

**Entergy Arkansas, Inc.
Transition Plan
Technical Conference #1**

May 5, 2010

Why Technical Conferences?

- **Complex subject matter**
- **Venue for stakeholders to develop an awareness and understanding of the issues that EAI must address to develop and implement the Transition Plan**
- **EAI desires to engage in a collaborative discussion with stakeholders so all points of view and feedback are considered during Transition Plan development**
- **EAI anticipates a series of five Technical Conferences that will address various topics relevant to the Transition Plan**
- **Information contained in these slides is preliminary, subject to change as EAI develops and implements the Transition Plan**

EAI Transition Plan Technical Conferences Website


http://entergy-arkansas.dev.entergy.com/transition_plan/

Entergy Arkansas, Inc. - Transition Plan - Microsoft Internet Explorer

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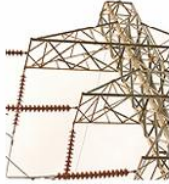
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Entergy Arkansas, Inc. Transition Plan Technical Conferences




Preparing for operations following Entergy Arkansas Inc.'s December 19, 2013 exit from Entergy System Agreement

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First Technical Conference - May 5, 2010

- Conference Announcement
- Agenda
- Castleberry Presentation
- Wolf Presentation
- Ralston Presentation
- DeGeorge Presentation
- Attendance List
- Responses to Questions



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What is the Transition Plan?

A plan that EAI must develop and implement for operations following EAI's December 19, 2013 exit from the Entergy System Agreement.

The plan will identify what is required for EAI to:

- Provide the essential power system resources and functional capabilities to operate EAI's electric facilities
- Provide continued reliable service to customers at a reasonable cost
- Meet the applicable performance standards

Some Important Points to Understand Before We Get Started...

- EAI is developing a Transition Plan that will define the strategy and operating plans for EAI's operations in the 2013-2016 timeframe after EAI exits the System Agreement.
- Through Technical Conferences such as today's, EAI will work collaboratively with the APSC and other stakeholders to communicate EAI's functional requirements for future operations and the plans for developing EAI's Transition Plan for 2013-2016 operations.
- EAI believes that this process will provide an improved understanding of the issues and details that must be addressed to finalize the Transition Plan. EAI hopes that this process will also establish the foundation of support from its customers and regulators to provide the resources and timely decisions to assure the Transition Plan's implementation by December 2013.

Some Important Points to Understand Before We Get Started...

- EAI has many options to consider for providing the functions required for 2013-2016 operations.
- There is adequate time to fully define and evaluate these options on a schedule that will put these functions in place by 2013.
- EAI expects to finalize its Transition Plan strategy and comprehensive implementation plan by late 2011.

Today's Agenda

Session	Presenter	Time
Overview <ul style="list-style-type: none"> •EAI's process for developing a Transition Plan for EAI's operation in the 2013-2016 timeframe •Functional Requirements that must be in place by December 2013 	Kurt Castleberry	60 minutes
EAI Generation Supply Requirements and Supply Procurement Plans	Charles DeGeorge	60 minutes
Break		30 minutes
EAI Functional Requirements for Short Term Generation Planning	Al Ralston	45 minutes
Control Area / Balancing Authority Functional Requirements	Matt Wolf	45 minutes
Work Plan for 2010-2011	Kurt Castleberry	30 minutes
Summary and Upcoming Technical Conferences	Kurt Castleberry	15 minutes

Overview of EAI's process for developing a Transition Plan for EAI's operations in the 2013-2016 timeframe

