



News Release

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For immediate release

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Entergy, NorthStar Reach Settlement Agreement with State of Vermont and Other Parties on Terms for the Approval of the Sale of Vermont Yankee

VERNON, Vermont – Entergy Corp. affiliates (NYSE: ETR) and NorthStar Group Services Inc. announced today they have signed a settlement agreement and Memorandum of Understanding (MOU) with State of Vermont agencies and other interested parties on terms for approval of the proposed sale this year of Entergy Nuclear Vermont Yankee, the entity that owns the Vermont Yankee Nuclear Power Station located in Vernon, Vermont.

The agreement and MOU are significant milestones in the approval of the proposed transaction. If the transaction is approved by the Vermont Public Utility Commission (PUC), it will accelerate the decommissioning of Vermont Yankee by decades and facilitate the eventual economic redevelopment of the site.

The Vermont agencies signing the agreement, in whole or in part, are: the Department of Public Service (DPS), the Agency of Natural Resources (ANR), the Department

of Health, and the Attorney General's Office. The following parties have also signed the agreement: the Town of Vernon Planning and Economic Development Commission, the Windham Regional Commission, the Abenaki Nation of Missisquoi and the Elnu Abenaki Tribe, and the New England Coalition on Nuclear Pollution (NEC). The parties have submitted an MOU to the PUC based on the settlement agreement that reflects: (1) increased financial assurances beyond those included in the original proposal filed by Entergy and NorthStar with the PUC in December 2016 and (2) the establishment of site restoration standards to which NorthStar will adhere as it completes the decommissioning of the site.

The Vermont PUC approval of the MOU and an order approving the proposed transaction are pre-conditions to closing of the proposed transaction between Entergy and NorthStar. The companies anticipate requesting that the PUC issue its decision by July 31, 2018. The proposed transaction is also subject to Nuclear Regulatory Commission (NRC) approval. As part of the settlement, the State of Vermont and NEC have agreed to submit a notice of anticipated withdrawal of their pending requests for hearing in the NRC proceeding. If all regulatory approvals are obtained, the companies anticipate that the transaction will close by December 31, 2018. Copies of the MOU and the settlement agreement can be accessed at www.vydecommissioning.com. Key provisions of the MOU and the settlement agreement include:

Financial Assurance

The original application reflected a number of forms of financial assurance in support of the decommissioning and restoration of the Vermont Yankee site. As part of the MOU and settlement agreement, NorthStar has agreed to provide additional financial assurance, as follows:

- An increase in its Support Agreement from \$125 million to \$140 million;

- The establishment of an interest-bearing escrow account that will initially be funded with \$30 million and will, with additional contributions from NorthStar over time, grow to a minimum balance of \$55 million. Withdrawals from this escrow account may be made only with approval from DPS and ANR;
- A \$25 million NorthStar subcontractor guaranty available in the event and to the extent that all other forms of financial assurance are unavailable;
- A \$30 million Pollution Legal Liability insurance product that will provide coverage for site restoration activities to address previously unknown or not fully characterized non-radiological environmental conditions identified at the VY Station site after the closing of the proposed transaction;
- A comprehensive reporting protocol that will provide appropriate state agencies with detailed information about the progress and financial status of the decommissioning project; and
- NorthStar has also agreed to engage in public process and transparency measures throughout the decommissioning process and will continue to work with stakeholders to ensure that the public remains informed about the progress at the Vermont Yankee site.

As part of the MOU and settlement agreement, Entergy has agreed to provide financial assurance in support of the transaction as follows:

- Entergy will contribute to the Site Restoration Trust (SRT) (established as a result of the 2013 settlement agreement between Entergy and the State of Vermont) an amount sufficient to bring the balance of the SRT to \$60 million. Given the current SRT balance, the contribution is expected to be approximately \$30 million. At the same time, Entergy Corporation will terminate the existing \$20 million parent guaranty supporting the trust; and
- Entergy has agreed to a potential contribution of \$40 million of Department of Energy litigation proceeds expected in 2023 if, and only if, at that time certain decommissioning project milestones have not been met, if the cost to complete decommissioning and site restoration is expected to exceed the amount in the Nuclear Decommissioning Trust and the SRT, or if certain financial assurances have been called upon. If the conditions are met that require the contribution of the \$40 million, those funds would be placed in an escrow account by NorthStar, but such funds could not be used unless all other forms of financial assurance (other than the \$25 million NorthStar subcontractor guaranty) have been exhausted. NorthStar would remain liable to Entergy for the \$40 million under the terms of the parties' commercial agreement.

The terms of the MOU and settlement agreement, including the financial assurance terms discussed above, are consistent with Entergy's previous disclosures on its Entergy Wholesale Commodities business cash flow. The company continues to see neutral to positive cash flow from its merchant business to its parent from 2017 to 2022.

