
From: Stewart, Kerri - VP & Chief Customer Officer <stewk@jea.com>
Sent: Thursday, April 4, 2019 3:43 PM
To: Dykes, Melissa H. - President/COO; Wannemacher, Ryan F. - Chief Financial Officer
Subject: FW: Projections for Investment vs Revenue - ICF

[This is the draft/early view from ICF.](#)

From: Mike Barg <Mike_Barg@mckinsey.com>
Sent: Monday, April 1, 2019 12:53 PM
To: Stewart, Kerri - VP & Chief Customer Officer <stewk@jea.com>; Nichols, Vicki D. - Dir Customer Solutions & Market Development <nichvd@jea.com>
Cc: Romero Aguero, Julio E. (Chief Inno. and Transformation Officer) <romeje@jea.com>; Sarah Brody <Sarah_Brody@mckinsey.com>
Subject: RE: Projections for Investment vs Revenue - ICF

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Hi Kerri and Vicki,

Thank you for sending this, I understand that the team just received this, so apologies for the questions if you haven't had a chance to review yet.

- + If we're thinking about this in terms of revenues potential and cost, are "delivery" and "incentives" the cost/investment items which result in increased sales (kWh)?
- + Which scenario (low/med/high) should we use for the purpose of initiative sizing at this stage?

Regards,
Mike

From: Romero Aguero, Julio E. (Chief Inno. and Transformation Officer) <romeje@jea.com>
Sent: Saturday, March 30, 2019 10:11 AM
To: Sarah Brody <Sarah_Brody@mckinsey.com>; Mike Barg <Mike_Barg@mckinsey.com>
Subject: [EXT]Fw: Projections for Investment vs Revenue - ICF

FYI

From: Stewart, Kerri - VP & Chief Customer Officer
Sent: Friday, March 29, 2019 6:03 PM

To: Romero Aguero, Julio E. (Chief Inno. and Transformation Officer)

Subject: FW: Projections for Investment vs Revenue - ICF

Julio,

Here are the estimates from ICF. As Vicki relays below, we just received from ICF so none of us have had a chance to review; but wanted you and the McKinsey team to have them as soon as we got them. I will review over the weekend and we can discuss next week. k

Kerri Stewart

Vice President/Chief Customer Officer

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From: Nichols, Vicki D. - Dir Customer Solutions & Market Development <nichvd@jea.com>

Sent: Friday, March 29, 2019 5:59 PM

To: Stewart, Kerri - VP & Chief Customer Officer <stewk@jea.com>

Subject: Fwd: Projections for Investment vs Revenue by end of this week

Kerri,

These estimates from ICF just received and I'm forwarding directly as is. Me and my team are seeing this as you are with no prior preview. I will need to review first of the week with Melinda. But given timelines you conveyed, I wanted to get this in your hands for your ample review prior to your Monday meeting.

Best Regards,

Vicki Nichols
404-683-3244

Begin forwarded message:

From: "Smith, Holly" <Holly.Smith@icf.com>

Date: March 29, 2019 at 5:41:01 PM EDT

To: "Fischer, Melinda L. - Manager Customer Solutions" <fiscml@jea.com>, "Nichols, Vicki D. - Dir Customer Solutions & Market Development" <nichvd@jea.com>

Cc: "Melville, Ambika" <Ambika.Melville@icf.com>, "Tilden, Payson J. - Manager Customer Solutions" <tildpj@jea.com>, "Scammell, Robert" <Robert.Scammell@icf.com>, "Pickles, David" <David.Pickles@icf.com>, "Dibella, Bob" <Bob.Dibella@icf.com>, "Sheehy, Philip" <Philip.Sheehy@icf.com>, "Watson, Chris" <Chris.Watson@icf.com>

Subject: RE: Projections for Investment vs Revenue by end of this week

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Hello Vicki, Payson and Melinda~

Per your request, please see attached our approximate estimates for possible investment and revenue growth for the electrification program over the next five years. Please keep in mind that these numbers were calculated before the completion of the market assessment; our final recommendations may vary based on the final assessment modeling that will be delivered in April.

In addition to the attached review, please see the details and assumptions below which will help rationalize our recommendations.

I will only be in the office on Monday of next week. Please contact Ambika or Bob if you have any questions concerning our projections Tuesday – Friday.

Thank you~ Holly

Non Road

LOW (current/expanded program)

- Current incentive levels (~\$0.01/kWh) with increased focused on existing technologies and addition of multiple new prescriptive/custom non-road and industrial technologies.
- Updated marketing branding and strategy
- 3 FTE (Bob/Gavin+ 1 industrial/custom focused account manager)

MEDIUM (improved/expanded program)

- Increase incentive levels (\$0.05/kWh) (increased incentive only for equipment directly displacing IC?), with an increased focused on existing technologies and addition of multiple new prescriptive/custom non-road and industrial technologies.
- Updated marketing branding and strategy
- 3 FTE (Bob/Gavin+ 1 industrial/custom focused account manager)

HIGH (sky's the limit)

- Increase incentive levels (\$0.10/kWh) with an increased focused on existing technologies and addition of multiple new prescriptive/custom non-road and industrial technologies.
- Updated marketing branding and strategy
- 4 FTE (add an industrial/custom focused account manager and full time analyst/back office support)

Onroad

Low

- Focused on light-duty vehicles only.
- Business as usual with only modest investments in L2 and DC fast charging infrastructure by JEA
- Investments in res, workplace, and thoroughfares (for DC fast)

Medium

- Includes investments in light-duty and heavy-duty applications (focus on transit, school bus, and other specific vocations)
- Modest increases in JEA investment as market for EVs breaks favorably based on decreasing price of vehicles.
- Investments in L2 and DC fast at res, workplace, and thoroughfares

- Assumes pilot projects to deploy charging infrastructure for medium- and heavy-duty vocations

High

- Includes proactive and aggressive investments in light-duty and heavy-duty applications (focus on transit, school bus, and other specific vocations)
- Rapid increases in JEA investment as market for EVs breaks favorably based on decreasing price of vehicles.
- Sustained and proactive investments in L2 and DC fast at res, workplace, and thoroughfares
- Assumes pilot projects to deploy charging infrastructure for medium- and heavy-duty vocations
- Assumes implementation of incentives after pilot projects for MD/HD vocations are completed (by 2022)

Note: All incentives are based on utility investment in charging infrastructure (we haven't assumed a make ready or ownership model, to be clear); presumably one could shift to these vehicles, but that is not what we assumed.



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