Kurt Castleberry

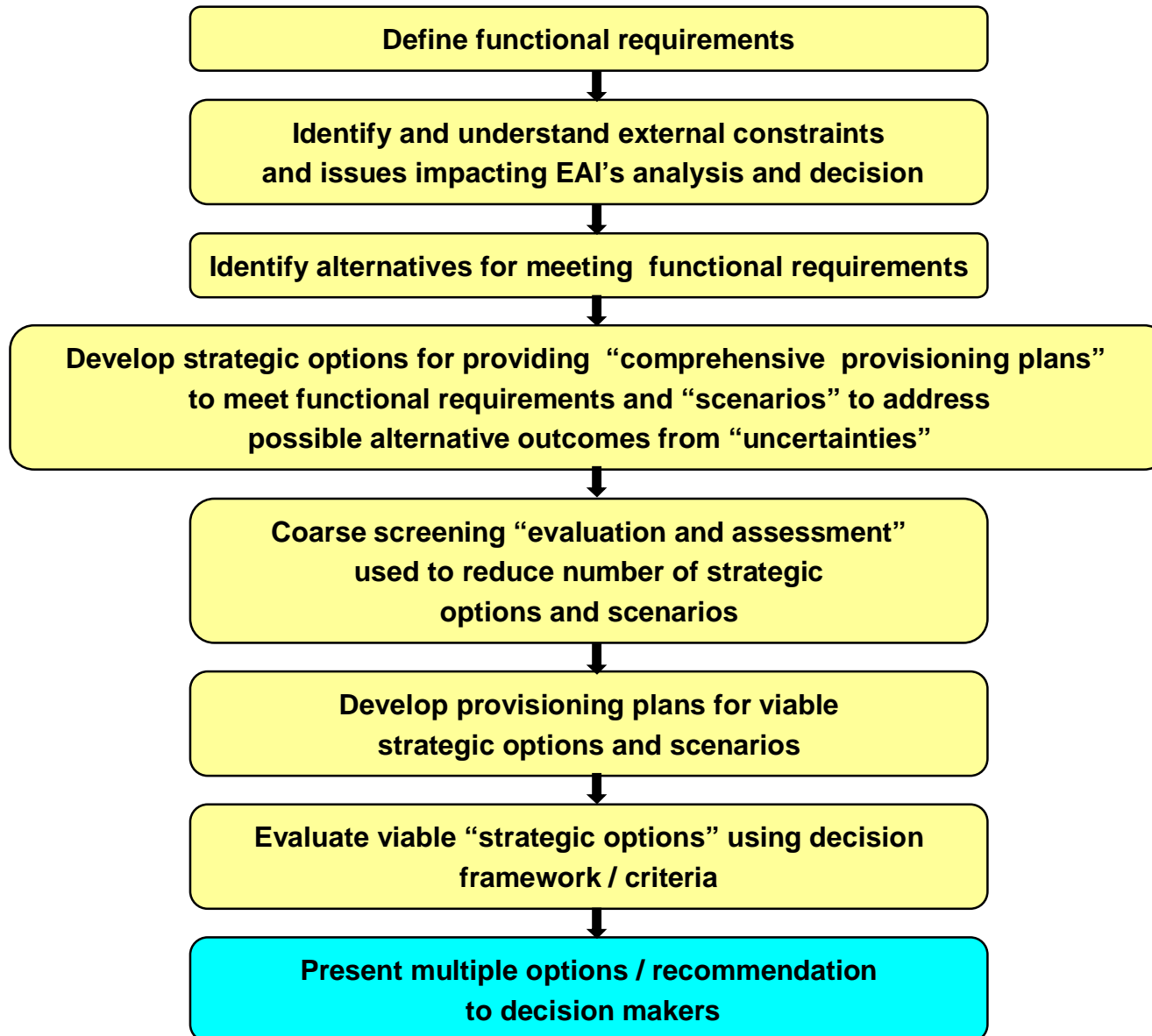
Overview of EAI's Process for Developing a Transition Plan

- EAI is developing a Transition Plan that will define the strategy and operating plans for EAI's operations in the 2013-2016 timeframe after EAI exits the System Agreement.
- There are many complex functional requirements that must be put in place by December 2013 for EAI to plan and operate its generation and power supply resources on a more “stand-alone” fashion apart from the other Entergy Operating Companies.
- EAI has identified the critical functions that must be included in a Transition Plan, and begun the process of evaluating the strategic options for providing these required functions.
- Several of the most critical functions will be addressed in today's Technical Conference – and each has a major impact on the reliability and cost of power for EAI's customers.
- There are multiple alternatives for providing each of these functional requirements. EAI has not yet made decisions regarding which alternative “provisioning plan” will be selected:
 - Some potential alternatives are currently not defined well enough to understand their costs, risks, or implementation schedule
 - For some alternatives, EAI does not control the timing of their availability and/or control the decisions that will determine the impact and costs of the alternative
 - Until such uncertainties are resolved, EAI must develop and maintain a more certain alternative that can be implemented by December 2013

Overview of EAI's Process for Developing a Transition Plan (cont'd)

- Over the 2010-2011 period, EAI will evaluate the alternatives for each functional requirement and complete an implementation plan for each of EAI's viable "strategic options". Each strategic option will include a comprehensive set of "provisioning plans" that, in aggregate, provide all the functions and processes required for EAI's operations in the 2013-2016 timeframe.
- The comprehensive implementation plans for viable strategic options are expected to be determined by the 4th quarter of 2011. EAI will select a Transition Plan from these strategic options.
- EAI will be taking some steps in 2010-2011 to make arrangements to supply some of the most critical resources needed for 2013-2016 operations, focusing on those functions and resources that are common to all strategies for providing for 2013-2016 operations. For example, EAI will need additional flexible generating capacity and fuel supply arrangements to meet daily and seasonal load variations.
- EAI will develop these plans using a principle-based decision making process seeking to assure that EAI customers continue to have a reliable and economic supply of power, while managing the risks and uncertainty that are inherent in providing power supply for operations that are 3-6 years into the future.
- EAI will also seek to maintain the flexibility to adapt to future changes, and to maintain significant control regarding those business decisions that are most critical to the cost and reliability of power supply to EAI's customers.

