Invitation to Negotiate
Oct. 7, 2019

127-19 APPENDIX A – RESPONSE FORM

Company Name: Nextera Energy

Company's Address 700 Universe Blvd Juno Beach, FL 33408

Phone Number: 561-304-5149 FAX No: ____________ Email Address: mark.hickson@nee.com

☒ **I have read and understood the Sunshine Law/Public Records clauses contained within this solicitation. I understand that in the absence of a redacted copy my proposal will be disclosed to the public "as-is".**

RESPONDENT CERTIFICATION

By submitting this Response, the Respondent certifies that it has read and reviewed all of the documents pertaining to this Solicitation, that the person signing below is an authorized representative of the Respondent Company, that the Company is legally authorized to do business in the State of Florida, and that the Company maintains in active status an appropriate contractor's license for the work (if applicable). The Respondent also certifies that it complies with all sections (including but not limited to Conflict of Interest) of this Solicitation.

We have received addenda

1 through 4

Handwritten Signature of Authorized Officer of Company or Agent

Date: 10/6/19

Mark Hickson, EVP Nextera Energy

Printed Name and Title

CONFLICT OF INTEREST
CERTIFICATE

JEA IFB No. ITN-127-19

Bidder must execute this form, if applicable, relative to Florida Statute 112.313. Failure to submit this form, if applicable, shall result in rejection of this bid.

I hereby certify that the following named JEA official(s) and employee(s) having material financial interest(s) (in excess of 5%) in this company have filed Conflict of Interest statements with the Supervisor of Elections, 105 East Monroe Street, Jacksonville, Duval County, Florida, prior to bid opening.

Name	Title or Position	Date of Filing

Mark Hickson
Signature

NextEra Energy
Company Name

Mark Hickson, EVP
Name of Certifying Official
(type or print)

700 Universe Blvd
Business Address

Juno Beach, FL 33408
City, State, Zip Code

October 5, 2019

NextEra Energy has performed a thorough internal review of its investor holdings to assess whether an officer or employee of JEA holds an ownership interest in the company in excess of the 5% threshold indicated in the Conflict of Interest Certificate. Based on this review, NextEra Energy determined that no JEA officer or employee holds such an interest. Further, NextEra Energy has not received any Conflict of Interest statement from any JEA official or employee having a material financial interest (in excess of 5%) in NextEra Energy, Inc., nor does NextEra Energy believe that any such form exists or could reasonably exist. In addition to investigating its own records, NextEra Energy through its authorized representative, made inquiry with the Duval County Supervisor of Elections to determine whether any JEA officer or employee has filed a Conflict of Interest statement in connection with JEA Invitation to Negotiate #127-19. The Duval County Supervisor of Elections was unable to identify any Conflict of Interest statements filed or submitted by any JEA employee or officer having a material financial interest (in excess of 5%) in NextEra Energy, Inc.

Mark Hickson
EVP, Nextera Energy

Table of contents

Cover photo: FPL Blue Cypress Solar Energy Center–Indian River County, FL

1. Cover Letter

FPL Miami-Dade Solar Energy Center–Miami-Dade County, FL

Contact Information:

For any questions or inquiries relating to the response to the Invitation to Negotiate ("ITN"), please contact:

Mark Hickson
Executive Vice President
NextEra Energy, Inc.
E-mail: Mark.Hickson@nee.com

Name and Signature of the representative of the responding organization authorized to legally obligate the Respondent:

Any binding proposal will require approval by the Board of Directors of NextEra Energy, Inc. Any such approval will include authorization for several officers of Respondent to legally obligate Respondent. Included among these officers will be:

Jim Robo
Chairman and Chief Executive Officer
NextEra Energy, Inc.

Legal name of company and headquarters location of the Respondent:

NextEra Energy, Inc.
Headquarters: Juno Beach, Florida

Location and date of incorporation or organization (as applicable) and type of business:

700 Universe Boulevard
Juno Beach, Florida 33408

Date of Incorporation: 1984

Type of Business: NextEra Energy Inc. is one of the largest electric power and energy infrastructure companies in North America.

Federal Employer Identification Number:

59-2449419

2. Executive Summary

The Jacksonville Electric Authority ("JEA") holds a proud 125-year history of delivering reliable and affordable services to the City of Jacksonville (the "City" or "Jacksonville") and its adjacent communities in St. Johns and Clay Counties. These services include the generation, transmission and distribution of electricity; the distribution and treatment of water and wastewater; the provision of chilled water to customers from JEA's district energy systems; and the support of advanced communication networks through the leasing of dark fiber and space on communication towers. JEA, its board of directors and its management team have worked diligently to keep customer rates low with the goal of maximizing "customer, community, environmental and financial value over the long-term."[1] These four principles are deeply rooted in the culture of JEA and its approximately 2,200 employees[2].

Summary of Proposal

NextEra Energy, Inc. ("NextEra Energy") is pleased to submit our response to JEA's Invitation to Negotiate ("ITN"). The materials herein contemplate NextEra Energy's acquisition of all of JEA's existing operations, including its electric system, water and wastewater systems, its district energy system, as well as its dark fiber leasing platform and other units. While specific details on a proposed transaction structure is subject to further due diligence, we envision welcoming JEA's employees, customers and other stakeholders to the NextEra Energy family of companies. We are excited about the opportunity to build upon JEA's already strong commitment to customer service in the Jacksonville area, while helping JEA and the City achieve the process objectives outlined in the ITN.

Our company and our approximately 15,400 dedicated employees are driven by a culture of continuous improvement which manifests itself in how we work to reimagine and redefine regulated utility, renewable energy and other energy-related operations. Both in our regulated utility and non-utility operations, a focus on efficiency, innovation and smart capital deployment has helped elevate us to a position as one of the leading energy companies in the world. NextEra Energy embraces technological advances and the opportunities they present in our pursuit to maximize operational effectiveness, reduce customer bills, reduce operation and maintenance ("O&M") costs and simultaneously decarbonize the environment. We are a strong proponent of wind and solar energy as well as battery storage technology and have been working to use machine learning to improve operational metrics for our businesses across North America.

We believe many of our operational strengths and philosophies are aligned with JEA's, and can translate toward bill stability and service reliability for JEA's 466,000 electric customer accounts and 630,000 water, reclaimed water and wastewater customer accounts.[3]

---

[1] Source: ITN.
[2] Source: Annual Disclosure Report for Electric Utility System for Fiscal Year Ended Sept. 30, 2018. 2,158 budgeted employee positions as of Oct. 1, 2018, excluding St. Johns River Power Park Units 1 and 2.
[3] Source: ITN. Average customer counts for Fiscal Year 2018.

As the owner and operator of Florida Power & Light Company ("FPL"), Florida's largest investor-owned utility ("IOU"), we have devoted the last two decades toward modernizing our generation fleet, reducing carbon emissions, reducing costs and improving reliability metrics, while keeping customer bills lower than any other Florida IOU. In fact, our residential customer bills have declined between 2008 and 2018, while essential goods and customer electricity bills have increased significantly nationwide.

FPL is highly committed to preserving our state's water resources and encouraging water conservation and reuse. We, therefore, believe we are aligned with the operational philosophies which govern JEA's water and wastewater operations. Although we are not an owner or operator of a water utility system, water and wastewater management is an integral component of operating our clean and efficient fossil generation facilities. On a daily basis, NextEra Energy, FPL and their affiliates manage over one billion gallons per day ("BGD") of permitted withdrawals and we are a leading advocate of reuse water in Florida.

We understand the important role a utility serves in the broader community and state economy. Low and stable electricity rates are important to promote economic activity and encourage new businesses to relocate to our great state. At NextEra Energy, we have also placed a great deal of importance in developing tools and resources that communities and their leaders can apply to bolster and support regional economic development, and our efforts have helped create more than 74,000 new jobs, retain almost 14,000 jobs (jobs at risk of elimination due to facility reduction, closure or relocation), and create more than 156,000 additional indirect jobs since 2012. Recently, we worked with JAX USA and JinkoSolar, an international solar panel manufacturer and an FPL supplier, to build new solar panel manufacturing facilities, resulting in a $50 million investment and 200 new jobs in Jacksonville. NextEra Energy believes we can expand upon our current investment in Northern Florida and offer the other types of economic development tools and community programs we currently provide in our existing footprint.

NextEra Energy Overview

NextEra Energy is a Fortune 200 company included in the S&P 100 index, with a market capitalization of more than $110 billion.[4] Headquartered in Juno Beach, Florida, NextEra Energy's principal businesses are FPL, which serves more than five million customer accounts in Florida and is one of the largest and cleanest rate-regulated electric utilities in the United States; Gulf Power Company ("Gulf Power"), an integrated electric utility serving more than 460,000 customer accounts in the Florida Panhandle; and NextEra Energy Resources, LLC (together with its subsidiaries and affiliated entities, "NEER"), the world's largest generator of renewable energy from the wind and sun and a world leader in battery storage.

NextEra Energy has been recognized often by third parties for its efforts in sustainability, corporate responsibility, ethics, compliance and diversity, and has been ranked No. 1 in the electric and gas

[4] As of Oct. 3, 2019.

utilities industry in Fortune's 2019 list of "World's Most Admired Companies" 12 of the last 13 years and in the top 25 of the Fortune 2018 list of companies that "Change the World."

Forbes | 2019 THE BEST EMPLOYERS for DIVERSITY

NextEra Energy was named to the Forbes' list of America's Best Employers for Diversity for the second consecutive year in 2019.

FORTUNE WORLD'S MOST ADMIRED COMPANIES 2019

In 2019, NextEra Energy was ranked No. 1 in the electric and gas utilities industry on Fortune's list of "Most Admired Companies" for the 12th time in 13 years.

2019 WORLD'S MOST ETHICAL COMPANIES WWW.ETHISPHERE.COM

For the 12th time and 8th time in a row, NextEra Energy was named in 2019 one of the World's Most Ethical Companies by the Ethisphere Institute, the global leader in defining and advancing the standards of ethical business practices.

Forbes | 2019 AMERICA'S BEST LARGE EMPLOYERS

For the fourth consecutive year, NextEra Energy was named in 2019 by Forbes as one of America's Best Employers.

In 2018, NextEra Energy was ranked No. 21 among the top 57 companies globally that "Change the World" by Fortune.

In 2018, NextEra received the HIRE Vets Medallion Program Demonstration Award, recognizing our leadership in recruiting, employing and retaining America's veterans.

As a Florida company and an owner and operator of Florida utilities, NextEra Energy believes providing affordable and reliable utility services is one of the most important pillars of economic growth in the state. We are excited about the possibility of providing electric and water and wastewater service in the Jacksonville community and are prepared to begin working immediately with JEA, the City and the various stakeholders.

Thank you for your consideration,

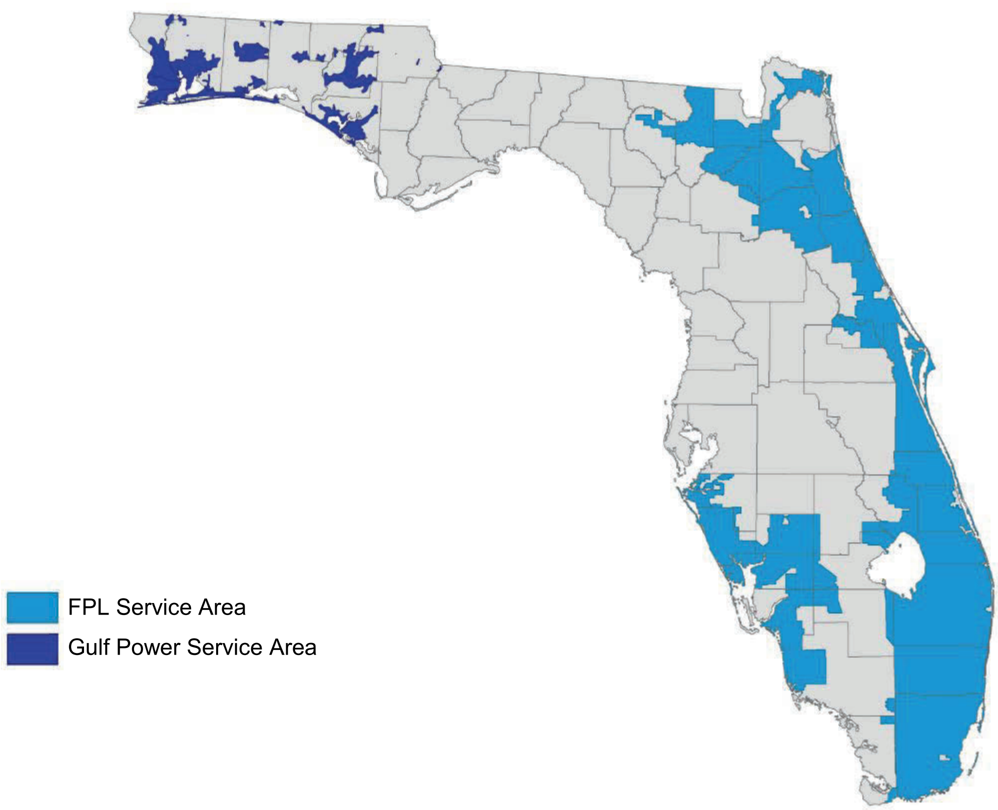
Mark Hickson
Executive Vice President
NextEra Energy, Inc.

3. Statement of Interest and Qualifications

NextEra Energy's strategy is to acquire utility operations (electric, water, and gas) where we see opportunities for investments in utility infrastructure that allow us to improve a system's reliability, storm resilience and customer service; to lower emissions and meet other environmental objectives; and to manage the overall operating cost structure and lower customer bills in a way that improves the customer value proposition as we have done at FPL.

We have served as a critical component of Florida's economy for nearly a century and we have a vested interest in the state's continued growth. All of our state-regulated integrated utility operations are located in Florida, where our service area covers roughly half of the state and we serve almost 5.5 million customers between FPL and Gulf Power, including six counties surrounding Jacksonville. We believe reliable utility services, low customer bills and low carbon emissions are among the most important foundations to promote continued economic growth and quality of life in Florida.

FPL and Gulf Power Service Areas



We believe JEA's Florida utility service area and its overall operations are attractive complements to NextEra Energy's core operations due to the contiguous service areas, our interconnected transmission networks and our shared history of collaborating on generation projects, including jointly owned units and power purchase agreements ("PPAs"). NextEra Energy's proposal contemplates an acquisition of 100% of JEA's operations, including its electric system, water systems, its district energy system and other platforms, including dark fiber leasing.

Under NextEra Energy's stewardship, we intend to build upon JEA's existing culture of maximizing customer, community, environmental and financial value over the long term. At FPL, a utility we have owned and operated since 1925, our operational philosophy is guided by what we term as the "Virtuous Circle." Our discussion of the FPL Virtuous Circle herein is informative as to how we intend to maximize customer value for all of JEA's customers.

The FPL Virtuous Circle

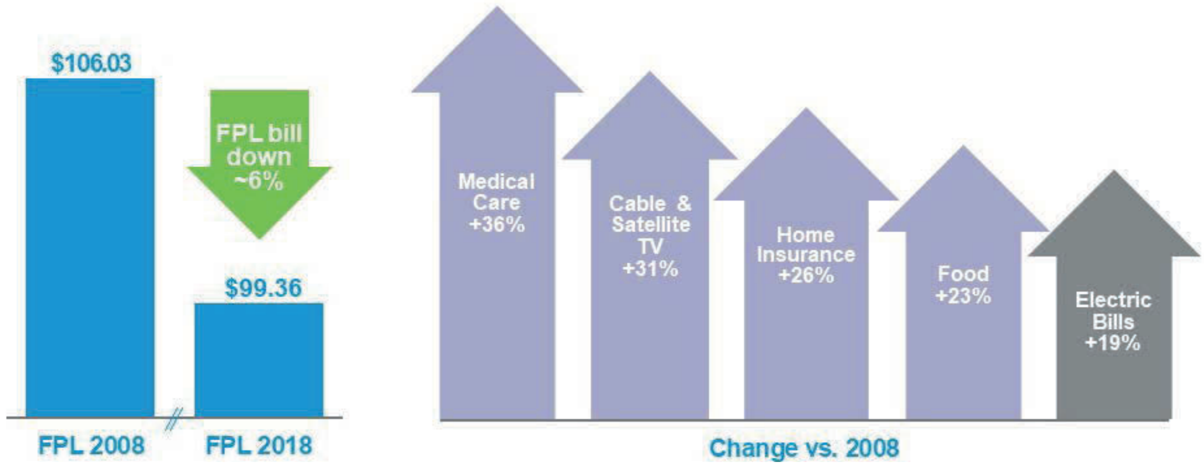
Fundamentally, we believe that exceptional customer value results in strong customer satisfaction. The combination of customer value and customer satisfaction, in turn, helps to support a constructive regulatory environment. A constructive regulatory environment, in turn, is essential to our ability to deliver customer value, because to deliver that value FPL must maintain a strong credit rating, have ready access to sufficient debt and equity capital, and rely on stable, constructive regulation to make the types of smart, innovative, capital-intensive investments necessary to produce that customer value.

We believe this Virtuous Circle model has worked exceptionally well for FPL customers over many years, where we have meaningfully reduced customer bills and improved the reliability and resiliency of our electric transmission and distribution network. FPL's typical 1,000 kilowatt-hour ("kWh") residential monthly bill (the "Typical Residential Bill") was 6%[5] lower in 2018 relative to 2008 levels on an absolute nominal basis, as we passed on to customers O&M savings and fuel-cost savings derived from our investments in clean natural gas and solar generation facilities and other initiatives. Our 6% bill reduction stands in stark contrast to the 19% increase in the Typical Residential Bill of other national IOUs[6], as well as the increase in costs related to other essential services over the same 10-year time horizon. We expect to continue to apply this customer-beneficial model in bringing value to the residents and businesses of the communities, both existing and new, that we serve.

[5] Source: NextEra Energy.

[6] Electric bills are national average as reported in Edison Electric Institute's ("EEI") Typical Bill and Average Rates Report.

FPL Customer Bill Comparison[7,8]



Our Gulf Power acquisition is informative as to how NextEra Energy applies FPL's approach to a utility system brought into the NextEra Energy family. We have publicly indicated that Gulf Power provides significant long-term opportunities to implement a customer value proposition similar to FPL's. In less than one year of ownership[9], through the hard work of our talented and dedicated employees, we have announced a number of specific goals consistent with our strategy of reducing operating costs, improving utility service reliability and reducing customer bills. NextEra Energy has disclosed its intent to accomplish the following by the end of 2021:

- Reduce Gulf Power's System Average Interruption Duration Index ("SAIDI") by approximately 20%.
- Reduce Gulf Power's carbon dioxide ("CO2") emissions by 40% through investments in cleaner natural gas and solar generation facilities.
- Reduce fuel costs by almost 50% through generation modernization.
- Reduce the Typical Residential Bill by approximately 9%[10].

We do not see Gulf Power as an anomaly; rather, we see JEA as providing the same type of opportunity to produce tremendous value for the businesses and residents of Jacksonville and other communities served by JEA.

---

[7] Source: NextEra Energy, based on annual average rates based on a typical 1,000 kWh residential bill.
[8] Medical care, cable & satellite TV, home insurance and food data from U.S. Dept. of Labor Consumer Price Index for Jan. 2008 vs. Dec. 2018; electric bills are national average as reported in EEI Typical Bill and Average Rates Report.
[9] Represents Gulf Power acquisition close date of Jan. 1, 2019.
[10] In terms of 2018 real dollars.

4. Organization Overview

NextEra Energy is one of the largest electric power and energy infrastructure companies in North America, the world's largest generator of renewable energy from the wind and sun and a world leader in battery storage. We are a publicly traded company headquartered in Florida, with a market capitalization of over $110 billion and a total enterprise value of over $155 billion.[11] Among other investments, NextEra Energy owns two state-regulated electric companies in Florida, FPL and Gulf Power, and a competitive energy business, NEER. Our strong businesses are supported by a common platform, enabling us to leverage our industry-leading skills and capabilities to drive growth.

Our investments in renewable energy and leading-edge innovative technologies are core to our business, makes us a sustainable company, and helps create thousands of jobs and generate economic benefits for the communities we have the privilege to serve. We are committed to respecting our environment, providing value for our customers, sustaining our communities and investing in our team, and we are proud to have been recognized for our leading Environmental, Social, and Governance ("ESG") efforts by S&P Global Ratings in its inaugural ESG Evaluation.[12] NextEra Energy's final ESG Evaluation score of 86, which is expected to be one of the highest rankings to be given by S&P to any corporate entity across all sectors and regions, includes a 'best-in-class' preparedness assessment that is anticipated to be applied by S&P only in rare circumstances.

NextEra Energy has been a leading proponent of sustainability for almost two decades, not only to decarbonize the planet, but also because it is economical and financially benefits our customers.

