												
	SUBCONTRACTOR OH&P		%												
D	TOTAL NON-STANDARD INDIRECT COST														
E	TOTAL CONSTRUCTION INDIRECT COSTS [C+D]														
F	TOTAL CONSTRUCTION COST [A+B+C+D]														
ENGINEERING COST			% Overall												
90.100	ENGINEERING - PHASE 1		%												
90.200	ENGINEERING - PHASE 2		0.0%												
90.300	ENGINEERING - PHASE 3		0.0%												
90.400	ENGINEERING - PHASE 4		0.0%												
90.500	ENGINEERING - PHASE 5 (PCM)		5.1%												
90.060	PROCUREMENT SUPPORT		0.6%												
87.800	CONSTRUCTION MANAGEMENT														
G	TOTAL PROFESSIONAL SERVICES COSTS														
	OTHER HOME OFFICE COSTS														
94.000	3rd PARTY ENGINEERING COSTS														
H	TOTAL ENGINEERING SERVICES COSTS														
OTHER COST															
70.000	SPARE PARTS - CAPITAL, START-UP & OPERATING		%												
70.200	INITIAL FILLS, CATALYST & CHEMICALS														
71.000	START UP & COMMISSIONING		%												
	LATE ADDS / CHANGE ORDERS														
89.000	CUSTOMS / DUTIES / TAXES														
81.600	LICENSE & PERMITTING FEES														
99.200	LICENSOR FEES / ROYALTIES														
91.100	TECHNICAL BULLETINS		%												
91.200	CLAIMS ALLOWANCE		%												
95.000	CLIENT COSTS (BY OWNER)		%												
92.000	TRANSPORTATION & LOGISTICS														
I	SUBTOTAL OTHER PROJECT COSTS														
J	SUBTOTAL PROJECT UNESCALATED COSTS [F+G+H+I]														
98.100	ESCALATION		%												
K	SUBTOTAL PROJECT ESCALATED COSTS														
98.200	CONTINGENCY		%												
98.300	MANAGEMENT RESERVE														
98.400	WARRANTY														
98.500	RISK REGISTER ITEMS		%												
L	TOTAL PROJECT ESCALATED COSTS														
98.200	ROUND-OFF ADJUSTMENT		1.00												
99.100	FEE (GROUPED BLUE SUBTOTAL FROM ABOVE)														
M	TOTAL INSTALLED COST (TIC) OF PROJECT														

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Based on the plant capacity 754 MW (ISO), the WATERFORD Cost Estimate reflects a cost ratio of $2,292/KW. This is approximately 10% higher than our in-house data but is within the Department of Energy's expected range ($2,000/KW ± 25%).

Public Redacted Version

WESTLAKE Cost Estimate

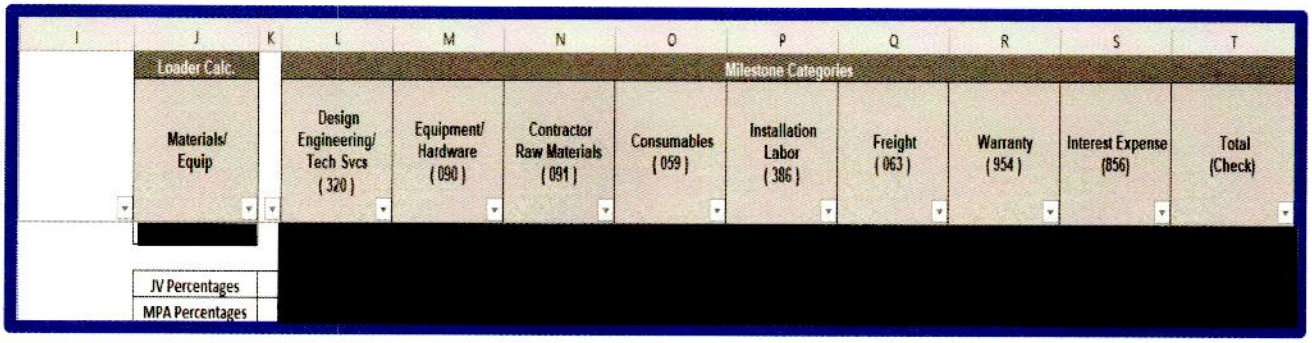
Per the data in the below figures, the Main Contract also account for [redacted] of the total project cost (Grand Total). This Main Contract account represents the general EPC cost while the below-line items are typically associated with Owner's cost. The subsequent reviews are based on the Main Contract breakdown. Similar to the Waterford cost estimate, our analysis was limited to the Main Contract, as we did not have visibility into the details or underlying assumptions for the other cost items.