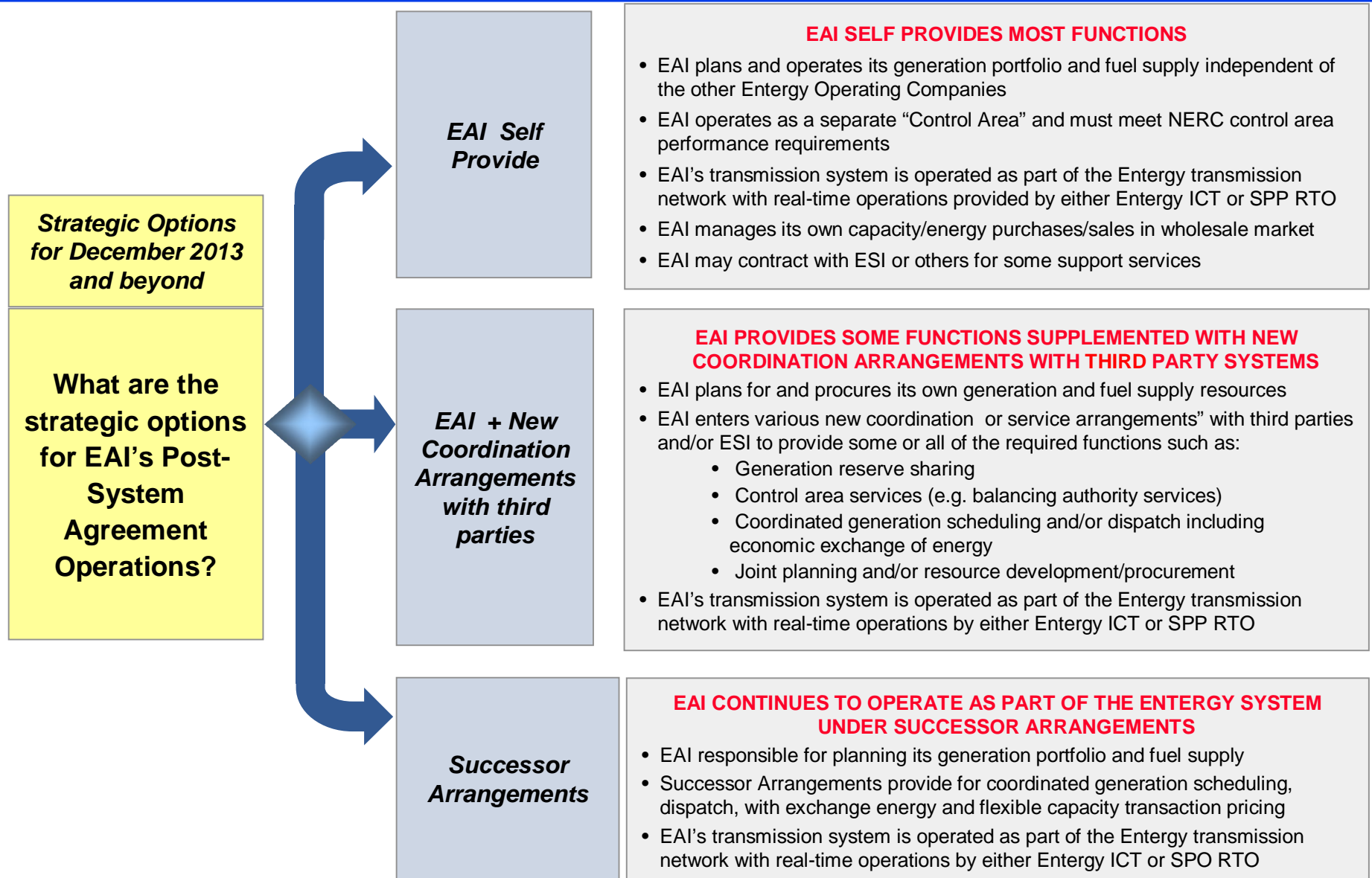
High Level “Flow Chart” of EAI’s Process for Developing a Transition Plan



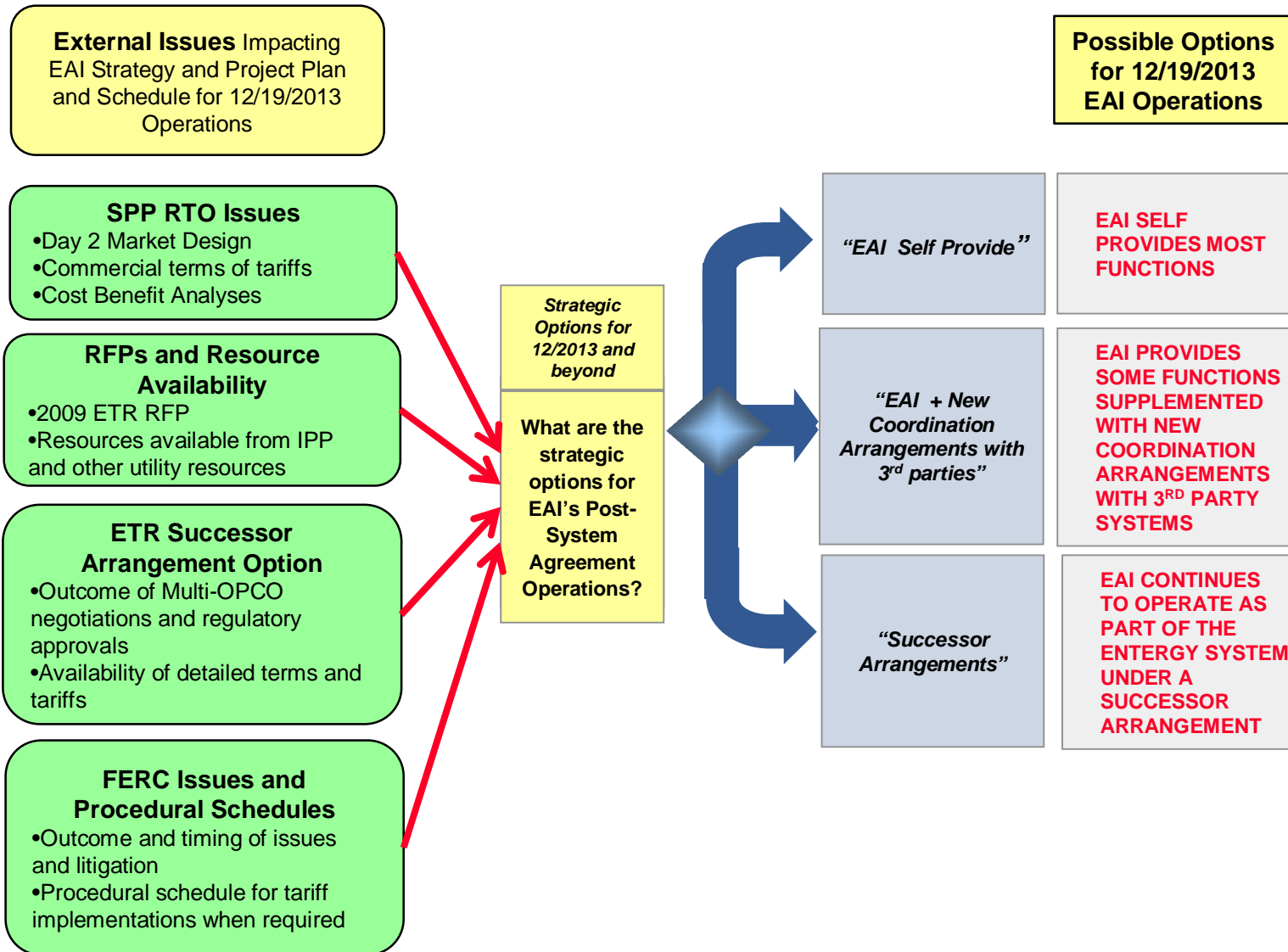
Guiding Principles for Evaluating Strategic Options for EAI's Transition Plan

