INVITATION TO NEGOTIATE #127-19 FOR STRATEGIC ALTERNATIVES

Δ π EXHIBIT 25
Deponent Baker
Date 9/6/20 Rptr. TH
WWW.DEPOBOOK.COM

August 2, 2019

To All Qualified and Interested Parties,

JEA is pleased to present the opportunity described herein.

The objective of this Invitation to Negotiate (this "ITN") is to evaluate proposals on strategic alternatives, subject to the minimum requirements JEA has set forth in the Strategic Alternatives Process Section of this ITN, that are aligned with JEA's goal of maximizing customer, community, environmental, and financial value over the long term. JEA will consider proposals that build upon JEA's strengths and seek to eliminate certain existing business constraints.

The once-static utility industry is rapidly becoming a dynamic and transformative sector, forcing utilities to innovate to meet changing customer demands. Over the last decade, JEA has been significantly impacted by trends in energy efficiency. While 2017 electricity sales were 30% lower than forecasted back in 2006, customer rates increased by 71% from 2006 – 2018. With the industry facing an unprecedented transformation, JEA is seeking the strategic flexibility to adapt to achieve its vision of the future and provide a unique and valuable platform for growth.

JEA is the eighth-largest government-owned utility company in the U.S. and the largest in Florida. The future of JEA is of critical importance given the more than 466,000 electric customers, 359,000 water customers and 270,000 wastewater customers who rely on JEA services.

More information on JEA's business, the City of Jacksonville (the "City" or "Jacksonville") and JEA's long term objectives can be found throughout this ITN.

JEA is pleased to present this exciting, once-in-a-generation opportunity to transform Northeast Florida and protect future generations of our community. JEA appreciates your interest and Reply.

Sincerely,

April Green
Board of Directors Chair,
JEA


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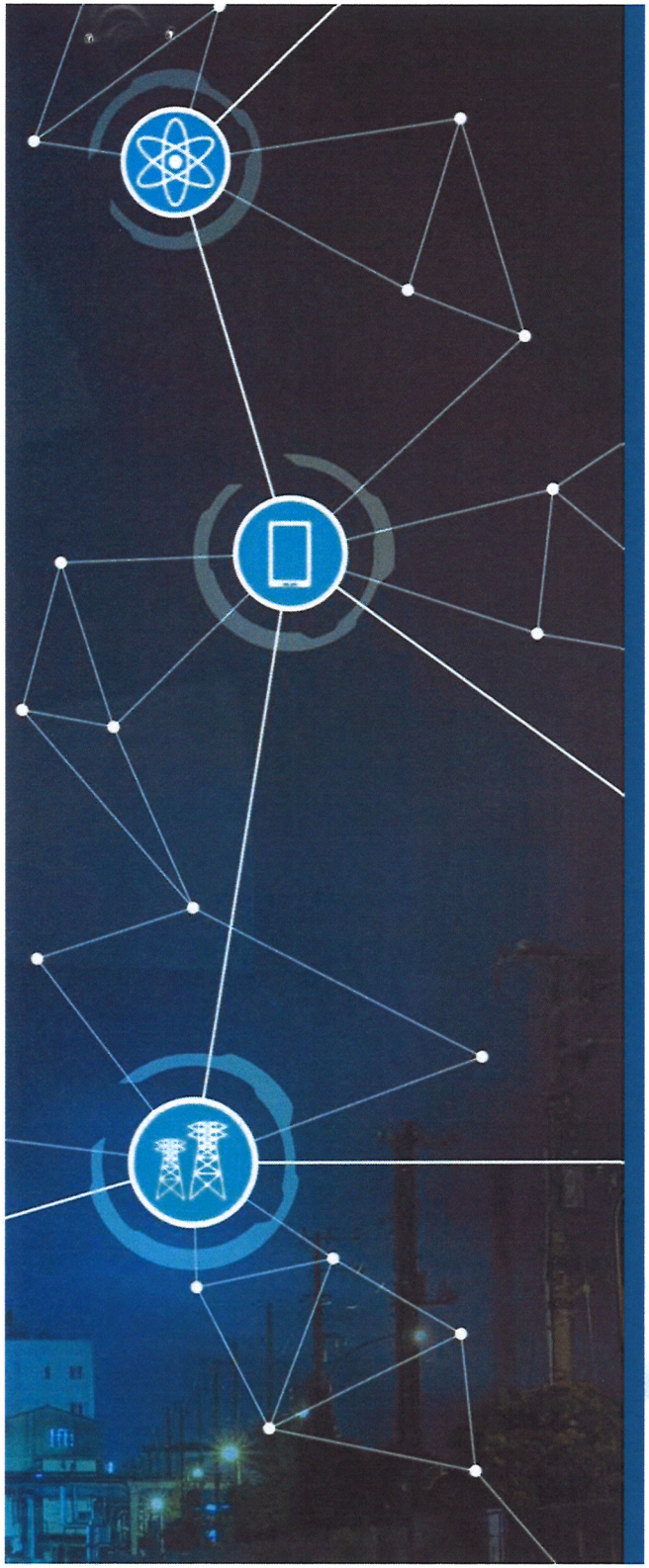


Table of Contents

Business Highlights ..... pg. 5

The JEA Opportunity..... pg. 9

Process Goals..... pg. 18

Solicitation Process; Evaluation, Negotiation, and Award Methodology..... pg. 20

Frequently Asked Questions..... pg. 42

Business Overview..... pg. 53

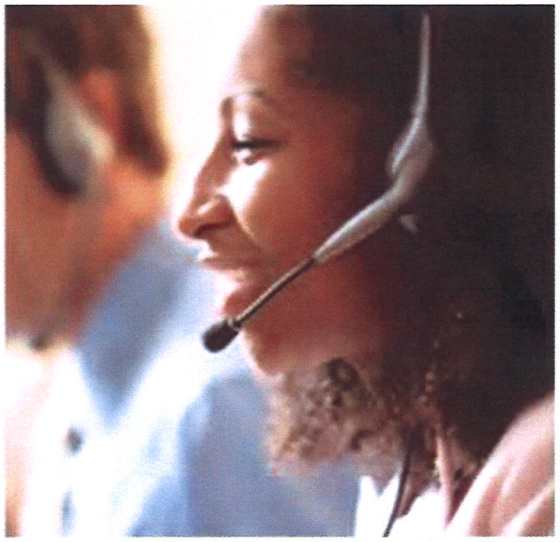
Jacksonville Market Overview..... pg. 72

Defined Terms..... pg. 79

Exhibits ..... pg. 85

Note: Capitalized terms are defined in the Defined Terms Section which appears beginning on page 79











BUSINESS HIGHLIGHTS

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

Business Highlights

1 Unique Opportunity of Scale

- Largest government-owned utility in Florida
- Eighth-largest government-owned utility in the U.S.
- Top 10 water and wastewater utility in the U.S.

2 High-Quality Asset with Attractive Investment Dynamics

- Top-quartile utility in customer satisfaction, as rated by JD Power
- Industry leading operational metrics (Case Executive Management Information System, Recordable Incident Rate, Emissions, etc.)

3 Significant Asset Base with Attractive Investment Dynamics

- $1,050 million of capital invested in the utility over the past three years; $500 million in the electric system ("Electric System") and $550 million in the water system ("Water and Wastewater Systems")
- Net capital plant of ~$5.4+ billion: ~$2.7 billion at the Electric System and ~$2.7 billion at the Water and Wastewater Systems
- ~$2.6 billion capital expenditure program planned over the next five years[1]

4 Stable, Low-Risk Regulatory Environment

- Mature core utility business with low operating risk
- Utility business historically characterized by high barriers to entry and limited exposure to economic cycles
- Constructive utility regulatory environment

5 Large, Growing Jacksonville Metropolitan Statistical Area ("MSA")

- Seventh-largest population gain in 2018 amongst U.S. cities
- Labor market thriving with unemployment rate of 3.0%, below both Florida and national unemployment rates
- No state personal income tax

6 Untapped Opportunities with Ability to be Leading Nationwide Platform

Traditional:

- Significant capital investment opportunity in the electric grid to enable renewables and distributed energy resources integration
- Potential to significantly grow the Water System territory and establish nationwide platform
- Opportunity to implement innovative rate design to capture additional revenue

Non-Traditional:

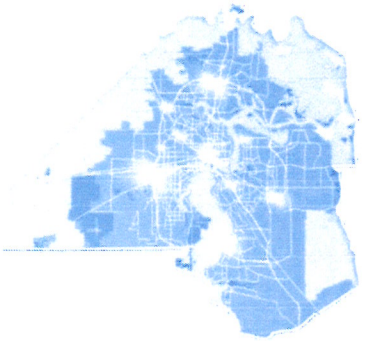
- Clear demand for distributed generation solutions across customer base
- Opportunity to provide full suite of electric vehicle services and infrastructure
- Fully leverage data analytics and artificial intelligence to provide customers with behind-the-meter products and services and to better manage and monetize the grid
- Establish JEA as a technology-enabled platform to efficiently operate energy and water infrastructure assets

1. JEA Board of Directors Board Package June 25, 2019

Business Highlights (cont'd)

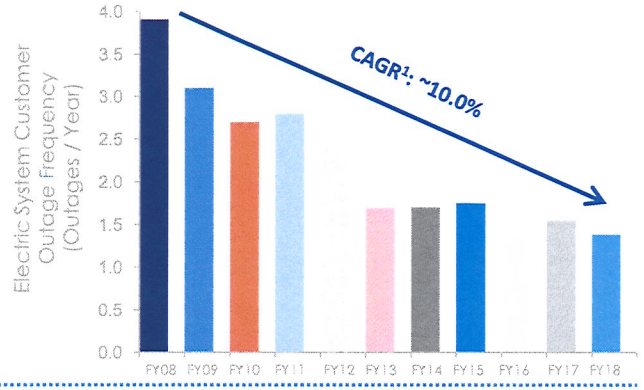
1 Unique Opportunity of Scale

- One of the largest multi-use, government-owned utilities in the U.S. and the largest in Florida
- Comprised of a fully integrated Electric System, the Water and Wastewater Systems, and four strategically located chilled water operations (the "District Energy System")
- 900 square mile service territory in the Jacksonville MSA, which is home to 1.5 million residents, military installations, government authorities, and Fortune 500 corporations
- Unique generational opportunity due to the size and diversity of JEA's assets, operations, and customers, coupled with the attractive economics of the Jacksonville market



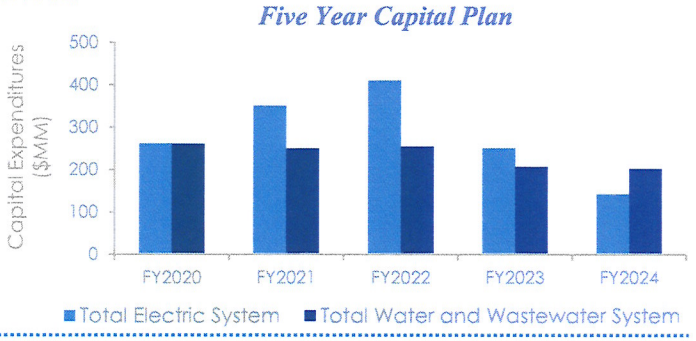
2 High Quality Asset with Attractive Investment Dynamics

- Generated ~$1.8 billion in revenue, $752.9 million in EBITDA and 2.5x combined debt service coverage for the fiscal year ended September 30, 2018
- Sustained reduction in outage duration and frequency over the past 11 years for the Electric System
- Less than 2% of the Water and Wastewater Systems customer base experiences unplanned outages
- Top-quartile utility in customer satisfaction, as rated by JD Power



3 Significant Asset Base with Attractive Investment Dynamics

- Net capital assets as of March 2019 were ~$2.7 billion for the Electric System and ~$2.7 billion for the Water and Wastewater Systems, for a total net capital plant of ~$5.4 billion
- ~$1,050 million invested between the Electric System and Water and Wastewater Systems over the past 3 years
- Forecasted to invest ~$2.6 billion in capital expenditure from 2020E – 2024E[2]
  - This investment will enable investors to capture attractive returns, while improving system reliability
- Established integrated "one water" approach to water quality and supply issues



1. Compound annual growth rate ("CAGR")
2. JEA Board of Directors Board Package June 25, 2019

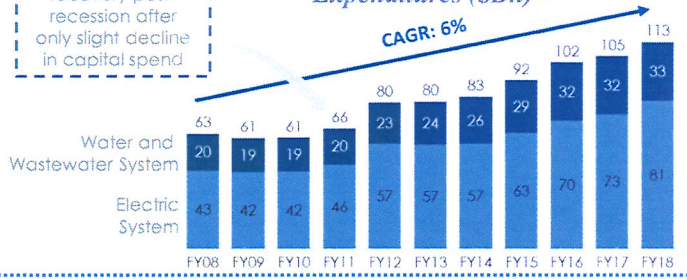
Business Highlights (cont'd)

4 Stable, Low-Risk Regulatory Environment

- Utility business historically characterized by high barriers to entry and limited exposure to economic cycles
- Multi-use utility structure offers diversified risk profile across multiple utility systems
- Constructive regulatory environment established by the Florida Public Service Commission ("FPSC") has provided the ability for neighboring investor-owned utilities to be permitted a reasonable opportunity to earn authorized returns

Immediate recovery post-recession after only slight decline in capital spend

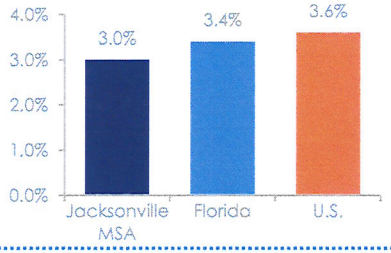
Growth in Regulated Utility Capital Expenditures ($Bn)[1]



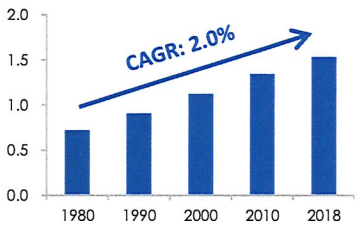
5 Large, Growing Jacksonville MSA

- Jacksonville is one of the fastest growing cities in the U.S., posting the nation's 13th largest population gain in 2017 and 7th largest population gain in 2018
  - Population growth is forecasted to continue at an average annual pace of approximately 1.3% per year through 2024, outpacing the national average of 0.6% over that same period
- Jacksonville's labor market is thriving, with an unemployment rate of 3.0%, which is below both the Florida and national unemployment rates
- Over the next several years, the Jacksonville economy is expected to outperform the Florida and national economies

Annual Unemployment Rate May 31, 2019

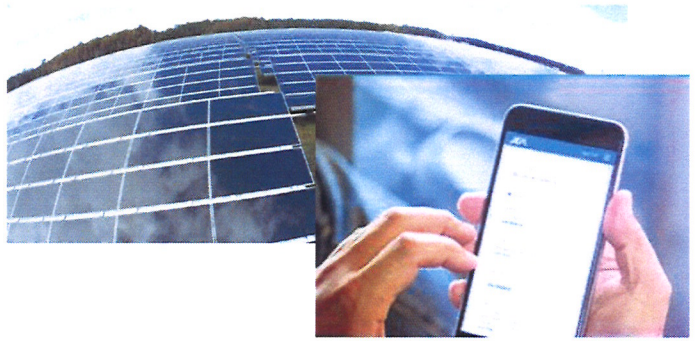


Jacksonville MSA Population (Millions)

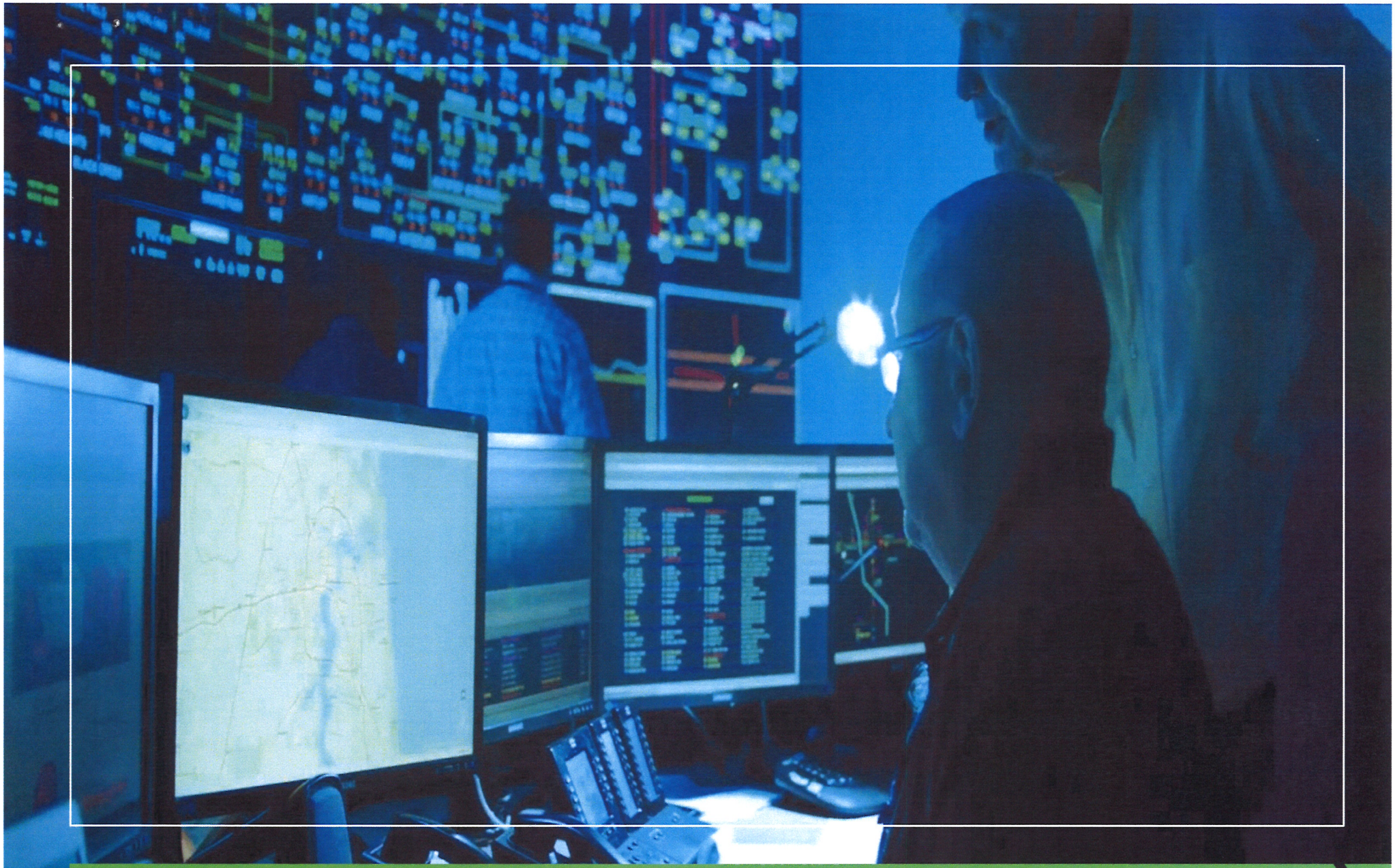


6 Untapped Opportunities with Ability to be Leading Nationwide Platform

- JEA, as a core infrastructure service provider, can expand on its current position and harness new revenue growth – both traditional and non-traditional
- Traditional opportunities include investing to modernize the grid and expand the water network and/or developing innovative rate designs (e.g., fixed rates, locational pricing)
- Non-traditional opportunities could include building a distributed generation development business (e.g., providing solar installation, maintenance, and financing services for customers), scaling core energy and water businesses (e.g., becoming a water utility for territories around the U.S.), accelerating on and off transportation electrification platform, establishing an energy marketplace for efficient appliances and "smart" technologies, and monetization of JEA's unique customer relationship with real-time data



Source: Moody's Economics, Company Filings, Equity Research, Bureau of Labor Statistics
1. S&P Global Market Intelligence, report consolidates 70 largest regulated U.S. utilities



THE JEA OPPORTUNITY

The JEA Opportunity

A recapitalization of JEA is a unique, once-in-a-generation opportunity

- JEA is an established, high-performing multi-utility:
  - 125-year-old **established** electric, water, wastewater, and chilled-water system serving a growing territory of 1.5 million people
  - **Consistently profitable** utility that has contributed over $1B to Jacksonville in the last decade
  - **Top-tier management team**
  - **Operationally well run** in relation to peers
  - **Top-quartile customer satisfaction**, as rated by JD Power
  - **Established community leadership position in a growing region and a history of delivering value** to community stakeholders
- JEA is the **ideal infrastructure and customer platform to unlock growth and new revenues** available as a result of technology disruption in the power and water sectors
- JEA's current business constraints prevent it from capitalizing on tremendous growth potential
  - Expertise in core business provides **platform for geographic and tangential market expansion of its operations and services**, but JEA is currently restricted to existing service territory due to governmental constraints as a public entity
  - While major U.S. utilities can earn as much as 20% of their revenue from **unregulated sources**, laws restricting governmental entities prevent it from operating certain new businesses and building out the full potential for customer services

J.D. POWER
ELECTRIC RESIDENTIAL CUSTOMER SATISFACTION
First Quartile, 2019

FIRST COAST WORKSITE WELLNESS COUNCIL
2019 HEALTHIEST COMPANIES Platinum Level

CHARTWELL
BEST PRACTICES IN OUTAGE COMMUNICATIONS
2019 Silver Award

FLORIDA MUNICIPAL ELECTRIC ASSOCIATION TOP THREE PLACEMENT, ALL EVENTS
2nd Place Overall, 2019

INTERNATIONAL LINEMAN MUSEUM & HALL OF FAME 2019 INDUCTEE

TREE LINE USA TREE LINE USA DESIGNATION AWARD 8-time Recipient

RELIABLE PUBLIC POWER PROVIDER
2019 RP3 DIAMOND DESIGNATION

FORBES
2019 AMERICA'S BEST EMPLOYERS LIST

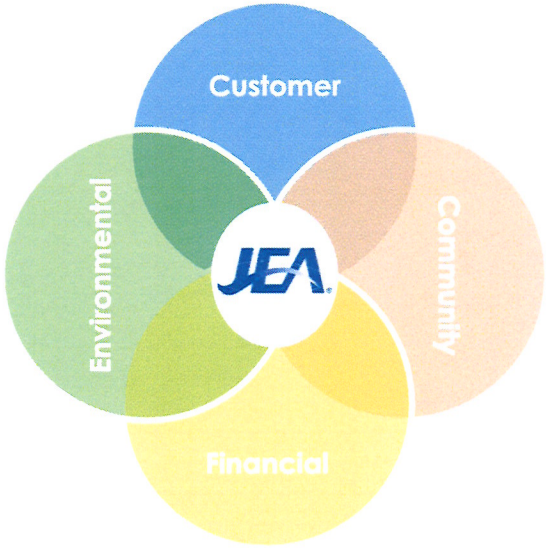
FLORIDA WATER ENVIRONMENT ASSOCIATION
2019 EARL B. PHELPS AWARD 2019 EXCELLENCE IN BENCHMARKING
2018 SAFETY AWARD

811
811 LOCATOR EXCELLENCE AWARD

Over the past year, JEA developed consensus among community stakeholders about how we measure value: Customer, Community, Environmental, and Financial

Corporate Measures

- Maximizing value in these four measures requires JEA to capitalize on the disruptive trends in the utility market in order to develop unique opportunities to drive new revenue and growth
- In particular, there are untapped growth opportunities along four axes shown in the below-right graphic:





JEA's Vision

- **JEA's Vision is to improve lives by accelerating innovation**

JEA's Mission

- **JEA's Mission is to provide the best service by becoming the center of our customers' energy and water experience**

JEA's existing platform creates tremendous leverage to unlock growth potential

By pivoting the business to remove existing governmental constraints and incorporate strategic revenue growth opportunities - while rigorously controlling expenses in JEA's traditional businesses - JEA can maximize customer, community, environmental, and financial value across its service territory. Value creation could occur in one of the areas listed below or in other innovative areas of business growth:

1 Front-of-the-Meter Innovation

JEA could expand its current business model to offer products, services, and programs to enhance the value of the existing utility business while offering high-value enhancements in product offerings and resiliency to JEA's customers. These opportunities include, but are not limited to:

- **Creating a distributed generation business,** catalyzing adoption of renewables (e.g., provide rooftop solar installation and maintenance for residential, commercial, and industrial customers)
- **Creating an electrification business,** supporting decarbonization and fuel-switching (e.g., port and public vehicle fleet electrification, electric vehicle charging stations)
- **Providing premium resiliency and reliability services** (e.g., distributed water treatment, microgrids, storage assets) for customers who desire them (e.g., data centers, hospitals, gas stations, military)
- **Providing natural gas** to Jacksonville and beyond, capturing synergies across services
- **Consolidating "utility-like" high value energy & water services companies,** many of which are JEA vendors

2 Behind-the-Meter Innovation

Behind-the-meter solutions offer a unique opportunity to merge the power of technology and data to truly enhance JEA's customers' experience and improve lives in our community. The utility meter provides a gateway to a customer's entire experience.