Figure 2.3.3. Westlake Project Cost Model

DIRECT COST	Estimate
Main Contract	[redacted]
Sales Tax	
Engineering/Consultants	
Expense	
Materials & Tools	
Other Vendors	
Total Payroll	
Fuel	
TOTAL DIRECT COSTS	
INDIRECT COST	
Material & Supplies Loader	
Depreciation	
Capital Suspense	
Payroll Loaders	
ESI Overheads	
TOTAL INDIRECT COSTS	
AFUDC	
CONTINGENCY	
TOTAL GENERATION	
Interconnection & Breakers	
TOTAL TRANSMISSION	
GRAND TOTAL	**$ 1,821,600,000**

Public Redacted Version

Figure 2.3.4. Westlake Cost Breakdown



	Loader Calc.		Milestone Categories								
	Materials/ Equip		Design Engineering/ Tech Svcs (320)	Equipment/ Hardware (090)	Contractor Raw Materials (091)	Consumables (059)	Installation Labor (386)	Freight (063)	Warranty (954)	Interest Expense (856)	Total (Check)
	[redacted]		[redacted]								
	JV Percentages										
	MPA Percentages										

To further analyze the allocated cost by Code of Accounts, we converted the available data into an estimate summary formatted according to Worley's standards. See the table below. Worley reviewed the allocation using the percentages in the "% UNESCL COST" column and determined that spending across key accounts—including Equipment, Site Work, Piling and Concrete, Electrical and Instrumentation/Control Systems etc. are very similar to the Waterford numbers and are reasonable and aligns with expectations.

Public Redacted Version

Table 2.3.2. Westlake Main Contract Cost Breakdown in Worley format



TIC SUMMARY
CLASS 4 +/- 30% ESTIMATED COSTS

CLIENT : ENTERGY
PROJECT : WESTLAKE STD POWER PLANTS 754 MW
LOCATION : LOUISIANA
PROJECT NO :
PROJECT MANAGER :
CONSTRUCTION REP :