- **EAI will use a principled evaluation process in determining the Transition Plan for 2013-2016 operations**
- **EAI will use an evaluation criteria that evaluates each strategic option for meeting functional requirements using assessments/measures of performance considering multiple dimensions:**
 - **EAI Customer Economics** – the relative impact on customer revenue requirements over a defined period
 - **Reliability** – the relative impact on power supply reliability
 - **Implementation Risk** - complexity and risks of Transition Plan implementation
 - **Exposure to Uncertainty**– the exposure to uncertainties beyond the direct control of EAI or require predictions for the future
 - **Control** – the degree of EAI autonomy to make or influence decisions that are critical to EAI reliability, costs, or essential operations
 - **Flexibility** – the ability for EAI to adjust to changing business environment due to unforeseen or uncontrollable future events
 - **Resource Impact** - financial and human resource requirements and the opportunity for full and timely recovery of costs

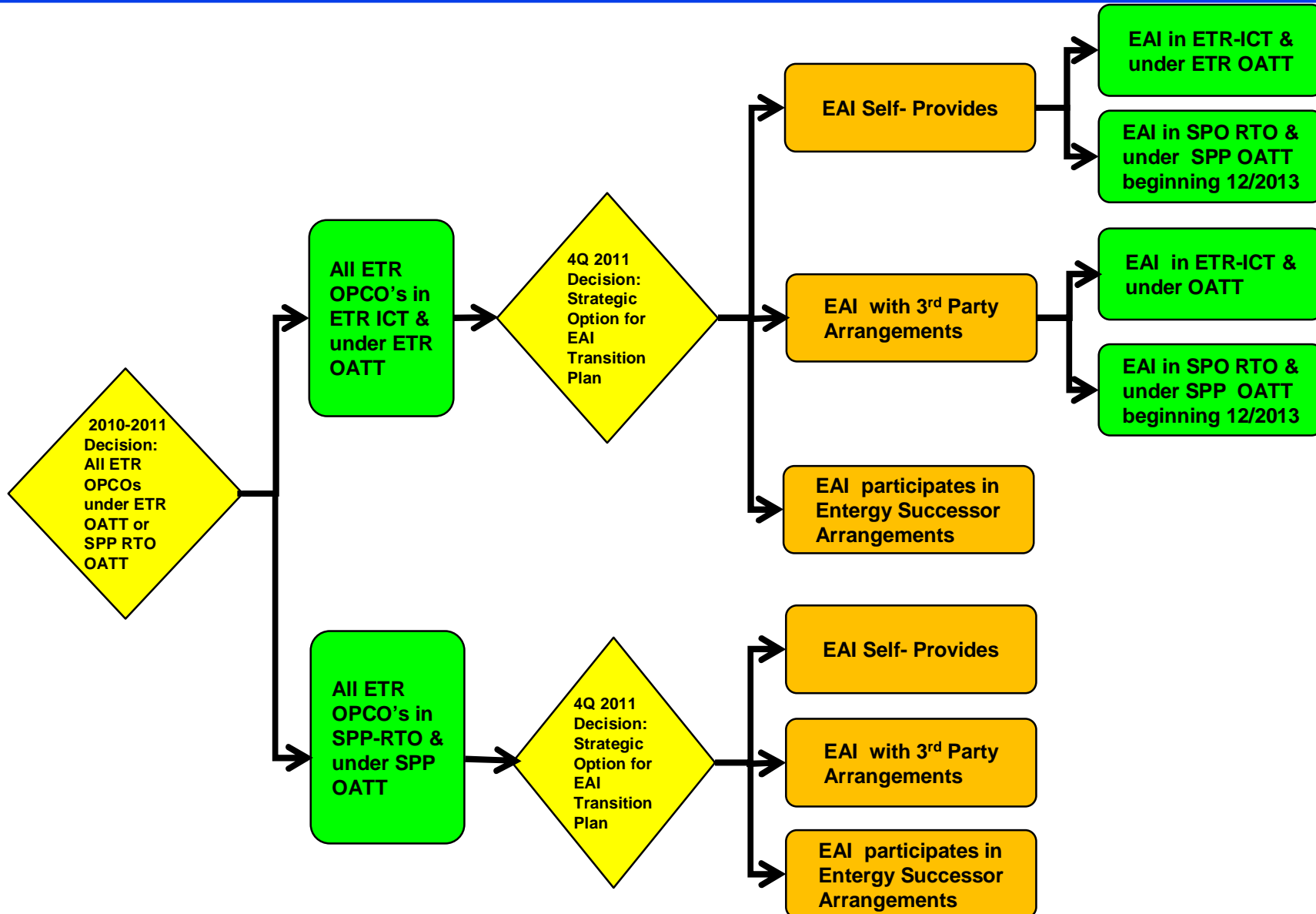
EAI's strategy options and supply alternatives are currently not defined in sufficient detail to support a near term decision. The work plan for 2010-2011 must clarify alternatives so that they can be evaluated for a Transition Plan decision in 4Q 2011