Opportunities could include, but are not limited to:

- **Developing smart home applications** to both optimize a customer's experience inside their own home and use energy more efficiently
- **Utilizing data to predict a customer's needs** or in-home equipment failures
- **Leveraging behind-the-meter opportunities to optimize overall system operations**
- **Establishing a behind-the-meter energy and water business,** directly providing efficient, connected appliances and solutions for homes and businesses (e.g., install and manage "smart" appliances, monetize data associated with smart home technologies)
- **Establishing a digital energy and water marketplace** (e.g., market, install, and manage efficient appliances and "smart" technologies, provide peer-to-peer energy trading)

The behind-the-meter category is rich in technology-forward and life-improving opportunities not only for utility businesses but also for any business that deeply and uniquely touches customers' lives.

JEA's existing platform creates tremendous leverage to unlock growth potential (cont'd)

3 Geographic Growth Opportunities

JEA leads the way among its industry peers in water and wastewater operations and can serve as a growth platform to provide water, electric, and other services outside its current service territory to the region and beyond.

JEA's core operating capabilities can be leveraged to generate new revenue streams by providing cost-effective management and general services to other utilities, while creating significant value for their customers in the following ways, among others:

- **Building a water services business,** serving as a regional and nationwide provider of water solutions, such as treatment, reuse, and facilities management (e.g., biosolids treatment and decentralized wastewater treatment management)
- **Pursuing consolidation** in a highly-fragmented U.S. water and utility market
- **Becoming an electric and/or water utility operator** for neighboring territories (e.g., provide procurement, crew sharing, and engineering services)
- **Providing maintenance services** for local utilities and other institutions (e.g., vegetation management, inspection services)
- **Supplying a variety of general services** for buildings and final customers (e.g., maintenance services, insurance services, consultancy and audit services)

4 Innovation Beyond Energy and Water

JEA, as a core infrastructure service provider to its customers and Jacksonville, can expand on its position and provide services beyond core energy and water utility services, simultaneously expanding its customer and revenue base. JEA can utilize its customer relationships to provide current and new customers a range of services related to **mobility, housing, telecommunications, work, health, and leisure** by creating new ventures and partnering with existing service providers.

JEA can continue to partner with the Northeast Florida community to lead the development of infrastructure required to support growth in the region. JEA will improve quality of life and generate new revenues by providing a portfolio of products and offerings related to the above spaces of mobility, housing, telecommunications, work, health, and leisure.

Florida is one of the best places to grow a business

Florida Tax Environment

Florida's tax environment is one of the most favorable for both businesses and individuals.

Florida has:

- No corporate income tax on limited partnerships
- No corporate income tax on Subchapter S-corporations
- No state personal income tax
- No corporate franchise tax on capital stock
- No state-level property tax assessed
- No property tax on business inventories
- No sales tax on manufacturing machinery and equipment
- No property tax on goods-in-transit for up to 180 days
- No sales and use tax on goods manufactured or produced in Florida for export outside the State
- No sales tax on purchases of raw materials incorporated in a final product for resale, including non-reusable containers or packaging
- No sales/use tax on co-generation of electricity

Florida Regulatory Environment

Florida's utility regulation is viewed as constructive from an investor perspective by Regulatory Research Associates.

Favorable regulatory mechanisms include:

- FPSC-adopted equity returns have tended to exceed industry averages when established
- Utilization of forecast test years and frequent authorization of interim rate increases
    - Interim base rate increases are statutorily permitted and usually become effective roughly three months after an initial filing is tendered
- Utilities are generally permitted a reasonable opportunity to earn the authorized returns
- Constructs which specifically allow utilities to reflect in rates, on a timely basis, changes in fuel, purchased power, certain new generation, conservation, environmental compliance, purchased gas, and other costs



Source: Chief Executive Magazine, SNL Regulatory Research Associates

Current State of JEA

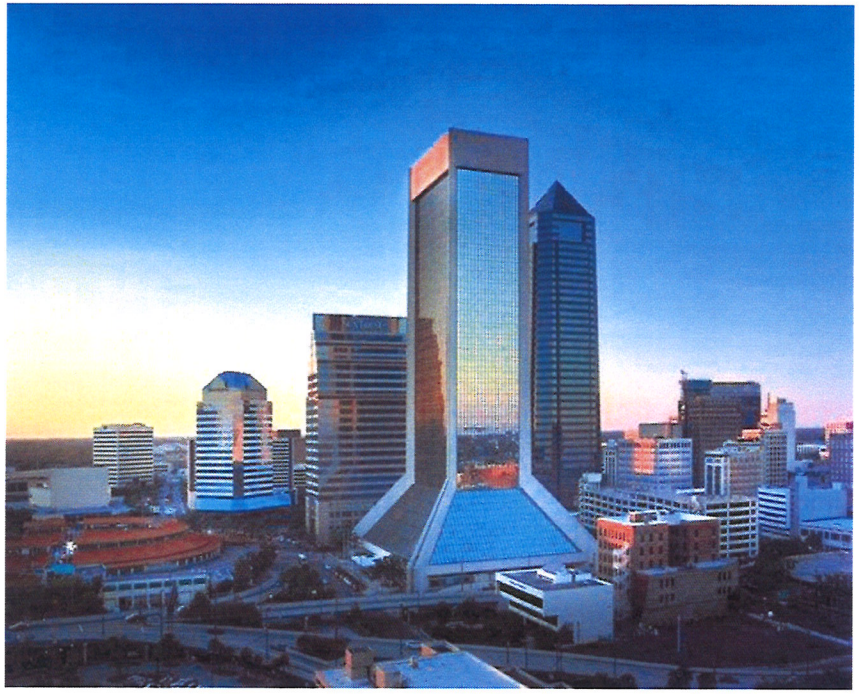
JEA currently faces a rapidly changing utility landscape resulting from a push for decarbonization and energy efficiency as well as increased customer awareness of, and demand for, emerging technologies. Given JEA's existing business constraints, JEA has limitations on how to adapt to this evolving landscape.

Due to energy efficiency and distributed generation, coupled with a restricted ability to grow service territory, electricity sales in 2017 were ~30% lower than JEA's 2006 forecast. Despite this, JEA has demonstrated outstanding financial and operating results over the past decade.

JEA has responded to market changes through the only avenues available to the organization. In the Electric System, JEA reduced capital expenditures from an average of ~$250 million per year during the period of 1999-2013 to an average of ~$130 million per year from 2013 to present. Additionally, base electric rates were increased each year from 2008 to 2012 and again in 2017.

The Water and Wastewater Systems have undergone similar changes. Capital expenditures on water infrastructure have been reduced from an average of ~$200 million during the period of 1998 to 2007 to an average of ~$135 million from 2013 to present.

These years of lower capital expenditures have created a need for $2.6 billion of capital expenditures over the next five years. Due to rate adjustments in both the Electric System and Water and Wastewater Systems, customer rates have increased by over 70% since 2006. This increase in customer rates caused the Electric System, which in 2006 had the lowest rates in the State, to move in line with the median for Florida electric utilities. At the same time, in an effort to reduce costs, JEA's combined enterprises reduced total headcount by over 400 employees. JEA also reduced its long-term debt capitalization by nearly 50% when compared to 2010 levels, in recognition of the risks of remaining highly levered in a rapidly changing environment.



JEA's strategic planning process revealed the current government-affiliated structure creates significant constraints to business development

As a governmental utility, JEA is subject to unique constraints due to:

- *The Constitution of the State of Florida*
- *The City of Jacksonville Charter*
- *Florida Statutes*
- *JEA's Bond Resolutions*
- *Policy Considerations*
- *JEA's Business Structure as defined by its Corporate Charter*

The Non-Governmental Response

When faced with the changes to the utility industry over the past decade, non-governmental companies would employ a menu of tools to confront challenges, growing and pivoting their businesses while cutting costs to ensure continued financial health. **Unfortunately, as a governmental utility, JEA currently has access to only two of these tools: raising prices and cutting costs.** JEA's response under the current constraints would be limited to head count reductions, cost cuts, service level declines, and rate increases over the next decade.

The Path Forward

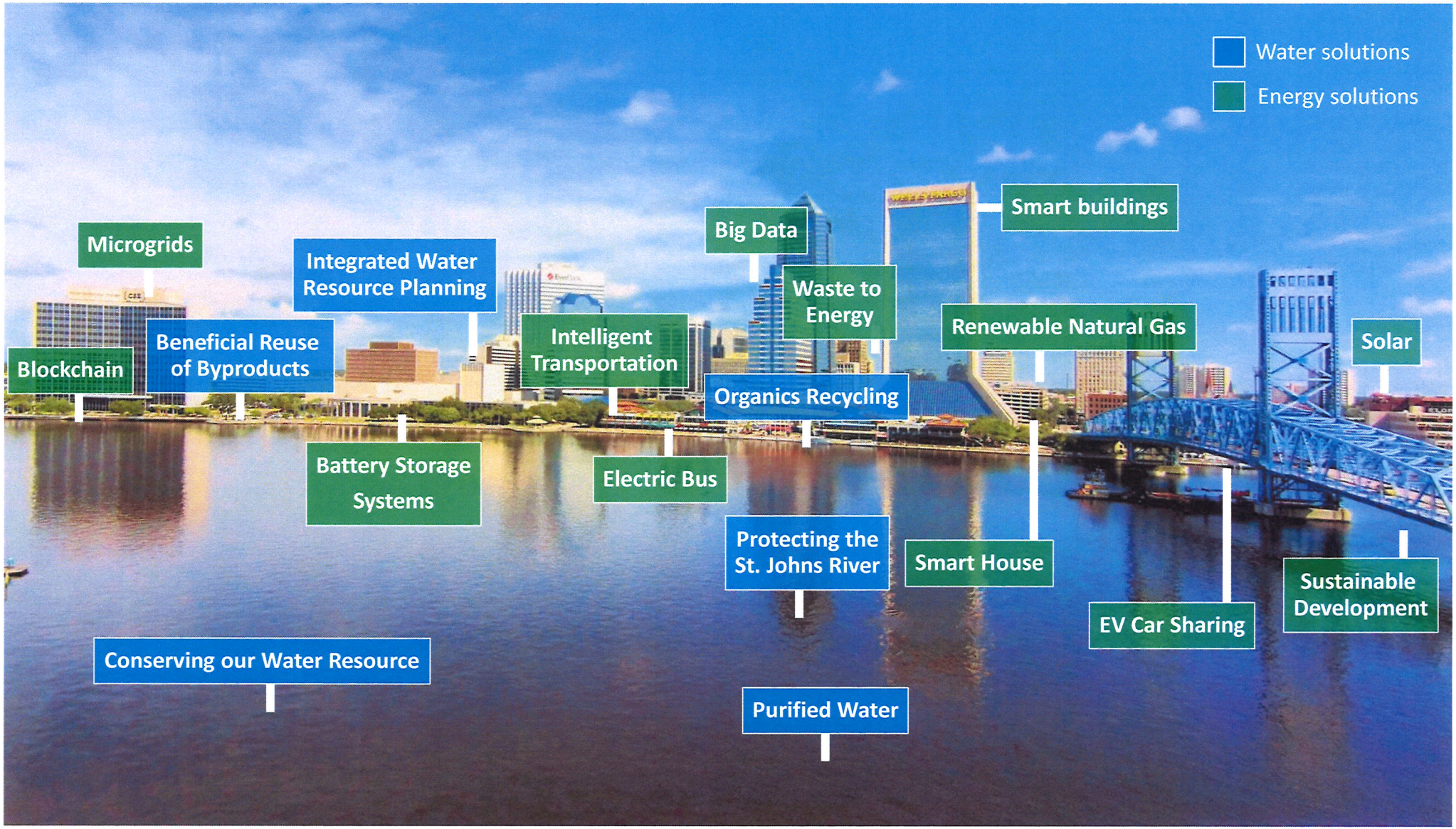
By eliminating some or all of JEA's constraints, JEA could have a clearer path to maximizing value today and in the long-term. These potential changes would equip JEA with the levers to pull to align with JEA's goals of maximizing customer, community, environmental, and financial value over the long term. Eliminating constraints would give JEA the flexibility to respond to challenges by adapting its business model and businesses, modifying its capital structure, selling non-core assets, and/or creating high value partnerships and joint ventures.

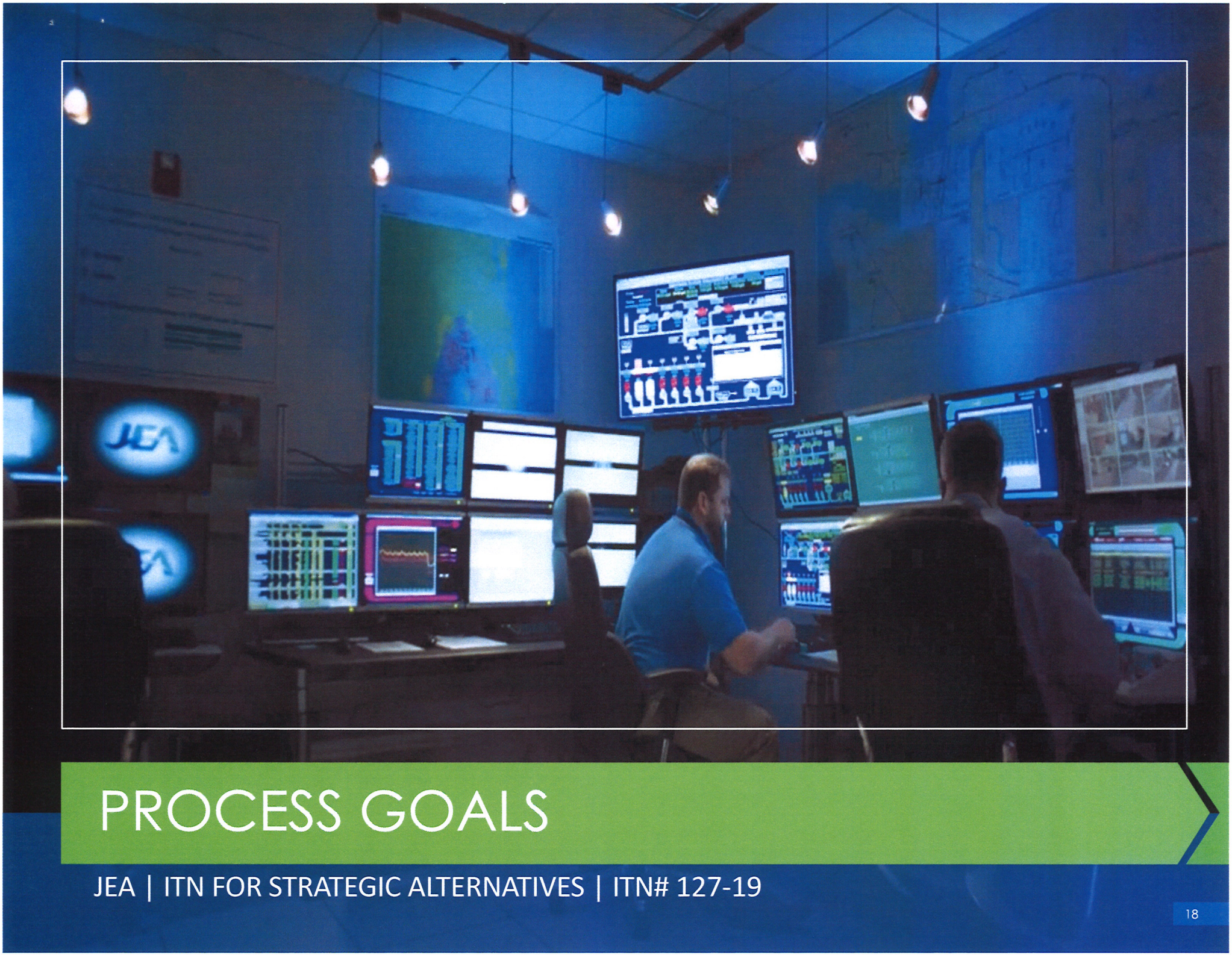
How other utilities would take action...

Opportunity	Can JEA Do This?	Can Non-Governmental Utilities Do This?
Cut costs and workforce	✓	✓
Increase prices on kWhrs or kGals for customers	✓	✓
Reduce investment in capex	✓	✓
Sell more energy or water services	✗	✓
Investment in R&D and IP for an ROI	✗	✓
Sell alternative new product lines or offerings	✗	✓
Sell equity and retire debt	✗	✓
Acquire new businesses & customers	✗	✓
Reduce dividend / city contribution	✗	✓
Sell assets	✗	✓
Create partnerships / JV's	✗	✓

A potential future for JEA

By harnessing these opportunities, JEA can become a leading energy and water system and a broader platform for innovation and growth in Jacksonville and beyond





PROCESS GOALS

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

Process Goals that Maximize Customer, Community, Environmental, and Financial Value

JEA issues this ITN inviting interested parties to submit Replies detailing strategic alternatives that are aligned with JEA's goal of maximizing customer, community, environmental, and financial value over the long term.

As described herein, JEA welcomes Replies contemplating strategic alternatives that build upon JEA's strengths and seek to eliminate existing business constraints. Potential alternatives can include, but are not limited to, operational changes, structural changes, joint ventures, development partnerships, community ownership, corporate ownership, an initial public offering, private placement, technology conversion, oil and gas conversion, utility conversion, or another recapitalization of the business. As we consider the Replies, we are targeting the following process goals as minimum requirements for maximizing customer, community, environmental, and financial value over the long term, as outlined in the table below:

	Status Quo	Minimum Requirements
Financial	1. <$2 billion of value to the City of Jacksonville [1]	1. >$3 billion of value to the City of Jacksonville
Customers	1. $0 customer distribution 2. Significant rate increases required over next several years	1. >$400 million of value distributed to customers ($350+ paid to each JEA account; $1,400+ for customers with electric, water, sewer and irrigation accounts) 2. At least three years of contractually guaranteed base rate stability for customers
Environmental	1. Viable renewable energy requirement at 0% funding 2. Viable sources of alternative water capacity at 0% funding	1. Commitment to develop and provide the City of Jacksonville and the Duval County Public School system with 100% renewable electricity by the year 2030 [3] 2. Commitment to develop and provide 40 million gallons per day ("MGD") of alternative water capacity for Northeast Florida by the year 2035 [2]
Community Impact	1. Status quo retirement obligations 2. No employment guarantees and termination of ~600 employees 3. No retention payments to employees 4. JEA leaves downtown, moving new headquarters to existing office space to house smaller workforce and minimize cost	1. Protection of certain employee retirement benefits [3,4] 2. Maintenance of substantially comparable employee compensation and benefits for three years 3. Retention payments to all full-time employees of 100% current base compensation [3] 4. Commitment to new headquarters and employees in downtown Jacksonville [5] contributing to the economic development of the community

The overall purpose of this undertaking is to give JEA the strategic flexibility to adapt to a once-in-a-generation, industry-wide transformation and help it achieve its vision to improve lives in the Northeast Florida community.

1. NPV of JEA's expected contribution to the City of Jacksonville over the next 20 years
2. Renewable electricity and alternative water to be provided at new or existing tariffs at a price equal to or less than the applicable tariff rate
3. Certain employee-related minimum requirements are subject to collective bargaining, as applicable
4. The JEA Board of Directors has approved legislation for introduction to the Jacksonville City Council that, if approved, would satisfy this requirement
5. JEA's new headquarters is currently under initial stages of development in downtown Jacksonville. The process goal is commitment to the current downtown headquarters project



SOLICITATION PROCESS; EVALUATION, NEGOTIATION, AND AWARD METHODOLOGY

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

Solicitation Process; Evaluation, Negotiation, and Award Methodology

SECTION 1.0 – Background Information and Goals

We are pleased to issue this ITN for the evaluation of any and all strategic alternatives, subject to the minimum requirements set forth below, that are aligned with JEA's goal of maximizing customer, community, environmental, and financial value over the long term. JEA welcomes proposed strategic alternatives that build upon JEA's strengths and seek to eliminate existing business constraints.

1.1 Goals

JEA is seeking competitive and creative Replies from the Respondents that will allow JEA to achieve the following specific goals for its key stakeholders:

- Greater than $3 billion of value to the City of Jacksonville
- Greater than $400 million of value distributed to customers ($350+ paid to each JEA account; $1,400+ for customers with electric, water, sewer and irrigation accounts)
- At least three years of contractually guaranteed base rate stability for customers
- Commitment to develop and provide the City of Jacksonville and the Duval County Public School system with 100% renewable electricity by the year 2030 [1]
- Commitment to develop and provide 40 MGD of alternative water capacity for Northeast Florida by the year 2035 [1]
- Protection of certain employee retirement benefits [2,3]
- Maintenance of substantially comparable employee compensation and benefits for three years
- Retention payments to all full-time employees of 100% current base compensation[2]
- Commitment to new headquarters and employees in downtown Jacksonville, contributing to the economic development of the community [4]

1.2 Questions Being Explored

- Is there a path available to JEA to achieve the strategic goals of maximizing customer, community, environmental, and financial value over the long term that builds upon JEA's strengths and seeks to eliminate certain existing business constraints?
- Are there alternative structures, which can include, but are not limited to, operational changes, structural changes, joint ventures, development partnerships, community ownership, corporate ownership, an initial public offering, private placement, technology conversion, oil and gas conversion, utility conversion, or another recapitalization of the business, that allow JEA to maximize customer, community, environmental, and financial value over the long term?
- Which path or alternative structure best achieves JEA's goals?
- Who is the best partner to help JEA achieve these goals?

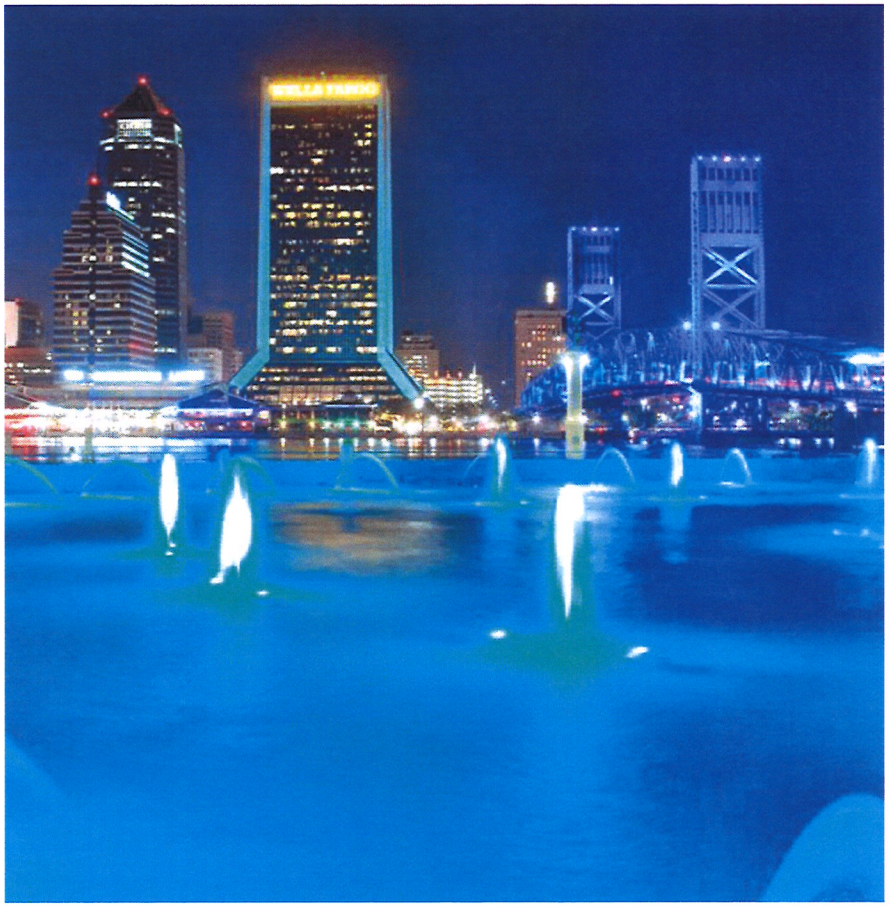
1. Renewable electricity and alternative water to be provided at new or existing tariffs at a price equal to or less than the applicable tariff rate
2. Certain employee-related minimum requirements are subject to collective bargaining, as applicable
3. The JEA Board of Directors has approved legislation for introduction to the Jacksonville City Council that, if approved, would satisfy this requirement
4. JEA's new headquarters is currently under initial stages of development in downtown Jacksonville. The process goal is commitment to the current downtown headquarters project

1.3 Additional Information

Parties interested in making an offer related to JEA's review of potential alternatives are required to participate in this ITN process, which will be integral to the report and recommendations that will be provided to the Board of Directors and the Jacksonville City Council ("City Council").