DATE : 30 Apr 25
ESTM BY :
CHKD BY :
FILE REF NO :
REV NO : A

Total ISBL/OSBL Project - EPC WESTLAKE 5787

CODE	DESCRIPTION		Total Quantities	UOM	Direct Hire Costs Mhs	$/MH	Labor $	Material $	Subcontract Costs Mhs	Subcon $	Total Costs	Total Costs	Total Costs
DIRECT COST													
01.000	EQUIPMENT	01.000 thru 39.999											
40.000	MODULES	MITSUBISHI	1.00										
41.000	OPEN	ADDITIONAL JV SOW ADJUSTMENTS	1.00										
51.000	DEMOLITION												
52.000	SITE EARTHMOVING												
53.000	SITE IMPROVEMENTS	PAVING & DRAINAGE											
54.000	PILING, CAISSONS												
55.000	BUILDINGS												
56.000	CONCRETE												
57.000	MASONRY, REFRACTORY												
58.000	STRUCTURAL STEEL												
59.000	CORRUGATED SIDING & DECKING												
60.000	FIREPROOFING												
61.000	DUCT WORK												
62.000	PIPING	Approx 60%/40% SS & A in STAVIS											
63.000	INSULATION	Piping & EQP											
64.000	INSTRUMENTATION	TBC: EXCLUDED DCS / CONTROL EQUIPMENT ?											
65.000	ELECTRICAL - Raceway & Cable/Wires	300,937.00											
66.000	PAINTING	Piping & EQP											
67.000	FURNITURE , LAB & SHOP												
77.991	FREIGHT - OCEAN												
77.998	FREIGHT - FOREIGN INLAND												
77.999	FREIGHT - INLAND												
A	TOTAL DIRECT COST												
SUPPORT CRAFT COST													
68.000	VENDOR ASSISTANCE												
78.100	SCAFFOLDING												
89.200	FIRE WATCH / HOLE WATCH												
	CONST EQP & OP+SM TOOLS + TEMP PWR												
B	TOTAL SUPPORT CRAFT COST												
STANDARD INDIRECT COST													
75.000	CONSTRUCTION SERVICE LABOR	%											
76.000	TEMPORARY FACILITIES	%											
78.000	PREMIUM TIME	%											
79.000	FRINGE BENEFITS	%											
80.000	PAYROLL TAXES & INSURANCE	%											
81.000	NON-PAYROLL INSURANCE, TAXES & PERMITS	%											
83.000	SMALL TOOLS	%											
84.000	CONSUMABLES & SAFETY SUPPLIES	%											
85.000	CONSTRUCTION EQUIPMENT	%											
86.000	CRAFT PER DIEM & INCENTIVES	%											
87.200	CONSTRUCTION MGMT & FIELD OFFICE SUPPORT	%											
C	SUBTOTAL STANDARD INDIRECT COST												
NON-STANDARD INDIRECT COST		%											
81.100	SALES OR USE TAX	%											
81.800	GENERAL LIABILITY	%											
88.000	HEAVY CRANES & TRANSPORTS	%											
82.000	MOBILIZATION/DEMOBILIZATION	%											
	OTHER NON-STANDARD INDIRECTS	%											
	CONSTRUCTION OH&P	%											
	SUBCONTRACTOR OH&P	%											
D	TOTAL NON-STANDARD INDIRECT COST												
E	TOTAL CONSTRUCTION INDIRECT COSTS [C+D]												
F	TOTAL CONSTRUCTION COST [A+B+C+D]												
ENGINEERING COST		% Overall											
90.100	ENGINEERING - PHASE 1	%											
90.200	ENGINEERING - PHASE 2	0.0%											
90.300	ENGINEERING - PHASE 3	0.0%											
90.400	ENGINEERING - PHASE 4	0.0%											
90.500	ENGINEERING - PHASE 5 (PDM)	4.9%											
90.050	PROCUREMENT SUPPORT	0.5%											
87.500	CONSTRUCTION MANAGEMENT												
G	TOTAL PROFESSIONAL SERVICES COSTS												
	OTHER HOME OFFICE COSTS												
94.000	3rd PARTY ENGINEERING COSTS												
H	TOTAL ENGINEERING SERVICES COSTS												
OTHER COST													
70.000	SPARE PARTS - CAPITAL START-UP & OPERATING	%											
70.200	INITIAL FILLS, CATALYST & CHEMICALS												
71.000	START UP & COMMISSIONING	%											
	LATE ADDS / CHANGE ORDERS												
86.000	CUSTOMS / DUTIES / TAXES												
81.600	LICENSE & PERMITTING FEES												
99.200	LICENSOR FEES / ROYALTIES												
91.100	TECHNICAL BULLETINS	%											
91.200	CLAIMS ALLOWANCE	%											
95.000	CLIENT COSTS (BY OWNER)	%											
92.000	TRANSPORTATION & LOGISTICS												
I	SUBTOTAL OTHER PROJECT COSTS												
J	SUBTOTAL PROJECT UNESCALATED COSTS [F+G+H+I]												
98.100	ESCALATION	%											
K	SUBTOTAL PROJECT ESCALATED COSTS												
98.200	CONTINGENCY	%											
98.300	MANAGEMENT RESERVE												
98.400	WARRANTY												
98.500	RISK REGISTER ITEMS	%											
L	TOTAL PROJECT ESCALATED COSTS												
98.200	ROUND-OFF ADJUSTMENT	1.00											
99.100	FEE (GROUPED BLUE SUBTOTAL FROM ABOVE)												
M	TOTAL INSTALLED COST (TIC) OF PROJECT												

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Based on the plant capacity 754 MW (ISO), the WESTLAKE Cost Estimate reflects a cost ratio of $2,416/KW. This is approximately 15% higher than our in-house data but is within the Department of Energy's expected range ($2,000/KW ± 25%).

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2.3.1 Basis of Estimate

No Basis of Estimate documents were provided for review. The only document available was the "Due Diligence; Appendix C Questionnaire: 3.1.7 EPC Technical Specification and Design Criteria," which outlines the generic scope of work, approach, and technical specification basis for a 1X1 CCCT standard reference plant. However, this document is a broad, general reference and does not pertain specifically to the relevant projects.