External issues will impact the plan for EAI’s Post System Agreement Operations. EAI cannot control the timing or outcome of many of these issues



Decision Tree Overview – Critical Decisions and Currently Identified Major End Point Scenarios that Must Be Evaluated to Select EAI’s Transition Plan



Overview of Transition Plan Terminology / Lexicon

- **Objective for EAI's Transition Plan** – Develop and implement an EAI power system operations Transition Plan to provide for continued operations of EAI's power supply resources following EAI's exit from the Entergy System Agreement. The Transition Plan will implement essential capabilities by December 19, 2013 and implement desired enhancements within the 2013-2016 period.
- **Functional Requirements** – Capabilities and resources that must be put in place by December 2013 for EAI to operate following exit from System Agreement. The Transition Plan must define the plans to provide the resources and capabilities to address multiple “functional requirements” for the planning and operation of EAI's power system.

Overview of Transition Plan Terminology / Lexicon (cont'd)

- **Transition Plan** - The EAI plan for meeting the “comprehensive set” of functional requirements for the 2013-2016 period that will ultimately be recommended after completion of team’s efforts.
- **Strategic Option** – EAI’s approach to developing the Transition Plan will consider multiple “primary , high level alternatives” (Strategic Options) for providing the most critical resources and capabilities necessary to meet all of the functional requirements.
- **Component Decisions** – For each strategic option there are multiple “component decisions” that define specific provisioning plans within the overall plan for a strategic option.

Overview of Transition Plan Terminology / Lexicon (cont'd)

- **Strategic Option Scenario** – An alternative consisting of a comprehensive set of viable provisioning plans for the functional requirements needed for EAI's 2013-2016 operations. Each strategic option and corresponding detailed provisioning plans will in aggregate meet all of the functional requirements for EAI operations in the 2013-2016 time period.
 - A Strategic Option Scenario consists of one of the primary strategic options and various choices for:
 - The provisioning plan selected to meet each functional requirement
 - The critical component decisions (e.g. SPP RTO/ETR ICT alternatives for provision of transmission operations (OATT)).
 - Strategic Option Scenarios will be evaluated and compared using the decision framework, ultimately leading to the recommendation of an EAI Transition Plan.

Overview of Transition Plan Terminology / Lexicon (cont'd)

- **Evaluation Framework** - A set of factors that will be used to compare and evaluate the strategic option scenarios, and that will be considered in the team's recommendations regarding selection of the final Transition Plan. Our evaluation process will evaluate each viable strategic option scenario using assessments/measures of performance for each of the following dimensions:
 - **EAI Customer Economics** – the relative impact on customer revenue requirements over a defined period
 - **Reliability** – the relative impact on power supply reliability
 - **Implementation Risk** - complexity and risks of Transition Plan implementation
 - **Exposure to Uncertainty**– the exposure to uncertainties beyond the direct control of EAI or require predictions for the future
 - **Control** – the degree of EAI autonomy to make or influence decisions that are critical to EAI reliability, costs, or essential operations
 - **Flexibility** – the ability for EAI to adjust to changing business environment due to unforeseen or uncontrollable future events
 - **Resource Impact** - financial and human resource requirements and the opportunity for full and timely recovery of costs

Overview of Transition Plan Terminology / Lexicon (cont'd)

- **Baseline Scenario** – A reference scenario reflecting a provisioning plan that has been based upon the analyses conducted to date.
 - EAI will develop a Baseline Scenario that will provide by December 19, 2013 a viable and effective, but perhaps not yet optimum, set of detailed plans (“path”) to provide all of the functional requirements that must be in place by December 19, 2013.
 - This plan will include provisioning plans that provide EAI with (relative to other scenarios) a lower degree of uncertainty and risks of implementation for December 2013 operations (e.g. EAI can expect to control or significantly influence major decisions; EAI is not dependent on actions and approvals of multiple parties; and/or the plan minimizes reliance upon regulatory approvals other than the APSC).
 - As viable detailed plans for other strategic options are defined (which could include alternatives or provisioning plans that can’t be fully in place by December 2013), these “strategic option scenarios” will be compared against each other and the “baseline scenario”.

Overview of Functional Requirements that must be in place by December 2013

Kurt Castleberry

Overview of the Functional Requirements for 2013-2016 EAI Operations

Functional Requirements – Capabilities and resources that must be put in place by December 2013 for EAI to operate following exit from System Agreement

- EAI's Transition Plan will consist of a comprehensive set of implementation plans that in aggregate will provide all of the functional requirements for EAI to plan and operate its power supply resources in the 2013-2016 time frame.
- EAI has identified the critical business functions that must be included in a Transition Plan, and has begun the process of identifying and evaluating the options for providing these required functions.
- Several of the most critical functions will be addressed in today's Technical Conference – and each has a major impact on the reliability and cost of power for EAI's customers.