Pursuant to the JEA Purchasing Code and Florida law, no award resulting from this solicitation process may be made to any party who does not submit a timely Reply to this ITN.

While Vendors who do not submit a Reply will not be eligible to be awarded the Contract resulting from this ITN, they may participate as a team member or partner under a resulting Contract with a Respondent who has submitted a Reply.



1.4 Advisors

JEA has engaged J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC (collectively, the "Advisors") to assist in conducting a review of potential strategic alternatives that may be available to JEA. All communications regarding this process should be directed to the Designated Procurement Representatives identified in Section 2.11, who will distribute communications to or solicit necessary information from JEA personnel, the Advisors, or subject matter experts as deemed appropriate.

Solicitation Process; Evaluation, Negotiation, and Award Methodology

SECTION 2.0 – ITN Process

2.1 General Overview of this ITN Process

This ITN is a method of competitively soliciting Replies from one or more interested parties with whom JEA may negotiate under section 3-110 of the JEA Procurement Code. Through this ITN process, JEA will seek to answer the questions being explored, as identified in Section 1.2, and achieve the goals identified by this ITN. This ITN process involves three phases: solicitation, evaluation, and negotiation.

2.1.1 Solicitation Phase

JEA posts an ITN to its procurement page to initiate the process. Replies must be submitted by the deadline listed in the Timeline of Events, which can be found in Section 2.2 (the "Timeline of Events") and conform with all material aspects of this ITN ("Responsive Replies"). This encompasses the solicitation phase (the "Solicitation Phase").

JEA will hold a public meeting to formally receive Replies at the date, time, and location noted in the Timeline of Events.

Questions

Potential Respondents can submit formal questions in writing via email to the Designated Procurement Representatives identified in Section 2.11 by the deadline listed in the Timeline of Events. Questions should be submitted in writing to the Designated Procurement Representatives. JEA will answer questions in a formal written communication to be posted at www.jea.com/strategicalternatives and update the solicitation as needed. As all questions should be submitted in writing, JEA is under no obligation to acknowledge or respond to oral inquiries, and potential Respondents are not entitled to rely upon any clarification or change to this ITN, or answer to any vendor question, except as may be provided in writing by JEA in response to the formal question and answer process or in an addendum to this ITN.

All contact by Vendors must be directed to the Designated Procurement Representatives identified in Section 2.11. The Designated Procurement Representatives will have access to subject matter experts, including, but not limited to, the Advisors, and can assist Vendors with the formal question and answer process discussed in this section.

2.1.2 Evaluation Phase

All Responsive Replies will be evaluated against the evaluation criteria set forth in Section 3.2.3 (the "Evaluation Criteria") to establish a competitive range of Replies reasonably susceptible of award. JEA may then select the Respondents within the competitive range with which to commence negotiations.

2.1.3 Negotiation Phase

JEA will meet with the selected Respondents to negotiate terms of a potential contract. After negotiations conclude, the Negotiation Team will meet in a public meeting to discuss the recommended award. JEA will then post a Notice of Intent to Award on the procurement page for this ITN online at www.jea.com/strategicalternatives.

Solicitation Process; Evaluation, Negotiation, and Award Methodology

SECTION 2.0 – ITN Process

2.2 Timeline of Events

Table 1 on the right contains the Timeline of Events for this solicitation. The Respondents should become familiar with the Timeline of Events. The dates and times are subject to change and it is the Respondent's responsibility to check for any changes. All changes to the Timeline of Events will be issued through an addendum to this ITN posted on the JEA procurement page located at www.jea.com/strategicalternatives. The Respondents are responsible for submitting all required documentation by the dates and times specified below. JEA will not open, review, or consider documents submitted after a deadline unless it determines in its sole discretion that it is in JEA's best interests to do so.

Table 1: Timeline of Events

	Event Time	Event Date
ITN posted on JEA Procurement Site		August 2, 2019
Deadline to submit written questions via email to the Designated Procurement Representatives	2:00 PM	September 3, 2019
JEA anticipated posting date for answers to the Respondents' questions		September 16, 2019
Deadline to submit Replies and all required documents to the JEA Procurement Bid Office	12:00 PM	September 30, 2019
JEA anticipated formal acknowledgement of Replies received (bid opening) at the JEA Procurement Bid Office	2:00 PM	September 30, 2019
Anticipated date for Evaluation Team meeting and posting of Notice of Intent to Negotiate		October 14, 2019
Anticipated Dates for Negotiation Phase		October 15, 2019 – To Be Determined
Anticipated date for Negotiation Team meeting and posting of Notice of Intent to Award		To Be Determined

SECTION 2.0 – ITN Process

2.3 Addenda to ITN

JEA reserves the right to modify this ITN by issuing addenda. All changes to this ITN prior to the selection of the shortlisted Respondents will be made through addenda posted to the JEA procurement page. It is the Respondent's responsibility to check for any changes. As this is an Invitation to Negotiate, changes to the scope and requirements of this ITN during the Negotiation Phase are an integral part of the process and, consistent with the rights reserved in Section 3.3.6, JEA is not required to issue addenda or to otherwise post or provide concurrent public notice of the exercise of such Negotiation Phase rights.

2.4 Disclosure of Reply Contents

All documentation produced as part of this ITN will become the exclusive property of JEA and will not be returned to the Respondent, unless it is withdrawn prior to the Reply opening in accordance with the Timeline of Events. Selection or rejection of a Reply shall not affect this right. Following the posting of a Notice of Intent to Award, the Replies may be disclosed pursuant to a public records request, subject to any confidentiality claims made in accordance with Section 2.8.

2.5 Withdrawal and Correction of Replies

The Respondents may withdraw a Reply at any time prior to the opening date by submitting a written request to the Designated Procurement Representatives.

Correction of a Reply already received will be considered only if the correction is received by the Designated Procurement Representatives, or his/her designee, prior to the time announced for opening of Replies. All corrections shall be made in writing, executed and submitted in the same form and manner as the original Reply. Corrections submitted by telephone, facsimile, or email shall not be considered.

2.6 How to Submit a Reply

Replies should include a Respondent Certification Form and a Conflict of Interest Form executed by an authorized representative of the Respondent company. These forms are provided as Attachments 1 and 2 to this ITN.

Replies should be prepared simply and economically, providing a straightforward, concise delineation of the Respondent's ability to satisfy the requirements of this ITN. The Respondents should include as much detail as necessary for the evaluators to make an accurate evaluation of the Reply. Replies should not contain sales and marketing materials. Fancy bindings, covers, colored displays, and promotional material are not desired. Emphasis in each Reply should be on completeness and clarity of content.

Page size is limited to eight and one-half by eleven inches (8 ½" x 11"), unless otherwise indicated. Type size is not to be less than an 11-point font. For diagrams and plotted elements of the Reply, the Respondents are permitted to use an alternate page size and font size.

SECTION 2.0 – ITN Process

2.6 How to Submit a Reply (cont'd)

Submit the following:

The Respondents are required to submit one (1) original Reply, five (5) duplicate Replies and six (6) electronic copies via USB drives, delivered personally or sent by registered or certified mail, postage prepaid or overnight courier to the following address:

JEA Procurement Bid Office
21 West Church Street
Customer Center
1st Floor, Room 202
Jacksonville, Florida 32202

Receipt of hard copies is required by 12:00PM (ET) on the submission deadline identified in the Timeline of Events.

Clearly mark sealed packages on the outside of the package with the solicitation number, the Respondent's company name, and specific contents of the package.

Clearly mark submitted hardcopies contained within the sealed packages with the Respondent's company name, email address for JEA to provide acknowledgement of receipt, specific contents of the package, and solicitation number.



Solicitation Process; Evaluation, Negotiation, and Award Methodology

SECTION 2.0 – ITN Process

2.7 Contents of Reply / Reply Submission

Organize the contents of each Reply submittal as listed in Table 2 below:

Table 2: Contents of Reply/Reply Submission

Tab	Requirements
1: Cover Letter on the Respondent's Letterhead	1. Contact information 2. Name and signature of the representative of the responding organization authorized to legally obligate the Respondent 3. Legal name of company and headquarters location of the Respondent 4. Location and date of incorporation or organization (as applicable) and type of business 5. Federal Employer Identification Number
2: Executive Summary	The Respondents must provide a narrative discussion of their proposal, including its structure, advantages, impacts to JEA and the City of Jacksonville, including consumer impacts, and key considerations of the Respondent's proposal.
3: Statement of Interest and Qualifications	The Respondents must state clearly their interest in the potential purchase, recapitalization, and/or operation of the JEA utility systems, including how the utility systems may be an attractive and beneficial addition to the Respondent's organization. The Respondents must clearly identify within their Reply the expectation for the future partnership, ownership, or management structure of: 1) the Electric System (generation, transmission, distribution, and associated electric power assets) and 2) the Water and Wastewater Systems (distribution, collection, treatment and associated assets).
4: Organizational Overview	The Respondents must provide a description of their business and organization including: 1. Organizational structure 2. Operations details 3. Financial details 4. Number of current electric and water customers 5. Existence of unions, if any, of which the Respondent's current employees are members and a brief history of past collective bargaining agreement negotiations with each union 6. Extent of involvement in economic development activities and any funding provided in communities where current service is provided 7. Other relevant information
5: Process Goals	The Respondents must provide an overview of their ability to satisfy the following goals: 1. Greater than $3 billion of value to the City of Jacksonville 2. Greater than $400 million of value distributed to customers ($350+ paid to each JEA account; $1,400+ for customers with electric, water, sewer and irrigation accounts) 3. At least three years of contractually guaranteed base rate stability for customers 4. Commitment to develop and provide the City of Jacksonville and the Duval County Public School system 100% renewable electricity by the year 2030 5. Commitment to develop and provide 40 MGD of alternative water capacity for Northeast Florida by the year 2035 6. Protection of certain employee retirement benefits[1,2] 7. Maintenance of substantially comparable employee compensation and benefits for three years 8. Retention payments to all full-time employees of 100% current base compensation[1] 9. Commitment to new headquarters and employees in downtown Jacksonville, contributing to the economic development of the community[3]
6: Response to Evaluation Criteria	Replies must address each of the Evaluation Criteria described in Table 5 of Section 3.2.3.
7: Additional Information	The Respondents may provide additional information as relevant. Information regarding perceived benefits to customers is of particular interest.

1. Certain employee-related minimum requirements are subject to collective bargaining, as applicable
2. The JEA Board of Directors has approved legislation for introduction to the Jacksonville City Council that, if approved, would satisfy this requirement
3. JEA's new headquarters is currently under development. The process goal is to ensure it is maintained in downtown Jacksonville

2.8 Public Records; Redacted Submissions

Following the posting of the Notice of Intent to Award, all public records, as that term is defined in section 119.011(12), Florida Statutes, relating to this ITN process that are not statutorily exempted from public disclosure will be subject to release under the Florida Public Records Laws.

If a Respondent believes that any portion of the documents, data or records submitted in response to this ITN are exempt from Florida's Public Records Law, the Respondent must (1) clearly segregate and mark the specific sections of the document, data, or records as "Confidential," (2) cite the specific Florida Statute or other legal authority for the asserted exemption, and (3) provide JEA with a separate redacted copy of its Reply (the "Redacted Copy"). The cover of the Redacted Copy shall contain JEA's title and number for this ITN and the Respondent's name, and shall be clearly labeled "Redacted Copy." The Respondent should only redact those portions of records that the Respondent claims are specifically exempt from the Florida Public Records Laws. If the Respondent fails to submit a redacted copy of information it claims is confidential, JEA is authorized to produce all documents, data, and other records submitted to JEA in answer to a public records request for such information.

In the event of a request for public records to which documents that are marked as confidential are responsive, JEA will provide the Redacted Copy to the requestor. If a requestor asserts a right to any redacted information, JEA will notify the Respondent that such an assertion has been made. It is the Respondent's responsibility to respond to the requestor to assert that the information in question is exempt from disclosure under applicable law. If JEA becomes subject to a demand for discovery or disclosure of the Respondent's redacted information under legal process, JEA shall give the Respondent prompt notice of the demand prior to releasing the information (unless otherwise prohibited by applicable law). The Respondent shall be responsible for defending its determination that the redacted portions of its Reply are not subject to disclosure.

By submitting a Reply to this ITN, the Respondent agrees to protect, defend, and indemnify JEA from and against all claims, demands, actions, suits, damages, losses, settlements, costs, and expenses (including, but not limited to, reasonable attorney fees and costs) arising from or relating to the Respondent's determination that the redacted portions of its Reply to this ITN are not subject to disclosure.

2.9 Multiple Replies

Subject to the process outlined in this ITN, Respondents shall not be limited in the number or type of Replies submitted. In the event the Respondents elect to provide multiple Replies, each Reply must be provided separately and distinctly to permit independent review based on the individual Reply. In the case of multiple Replies, the Respondents submitting Replies must identify their preferred or primary Reply. Please note that the complete and detailed review of a submission that is indicated as secondary is not guaranteed due to the time and resource constraints of the Evaluation Committee.

2.10 Incurred Costs

All costs of preparation and submission of a Reply are the sole responsibility of the Respondent and its agents. Neither JEA nor the City of Jacksonville will be liable in any way for any costs incurred by the Respondents or any other party for the preparation or submission of a Reply to this ITN.

2.11 Designated Procurement Representatives and Limit on Communications

Ex Parte Communication is strictly prohibited. Ex Parte Communication is defined as any inappropriate communication concerning this ITN between a firm submitting a Reply and a JEA representative during the time in which this ITN is being advertised through the time of an award resulting from this solicitation process. Examples of inappropriate communications include: private communications concerning the details of this ITN in which a Respondent becomes privy to information not available to the other Respondents.

Failure to adhere to this policy may disqualify the noncompliant Respondent's Reply. Any questions or clarifications concerning this ITN must be sent in writing to the Designated Procurement Representatives in accordance with the terms of Section 2.1.1. If determined by JEA that a question should be answered or an issue clarified, JEA will respond in accordance with the provisions of this ITN.

For more information on Ex Parte Communications, see JEA Procurement Code, Article 1-110, which is available at www.jea.com/strategicalternatives.

For purposes of this ITN, the Designated Procurement Representatives are:

Jenny McCollum
Phone: (904) 665-4103

John McCarthy
Phone: (904) 665-5544

Email: StrategicAlternative@JEA.com

All contact by Vendors must be directed to the Designated Procurement Representatives identified in this section. The Designated Procurement Representatives will have access to subject matter experts, including, but not limited to, the Advisors, and can assist Vendors with the formal question and answer process discussed in Section 2.1.1.

As all questions should be submitted in writing, JEA is under no obligation to acknowledge or respond to oral inquiries, and potential Respondents are not entitled to rely upon any clarification or change to this ITN, or answer to any Vendor question, except as may be provided in writing by JEA in response to the formal question and answer process or in an addendum to this ITN.

2.12 Ethics

By signing the Reply, the Respondent certifies its Reply is made without any previous understanding, agreement, or connection with any other person, firm, or corporation submitting a Reply to this ITN, and that its Reply is made without outside control, collusion, fraud, or other illegal or unethical actions. The Respondent shall comply with all JEA and City of Jacksonville ordinances, policies, and procedures regarding business ethics.

The Respondent shall disclose the name(s) of any public officials who have any financial position, directly or indirectly, with this ITN by completing and submitting the Conflict of Interest Certificate Form available at www.jea.com/strategicalternatives. Failure to fully complete and submit the Conflict of Interest Certificate may disqualify the Reply. JEA reserves the right, in its sole discretion, to seek corrections from Respondents who fail to properly submit the Conflict of Interest Certificate. If JEA has reason to believe that collusion exists among the Respondents, JEA shall reject any and all Replies from the suspected Respondents and will proceed to debar Respondent from future JEA awards in accordance with the JEA Procurement Code.

JEA is prohibited by its Charter from awarding contracts to JEA officers or employees or to businesses in which a JEA officer or employee has a financial interest. JEA shall reject any and all Replies from JEA officers or employees as well as any and all Replies from Respondents in which a JEA officer or employee has a financial interest.

In accordance with section 287.133, Florida Statutes, JEA shall reject Replies from any persons or affiliates convicted of a public entity crime, as listed on the Convicted Vendor List maintained by the Florida Department of Management Services. JEA shall not make an award to any officer, director, executive, partner, shareholder, employee, member, or agent active in management of the Respondent listed on the Convicted Vendor List for any transaction exceeding $35,000.00 for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

If the Respondent violates any requirement of this clause, the Reply may be rejected and JEA may debar offending companies and persons.

2.13 Respondent's Representation and Authorization

In submitting a Reply, each Respondent understands, represents, and acknowledges the following (if the Respondent cannot so certify to any of the following, the Respondent shall submit with its Reply a written explanation of why it cannot do so):

- The Respondent is not currently under suspension or debarment by the State of Florida or any other governmental authority.
- To the best of the knowledge of the person signing the Reply, the Respondent, its affiliates, subsidiaries, directors, officers, and employees are not currently under investigation by any governmental authority and have not in the last ten (10) years been convicted or found liable for any act prohibited by law in any jurisdiction involving conspiracy or collusion with respect to bidding on any public contract.
- The Reply is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive Reply.

SECTION 2.0 – ITN Process

- The Respondent has fully informed JEA in writing of all convictions of the firm, its affiliates (as defined in section 287.133(1)(a) of the Florida Statutes), and all directors, officers, and employees of the firm and its affiliates for violations of state or federal antitrust laws with respect to a public contract or violation of any state or federal law involving fraud, bribery, collusion, conspiracy, or material misrepresentation with respect to a public contract. This includes disclosure of the names of current employees who were convicted of contract crimes while in the employ of another firm.
- Neither the Respondent nor any person associated with it in the capacity of owner, partner, director, officer, principal, investigator, project director, manager, auditor, or position involving the administration of federal funds:
    - Has within the preceding three years been convicted of or had a civil judgment rendered against them or is presently indicted for or otherwise criminally or civilly charged for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local government transaction or public contract; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or
    - Has within a three-year period preceding submission of its Reply had one or more federal, state, or local government contracts terminated for cause or default.
- The Respondent has read and understands the terms and conditions of this ITN, and the submission is made in conformance with those terms and conditions.
- The Respondent acknowledges that every aspect of its submitted Reply is based on its own knowledge and judgment of the conditions and hazards involved and not upon any representation of JEA. JEA assumes no responsibility for any understanding or representation made by any of its representatives during or prior to execution of any contract, unless such understandings or representations are expressly stated in such contract and the contract expressly provides that JEA assumes the responsibility.
- The Respondent has made a diligent inquiry of its employees and agents responsible for preparing, approving, or submitting the Reply and has been advised by each of them that he or she has not participated in any communication, consultation, discussion, agreement, collusion, act, or other conduct inconsistent with any of the statements and representations made in the Reply.

SECTION 2.0 – ITN Process

- All information provided by, and representations made by, the Respondent are material and important and will be relied upon by JEA in awarding any contract. Any misstatement shall be treated as fraudulent concealment from JEA of the true facts relating to submission of the Reply. A misrepresentation shall be punishable under law, including, but not limited to, Chapter 817 of the Florida Statutes.
- That Respondent has read and understands these instructions and will comply with Section 2.12.

2.14 Protest of Award Process

Respondents shall file any protests regarding this ITN in writing, in accordance with the JEA Procurement Code, as amended from time to time. The JEA Procurement Code is available online at www.jea.com/strategicalternatives.



SECTION 3.0 – Award Methodology

3.1 Determination of Responsiveness and Responsibility: Mandatory Requirements Review

In order for Replies to be substantively evaluated, they must first be determined to be responsive, responsible, and meet the Mandatory Requirements set out in Table 3 on the right.

JEA staff shall conduct an initial minimum qualification review of the Replies received for completeness and compliance with all content requirements set forth in this ITN. JEA will also review the information and disclosures submitted with Replies to determine whether Respondents submitting Replies are Responsible Respondents. During this review, and prior to the start of the Evaluation Phase by the Evaluation Committee, JEA staff may contact Respondents to seek clarification of any aspect of the Reply and may, in JEA's sole discretion, permit the waiving or correction of Minor Irregularities. The Replies that comply with all requirements will be deemed responsive. Should the Respondent(s) have any questions concerning the qualification process, they must refer to the JEA Procurement Code, Article 5, Administrative Remedies, located on the following site: www.jea.com/strategicalternatives.

3.1.1 Mandatory Requirements Review

Replies will be evaluated against the Mandatory Requirements set forth in Table 3 on the right on a pass/fail basis. Replies that do not satisfy each and every of the required Mandatory Requirements will be rejected.

Table 3: Mandatory Requirements

Requirement	Description	Pass/Fail
Financial Capability to Execute the Reply	Respondents must submit a description of their financial capability, including information relating to access to sufficient debt and equity capital to consummate the transaction contemplated by their Reply (as applicable) and an overview of relevant transaction experience (or experience implementing similar proposals)	Pass/Fail
No Conflict of Interest	Any conflict of interest with JEA will automatically disqualify the Respondent	Pass/Fail
Submission of Complete Reply	Replies which do not satisfy the above Mandatory Requirements will not be opened, reviewed, or considered against the Evaluation Criteria in this process. Further, Replies which do not contain complete Replies to the required information contained within this section of this ITN will not be evaluated against the Evaluation Criteria in this process.	Pass/Fail

SECTION 3.0 – Award Methodology

3.2 Evaluation Phase

Following completion of the Mandatory Requirements review, all Responsive and Responsible Replies deemed to have satisfied the review will be subjected to evaluation in order to determine a competitive range of Replies to advance to the Negotiation Phase of this ITN.

3.2.1 Evaluation Committee

Consistent with the JEA Procurement Code, an Evaluation Committee consisting of at least three individuals will be appointed to review and evaluate each Reply (the "Evaluation Committee"). Evaluation Committee members may be assisted in their duties by subject matter experts, including, but not limited to, personnel of the Advisors, who shall be available to individually assist Evaluation Committee members in understanding Replies and to provide guidance within their respective areas of expertise to individual Evaluation Committee members upon request.

A copy of each Reply will be distributed to each member of the Evaluation Committee, and each of the Evaluation Committee members will separately, independently, and individually evaluate and rank the Replies using the Scoring Guidelines and Evaluation Criteria set forth in Table 4 of Section 3.2.2 and Table 5 of Section 3.2.3, respectively. For each Evaluation Criteria, each evaluator will award a score of 0-4, based upon the Scoring Guidelines in Table 4 of Section 3.2.2. Scores will be calculated by multiplying the evaluator score for each criteria by the criteria weight and dividing by 4. The maximum total score for all criteria equals 100. A score of 75 or higher would equate to an average overall score of "Good," as detailed below. Upon completion of their individual evaluations, each member of the Evaluation Committee will transmit his or her scores to the Designated Procurement Representatives, who will compile the scores and calculate an overall score for each Reply.