2.3.2 Equipment Cost

The cost estimates for the WATERFORD and WESTLAKE projects include the following equipment costs, as reported in ELL's Project Cost Model RFP Submission:
- WATERFORD – [redacted] (representing [redacted] of the EPC Main Contract)
- WESTLAKE – [redacted] (representing [redacted] of the EPC Main Contract)

Given the power plant capacity of 754 MW (ISO), the Main Contract equipment costs—[redacted] for Waterford and [redacted] for Westlake—fall within the expected range of $300 million to $600 million. [redacted]

Another verification involved reviewing the EPC Main Contract Cost in relation to Equipment Cost, as well as the Total Project Cost in relation to Equipment Cost, as outlined below. Based on this analysis, the cost ratios are considered reasonable.

Waterford

- **EPC Main Contract Cost Ratio: 1.97**
  - Expected range: 1.5–2.5
- **Total Project Cost Ratio (including Owner Costs): 2.97**
  - Expected range: 2.5–3.5

Westlake

- **EPC Main Contract Cost Ratio: 2.06**
  - Expected range: 1.5–2.5
- **Total Project Cost Ratio (including Owner Costs): 3.13**
  - Expected range: 2.5–3.5

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2.3.3 Bulk Materials Cost

The bulk material costs for the WATERFORD and WESTLAKE projects amount to approximately [redacted] and [redacted], respectively, representing [redacted] of the EPC Main Contract.

The EPC Main Contract Bulk Material Cost Ratios (EPC Main Contract Cost in relation to Bulk Materials cost) for both projects stand at 0.19 relative to equipment costs, which trends low due to the high equipment costs. Typically, this ratio falls within the 0.20 to 0.30 range. For an assessment of bulk material costs per quantity categorized by Code of Accounts, refer to Section 2.5.2, Material Benchmarking.

2.3.4 Labor Productivity and Construction Workhours

Productivity aligns with expectations for greenfield projects, as outlined in Section 2.5.1, Labor Benchmarking.

However, certain workhour metrics appear to be on the lower end of the expected range. Due to limited information and the absence of a detailed breakdown for construction subcontractors, a precise assessment cannot be made.

2.3.5 Construction Labor Wage Rates

The labor rates provided are understood to include the following components:

- Bare Wage Rate
- Premium Time
- Fringe Benefits
- Payroll Taxes & Insurance
- Craft Per Diem

Labor rates for the projects range from $64/MH to $73/MH, depending on the craft type. These rates are considered reasonable and within expected industry norms.

2.3.6 Indirect Costs (Construction)

Construction Indirects are understood to include the following components:

- Construction Service Labor
- Temporary Facilities
- Small Tools and Consumables
- Construction Rental Equipment

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- Construction Supervision
- Construction Contractor Overhead, G&A and Profits

These indirect costs, ranging from [redacted]/MH to [redacted]/MH align with expected industry trends.

2.3.7 Freight, Taxes and Duties

Freight and transportation costs have been estimated at [redacted] of the EPC Main Contract Cost, equating to 5.3% of the equipment and bulk materials cost. This falls within the typical 4% to 8% industry range for domestic freight.

Neither cost estimates include any reference or cost basis for ocean freight, customs duties, or tariffs associated with imported equipment and materials. For this analysis, any US tariff impacts have been excluded and assumed not to impact the project.

2.3.8 Material Take-Offs (MTO), Design Development and Miscellaneous Allowances

The absence of a detailed breakdown of the scope of work, including incomplete MTOs, quantities, design allowances, growth factors, and subcontract scopes, limits the ability to perform an accurate assessment.

2.3.9 Professional Services/Engineering/Construction Management

The Design Engineering Cost plus Technical Services accounts for [redacted] of the EPC Main Contract Cost in both Waterford and Westlake estimates. This is a little lower than the expected 15%.

2.3.10 Owner's Cost

Owner services encompass various project-related expenses, including development, studies, permitting, legal fees, project management, and engineering staff. Additional costs such as electrical and gas interconnections, land acquisition, and owner contingency are also accounted for.

Owner Services and Allowance for Funds Used During Construction (AFUDC)-for both cases account for approximately [redacted]. This is within the expected typical 15% to 25% range.

The Commissioning and Start-Up costs for both cases account for approximately 2% of the Main Contract cost, which falls within the typical norms of 1.5% to 3.0%.

2.3.11 Escalation Evaluation

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The ELL Cost Estimates include escalation costs, but they are not itemized separately, so verification cannot be performed. Given the current market environment, an annual escalation rate of 2.5% to 4.0% would generally be anticipated, assuming there are no significant shifts in government policy that could influence economic conditions. To ensure accurate cost forecasting, these calculations should be aligned with the total EPC project duration and schedule.