- **Respecting our environment:** For decades, NextEra Energy has been reducing emissions through the development of renewable energy and modernization of our generation fleet. We plan to continue our commitment to reducing our CO2 emissions rate by 67% by 2025, from a 2005 baseline. NextEra Energy's target CO2 emissions reduction rate equates to a nearly 40% reduction in absolute CO2 emissions, despite the company's total expected electricity production almost doubling over that time.
- **Providing value for our customers:** We take pride in providing our customers with affordable, reliable and clean energy to power their homes and businesses. FPL has built one of the most advanced electric grids in the country and has invested billions of dollars in hardening and automation. Due, in part, to these investments in improving reliability, FPL was able to restore power to more than 2 million customers in one day following Hurricane Irma in 2017 and to all 4.4 million customers impacted by the storm in 10 days.

[11] Market capitalization as of Oct. 3, 2019.
[12] Source: "Environmental, Social and Governance ("ESG") Evaluation: NextEra Energy Inc." report published by S&P June 17, 2019.

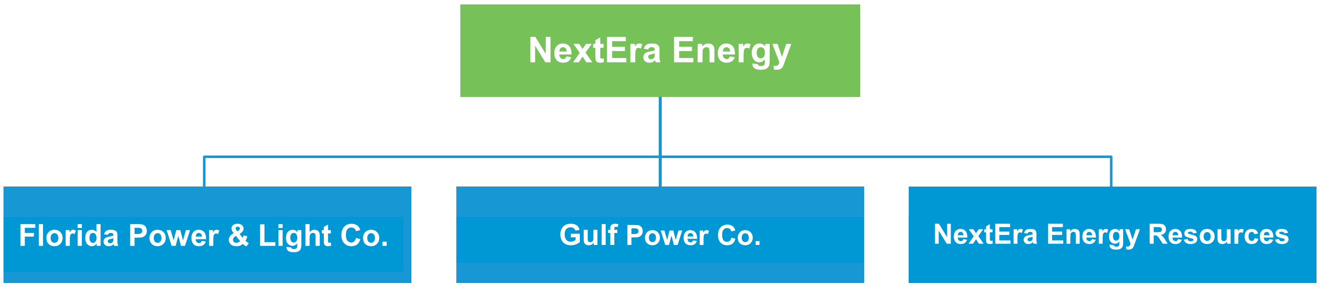
- **Sustaining our communities:** Our investments create jobs and economic opportunities across America, including in many rural communities, and our tax payments provide funding for schools, emergency services and other local needs. Since 2012, our participation in the economic development of Florida communities has generated more than $47 billion in total impact to the state's Gross Regional Product ("GRP"). NextEra Energy's collaboration with Florida communities extends to Jacksonville, where we maintain an extensive partnership with JAXUSA to attract businesses of all sizes and promote the continued advancement of the Jacksonville metropolitan area.

  During times of natural catastrophic events, we are a critical first responder and support our communities through financial means such as the donation of more than $1.6 million to those impacted by Hurricanes Harvey, Irma and Maria in 2017. In 2016, after Hurricane Matthew, FPL dispatched a mutual assistance team to assist JEA.

  Nevertheless, our support is not purely financial; our employees contributed more than 85,000 volunteer hours in 2018 to their local communities through company-sponsored projects and personal volunteer time to local charities throughout Florida.
- **Investing in our team:** We believe our team of approximately 15,400 employees (more than 75% based in Florida) is our greatest competitive advantage. We value our employees' continuous learning, development, and health and well-being, and encourage a culture where innovative ideas are shared and diversity and inclusion are celebrated. In 2019, we were named to Forbes' lists of America's Best Employers for the fourth year in a row and Best Employers for Diversity for the second consecutive year, and we continue to invest in our teams by attracting and retaining the top talent in the industry.

Employee safety is NextEra Energy's highest priority, and we are committed to maintaining a safe working environment, including using suppliers with a demonstrated commitment to safety. Since 2008, when we launched ZERO Today!, our safety program built on the philosophy that all injuries are preventable, our safety performance has improved by 61%.

Current NextEra Energy Organization Structure



For more information about NextEra Energy companies, visit these websites: *www.NextEraEnergy.com, www.FPL.com, www.GulfPower.com, www.NextEraEnergyResources.com.*

NextEra Energy Operations Information[13]

	FPL	Gulf Power	State Regulated Utilities	Un-regulated / Corp & Other	NextEra Energy[14]
Revenue (2018)	$11.9 B	$1.5 B	**$13.4 B**	$4.9 B	**$18.3 B**
Assets (2018)	$53.5 B	$5.2 B	**$58.7 B**	$50.2 B	**$108.9 B**
Electric Utility Customers[15]	5 MM	0.5 MM	**5.5 MM**	-	**5.5 MM**
Net Owned Generation	27 GW	2.3 GW	**29.3 GW**	24 GW[16]	**53.3 GW**
2018 Employees	9,100	1,100	**10,200**	5,200	**15,400**

B= Billions MM= Millions GW= Gigawatts

[13] Source: NextEra Energy and NextEra Energy 2018 10-K filed with the United States Securities and Exchange Commission on Feb. 15, 2019. Note that Gulf Power was acquired on Jan. 1, 2019, and is not included in our 2018 10-K.
[14] Note: Includes Gulf Power, which NextEra Energy acquired on Jan. 1, 2019.
[15] As measured by customer accounts.
[16] Refers to capacity owned or operated by NEER.

NextEra Energy Business Description

FPL is one of the largest electric companies in the United States and was incorporated under the laws of Florida in 1925. FPL provides service to its customers through an integrated transmission and distribution system that links its generation facilities to its customers. FPL's service area covers most of the east and lower west coasts of Florida. FPL's strategic focus is centered on investing in generation, transmission and distribution facilities to continue to deliver on its value proposition of low customer bills, high reliability, outstanding customer service and clean energy solutions for the benefit of its more than 5 million customer accounts. FPL owns approximately 27 gigawatts ("GW") of net generating capacity (including four nuclear units totaling 3.5 GW of operating capacity), approximately 75,200 circuit miles of transmission and distribution lines and approximately 645 substations. FPL currently owns and operates over 1,000 MW of solar generation in Florida and has announced plans to install more than 10 GW of new solar generation facilities through its "30-by-30" plan and build the Manatee Energy Storage Center ("Manatee") battery storage and solar modernization project, which would include the world's largest battery storage project. These projects would further advance Florida as a world leader in solar energy. Among its wholesale customers are a number of Florida municipal authorities and cooperatives, with which FPL has long-standing relationships.

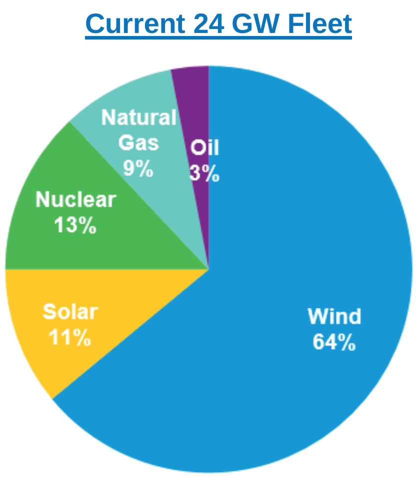
Gulf Power joined NextEra Energy's family of companies on Jan. 1, 2019. Gulf Power became a public utility in 1926, and provides electricity to more than 460,000 customers in Northwest Florida through an integrated transmission and distribution system that links its generation facilities to its customers. As of Dec. 31, 2018, Gulf Power owns approximately 2.3 GW of generating capacity, approximately 1,669 miles of transmission lines, 7,751 miles of distribution lines and approximately 135 substations. J.D. Power has ranked Gulf Power very highly for both residential and business customer satisfaction. NextEra Energy has announced plans to extend to Gulf Power's customers our best-in-class value proposition of low bills, clean energy, high reliability and outstanding customer service.

NEER is the world's largest generator of renewable energy from the wind and the sun, and a world leader in battery storage. It owns and operates approximately 24 GW of total generation, of which approximately 17.6 GW is wind and solar generation and approximately 3.1 GW is nuclear generation. NEER's strategic focus is centered on the development, construction and operation of long-term contracted clean energy assets across more than 36 U.S. states and four Canadian provinces, including renewable generation facilities, natural gas pipelines and battery storage projects. NEER owns and operates more than 15.1 GW of wind energy through more than 121 facilities across North America.[17] It also operates approximately 2.5 GW through 32 universal solar projects in the United States.[18] In addition, NEER is uniquely positioned for the next phase of renewables deployment that pairs low-cost wind and solar energy with a low-cost battery storage solution to meet customer needs for firm generation. Among NEER's customers are a number of municipal authorities and cooperatives, with which NEER has many long-

[17] Source: NextEra Energy as of July 31, 2019.
[18] Source: NextEra Energy as of July 31, 2019.

standing relationships and collectively serves nearly 2.7 GW.[19] NEER also includes NextEra Energy Partners, LP ("NEP"), a growth-oriented limited partnership formed by NextEra Energy. NEP owns interests in wind and solar projects and natural gas infrastructure assets in the United States. The renewable energy projects are contracted and use industry-leading technology. The seven natural gas pipelines in the portfolio are strategically located throughout Texas.

NEER Generation Capacity[20]



- 88% of NEER's existing fleet is comprised of wind, solar, and nuclear energy.
- NEER expects to sign 12.3 GW of wind, solar and battery storage generation contracts between 2017-20, with another 3.8 GW already signed after 2020.[21]

NextEra Energy Water and Wastewater Operations

While NextEra Energy does not currently own or operate water or wastewater utility systems, our power generation assets are highly reliant upon the efficient management of water. We understand the importance of clean water to our nearby communities and the broader ecosystem, and focus on operating our assets in compliance with our permits and applicable environmental regulations. NextEra Energy's 30 GW portfolio of fossil and nuclear power plants requires us to manage more than 1 BGD[22] of water. Treatment methodologies range from traditional flocculation/clarification systems to state of the art membrane technologies to meet industrial and domestic needs and maintain compliance with all National Pollution Discharge Elimination System ("NPDES") permit requirements.

Our facilities operate in a variety of regulatory and ecological environments interfacing with oceans, freshwater lakes, riverine systems, fixed reservoirs and groundwater resources.

[19] Source: NextEra Energy.
[20] Source: NextEra Energy.
[21] Source: NextEra Energy as of June 20, 2019. By signed contracts, NEER refers to firm agreements to build long-term contracted renewable generation assets, with a clear line of sight on a commercial operation date.
[22] Excludes water use for once-through-cooling processes for steam turbine generation facilities.

Specifically, FPL has significant hydro-geologic experience in Florida as the holder of over 70.5 million gallons per day (“MGD”) of consumptive use permits from regional aquifers. Our teams manage water production in 22 water treatment facilities and the health of over 18,000 acres of freshwater reservoirs.

NextEra Energy endeavors to reduce water consumption whenever possible through efficiency measures, technology and operational improvements, and use of sustainable water sources which includes reclaimed water.

- As described herein, FPL has announced a Memorandum of Understanding (“MOU”) with Miami-Dade County for the potential development of an innovative water treatment process that would take approximately 60 MGD of county wastewater currently disposed of in the Atlantic Ocean and cleaning it to drinking water standards. The clean water would then be used for cooling purposes and eliminate the need for FPL to use well water.
- At our West County Energy Center (“WCEC”), we utilize up to 22 MGD of reclaimed water during peak summer months that is sourced from the East Central Regional Wastewater Treatment Facility (“ECR”).

We also have experience providing water services for third-party consumers; FPL Energy Services, Inc. (“FPLES”) designs and develops central chilled water plants and distribution systems for end users. Our experience with utility rate structures allows our team to understand how to manage consumption profiles, leverage rate structures and contracting alternatives and negotiate rates. We can manage metering and distribution configurations to help minimize costs and maximize reliability. Our team also has experience with operation and maintenance of central plant systems. We have shown success in optimizing system efficiencies, including multiple integrated plants and chilled water production technologies, and we have managed 24/7 supply for varied end user consumption profiles and supply temperature requirements.

Relationships with Unions

NextEra Energy considers itself to have good relationships with its unions and has successfully negotiated and reached agreements with the unions represented in ten collective bargaining agreements (“CBA”) currently in place. The CBAs span multiple states, encompass a number of different union organizations (International Brotherhood of Electrical Workers (“IBEW”), Utility Workers Union of America (“UWUA”), International Union, Security, Police and Fire Professionals of America (“SPFPA”) and include various employee groups. There are two CBAs in Florida that represent employees at FPL and Gulf Power. The remaining eight CBAs relate to NEER. Our management team is highly committed to and has board representation on the Labor and Management Public Affairs Committee (“LAMPAC”), which is an association of electric utilities and the IBEW whose primary mission is to promote positive labor and management relations through cooperative efforts.

Some of our recent CBA negotiations include the following:

- **Gulf Power**: Less than seven months after the acquisition of Gulf Power, we were able to renegotiate its IBEW agreement. We view this negotiation as a testament to how quickly the company and the IBEW built a positive relationship which resulted in a successful negotiated outcome. Similarly, at FPL, which contains NextEra Energy's largest union group, we share a long history of working together with the IBEW and we continue to focus on enhancing that relationship.
- **Point Beach Nuclear Station (NEER)**: Within 60 days, we successfully negotiated the IBEW agreement at Point Beach Nuclear in Wisconsin, which covers the largest union employee group at this site. In the past, NEER has renegotiated new agreements with the IBEW prior to contract expiration, which is made possible by the strong relationship cultivated between management and the union representatives.

Relationships with Our Communities and Economic Development

Economic Development

FPL has positioned itself as a leader among electric utilities with a comprehensive economic development program. In 2012, we made a strong commitment to support economic development in Florida with the establishment of an Office of Economic Development ("OED"). Since then, FPL has taken a leadership role in our state's economic development efforts through the support of local, regional and state organizations and initiatives across the state. Since 2012, job creation and capital investment in the 35 Florida counties served by FPL have resulted in a total impact of more than $89 billion in the state and a $47 billion impact on Florida's Gross Regional Product ("GRP"). In addition to a strong fiscal impact, since 2012 more than 88,000 new and retained jobs have been directly supported by FPL's OED, as well as an additional 156,000 indirect job creations.

Until recently, the Florida Public Service Commission ("FPSC") authorized all IOUs in the state to recover up to $3 million in economic development investments through electric rates. In 2018, FPL jointly filed with Gulf Power and TECO Energy to petition the FPSC to raise this $3 million cap, which would allow us to cost-effectively support even more economic development activities moving forward. As a result of the program's success and of that proceeding, the Economic Development Rule has been revised to raise the cap to the greater of $10 million or 0.225% of jurisdictional revenues. In the case of FPL, this change will effectively raise the cap to approximately $25 million when rates are next reset, an increase that will provide substantial additional benefits to economic development in the state.

Our activities extend beyond Florida's state lines to the rural communities where NEER's 24 GWs of predominantly clean generation assets are located. In 2018, NEER contributed more than $300 million to communities through property taxes, lease payments, community support, charitable giving and other tax payments.

Community Stewardship

Since the founding of our company, we have been passionate about serving the communities in which we operate and positively impacting the quality of life for all residents. Every member of a community is important to our company, whether as a customer who trusts us to deliver reliable and low cost electricity, a valued employee, or a business partner. Since 1925, we have and continue to be committed to:

- Living our corporate values of commitment to excellence, doing the right thing and treating people with respect.
- Caring about our customers.
- Volunteering our time and sharing our talents.
- Leading and partnering on science, technology, engineering and math ("STEM") education initiatives.
- Listening and engaging with our communities on issues of mutual concern.
- Giving to important community causes and organizations.

In 2018, our company and employees contributed more than $13.7 million and our employees volunteered more than 85,000 hours to support wide-ranging initiatives and causes that contribute to the well-being of our communities.

Other Considerations

Reliability and dependability are two virtues which are deep-rooted in our organization, and not just in the context of electric utility operations. Over the past decade, NextEra Energy has met or exceeded the commitments made to regulators, shareholders, capital providers and other stakeholders.

- Over the last 15 years, our engineering and construction team has built over 181 major capital projects that were on average 20-days ahead of schedule and approximately $900 million under budget. All of our 123 wind projects have never missed our customers' expected year-end commercial operations date targets.
- Every year, we commit to improving upon our industry-leading non-fuel O&M measures. In 2018, FPL's non-fuel O&M per MWh cost was 13% better (i.e. – lower cost) than our already industry-leading 2016 levels, equating to more than $2 billion in annual savings for customers (or approximately $20 per month on the Typical Residential Bill) when compared to average industry performance.[23]
- We are highly focused on maintaining our strong credit metrics and access to the debt and equity capital markets, with a commitment to retaining our A- credit rating at S&P and a business mix comprised of at least 70% regulated operations.

[23] Source: NextEra Energy.

- NextEra Energy pursues utility mergers and acquisitions transactions only when we see an opportunity for long-term value and where we can improve the value proposition for customers, not for the sake of short-term earnings growth.

We have often told our investors “we say what we do, we do what we say,” which underscores our transparency and our willingness to be held accountable by all of our stakeholders.

NextEra Energy’s culture promotes a focus on continued excellence, to never be complacent or rely on past accomplishments and to challenge the entire organization to improve upon our best-in-class services on behalf of our customers.

5. Process Goals

NextEra Energy is uniquely positioned to achieve the ITN process objectives set forth by JEA and the City. We aim to partner with the City, JEA and its stakeholders to build upon its strong culture of customer reliability and service, and to contribute toward Jacksonville's economic growth. FPL and JEA are longstanding industry partners with contiguous service areas, shared generation and substantial transmission interconnection which should promote a successful consolidation of our electric businesses. As it pertains to the water and wastewater systems and district energy system, we are excited about the opportunity to work alongside the talented employees who have made JEA a leading operator of these businesses in Florida.

Although additional financial and operational due diligence is required before we enter into a definitive agreement with JEA and the City, we believe we, ultimately, can offer a superior package that aligns with the ITN's goals. NextEra Energy views this ITN process as a high priority for which we have devoted (and will continue to devote) a significant amount of resources, and we have confidence in our ability to provide all customers with the type of long-term value that we currently offer to FPL customers.

Greater Than $3 Billion of Value to the City of Jacksonville

We understand that the City seeks at least $3 billion of net proceeds, which is not inclusive of the debt defeasance, employee retirement protection contributions, employee retention payments and other transaction costs related to a JEA acquisition. With a $110+ billion[24] equity market capitalization and a strong balance sheet, NextEra Energy has sufficient access to both the equity and debt capital markets to execute upon a JEA transaction.

From a financial perspective, an acquisition of 100% of JEA's existing electric operations would be similar in size to our recent acquisition of Gulf Power, which we completed on Jan. 1, 2019. We highlight Gulf Power as a recent example of a successfully executed acquisition of a Florida utility, demonstrating our willingness to apply a significant amount of capital and resources for utilities when we believe we are capable of increasing long-term customer value. In addition to the initial capital outlay, we have identified almost $3 billion of reliability enhancing and cost reducing capital expenditure opportunities at Gulf Power between 2019 to 2022. This will be a significant source of economic benefit in Florida's Panhandle, in addition to the direct benefits that Gulf Power's customers will realize. NextEra Energy sees the same types of opportunities for JEA, the City and the residents and businesses currently served by JEA.

In addition to meeting the initial and ongoing capital requirements of JEA, we believe NextEra Energy can provide other forms of recurring economic benefits to the City, including (but not limited to) property taxes, future franchise fees, economic development programs and increased capital investments in JEA electric and water service areas. We look forward to providing a

[24] As of Oct. 3, 2019.

detailed proposal for consideration.

Greater Than $400 Million of Value Distributed to Customers ($350+ Paid to Each JEA Account)[25]

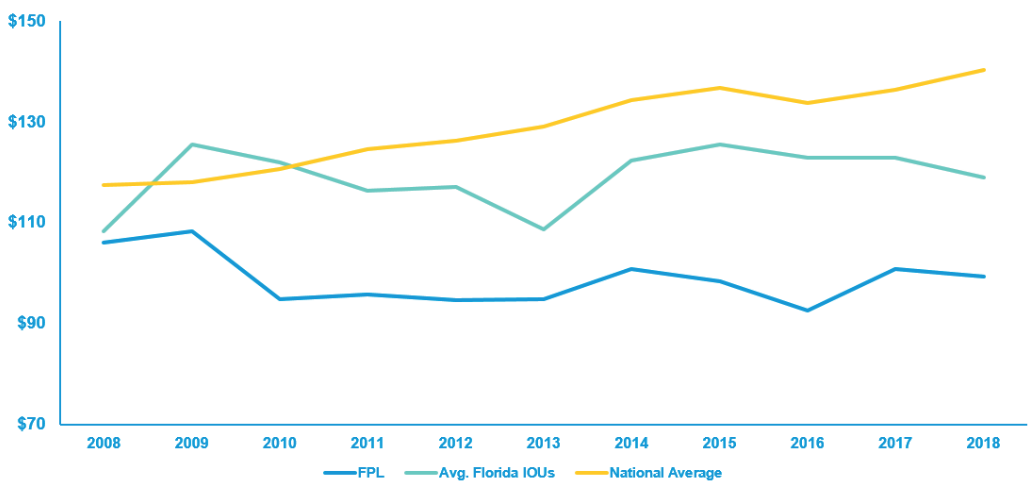
NextEra Energy is prepared to provide ~$400 million of value to JEA customers. Due to the restrictions on communications with JEA and the City at this time, we are open to discussing the specific structure as it relates to this $400 million value if we are advanced to the next phase of this ITN process.

