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**From:** Dykes, Melissa H. - President/COO <dykemh@jea.com>  
**Sent:** Tuesday, September 24, 2019 4:46 PM  
**To:** Stewart, Kerri - VP & Chief Customer Officer  
**Subject:** FW: FMEA Board of Directors Call

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**From:** Amy Zubaly <AZubaly@PublicPower.com>  
**Sent:** Tuesday, September 24, 2019 4:41 PM  
**To:** Zahn, Aaron F. - Managing Director/CEO <zahnaf@jea.com>; Vinyard, Herschel T. - Chief Administrative Officer <vinyht@jea.com>; Dykes, Melissa H. - President/COO <dykemh@jea.com>; Wannemacher, Ryan F. - Chief Financial Officer <wannrf@jea.com>  
**Subject:** FMEA Board of Directors Call

[External Email - Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.]

All,

As mentioned yesterday, FMEA will be holding a Board of Directors conference call on Thursday, September 26, at 2:30 pm. Attached is a copy of the draft letter. I will add you to the calendar invite. Call in information is:

Call-in #:(605) 468-8101; Passcode 13248#

**Amy Zubaly**  
Executive Director  
Florida Municipal Electric Association  
P.O. Box 10114  
Tallahassee, FL 32302  
O: (850) 224-3314, ext. 1  
C: (850) 251-6200  
[www.publicpower.com](http://www.publicpower.com) [[publicpower.com](http://publicpower.com)]

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The FMEA  
**Energy Connections Conference**

October 9-10, 2019  
Kissimmee, FL

**& Trade Show**



Florida's Public Power Utilities

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Florida's 33 municipal electric utilities, combined, are the third largest electric provider in the state, serving 14 percent of Florida's customers. Florida's public power utilities serve more than 1.4 million customer accounts and are a statewide employment leader with 5,400+ employees. Municipal electric utilities are regulated locally by citizen-led governing boards and city commissions, as well as statewide for power plant siting and other considerations by the Florida Public Service Commission. Because of their commitment to serve their local communities, municipal electric utilities maintain the shortest outages of all utilities in Florida. Public power utilities are innovative leaders in renewable energy and energy efficiency, with nationally leading efforts to deliver solar electric and solar water heating.

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September \_\_, 2019

Mr. Aaron Zahn  
Managing Director and Chief Executive Officer  
JEA  
21 West Church Street  
Jacksonville, FL 32202

Dear Mr. Zahn:

As the association whose mission is to support and promote the interests of public power utilities across the State of Florida, FMEA believes deeply in the value public power brings to communities and their customers, including local operation and local control in the provision of reliable and affordable electricity.

Because we believe so deeply in local decision-making, we have taken no formal position on recent discussions regarding JEA's future business model. It is, indeed, a local matter for local consideration.

However, we strongly object to recent attacks by JEA on the public power model and reject the characterization by JEA that public power cannot function as a sustainable, modern electric utility. Contrary to your recent assertion to your Board that the "root problem is being government with government constraints in a competitive market," public power is thriving and growing in Florida, and across the nation.

In fact, locally owned utilities are in many important ways as able to meet the challenges of the future as are profit-driven investor-owned utilities. This is obvious from the fact that JEA stands nearly alone among more than 2,000 public power utilities nationwide in considering privatization. It is far more common nationally that cities are considering public ownership of electric utilities, such as San Francisco, Chicago, New York City, and Boulder, as well as Winter Park here in Florida, which purchased its electric distribution system from a private utility in 2005. Whatever considerations are driving the discussion in Jacksonville, they are not inherent in government ownership of electric utilities.

Local utilities and their customers benefit from working in the Sunshine, ensuring widespread public participation and vetting of decisions that, for investor-owned utilities, are usually made strictly in private. Moreover, public utilities often enjoy significant tax and financing cost advantages over private utilities. These are distinct advantages to public ownership.

Locally owned utilities are responding aggressively to challenges in the industry. Because we are not driven by quarterly profits and financial growth results like investor-owned utilities are, we

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417 East Colleg Ave. (32301) • PO Box 10114 • Tallahassee, FL 32302 • Tel (850) 224-3314 • Fax (850) 224-2831 • [www.publicpower.com](http://www.publicpower.com)

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can make investments in future technology and be nimble and responsive as external factors change. Our focus is community-driven, allowing long-term planning and investment to meet the needs and expectations of our customers, while keeping our rates affordable and competitive. In fact, the average residential bill for municipal electric utilities in Florida is 11.5 percent lower than the average bill for Florida's investor-owned utilities<sup>1</sup>.

Moreover, many of the "challenges" you cite are not nearly as concerning as they may seem. Not only do other electric utilities not see the same threats, public power utilities in Florida are responding to the changing environment in creative, customer-driven ways. For example, Florida municipal utilities are providing distributed backup generation to customers large and small, constructing and operating electric vehicle charging stations for both residential and large commercial customers, and installing and managing on-site battery storage for customers. We are also meeting customer demand for solar energy by providing less expensive utility-scale solar energy, entering into partnerships and joint ventures with one another to achieve scale benefits, partnering with private companies to manage costs and risk, and developing new customers and new business lines.

Being a municipally owned utility and being subject to Florida's Open Record or Sunshine Laws has not prevented these or other innovations. When open records laws might have created competitive disadvantages, the Florida Legislature has been quick to provide statutory exemptions, several times at the specific behest of JEA.

Concerns regarding electric sales growth are symptomatic across business models and across the country. Municipal utilities are using innovation and creativity to address this and more. The strength of public power lies with its communities. Our customers are more than just customers – they are our family, friends, neighbors and the local businesses serving our communities – and we will always have their best interests at heart. It is for them that we felt compelled to set the record straight on the successes of public power and the bright future we have ahead.

Sincerely,

Amy Zubaly  
Executive Director

cc: JEA Board of Directors  
FMEA Board of Directors

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<sup>1</sup> From July 2019 residential bill comparison of municipal and investor-owned electric utilities compiled by the Florida Municipal Electric Association.