3.2.2 Scoring Guidelines

Table 4: Scoring Guidelines

Assessment	Assessment Description	Evaluator Score
Inadequate	Reply is not directly or completely applicable to the requirements of this ITN	0
Poor	Reply in part or otherwise deficient in addressing the requirements of this ITN	1
Adequate	Reply generally addresses requirements of this ITN in an acceptable or minimally appropriate manner	2
Good	Reply completely addresses requirements of this ITN in a detailed manner	3
Exceptional	Reply thoroughly and completely addresses all requirements of this ITN, while providing additional details and/or commitments with regards to the enumerated goals set forth by JEA and the Respondent's plans to achieve these goals	4

SECTION 3.0 – Award Methodology

3.2.3 Evaluation Criteria

Table 5: Evaluation Criteria

Criteria Item	Requirements	Weighted Value
1. Proposal to Achieve JEA's Goals in this ITN	Respondents must indicate clearly and specifically how their Reply would allow JEA to achieve the goals outlined in this ITN	20
2. Experience and Customer Commitment	A summary of experience managing related or similar operations of comparable size and scope to JEA is required. The Respondent must provide information regarding its experience, knowledge, skills, and abilities for owning, operating, and managing electric generation, transmission, distribution, and water systems or other complex business entities. Specific information regarding experience in other customer service areas, including customer billing, complaint management and resolution history, experience with purchases of other utility systems, customer question management, and emergency repair reply times should be included. Replies demonstrating the following will be treated favorably: 1. Longevity of utility generation, transmission, and distribution operations greater than 5 years; 2. Successful customer relations demonstrated through customer outreach, surveys such as JD Power or other comparable sources; 3. Corporate culture demonstrating a long-term commitment to operations; 4. Strong focus on maintaining reliability and minimizing time of disruptions; and 5. Focus on maintaining rate stability for customers, as illustrated through historical rates Where available, Respondents should also include a history of their customer rates for the past 10 years. Respondents are encouraged to provide any incremental information they believe relevant to demonstrate their experience and customer commitment	15
3. Economic Development and Benefits to Jacksonville	Respondents will be treated favorably for their willingness to make commitments to the City of Jacksonville. Additionally, Respondents will be treated favorably based on ability to demonstrate how they may drive economic development and job creation in the City of Jacksonville	10
4. Employee Retention and Benefits	Respondents will be evaluated on the basis of their willingness to make certain commitments to employees consistent with JEA's goals of: 1. Protection of certain employee retirement benefits; 2. Maintenance of substantially comparable employee compensation and benefits for three (3) years; and 3. Confirmation to funding of retention payments to all full-time employees of 100% of current base compensation, as provided in the Employee Protection and Retention Agreement approved by the Board of Directors on July 23, 2019	10
5. Innovation Plan	Respondents should provide initiatives under which they will be committed to provide innovative services or investments that leverage the tangible and intangible assets of JEA in order to achieve the following: 1. Position the business for the future; 2. Create new revenue channels; and 3. "Future-proof" the utility business. Separately, Respondents only interested in providing Replies related to potential new business opportunities or innovation or disruption of JEA's business are strongly encouraged to do so	15
6. Environmental, Social and Governance	Respondents will be treated favorably for their willingness to make commitments, including, but not limited to, sustainability initiatives, renewable energy goals and the maintenance of an equitable workforce and management team	10
7. Community Stewardship	Respondents will be treated favorably for their willingness to make commitments to the City of Jacksonville and surrounding communities, including, but not limited to, volunteer activities, charitable contributions, an ongoing community relationship plan and comprehensive storm responsiveness plans	10
8. Financial Stability	Respondents will be treated favorably based on long duration and/or permanent capital availability. Additional merit will be placed on willingness and demonstrated ability to continue growth investments in JEA	10

SECTION 3.0 – Award Methodology

3.3 Negotiation Phase

3.3.1 Respondent Shortlist

Based on the final overall scores for each Reply, as calculated by the Designated Procurement Representatives, JEA will determine a competitive range of Replies reasonably susceptible of award for negotiations. While JEA anticipates inviting all Respondents whose Reply scored more than 75 total overall points to negotiations, JEA reserves the right to invite Respondents achieving fewer than 75 points to negotiations and/or to determine any number of Responsive Replies up to and including all Responsive Replies to be in the competitive range, if it determines that doing so would be in the best interest of JEA. Scores will be calculated by multiplying the evaluator score for each criteria by the criteria weight and dividing by 4. The maximum total score for all criteria equals 100. For further detail please refer back to Section 3.2.1 for a description of the scoring process.

JEA may post a Notice of Intent to Negotiate on the JEA procurement page.

3.3.2 Negotiation Team

Consistent with the JEA Procurement Code, a Negotiation Team consisting of at least three individuals will be appointed to conduct negotiations with Respondents within the competitive range, review revised Replies and Best and Final Offers ("BAFO"), and formulate a recommended award ("the "Negotiation Team"). The Negotiation Team may be assisted in their duties by subject matter experts, including, but not limited to, personnel of the Advisors, who shall be available to assist the Negotiation Team, to provide guidance within their respective areas of expertise to the Negotiation Team, and to participate in negotiations with Respondents as needed.



3.3.3 Request for Revised Replies

As the initial step in the Negotiation Phase, JEA anticipates requesting that Respondents within the competitive range provide revised Replies addressing additional specified topics and updating initial Replies based upon additional information provided to Respondents.

Upon the determination of the competitive range, Respondents determined to be within the competitive range will be asked to enter into a non-disclosure agreement ("NDA") for purposes of receiving and accessing certain exempt or confidential information relating to JEA, including, without limitation, trade secrets, material non-public information, or other confidential information. Following execution of the NDA, Respondents will be granted access to the JEA Virtual Data Room, which will include a confidential information presentation on JEA and certain financial projections. Within a period to be determined by the Negotiation Team, such Respondents invited to participate in the Negotiation Phase will be asked to submit a revised Reply addressing specifically their approach to satisfying each of the Evaluation Criteria, the Selection Criteria, and any other additional items which may be enumerated in the Request for revised Replies.

3.3.4 Written and Oral Negotiations

Following submission of revised Replies, the Negotiation Team will review such submissions to identify Respondents with whom it wishes to negotiate further. The Negotiation Team may, but is not required to, engage in formal scoring for purposes of identifying Respondents with whom it wishes to engage in further negotiation. JEA reserves the right to later elect to further negotiate with Respondents who were not initially selected for further negotiations, if the Negotiation Team determines that doing so would be in the best interest of JEA.

A. Respondent(s) invited to negotiate may be asked to provide more detailed clarifications of their Replies and/or to provide interactive presentations of their Replies. JEA reserves the right to negotiate concurrently or sequentially with competing Respondent(s). Negotiations will not be open to the public but will be recorded. All recordings of negotiations and any records related to negotiation sessions are public record and can be released pursuant to a public records request after a Notice of Intent to Award is posted or 30 days after the submission of the final Replies to the last Request for BAFO(s). If a Respondent asserts that any information to be discussed in oral negotiation sessions is exempt from public disclosure, it should contemporaneously notify the Negotiation Team of this fact and assert the confidentiality of such information on the record.

B. JEA anticipates that negotiation meetings may be conducted in Jacksonville, Florida or New York, New York. JEA reserves the right to schedule negotiations at a different location or to conduct negotiation sessions telephonically. JEA may, but is not required to, distribute an agenda in advance of the first negotiation session. Representatives for each Respondent should plan to be available for face-to-face meeting(s), without interruptions, for the entirety of the Respondent's scheduled negotiation meeting(s).

C. Negotiations will include discussions of the Reply and the model envisioned by the Respondent, until acceptable terms are agreed upon or it is determined that an acceptable agreement cannot be reached. The negotiation process will also include negotiation of the terms and conditions of potential transactional documents. As this is an ITN, JEA reserves the right to negotiate the terms and conditions determined to be in the best interest of JEA. The negotiation process will continue until JEA requests, in writing, BAFO(s). JEA reserves the option to resume negotiations that were previously suspended. JEA anticipates that multiple rounds of BAFO(s) may be requested under this ITN but is under no obligation to request more than one round of BAFO(s). As a result, it is imperative that Respondents ensure that any BAFO(s) submitted includes the best terms that the Respondent can offer, as failure to do so may result in the Respondent not being selected to proceed to additional negotiations.

D. The focus of the negotiations will be on achieving the solution that provides the best value to JEA based upon the Selection Criteria and the requirements of this ITN. The Selection Criteria include those enumerated in Section 3.3.8.B.

3.3.5 Additional Information in Connection With Written and Oral Negotiations

JEA anticipates that Respondents chosen to participate in written and oral negotiations will gain access to additional information that will allow them to further refine and update their proposed solutions to better address the Selection Criteria. This exchange of information is expected to include discussions with JEA management during recorded negotiation sessions and an opportunity for such Respondents to submit questions and requests for additional information or clarification via email to the Designated Procurement Representatives. At the start of written and oral negotiations, JEA will provide Respondents chosen to participate with a question log file that may be used to submit written questions to JEA and will indicate the date by which such question log file must be returned. As JEA understands that additional questions may arise as a result of written and oral negotiations, additional written questions may be directed to the Designated Procurement Representatives; however, such standalone questions are expected to be a rare exception and Respondents should endeavor to aggregate all of their questions and requests within the question log file, rather than sending individual questions.

In the event individual questions are received by the Designated Procurement Representatives, JEA will determine in its discretion whether such questions should be answered and how any responses provided will be distributed to the affected Respondent(s). All data responses made available will be subject to posting in the JEA Virtual Data Room for access to all Respondents participating in negotiations. Responses to questions may also be posted for access to all Respondents participating in negotiations in the event that JEA determines that doing so is in the best interest of JEA.

3.3.6 Other JEA Rights During Negotiations

JEA reserves the right to negotiate with any or all Respondents, serially or concurrently, to determine and realize the best solution.

JEA reserves the right to exercise any or all of the following non-exhaustive list of rights at any time during the Negotiation Process:

A. Schedule additional negotiating sessions with any or all Respondents

B. Require any or all Respondents to provide additional, revised, or final written Replies addressing specified topics

C. Require any or all Respondents to provide written BAFO(s)

D. Require any or all Respondents to address or match frameworks, concepts, terms, or conditions offered by any other Respondent

E. Arrive at an agreement with any Respondent, finalize principal contract terms with such Respondent, and terminate negotiations with any or all other Respondents, regardless of the status of or scheduled negotiations with such other Respondents

F. Decline to conduct further negotiations with any Respondent

G. Re-open negotiations with any Respondent

H. Take any additional administrative steps deemed necessary in determining the final award, including additional fact-finding, evaluation, or negotiation where necessary and consistent with the terms of this ITN

I. Review and rely on relevant information contained in the Replies

J. Check references provided to obtain independent verification of the information provided by Respondents. JEA also reserves the right to contact references not provided by a Respondent

K. Request financial models different from those initially provided by a Respondent. This information may be used in negotiations to determine the best financial model to be used in any resulting contract

L. Waive Minor Irregularities if JEA determines that doing so will serve the best interest of JEA

SECTION 3.0 – Award Methodology

JEA has sole discretion in deciding whether and when to take any of the foregoing actions, over the scope and manner of such actions and the Respondent or Respondents affected, and whether to provide concurrent public notice of such decision.

3.3.7 Best and Final Offers

JEA may issue a written request for one or more BAFO(s) to the Respondents with which the Negotiation Team has conducted negotiations. At a minimum, based upon the negotiation process, the BAFO must contain:

1. A revised Reply to this ITN, containing all negotiated changes, with all changes from the original Reply shown;

2. A detailed financial offer in the format requested by the request for BAFO(s); and

3. Any other information requested by JEA in its written request for BAFO(s)

Depending on the nature of the Replies received, JEA may elect to provide draft transaction documents to be marked-up by Respondents from whom a BAFO is requested. In the event that JEA does so, these marked-up transaction documents should be provided as part of the Respondent's BAFO.

The Respondent's BAFO will be delivered to the Negotiation Team for review and consideration as set forth in Section 3.3.8. JEA reserves the right to conduct follow-on negotiations with any Respondent and to request additional rounds of BAFOs if it determines that doing so is in the best interest of JEA.

3.3.8 Final Selection and Notice of Intent to Award

A. JEA Negotiation Team Recommendation

Following receipt of the final BAFOs, the final BAFOs will be provided to the Negotiation Team for review. Thereafter, the Negotiation Team will meet to determine which offer constitutes the best value to JEA based upon the Selection Criteria. Thereafter, the Negotiation Team will develop a recommendation that identifies the award that will provide the best value to JEA based upon the Selection Criteria. In so doing, the Negotiation Team is not required to score the Respondents but will base its recommendation on the Selection Criteria. Scores from the Evaluation Phase will not carry over into negotiations, and the Negotiation Team will not be bound by such scores.

B. Selection Criteria

The selection criteria to be utilized in selecting a recommended awardee (the "Selection Criteria") include, but are not limited to, the following:

1. The Respondent's ability to satisfy the enumerated goals as stated in Section 1.1

2. Overall value to the City of Jacksonville and JEA's customers
3. The Respondent's capability to deliver innovation to JEA's existing operations
4. The feasibility of the Respondent's proposed solution and ability to consummate the plan proposed by the Respondent on a timely basis
5. The ability of the Respondent to satisfy priorities of JEA, as articulated in the Evaluation Criteria and/or during the Negotiation Phase

C. Award Selection

1. An intended award will be made to the Respondent with the final BAFO that is assessed as providing the best value to JEA. JEA reserves the right to pursue a contract for all or for part of the items contemplated by this ITN
2. JEA reserves the right to cancel, postpone, modify, reissue, and/or amend this ITN at its discretion
3. JEA reserves the right to accept or reject any and all offers, or separable portions, and to waive Minor Irregularities, if JEA determines that doing so will serve the best interest of JEA. JEA has the right to use any or all ideas or adaptations of the ideas presented in any Reply. Selection or rejection of a Reply will not affect this right
4. Replies that do not meet all requirements, specifications, terms, and conditions of the solicitation or fail to provide all required information, documents, or materials may be rejected at the sole discretion of JEA

D. Board of Directors Approval

Following rendition of the Negotiation Team's recommendation, the Board of Directors will make the final decision as to which Respondent should be selected for award based on the recommendation of the Negotiation Team. In so doing, the Board of Directors is not required to score the Respondents but will base its decision on the Selection Criteria and recommendation of the Negotiation Team. A report will be prepared regarding the award selection and memorializing the reasons for such selection.

E. Certain Additional Approvals

Throughout and subsequent to the Solicitation Process, JEA's Board of Directors intends to abide by Article 21 of the City Charter and all other applicable federal, state, and local law. Any final selection and award may be subject to not only additional Board of Directors action but also additional approvals as set forth in federal, state, and local law.

3.3.9 JEA Reserved Rights for Award

JEA reserves the right to award Contracts for less than all items encompassed by this ITN.

3.3.10 Posting of Decision

JEA will post a Notice of Intent to Award, stating its intent to pursue a Contract with the selected Respondent. If JEA decides to reject all Replies, it will post its notice on the procurement page for this ITN at www.jea.com/strategicalternatives.



FREQUENTLY ASKED QUESTIONS

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

Frequently Asked Questions

These FAQs are intended only to provide a brief overview of certain aspects of this ITN process. A review of these FAQs does not substitute for an understanding of the complete process described in the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section of this ITN, and these FAQs are not intended to supplement or modify the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section of this ITN in any manner. In the event of any perceived conflict between these FAQs and the process described in the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section of this ITN, the language of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section shall govern.

1. What are the phases of this ITN Process?

Please refer to the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

2. Is there an opportunity to submit questions during the Solicitation Phase?

For details regarding the submission of questions during the Solicitation Phase, please refer to Section 2.1.1 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

3. When do you expect this ITN process to conclude?

For details regarding the Timeline of Events, please refer to Table 1 of Section 2.2 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

4. Do proposals have to be for the full integrated utility?

Replies will be assessed first against the Mandatory Requirements found in Table 3 of Section 3.1.1 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section of this ITN and then against the Evaluation Criteria found in Table 5 of Section 3.2.3 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

5. Are parties domiciled outside of the U.S. allowed to participate in the process? Will they be evaluated consistently with any U.S. based process participants?

Yes. Replies will be assessed first against the Mandatory Requirements found in Table 3 of Section 3.1.1 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section of this ITN and then against the Evaluation Criteria found Table 5 of Section of 3.2.3 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

6. Who can I contact regarding this ITN?

For details regarding who to contact regarding this ITN, please refer to Section 2.1.1 and Section 2.11 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

7. If I do not participate in the solicitation phase, am I able to participate later in the process?

No. Please refer to Section 1.3 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN. While Vendors who do not submit a Reply will not be eligible to be awarded the Contract resulting from this ITN, they may participate as a team member or partner under a resulting Contract with a Respondent who has submitted a Reply.

Frequently Asked Questions

Process Considerations

8. Will I have the opportunity to meet with management during this ITN process?

Please refer to Sections 2.1.1 and 3.3.5 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

9. Is the City of Jacksonville supportive of this ITN?

Any potential sale or similar transaction regarding JEA's Electric System, Water and Wastewater Systems, and District Energy System would require the approval of the City Council as well as a referendum approval of the terms and conditions of any sale or transaction that comprises more than 10% of the total JEA utility system, thus ensuring that the City and citizens of Jacksonville will have a say in any transaction involving JEA.

10. Why is JEA pursuing this ITN process?

JEA is seeking the strategic flexibility needed to adapt to the rapidly changing utility landscape and to tap into a broad spectrum of new markets and to achieve its vision of maximizing customer, community, environmental, and financial value over the long-term.

11. Will my identity and/or response to this ITN be made public? If so, when?

Following the Notice of Intent to Award, Replies to this ITN process may be disclosed pursuant to a public records request, as required under applicable law. For additional information please see Section 2.8, of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

12. Are financial investors / sponsors allowed to participate in this process?

Yes. Replies will be evaluated against the Mandatory Requirements set forth in Table 3 of Section 3.1.1 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN, on a pass/fail basis. Replies that do not satisfy each of the required Mandatory Requirements will be rejected.

13. Can a consortium of bidders participate in this process?

Yes. Vendors are welcome to partner or enter into teaming agreements that they believe would provide value to JEA. The Vendor who intends to serve as the prime Vendor under any such arrangement must submit a timely Reply to be eligible for Contract award.

14. How will Replies be assessed?

Please refer to Sections 3.1 and 3.2 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

Frequently Asked Questions

The Evaluation Criteria and Outcome

15. Which of the listed strategic alternatives is JEA's preferred outcome?

As discussed in this ITN, JEA is soliciting Replies for the evaluation of strategic alternatives that meet its goals of maximizing customer, community, environmental, and financial value over the long term, consistent with the Mandatory Requirements found in Section 3.1.1, the Evaluation Criteria found in Section 3.2.3, and the Selection Criteria found in Section 3.3.8.B of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN. JEA has no specific preferred outcome and is open to receiving a range of Replies in response to this ITN.

16. Do you expect that this ITN will lead to a privatization of all or a portion of JEA?

A sale of all or a portion of JEA to a private sector entity is one of a number of potential outcomes of this ITN.

We will have additional clarity on the potential outcomes and our path forward with respect to this ITN following September 30, 2019, as described in Table 1 of Section 2.2 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" beginning on page 20 of this ITN, when we will receive Replies and assess them relative to the Mandatory Requirements found in Table 3 of Section 3.1.1 and the Evaluation Criteria found in Table 5 of Section 3.2.3 in the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

17. Will all parties who meet the Evaluation Criteria be invited into the Negotiation Phase?

Please refer to Section 3.3.1 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

18. If this ITN does result in a sale of all or a portion of JEA, which approvals would you expect to be required for such a transaction?

In the case of such a sale transaction, the requisite approvals would be expected to include, but not be limited to:

- Federal Trade Commission or Department of Justice early termination of the waiting period or allowance of waiting period expiration under the Hart-Scott-Rodino Antitrust Improvements Act of 1976
- Federal Energy Regulatory Commission approval
- Majority vote in a referendum conducted by the City

In addition, such a transaction could require approval by the FPSC with respect to the establishment of parameters for current and future ratemaking by the FPSC, which may include rate base, regulatory capital structure, and allowed regulatory returns on debt and equity capital. Other approvals may also be required.

Frequently Asked Questions

The Evaluation Criteria and Outcome (cont'd)

19. What are the minimum requirements?

It is important that the needs of all JEA's key stakeholders are addressed in any potential transaction. Any potential transaction must contain the following contingencies:

- Greater than $3 billion of value to the City of Jacksonville
    - The net present value of JEA's expected contribution to the City over the next 20 years is $2 billion. The minimum financial value of $3 billion of unencumbered cash to be paid to the City out of the proceeds of any transaction was set through thoughtful consideration and debate, reflecting a recognition of the substantial transformation that may result from a transaction
- Greater than $400 million of value distributed to customers
    - Customers are at the heart of JEA's operations, and customer value is one of JEA's four core values. JEA seeks to improve lives in our Northeast Florida community. A minimum requirement of any transaction is to provide our customers with rebates of more than $400 million value. To customers, this means a one-time value of $350+ for electric accounts or $1400+ for customers with electric, water, sewer, and irrigation accounts. All such rebates will be paid by JEA out of the proceeds of any transaction
- At least three years of contractually guaranteed base rate stability for customers
    - Customers are at the heart of JEA's operations, and customer value is one of JEA's four core values. JEA seeks to improve lives in our Northeast Florida community. A minimum requirement of any transaction is to provide our electric, water, and wastewater customers with at least three years of no base rate increases after any transaction
- Commitment to develop and provide the City of Jacksonville and Duval County Public School system 100% renewable electricity by the year 2030
    - Currently, the City of Jacksonville and the Duval County School Board of Directors have energy usage of approximately 50 MW (equal to the output from ~250 MW of solar panels at P90). The commitment is to obtain, through PPAs, self-build, or other means, output from solar or other renewable energy resources, facilities adequate to supply this need for the accounts of Jacksonville and the Duval County School Board of Directors. The renewable energy would be sold to the entities through a new or existing tariff at a price equal to or less than current cost. On-site solar, storage and renewable energy resources may be a component of meeting this commitment and are preferred but are not part of the requirement

Frequently Asked Questions

The Evaluation Criteria and Outcome (cont'd)

19. What are the minimum requirements? (cont'd)

- Commitment to develop and provide 40 MGD of alternative water capacity for Northeast Florida by the year 2035
    - JEA currently provides 115 MGD of water to its customers. 100% of the water provided is sourced from the Floridan Aquifer. With projected growth in population and water consumption, alternative water supplies will be needed to stay within the limits of future Consumptive Use Permits (the method by which the St. Johns Water Management District and Florida Department of Environmental Protection regulate withdrawals from the aquifer). The goal is to provide 40 MGD of alternative water supply for the JEA service territory by the year 2035. Alternative Water Supply includes finding new sources for drinking water or new sources specifically for irrigation. Some examples include: Direct or Indirect reuse (water purification), surface water (lower or upper St Johns) desalination, surficial aquifer irrigation wells, storm water harvesting for irrigation, or aquifer recharge. JEA has a current plan to achieve the 2035 goal and the commitment would be to fulfill the future objective in line with current plans. The cost of this additional service may be recovered through FPSC approved rates
- Protection of certain employee retirement obligations payable by JEA at the time of a Recapitalization Event
    - In recognition of the employees' commitment to JEA, the JEA Board of Directors approved for introduction to the City Council legislation that, if approved by City Council, and in the event a Recapitalization Event occurs, protects JEA employees who participate in the City of Jacksonville General Employees Pension Plan ("GEPP") by increasing the years of service credit for vested employees and vesting non-vested employees in their benefits under the Plan. These changes will be subject to collective bargaining, if applicable, and will be funded out of the proceeds of any transaction
- Maintenance of substantially comparable employee compensation and benefits for three years
    - JEA is committed to protecting its employees. One process goal is a minimum requirement that for at least three years following any transaction, all continuing full-time JEA employees will be provided with compensation and benefits that are substantially comparable, in the aggregate, to the compensation and benefits that JEA provided to them immediately prior to the transaction occurring. For union employees, this obligation is subject to the terms and conditions of applicable collective bargaining agreements

Frequently Asked Questions

The Evaluation Criteria and Outcome (cont'd)

19. What are the minimum requirements? (cont'd)

- Retention payments to all full-time employees of 100% current base compensation
    - In recognition of the need to retain critical talent through and in the aftermath of any potential transaction, JEA has entered and plans to enter into (subject to collective bargaining, as applicable) voluntary retention agreements with all full-time employees who were actively employed on July 23, 2019. Under the agreements, employees will receive cash payments equal to 100% of their then-current annual base salaries. The payments vest in three equal installments on each of the closing date of any transaction, the first anniversary of such closing date, and the second anniversary of such closing date. Subject to certain exceptions, the employees must be employed with JEA on the vesting dates to receive their payments. For union employees, this obligation is subject to the terms and conditions of applicable collective bargaining agreements
- Commitment to new headquarters and employees in downtown Jacksonville, contributing to the economic development of the community
    - JEA is committed to economic growth in Northeast Florida. In fact, community impact value is one of just four measures of value at JEA. This goal is to continue an already-underway downtown headquarters project to completion and to continue to have a vibrant downtown headquarters for JEA into the future

20. Is JEA willing to enter into a transaction if some, but not all, of the minimum requirements are met?

In the resolution approving moving forward with this solicitation, the Board of Directors specified that any competitive solicitation outcome must achieve the minimum requirements outlined on page 19.

21. This ITN identifies untapped growth potential. Will Replies that address these opportunities be viewed favorably?

Replies will be assessed first against the Mandatory Requirements found in Section 3.1.1 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section of this ITN and the Evaluation Criteria found in Section 3.2.3 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

Frequently Asked Questions

Employees, Community, and Customer Rates

22. What information will be provided to potential Respondents to assist in preparing the deliverables?

Below is a summary of the information expected to be available to the Respondents and potential Respondents in this process. Please refer to the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN for a comprehensive description of the process.