Major Categories of Functional Requirements

- **Generation Portfolio Requirements** – Provide the generation and fuel resources sufficient for the following:
 - Capacity to meet peak period reliability (e.g., reserve requirements)
 - Flexible generation capacity and fuel supplies capable of being committed and dispatched to follow seasonal, daily and hourly changes in load
 - Capacity for “operational reserves” (e.g., quick start/on-line reserves) sufficient to meet major contingencies and to meet control area performance requirements
 - Capacity and fuel supplies for “regulation”/control area performance requirements (i.e., generation that can be ramped up/down quickly to match intra-hour changes in load)

- **Balancing Authority (Control Area) Functions** – Provide the control systems and operating procedures to assure conformance with NERC requirements for utility control area performance

Major Categories of Functional Requirements (continued)

- **Generation Scheduling and Dispatch Functions** – Provide the control systems, operations staff and critical operating procedures to make the generation unit commitment and dispatch decisions, and to manage opportunities for power sales/purchases
- **Resource Planning Arrangements** - Provide for the supply planning and procurement for bulk power resources including generation, power purchases/sales, fuel supplies, and transmission capacity/transmission service arrangements
- **Administrative Support Functions** – Provide the accounting, regulatory, and legal support functions necessary to engage in wholesale market transactions, manage coordination arrangements, meet compliance obligations, and to manage required regulatory processes associated with bulk power arrangements

Key Issues and Decisions for Determining the Plan to Provide Functional Requirements for 2013-2016 EAI Operations

Functional Requirement	Key Decisions for 2010 – 2011 Work Plan
Balancing Authority (Control Area)	<ul style="list-style-type: none">➤ How will EAI provide the facilities, staffing, and systems required to operate as part of separate Balancing Authority (Control Area) to balance real-time generations supply with customer demand?➤ How will EAI provide the generation resources needed to meet the functional requirements that are imposed upon EAI's real-time generation operations by NERC performance requirements for a Balancing Authority (Control Area)?

Key Issues and Decisions for Determining the Plan to Provide Functional Requirements for 2013-2016 EAI Operations

Functional Requirement	Key Decisions for 2010 – 2011 Work Plan
Real-time Operations	<ul style="list-style-type: none"> ➤ What OATT will govern the real-time operations issues for EAI owned transmission system? ➤ What ancillary services will EAI be required to provide, and under what terms? ➤ What "operating zones" and "congestion issues" will affect the provisioning of reserves? ➤ How will the wholesale market structure impact the availability and price of transmission service and/or the transmission delivery costs for generation? ➤ How will EAI provide the facilities, staffing, and systems for real-time generation operations functions associated with decisions regarding the commitment and dispatch of EAI's generation? ➤ What wholesale market structure and processes will be in place and how will the wholesale market impact decision making and resource availability for unit commitment and dispatch processes and transmission service? ➤ What EAI "flexible capacity" generation resources will be committed and dispatched to meet EAI's functional requirements for EAI load regulation? ➤ What "flexible capacity" generation resources or load control plan will be used to provide the minimum NERC requirements for operating reserves to recover from contingencies? ➤ What "flexible capacity" generation resources will be committed and dispatched to follow EAI's weekly/daily variations in load (intraday operating range)?

Key Issues and Decisions for Determining the Plan to Provide Functional Requirements for 2013-2016 EAI Operations

Functional Requirement	Key Issues Decisions for 2010 – 2011 Work Plan
<p>Generation Portfolio Supply</p>	<ul style="list-style-type: none"> ➤ How much additional EAI generation capacity will be needed to provide the minimum planning reserves required for participation in EAI's reliability coordination group (e.g. SERC, SPP)? ➤ What criteria will EAI use to determine the amount of planning reserves above EAI's peak demand in order to provide reliable service during peak period conditions and contingency events? How much additional EAI generation capacity will be required to satisfy this requirement? ➤ What amount and type of additional EAI generation resources and associated fuel supplies are needed to provide the flexible capacity needed for EAI's regulation, load following, and contingency requirements? ➤ What additional gas/oil fuel supply and fuel delivery arrangements will be needed to support flexible generation operations of both existing and new EAI generation resources? ➤ What amount and types of transactions will EAI enter to market any potential excess base load energy not required to serve EAI's load requirements? ➤ What plan and schedule should be adopted to procure the additional generation, fuel supply, and transmission service resources required for 2013-2016 period operations?

Key Issues and Decisions for Determining the Plan to Provide Functional Requirements for 2013-2016 EAI Operations

Functional Requirement	Key Issues and Decisions for 2010 – 2011 Work Plan
Resource Planning	➤ What new processes and staffing will be required to support EAI's resource planning for the 2013-2016 timeframe and beyond?
Administrative Support Services	➤ What new processes and staffing will be required to support the power systems related billing and administrative functions associated with EAI's 2013-2016 timeframe operations and planning functions?