At Least Three Years of Contractually Guaranteed Base Rate Stability for Customers

Low and stable customer bills, along with safety and high reliability metrics, are key objectives for NextEra Energy and our management team. We believe the implementation our utility playbook will provide JEA customers with the type of long-term rate stability our FPL customers have experienced. As discussed herein, over the 10-year period from 2008 to 2018, we have been able to reduce in absolute terms the Typical Residential Bill at FPL by almost 6%. We are not content with simply reducing the level of increases relative to other utilities, or simply reducing the bill at a rate lower than inflation. At Gulf Power, in less than one year of ownership, we have already identified ways to materially reduce Gulf Power customer bills.

We are cognizant of the importance of rate stability toward the continued growth of the Jacksonville metropolitan area, and would work diligently toward achieving that objective.

Typical Residential Bill per 1,000 kWh Usage (2008-2018)[26]



---

[25] Per ITN, $1,400+ for customers with electric, water, sewer and irrigation accounts.
[26] Source for Average Florida IOUs and National Average is EEI Typical Bills and Average Rates Report. Florida IOUs include TECO, Duke Energy Florida and Gulf Power.

Commitment to Develop and Provide the City of Jacksonville and the Duval County Public School System 100% Renewable Electricity by the Year 2030

According to the ITN, the City of Jacksonville and Duval County Public School System's energy usage is approximately 50 MW.[27] An increasing penetration of solar and battery storage is consistent with FPL's and Gulf Power's long-term generation strategy, not only because of the environmental and health benefits associated with a reduction in carbon emissions, but also because we have demonstrated that properly developed renewables can be economic and reduce customer rates. NextEra Energy has proven capabilities in advanced analytics, which has enabled it to invest in renewable power, storage, and smart devices in an innovative, but disciplined manner for many years. Renewable energy ultimately reduces fuel costs and non-fuel O&M costs, which enable the bill stability discussed in the prior section. We are very committed to making Florida a global leader for low cost solar energy.

There are various approaches NextEra Energy could take to realize the City's renewable objectives, one of which could involve the redeployment of generation from FPL's "30-by-30" program. FPL announced its "30-by-30" program where we will install 30 million solar panels with 10 GW of total generation capacity by year 2030. Many of these sites are located in Northern Florida, in close proximity to JEA's service area.

In addition, our FPL team has the type of regulatory and ratemaking experience to execute on this renewable process objective. FPL is currently seeking FPSC approval for a voluntary community solar program available to commercial and industrial customers, called SolarTogether, with an initial program size of 1.5 GWs across 20 sites and an expected commercial operation date by early 2021. SolarTogether participants will pay a monthly charge (the "Subscription Charge") for their subscribed solar capacity and will receive credits in future years which are expected to reduce their monthly bills over time. This voluntary program is projected to generate $139 million in lifetime savings, with non-participating customers realizing almost 20% of the total benefits, which illustrates how our community solar program would benefit all customers across the FPL system.[28] As of May 31, 2019, more than 200 commercial and industrial customers have reserved capacity totaling approximately 1.1 GW of the total initial 1.5 GW program size, with many of these customers reserving a subscription equal to 75% to 100% of their accounts' annual energy usage.

Based on our commitment to renewable generation and our familiarity with Florida regulatory frameworks available, NextEra Energy is well-positioned to achieve the ITN's renewable goals.

[27] Source: ITN.
[28] Source: NextEra Energy.

Commitment to Develop and Provide 40 MGD of Alternative Water Capacity for Northeast Florida by the Year 2035

As an energy company that manages more than 1 BGD of water and wastewater, NextEra Energy is intent on balancing our water needs and preserving the quality of existing water sources for future generations. Our employees continuously seek innovative technologies and methods to conserve water and to utilize reuse water, rather than drinking water-quality sources, wherever possible. For example, in 2018, FPL and Miami-Dade County entered into a Memorandum of Understanding ("MOU") for the potential development of an innovative water treatment process to reuse 60 MGD of treated wastewater (the "Advanced Reclaimed Water Project"). This proposed water treatment project will help to achieve multiple objectives:

- Miami-Dade County would achieve half of its stated water reuse goal of 117 MGD by 2025, and is part of a plan to reduce the amount of Miami-Dade County wastewater going into the ocean.
- For FPL, the project would eliminate our Turkey Point nuclear plant's use of water from the Floridan Aquifer by providing a drought-proof supply of purified water to improve the water quality of the plant's cooling canals.

We also utilize reuse water at our West County Energy Center ("WCEC") generation facility, a three unit 1,250 MW natural gas combined cycle facility. In May 2008, FPL executed a contract with Palm Beach County for it to provide up to a peak of 27 MGD of reclaimed water to WCEC from the East Central Regional Wastewater Treatment Facility ("ECR"). All three WCEC units utilize reclaimed water from the ECR for its cooling and other water needs, rather than the Floridan Aquifer. WCEC uses an average of 14 MGD annually, increasing to 22 MGD during the summer months.

The aforementioned projects are examples of NextEra Energy's innovative approach to securing alternative water capacity. NextEra Energy eagerly looks forward to collaborating with the talented JEA employees on evaluating paths to achieving JEA's 40 MGD alternative water objective (including its proposed brackish water, surface water reservoir, wastewater reuse, and "One Water" pilot programs). We are particularly excited about learning more about the pilot project for water reclamation that will include filtering the reclaimed water through a wetland system. NextEra Energy agrees that the use of wetland treatment systems as a final treatment method for treated wastewater could serve as a cost effective means of removing nutrients and recharging the surficial aquifer while providing for an alternative water supply source. The use of wetland treatment systems in Florida has proven successful for utilities in Boynton Beach, Viera, Orlando and Gainesville. Once water is conveyed to these constructed wetlands, there are no pumps, chemicals or other industrial processes necessary to facilitate the natural water purification processes (i.e. - by gravity, sunlight and the photosynthesis of wetland plants) at a fraction of the cost that would occur for the same pollutant removal at a conventional wastewater treatment facility. At a time when water pollution, fish kills and Red Tide appear to be prevalent throughout many of Florida's water bodies, the use of a constructed treatment wetland can provide a practical and effective method to address water quality challenges.

Protection of Certain Employee Retirement Benefits

We are financially capable and prepared to provide funds consistent with the protection of employee benefits outlined in the recently passed legislation, which includes service credits to JEA employees. NextEra Energy understands the financial requirements consistent with employee pension protections is currently estimated at $132.3 million based on preliminary actuarial estimates.

Maintenance of Substantially Comparable Employee Compensation and Benefits for Three Years

NextEra Energy is not only willing but has the financial resources to ensure that its offer will provide for the minimum requirements set out by JEA as it relates to employee compensation and benefits. We are committed to working toward identifying possible solutions to enable fulfillment of these minimum requirements while ensuring that JEA's employees continue to operate effectively in providing service to customers.

NextEra Energy understands the importance of the talent and commitment of JEA's workforce just as we value our own. For example, NextEra Energy and FPL have partnered with Gulf Power employees throughout the transition period and brought those employees into the overall corporate talent pool. The JEA transaction will bring change and potential uncertainty. Nevertheless, for those employees who intend to work hard and thrive, learn and grow, there is no better place to do so than in one of the NextEra Energy family of companies. NextEra Energy demonstrates our commitment to our workforce every day in the most important fashion, expecting a 100% safe environment and a "zero today" injury rate.

Retention Payments to All Full-Time Employees of 100% Current Base Compensation

NextEra Energy is financially capable and prepared to provide funds consistent with the retention payments outlined in the recently passed legislation. NextEra Energy understands the retention payments equate to $165 million, vesting and payable over a three-year period in equal installments.

Commitment to New Headquarters and Employees in Downtown Jacksonville, Contributing to the Economic Development of the Community

NextEra Energy envisions maintaining a corporate presence in the downtown Jacksonville area to coordinate regional electric, water and district energy operations, as well as to coordinate economic development opportunities in the region. During this ITN process, we will evaluate a number of ways to continue JEA's presence in Jacksonville, including continued use of the JEA headquarters and the potential to manage water and wastewater operations from Jacksonville.

Understanding the importance of downtown Jacksonville to the overall Florida economy, NextEra Energy will endeavor to enhance economic activity in the region. We view physical presence in downtown Jacksonville as only one aspect of our economic development initiative, which includes tools, resources and other incentives for businesses to increase activity in the Jacksonville metropolitan area.

6. Response to Evaluation Criteria

FPL Manatee Solar Energy Center—Manatee County, FL

I. Proposal to Achieve JEA's Goals in this ITN

NextEra Energy is prepared to meet all the requirements specified in this ITN.

Similar to other utility companies, NextEra Energy is subject to the impact of technology and the delicate balance of ensuring reliable utility services while keeping customer bills low. In recent years, the utility sector has seen reduced customer electricity load growth derived from energy efficiency and conservation initiatives. As renewable energy technology becomes increasingly affordable due to higher efficiency metrics and lower equipment costs, customers have sought electricity produced from clean sources (such as solar, wind, natural gas, and nuclear). Customers overall demand a high level of service reliability and system resiliency to withstand major storms and other potential major outage-causing events, underscoring the importance of smart grid technology. As the changing utility landscape and the disruptive forces have challenged the utility operating model, size and scale have become increasingly important. Larger companies can invest in innovative technologies, share best practices, maximize cost efficiencies through economies of scale and, ultimately, deliver reliable and low-cost utility services to customers.

As one of the leading energy companies in the world, NextEra Energy believes an acquisition of JEA's electric system, water and wastewater systems, district energy system, and its dark fiber platform and other services will help JEA and the City meet its process objectives as outlined in the ITN. NextEra Energy has provided detailed responses to the Evaluation Criteria set forth in Table 3.2.3 of the ITN. We believe our long-standing approach toward operating a large scale utility business in Florida, our strong balance sheet and financial position, and our focus on ensuring the safety of employees collectively position NextEra Energy toward achieving the process goals.

- **Experience and Customer Commitment:** As an owner of a Florida electric utility for almost a century, NextEra Energy and FPL works diligently every day to improve electric service reliability, keep customer bills low and stable, and improve the overall quality of life for our communities. FPL's typical residential customer bills have remained stable over the last 10 years, compared to rate increases for other Florida IOUs and the national average as measured by the EEI Typical Bills and Average Rate Report. In fact, our 2018 typical residential bill is 6% lower than 2008's bill. Driven by the creativity and hard work of our employees, we continue to search ways to improve system reliability while keeping customer bills low. We have invested in smart capital projects which ultimately lower customer bills through lower O&M costs and higher reliability metrics. From a reliability perspective, FPL enjoys the best reliability metric as measured by SAIDI amongst Florida IOUs and we are top decile in the industry.

NextEra Energy believes a sharing of our approach to utility operations with JEA can provide similar benefits to JEA's customers. Accounting for the geographic proximity of JEA's and FPL's respective service areas and our shared history of cooperation on generation projects and PPAs, we are very optimistic that our processes and approach could provide the rate stability and reliable services JEA customers seek.

FPL is highly committed to preserving our state's water resources and encouraging water conservation and reuse; we therefore believe we are aligned with the operational philosophies which govern JEA's water and wastewater operations. We are a leading advocate of reuse water in Florida as evidenced by our Miami-Dade 60 MGD reuse Memorandum of Understanding and our 22 MGD of reuse water program at the West County Energy Center.

- **Economic Development and Benefits to Jacksonville:** As an owner of two Florida IOUs, NextEra Energy is cognizant of the important role utilities assume in the community. Since 2012, FPL's Office of Economic Development ("OED") has developed programs, seminars, and other tools to assist communities and their leaders attract businesses of all sizes to Florida. Our efforts have helped create more than 74,000 new jobs, retain almost 14,000 jobs (jobs at risk of elimination due to facility reduction, closure or relocation), and create more than 156,000 additional indirect jobs since 2012. Recently, we worked with JAXUSA and JinkoSolar, an international solar panel manufacturer and an FPL supplier, to build a new solar panel manufacturing facility, resulting in a $50 million investment and 200 new jobs in Jacksonville. Once we become a permanent member of the Jacksonville community, we expect to increase our level of support for Jacksonville and its nearby communities.

- **Employee Retention and Benefits:** We value our 15,400 employees, who we believe are the most important drivers of our company's success over the past two decades. Employee safety is our highest objective. NextEra Energy embraces the creativity of our employees, and promote a culture of idea sharing that reimagines our approach to the utility, non-utility, and overall energy businesses. NextEra Energy has also encouraged idea sharing at Gulf Power, and we are executing 200 of their ideas which would ultimately yield $100 million of run rate cost savings at Gulf Power.

  NextEra Energy is also cognizant of the importance of JEA to its almost 2,200 employees, its contractors, and the City of Jacksonville from economic and quality of life perspectives. We respect all of the accomplishments of JEA's employees to date and are eager to collaborate with them as part of the NextEra Energy family of companies. We are financially capable and willing to meet the employee related objectives JEA has outlined in the ITN, which includes protection of employee benefits estimated at approximately $132 million, retention payments totaling $165 million to full time employees, and maintenance of substantially comparable employee compensation and benefits for three years.

- **Innovation Plan:** We have embraced technological advances, and we are eager to share our proprietary intellectual capital and technologies with JEA and its employees. Our solar initiatives take advantage of the cost and emission benefits of renewable technology, and we have implemented plans which provide a compelling value proposition to distributed generation. For instance, our SolarTogether community solar plan has been well-received by our commercial and industrial customers, and we estimate this program yields a net $139 million of lifetime savings without the disadvantages of a traditional rooftop solar system. NextEra Energy is also a leader in implementing battery storage; at FPL, we plan on constructing Manatee Energy Storage Center ("Manatee"), which would be the largest battery storage project in the world. We expect to commit to similar renewable energy benefits for JEA's customers. In addition, we believe some of the programs we offer at FPL Energy Services ("FPLES") (such as energy conservation measures, LED lighting, and heating, ventilation, air conditioning services) can be offered to JEA's existing customers and provide new revenue services.

- **Environmental Social and Governance:** NextEra Energy is committed to improving the environment, such as reducing carbon emissions through renewable energy investments and protecting threatened and endangered species through our numerous programs. In recognition of our leading ESG efforts, NextEra Energy received a best-in-class preparedness assessment in S&P Global Ratings' ESG Evaluation.

- **Community Stewardship:** NextEra Energy and our employees have a long history of partnering with our communities, whether through employee volunteer hours (over 85,000 hours in 2018), charitable contributions ($13.7 million in 2018), and other community events. We already have a footprint in North Florida; we have been a long-standing member of the JAX Chamber, JAXUSA and the First Coast Manufacturers Association. We would look forward to extending our robust giving, volunteering, community programs and community commitment to the City of Jacksonville.

  During times of natural catastrophic events, we are a critical first responder and support our communities through financial means and restoration efforts. NextEra Energy maintains a comprehensive storm response plan, where we coordinate with local governments to restore power. We believe the pooling of resources and coordination between JEA, FPL, and Gulf Power would provide further efficiencies.

- **Financial Stability:** The process objectives outlined in the ITN require the support of a large company with financial stability. An upfront capital commitment of at least $3 billion to the City of Jacksonville, debt defeasance costs, employee commitments, and ongoing investments in smart capital investments requires a strong balance sheet and access to the equity and debt capital markets. NextEra Energy maintains an A- / A- / Baa1 rating from S&P, Fitch, and Moody's, respectively, and our regulated utilities similarly benefit from strong credit ratings as part of the NextEra Energy family of companies. We have worked extremely hard to maintain at least an A- rating from S&P for over 25 years, and our disciplined approach towards protecting our balance sheet has allowed us to make the type of capital investments which ultimately improve our utility customer value proposition. We ultimately believe JEA will benefit from our strong balance sheet, which could meaningfully reduce JEA's cost of capital relative to other IOUs.

II. Experience and Customer Commitment

NextEra Energy often refers to the FPL playbook which governs our approach to planning and operating a utility. Our approach is quite straightforward and consists of two principal drivers – (a) reducing costs and maximizing efficiencies, and (b) making smart capital investments to improve reliability and, ultimately, reduce costs, while minimizing bill impact to customers. While these two objectives may seem fundamental to any utility operations, our particular success delivering results has been predicated upon a culture of continued excellence and the freedom (and even encouragement) to challenge conventional wisdom. Over the last 20 years, the results at FPL have been remarkable. Some of those results are noted below:

- 6% absolute lower Typical Residential Bills in 2018 relative to 2008.
- Approximately $10 billion of cumulative fuel savings since 2001 through modernization of our generation fleet and a 35% reduction in CO2 emissions over the same time horizon.
- 27.4% reduction in non-fuel O&M costs since 2000[29]; in 2018, FPL had the lowest non-fuel O&M cost among any electric IOU in America, which translated into nearly $2 billion of savings to customers versus average utilities.
- Top decile reliability in the U.S. and best in Florida as measured by SAIDI.
- In 2019, FPL ranks 2nd among the South Region (Large Segment) for Customer Satisfaction for J.D. Power.
- A willingness to innovate and embrace new ideas and technology, including a focus on smart meter, smart grid, artificial intelligence and emerging technologies.

Corporate Culture Demonstrating a Long-Term Commitment to Operations

From NextEra's perspective, employee safety is our highest objective. As of June 2019, NEE had an Occupational Safety and Health Administration ("OSHA") recordable rate of 0.41 and represents an 80% improvement in safety performance relative to 2003. We are committed to maintaining a safe working environment, including using suppliers with a demonstrated commitment to safety. Please refer to Section 7 which illustrates our commitment to safety.

Central to our operating philosophy is a strong and steady focus on improving customer value both short and long term. We approach this as an ongoing process involving smart investments in our infrastructure and a sustained commitment to efficiency and productivity and, in general, improving all aspects of our service and reliability. Our ability to deliver outstanding customer value did not and does not happen overnight or by accident. Rather, it is, and must be, the result of consistent and cumulative action over an extended period of time.

FPL's long-term strategy has worked extremely well, as measured by traditional utility operating metrics (e.g. – lower Typical Residential Bill, lower non-fuel operating costs per MWh, lower fuel costs, lower carbon footprint and higher system reliability metrics).

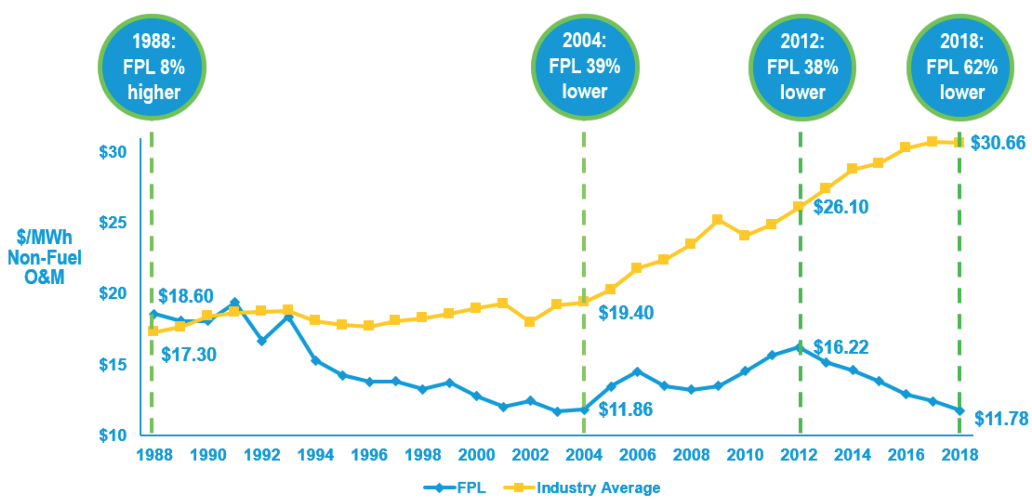
---

[29] Source: FPL. O&M costs expressed in real 2018 dollars.

The core of our strategy to deliver strong customer value consists of four key elements:

1. A relentless focus on efficiency and productivity.
    - FPL's 2018 non-fuel O&M per MWh was 62% lower than the average electric utility in the U.S., which equates to $2 billion for FPL retail customers or approximately $20 per month on the Typical Residential Bill.
    - FPL's best-in-class 2018 non-fuel O&M was 13% lower than its 2016 levels, when it was already the lowest in the nation.
2. Smart investments that contribute to lower O&M, lower fuel costs, lower emissions, better reliability and otherwise improve customer value.
    - More than $15 billion invested in clean generation, resulting in $10 billion in fuel savings.
3. Sound financial policies including a strong balance sheet.
    - A- / A- / Baa1 with S&P, Fitch and Moody's, respectively
4. A willingness to innovate and embrace new ideas and technology.
    - A focus on smart meter, smart grid, artificial intelligence and emerging technologies.

FPL Non-Fuel O&M per Retail MWh[30]



FPL has consistently been a best-in-class performer and we continue to effectively manage non-fuel fuel O&M. In recent years, NextEra Energy has instituted two programs – Project Momentum (2013-16) and Project Accelerate (2017-current) – which continuously reevaluates our operating performances and encourages the implementation of cost efficiencies. Since 2013, FPL and our other NextEra Energy businesses have realized approximately $1 billion of run-rate cost

[30] Source: FPL. Non-fuel O&M based on FERC Form 1 filings; excludes pensions and other employee benefits.