2.3.12 Contingency

A base estimate is derived from any of the specified Classes and reflects the scope definition at that stage, including anticipated Design Allowances. However, as projects tend to expand over time, a Contingency Allowance is typically added to the base estimate to account for execution uncertainties, risks, and unknowns.

The contingency amount is determined through statistical analysis or expert judgment, leveraging historical project data and experience to assess risk-based factors influencing final costs. This amount may not necessarily be fully utilized.

It is important to note that contingency allowance does not cover additional work or scope changes initiated by the customer after the job's definition has been finalized at the end of the engineering phase.

The contingencies assumed for both cases reflect approximately 13 % of the TIC which is acceptable for a Class 3 cost estimate. However, these costs presented do not represent a Class 3 estimate and higher amount of contingency would be recommended for a Class 4 or 5 estimate.

2.3.13 Project Schedule

Based on the submitted Level 2 schedule, the projected duration of 82 months (over 6–7 years) is longer than what we would expect for projects with similar scopes. However, we do not have full insight to the drivers of the provided schedules, which may not be due solely to constructability, long-leads or phase execution approach. Therefore, there may be opportunities to optimize the EPC schedule taking into account the project's type, size, and complexity.

2.4 Benchmarking

2.4.1 Labor Benchmarking

To verify labor metrics, Worley converted the data from ELL WATERFORD and WESTLAKE cost estimates, ELL EPC bid tabs, and key quantities across disciplines, crafts, and code of accounts into WORLEY TIC Cost Breakdown Summaries in Tables 2.3.1 and 2.3.2. Our findings were the following:

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- The individual metrics reviewed appear reasonable and align closely with expected typical ranges and cost trends. However, due to limited technical and cost details with deeper granularity, the assessment has been conducted at the Code of Account level.

- **Equipment installation** labor costs typically range from 15% to 25% of the equipment material cost, which is standard for this type and size of equipment. Since a detailed equipment list with sizing and technical specifications is unavailable, precise crosschecking and validation based on current construction productivity have not been feasible. For large heavy equipment, labor installation generally ranges from 75 to 125 HR/Ton.

- The average **earthworks** productivity rate of 0.15 HR/CY aligns with industry standards, where bulk excavation typically ranges from 0.10 to 0.50 HR/CY and structural earthworks generally fall between 0.75 to 1.50 HR/CY.

- Site Improvements: With respective to **site improvements**, the average productivity for paving, drainage, and other miscellaneous site work is 1.15 HR/SY, falling within the typical range of 1.0 to 2.0 HR/SY.

- **Concrete** productivity at 5 HR/CY is much lower than typical industry trends ranging from 10 to 25 HR/CY. However, no details regarding the foundation were available for Worley to understand why this value may be lower than expected.

- **Prefabricated steel productivity** is recorded at 48 HR/Ton, aligning with typical industry benchmarks, which generally range from 30 to 75 HR/Ton.

- **Prefabricated piping** productivity is reported at 3.11 HR/LF, which is below the typical range of 4.0 to 6.0 HR/LF for this type of facility. However, the absence of details regarding piping type, construction materials, and average pipe sizes prevents further verification of the lower-than-typical manhours.

- Installation man-hours for **Instrumentation Control, Electrical Equipment, and High-Voltage Cables** cannot be verified, as they were not explicitly outlined in the cost summaries but were grouped within the associated large Electrical and Instrumentation subcontracts.

2.4.2 Material (Equipment and Bulks) Benchmarking

Referencing Tables 2.3.1 and 2.3.2, we find:

- At a high level, bulk material costs appear reasonable. Due to the lack of detailed technical and cost information at a more granular level for specific cost items, the assessment and evaluation can only be performed at the code-of-account level.

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- Earthworks cost at 80 and 47 USD/CY, respectively is within the expected 50 to 100 USD/CY.
- Concrete material cost at 356 USD/CY is on the lower end of the expected 350 to 600 USD/CY.
- Steel (Prefabricated) at 8,642 USD/TON is within the expected 3,500 to 10,000 USD/Ton.
- Piping (Prefabricated): 263 USD/LF Pipe is within the expected 250 to 400 USD/LF. (Material Supply + Shop Pre-fabrication).
- Instrumentation and Control System: Insufficient information for evaluation.
- Electrical cable at 75 USD/LF Cable is within the expected 50 to 100 USD/LF (typical of the expensive HV and MV cables of high and medium voltage are required in the scope of work of this type of facility).