Work Plan for 2010-2011

Kurt Castleberry

Overview of 2010-2011 Work Plan

- **Critical Priorities**
- **Tasks that are Common to All Strategic Options**
- **Major Milestones Events**

Overview of 2010-2011 Work Plan

A Focus on the Critical Priorities

To prepare for Post System Agreement Operations, EAI must aggressively pursue a “multi-track” 2010-2011 work plan focused on four critical priorities:

- **Strategic Option Definition** - Develop the details necessary to define and evaluate each of the alternative arrangements for providing the essential functional requirements for planning and operations of EAI's Bulk Power Resources after December 2013. The currently identified alternative arrangements include:
 - EAI self provisioning
 - Operation as part of the Entergy System's Successor Arrangements
 - EAI participation in multiple new coordination and/or supply arrangements with third parties

- **EAI Generation Portfolio Supply Plan** - Develop and implement a plan to acquire by 2013 the critical generation resources that will be needed regardless of the strategic option ultimately selected:
 - Flexible generation (CCGT,CT, or purchases) – expected to include a minimum of 1 additional 500 MW CCGT
 - Reserve capacity for peak period reliability - expected to require 1200 MW to 1600 MW of new capacity/supply arrangements

- **EAI Gas Supply Arrangements** - Develop a fuel supply plan and supply arrangements for the gas-fired flexible capacity required for control area balancing and ancillary services requirements.

- **Communications & Regulatory Plan** - Establish the educational and decision support framework foundation that will be required for regulators and management to make key decisions on the schedule that will be required to transition to Post-System operations. Develop the regulatory plan required to implement transition plan.

The 2010 execution plan for these priorities will require a project budget sufficient to support project teams for each priority staffed with internal and external personnel.

Overview of 2010-2011 Work Plan

A Focus on Tasks that are Common to All Strategic Options

- **EAI's 2010-2011 work plan places a near term focus on tasks that are common to all strategies – “no regrets”**
 - **Develop supply plan alternatives for additional flexible generation capacity (CCGTs/CTs)**
 - **Develop plans to ready EAI's existing flexible generation (Lake Catherine and Ouachita) for more frequent utilization**
 - **Develop fuel supply plans and arrangements that will support use of EAI generation to meet flexible capability requirements**
 - **Develop alternative arrangements for providing EAI planning and operating reserves for 2013-2016 needs, assuring they are deliverable to EAI**

Overview of 2010-2011 Work Plan

A Focus on Tasks that are Common to All Strategic Options

- **EAI's 2010-2011 work plan places a near term focus on tasks that are common to all strategies – “no regrets” (continued)**
 - **Develop plans for multiple purchased power procurement processes for 2011-2013 timeframe**
 - **Develop plans to put in place a Balancing Authority (Control Area)**
 - **Develop EAI organizational capabilities to support resource planning and operational decisions**

Overview of Major Milestone Events for Work Plan

Milestone/ Event ID	Start Date	End Date	Project Category (Schedule Track)	Project Category Sub-group	Description of Milestone or Event	Req'd Event Duration	Required Finish Date
1	Jan. 2010	Oct. 2011	EAI Transition Plan Project Activity	Strategic Option Evaluation	Transition Plan study Phase 1 completed. Begin current phase. Continue efforts to finalize Transition Plan functional requirements, determine details for strategic options and possible externally driven scenarios. Continue evaluation of options. Develop implementation timelines for options under consideration. Develop Transition Plan details.	21 months	Oct 1, 2011
2	Jan. 2010	Oct. 2011	EAI Transition Plan Project Activity	Generation Supply Plan	Transition Plan study current phase develops detailed plans and options for EAI Generation Supply plan resource requirements and resource procurement plans for each strategic option scenario under consideration.	21 months	Oct. 1, 2011
3	Jan. 2010	Oct. 2011	EAI Transition Plan Project Activity	Fuel Supply Plan	Transition Plan study current phase develops detailed plans and options for fuel and fuel delivery (e.g. pipeline arrangements) for EAI Generation Supply plan scenarios. Develop procurement plans for fuel supply.	21 months	Oct. 1, 2011
4	Feb. 2010		APSC Event		APSC show cause order issued		

Overview of Major Milestone Events for Work Plan

Milestone/ Event ID	Start Date	End Date	Project Category (Schedule Track)	Project Category Sub-group	Description of Milestone or Event	Req'd Event Duration	Required Finish Date
5	Jan. 2010	Apr 2010	Entergy Activity	Generation Supply Plan	Entergy System 2009 RFP process expected to select "short list" of resources for further assessment and evaluation	4 months	On or about April 15, 2010
6	Feb. 24, 2010		RTO/ICT Decision	ERSC Activity	Consultant selected for ERSC Cost Benefit Analysis study assessing Entergy/EAI participation in SPP RTO (with Day 2 market). Start of study definition and assumptions and study analysis.		
7	Apr. 2010	Dec 2010	EAI Transition Plan Project Activity	Communications & Regulatory Plan	EAI conducts technical conferences regarding critical topics for Transition Plan	9 months	Dec 2010
8	Apr 2010	Jul 2010	Entergy Activity	Generation Supply Plan	Entergy System 2009 RFP decisions and awards for generation resources selected for further comprehensive due diligence and contractual arrangements. Improved visibility of possible EAI resources for EAI Generation Supply Plan.	4 months	Jul 2010
9	Jul. 2010	Dec 2010	Entergy Activity	Generation Supply Plan	Entergy System 2009 RFP award resource due diligence and finalize contract arrangements. Improved certainty regarding EAI generation resources	6 months	Dec 2010