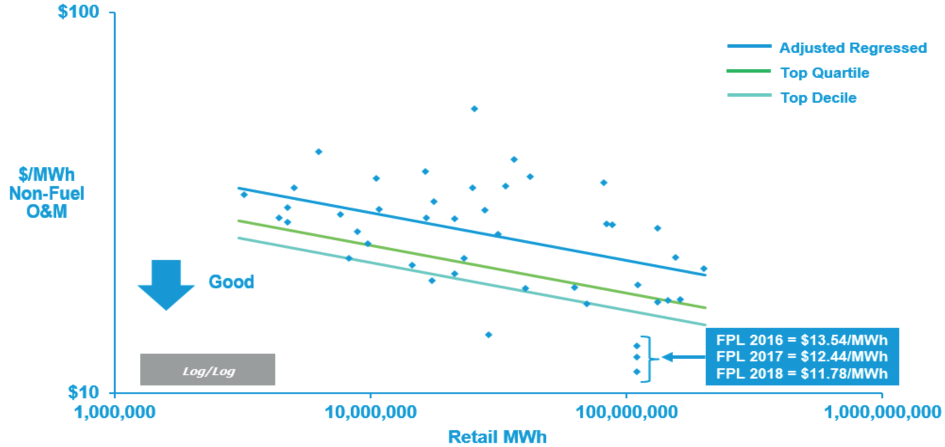
efficiencies through these programs. For FPL, such efficiencies accrue to the benefit of our customers.

All of our Project Momentum and Accelerate ideas are generated by our employees, illustrating how our culture of continuous excellence is embraced throughout our organization. In fact, Gulf Power's employees participated in Project Accelerate just three weeks after NextEra Energy closed on the acquisition and suggested approximately 500 cost saving ideas. Gulf Power, a company similar in size to JEA, is executing on 200 of these ideas, which are expected to yield approximately $100 million of run-rate savings by 2022.

A focus on non-fuel O&M and fuel costs is critical to our customer value proposition. Ordinarily, O&M and fuel costs are borne by customers to the extent such costs are determined prudent by the regulator. Hypothetically, an increase in O&M and fuel costs at a rate comparable to inflation could result in an increase in customer bills by over 20%, assuming no other change in the rate structure or capital investments.[31] Conversely, reducing O&M and fuel costs allows FPL to implement smart capital investments that improve reliability and reduce CO2 emissions, while controlling customer rates. In recent years, FPL's non-fuel O&M per MWh continued to decline; our 2018 non-fuel O&M metric was greater than 13% better than our industry-leading 2016 metric and 62% better than the average electric utility in the U.S. Based on 2018 statistics, FPL estimates that our best-in-class non-fuel O&M rates save customers nearly $2 billion per year compared to an average investor-owned electric utility.

[31] Assumes inflation of approximately 2% per annum, compounded over 10 years.

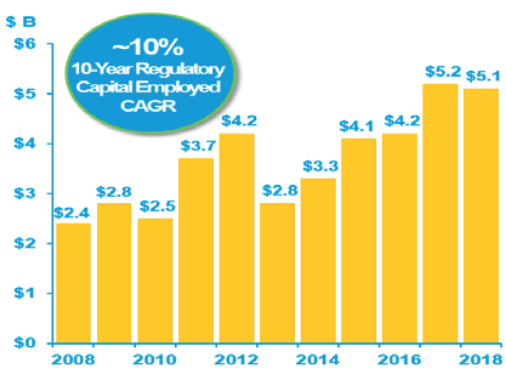
Operational Cost Effectiveness[32]



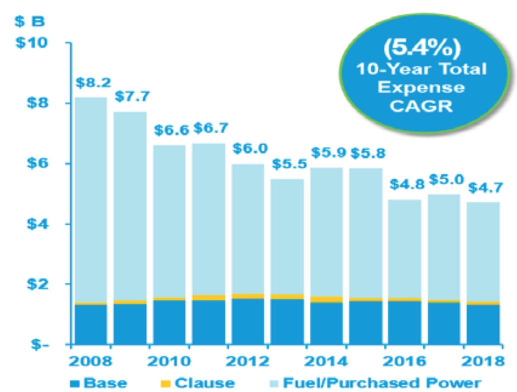
For FPL, "smart capital investments" not only include those deemed prudent by our regulators or those which have positive net present values. Rather, smart capital investments result in a reduction in long-term operating costs, improvements in efficiencies and customer reliability and, ultimately, reduce customer rates. Between 2008-2018, FPL increased its regulatory capital employed by 10% on a Compound Annual Growth Rate ("CAGR") basis which involved ~$4 billion of capital expenditures on a yearly basis. Nonetheless, we reduced operating costs by over 5% CAGR over the same time horizon, which were passed on to customers and resulted in a 6% absolute Typical Residential Bill reduction between 2008 and 2018.

Smart Capital Investments Improve Our Customer Value Proposition Over Time[33]

2008 - 2018 FPL Capital Expenditures



2008 – 2018 Total Operating Expenses



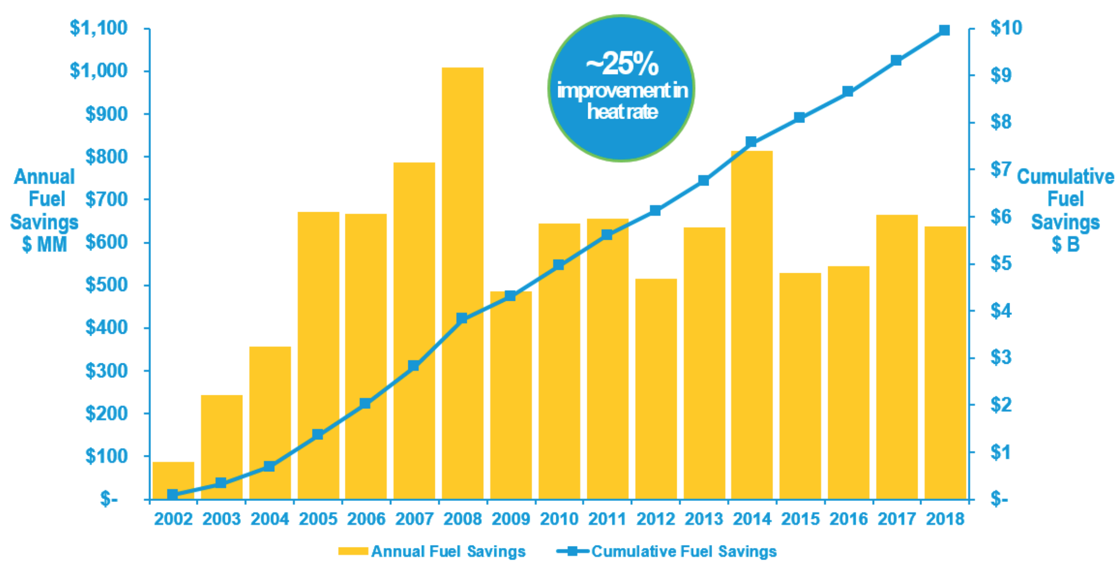
---

[32] FERC Form 1 non-fuel O&M; industry 2017, FPL 2016-2018; excludes pensions and other employee benefits; includes holding companies with >100,000 customers and utility-owned generation; FPL 2017 costs exclude expense related to Hurricane Irma storm cost write-off.
[33] Source: NextEra Energy. Capital expenditure annual amounts are shown on an accrual basis and will not reconcile to the cash flow statement.

FPL's modernization of its generation fleet, which we started almost two decades ago, is representative of the types of smart capital investments described above. FPL has transformed its generation fleet because we are committed to providing our customers with energy that is affordable, reliable and clean. We have retired older, oil-fired power plants and replaced them with modern energy centers powered by clean, U.S.-produced natural gas. We have also purchased, retired and torn down coal-fired power plants with which we held expensive PPAs, providing further benefits to our customers and communities.

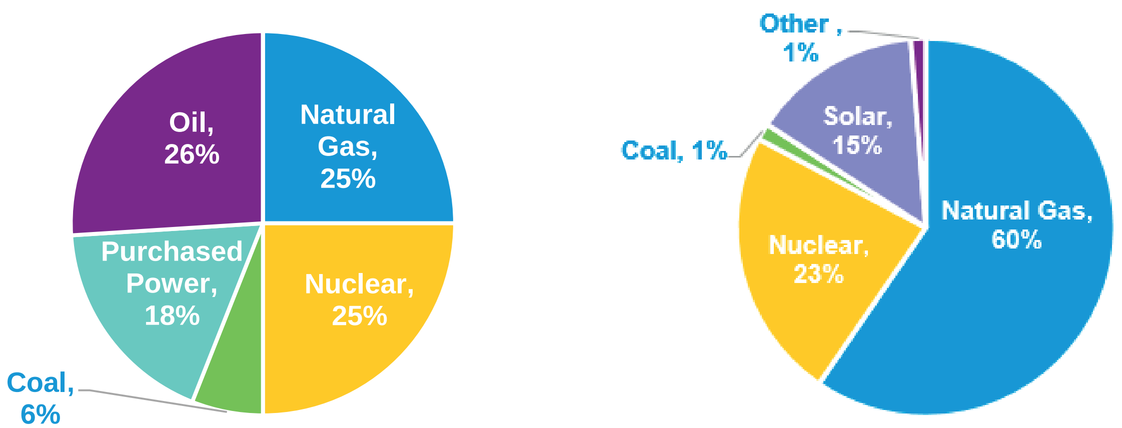
Modern natural gas-fired facilities are more fuel efficient and also employ technological improvements to reduce O&M and other maintenance costs. Since 2001, investments in cleaner, more efficient power plants have saved customers approximately $10 billion in fuel, reduced our non-fuel O&M expense per MWh, reduced our oil usage by 99% (nearly all of which was imported), improved our OSHA safety record and avoided the emission of more than 120 million tons of CO2.

Fuel Savings of ~$10B on a Cumulative Basis, Reducing Customer Bills and Increasing Customer Value[34]



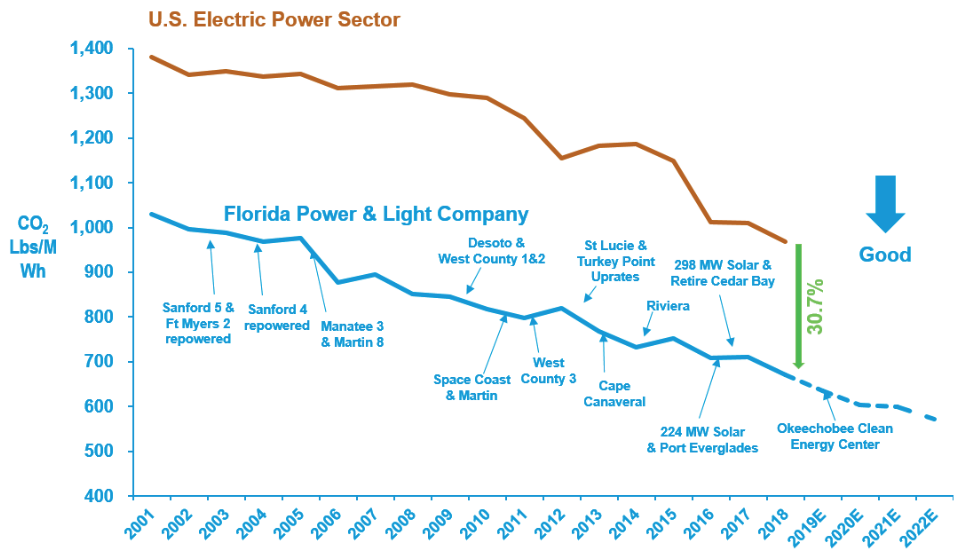
[34] Source: NextEra Energy. Historical fuel savings were computed using the actual fossil fuel costs in each year compared to what the fuel cost would have been using the 2001 heat rate and the actual price of fuel in each year; savings reflect the value of efficiency improvements.

FPL Generation Evolution (Based on MWh)[35]



In addition to fuel cost savings, FPL's strategy reduced CO2 emissions by approximately 35% since 2001, resulting in an emissions profile that is approximately 30% below the national average. FPL's CO2 emission rates are expected to decrease an additional 16% by 2020. These investments have positioned us to be in compliance today with the 2030 carbon emission rate target that the U.S. Environmental Protection Agency's Clean Power Plan ("CPP") had proposed for Florida.

FPL CO2 Emissions Profile[36]



---

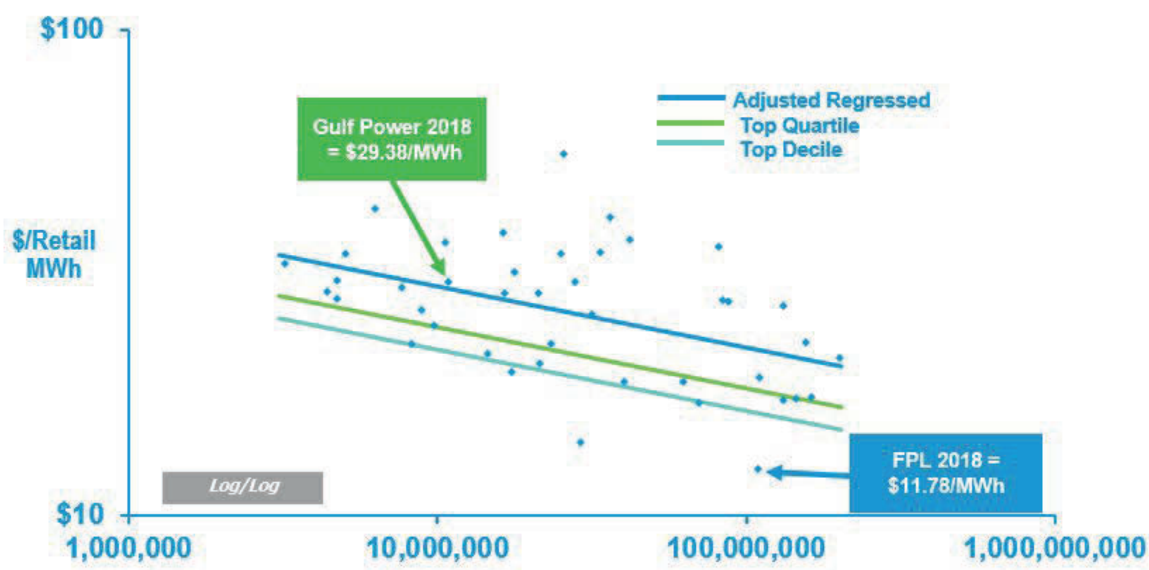
35 Source: NextEra Energy historic internal data and projected from 2019 Ten Year Site Plan ("TYSP").

36 Sources: NextEra Energy, historic internal data and projected from 2019 TYSP; 61 US Electric Power Sector: DOE data.

At FPL, we can avail ourselves of NEERs best-in-class renewables business and technological expertise with the goal of further reducing fuel costs and our CO2 emission profile. For instance, in early 2019 we announced our "30-by-30" plan to install 30 million solar panels by 2030 equating to 10,000 MW (or 10 GW) of installed solar capacity. To put the plan in context, 10 GW of solar is equivalent to 37% of FPL's current generation fleet of 27 GW and would make Florida a world leader in solar energy. Recently, we also announced our plan to build Manatee Storage ("Manatee"), the world's largest battery storage project, which would allow FPL to retire 1,650 MW of older natural gas fired units. Manatee is an approximately 409 MW / 900 MWh battery project with an expected in-service date of 2021. Similar to FPL's other generation investments, our Manatee investment is driven purely by economics and customer benefits. We expect Manatee to provide more than $100 million savings to customers and eliminate more than 1 million tons of CO2 emissions.

NextEra Energy's acquisition of Gulf Power was largely driven by potential opportunities to improve the long-term value proposition for Gulf Power's approximately 460,000 customers. The short-term operational improvement plans through the end of 2021 are just a starting point for us. Long term, we believe we can offer similar types of benefits to Gulf Power customers, which we currently offer to our FPL customers. Just comparing 2018 non-fuel O&M per MWh metrics, Gulf Power is almost 2.5 times higher than FPL.

Gulf Power Non-Fuel O&M[37]



Gulf Power depends on older, fossil-fueled generation with a CO2 emissions rate approximately 2.5 times higher than FPL's. Almost 75% of Gulf Power's current electricity delivered to our

[37] Source: NextEra Energy. FERC Form 1 non-fuel O&M; industry 2017, Gulf Power/FPL 2018; excludes pensions and other employee benefits; includes holding companies with >100,000 customers and utility-owned generation.

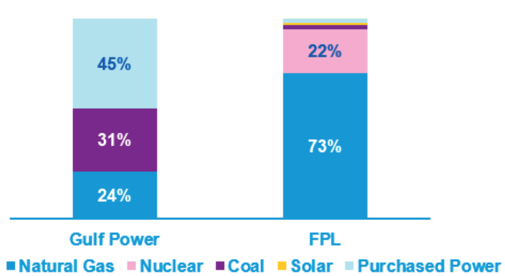
customers is sourced through coal-fired generation assets or purchased power, two very costly resources. By 2021, we intend to make the following capital investments which should materially reduce Gulf Power's CO2 rate and reduce overall costs:

- Completion of Plant Smith combined-cycle combustion turbine upgrades within the first seven months of acquisition completion (July 2019), increasing the plant's output by 100 MW.
- Construction of the North Florida Resiliency Connection, which is a 176-mile, 161-kV transmission line to import clean highly efficient generation from FPL's service territory. Gulf Power expects approximately $300 million net customer savings upon energization in 2021.
- Conversion of Plant Crist from a coal facility to a natural gas facility, which we expect to provide net customer savings of approximately $220 million upon its mid-2020 target in service date and significantly reduce emissions.
- Installation of additional natural gas combustion turbines at Plant Crist to improve system reliability and meaningfully reduce a capacity charge paid by Gulf Power's customers.
- Installation of three 74.5-MW solar energy centers by mid-2021.

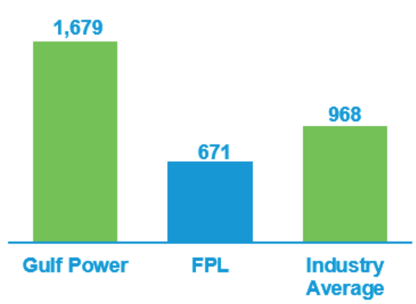
Gulf Power expects the aforementioned investments to reduce fuel costs by almost 50% (100% of which will flow back to customers), from $38.10/MWh in 2018 to approximately $18-21/MWh in 2022. In addition, the plant retirements and new solar facilities are expected to reduce CO2 emissions to approximately 1,060 lbs/MWh, or almost 40% reduction relative to 2018 levels.

Gulf Power Generation Mix and Emissions Rates[38]

Generation Mix Comparison (MWh)



CO2 Emissions Rate (Lbs / MWh) [39]



While we acknowledge there is more work to be done at Gulf Power, we expect to continue deploying smart capital and improve cost efficiencies. We would expect to take a similar methodical approach as it pertains to improving the overall customer value proposition and providing stable customer rates for JEA customers.

[38] Source: NextEra Energy.
[39] Industry average from the Department of Energy's Energy Information Administration.

Longevity of Utility Generation, Transmission and Distribution ("T&D") Operations Greater Than Five Years

NextEra Energy has significant experience owning and operating long-lived generation, transmission, distribution and other energy assets. At FPL alone, we have operated "steel-in-the-ground" utility assets since 1925, or nearly 100 years. The useful life of these assets are generally greater than 30 years, which requires FPL to make capital expenditures to maintain them and to ensure we provide reliable utility services to customers. In the past 20 years alone, FPL has separated itself as a top-decile performer in the most meaningful indicators of strong performance in both generation efficiency and T&D reliability across the industry, with a constant trend of improvement. Most notably, FPL has achieved this high level of operational performance while generating and delivering more retail electricity than any other utility in the United States.

- FPL natural-gas fired electric generation units equivalent forced outage rate ("EFOR"), which is a common measure of power plant reliability, has performed within the top decile of the industry for more than a decade. FPL's average EFOR rate for the past five years has been 1.23%, compared to a peer group average of approximately 8% which is almost seven-times that figure.[40]
- In 2018, the NextEra Energy's nuclear fleet was ranked as the top nuclear fleet in the nation by the Institute of Nuclear Power Operations ("INPO"). NextEra's Energy's 2018 fleet-wide INPO plant indicator index is projected to be the highest in fleet history and above industry mean.

Based on our strong asset reliability and availability metrics, we believe NextEra Energy is a good steward of long-lived assets.

Successful Customer Relations Demonstrated Through Customer Outreach Surveys Such as JD Power or Other Comparable Sources

FPL is proud of our employees' efforts to provide outstanding service to its customers. Similar to our approach to FPL long-lived capital assets, FPL has worked diligently to control costs and ensure that our operations continue to improve through investments that allow us to serve our customers' needs efficiently. Our goal is to provide an "Omni-channel" experience that provides customers with the ability to use multiple channels (e.g. – telephone, mobile application, internet) to interface with us, which requires consistency across our user-centric designs. We place a strong focus on the development of customer experience designs that are seamless, effortless and personalized across all channels.

