

BRAVE

Call to Action –Aaron Zahn

Introduction: Welcome, This year we have experienced a monumental amount of change at JEA. When I began my time here, I asked you to “BE BOLD” ... and you have been. Now I am going to ask you to “BE BRAVE”.

In a few minutes, Melissa and Ryan will share first quarter results, but first I’d like to take a moment to talk through “Where We’ve Been, Where We Are, and How We’re going to start **Building Responsibility Around Value and Earnings.**”

From our inception, JEA has focused on the value we provide to our Community, Environment and Customers, while being fiscally responsible. We are and have been committed to ensuring that the electric, water and sewer demands of our customers are met and that these services are reliable and provided at the best value. This commitment and responsibility was the core of our existence in 1895 and still holds true here in 2019. If we were to look back to our past accomplishments we would find that we are no strangers to change or challenge. Since March 1895, when the switch was thrown at the new Main Street Power Plant and only nighttime service for lighting was available, JEA has endeavored year after year to improve our systems and broaden our energy distribution scope to better serve our community.

For example:

- In 1997, JEA assumed full responsibility for the Jacksonville water/wastewater system. At the time it was considered one of the worst systems in the State of Florida, as indicated by an order received from the EPA. JEA faced the challenge head on and invested **\$1.6B** into the entire system. Within 6 years, the EPA rewarded our turn-around by selecting the Buckman Wastewater Treatment Facility over 3500 other plants as the leader in operations and maintenance in the Clean Water Act Awards (2003).
- In 2002, JEA introduces online bill paying, the solar incentive programs, installs 35 solar photovoltaic arrays around Jacksonville, and implements network meter reading.
- In 2010, JEA celebrates the opening of Jacksonville Solar, a 15-megawatt (MW) solar photovoltaic (PV) facility using 200,000 PV panels on a 100-acre site.
- In 2012, after what was coined the worst economic crisis since the great depression, JEA cut the fuels rate and passed the savings along to our customers because of the dramatic decrease in the price of natural gas.
- [In 2018, Northside \$21M in fuel savings....]
- [In 2018, WW treatment process improvement...]

We can go on and on, but the point is JEA has always been a trendsetter and at the forefront of change and innovation. Trend setting has made us leaders in our industry and searching for solutions to challenges have been our opportunities for growth.

The utility industry is moving into a new era. Whether we refer to it as Utility 2.0 or Utility 3.0, the 130 year old U.S. utility industry is trekking towards a new epoch. In times past, all utilities were

large and centralized. They were rewarded with public monopolies and guaranteed rates of return. Fast forward to today and we are seeing a significant shift in the source and scale of the electricity system. The scale of electricity generation is rapidly shrinking, electricity demand has leveled off, and batteries and electric vehicles provide new tools for distributed energy storage. As technology continues to advance, the industry (as it stands today) will only face more challenges. It is time we adapt and evolve our business system, embracing and advancing the Utility 2.0/3.0 concepts. We must transition into a utility company that not only accommodates distributed clean power generation, but thrives alongside it. We need to embrace new energy storage and management techniques, developing them in a way that provides economic, customer, community, and environmental value. Change is hard and many utilities are fighting this transition, clinging to the concepts and the grid that has kept them in business for decades. We must be (BRAVE) and take the necessary steps towards a new business model that will allow us to take advantage of the change in scale and technology of the utility industry.

One of the first steps for us to move towards becoming a Utility 2.0/3.0 company, is to shift our focus to profitability. Traditionally, the Utility Industry (with an emphasis on Municipals) has been uncomfortable with the concept of profitability, JEA is no different. Yes, we are a non-profit organization, and that means our focus is not to maximize shareholder value, but instead our responsibility is to be good stewards of resources, talents and opportunities. To me, part of that responsibility hinges on being able to increase our earning potential. Increased earnings, positions us to not only survive, but to thrive with the added ability to innovate. Innovation enables JEA to provide more quality services. More quality services add value to the environment, our customer and our community.

To be successful in shifting to this new way of thinking, we must ensure that we all have the proper tools and understanding. At the beginning of this message “I told you that I was going to ask you to BE BRAVE.” B.R.A.V.E. stands for **B**uilding **R**esponsibility **A**round **V**alue and **E**arnings. Over the remainder of the year we will embark upon a campaign... “The B.R.A.V.E. Campaign, where we will gain a better understanding of:

- Value and Earnings
- How each of us can contribute to achieving our mission and goals
- How to integrate existing initiatives
- How to navigate the road to innovation

To continue our legacy of being leaders in the industry we must seize the moment and embrace the possibilities! This is an official “Call to Action!” BE BRAVE!!!

<https://www.questia.com/newspaper/1G1-110972044/buckman-wastewater-plant-outshines-3-500-others-once>

<https://cleantechnica.com/2015/09/21/beyond-utility-2-0-part-1-prelude-future/>