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To: [Jeff Canon](#); [Joaquin Mavares](#)
Subject: 7FA Issues
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Jeff / Joaquin,

I wanted to highlight some commercial & technical issues regarding the 7FA units from Tenaska that should be addressed during contract negotiations to minimize our risk.

- 1) Contract Delivery Point for all GE supplied equipment to Tenaska is New Port News, VA. Tenaska's current plan is to put all equipment in long term storage in VA. Delivery schedule for unit 1 & 2 is December 31, unit 3 is January 31. The turbines will ship from Greenville, SC in 2-3 weeks; currently 2 are on rail cars.
- 2) Equipment is currently packaged for domestic shipment (except for generators from Japan and any auxiliaries manufactured overseas). To maintain warranty, GE may want more \$\$ to re-package some equipment for overseas shipment.
- 3) A new site Study will need to be done. Tenaska said there is money in the contract for that. Fuel Specs and site conditions will be needed for re-evaluation of performance guarantees and control settings.
- 4) The fuel nozzles currently in the unit are for Combined Cycle – heated fuel. It is possible that these will need to be changed. If so, we should replace them before they leave the US or make sure we work this into the deal with GE. If not we may have to purchase different fuel nozzles and may have to carry cost since GE may give us a hard time about trading / swapping the nozzles. Fuel nozzles are valued at ~1.5 M a set and may not be readily available.
- 5) Assignment of the TA Services Contract is Critical. (It is typically separate from the unit purchase agreement.) For risk purposes we may want to assign that agreement to our end customer or the installation Contractor. I am sure they will over run the allotted man-weeks in the contract for TA hours which translates into additional \$\$ to maintain the warranty. Also, I predict the site TA's will struggle to keep the installation contractor's QA / QC program sufficient to maintain warranty on the units. GE may also want to increase TA rates for overseas work since these units were requisitioned for US domestic location.
- 6) Once the units have been purchased we will need to get a clear path for technical documents to flow to the customer & installation contractor including installation drawings and processes (originals and revisions), TIL's, ECN's, etc. If the customer is expecting a quick installation cycle GE will require any modifications or changes to the units be performed prior to start-up.

Call me if you have any questions.
Tom

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