- **Customer Care Center:** FPL has designed its customer care center to ensure customer inquiries are answered promptly and accurately. FPL's customer care center is a mix of FPL-operated centers in Florida, a center established with a partnership with a local south Florida university and a domestic customer care center partner in Texas, which also

[40] Source: North American Electric Reliability Corporation ("NERC").

provides enhanced business continuity in case of a significant event, such as a storm. Live agents respond to approximately 24% of customer inquiries and undertake more of the complex inquiries.

- **Website:** FPL also has a very robust website (FPL.com) that offers a variety of billing and payment options, as well as the flexibility to resolve many general and service inquiries.
- **Mobile Phone Application:** In 2017, FPL launched a smart phone application which provides customers the ability to manage their account and transact (e.g. monitoring projected bill and daily usage, viewing the bill, making a payment, reporting outages) via both Apple iOS and Android devices and has consistently received high ratings in Apple App Store and Google Play (above 4.8 on a 5-point scale).
- **Social Media:** Beyond offering customers a personalized service experience, social media allows FPL to directly communicate with its customers about programs and services that can benefit them. FPL uses these channels to inform customers about reliability updates in their area and changes that could impact their bill. FPL also publishes a monthly “Ask the Energy Expert” blog that addresses common energy efficiency questions and provides tips on how to save money.

FPL believes it is critical to continue to invest today in order to secure benefits for our customers in the future. To further that objective, FPL has continued to invest in smart grid technologies to create a smarter and more efficient system for the delivery of electricity. Smart meters serve as the foundation for several customer benefits including remote connection and disconnection of service, detection of outage, restoration and theft, as well as reduction in estimated bills. The smart meter technology is also the basis for the Energy Dashboard on FPL.com, which enables customers with smart meters to monitor their energy use by the hour, day and month, dramatically expanding their ability to manage their energy use.

Based on our continuous improvement, customer logged complaints to the FSPC declined by over 70% over the last decade; FPL recorded 0.0316 complaints per 1,000 customers in 2018, compared to 0.1151 complaints per 1,000 customers in 2008. FPL’s efforts to improve the customer experience have been recognized nationally, with several prestigious awards for outstanding customer satisfaction and providing superior customer service. Most recent awards and recognitions are highlighted below:

- In 2019, FPL ranks 2nd among the South Region (Large Segment) for Customer Satisfaction for J.D. Power.[41]
- In 2018, FPL ranked as one of top digital experiences in utility industry in J.D. Power’s 2018 Digital Experience Study.
- In 2018, Escalent’s Cogent Study recognized FPL was one of only 33 utilities nationwide to be designated a “Customer Champion” among residential customers, an annual honor given to gas, electric and combination utilities that exhibit exceptional performance in brand

[41] The JD Power study measures customer satisfaction with electric utility companies by examining six factors: power quality & reliability; price; billing & payment; corporate citizenship; communications; and customer service.

trust, service satisfaction and product experience, according to a survey of utility customers conducted by Market Strategies International, a leading nationwide research firm.

- In 2019, FPL ranks 3rd among South Region Utilities on Residential and Business Brand Trust Performance.
- In 2018, FPL finished 4th on Foresee's FXI Score among the largest national U.S. utilities. The FXI is a composite customer experience metric based on consumer interactions with each provider's digital and call center channels. Foresee Research also ranked FPL 2nd among the same group for billing clarity and easy access to outage, usage and energy efficiency information.
- In 2018, FPL received the EEI's National Key Accounts Award for Outstanding Customer Service – Sustained Excellence for our continued leadership in providing outstanding service to multi-site customers. This is the fourth time FPL received the award.

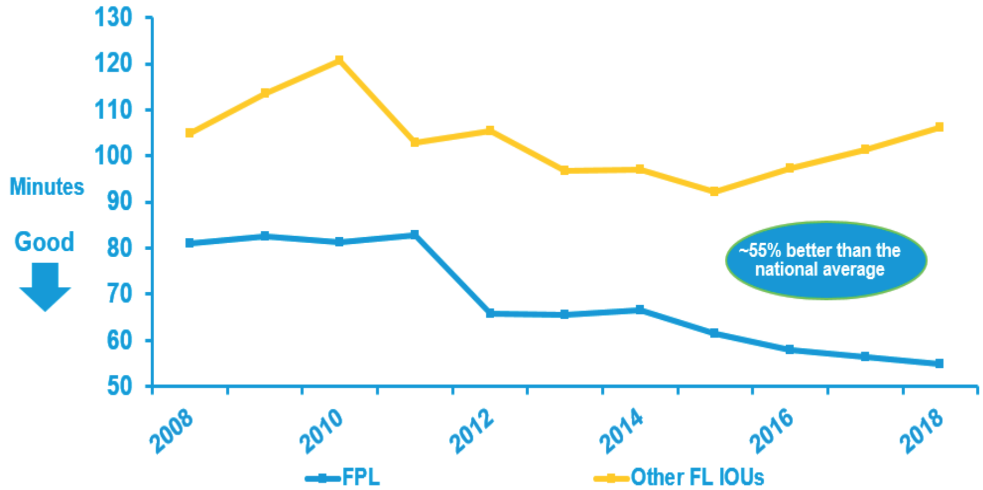
Strong Focus on Maintaining Reliability and Minimizing Time of Disruptions

FPL's "Virtuous Circle" long-term view philosophy on capital expenditures and O&M results in investments in our transmission, distribution and generation infrastructure, resulting in fewer system outages and industry-leading reliability metrics.

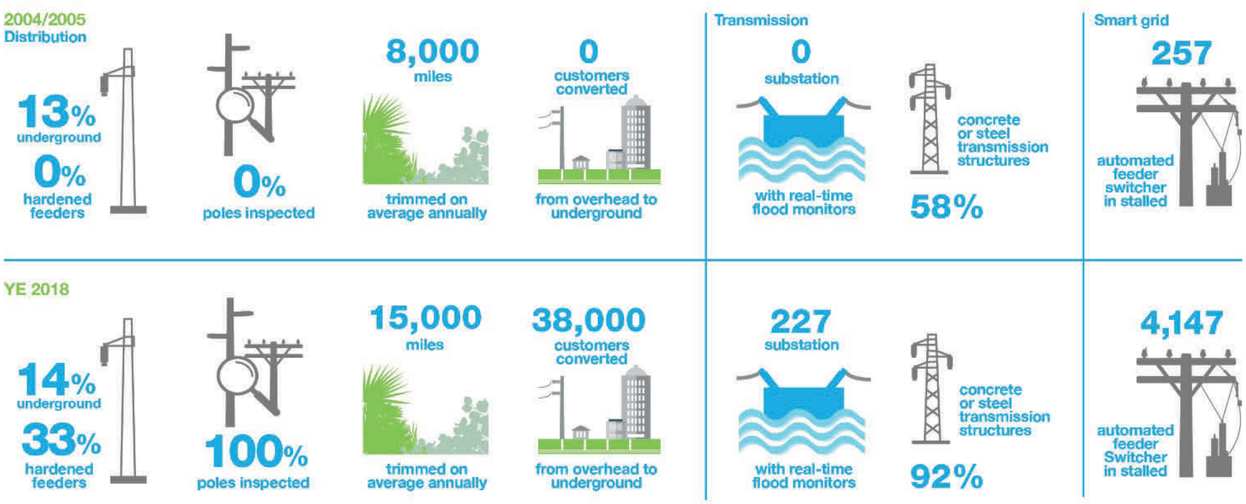
The SAIDI, which represents the number of minutes the average customer is without power in one year, is a common metric used and reported in the electric utility sector. In 2018, FPL's SAIDI was approximately 24% better than other Florida IOUs[42] and approximately 55% better than the national average. Relative to 2008, our SAIDI improved by approximately 33% in 2018. In fact, FPL has been named one of the most reliable utilities in the industry, and our reliability metrics are top decile.[43]

[42] Source: EEI reliability survey. Florida IOUs include TECO, Duke Energy Florida and Gulf Power.
[43] Source: EEI reliability survey.

2008-18 SAIDI (Minutes) – Lower is Better[44]



Our SAIDI has improved every single year since 2008 and will continue to improve as we focus on hardening our utility infrastructure and making the grid smarter. FPL has vigorously pursued the physical hardening of its transmission and distribution system in order to both reduce the financial exposure to loss and to ensure rapid restoration following severe weather events. After suffering significant loss and prolonged outages in the 2004 and 2005 tropical storm seasons, FPL has taken significant steps to strengthen and modernize its electric infrastructure, which include regular pole inspections, system infrastructure hardening (both distribution and transmission), undergrounding of facilities and vegetation management.



---

44 System average interruption duration index as reported to the FPSC; IOU Average includes DEF, TECO and Gulf; National average from PA ReliabilityOne™ database and EIA Form 861 Data, 2017 data year.

Consistent with FPL's Commission approved Electric Infrastructure Storm Hardening Plan, FPL continues to implement its three-prong approach to storm hardening by applying (1) extreme wind loading ("EWL") criteria to electric lines serving critical infrastructure facilities ("CIF"); (2) incremental hardening to community project feeders; and (3) construction design guidelines that require EWL for the design and construction of all new overhead facilities, major planned work and relocation projects. Since 2006, FPL has invested nearly $4 billion to strengthen its energy grid, which has improved reliability in day-to-day operations and during hurricane season.

The benefits of FPL's storm hardening plan are most noticeable in comparing Hurricanes Wilma and Irma, which struck FPL's service territory in 2005 and 2017, respectively. Both storms were major hurricanes, but by all metrics, Irma was significantly stronger. Irma impacted all 35 counties FPL serves and impacted many more customers. However, the backbone of FPL's system was more resilient during Irma. FPL lost 4,600 poles (mostly due to trees), a 63% improvement compared to Wilma, and de-energized only 92 substations, which were fully re-energized after one day, compared to a more impactful 241 de-energized substations in Wilma which took five days to restore. The distribution system was also more resilient. Automated feeder switches helped avoid approximately 546,000 customer interruptions, and hardened feeders actually prevented outages by performing 16% better than non-hardened feeders. Despite the fact that Irma was a much more powerful storm, FPL's restoration was much faster because of the investments it had made to strengthen the system. FPL restored power in 10 days during Irma, compared to 18 days during Wilma, a 44% improvement.

	Hurricane Wilma (2005)	Hurricane Irma (2017)
Saffir-Simpson Scale	Category 3	Category 4
Maximum Sustained Winds in Florida	120 mph	130 mph
Cyclone Damage Potential Index	2.8	4.3
FPL Counties Impacted	21	35
Customers Impacted	3.2 million	4.4 million
% of FPL Customers	75%	90%
Poles Damaged	12,400	4,600
Substations De-energized	241	92
Substations Restored	5 days	1 day
Customer Restoration	18 days	10 days
50% of Customers Restored	5 days	1 day
75% of Customers Restored	8 days	3 days
95% of Customers Restored	15 days	7 days
Average Customer Outage	5.4 days	2.3 days

As of May 2019, FPL had hardened 98% of all facilities serving CIFs, such as main power lines serving critical community functions and services (e.g. - police and fire stations, hospitals, ports and 911 centers in our system). Additionally, as of May 2019, 93% of FPL's total transmission structure population is steel or concrete. As a result of this investment, FPL has demonstrated a stronger system and improved restoration times in subsequent storm events.

In March 2019, FPL announced its plans to continue hardening its energy grid over the next three years by additionally investing approximately $2 billion, which includes hardening its main power lines and replacing all remaining wooden transmission structures. By the end of 2022, FPL expects that all of its transmission structures will be steel or concrete. By the end of 2024, the company expects to have hardened or placed underground all main power lines within its distribution system, including those serving critical and key community facilities.

Comprehensive Community Storm Response

FPL's comprehensive storm plan focuses on readiness, restoration and recovery in order to respond safely and as quickly as possible in the event the electrical infrastructure is damaged by a storm. We prepare year-round, including:

- Extensive storm restoration training based on employees' storm roles, including four Incident Management Team Workshops throughout our service area.
- Annual company-wide hurricane drill in early May and a full-scale staging site exercise in advance of the peak of storm season to assess readiness of processes.
- Continued use of advanced technology to improve outage communications and estimated restoration times to customers.
- Continued development and utilization of new technology, such as drones, to be applied by storm damage assessors to improve damage assessment collection/analysis capabilities.

In addition to these operational measures, we recognize and value that coordination and communication with local governments is essential to efficiently and safely restore power following a storm, which include:

- Coordinate with county emergency operations managers prior to storm season to identify critical infrastructure locations as identified by each local government for priority restoration.
- Invite federal, state and local emergency management personnel to participate in FPL's annual company-wide storm preparedness dry run.
- Before, during and after a storm, FPL staffs every activated Emergency Operation Center ("EOC") in our service area with trained representatives to facilitate communications and operational needs between the EOC and FPL's storm response command center.
- FPL's external response team coordinates directly with local government officials to communicate restoration plans and address issues that arise.
- Utilize advanced communication tools to give local official and community the most up-to-date information about recovery.

FPL is known nationally as a leader in disaster response and has received several recognitions for our restoration and mutual assistance efforts following emergencies and natural disasters.

- In 2019, FPL received EEI's Emergency Assistance Award for its contributions in rebuilding the energy grid after Hurricane Michael impacted communities in Florida, Georgia and South Carolina, and following the historic Camp Fire's impact in Northern California. FPL also received EEI's Emergency Assistance Award for its contributions in restoring power to hard-hit North Carolina communities following Hurricane Florence.
- FPL was honored with the 2018 EEI Emergency Assistance Award for Puerto Rico Power Restoration for its contributions to the emergency power restoration mission in Puerto Rico following Hurricane Maria.
- In 2017, FPL received EEI's Emergency Recovery and Emergency Assistance awards for its outstanding restoration efforts after Hurricanes Hermine and Matthew, and for assisting JEA in its recovery efforts after Matthew.

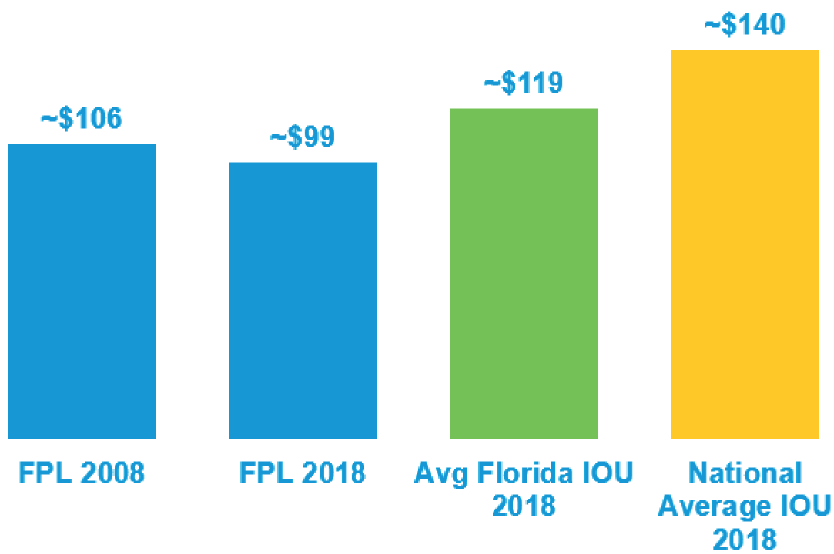
FPL has a very strong commitment to its customers to restore power as safely and as efficiently as possible, and would bring the same commitment of operational excellence to the City of Jacksonville. Coordination between FPL, Gulf Power and JEA enables joint planning and joint dispatch of available resources to restore power in an expedited manner.

Focus on Maintaining Rate Stability for Customers, as Illustrated Through Historical Rates

Recognizing the important role FPL plays in Florida, our management team and employees have worked hard to continue to improve the value we provide customers. Since customer bills are largely cost-based, maintaining low bills is largely a product of the cost optimization initiatives described in the previous sections. FPL provides electric service that is cleaner, more reliable and more affordable at a time when the average U.S. utility bills have increased by approximately 19% since 2008.[45] A common benchmark used in the electric power industry for comparing rates across companies is the price of 1,000 kWh of consumption for a residential customer. Comparatively, FPL's Typical Residential Bill has decreased by 6% in 2018 in absolute terms (relative to 2008). Currently, FPL's typical residential customer bill is approximately 30% lower than the latest national average, helping keep Florida competitive economically. Within Florida, FPL's typical residential bill in 2018 is approximately 17% lower than the statewide average of reporting utilities.[46]

[45] Source: EEI Typical Bills and Average Rates Report.
[46] Florida Average consists of TECO, Duke Energy Florida and Gulf Power.

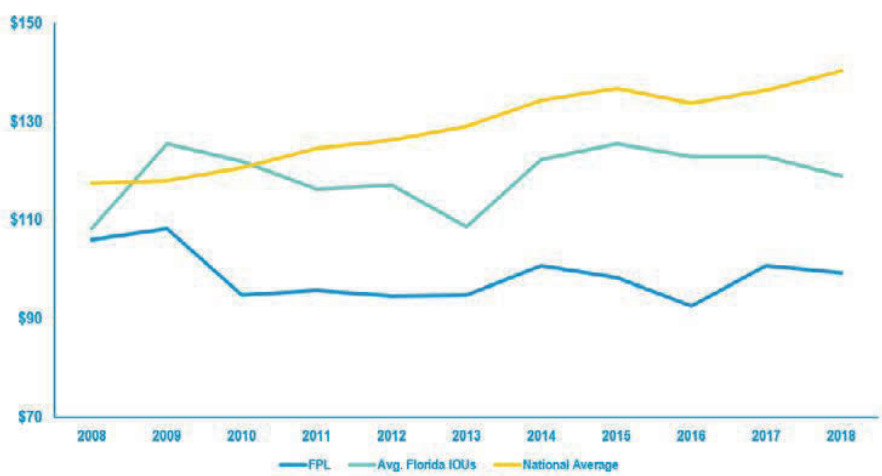
Typical Residential Bill per 1,000 kWh Usage[47]



- **FPL 2018, relative to FPL 2008:** ~6% lower bills
- **FPL 2018, relative to Other Florida IOUs 2018:** ~17% lower bills
- **FPL 2018, relative to National Average:** ~30% lower bills

The rate stability at FPL is not a point-in-time measure; we are proud that our rates have decreased every single year over the past decade, and we expect the Typical Residential Bill to remain at ~$95 per month in 2021 in real 2018 dollars. In comparison, the National Average Typical Residential Bill has increased by approximately 19% during the same 10-year period between 2008 and 2018.

Typical Residential Bill per 1,000 kWh Usage (2008-2018)[48]



[47] Source: FPL and EEI Typical Bills and Average Rates Report. Source: EEI Typical Bills and Average Rates Report.
[48] Source: EEI Typical Bills and Average Rates Report.

III. Economic Development and Benefits to Jacksonville

FPL has positioned itself as a leader among electric utilities that have a comprehensive economic development program. FPL made a strong commitment to support economic development in Florida when it established its Office of Economic Development ("OED") in 2012. Since that time, the utility has taken a leadership role in Florida's economic development efforts by supporting local, regional and state economic development organizations and initiatives across the state. In fact, FPL's OED has been recognized as a "Top Utility in Economic Development" by *Site Selection* and/or *Business Facilities* magazines – the nation's leading economic development trade publications – every year since 2015. In 2019, FPL's OED received top honors from both organizations. We will bring the same approach with regards to economic development to the City of Jacksonville.

SITE SELECTION MAGAZINE'S 2019 TOP UTILITIES

BUSINESS FACILITIES TOP UTILITIES

FPL's strong partnership with our communities has had a significant impact on Florida's economic development competitiveness and success over the last six years. FPL recently petitioned for and obtained FPSC approval to expand our economic development efforts based on our strong track record. Additional funding will allow us to deliver even greater returns to the communities we serve.

Since 2012, our staff and programs have supported the creation of more than 74,000 new jobs, almost 14,000 retained jobs (jobs at risk of elimination due to facility reduction, closure or relocation) and more than 156,000 additional indirect job creations linked to our economic development efforts. FPL's OED successfully worked with 183 companies to locate or expand operations in Florida. Over the same period, job creation and capital investment in the 35 Florida counties served by FPL has resulted in a total impact of more than $89 billion in the state. These results include a tax impact in excess of $3 billion and labor income of more than $27 billion.[49]

These results are not coincidental; our investments are focused on enhancing the success of our state, regional and local economic development organizations. We have worked successfully to attract a number of high-profile companies to Florida, including the Hertz corporate headquarters, Boeing, KPMG, Trader Joes, JinkoSolar and more.

[49] FPL Economic Development Program Impact Evaluation and Analysis, Boyette Strategic Advisors, April 2019.

Recently, we worked with JAX USA and JinkoSolar, an international solar panel manufacturer and an FPL supplier, to build a new solar panel manufacturing facility, resulting in a $50 million investment and 200 new jobs in Jacksonville. During a meeting of Jacksonville business leaders, Nigel Cockcroft, GM of JinkoSolar, thanked FPL for supporting the company's site selection effort even when it became apparent that JinkoSolar would not become an FPL customer. "Florida was not even on the list for this facility until we met FPL's economic development team," said Cockcroft. "They made the process simple for us and made sure the right people were at the table to ensure our success."