- Solicitation Phase: this ITN and information about JEA which is available in the public domain
- Negotiation Phase:
    - Before revised Replies: a confidential information presentation on JEA and certain financial projections
    - After revised Replies: additional information that will allow the Respondents to further refine and update their proposed solutions to better address the Selection Criteria found in Section 3.3.8.B of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN. This exchange of information is expected to include discussions with JEA management during recorded negotiation sessions, and provide an opportunity for the Respondents to submit questions and requests for additional information or clarification via email to the Designated Procurement Representatives, as described in Section 3.3.5 of the "Solicitation Process; Evaluation, Negotiation, and Award Methodology" Section beginning on page 20 of this ITN.

23. What are the current rate base, regulatory capital structure, and allowed returns for each of the Electric System and Water and Wastewater Systems?

Current rate base information for the JEA electric and water utilities does not exist, as JEA currently operates outside the purview of the FPSC.

For entities under FPSC purview, the FPSC sets rates such that the utility can recover the costs incurred to provide service and the cost of operating the utility while allowing the utility an opportunity to earn a fair rate of return on its investment.

24. What is the status of the MEAG litigation?

JEA and the Municipal Electric Authority of Georgia ("MEAG") are parties to pending litigation involving two lawsuits regarding the Amended and Restated Power Purchase Agreement ("PPA") between JEA and MEAG for the financing of the construction of two additional units, Units No. 3 and 4, at the Alvin W. Vogtle Nuclear Power Plant ("Plant Vogtle") in Burke County, Georgia. On September 11, 2018, MEAG initiated a lawsuit in Georgia federal court against JEA alleging that certain of JEA's conduct breached the PPA and seeking a declaration that the PPA was, and would remain, enforceable. That lawsuit was dismissed by the Georgia court on April 9, 2019. MEAG has appealed the dismissal to the Eleventh Circuit Court of Appeals, and the appeal remains pending.

Frequently Asked Questions

Employees, Community, and Customer Rates (cont'd)

24. What is the status of the MEAG litigation? (cont'd)

Also, on September 11, 2018, JEA and the City of Jacksonville filed suit against MEAG in Florida state court asserting that the execution of the PPA exceeded the scope of JEA's authority as a matter of Florida constitutional, statutory, and municipal law and seeking a declaration that the PPA is ultra vires and void ab initio as a matter of Florida law. MEAG removed this case to federal court in Florida on October 2, 2018. On July 12, 2018, the Florida federal court ordered the case transferred to Georgia federal court in Atlanta. This case remains pending and MEAG answered and counterclaimed to JEA's Complaint. This litigation is in its early stages and no merits or issues have been adjudicated.

JEA continues to vigorously pursue its claims regarding the PPA. JEA recognizes that participants in this ITN may have further questions regarding the pending litigation and the potential treatment of the PPA in any ultimate transaction entered into as a result of this ITN process. JEA does not anticipate that any transaction will be structured in a manner that would violate the terms of the PPA. Additional details may be discussed with the bidders who ultimately proceed to the Negotiation Phase.

25. Will this affect JEA's annual contribution to the City?

JEA, as a community-owned utility company, does not currently pay property taxes to the City but makes a contribution in lieu of taxes. JEA's customers also pay a franchise fee and public service taxes to the City of Jacksonville. In the event this ITN results in a sale of all or a portion of JEA, lost contributions to the City will be replaced at least in part with property taxes. In addition, one of JEA's goals in this ITN is an upfront payment to the City of greater than $3 billion, 26x larger than JEA's average annual contribution to the City and 50% greater than the net present value of JEA's annual contribution to the City over the next 20 years.

Frequently Asked Questions

Employees, Community, and Customer Rates (cont'd)

26. What are JEA's expectations related to the Other Post-Employment Benefits ("OPEB") and pension obligations?

As part of any transaction, JEA is requiring that employee compensation and benefits will be guaranteed to be substantially comparable for three years. Additionally, there will be accelerated vesting of certain employee retirement obligations. Pension obligations under the GEPP are fulfilled by the Retirement System. JEA maintains a medical benefit plan that it makes available to eligible retirees and their beneficiaries. Liability for retiree medical benefits, as applicable, will be assumed and fulfilled by the successful participant in this process.

27. How are customer rates currently determined? How do you expect that would change as a result of this ITN?

- JEA is a community-owned utility company that sets its own customer rates
- The Board of Directors is responsible for setting rates. Rates are established on a cost-of-service basis, including operating and maintenance expenses, depreciation of the respective operations, and meeting minimum annual coverage for debt service of 1.25x
- Base rate changes are implemented after a public rate hearing and Board of Directors approval. Fuel rate changes are implemented solely with Board of Directors approval. JEA has an ongoing plan to review, update, and, where possible, expand its rate options to provide customers more rate choices for their utility services
- It is possible that, as a result of this ITN, all or a portion of JEA would become subject to regulation by the FPSC. We would expect in that event that the FPSC would regulate the relevant utility assets in the same manner as it regulates other regulated utilities currently subject to its jurisdiction. The FPSC sets rates such that the utility can recover the costs incurred to provide service and the cost of operating the utility while allowing the utility an opportunity to earn a fair rate of return on its investment. The FPSC will analyze requested rate changes and conducts earnings surveillance to ensure that regulated utilities are not exceeding their authorized rates of return.
- Regulated utilities seeking a substantial increase in rates and charges from the FPSC can open a rate case for FPSC analysis of the utility's investments and expenses to determine new rates. Once the Minimum Filing Requirements, as defined by the FPSC, for a case are filed with the FPSC by the utility, the FPSC has 60 days to officially suspend, deny, or approve the utility's requested rates
- One of the goals in this ITN is delivery of value to customers, and we would expect any transaction resulting from this ITN will result in greater value to customers relative to what JEA could provide in the absence of a transaction

Frequently Asked Questions

Employees, Community, and Customer Rates (cont'd)

28. In the absence of this ITN, what would be the expected change in rates over the next decade? What is the expected impact of a transaction contemplated by this ITN?

- JEA projects an increase in energy rates of between 26-55% over the next decade (depending on implementation of cost savings measures, contribution to the City and other market dynamics)
- One of the goals in this ITN is delivery of value to customers, and we would expect any transaction resulting from this ITN will result in greater value to customers relative to what JEA could provide in the absence of a transaction

29. Where can one locate additional publicly available information regarding JEA?

Please refer to www.jea.com/strategicalternatives as well as the appendix to this ITN, which incorporates certain documents by reference.





BUSINESS OVERVIEW

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

JEA at a glance:

Business Overview

JEA Electric System

- 900 square miles of service area
- 6,831 (6920) miles of distribution wires
- 744 (745) circuit miles of transmission wires
- 4 generation facilities
- 7 solar offtake agreements

	2016	2017	2018
Sales ($mm)	$1,366	$1,428	$1,364
Sales (GWh)	14,586	13,894	12,732
Avg. customers (000's)	452	459	466

JEA Water and Wastewater Systems

- 100% groundwater supply
- 11,031 miles of pipe[1]
- 38 active water treatment plants
- 11 wastewater treatment facilities
- 10 reclaimed water production facilities

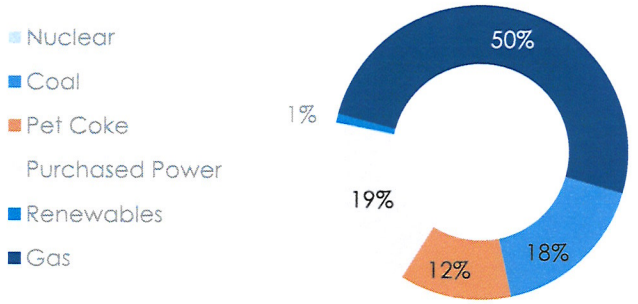
	2016	2017	2018
Sales ($mm)	$428	$458	$436
Sales (Mgals)[2]	64,820	67,248	65,647
Avg. Water customers(000's)	341	350	360
Avg. Wastewater customers (000's)	258	264	271

JEA District Energy System

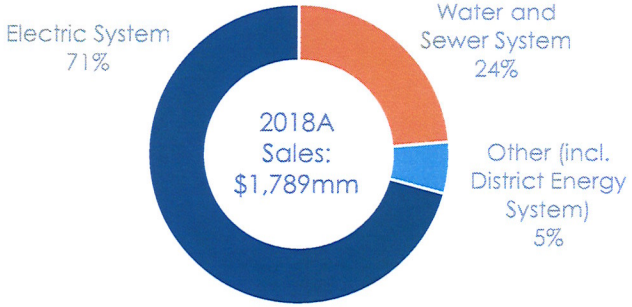
- 4 chilled water plants
- Total capacity: 20,700

	2016	2017	2018
Sales ($mm)	$8	$8	$8

2018 Energy Fuel Mix (% of Total MWh Generated)



2018 Total System Sales

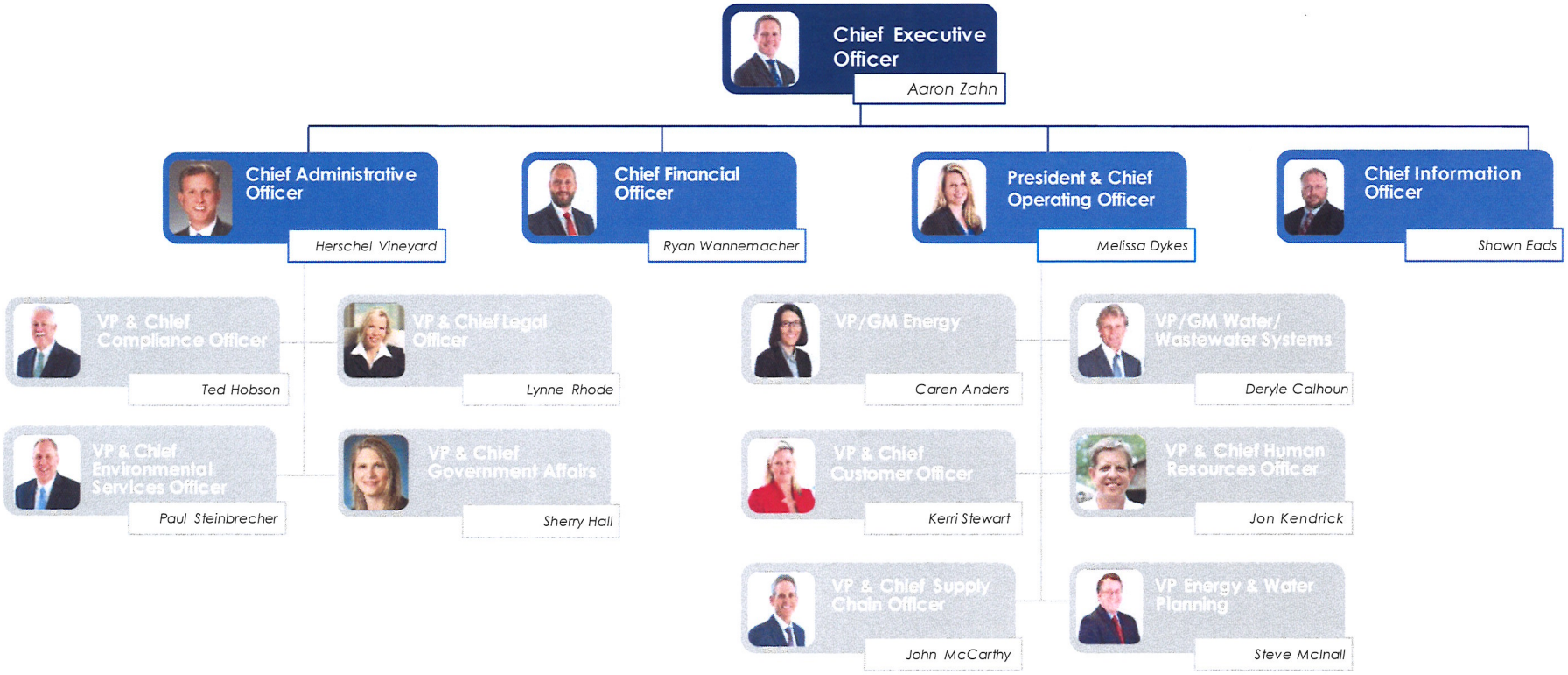


Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report

1. Water system (5,665 miles), wastewater system (5,005 miles), reclaimed water system (361 miles) as of 2018
2. Includes water system, wastewater system, and reclaimed water system

Senior Leadership Team

Strong Management Team with First-Class Operational and Regulatory Expertise



Over 300 Years of Combined Industry Experience

JEA Electric System

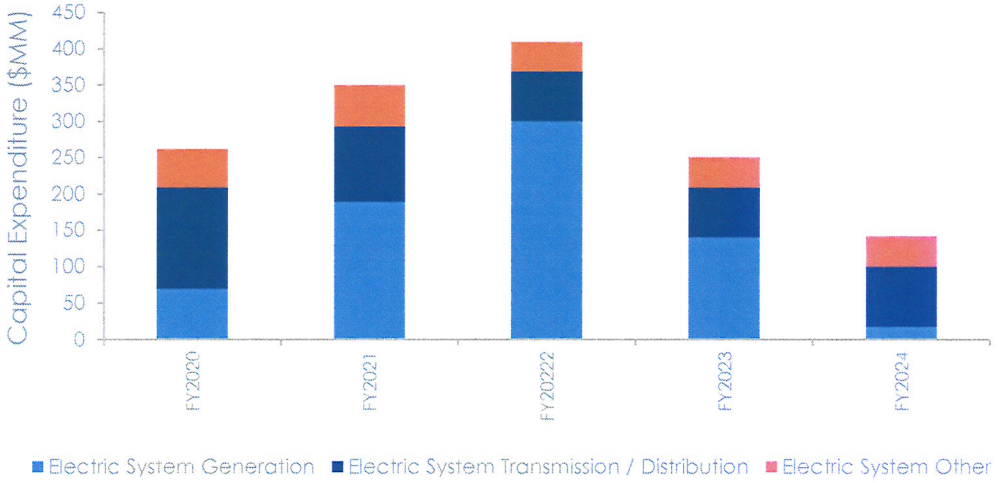
Overview

The JEA Electric System is an integrated energy provider engaged in electric power production and transmission and distribution operations.

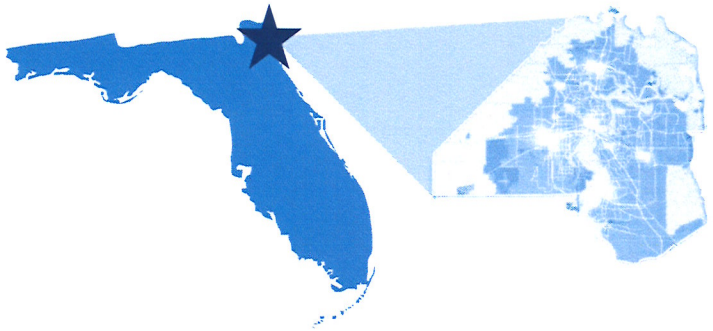
- JEA owns and operates a fleet of four power plants with approximately 3,000 megawatts of electric generating capacity and an energy fuel mix made up primarily of natural gas
- JEA delivers approximately 12.4 million MWh of electricity to over 466,000 customers in Northern Florida
- JEA's 900 mile service territory encompasses virtually the entire City of Jacksonville as well service in portions of the northern sections of St. Johns and Clay Counties, which are located southeast and southwest of the City, respectively

Robust Capital Expenditure Projections

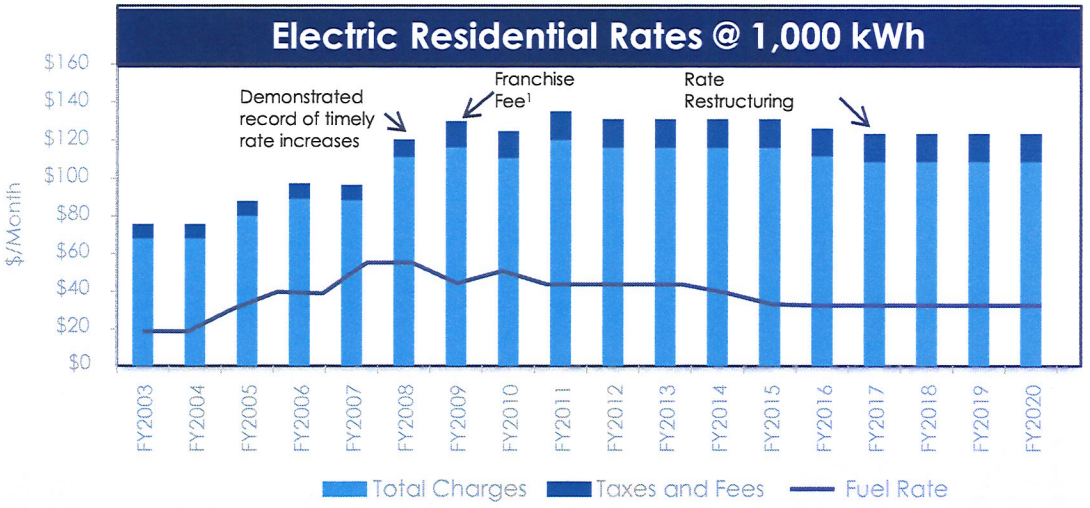
Over $1.4 billion of Capital Expenditure in the Electric System over next 5 Years



Service Footprint



History of Competitive Rates



Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report, June 25, 2019 JEA Board of Directors Board Package

1. Franchise Fee is the charge for the utility to use public right-of-ways and provide service within municipal boundaries. This fee is passed directly to the city government in which the service is provided

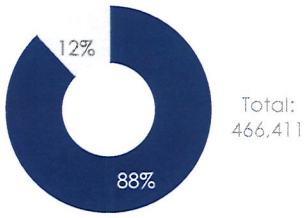
Electric System Customer Overview

In 2018, JEA's Electric System generated $1.2 billion in revenue of which 55% was contributed by commercial and industrial customers, including the U.S. Navy, the City of Jacksonville, and CMC Steel Florida

- The remainder of the Electric System's revenues were generated by its residential customers
  - These customers spend ~$1,500 on average annually for service

Customer Breakdown

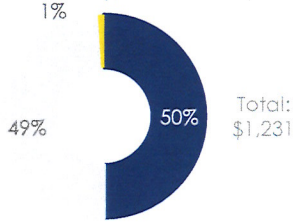
Average # of Accounts



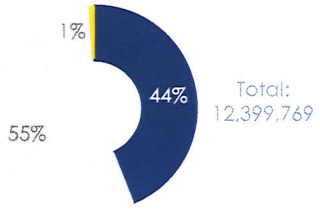
Average # of Customer Accounts (000's)



Revenues ($ in millions)



System Sales (MWh)



Residential | Commercial & Industrial | Wholesale

Top 10 Customers for Electric System

Ten Largest Customer Accounts		Annual $ Billed	% of Revenues
	U.S. Navy Public Works Center	$22,130,326	1.8%
	City of Jacksonville	21,660,130	1.8
CMC Commercial Metals	CMC Steel Florida	18,726,308	1.5
WestRock	WestRock CP LLC	15,236,857	1.2
Duval County Public Schools	Duval County School District	14,546,196	1.2
	Anheuser Busch, Inc.	8,318,025	0.7
	Southern Baptist Hospital of Florida Inc.	8,133,950	0.7
Publix	Publix Supermarkets Inc.	7,828,937	0.6
Johnson & Johnson	Johnson & Johnson Vision Care Inc.	7,343,645	0.6
Winn-Dixie	Winn Dixie Stores, Inc.	7,173,720	0.6
	Total	$131,098,094	10.7%

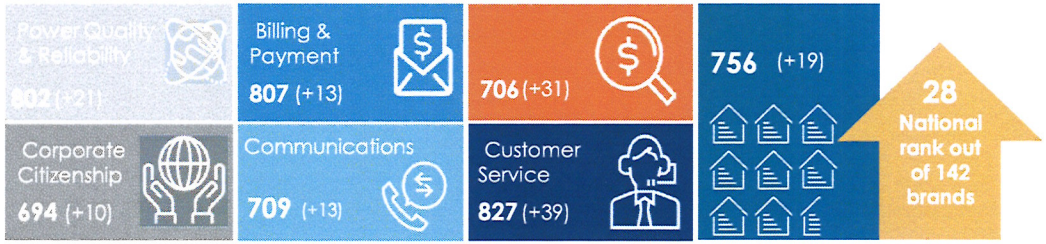
Growing Customer Base with Low Concentration

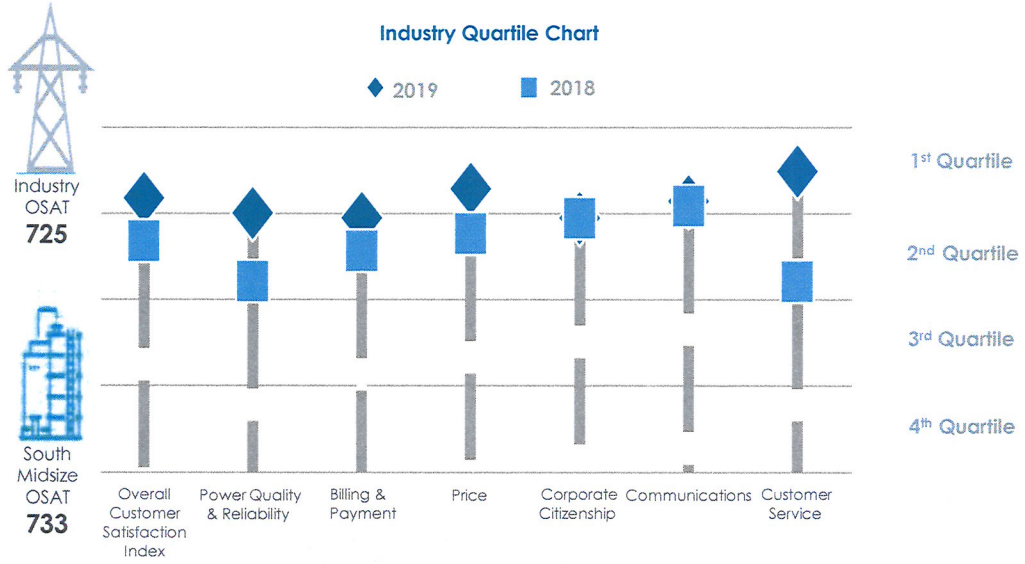
Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report, June 25, 2019 JEA Board of Directors Board Package

JEA Customer Experience

JEA continues to transform the customer experience through its use of customer data to better inform operational priorities and performance levels:

- Data-driven approach allows JEA to better manage customer relationship and identify initiatives and investments that will continue to advance the customer experience
- JD Power has ranked JEA in categories including Power Quality & Reliability, Billing & Payment, Price, Corporate Citizenship, Communications, and Customer Service for an overall rank of 28 of 142 profiled electricity brands

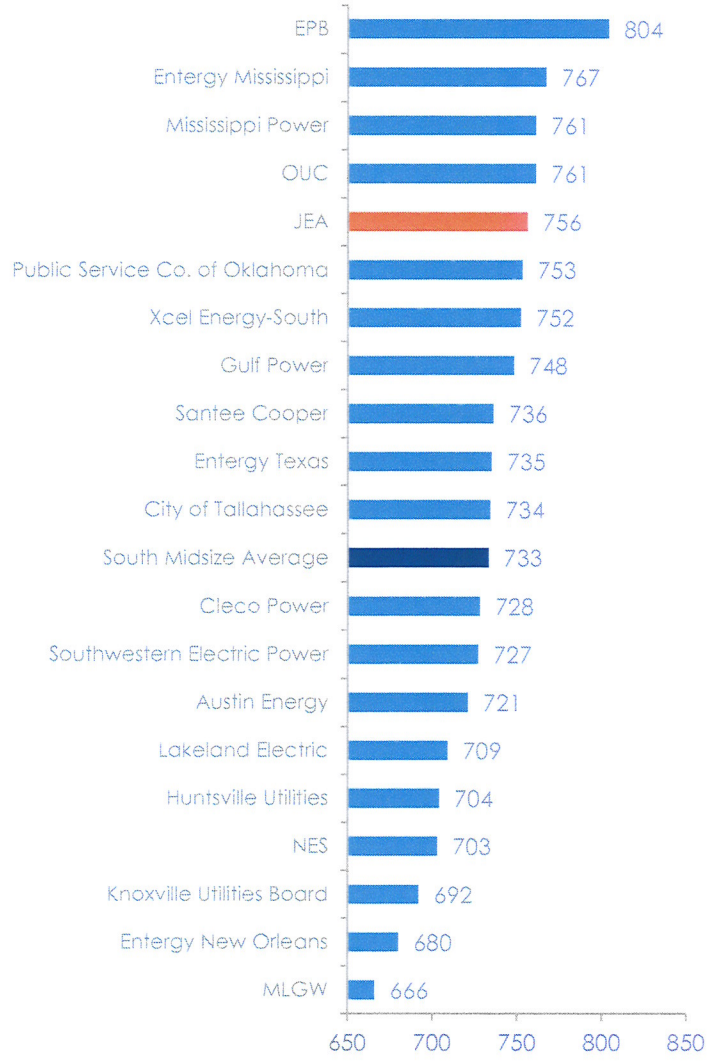




J.D. POWER

Source: 2019 Electric Utility Residential Customer Satisfaction Study℠

Overall Satisfaction Scores (South Midsize)