Overview of Major Milestone Events for Work Plan

Milestone/ Event ID	Start Date	End Date	Project Category (Schedule Track)	Project Category Sub-group	Description of Milestone or Event	Req'd Event Duration	Required Finish Date
10	Sep. 2010	Oct. 2010	RTO/ICT Decision	SPP RTO Event	SPP RTO planned date for finalizing Market Protocol Definition Document (MOPC). Begin approval and vendor implementation process. Improved visibility of schedule for implementation timeline for SPP RTO Day 2 market	2 months	Oct 2010
11	Sep. 30, 2010		RTO/ICT Decision	ERSC Activity	Planned completion date for consultant to complete ERSC Cost Benefit Analysis study assessing Entergy System participation in SPP RTO (with Day 2 market)		
12	Sep. 30, 2010	To be determined	RTO/ICT Decision	ERSC Activity	TBD completion date for ERSC Cost Benefit Analysis study of EAI participation in SPP RTO (with Day 2 market). Scheduled to follow Entergy participation in SPP RTO study.	To be determined	To be determined
13	Oct. 2010	To be determined	EAI Transition Plan Project Activity	RTO/ICT Decision	Entergy and EAI review and assessment of ERSC Cost Benefit Study results	To be determined	To be determined
14	1st Quarter 2011	4th Quarter 2011	EAI Transition Plan Project Activity	Communications & Regulatory Plan	Potential filing with APSC regarding Transition Plan and items needing APSC approval, if any (e.g. generation acquisitions and other transition cost recovery requirements, etc.)	9 – 12 months	Dec 2011

Overview of Major Milestone Events for Work Plan

Milestone/ Event ID	Start Date	End Date	Project Category (Schedule Track)	Project Category Sub-group	Description of Milestone or Event	Req'd Event Duration	Required Finish Date
15	Late 2010	3 rd Quarter 2011	EAI Transition Plan Activity	Option Evaluation and Implementation Planning	Adjust strategic option plans for outcome of 2010-early 2011 events. Develop detailed implementation plans for each option. Discuss provisioning arrangements with third parties. Evaluate options and prepare comparisons for decision makers.		September 15, 2011
16	Oct. 1, 2011		Critical Deadline		Final recommendation for Transition Plan available for approval (recommends strategic option and implementation plan)	1 month	Nov. 1, 2011
17	Nov. 1, 2011		Critical Deadline		All final approvals in place to execute Transition Plan implementation steps		Nov. 1, 2011
18	Dec. 1, 2011	Dec. 1, 2013	Implementation	Generation Supply Plan	Implementation of generation capacity supply plan through procurement and contractual arrangements for additional resources for EAI generation portfolio	18-24 mos.	Dec. 1, 2013
19	Dec. 1, 2011	Dec. 1, 2013	Implementation	Fuel Supply Plan	Implementation of generation fuel supply plan through procurement and contractual arrangements for additional EAI fuel supply and fuel delivery	18-24 mos.	Dec. 1, 2013

Overview of Major Milestone Events for Work Plan

Milestone/ Event ID	Start Date	End Date	Project Category (Schedule Track)	Project Category Sub-group	Description of Milestone or Event	Req'd Event Duration	Required Finish Date
20	Dec. 1, 2011	Dec. 1, 2013	Implementation	Generation Operations	Implementation, staffing, and testing of processes for real-time generation operations & control functions (balancing authority (control area), generation commitment & dispatch functions, etc.)	24 mos.	Dec. 1, 2013
21	Dec. 19, 2013		Critical Deadline	All Functions	EAI participation in System Agreement terminates. EAI operations under Transition Plan arrangements begins		

Summary and Upcoming Technical Conferences

Kurt Castleberry

Summary.....The Takeaways from Today's Conference.....

- EAI is developing a Transition Plan that will define the strategy and operating plans for EAI's operations in the 2013-2016 timeframe after EAI exits the System Agreement.
- EAI's approach entails:
 - Define functional requirements
 - Develop Strategic Options for providing the functional requirements
 - Evaluate viable Strategic Options using decision framework / criteria
 - Present multiple options / recommendation to decision makers
- EAI has many options to consider for providing the functions required for 2013-2016 operations.
- There is adequate time to fully define and evaluate these options on a schedule that will put these functions in place by 2013.
- Technical Conferences will be integral part of the Transition Plan development process, allowing EAI to collaborate with stakeholders to understand and address issues necessary to finalize the Transition Plan.
- EAI expects to finalize its Transition Plan strategy and comprehensive implementation plan by late 2011.

Upcoming Technical Conferences

- **Technical Conference # 2 – June 2010** - The technical conference would address the following subjects:
 - 2010-2011 Plan for Supply Arrangements that are Common to All Strategies
 - EAI Generation Portfolio Needs
 - Update on 2009 RFP Process and Resource Evaluation
 - EAI Requirements for Fuel Supply Arrangements
 - EAI Self-build options

- **Technical Conference #3 – August 2010** - The technical conference would address the following subjects:
 - Successor Arrangements Strategic Option Overview
 - Analysis of Successor Arrangements

Upcoming Technical Conferences

- **Technical Conference # 4 – October 2010** - The technical conference would address the following subjects:
 - SPP RTO Overview – Current
 - SPP RTO Overview – Proposed Market
 - ICT Update
 - Implications for Project Schedule
 - Implications and Issues for EAI

- **Technical Conference # 5 – December 2010** - The technical conference would address the following subjects:
 - Overview of EAI with Third Party Arrangements Strategic Option
 - Update on EAI Generation Supply Plan
 - Regulatory Plan for Transition Plan Implementation and Resource Acquisition