Economic Development in Jacksonville

Economic development is local. Our success in Florida comes from supporting and partnering with local economic development organizations and local government, and our ability to tailor solutions based on the needs of the state and local leadership and regional economic development organizations. With our current active economic development activity around Jacksonville and our extensive partnership with JAXUSA, we are well-positioned to leverage our existing relationships, supply chain and national presence to support the economic development goals of the City.

We believe in the future of Jacksonville. Jacksonville enjoys an extremely competitive position in the state due to many factors including its long-term economic development focus and forward-looking regional efforts, such as Elevate Northeast Florida. We understand that to be a good economic development partner for Jacksonville, we will need to have sufficient resources in place and are prepared to dedicate those necessary resources.

FPL will remain committed to continue active engagement with the City's Office of Economic Development and JAXUSA. We also remain committed to participating in trade and business development missions around the world with the critical aim of attracting jobs and investment to Florida. Finally, we will continue to ramp up our employee engagement and financial resources to support the important efforts that Jacksonville has made in economic development.

Economic Development Programs and Services

FPL's OED provides a variety of tools and support programs to enhance the competitiveness of the state of Florida and communities within the FPL service area. The programs below are intended to highlight the programs and resources which we can extend to the Jacksonville area.

- **PoweringFlorida® Resource Center**: The PoweringFlorida Resource Center is a one-of-a-kind data resource designed to give economic development organizations, as well as businesses and site location consultants, access to the best location and demographic data for the state of Florida, including Jacksonville. This comprehensive online research tool provides access to Economic Modeling Specialist International ("EMSI") comprehensive demographic and workforce data, Geographic Information Systems ("GIS") Planning application and IMPLAN economic impact information. Due to the comprehensive nature of the Resource Center and the various tools it offers, FPL provides training at no cost to ensure users can fully maximize the tools. Florida communities also use this resource to enhance their competitiveness by identifying economic advantages and research companies that might be targeted for a potential location or expansion in their region. FPL's OED is actively engaged with economic development partners in all counties surrounding Duval County and has the resources and infrastructure in place in the region to bring to Jacksonville.

- **Small Business Tool:** The PoweringFlorida.com website also provides a Small Business Tool that offers companies analytical tools to conduct business and industry analysis of the competition; advertising analysis to target future campaigns; business intelligence to understand competitors, customers and suppliers; and demographic analysis to assess the population living and working near the business. This resource is used statewide with businesses of all sizes and SCORE, the Small Business Development Center ("SBDC") and other small business support organizations use it with their clients. This tool serves as a great asset to the more than 26,000 small businesses in Jacksonville.
- **Sites and Buildings Database:** FPL's OED created the first-ever comprehensive database of available properties across the state of Florida. This online tool offers access to building and site information, as well as community profiles, for all 67 counties in the state. Through the tool, all Florida communities can list and market available property, which now has more than 12,835 listings throughout the state. The sites and buildings database is built on a GIS platform that offers visitors the opportunity to explore demographic, consumer spending and workforce data through map overlays of selected properties.
- **Lead Generation and Targeted Sectors:** FPL's OED is actively focused on sourcing leads for business development and expansion projects. Our lead generation efforts target certain sectors, which include businesses with large and/or sensitive electric loads, industrial users and advanced manufacturers, and businesses operating within segments of our supply chain. Our targeted sectors are well aligned with JAXUSA's targeted industries. As our leads are developed, FPL engages with local economic development organizations to help secure jobs and investment in Florida.
- **Data Center Program:** FPL has been a leader in enhancing and promoting Florida's advantages as a location for data centers. The data center effort began with the identification of data center sites that offer redundant power and the fiber infrastructure required for data center operations. With FPL's leadership and work with key elected officials, the Florida legislature has approved critical tax exemptions to increase the state's competitiveness. In 2017, the state eliminated sales and use tax for data centers, infrastructure, equipment, personal property and electricity. FPL continues to play a lead role in data center attraction and has secured a number of new companies in the state, including EdgeConnex, Equinix and Data Center Resources. With its fiber assets, industry mix, growing population and strategic location, Jacksonville is well-positioned for data center growth.
- **Incentives:** Incentives not only play a role in job creation and investment, but also provide an opportunity for economic development organizations to market Florida's

competitive business climate. FPL offers two incentive rates that are particularly important in attracting large power users to Florida.

- Economic Development Rider: The Economic Development Rider ("EDR"), created in 2011, is available to new or expanding businesses that add a minimum of 350 kilowatt ("kW") demand of new electric load and create a minimum of 25 new jobs per 350 kW demand of added load. This incentive provides declining discounts on the standard base energy and demand charges over four years. To encourage companies to move into vacant existing buildings, the discount is available in those instances for five years.
- Commercial Industrial Service Rider: The Commercial Industrial Service Rate ("CISR") is available to major power users in the FPL service area. Projects that meet the following criteria qualify to negotiate a rate under the CISR incentive: (a) A load of 2,000 kW or greater served by a single meter; (b) Documentation that project is competitive with opportunities for lower rates outside FPL territory; (c) CISR is for firm power only; load management or interruptible rates are not eligible.

- **Special Events/Capacity Building:** FPL works closely with economic development partners throughout Florida to ensure they have the tools and training needed to be effective. FPL created two programs to provide educational opportunities for professionals and community leaders who play important roles in community and economic development.
  - Illumination: PoweringFlorida®: Illumination connects economic development professionals with leading site selection consultants and corporate real estate executives, who provide insight and training on current key topics in economic development. The two-day events include panel discussions and presentations led by site selection thought leaders, as well as networking opportunities to allow local economic developers to strengthen critical relationships.
  - PoweringFlorida Seminars: These seminars provide training for elected officials, staff and volunteers of local and regional economic development organizations is offered. This training, which has been offered 17 times across the state with attendance estimated at around 700 per seminar since 2012, presents an overview of the site selection process and review corporate expectations for local leaders. Representatives of counties all across the state, including those outside the FPL service area, have participated in PoweringFlorida® seminars.
- **Program Support:** The FPL economic development team supports local economic development organizations by monitoring the latest trends that impact business locations. For instance, FPL maintains an inventory of sustainable assets in Florida for existing and new businesses.

IV. Employee Retention and Benefits

NextEra Energy's three corporate values underpin everything we do – we are committed to excellence; we do the right thing; and we treat people with respect. At NextEra Energy, we believe our team is our greatest competitive advantage. We value our employees' continuous learning and development, health and well-being, and encourage a culture where innovative ideas are shared and diversity and inclusion are celebrated. As discussed earlier in this ITN, our employees are valuable contributors to our Project Momentum and Accelerate initiatives, through which they seek to identify new, creative and innovative ways to perform our work.

We are committed to recruiting, developing and retaining talent at all levels. A key part of that commitment is to attract and maintain a diverse and multi-generational workforce that can help us meet the continually evolving needs of our customers. When talented employees from varied backgrounds are engaged and contributing to our business success, we all benefit.

NextEra Energy also is proud of our ability to responsibly manage our relationships with unions, which represent approximately 26%[50] of our employees. We foster a relationship which balances employee welfare with our overall corporate goals and philosophy.

NextEra Energy's goal is to offer a competitive employment package for JEA employees. JEA's employees are extremely valuable to NextEra Energy, and their combined experience managing the utility system is critical to NextEra Energy's goal to maintain continuity of operations, retain system knowledge and preserve the existing work culture to the greatest extent possible.

We are financially able and committed toward achieving JEA's and the City's process objectives, which include:

- Protection of certain employee retirement benefits, currently estimated at $132.3 million based on preliminary actuarial estimates.
- Maintenance of substantially comparable employee compensation and benefits for three years.
- Fund retention payments to all full-time employees of 100% of current base compensation, estimated at $165 million.

It is not just our goal to create and offer a competitive employment package to JEA employees, but also to use our recent experience at Gulf Power to ensure we fully and effectively communicate the details of the employment packages to all employees.

Gulf Power

NextEra Energy gained valuable experience in developing and implementing an HR transition

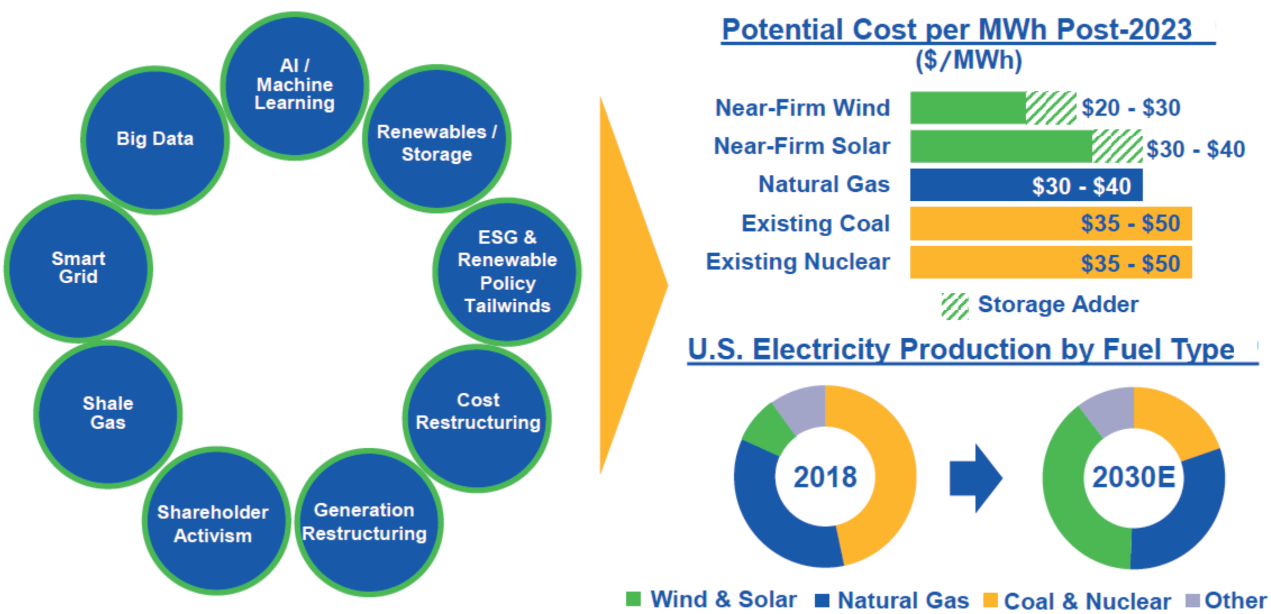
[50] Source: NextEra Energy. Includes Gulf Power.

plan through the Gulf Power acquisition and integration. During the integration process, we met with Gulf Power employees to review changes to the benefit plans they would be offered, and we traveled to central locations where employees could gather and ask questions of our benefits team. We provided regular written publications, including compensation and benefit FAQs and benefit brochures, so that employees could read information thoroughly and share with their families at home. The NextEra Energy HR team completed pre-boarding prior to the closing of the Gulf Power transaction for almost 90% of the Gulf Power employees. A “hyper-care” support system was set up, which included walk-up help desks for IT and HR during the first two weeks after the transaction close. We also provided roving teams of experts available at each site to answer employee questions on benefits, time collection and payroll.

V. Innovation Plan

Similar to other sectors, the utility sector is subject to technological advances and other events which “disrupt” the status quo business models. Customers seek better reliability and resiliency of utility delivery systems, while keeping customer bills as low as possible. Low-cost natural gas from unconventional shale developments, advancements in renewable energy technology and an investor focus on ESG initiatives have resulted in displacements of older and inefficient coal and oil technologies toward cleaner and modern gas and renewable generation sources. Renewable energy will likely become more cost competitive relative to coal and nuclear technologies after 2030, such that renewables share of U.S. energy production will grow significantly by 2030. Size and scale are increasingly more important to capture opportunities, as larger-sized utilities can benefit from the sharing of best practices, reduction in costs and, ultimately, lowering customer utility bills.

Disruptive Industry Changes[51,52]



At NextEra Energy, we utilize the latest technology to provide our customers with a full suite of energy-related services beyond just the delivery of rate-regulated electricity. We believe we can

[51] Represents projected cost per MWh for new build wind, solar and natural gas, excluding PTC per MWh operating cost including fuel for existing nuclear and coal; based on NextEra Energy internal estimates.

[52] Sources for U.S. Electricity By Fuel Type: for 2018, U.S. EIA; for 2030 estimate, National Renewable Energy Laboratory (“NREL”).

extend some of our innovative technologies to the JEA footprint and offer additional services to its customers.

Power Delivery / Smart Grid for the JEA T&D Infrastructure

At FPL we have taken forward-looking steps to make sure our grid is among the smartest and most reliable in the nation. We have made investments in the latest in industry technology, utilizing Automated Switches which allow our grid to self-heal, avoiding impacts to many of our customers when fault events occur on the system. FPL utilizes our Smart Meter network, as well as enhanced sensors installed across our lines which continually monitor the status of our system to collect the information we need to allow advanced analytical tools and Artificial Intelligence technology to help us in identifying potential disturbances. Using data collected in these ways, FPL has developed proprietary software which allows us to understand in real time the cause of many power outages as they occur, no longer waiting for customers to call in and report their issues and in some cases identifying impending failures before they occur.

One of the innovative ways we help monitor our grid is through the use of advanced aerial technology. Our legacy system to proactively look for impending failures was manual and required workers to perform assessments in areas which were at times inaccessible or dangerous due to traffic or environmental conditions. Leveraging Artificial Intelligence, Machine Learning and drones we have developed and patented new technologies and are automating and increasing the precision of identifying problem areas in our grid by using image change detections to understand potential fault conditions. In 2017 drone teams were deployed during Hurricane Irma, logging 122 flights and 465 flight hours. As we expanded this program, over 4,000 miles were flown in 2018, 7,000 hours so far in 2019, and we have now operated the first autonomous drone. We believe technologies like these will allow us to expand our real-time understanding of the power grid and allow us to counteract changing conditions that lead to power outages faster and more efficiently than ever before.

NextEra Analytics – Advanced Analytics for Renewable Energy Optimization in the JEA Service Area

Optimization of renewable generation assets, including the combination of solar generation and battery storage resources, is site and resource-specific. NextEra Analytics, a NEER subsidiary, optimizes renewable energy solutions for NEER customers to determine the ideal size and location of projects, as well as planning the best mix of wind, solar and energy storage to meet customer needs. NextEra Analytics also produces, and in many cases has patented, advanced analytics and numerical models that help customers manage energy generation, storage and dispatch. NEER is also well-positioned for the next phase of renewables deployment that pairs low-cost wind and solar energy with a low-cost battery storage solution to meet customer needs for firm generation.

FPL Energy Services ("FPLES") – Incremental Revenue Channels for JEA Footprint

FPLES was created more than 30 years ago to create and operate offerings beyond electricity generation and distribution for government, commercial / industrial and residential customers. These offerings are easily transferrable to other NextEra Energy companies. As an example, the below offerings are (or will be) introduced to Gulf Power customers less than a year after acquisition.

- For government customers, our full-service Energy Services Company ("ESCO") offering enables us to deliver energy conservation measures (lighting, cooling/heating, water, gas, etc.) to government buildings, with the savings of the projects paying for the cost of system upgrades.
- For commercial / industrial customers, we offer LED lighting, natural gas and on site back-up generation.
- For residential customers, we offer in-home heating, ventilation and air conditioning ("HVAC") services.

Commitment to Renewable Energy

Solar and battery storage are important components of FPL's goal to delivery clean and low cost electricity to our customers. As part of the NextEra Energy family of companies, we expect to provide similar commitments to JEA customers. Many of our sites for our "30 by 30" solar initiative are located in close proximity, which uniquely positions us to extend the benefits of clean carbon free solar to JEA customers at affordable rates.

Our SolarTogether community solar program offers a compelling value proposition for customers considering behind-the-meter rooftop solar systems, which include:

- Voluntary.
- No upfront cost or long-term contract.
- Customer does not have to own a roof (apartment or condominium).
- Through bill credits, SolarTogether customers are projected to receive a simple payback of their investment in 5-7 years, relative to 12-14 years for rooftop solar systems.
- No risk to the customer's property from on-site systems.
- Customer subscription is transferrable to another location within FPL service area.

VI. Environmental Social and Governance

NextEra Energy is deeply committed to respecting our environment, providing value for our customers, sustaining our communities, focusing on continuous improvement and innovation, investing in our team and growing shareholder value. At NextEra Energy, we firmly believe that we have an unprecedented opportunity to shape how energy is produced and delivered for generations to come. By investing in smart infrastructure and innovative clean energy solutions, we are helping build a sustainable energy future that is affordable, efficient and clean, while at the same time creating tens of thousands of good paying jobs and generating economic benefits for the communities we serve.

On June 17, 2019, NextEra Energy announced plans to further expand our commitment to the environment through setting a new goal to continue reducing our CO2 emissions. This self-imposed goal underscores our deep commitment to environmental protection and stewardship, one of the key areas of our company's sustainability efforts. For decades, NextEra Energy has reduced emissions through the development of renewable energy and modernization of its generation fleet. The company's new goal is to reduce our CO2 emissions rate by 67% by 2025, from a 2005 baseline level, which equates to a nearly 40% reduction in absolute CO2 emissions, despite our total expected electricity production almost doubling over that time. To put this into perspective, if all of the nation's utilities were able to achieve NextEra Energy's projected 2025 emissions rate, absolute CO2 emissions for the power sector would be approximately 75% lower than they were in 2005 and the United States would meet or exceed the goals set out in the Paris Climate Accord. NextEra Energy expects to periodically update our CO2 emissions goal as we continue to execute on our strategy of being a leading clean energy infrastructure company.

In addition, NextEra Energy publishes annually our sustainability report, which can be accessed at NextEraEnergy.com/Sustainability. The report includes performance-based data regarding NextEra Energy’s environmental and social activities in 2018, as well as highlights NextEra Energy’s leadership in renewable energy and battery storage, significant investments in infrastructure, reduction in greenhouse gas emissions, commitment to community, customer and employee support, and focus on innovation and continuous improvement.

The annual sustainability report includes metrics and stories in the following categories:

- **Respecting the environment**: NextEra Energy has one of the lowest emissions profiles of any electric company in North America. In 2018, NextEra Energy achieved its lowest-ever emissions rates of CO2, sulfur dioxide (“SO2”) and nitrogen oxide (“NOX”) – rates that were 96%, 81% and 55% lower than the U.S. electric sector averages, respectively.

  In addition, we are committed to being an industry leader in its protection and stewardship, including wildlife and habitat protection. We adhere to numerous policies and programs to protect threatened and endangered species. In addition to following all federal and state regulations, we make important contributions to protect a number of vulnerable species and habitat areas, which includes:

- Crocodile Management Program: FPL protects nesting areas, completes population surveys, conducts capture and spatial distribution surveys, and regulates plant activity at night and during nesting season.
- Sea Turtle Program: FPL is a longstanding partner and supporter of the Loggerhead Marinelife Center, which promotes conservation of ocean ecosystems with a focus on threatened and endangered sea turtles.
- Manatee Program: FPL has worked closely with regulatory agencies and environmental organizations for more than 30 years to ensure that manatees are protected, and our leadership role has been recognized by numerous environmental organizations worldwide.
- Everglades Mitigation Bank: 14,000-acre project located in southern Miami-Dade County with the goal of restoring the Everglades ecosystem to its natural condition.
- Avian and Bat Protection Programs: Since 2007, FPL has invested more than $125 million to proactively construct and retrofit more than 140,000 poles to make them more bird-friendly, reducing avian risk and improving service reliability to our customers.

- **Outstanding customer value**: NextEra Energy is committed to providing our customers with clean energy that is both affordable and reliable. Since 2001, our investments in infrastructure have saved customers over $10 billion by making our power plants more efficient and using less fuel to generate electricity.
- **Sustaining communities**: As part of our Power to Care volunteer program, NextEra employees contributed more than 85,000 hours in 2018 to their local communities through company-sponsored projects and personal volunteer time.
- **Investing in the team**: NextEra Energy employees spent more than 1.1 million hours in 2018 growing their skills, completing classroom, field and online courses throughout NextEra Energy University and other venues.
- **Growing shareholder value**: NextEra Energy has a long-term track record of delivering value to shareholders. Over the last 15 years, NextEra Energy has outperformed every one of the companies in the S&P 500 Utilities Index and 82% of the companies in the S&P 500.

In recognition of NextEra Energy’s leading ESG efforts, on June 17, 2019, NextEra Energy received a best-in-class preparedness assessment in S&P Global Ratings’ ESG Evaluation. NextEra Energy's final ESG Evaluation score, 86, is expected to be one of the highest rankings to be given by S&P Global Ratings to any corporate entity within the sector. The best-in-class preparedness assessment, which is anticipated to be applied by S&P Global Ratings only in rare circumstances, reflects NextEra Energy’s ability to identify long-term risks and develop and implement plans to mitigate these challenges into new opportunities, distinguishing us from our peers amid the disruptive forces facing the industry. S&P Global Ratings assessed NextEra’s preparedness for all of the company’s ESG factors as either good, strong or leading, the top three possible scores. The report specifically highlights NextEra Energy's clean generation profile, code and values, strong safety management program and leading customer engagement driven by low bills, high reliability and outstanding customer service.