Strong Customer Satisfaction Metrics Relative to Peers

Generation Overview

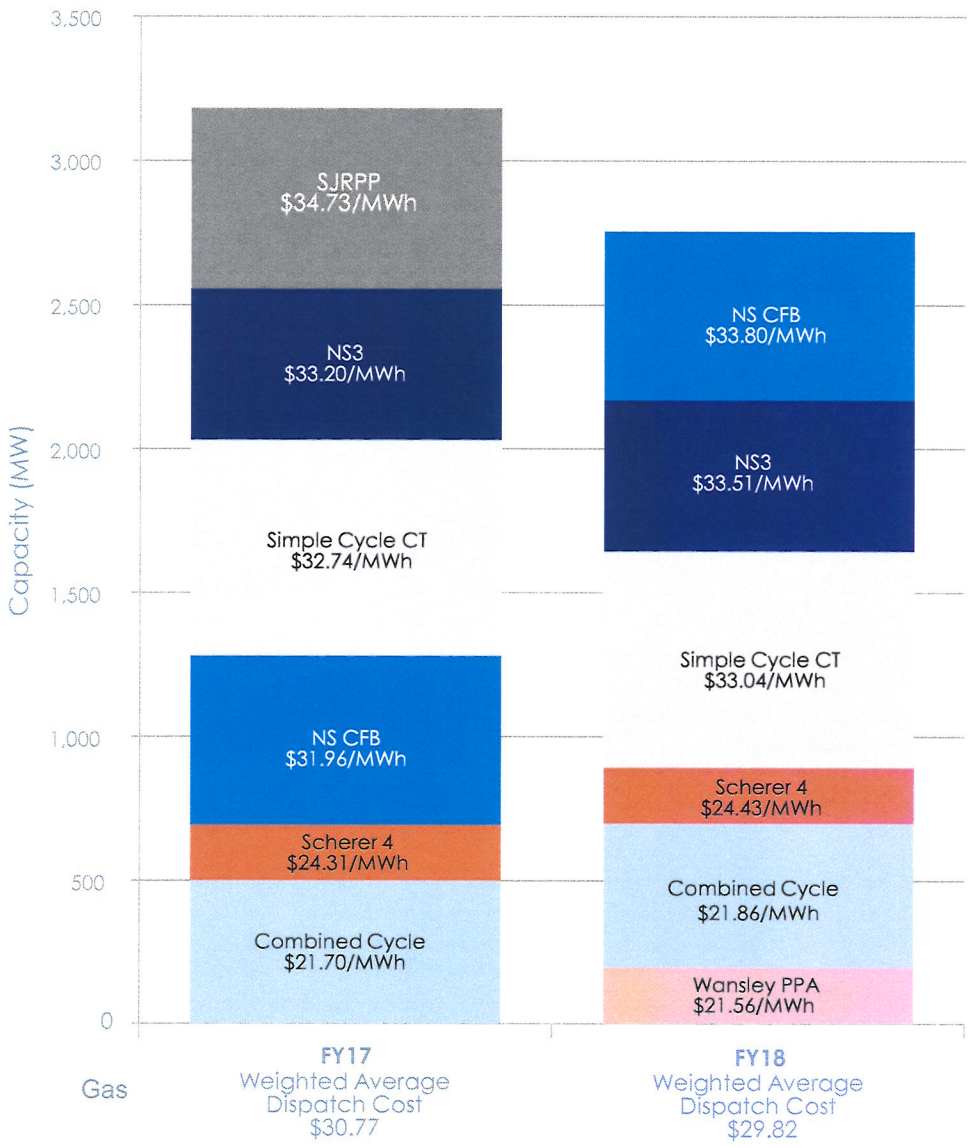
The generation fleet consists of four owned and operated power plants that use fossil fuels, primarily natural gas, with generating capacity of 2,573 MW[1] and has a joint ownership interest in Plant Scherer Unit 4, which has a net generating capacity of 198 MW

- The four owned and operated plants are the J. Dillon Kennedy Generating Station ("Kennedy"), the Northside Generating Station ("Northside"), the Brandy Branch Generating Station ("Brandy Branch") and the Greenland Energy Center ("GEC")
- JEA leverages the flexibility of its existing resources and the significant investment that has been made in the Electric System's generation assets to address customer needs
- JEA is dedicating capital to ensure the long term availability of safe, reliable power while taking in to consideration the age of its generation assets, prospective environmental regulations, energy efficiency and demand-side management, and evolving customer preferences and expectations

Generation Fleet

Facility	Primary Fuel Type	Generating Capacity (MW)	Year in Service
Gas Fuel:			
Brandy Branch	Natural Gas	651	2001-2005
Northside Unit 3	Natural Gas / Oil	524	1977
Kennedy	Natural Gas	300	2000-2009
GEC	Natural Gas	300	2011
Solid Fuel:			
Northside Units 1&2	Pet Coke	586	2003
Scherer Unit 4	Coal	198	1989
Peaking Reserve:			
Northside CTs	Diesel Fuel Oil	212	1975
Total		**2,771**	

Merit Order of Generation Fleet



Source: 2018 Annual Disclosure Report

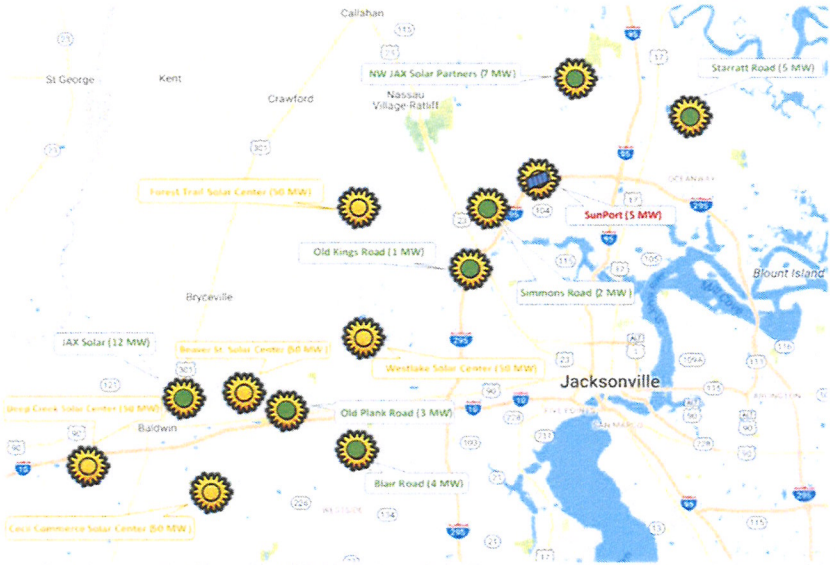
1. JEA 2019 Ten Year Site Plan, reflect s Summer Installed Net Capacity (Winter Net Capacity is 3,105 MW)

JEA Renewables Portfolio

Continued Renewable Resource Investment

- In 2018, renewable resources (primarily wind, solar and landfill gas) supplied approximately 150 GWh, or approximately 1% of total electric demand to JEA's utility customers
- As technology and economics continue to improve, JEA is exploring utility-scale renewable opportunities as well as potential applications for distributed energy resources
- Today, the Electric System has approximately 300 MW of renewable resources in various stages of development and over 1,700 customers with self-generation equipment, virtually all of which are rooftop solar photovoltaic systems

JEA Current & Future PV Solar Sites



Solar Generation

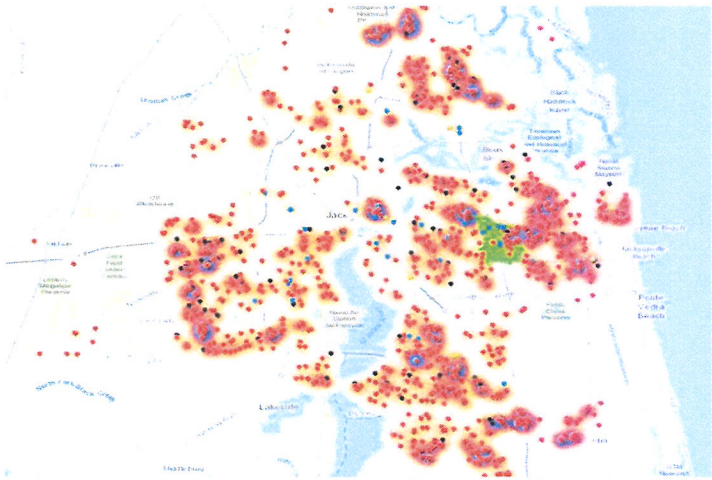
JEA has contracted to add up to 250 MW of solar power by 2022, a substantial increase from JEA's existing solar assets

- This additional investment, when added to the 34 MW currently installed, will make Jacksonville the largest solar city in the U.S. The new sites for solar generation are situated on land owned by JEA
- The increased solar power will reduce JEA's exposure to fossil fuel volatility and the need for energy hedges

This increased commitment to solar power is aligned with JEA's corporate values of reducing air pollution and greenhouse gas emissions, reducing energy costs, and supporting economic growth in the Jacksonville area

- Solar and renewables are expected to comprise 5% of JEA's fuel mix by 2023
- Within JEA territory, solar growth has been increasing at a 67% CAGR since fiscal year ended 2014
- JEA has a significant opportunity for expansion and energy generation via solar facilities, beyond the added 250 MWs of capacity expected by 2022

JEA Current Solar Penetration



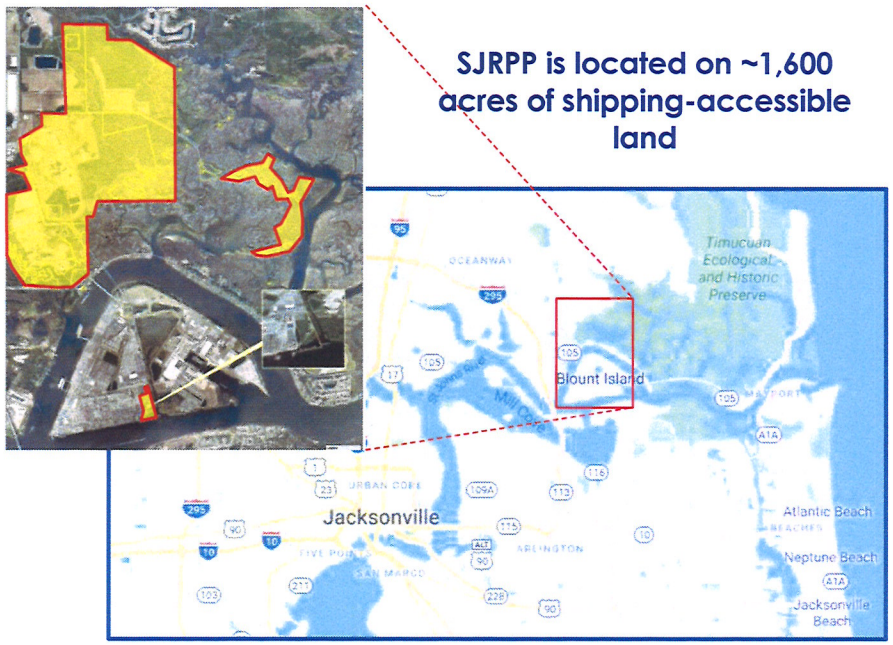
Source: JEA internal data

St. Johns River Power Park

Closing the Power Park will reduce JEA carbon emissions by 30% and save $50 million in operating expenses per year starting in 2020

History

- Until it was closed in January 2018, the St. Johns River Power Park ("SJRPP") was a large coal-fired electric generating plant, featuring two turbine/generators that each supplied 632,000 KW to the transmission grid
- When the plant was constructed in the early 1980s, it was the largest construction project in Jacksonville's history, taking six years to build, at a cost of $1.45 billion
- Facility is jointly owned by JEA – 80% share, and Florida Power and Light – 20% portion
- After nearly 30 years in service, SJRPP closed on January 5, 2018. Catalytic reactors, cooling towers and smokestacks were imploded
  - Demolition and site remediation will continue until mid-2020
- Decommissioned plant is located on a 1,600 acre site in Northeast Jacksonville
- JEA will retain 100% of site ownership at the completion of remediation; therefore, site is included as part of the generation portfolio.



The Future of SJRPP

- Decommission of the generation site creates an extremely unique opportunity for JEA, freeing up a large, unencumbered parcel of land that is accessible by water for a variety of import/export uses
- Other potential uses of the asset include:
  - Dedicated port facility
  - New generation facility (currently permitted)
  - Large wholesale data center w/ dedicated generation
  - Other interatrial development



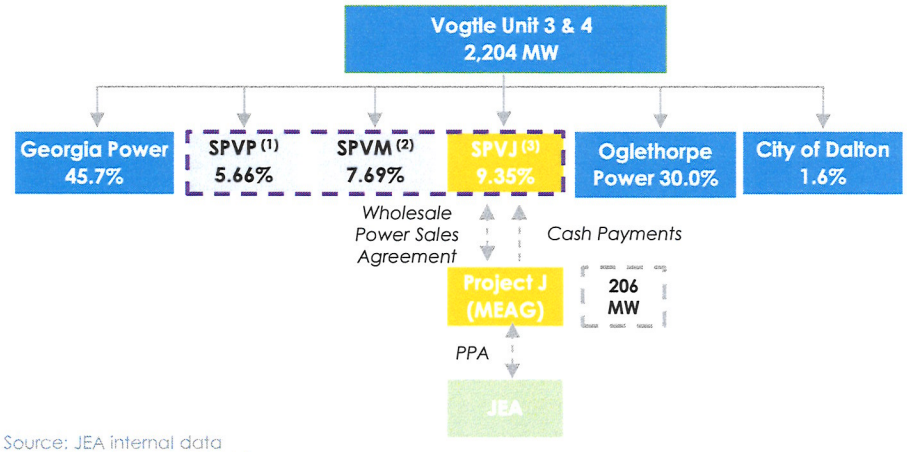
Source: JEA internal data

Vogtle Units 3 and 4

Project J Overview

Plant Vogtle is a nuclear generating station in Burke County, Georgia.

- JEA entered into a PPA with the Municipal Electric Authority of Georgia for 206 MW of capacity and related energy from two additional nuclear units under construction
- The energy received under the PPA is projected to represent approximately 13% of JEA's total energy requirements in 2023
- Owners of the additional Vogtle Units include Georgia Power Company ("Georgia Power"), Oglethorpe Power Corporation ("Oglethorpe Power"), MEAG, and the City of Dalton
- As shown in the chart below, "Project J" corresponds to the portion of MEAG's 22.7% undivided ownership interest in the additional Vogtle Units, which will provide the capacity and energy to be purchased by JEA under the PPA
- MEAG currently estimates that the total in-service cost for its ownership interest in the additional Vogtle Units will be approximately $6.5 billion, including construction costs



Source: JEA internal data
1. MEAG Power SPVP, LLC
2. MEAG Power SPVM, LLC
3. MEAG Power SPVJ, LLC

	Borrowings to Date ($mm)	Additional Capacity ($mm)	Total Financing ($mm)
Project J 2010A Taxable BABs	1,224	-	1,224
Project J 2010B Tax Exempt	24	-	24
Project J 2015A Tax Exempt	185	-	185
Project J 2019A Tax Exempt	571	-	571
DOE Guaranteed Loan	578*	112	690
Additional Public Market Bonds	-	95	95
Other: Earned Interest and Premium	-	129	129
Total	**2,582**	**336**	**2,918**

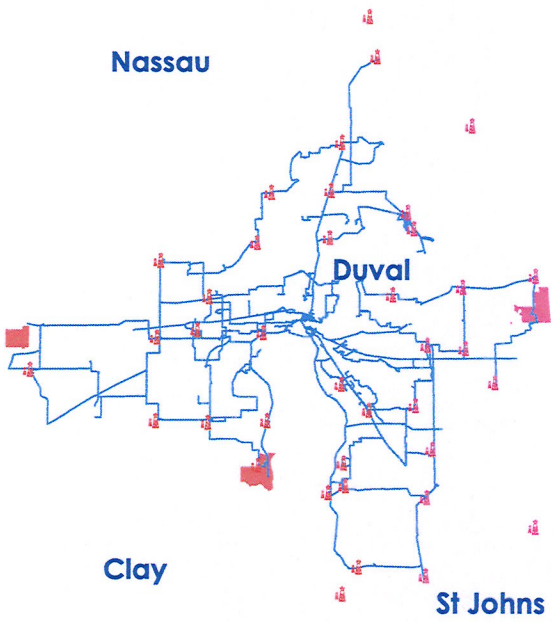
*Includes $24MM set aside to pay capitalized interest

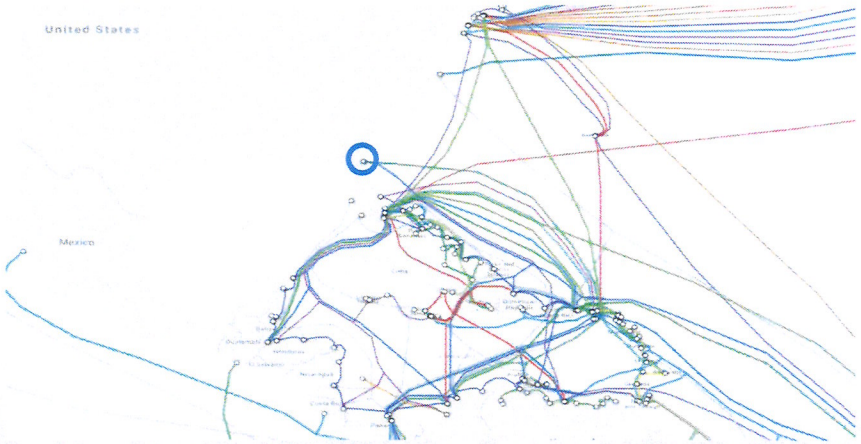
- The PPA requires JEA to pay MEAG for the capacity and energy at the full cost of production
  - This includes debt service on the bonds issued and to be issued by MEAG and on the loans made and to be made by the Project J entity
- JEA is entitled to 103 MW of capacity and related energy from each of the additional Vogtle Units for a 20-year term commencing on each unit's commercial operation date and is required to pay for such capacity and energy on a "take-or-pay" basis
- JEA and MEAG are currently in litigation related to the PPA
- JEA will vigorously defend and prosecute these actions but provides no assurances regarding the outcome or consequences of the litigation
- While JEA and MEAG have commenced negotiations in an attempt to arrive at a mutually beneficial commercial resolution, an outcome cannot be determined at this time
- The Respondents are encouraged to review the complete disclosure of the litigation in JEA's Annual Disclosure Statement

JEA Communications Infrastructure

Overview

- JEA's dark fiber network is strategically located throughout the Jacksonville metropolitan area and is a fully operational leasing business with existing infrastructure
- System includes a direct connection between JEA's dark fiber network and international subsea fiber cables
- JEA also maintains 200 route miles of leased fiber, with ~130 total miles of revenue-generating routes and 8 revenue-generating fiber leases
- Portfolio of power transmission and telecommunication assets creates a strong platform for providing wireless co-location services
- Over 200,000 electric and street light poles can be leveraged for small cell, distributed antenna system, and/or other distributed telecommunication applications
- JEA currently has 40 standalone communication towers that could serve as macro sites
- JEA's small cell collocation consists of 3 small cell leases with a backlog of 60 new sites and an additional 150 potential sites expected in the near future
- Rapid acceleration of consumer demand for broadband services is driving an urgent need for expansion of existing fiber and wireless infrastructure
- Continued development of JEA communications infrastructure will facilitate the acceleration of next generation broadband services and the increased competitive position of Jacksonville as a global hub for communications





Source: JEA internal data

Financial Metrics

($mm)	2017	2018	2019	2020	2021	2022
Dark Fiber Leasing Revenue	$1.9	$2.0	$2.1	$2.3	$2.4	$2.4
Combined Collocation Revenue	$6.8	$6.8	$7.4	$7.8	$8.0	$8.4
Total	**$8.7**	**$8.8**	**$9.5**	**$10.1**	**$10.4**	**$10.8**

JEA Water and Wastewater Systems

Overview

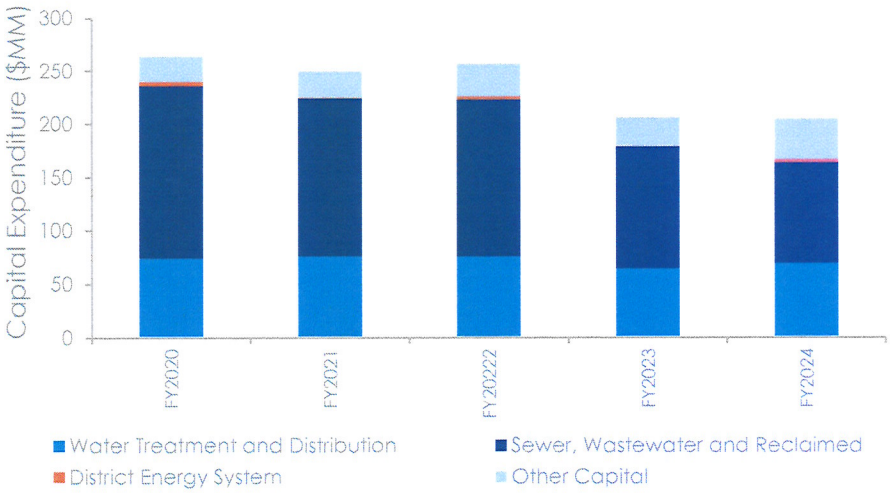
The JEA Water and Wastewater Systems are a premier provider of water and sewer service within the urban and suburban areas of the City.

In 2018, JEA Water and Wastewater Systems generated $432 million in revenue, comprised of 40% water revenues, 57% sewer revenues, and 3% of revenues coming from water reuse and investment.