- The equipment list provided was general and lacked specific sizing details, preventing us from conducting a spot check to assess the reasonableness of the equipment prices.

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3. Appendix

3.1 Summary of Client Input and File Contents

- ESL Summary of documents located in the Project SharePoint Folder
  1010_Waterford_6_Proposal_Submission_Template__-_WF6
  5787_Westlake_Proposal_Submission_Template__-_WLAPS
  1010_Waterford_6_Appendix_C_-_Due_Diligence_-_Developmental_-_WF6
  5787_Westlake_Appendix_C_-_Due_Diligence_-_Developmental_-_WLAPS

- Pricing Files
  1010_Waterford_Project_Cost_Model_RFP_Submission_-_WF6
  5787_Westlake_Project_Cost_Model_Final_RFP_Submission_-_WLAPS

- Transmission Files
  1010_Waterford_Project_Cost_Model_RFP_Submission_-_WF6
  5787_Westlake_Project_Cost_Model_Final_RFP_Submission_-_WLAPS

- Environmental Files
  Listed in the Zip folder and included files named "Flood map, Hydrology Report, Wetlands, Zoning, Environmental Management Policy" etc.

* The numbers that are utilized in the zip folder for "Due Diligence Attachments" tie to the section of Appendix C "Due Diligence", for example:

Section 3.6.4 of the Appendix C Due Diligence PDF states, "This is addressed by file "3.6.4 Selection of Major Equipment - 2023 ETI PIE OEM RFP."

Due Diligence; Appendix C Questionnaire: 3.1.7 EPC Technical Specification and Design Criteria.

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WATERFORD

3.1.3a O&M Plan and Estimate - WF6 stand alone CCCT	Microsoft Excel Worksheet	373 KB
3.1.3b O&M Plan and Estimate WF6 as incremental to WF5 Headcount	Microsoft Excel Worksheet	365 KB
3.1.5a Prelim Heat and mass Balance Diagrams & Performance Data - WF6	PDF Document	784 KB
3.1.5b Water Balance Diagrams	PDF Document	205 KB
3.1.7 EPC Technical Specification and Design Criteria - Waterford 6 CCCT	PDF Document	247,836 KB
3.1.8 General Arrangement Drawings - WF6	PDF Document	16,985 KB
3.1.9 MPWA Power Train Technical Proposal	PDF Document	43,100 KB
3.1.9b Facility Plot Plan for Fuel Systems - WF6	PDF Document	116 KB
3.1.13 Electrical One-Line - WF6	PDF Document	1,576 KB
3.2 Level 2 Schedule -WF6	PDF Document	206 KB
3.3 Waterford Project Cost Model	Microsoft Excel Macro-En...	7,653 KB
3.4.1 Insurance Summary - WF6	PDF Document	124 KB
3.5 Site Boundary kmz - WF6.kmz	KMZ File	495 KB
3.5.1 Vesting Deed - WF6	PDF Document	3,824 KB
3.5.5 ALTA Survey - WF6	PDF Document	8,315 KB
3.5.6 Zoning - WF6	PDF Document	150 KB
3.5.7d Wetlands kmz - WF6.kmz	KMZ File	31 KB
3.5.7e Notice Criteria Tool - WF6	PDF Document	130 KB
3.5.9 Desktop Geotechnical Report - WF6	PDF Document	7,147 KB
3.5.10 Hydrology Report - WF6	PDF Document	57,253 KB
3.5.17 Property Tax Documentation - WF6	PDF Document	357 KB
3.6.3 MHPSA JAC Viability - WF6	PDF Document	3,283 KB
3.6.4 Selection of Major Equipment - 2023 ETI PIE OEM RFP - WF6	PDF Document	75 KB
3.8a Supplier Diversity Strategy - WF6	PDF Document	285 KB
3.8b Entergy-Performance-Report	PDF Document	9,944 KB
3.8c ETR-2025_supplierscodeofconduct	PDF Document	880 KB
3.9a ETR Contractor Safety Standard - WF6	PDF Document	1,743 KB
3.9b Environmental, Occupational Health & Safety (EHS)	PDF Document	515 KB
3.9c Security Program Governance Policy - WF6	PDF Document	237 KB
5.2.7 Floodmap - WF6	PDF Document	5,515 KB
5.3.1 Waterford 5 and 6 Environmental Permitting Matrix - WF6	PDF Document	108 KB
5.5 Water and Wastewater - WF6	PDF Document	505 KB
5.5.3a Estimated CCCT Water Usage costs - WF6	PDF Document	21 KB
5.6 Waterford 12_2022_Final Audit Summary-Environmental	PDF Document	141 KB
5.6.4 - Entergy Environmental Management Policy - WF6	PDF Document	220 KB
5.6.4 - Entergy Environmental Management System Procedure V7 12062016 - WF6	PDF Document	80 KB
8.1 CIP-013 Requirements - WF6	PDF Document	140 KB