The ESG Evaluation by S&P Global Ratings is a cross-sector, relative analysis of a company's ability to operate successfully both now and in the future. The resulting scores reflect an organization's sustainability efforts and can help investors better understand the company's strategy, purpose and management quality, especially in the increasingly important areas of environmental, social and governance.

S&P Global Ratings' ESG Evaluation of NextEra Energy can be found in Section 7.

A Fortune 200 company and included in the S&P 100 index, NextEra Energy has been recognized often by third parties for its efforts in sustainability, corporate responsibility, ethics and compliance, and diversity. Earlier this year, NextEra Energy was named No. 1 in its sector, the electric and gas utilities industry, on Fortune's list of "World's Most Admired Companies" for the 12th time in 13 years and, in 2018, was ranked by Fortune among the top 25 companies that "Change the World." NextEra Energy was also named by Forbes in 2019 as one of America's Best Employers, as well as recognized for the 12th time by Ethisphere Institute as one of its World's Most Ethical Companies, becoming one of only 14 current honorees in the world to achieve this prestigious honor 12 or more times.

VII. Community Stewardship

NextEra Energy has a long history of fostering strong ties in the communities in which we operate. Since the founding of our company in 1925, we've been passionate about our role in the communities we serve and how we can partner with those communities to make them even better places to work and raise families. That is why we are committed to:

- Living our corporate values of commitment to excellence, doing the right thing and treating people with respect.
- Caring about our customers.
- Volunteering our time and sharing our talents.
- Leading and partnering on science, technology, engineering and math ("STEM") education initiatives.
- Listening and engaging with our communities on issues of mutual concern.
- Giving to important community causes and organizations.

Focusing on Jacksonville

NextEra Energy is committed to supporting the growth of the Jacksonville-area community, and we will leverage our various resources – financial, people, talent, experience – toward that end. We already have a footprint in North Florida with a strong employee presence in Jacksonville and neighboring communities. We have been a long-standing member of the JAX Chamber, JAXUSA and the First Coast Manufacturers Association where our employees currently serve in leadership roles on respective boards and committees. Furthermore, we have already partnered with Jacksonville area organizations to support STEM education, veterans and the environment among other good causes, and we expect to quickly increase our involvement with Jacksonville community events and programs.

We would look forward to extending our robust giving, volunteering, community programs and community commitment to the City of Jacksonville. Such community programs will be similar in form to that we currently offer, which are described below.

Volunteerism

Through our Power to Care volunteer program, NextEra Energy employees and their families volunteer thousands of hours each year and make a difference in all of our communities. In 2018, employee volunteers contributed more than 85,000 hours through dozens of company-sponsored events, projects and personal volunteer time. In fact, more than 250 nonprofits have a NextEra Energy employee on their board.

Additionally, for more than a decade, NextEra Energy has hosted a company-wide Power to Care Week that annually brings more than 1,000 executives, employees and their families to participate in volunteer events to support our communities. During Power to Care Week in 2019, some of the positive impacts include:

- More than 10,000 pounds of tomatoes were gleaned and provided to a local food bank to be distributed.
- One hundred "We Care" packages were assembled and sent to U.S. soldiers deployed overseas.
- Seven homes were improved for neighbors in through partnerships with Habitat for Humanity.
- One thousand meals were packed for the Children's Hunger Project, ensuring students have meals over the weekend.
- Facility improvements, including painting and landscaping, at Palatka Environmental Education Center.
- More than 1,700 pounds of trash and debris were collected at beaches.

More than 250 employees earned a spot in the CEO Volunteer Circle in 2018 for volunteering 100 hours or more during the calendar year. Through the company's Dollars for Doers program, which awards grants in recognition of employee volunteer time, more than $187,000 in grants were distributed to nonprofit organizations in 2018.

Company and Employee Giving

In 2018, our company and our employees contributed more than $13.7 million to support wide-ranging initiatives and causes that contribute to the well-being of our communities, including more than $4.3 million from employees for the United Way and other nonprofit organizations to continue positively impacting their communities. We have received numerous awards and recognition for our overall giving and creative campaigns, including an executive karaoke contest fundraiser that raised hundreds of thousands of dollars for United Way.

NextEra Energy supports numerous charities across the communities we serve, including but not limited to Boys & Girls Clubs, Habitat for Humanity, YMCA, local food banks, zoos, Goodwill and homeless organizations. We listen to the community to help identify significant areas of need for which we can provide meaningful assistance.

Part of that overall giving is FPL’s Care to Share program, which helps those who need help to pay their utility bill. In addition to an annual $1 million donation from FPL, the program raises hundreds of thousands of dollars from employees and customers every year to financially assist those who need help to pay their utility bill. Since its inception in 1994, the Care to Share program has raised $25.4 million to help approximately 97,000 families.

Investing in Tomorrow’s Innovation Leaders

One of our most significant community commitments is the STEM education initiative that prepare students for good-paying jobs and provide the technical and interpersonal skills that are highly valued and needed for future success. We support programs for students and teachers at all grade levels. We also help coordinate volunteer opportunities for many of our employees who want to leverage their own skills to inspire the next generation of technology-savvy workers.

- We are launching partnerships with Girl Scouts and Urban League to help break down barriers by rewarding STEM career opportunities for girls and minorities.
- In partnership with several local school districts, we created cross-curriculum material about energy for 4th, 5th, 6th grades that follow state standards and will be available for free on an open source platform for the Fall 2019 for any school district or teacher.
- NextEra Energy has participated for several years in a "Teacher Externship Program" in which we have hosted several teachers each summer for paid, month-long positions in the company.
- We fund professional development grants through local education foundations and school districts to increase proficiency of STEM teachers.
- We donated 130 Solar Education Stations to schools and education centers.
- Approximately 52,000 grade school students each year enjoy our traveling school assembly show teaching energy efficiency and safety.
- We are prominently involved with science museums around our service area, interactive exhibits, education programs and events.
- Through our robotics program for our education philanthropy, we provide financial and/or mentor support to more than 140 robotics teams across Florida; partner with FIRST Robotics to be the presenting sponsor of the South Florida Regional Tournament; introduce and fund robotics programs with several afterschool organizations including a drone and robotics program for at-risk middle school students through After-School All-Stars; awarded in the 2016 FPL's inaugural Robotics Scholarship an outstanding student from the company's service area who has participated on a FIRST robotics team.

Community Events

Launched in 2016, FPL's Power to Save program offers assistance to customers through energy retrofits administered by FPL in selected neighborhoods. Qualifying customers who sign up for the program receive a free FPL energy survey of their home, tips on how to save energy and money, and services and program savings of up to $500.

For the last decade, FPL has conducted Nonprofit Energy Makeovers at charities around our service area. A team of FPL energy experts and local contractors help a nonprofit save money by making its building more energy efficient. We have performed energy upgrades for nonprofits all over the state including Epic Behavioral Health Care of St. Johns County and St. Gerard Campus in St. Augustine. Through this program, we're helping nonprofits across our service area save energy and money. These organizations re-channel those savings into their valuable programs. Every dollar a community partner can save on its energy bill is a dollar it can use to extend its services to the community.

NextEra Energy is very proud that 20% of our employees are veterans and has been recognized by the U.S. Department of Defense's Employer Support of the Guard and Reserve with the Above and Beyond Award. As such, our active VetNext employee resource group is highly engaged in the community with our Vets for Solar program, packing of care packages and donating to organizations that serve the needs of veterans.

VIII. Financial Stability

NextEra Energy is one of the largest electric power and infrastructure companies in North America with total assets in excess of $110 billion as of June 30, 2019, a market capitalization of approximately $110 billion and a total enterprise value of nearly $155 billion.[53] Since 2009, we have invested approximately $83 billion of capital in clean generation exhibiting one of the lowest emissions profiles, including wind and solar renewables generation, in transmission and distribution strengthening Florida's and the nation's electric grid and various other investments that are otherwise bolstering the country's energy infrastructure. In 2018, NextEra Energy invested approximately $12.2 billion of capital, making us the fifth largest investor of capital across all sectors in the U.S., maintaining our leading position as the largest producer of wind and solar energy in the world.

2018 Top 10 U.S. Capital Investors[54]

FPL has consistently shown a strong history of investing capital in the utility for the benefit of managing growth and improving our industry leading customer value proposition. In the past 10 years, FPL has deployed over $40 billion to modernize our generation fleet and harden our grid. Customers and the communities we serve have reaped the benefits of these investments through lower fuel costs, award-winning reliability, lower emissions and new revenues in the tax rolls. Despite such sizeable investment, there is no intent to slow down, with another $23-25 billion of investment planned in Florida through 2022. This same philosophy of investing in clean energy solutions and improving reliability is also evident at the recently acquired Gulf Power, where approximately $3 billion of capital will be deployed in the Florida Panhandle through 2022

[53] As of Oct. 3, 2019.
[54] NextEra Energy internal estimates based on publicly available information.

as well. This stands as a great testament to our commitment to invest both significantly and for the benefit of our customers.

To invest at a such a scale and to fund these ongoing investments requires ready, efficient and ample access to the capital markets in all market conditions. This capital market access is enabled by NextEra Energy's strong financial position. Our balance sheet is one of the strongest in the industry, and our long-term issuer credit ratings of A- / A- / Baa1 by S&P, Fitch and Moody's, respectively, the three leading credit rating agencies globally, reflect this strength and the discipline with which we allocate capital. We view our financial strength not only as a key component of our strategy, but also as critically important to our ability to continue investing in our business for the benefit of our customers. In fact, we have maintained ratings in the single-A category for more than 25 years. Similar to FPL and Gulf Power, as a member of the NextEra Energy family of companies, we believe JEA's customers would benefit from the access to the equity and debt capital markets which effectively reduce the cost of capital and ultimately contribute toward lower rates.

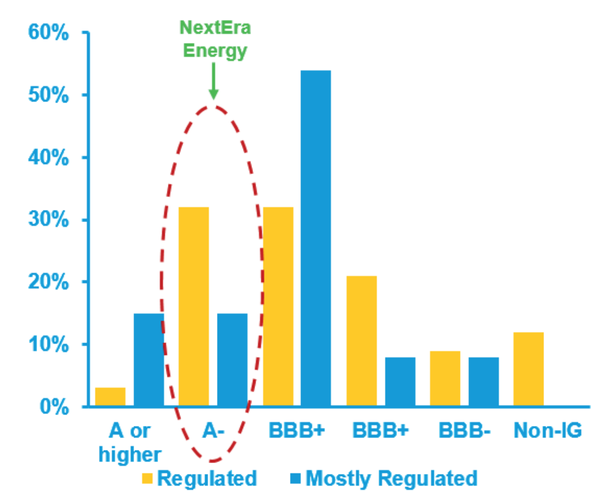
Included in Section 7 are recent reports from S&P, Fitch and Moody's.

Utility Credit Ratings Distribution

NextEra Energy Ratings[55]

	S&P	Moody's	Fitch
NextEra Energy			
Issuer Credit Rating	A-	Baa1	A-
Florida Power & Light			
Issuer Credit Rating	A-	A1	A
First Mortgage Bonds	A	Aa2	AA-
Commercial Paper	A-2	P-1	F1
Gulf Power			
Issuer Credit Rating	A-	A2	A-
Senior Unsecured	A-	A2	A
Commercial Paper	A-2		F2
Capital Holdings			
Issuer Credit Rating	A-	Baa1	A-
Sr. Unsec Debentures	BBB+	Baa1	A-
Commercial Paper	A-2	P-2	F2

Utility Credit Ratings[56]



To support our capital investments and other growth initiatives, NextEra Energy raised approximately $70 billion of capital since 2009 from a variety of sources, including the equity and debt capital markets, as well as from banks and other investors. We maintain one of the

55 All ratings have a stable outlook.
56 S&P Utility Credit Ratings Distribution – 2018 Q4; reflects PG&E downgrade to below investment grade 194 rating on 1/29/19.

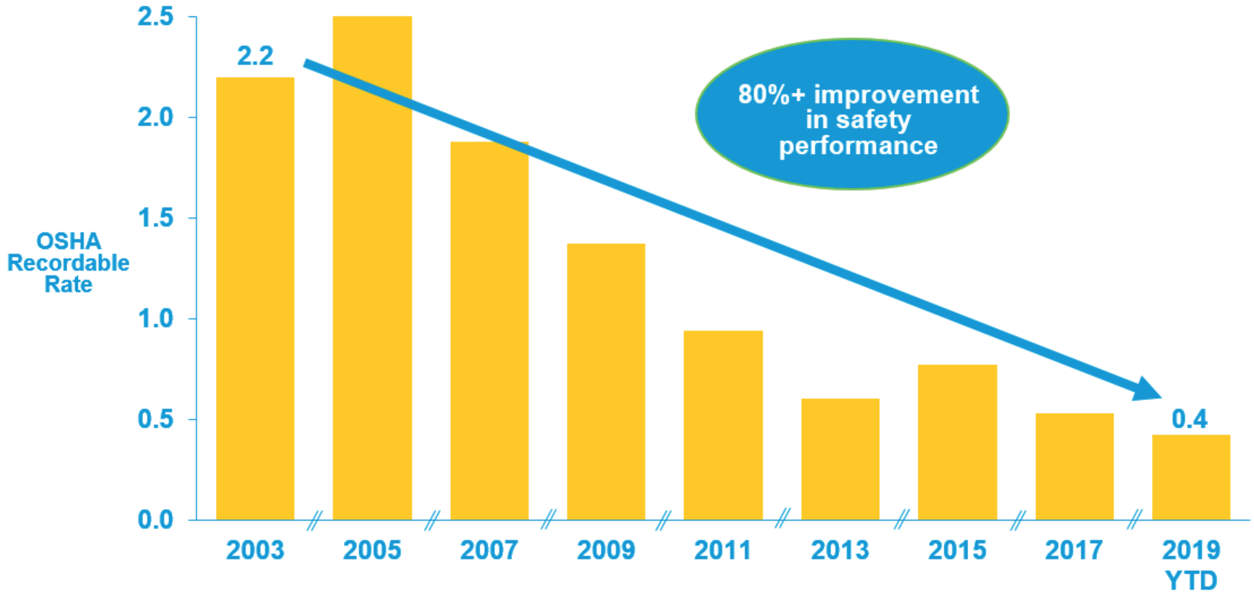
largest credit facilities in the industry, with approximately $13.3 billion of credit commitments from 66 banks. Our access to various forms of capital helps us fund large-scale acquisitions rather efficiently. For instance, for NextEra Energy's recent Gulf Power acquisition, we received loan agreements from four banks totaling $18 billion, which was four times the amount needed to fund the transaction. "Oversubscribed" loan commitments generally mean supply of capital exceeds demand, which tends to result in favorable terms for large issuers such as NextEra Energy. Further, NextEra Energy received indications of interest from an additional 12 banks for the Gulf Power transaction, totaling $32 billion of incremental funding, if needed.

To the extent needed, NextEra Energy has readily accessible funds available to us. As of June 30, 2019, NextEra's total net available liquidity (unrestricted cash and undrawn credit facilities) was more than $8.3 billion.

7. Additional Information

FPL Citrus Solar Energy and Battery Storage Center—DeSoto County, FL

NextEra Energy Commitment to Safety



Value Provided to FPL Customers

Category	Value / Performance
Low Typical Residential 1,000-kWh Bill	◆ FPL 2018 bill is 6% lower than 2008. ◆ ~30% lower than national average. ◆ ~17% lower than state average.
O&M and Fuel Cost Efficiency Deliver Customer Savings	◆ 2018 Non-fuel O&M per MWh is 62% below industry average. ◆ FPL's annual non-fuel O&M expense is more than $2 billion less than an average utility in the U.S. ◆ FPL's 2018 non-fuel O&M was 13% lower than its 2016 levels, when it was already at an industry-leading level. ◆ FPL expects additional savings through Project Accelerate. ◆ Retirement of inefficient generation facilities created ~$10 B of customer fuel savings from 2002-2018.
Low Emissions Profiles	◆ One of the lowest CO_2 profiles among major U.S. utilities. ◆ Complies with EPA's 2030 CPP today.
Superior Reliability / Storm Resistant	◆ Best reliability among Florida IOUs. ◆ 2018 ReliabilityOne™ Award for Outstanding Reliability Performance in the Southeastern U.S. (fifth consecutive year). ◆ FPL continues to invest in storm hardening and undergrounding projects. ◆ In 2018, EEI recognized FPL with its Emergency Assistance Award" for its contributions in restoring power to North Carolina following Hurricane Florence.
Industry-Leading Generation Performance	◆ Best-in-Class Performance for the last 10 years among large electric utility fossil fleets (in heat rate and non-fuel O&M). ◆ Best-in-Class or Top-Decile Performance for nine of the last 10 years in fossil fleet forced outage rate. ◆ Top-Decile Nuclear Fleet INPO index.
Outstanding Customer Service	◆ Various Awards and Recognition, Including: ✧ In 2019, FPL ranks 2nd among the South Region (Large Segment) for Customer Satisfaction for J.D. Power. ✧ Designated a "Customer Champion" in 2018 by Market Strategies International, a leading nationwide research firm. ✧ In 2018, FPL received the EEI's National Key Accounts Award for Outstanding Customer Service – Sustained Excellence.

NextEra Energy ESG and Credit Rating Agency Reports

S&P Global
Ratings

Environmental, Social, And Governance (ESG) Evaluation

NextEra Energy, Inc.

Executive Summary

NextEra Energy, Inc. (NextEra) is a large diversified energy holding company that primarily consists of regulated transmission, distribution, and generation utilities (about 70% of EBITDA), competitive generation (about 20% of EBITDA), proprietary trading (about 5% of EBITDA), and natural gas exploration and production (about 5% of EBITDA). Through its regulated utility subsidiaries the company provides electric services throughout most of Florida.

NextEra's best-in-class preparedness assessment speaks to its ability to identify disruptive forces its industry faces, such as climate change regulation and an aging workforce, and develop and implement plans to mitigate them and create opportunities. The company also has fostered an effective culture to contend with ESG-related risks. NextEra has significant exposure to environmental issues, most notably greenhouse gas (GHG) emissions. NextEra has been more proactive than peers in decarbonizing its fleet, but continues to face long-term challenges over nuclear waste.

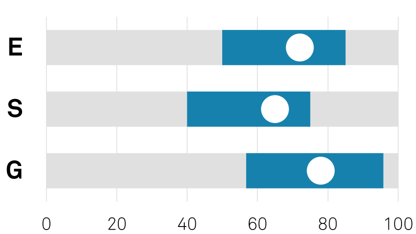
Maintaining effective relationships with customers and communities has generally had a positive impact on NextEra. The industry also faces other social risks, such as safety and an aging workforce, though NextEra has been more effective than sector peers in mitigating these issues.

The governance score benefits from the company's U.S. presence and stronger code and values than many American companies. We believe the combined CEO-chairman role is not in line with international best practices, but it's somewhat offset by a supportive structure and high board engagement on ESG issues.

Entity	NextEra Energy Inc.
Location (HQ)	U.S.
Primary Operation Location(s)	U.S.
Publication Date	June 17, 2019
Primary Contact	Gabe Grosberg gabe.grosberg @spglobal.com +1-212-438-6043
Secondary Contacts	Thomas Englerth thomas.englerth @spglobal.com +1-212-438-0341 Michael T Ferguson michael.ferguson @spglobal.com +1-212-438-7670

Profile Score

72/100



Company-specific attainable and actual scores

Preparedness Opinion

Best In Class

Awareness:	**Excellent**
Assessment:	**Good**
Action:	**Excellent**
Culture:	**Excellent**
Decision-making:	**Excellent**

ESG Evaluation

86/100

ESG 100 represents lower risk exposure

Component Scores

Environmental Performance		Social Performance		Governance Standards	
Sector/Region Risk Level	**35/50**	**Sector/Region Risk Level**	**25/50**	**Sector/Region Risk Level**	**31/35**
Greenhouse Gases	**Strong**	Workforce and Diversity	**Good**	Structure and Oversight	**Good**
Waste	**Good**	Safety Management	**Strong**	Code and Values	**Strong**
Water	**Strong**	Customer Engagement	**Leading**	Transparency and Reporting	**Strong**
Land Use	**Strong**	Communities	**Strong**	Cyberrisks and Systems	**Strong**
General Factors (optional)	**0**	General Factors (optional)	**None**	General Factors (optional)	**None**
E Profile (30%)	**72**	**S Profile (30%)**	**65**	**G Profile (40%)**	**78**

Note: Numbers may not add up due to rounding

ESG Profile **(incl. any adjustments)** **72/100**

Preparedness Summary

We view NextEra's preparedness as best in class, reflecting its ability to identify and assess long-term risks and take concrete actions to actively reduce them and develop new opportunities. Furthermore, the company's culture incentivizes high performance and innovation. The utility industry will continue to experience disruption as the result of climate change, energy transition, cyberrisks, and changing demographics and customer demands. We expect NextEra to continue effective strategic decision-making, which we believe will positively distinguish the company from peers amid industry disruption, and to continue aligning its strategy with ESG-related goals.