- Service territory extends into St. Johns County, which is southeast of the City, and Nassau County, which is north of the City, and also serves a number of customers in Clay County, which is southwest of the City
- The Water and Wastewater Systems serve approximately 359,000 and 270,000 customer accounts, respectively
- Combined net capital assets total approximately $2.7Bn

Robust Capital Expenditure Projections

Nearly $1.2 billion of Capital Expenditure in the Water System over next 5 Years



Business Highlights of Water & Wastewater

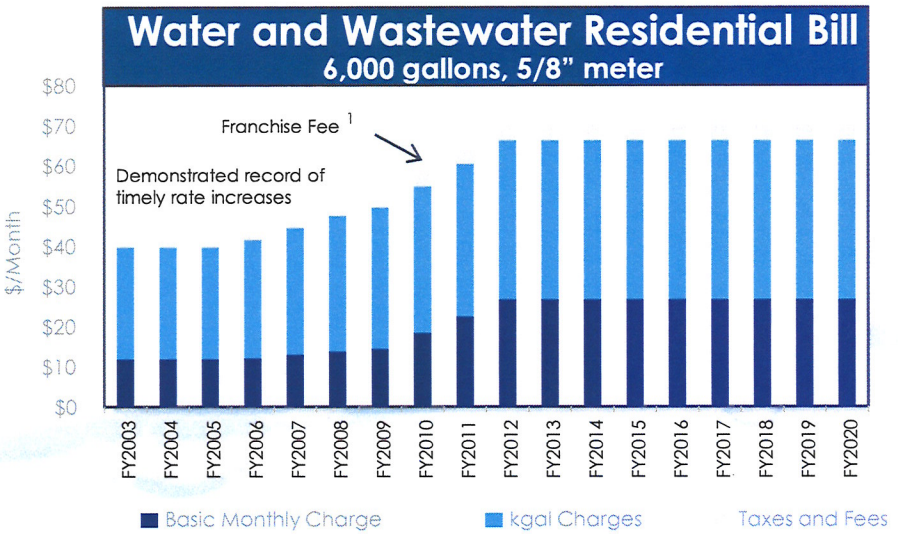
Water System

- 20 major and 18 small water treatment plants and two re-pump facilities
- 136 active water supply wells, and 4,755 miles of water distribution mains
- Total finished water storage capacity of over 81 million gallons
- Two major and four small distribution grids

Wastewater System

- Approximately 4,027 miles of gravity sewers and force mains
- 1,422 pumping stations and 697 low pressure sewer units
- 11 treatment plants with a rated average daily treatment capacity of approximately 120 MGD and maximum daily flow capacity of 241 MGD

Stable and Competitive Water Rates



Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report, June 25, 2019 JEA Board of Directors Board Package

1. Franchise Fee is the charge for the utility to use public right-of-ways and provide service within municipal boundaries. This fee is passed directly to the city government in which the service is provided

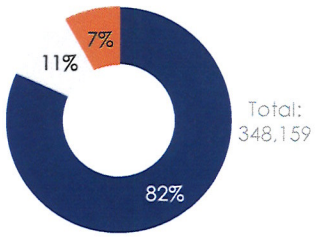
JEA Water System

Customer and Service Territory Overview

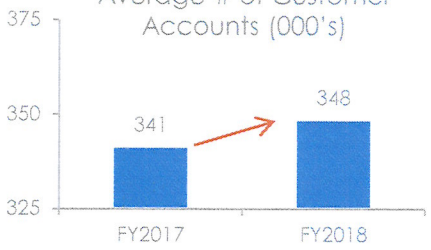
- Serves an average of 348,000 customer accounts and 11,000 reuse water customers
- System is currently composed of 38 water treatment plants and two repump facilities, 136 active water supply wells, approximately 4,755 miles of water distribution mains and water storage capacity of 81 million gallons
- The Water System provides service in an area currently comprising approximately 769 square miles in Duval County, approximately 63 square miles in St. Johns County, approximately 77 square miles in Nassau County, and approximately four square miles in Clay County

Customer Breakdown

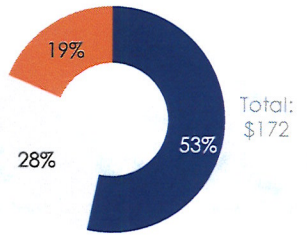
Average # of Accounts



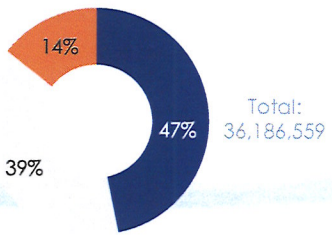
Average # of Customer Accounts (000's)



Revenues ($ in millions)



System Sales (kgal)



Residential Commercial & Industrial Irrigation

Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report

Top 10 Customers for Water System

Ten Largest Customer Accounts		Annual $ Billed	% of Revenues
	City of Jacksonville	$2,215,500	1.2%
	Duval County School District	1,149,128	0.6
	St. Johns County Utility	771,120	0.4
BAPTIST HEALTH	Southern Baptist Hospital of Florida Inc.	540,573	0.3
DR PEPPER SNAPPLE GROUP	The American Bottling Company	405,992	0.2
AMERICAN Homes 4 Rent	American Homes for Rent LP	394,243	0.2
ST. VINCENT'S HEALTHCARE	St Vincents Health System Inc.	388,147	0.2
D·R·HORTON America's Builder	DR Horton, Inc. Jacksonville	357,536	0.2
MAYO CLINIC	Mayo Clinic Jacksonville	322,921	0.2
JHA Jacksonville Housing Authority	Jacksonville Housing Authority	314,430	0.2
	Total	6,859,588	3.7%

Growing Customer Base with Low Concentration

JEA Water System Assets

Existing Water Facilities

- Water System consists of 20 major and 18 small water treatment plants and two repump facilities and is divided into two major distribution grids: the north grid and the south grid (one on each side of the St. Johns River), and includes four minor distribution grids: Ponte Vedra, Ponce de Leon, Mayport and Nassau County
- Major distribution grids are fully interconnected, which provides the Water System with a high degree of redundancy
- Rated maximum daily treatment capacity of the Water System is approximately 298 MGD for the north and south grids together and 310 MGD for the total Water System, taking into consideration maintenance factors

Distribution System Overview

- Distribution system consists of approximately 4,755 miles of water distribution mains, ranging from two to 36 inches in diameter
  - Majority of the water distribution mains are made of polyvinyl chloride ("PVC"), with less than 1% of the water distribution system being composed of asbestos cement pipe
- The asbestos cement pipe has been in service for several decades, and JEA anticipates removal of this pipe from the Water System through routine replacement of aging water mains
- Virtually all new water system distribution mains are constructed of PVC

Water Supply

- Water supply is from the Floridan Aquifer, one of the most productive aquifers in the world, with high quality water
  - Covers most of Florida and parts of Georgia and South Carolina
  - Should be capable of meeting JEA's needs well into the future
- Some capital expenditures are required to maintain this capacity, but these expenditures are expected to be equal to or less than those experienced by other Florida water systems of similar size and with similar water supply

Grid	Maximum Daily Treatment Capacity (MGD)
North Grid	136
South Grid	162
Other	12
Total	**310**

FY Ended September 30	Average Daily Flow (MGD)	Maximum Daily Flow (Non-Coincident) (MGD)
2014	101	140
2015	104	165
2016	111	154
2017	114	187
2018	112	152

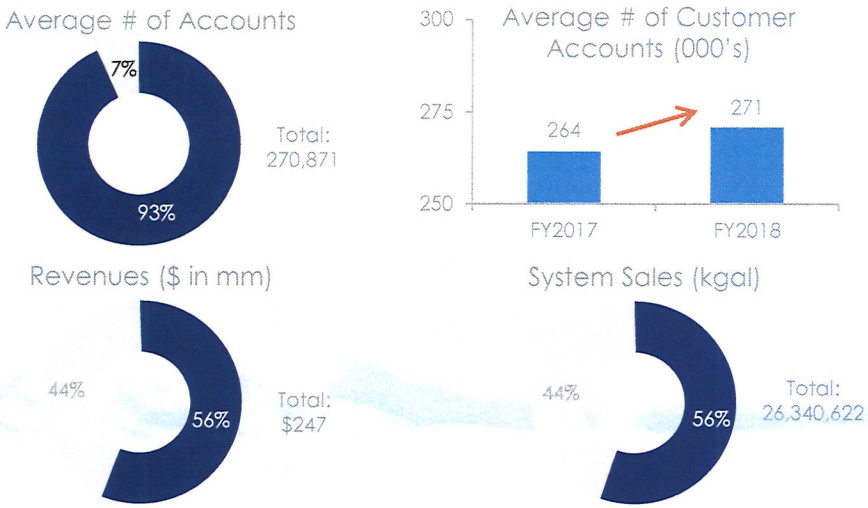
Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report

JEA Wastewater System

Customer and Service Territory Overview

- Serves an average of 270,000 customer accounts and is composed of 11 wastewater treatment plants that have a rated average daily treatment capacity of approximately 120 MGD and a maximum daily flow capacity of approximately 241 MGD as of June 30, 2019
  - ~1,422 pumping stations, ~697 low pressure sewer units and ~4,027 miles of gravity sewers and force mains
- Wastewater System experienced an average daily flow of ~80 MGD and a non-coincident maximum daily flow of ~143 MGD during the Fiscal Year ended September 30, 2018
- Service territory for the Wastewater System is essentially the same as that for the Water System; the area currently served by the Wastewater System is ~76% of the service territory
- Customers of the Wastewater System are charged for sewer service based upon customer classification (residential, non-residential or multi-family)

Customer Breakdown



Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report

Top 10 Customers for Wastewater System

Ten Largest Customer Accounts		Annual $ Billed	% of Revenues
	City of Jacksonville	$2,637,060	1.1%
	Duval County School District	2,177,213	0.9
	St. Johns County Utility	1,294,095	0.5
DR PEPPER SNAPPLE GROUP	The American Bottling Company	1,106,595	0.4
WhiteWave	WWF Operating Company	971,058	0.4
ST. VINCENT'S HEALTHCARE	St Vincents Health System Inc.	957,243	0.4
BAPTIST HEALTH	Southern Baptist Hospital of Florida, Inc.	933,540	0.4
MAYO CLINIC	Mayo Clinic Jacksonville	869,928	0.4
	Symrise, Inc.	830,531	0.3
AMERICAN Homes	American Home Portfolio LLC	824,016	0.3
	Total	$12,601,279	5.1%

Growing Customer Base with Low Concentration

JEA Wastewater System (cont'd)

Existing Wastewater Facilities

- The Wastewater System consists of approximately 4,027 miles of gravity sewers and force mains
- Approximately 69% of the gravity sewers and force mains are made of PVC, with the remaining sewers and mains consisting of various materials including, among others, concrete, vitrified clay, ductile iron, cast iron and polyethylene
- Five of the regional wastewater treatment plants (Buckman, District 2, Southwest, Arlington East, and Mandarin) provide advanced secondary treatment and two of the regional wastewater treatment plants (Blacks Ford and Nassau) provide advanced waste treatment
- The Buckman, District 2, Southwest, Arlington East, Mandarin and Blacks Ford wastewater treatment plants utilize ultraviolet light disinfection (irradiation of the water), and the Julington Creek Plantation plant utilizes chlorination for disinfection and SO2 for dechlorination prior to discharge to the St. Johns River

Facility	Capacity (MGD)
Arlington East (Public Access)	8.00
Mandarin (Public Access)	4.00
Blacks Ford (Public Access)	6.00
Julington Creek (Public Access)	1.00
Ponte Vedra (Public Access)	0.80
Nassau (Public Access)	1.55
Buckman (Non-Public Access)	7.70
District 2 (Non-Public Access)	6.00
Southwest (Non-Public Access)	0.80
Ponce De Leon (Non-Public Access)	0.24
Total	**36.09**

The following table shows the average and maximum daily wastewater treatment flows and the rated average and maximum daily wastewater treatment capacities during the Fiscal Year ended September 30, 2018 for each of JEA's seven regional wastewater treatment plants and corresponding information for JEA's smaller wastewater treatment plants.

Treatment Plant	Average Daily Flow (MGD)	Max Daily Flow (Non-Coincident) (MGD)	Rated Average Daily Treatment Capacity (MGD)[1]	Rated Max Daily Treatment Capacity (MGD)[1]
Buckman	26.19	62.72	52.50	105.00
District 2	5.52	6.85	10.00	20.00
Southwest	12.04	20.18	14.00	28.00
Arlington East	21.76	32.29	25.00	50.00
Mandarin	8.13	11.49	8.75	17.50
Julington Creek	0.78	0.98	1.00	2.00
Blacks Ford	2.37	3.02	6.00	12.00
Nassau	1.20	1.69	1.55	3.10
Monterey	1.64	3.16	3.60	7.20
Ponte Vedra	0.39	0.65	0.80	1.60
Ponce De Leon	0.04	0.12	0.24	0.48
Total	**80.06**	**143.15**	**123.44**	**246.88**

Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report

1. Since the rated maximum daily treatment capacity of each wastewater treatment plant is approximately twice the rated average daily treatment capacity, the Wastewater System is able to accept and handle surges that come with peak usage periods (morning and evening) and heavy rains. On-going system maintenance and improvements are aimed at continuing to decrease peak surges from heavy rains and infiltration into the collection system and inflow.

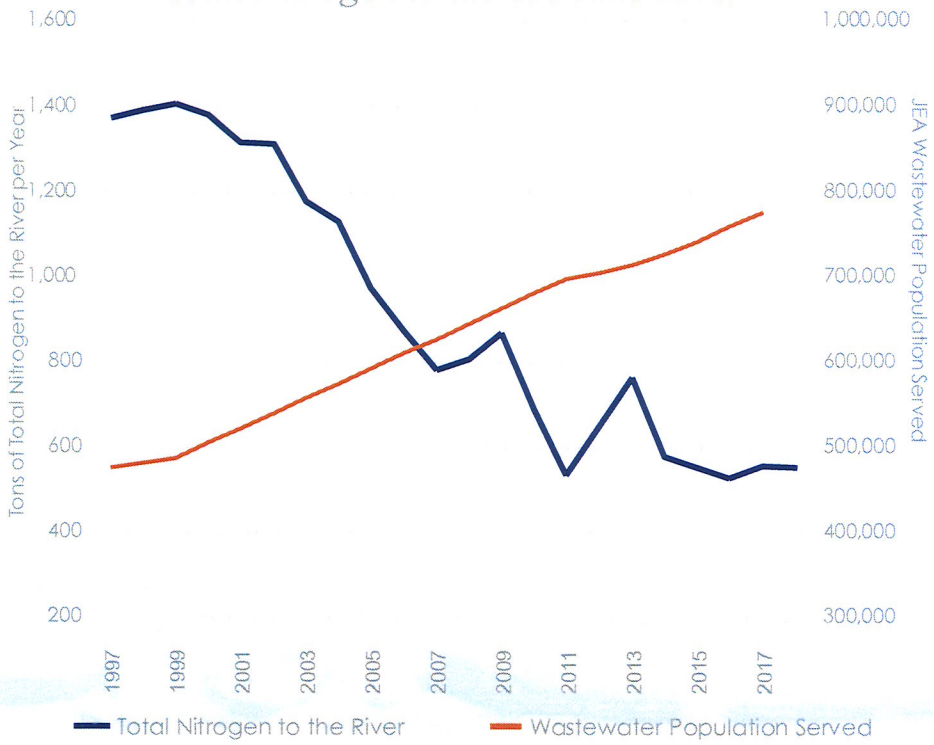
Best-in-Class Water and Wastewater Systems

State-of-the-Art System

Since the late 1990s, JEA has reduced nitrogen discharges to the St. John's River, while at the same time serving a population base that has grown by ~37%. The reduction in nitrogen discharge has been accomplished through the following initiatives:

- Improvement in treatment at regional facilities
- Continuous phase out of aging technology
- Construction of a reclaimed water system

Total Nitrogen to the St Johns River



Competitive Customer Pricing

JEA remains one of the most competitively priced water and wastewater systems in Florida, with rates below the mean for the State.

Water & Wastewater Rates in Florida

Residential Service with a 5/8" meter and 6kgals of Consumption
Residential Rates as of May 2019



Source: For all Florida cities, Florida Municipal Electric Association, Inc.'s "Commercial/Industrial Comparison of Electric Rates" (January 2019); JEA internal data

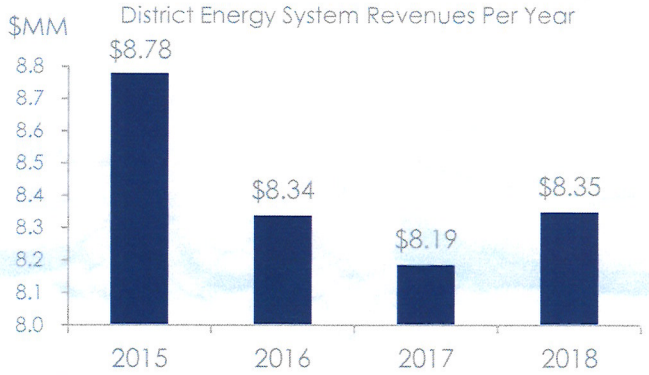
JEA District Energy System

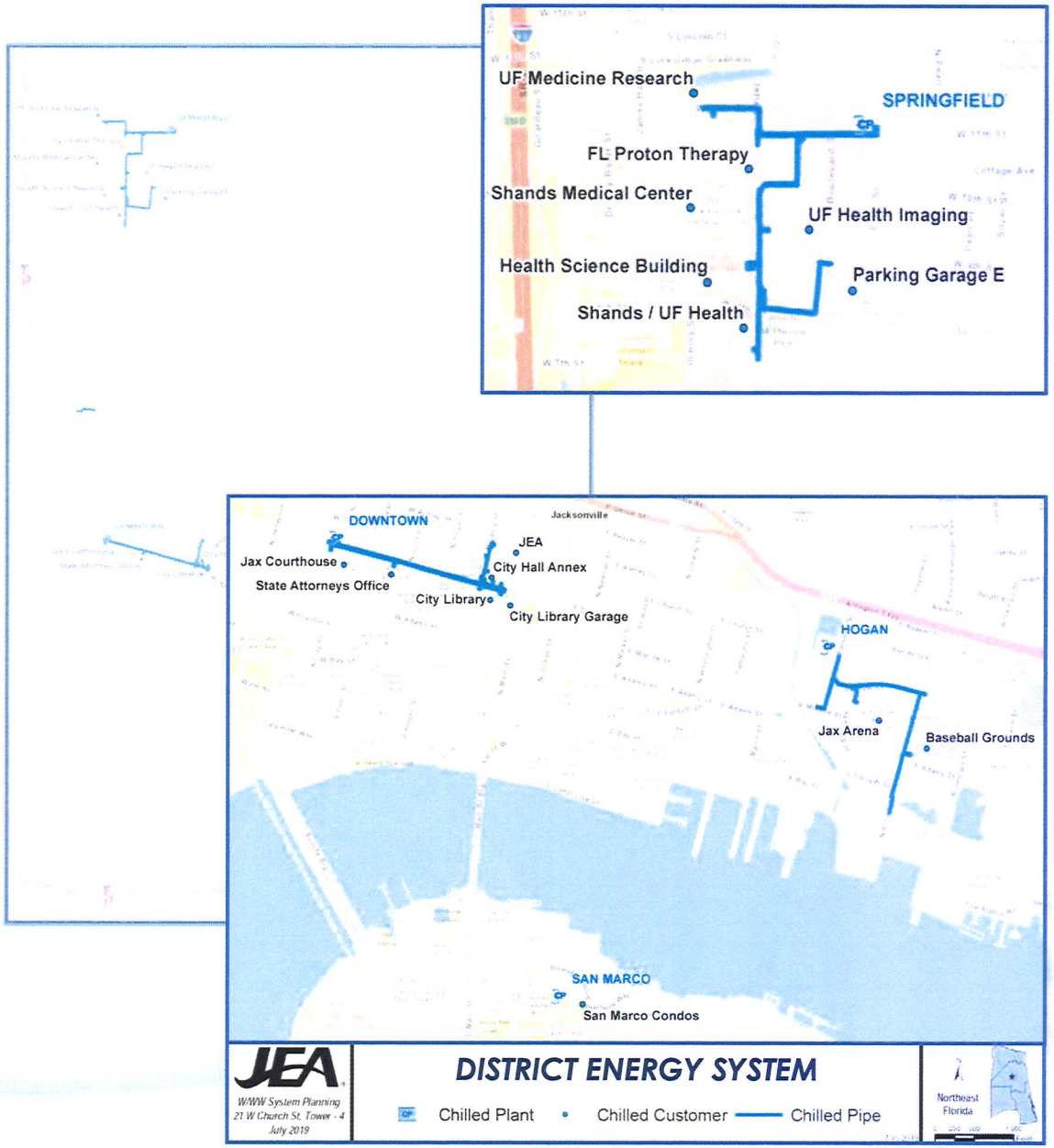
Overview

- The District Energy System consists of chilled water plants to generate chilled water and underground piping, which provides chilled water to customers for air-conditioning
- Contracts are in place with 17 locations in the City to provide chilled water from JEA's four water facilities: Hogan's Creek, Downtown, Springfield, and San Marco. Current contract demand for the four locations is 16,324 tons, with a total capacity of 20,700 tons
- District Energy System revenues are generated by two types of charges: a demand charge, based on the customer's estimated expected cooling load requirements, and a consumption charge, based on the actual amount of chilled water consumed

District Energy System

- Four chilled water plants
- Total capacity: 20,700 tons





Source: 2018 JEA Annual Report, 2018 Annual Disclosure Report

JEA Enterprise Risk Management

De-Risking the Business is a Headline Priority for JEA

JEA's management team has implemented an industry leading risk management system in order to deal with potential future circumstances that may effect JEA, its customers, or the community. JEA's Enterprise Risk Management ("ERM") is an initiative to identify, assess, measure, and actively manage financial risk impact to the business.

Key components of ERM include:

- Creating a working group to identify exposure and develop mitigation strategies for longer-term disruptive emerging risks (e.g., distributed generation, climate change impact)
- Where applicable, developing key process and key risk indicators to evaluate the effectiveness of current mitigations and/or changes to external factors/variables



Headline Priorities

Five focus areas of JEA necessary for future success

1) Create an Adaptive Culture
2) Align to a pervasive commitment to profitability and value
3) Create platform for customer choice
4) De-Risk business
5) 10-Year strategic plan in line with Guiding Principles



JEA uses its Corporate Risk Heat Map and a Tiered Points System to quantify financial and reputational risks to its business

Likelihood							
	Almost Certain 81-100%	5	5	10	15	20	25
	Likely 61-80%	4	4	8	12	16	20
	Possible 41-60%	3	3	6	9	12	15
	Unlikely 21-40%	2	2	4	6	8	10
	Rare <20%	1	1	2	3	4	5
ERM Corporate Risk Heat Map			1 Minor	2 Moderate	3 Significant	4 Major	5 Severe
			Impact				

Source: JEA Board of Directors Board Filings



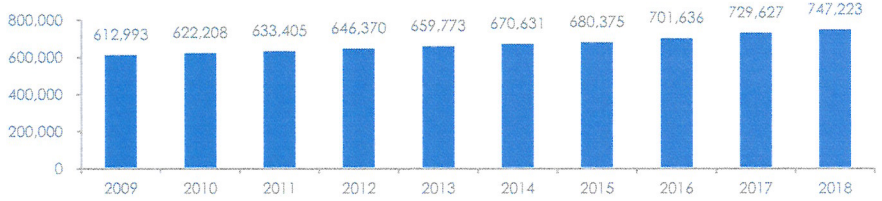
JACKSONVILLE MARKET OVERVIEW

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

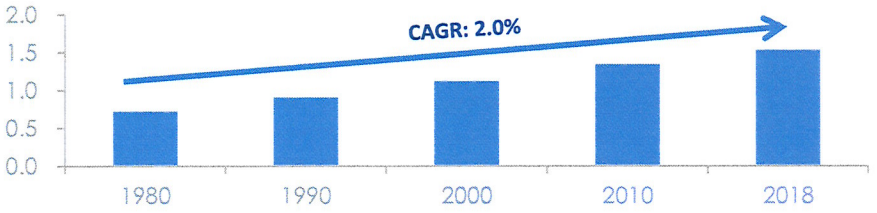
Jacksonville Metropolitan Statistic Area Overview

- Jacksonville MSA is composed of Duval, Clay, Nassau, St. Johns, and Baker Counties, an area covering 3,202 square miles
  - Fourth most populous MSA in the State of Florida, with a population of 1,534,701[1]
  - Economy is comprised most heavily of trade, transportation services, manufacturing, insurance, banking, and tourism
- Jacksonville has established itself as an intermodal transportation hub and leading distribution center, with a transportation network embracing port and air cargo facilities, rail and trucking routes
- The Port of Jacksonville is a crucial component of the City, as one of the largest ports on the South Atlantic seaboard and ranking third in the State of Florida in terms of tonnage
  - Additionally, two large U.S. Navy bases are located in the City of Jacksonville
- In recent years, Jacksonville has been one of the fastest growing cities in the U.S., posting the nation's 13th largest population gain in 2017 and seventh largest population gain in 2018
  - In-migration to the Jacksonville MSA remains very strong, acting as a real-time measure of the relative economic strength of the Jacksonville area
- Jacksonville's population growth has been driven primarily by prime working-age adults, whereas other fast-growing cities in Florida have seen an outsized portion of retiree relocation
  - This is reflected in the recent growth in the metropolitan area labor force, which has resulted in the steady decline in the unemployment rate to a 13-year low of 2.8% in April 2019

Jacksonville MSA Labor Force

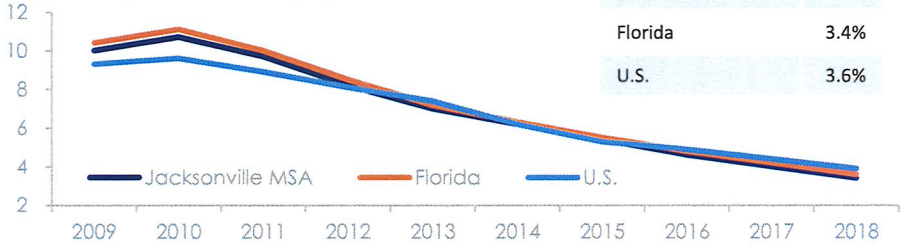


Jacksonville MSA Population[2] (mm)