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3.2 External References List

- https://www.eia.gov/analysis/studies/powerplants/capitalcost/pdf/capital_cost_AEO2025.pdf
- https://www.netl.doe.gov/projects/files/QGESSCostEstMethodforNETLAssessmentsofPowerPlantPerformance_022621.pdf
- https://gasturbineworld.com/shop/annual-handbook/gas-turbine-world-handbook-2024-print-digital/

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WESTLAKE

3.1.3 O&M Plan and Estimate - WLAPS	Microsoft Excel Worksheet	372 KB
3.1.5a Prelim Heat and mass Balance Diagrams & Performance Data - WLAPS	PDF Document	789 KB
3.1.5b Water Balance Diagrams - WLAPS	PDF Document	207 KB
3.1.7 EPC Technical Specification and Design Criteria - WLAPS	PDF Document	247,608 KB
3.1.8 General Arrangement Drawings - WLAPS	PDF Document	13,089 KB
3.1.9a MPWA Power Train Technical Proposal - WLAPS	PDF Document	43,100 KB
3.1.9b Facility Plot Plan for Fuel Systems - WLAPS	PDF Document	129 KB
3.1.13 Electrical One-Line - WLAPS	PDF Document	1,579 KB
3.2 Level 2 Project Schedule - WLAPS	PDF Document	183 KB
3.4.1 Insurance Summary - WLAPS	PDF Document	23 KB
3.5 Site Boundary kmz - WLAPS.kmz	KMZ File	1 KB
3.5.1a Vesting Deed - WLAPS	PDF Document	1,562 KB
3.5.1b Vesting Deed - WLAPS	PDF Document	2,366 KB
3.5.5 ALTA Survey - WLAPS	PDF Document	8,991 KB
3.5.6 Zoning - WLAPS	PDF Document	148 KB
3.5.7a TE Report - WLAPS	PDF Document	3,724 KB
3.5.7b Cultural Resource Report - WLAPS	PDF Document	3,827 KB
3.5.7c Wetlands Report - WLAPS	PDF Document	11,615 KB
3.5.7d Wetlands kmz - WLAPS.kmz	KMZ File	149 KB
3.5.7e Notice Criteria Tool - WLAPS	PDF Document	134 KB
3.5.9 Desktop Geotechnical Report - WLAPS	PDF Document	9,171 KB
3.5.10 Hydrology Report - WLAPS	PDF Document	49,006 KB
3.5.17 Property Tax Documentation - WLAPS	PDF Document	308 KB
3.6.3 MHPSA JAC Viability - WLAPS	PDF Document	3,283 KB
3.6.4 Selection of Major Equipment - 2023 ETI PIE OEM RFP - WLAPS	PDF Document	75 KB
3.8a Supplier Diversity Strategy - WLAPS	PDF Document	285 KB
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3.9c Security Program Governance Policy - WLAPS	PDF Document	237 KB
4.1.2 MISO Application - WLAPS	PDF Document	342 KB
5.2.7 Floodmap - WLAPS	PDF Document	690 KB
5.3.1 Westlake CCCT Environmental Permitting Matrix - WLAPS	PDF Document	104 KB
5.5 Water and Wastewater - WLAPS	PDF Document	234 KB
5.6.4 - Entergy Environmental Management Policy - WLAPS	PDF Document	220 KB
5.6.4 - Entergy Environmental Management System Procedure V7 12062016 - WLAPS	PDF Document	80 KB
8.1 CIP-013 Requirements - WLAPS	PDF Document	140 KB
5787_Westlake Project Cost Model Final_RFP Submission - WLAPS	Microsoft Excel Macro-En...	7,663 KB