Site Restoration Standards

The parties have agreed to detailed site restoration standards that are fully protective of the environment as well as fully protective of the health and safety of workers and the public.

The standards to which NorthStar will adhere include the following key terms:

- Release of the site to a radiological dose limit of 15 mrem/year from all pathways combined, with no more than 5 mrem/year from liquid effluents, with the understanding that NorthStar will attempt to attain a calculated annual 10mR TEDE All Pathways and 4mR TEDE Water residual radiation standard, unless NorthStar determines that the attainment of the latter standard would be cost prohibitive or technically infeasible because of site conditions;
- Completion of a comprehensive site investigation and any required corrective actions in accordance with ANR regulations and pursuant to a schedule developed in consultation with the Town of Vernon and approved by ANR;
- Compliance with the Vermont Radiological Health Rule intended to protect individual workers on the site and the general public outside of the Vermont Yankee property;
- Submission of plans (1) to perform groundwater sampling of non-radiological contamination, (2) to characterize below-grade structures that NorthStar proposes to leave in place, (3) for any use of concrete as fill at the site, and (4) for any use of off-site materials proposed to be used as fill on site, including a plan to characterize off-site materials;
- For applicable segments of the property, and upon approval of an institutional control plan by ANR, NorthStar will remediate the site to comply with environmental standards applicable to industrial sites. If NorthStar does not receive approval for an institutional control plan with respect to specific segments of the site, it shall remediate those segments to comply with standards applicable to residential sites;
- Removal of all above-ground structures at the site, other than the Independent Spent Fuel Storage Installation (ISFSI) and associated security facilities, the VELCO switchyard, the administrative office building known as the Plant Support Building, and the portion of the

railroad spur that is able to be released for unrestricted use from the NRC-issued Vermont Yankee operating license; and

- Removal of all underground structures at the site — including, without limitation, building foundations, buried piping, and contained piping — to a depth of 4 feet below ground surface and to a greater depth wherever required to meet the site release standards described in the agreement. Asbestos-containing material shall be removed regardless of depth.

Under Entergy's original schedule, as outlined in its Post Shutdown Decommissioning Activities Report filed with the NRC in December 2014, Entergy expected to initiate decontamination and dismantlement of the Vermont Yankee site in 2068, with projected completion of both decommissioning and site restoration by 2075. Under the proposed transaction, NorthStar has committed to initiate decontamination and dismantlement by 2021 (and potentially as early as 2019) and to complete decommissioning and restoration of the Vermont Yankee site, with the exception of the ISFSI and other structures identified above, by 2030 (and potentially as early as 2026).

About Vermont Yankee, NorthStar and Entergy

The Vermont Yankee Nuclear Power Station, a single unit boiling water reactor, began commercial operation in 1972. Entergy purchased the plant in 2002 from the Vermont Yankee Nuclear Power Corp. It permanently ceased operations on December 29, 2014. At full power, Vermont Yankee supplied nearly one-third of all electricity consumed in Vermont. More information is available at www.entergy.com and www.vydecommissioning.com.

NorthStar, based in New York, is the world leader in facility decommissioning with turnkey capabilities to complete license termination and site restoration. Key partners include Orano (formerly AREVA), Burns & McDonnell and Waste Control Specialists (WCS). WCS is the nation's only licensed disposal facility for Class A, B and C low-level radioactive waste at its

state of the art facility in Andrews County, Texas. NorthStar and WCS are portfolio companies of leading mid-market private equity firm JF Lehman & Company.

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including nearly 9,000 megawatts of nuclear power. Entergy delivers electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenues of approximately \$11 billion and more than 13,000 employees.

Cautionary Note Regarding Forward-Looking Statements

In this news release, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, Entergy’s plans and expectations with respect to the Vermont Yankee Nuclear Power Station and Entergy’s merchant generation business, and other statements of Entergy’s plans, beliefs or expectations included in this news release. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) those factors discussed elsewhere in this news release and in Entergy’s most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q and Entergy’s other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with (1) rate proceedings, formula rate plans

and other cost recovery mechanisms, including the risk that costs may not be recoverable to the extent anticipated by the utilities and (2) implementation of the ratemaking effects of changes in law; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) nuclear plant relicensing, operating and regulatory costs and risks, including any changes resulting from the nuclear crisis in Japan following its catastrophic earthquake and tsunami; (e) changes in decommissioning trust fund values or earnings or in the timing or cost of decommissioning Entergy's nuclear plant sites; (f) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) risks and uncertainties associated with strategic transactions that Entergy or its subsidiaries may undertake, including the risk that any such transaction may not be completed as and when expected and the risk that the anticipated benefits of the transaction may not be realized; (h) effects of changes in federal, state or local laws and regulations and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental or energy policies; and (i) the effects of technological changes and changes in commodity markets, capital markets or economic conditions, during the periods covered by the forward-looking statements.