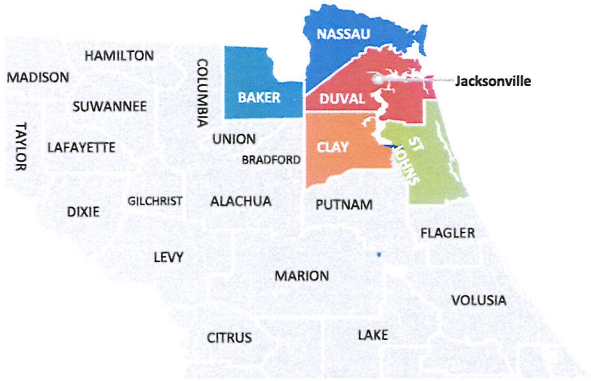


Unemployment Rate Comparison

(%), Average Annual Unemployment Rate



As of May 31, 2019	(%)
Jacksonville MSA	3.0%
Florida	3.4%
U.S.	3.6%



Source: Company Filings, Bureau of Labor Statistics, U.S. Census Bureau

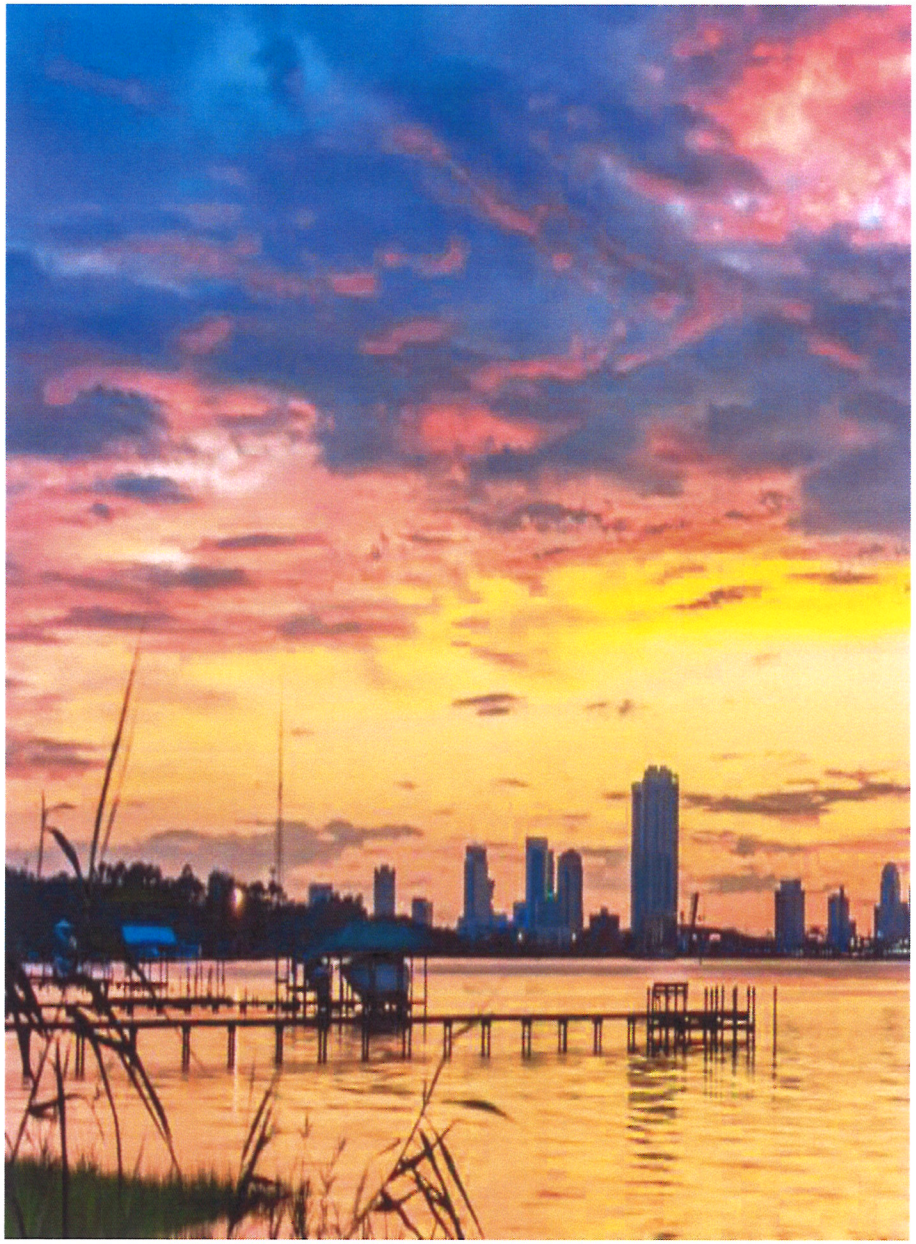
1. As of July 1, 2018
2. Baker County was included in the Jacksonville MSA starting with the 2000 U.S. census

Jacksonville Recent Success Stories

MACQUARIE	Macquarie, a global financial services company, expanded its presence in downtown Jacksonville
GP	Georgia Pacific, a manufacturer of tissue, pulp, paper, packaging, building products and related chemicals, announced that its Palatka mill has been selected for the company's $400 million expansion in its GP Consumer (retail) tissue and towel business
HANS-MILL CORPORATION	Hans-Mill Corp., a manufacturer of stainless steel trash cans, opened its first U.S. factory in Jacksonville, Florida, moving production from China
FORMATIV HEALTH	Formativ Health, a management services organization, announced it will be opening a state-of-the-art Patient Access Services Center that will create up to 500 new jobs
amazon	Amazon, an eCommerce retailer, announced it will invest in a second product fulfillment center. The second operation will be a one million sq. ft. facility at Alliance Florida at Cecil Commerce Center
ups	UPS, a global logistics solution company, invested $196 million in facility upgrades and land and real estate improvements to its 500,000 sq. ft. Jacksonville property, while creating 10 new jobs in NW Jacksonville
Anheuser-Busch	Anheuser-Busch, a producer and distributor of InBev products, announced the creation of 75 jobs following an expansion of its aluminum bottle manufacturing lines at Metal Container Corporation
Johnson & Johnson Vision Care	Johnson & Johnson Vision Care, Inc., one of the top employers in Jacksonville, announced plans to expand its facilities in Jacksonville, adding 100 new jobs to the region and increasing the dominance of Northeast Florida's life sciences industry

Source: jaxusa.org

Jacksonville Highlights



Awards & Rankings

Fastest Growing Florida City *2019 U.S. Census Report*	**Florida #4 Best Tax Climate in U.S.** *Tax Foundation*	**#16 Fastest Growing City in America** *Forbes*
Florida #1 for Infrastructure *USA Today*	**Florida #2 Best State for Business** *Chief Executive*	**Florida #7 Economy in U.S.** *U.S. News & World Report*
#4 Best City for Job Seekers in 2019 *Forbes*	**Best City for Intermodal Access** *Global Trade Magazine*	**Top 10 Emerging Tech City** *Site Selection Group*

Source: jaxusa.org

Employer Landscape

Top Government Employers

Name of Employer	Type of Entity / Activity	Approx. No. of Employees
	U.S. Navy (Naval Air Station, Jacksonville)	19,800
	Public Education	11,876[1]
	U.S. Navy (Naval Station, Mayport)	9,000
	Municipal Government	7,471[2]
	Public Education	5,039[3]
	Public Education	5,000
	Maintenance / Repair Overhaul (Fleet Readiness Center)	3,850
UNITED STATES POSTAL SERVICE	U.S. Government	3,800

Top Non-Government Employers

Name of Employer	Product / Service	Approx. No. of Employees
BAPTIST HEALTH	Healthcare	10,500
Bank of America	Banking	8,000
Florida Blue	Health Insurance	7,000
MAYO CLINIC	Healthcare	6,000
	Supermarkets	5,700
ST. VINCENT'S HEALTHCARE	Healthcare	5,300
citibank	Banking	4,200
JPMORGAN CHASE & CO.	Banking	3,900
UFHealth UNIVERSITY OF FLORIDA HEALTH	Healthcare	3,600
WELLS FARGO	Banking	3,500

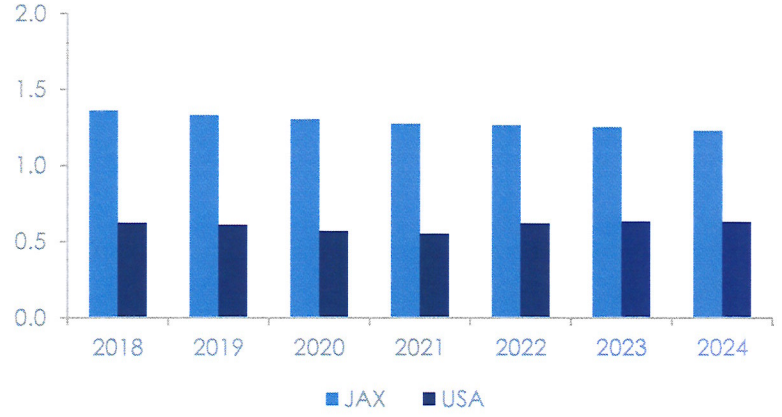
Source: Jacksonville Regional Chamber of Commerce Research Department employer survey, as partially amended through December 2018, Company Filings

1. Duval County Public Schools website, full-time staff
2. City of Jacksonville Annual Budget 2018 – 2019
3. St. Johns County School District Website

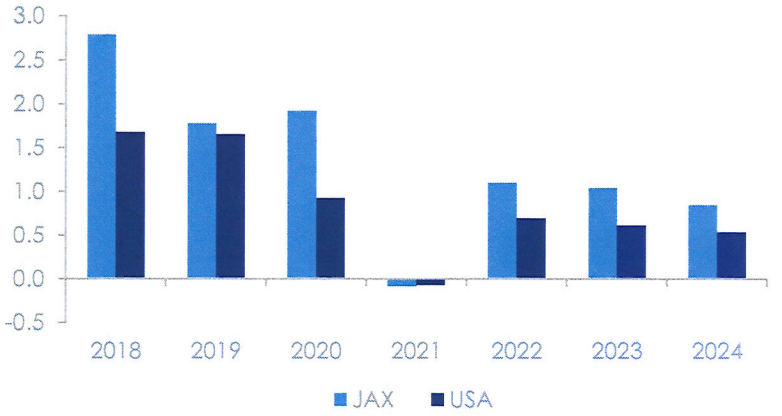
Economic Outlook: Growing Population and Jobs

- Over the next several years, the economy in Jacksonville is expected to outperform the Florida and national economies
  - Population growth is forecasted to continue at an average annual pace of approximately 1.3% per year through 2024, outpacing the national average of 0.6% over that same period
- Similarly, total employment is positioned to benefit from a continued surge in domestic migration, providing Jacksonville with a highly skilled workforce that will help the metro area remain a top performer in the long-run
  - Total employment is projected to increase approximately 1.1% per year through 2024, also outpacing the average expected employment growth rate of 0.7% for the nation as a whole
- The Jacksonville area unemployment rate is expected to average 3.6% through 2024, notably lower than the national average of 4.1% over the same period

Population Growth
(%, YoY)



Employment Growth
(%, YoY)



Source: Moody's Economics

Economic Outlook: Strong Economic Growth

- The economic expansion in Jacksonville is expected to continue through the near-term, as indicated by the forecasted continued Gross Metro Product Growth and Personal Income Growth, which are both projected to outperform the U.S.

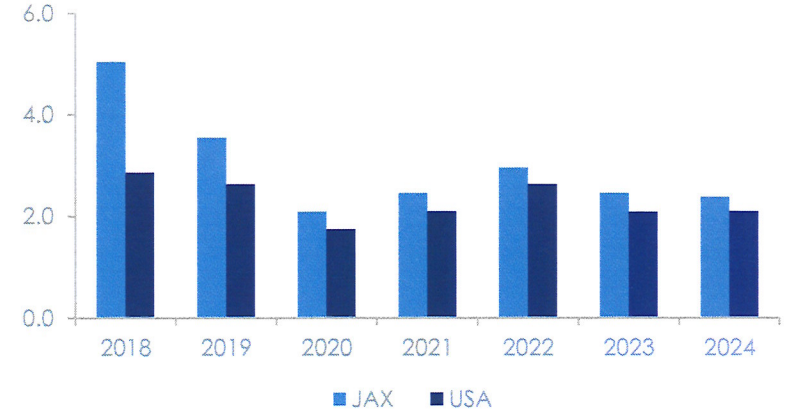
- Jacksonville has positioned itself as not only a robust shipping and distribution center but also a financial hub

  - Jobs in the financial services sector account for approximately 10% of the area's private workforce and form Jacksonville's economic foundation

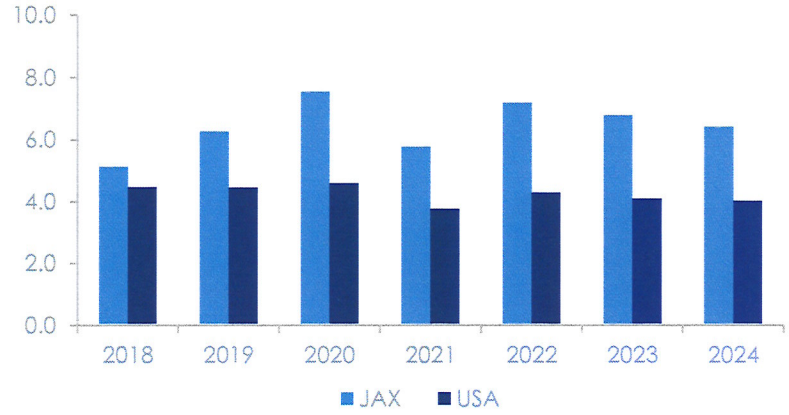
  - As financial institutions have relocated jobs to the Jacksonville area to take advantage of lower costs, personal income across the metro region has benefitted

  - This trend is expected to continue over the longer term

Gross Metro Product Growth
(%, YoY)

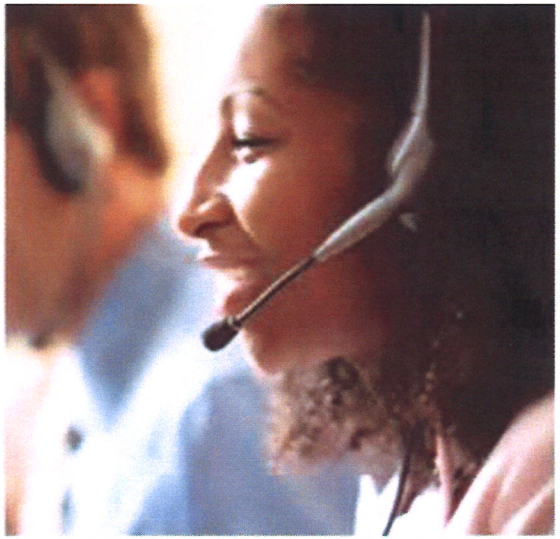


Personal Income Growth
(%, YoY)



Source: Moody's Economics











DEFINED TERMS

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

Defined Terms

Terms Used in this ITN

Addendum/Addenda:

A written change or changes to this ITN, which is issued by JEA and is incorporated in this ITN as a modification, revision, and/or further clarification of this ITN and its intent

Advisors:

J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC

AWS:

Alternative Water Supply

BAFO:

Best and Final Offer

Behind-the-Meter:

Energy storage interconnected behind a commercial, industrial, or residential customer's utility meter primarily providing bill savings (e.g., demand charge management)

Board of Directors:

The seven-member governing body of JEA appointed by the Mayor and confirmed by the City Council

Brady Branch:

Brady Branch Generating Station

CAGR:

Compound Annual Growth Rate

City:

City of Jacksonville

City Council:

Jacksonville City Council

Conflict of Interest Certificate Form:

The Respondent shall disclose the name(s) of any public officials who have financial position, directly or indirectly, with this ITN by completing and submitting this form available online at www.jea.com/strategicalternatives

Contract:

An agreement between JEA and the Respondent selected for award, signed by both parties

Convicted Vendors List:

A list of persons or affiliates convicted of a public entity crime, maintained by the Florida Department of Management Services

District Energy System:

Four strategically located chilled water operations

Designated Procurement Representatives:

Jenny McCollum and John McCarthy, identified in Section 2.11 of this ITN (and reachable at the following email address StrategicAlternative@JEA.com), who will distribute any and all communications to, or solicit necessary information from, JEA personnel or the Advisors as deemed appropriate

Electric System:

Electric System of JEA comprised of a diverse electric generation fleet consisting of five (5) owned or co-owned electric generation facilities, including renewable energy sources which, as of January 2018, was made up of two-thirds natural gas, with a total generation capacity of approximately 3,300 MW

Defined Terms

Terms Used in this ITN

Electrification:

The process of powering equipment with electricity instead of other energy sources (e.g., natural gas, gasoline). Electrification drives increased electricity consumption and, as a result, increases the utilization of the electric power system. Common electrification opportunities include transport (e.g., vehicle and non-road transportation), buildings (e.g., water and space heating), and industrial processes/systems

Emerging Technologies:

New technologies in storage, smart grid, and electricity generation areas, consisting primarily of renewable resources, including, but not limited to, wind, solar, hydroelectric, biomass, landfill gas and waste heat generation

Employee Protection and Retention Agreement:

Agreement approved by the Board of Directors of JEA on July 23, 2019

ERM:

JEA's Enterprise Risk Management (an initiative to identity, assess, measure, and actively manage financial risk impact to the business)

EV:

Electric vehicle

Evaluation Committee:

A committee consisting of at least three (3) individuals appointed to review and evaluate each Reply

Evaluation Criteria:

Described in Table 5 of Section 3.2.3 of this ITN

Ex Parte Communication:

Inappropriate communication concerning this ITN between a firm submitting a Reply and a JEA representative during the time which this ITN is being advertised during the time of award. For more information on Ex Parte Communications, see JEA Procurement Code, Article 1-110, which is available online at www.jea.com/strategicalternatives

Florida Public Records Laws:

Chapter 119, Florida Statutes, and Article I, Section 24 of the Florida Constitution, and all applicable statutory amendments, exceptions, and exemptions

FPSC:

Florida Public Service Commission

Front-of-the-Meter:

Energy storage interconnected on distribution or transmission networks or in connection with a generation asset. Applications are largely driven by Independent System Operators or Regional Transmission Organizations market products (e.g., electricity, ancillary services) or network load relief

GEC:

Greenland Energy Center

Georgia Power:

Georgia Power Company

GEPP:

General Employees Pension Plan administered by the Retirement System Pension of the City of Jacksonville

Defined Terms

Terms Used in this ITN (cont'd)

GMP:

Gross Metro or Gross Metropolitan Product is a comprehensive measure of the economies of metropolitan statistical areas which estimates the value of the goods and services produced in a metro area

ISO:

Independent System Operators

ITN:

This solicitation document; a method of competitively soliciting Replies from one or more interested parties with whom JEA may negotiate under section 3-110 of the JEA Procurement Code

Jacksonville:

City of Jacksonville

JD Power:

J.D. Power is a global marketing information services company which conducts surveys of customer satisfaction, product quality and buyer behavior for a range of industries

JEA Procurement Code:

The JEA Procurement Code (1996), as amended, which can be found on at the following link www.jea.com/strategicalternatives

JEA Virtual Data Room:

An online data base or platform which will include a confidential information presentation on JEA and certain financial projections among other documents

Kennedy:

J. Dillon Kennedy Generating Station

KPIs/KRIs:

Key process indicators and key risk indicators

Mandatory Requirements:

Listed on Table 3 under Section 3.1.1 of this ITN

MEAG:

Municipal Electric Authority of Georgia

Merit Order:

Ranking of all available power generating units in an integrated power system in order of their short-run marginal cost per kWh, starting with the cheapest for delivering electricity to the grid

MGD:

Millions of gallons per day

Minor Irregularity/ies:

A variation from this ITN terms and conditions not giving the Vendor an advantage or benefit not enjoyed by other Vendors and which does not adversely impact the interests of JEA

MSA:

Metropolitan Statistical Area

NDA:

Non-disclosure Agreement between JEA and the Respondent

Negotiation Team:

A team consisting of at least three (3) individuals appointed to conduct negotiations with the Respondents within the competitive range, review revised Replies and Best and Final Offers, and formulate a recommended award

Defined Terms

Terms Used in this ITN (cont'd)

Northside:

Northside Generating Station

Notice of Intent to Award:

JEA will post a Notice of Intent to Award on its procurement page available online at www.jea.com/strategicalternatives after the conclusion of all negotiations and discussions held by the Negotiation Team

Oglethorpe Power:

Oglethorpe Power Corporation

OPEB:

Other Post-Employment Benefits

Personal Income:

Income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, and business ownership among other sources

Plant Vogtle:

Alwin W. Vogtle Nuclear Power Plant in Burke County, Georgia

PPA:

Amended and Restated Power Purchase Agreement between JEA and MEAG for the financing of the construction of Units 3 and 4 at Plant Vogtle

Project J:

Portion of MEAG's 22.7% undivided ownership interest in the additional Vogtle Units, which will provide the capacity and energy to be purchased by JEA under the PPA

PVC:

Polyvinyl chloride

Recapitalization Event:

The closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars ($3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of

Redacted Copy:

Any document or record submitted in response to this ITN by the Respondent clearly labeled "Redacted Copy" in which certain information has been redacted or marked as 'confidential' pursuant to Florida Public Records Law by the Respondent

Regulatory Research Associates:

Market researcher performing commercial business, marketing, opinion and other economic search

Reply/ies:

A formal response to this ITN

Respondent:

A Vendor who submits a Reply to this ITN

Defined Terms

Terms Used in this ITN (cont'd)

Responsible Respondent:

A Respondent who has the capability, in all respects, to fully perform the Contract requirements, and the integrity and reliability to assure good faith performance

Responsive Reply:

A Reply, submitted by a Responsible Respondent, which conforms with all material aspects of this ITN

RTO:

Regional Transmission Organization

Scoring Guidelines:

Listed on Table 4 under Section 3.2.2 of this ITN and used to evaluate and rank the Replies

SJRPP:

St. Johns River Power Park

SO2:

Sulfur dioxide for dechlorination

Timeline of Events:

Identified in Section 2.2 of this ITN

Vendor:

An entity that is capable of proposing and executing a strategic alternative similar to those described in this ITN

Vogtle Units:

Two additional nuclear units under construction at Plant Vogtle

Wastewater System:

Wastewater System of JEA comprised of more then 3,900 miles of collection lines, over 1,400 pumping stations and 11 wastewater treatment plants, handling approximately 120 million gallons of wastewater every day

Water and Wastewater Systems:

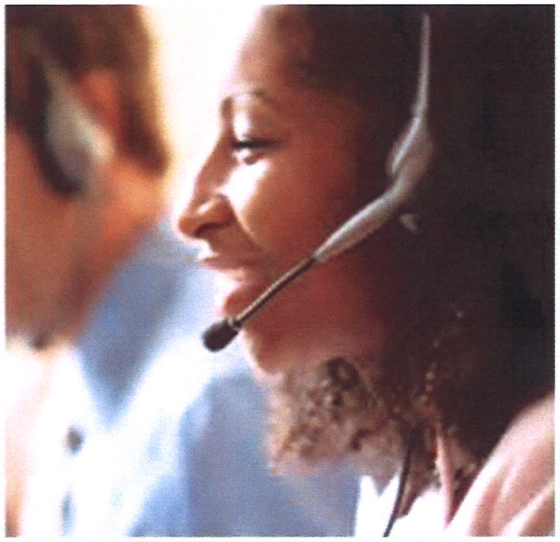
Water and Wastewater Systems of JEA

Water System:

Water System of JEA comprised of over 130 wells, 38 water treatment plants, and 4,600 miles of distribution grid of pipelines, delivering over 110 million gallons of water each day to customers













JEA®

EXHIBITS

JEA | ITN FOR STRATEGIC ALTERNATIVES | ITN# 127-19

Required Attachments

- ATTACHMENT 1 – RESPONDENT'S CERTIFICATION: **WWW.JEA.COM/RESPONDENTS_CERTIFICATION**
- ATTACHMENT 2 – CONFLICT OF INTEREST CERTIFICATE: **WWW.JEA.COM/CONFLICT_OF_INTEREST_CERTIFICATE**

Exhibits

- EXHIBIT A – JEA PROCUREMENT CODE: **WWW.JEA.COM/JEA_PROCUREMENT_CODE**
- EXHIBIT B – 2018 ANNUAL REPORT: **WWW.JEA.COM/2018_ANNUAL_REPORT**
- EXHIBIT C – ELECTRIC SYSTEM 2018 ANNUAL DISCLOSURE REPORT: **WWW.JEA.COM/2018_ANNUAL_DISCLOSURE_REPORT_ELECTRIC**
- EXHIBIT D – WATER AND WASTEWATER SYSTEM 2018 ANNUAL DISCLOSURE REPORT: **WWW.JEA.COM/2018_ANNUAL_DISCLOSURE_REPORT_WATER**
- EXHIBIT E – MARCH 2019 QUARTERLY ANALYSIS OF FINANCIAL PERFORMANCE: **WWW.JEA.COM/MARCH_2019_QUARTERLY_ANALYSIS_OF_FINANCIAL_PERFORMANCE**

- **ALL EXHIBITS AND ATTACHMENTS CAN BE FOUND AT WWW.JEA.COM/STRATEGICALTERNATIVES**

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