Preparedness Opinion **Best in Class**

ESG Evaluation

ESG Profile	**72/100**
Preparedness Opinion	**Best in Class (+14)**
Further Adjustment (if any)	**None (0)**

86/100

ESG Profile

72/100

Overview

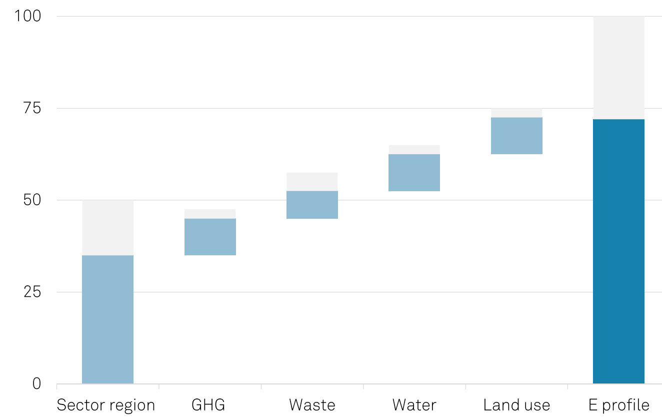
NextEra's environmental profile score of 72 reflects the sector's high exposure to environmental risks, but the company's generation fleet, about a quarter renewables and below 2% coal, compares positively to many peers with more fossil-based generation in terms of GHG and other airborne emissions. Water use practices also rank higher than the utility sector average because NextEra recycles about 99% of water used and sources about 80% of its water use from non-potable sources. Biodiversity risk associated with the company's wind assets is offset by preventative measures that minimize the negative impact on bats and birds. The company's exposure to nuclear operations is the key source of long-lasting waste, while rising sea levels expose the nuclear fleet to longer-term risks given their locations. Permanent disposal options are still being explored nationally. In the interim, nuclear waste is handled according to nuclear standards similar to peers.

NextEra 's social profile score of 65 incorporates our view of high customer satisfaction that's consistently better than peers driven by technological innovations, a high level of reliability, and lower customer bills than global sector peers. NextEra's strong safety management plan, technology, and its transition to renewables have helped it reduce safety incidents relative to peers, but the sector as a whole is generally more prone to accidents. Similarly, the overall industry shows limited diversity, but NextEra has been more proactive than peers in addressing this risk.

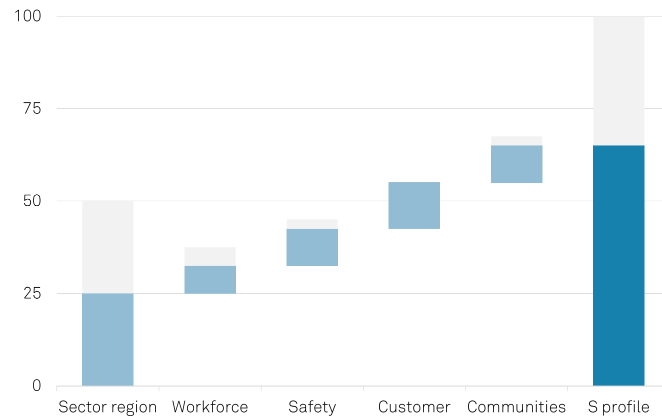
NextEra's governance score of 78 reflects our assessment of the board of directors as proficient, despite the long average tenure. The board of directors remains more active and engaged than peers by consistently reviewing risk management practices and findings with senior management. The company purposefully created the dual chairman of the board and CEO role to streamline the process of defining its strategy and implementing it. Associated risks are mitigated with strong checks and balances and board committee composition, including a rotating independent director with significant decision-making abilities. The company's remuneration structure is aligned with its long-term strategies; most of senior management's compensation is aligned with the company's long-term performance. While the company has an effective cybersecurity framework to protect its power networks and customer data, like other utilities, it is not immune from cyberthreats.

Component score (incl. weighted adjustments) | Potential score | Profile score

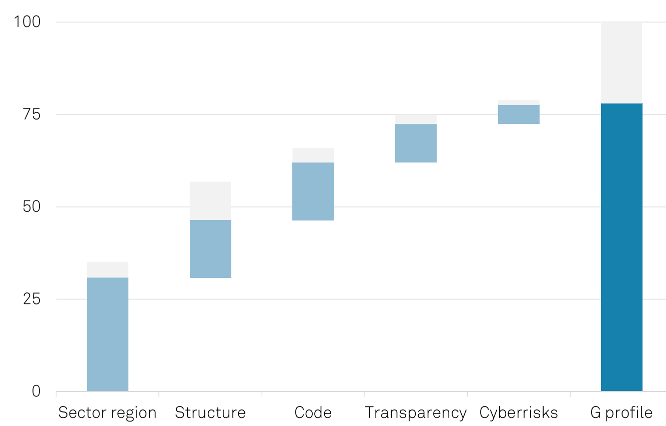
Environmental Profile (30%)



Social Profile (30%)



Governance Profile (40%)



Environmental Factor Analysis

Greenhouse Gas Emissions — Strong

- The company's scope 1 carbon dioxide (CO2)emissions rate is below the global sector average given about 50% of generation is sourced from renewables and nuclear. In addition, the bulk of NextEra's fossil-based generation uses natural gas, not coal.
- In 2018, NextEra set a goal to reduce carbon emissions 65% by 2021 compared to 2001 levels. As of 2018, it had reduced carbon emission rate by about 50% from 2001 levels.
- The company's growth strategy targets installing more than 30 million solar panels by 2030 in Florida alone, which will further increase the proportion of renewables generation at the company's regulated utilities.
- The company plans to transition a significant percentage of its coal-fired capacity (part of its recent Gulf Power acquisition) to less carbon-intensive sources in the near-term.

Waste — Good

- The company's waste score reflects pollution metrics that are substantially better than sector peers, but is somewhat offset by significant exposure to nuclear waste liabilities.
- From an air pollution perspective, in 2017, the company achieved its lowest-ever emissions rates of sulfur dioxide and nitrogen oxides as a result of its strategic transition away from coal to renewables and natural gas.
- We expect the company to continue to reduce its waste footprint. Measures already taken include banning the use of chlorinated solvents and hydrazine at Florida fossil facilities, minimizing the amount of oil-ash produced, and establishing a facility to recondition hardware.
- Because of its nuclear generation, the company has material exposure to unique risks associated with nuclear waste management, reflecting its long half-life and evolving long term storage options. However, this risk is somewhat mitigated because the company's waste management program is consistent with U.S. standards and there hasn't been a significant recorded nuclear waste incident.

Water — Strong

- The company's strong water score reflects a comparatively high level of water recycling and low exposure to water stress. Its increasing reliance on renewables instead of coal will continue to reduce the company's exposure to water-related risk, while its asset concentration in Florida is an advantage compared to peers in areas of higher water stress.
- About 80% of the water withdrawals are from seawater sources, which are non-potable and drought-proof, thereby limiting water stress exposure.
- In 2018, just over 99% of water withdrawn was ultimately returned to the original source, therefore limiting the company's water intensity rate, which it has been doing consistently.
- While most of NextEra's renewables portfolio is located outside Florida and in areas with generally higher water stress, these assets use negligible amounts of water compared with other forms of generation.

Land Use — Strong

- Land use is important for NextEra as it looks to expand its renewables portfolio. Typically, renewable projects can have a larger land footprint than other fuel types and often can require greenfield development, but are generally less intrusive to their surroundings.
- The company has very effective species and wildlife protection programs and partnerships that cover species like the American crocodile, whooping cranes, sea turtles, and manatees. These programs are important and effectively mitigate the company's significant exposure in Florida, a biodiversity hotspot.
- For solar development in Florida, the company first targets disturbed land near existing transmission, like citrus groves, that are no longer productive, for example due to disease.

General Factors (no numeric adjustment made)

⚠ NextEra has significant exposure to rising sea levels, particularly given the location of its nuclear reactors at Turkey Point on the Florida coast. We made no adjustment for this exposure because the sea defenses seem to mitigate the risk. We may adjust, however, if NextEra successfully extends its nuclear operating licenses beyond 2030 or if the current public controversy around Turkey Point grows to a point where it could hurt the company's brand or finances.

Social Factor Analysis

Workforce and Diversity — Good

- Though improving, NextEra's employee policies, relations, and workforce diversity are average for the sector. The company is focused on improving gender and ethnic diversity in its employment ranks, while improving the distribution of its age demographics to reduce its exposure to upcoming retirements and lost skills base. Previously the age demographics were more heavily skewed toward employees over 50; currently, about a third are in this age group. New hires are being trained to maintain the traditional skills still required.
- The utility workforce in general needs to adapt to new and emerging technologies that demand different skills. The company is actively improving the supply of candidates with all skills necessary to conduct its business (see Communities).

Safety Management — Strong

- Accident and fatality rates are better than global industry peers. The company's shift toward renewable energy reduces its exposure to safety risks in its generation operations. The company's safety policies are comprehensive and use external standards to set targets. NextEra conducts regular safety training for all staff including contractors.
- The company has a strong safety management program that has reduced its recordable Occupational Safety and Health Administration case incidence rate by over 60% over the past decade. Furthermore, the company's fatality rate is demonstrably lower than global peers. Over the past five years, the company experienced two fatalities that resulted from a single incident when a roadway collapsed.
- NextEra's growing investment in renewable energy reduces their operating safety exposure. In general, we believe that nuclear and fossil fuel-based generation have less safe working conditions compared with renewables.

Customer Engagement — Leading

- NextEra's comparatively low customer bills and high levels of reliability during normal weather conditions reduce regulatory risk, protect its customer base and supporting our view of its leading customer engagement compared to peers. The company has also improved customer engagement by operationalizing mobile phone-friendly outage reporting. Further supporting our view are the numerous industry awards NextEra has received.
- In our view, well-protected customer data (see Cyberrisk) mitigates potential future reputational risk. In addition, NextEra continues to use and develop predictive analysis algorithms to enhance its asset management systems and minimize unexpected service interruptions, further strengthening reliability metrics and customer satisfaction.
- The utility is exposed to significant hurricane risk, which can wreak havoc on customer relationships. However, over the past decade, NextEra has improved system resilience through material capital expenditures (over $3 billion since 2006) and significantly improved its post-hurricane restoration efforts as reported in North American Electric Reliability Corp.'s 2018 reliability report.

Communities — Strong

- NextEra is among the industry leaders in local community engagement and has generally positive community relations. The company has a community-centric mission of providing clean, reliable, and affordable power, as demonstrated by its low customer bills, high reliability rates, and significant capital investment in renewables.
- Similar to some of its larger utility peers, the company is very embedded in the communities it serves through investments in local education and training programs, monetary donations, donation-matching programs, and encouraging employees to dedicate work time to community service.
- NextEra has strong partnerships with universities and diversity initiatives in the communities it serves. This has allowed the company to effectively train and court recent graduates employees, more so than its industry peers.

General Factors (None)

- We have not made any adjustments to the social profile.

Governance Factor Analysis

Structure and Oversight — Good

- We view NextEra's governance structure and oversight as good compared with global best-practice standards. Some of the stronger features of NextEra's governance profile are offset by the combined role of CEO and chair and long tenure of many independent board members.
- The combined CEO and chairman role is suitably mitigated by an effective and rotating lead independent director position. While the board is nonexecutive, the long tenure of several members can make it challenging to remain independent.
- The board can exercise its oversight over management and has an open-door policy where any member of management can go directly to them without going through the CEO/chair. Additionally, all committees are led by and comprise nonexecutive directors.
- The board of directors is collectively effective in its responsibilities. This includes its diversified and relevant experiences and the requisite skillset to support the group's strategy. There has not been an unexpected board member departure in the past five years.

Code and Values — Strong

- We view NextEra's code and values as strong because environmental and social responsibility, together with integrity and diversity, are prominent values and purposes. The company has made public statements about its ethics and values and embeds environmental and social factors in its vision statement. The company demonstrates commitment to these values through established and repeatable working practices. Furthermore, the company provides training to all staff and suppliers on the code of conduct and publishes its core principles.
- NextEra demonstrates its core values by adhering to its high quality standards, driving continuous improvement, working safely, acting with integrity, leading respectfully, and developing inclusive teams. NextEra leverages its credentials in environmental and social responsibility to compete, which serves to reinforce its commitment to those values. The company's remuneration structure is aligned with its long-term strategies given most of senior management's compensation is in equity, which is tied to the company's long-term performance.
- In our view, the company's governance policies are more comprehensive and public than many peers in the industry. They cover anti-money laundering, bribery, fraud, whistleblowing, conflict of interest, political donations, cybersecurity, and audit practices.

Transparency and Reporting — Strong

- NextEra's transparency score is supported by the disclosure of a higher-than-average number of metrics among power companies, and voluntarily participates in Edison Electric Institute sustainability efforts. It still does not disclose scope 2 emissions, however, and withholds certain information on its generation business for competitive reasons.
- NextEra has a variety of interactive and detailed investor resources on its website, which supplement its mandatory SEC disclosures and filings, quarterly investor webcasts, and periodic shareholder presentations.
- NextEra tracks a variety of granular proprietary metrics internally for target-setting purposes and is conscientious about what it reports publicly, especially on its competitive businesses.

Cyberrisks and Systems — Strong

- In line with similar companies, NextEra has significant exposure to cyberattacks because of its high-profile name, possession of customer data, and its management of much of Florida's power grid. Based on its strong team and procedures, the exposure appears to be well mitigated, making net exposure to liabilities lower than average for power generators and network operators.
- The company has a cybersecurity framework and experts that protect its power networks and customer data from disruptions and attacks.
- The company works with world-class agencies within the U.S. to prevent cyber breaches.

General Factors (None)

- We have not made any adjustments to the governance profile.

Preparedness Opinion

Preparedness	Low	Emerging	Adequate	Strong	**Best in class**

Awareness	Developing	Good	**Excellent**
Assessment	Developing	**Good**	Excellent
Action	Developing	Good	**Excellent**
Culture	Developing	Good	**Excellent**
Decision-Making	Developing	Good	**Excellent**

Summary Opinion

We view NextEra's preparedness as best in class, reflecting its excellent awareness of long-term risks and opportunities, good assessment of the potential impact of its business, and excellent action planning to translate potential risks into opportunities. Furthermore, the high performance and innovative culture demonstrates excellent commitment to long-term sustainability. Finally, we assess the company's decision-making as excellent, reflecting its track record of decisions that have successfully reinforced strategic objectives.

Through companywide initiatives, NextEra has identified and implemented projects that are reducing its exposure to most of the key long-term risks it will face. The utility industry will continue to experience disruption as a result of climate change, energy transition, cyberrisks, and changing demographics and customer demands. We expect NextEra's effective and strategic decision-making to positively distinguish the company from peers in the face of these disruptive factors.

The board and senior management typically explore new technologies and strategies by making relatively small investments and learning from the outcomes--a technique it has employed for many years. For some of its strategic initiatives, the company may make incremental investments to ensure it retains strategic flexibility.

Preparedness Indicators

Awareness	Developing	Good	**Excellent**

We believe NextEra has excellent awareness because the board has shown it can identify long-term material disruptions and opportunities in developing its strategy. Independently, the board requires that management interact with risk and audit committees multiple times per year, and business unit heads are responsible for identifying exposure in their respective businesses, creating accountability. Risks are identified both from a bottom-up and top-down approach to ensure appropriate expertise on the topic, as well as alignment with the broader long-term strategy. For example, the company recognizes the potential risks and cost escalations associated with a carbon-intensive fleet and is mitigating these risks pre-emptively without any external pressure or incentives set by regulators in Florida. The company has systems to continuously monitor the internal and external environment to detect signals that could translate into emerging and strategic risks or opportunities.

Assessment	Developing	**Good**	Excellent

The company is good at self-assessing the potential impact of risks and opportunities on its operations and strategy because both management and the board separately and systematically assess them. Both are supported with assumptions and scenarios guided by internal and external expertise.

Management continuously quantifies the company's risks and opportunities. Though we have not seen details and assumptions, we understand that the company evaluates and reassesses risks through impact/probability matrices and results are discussed monthly. The board also conducts similar activities, using external consultants such as meteorologists, climate experts, and nuclear power experts to opine on a range of possible outcomes for each disruptor. For example, the company is constantly reassessing the impacts of rising sea levels given its coastal exposures by using data from third parties that are regularly updated.

Action	Developing	Good	Excellent

NextEra demonstrates excellent action planning and tries to align action plans with employees' day-to-day activities. NextEra management has emphasized that each of these action plans must be dynamic, practiced, and executable. To that end, there are drills and practices for risk scenarios such as disaster responses to cyberattacks and extreme weather, and resources dedicated to opportunity scenarios, like predictive algorithms. We believe that success in developing these scenarios and resulting action plans has tangibly facilitated rapid change management. The results of these analyses are escalated from business unit leaders to management and the board for review as part of their ongoing risk assessments.

After identifying climate change and potential emissions regulation as a material long-term risk, the company undertook concrete actions to reduce its exposure to these possible regulations and has capitalized on the opportunities it has identified related to climate change, including using an implicit carbon price in valuing assets. In addition, the company has an established track record of managing disruptions. For instance, after devastating hurricanes in 2004 and 2005, the company used the next decade to harden the system and improve regulatory outcomes, building the foundation for a predictable and transparent procedure for utilities to follow, which contrasts with the current situation surrounding wildfires in California.

Culture	Developing	Good	Excellent

We perceive NextEra's culture as excellent because the commitment to long-term sustainability through high performance and innovation is evident in company communications and in employee behavior at all levels from front line to senior management. The emphasis on innovation and performance coupled with the strong risk management practices leave NextEra well prepared to find opportunity in disruption. Each business unit leader and manager is tasked with leading by example and is responsible for developing a culture of innovation. Employees are also encouraged to come forward through various structures with new ideas big and small, many of which have ultimately been successfully implemented.

Through various annual competitions, employees present ideas to senior management and the winning ideas receive funding for their implementation. Ideas that have translated into business decisions include strategically placing sensors on the company's equipment to predict failing equipment, significantly reducing costs, and the use of 3D printing for small wind components at remote sites, reducing onsite inventory and lowering costs. The success of ideas implemented through this process demonstrates a culture of ingenuity and innovation that results in significant business improvement and cost efficiencies.

Decision-making	Developing	Good	Excellent

We view decision making at NextEra as excellent because the company shows a strong commitment to ESG-related goals. The company has approved significant capital expenditures toward executing its ESG strategy, with over 80% of the company's future capital spending allocated toward solar, wind, and storm hardening, which is consistent with mitigating the primary risks in this industry.

Another example is the company's decision to retire the Duane Arnold Energy Nuclear Plant in late 2020, five years sooner than the power purchase agreement (PPA) between NextEra Energy Resources and Alliant Energy. It is substituting that nuclear PPA for wind PPAs, which we believe insulates it, to a degree, from a major risk facing the industry.

At first glance, the recent acquisition of Gulf Power and its coal generation assets seems counterintuitive to our assertion that decision-making shows a commitment to sustainability; however we believe that NextEra has an ambitious strategy to decarbonize Gulf Power. The company is committed to gradually retiring coal assets at Gulf Power and specified its intention to replace some coal plants with renewables generation and less carbon-intensive sources in the early 2020's.

Climate-Related Financial Disclosure

TCFD Disclosure Alignment Assessment:	Not adopted	**Partially adopted**	Adopted

We assessed to what extent the company has adopted the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures' (TCFD's) recommendations. We do not opine on the quality of the company's disclosure or any climate change scenario assumptions, but rather comment on the number of disclosures made based on the TCFD's suggested disclosure list.

We believe that NextEra Energy has partially adopted some of TCFD's recommendations. The company does provide a high-level description of its governance framework and environmental risk management process, but in our view it is not as comprehensive as TCFD recommends in its guidance, nor is it climate-specific. NextEra's disclosure, for instance, does not address climate-related issues and opportunities or their potential financial impact within short, medium, and long-term time horizons. We also note that the company does not disclose any climate-related scenario analysis to illustrate the potential impact on its strategy. Nor does the company disclose the metrics it uses to assess climate-related risks, such as rising sea levels. The company does disclose scope 1 emissions (including historical performance against targets,) however, the linkage, if any, of those measures to remuneration is not public. NextEra does not currently disclose its own energy and water usage statistics completely in line with TCFD recommendations.

Governance	Strategy	Risk management	Metrics and targets
Description of the board's oversight of climate-related risks and opportunities.	Description of the climate-related risks and opportunities identified over the short, medium, and long term.	Description of the organization's processes for identifying and assessing climate-related risks.	Disclosure of metrics the organization uses to assess climate-related risks and opportunities in line with its strategy and risk management process.
Partially adopted	Partially adopted	Partially adopted	Not adopted
Description of management's role in assessing and managing climate-related risks and opportunities.	Description of the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Description of the organization's processes for managing climate-related risks.	Disclosure of scope 1, 2, and if appropriate, 3 GHG emissions and the related risks.
Partially adopted	Partially adopted	Not adopted	Partially adopted
	Description of the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Description of targets the organization uses to manage climate-related risks and opportunities and performance against targets.
	Not adopted	Partially adopted	Partially adopted

Sector/Region Risk

Primary sector	Electric utilities (excl. coal)
Primary operating region	U.S.

Sector Risk Summary

In our view, the electricity generation sector has high environmental risk exposure, while the network operations (transmission and distribution) have a much lower or moderate exposure. NextEra Energy, Inc. is an integrated utility, involved in both generation and transmission, so we have blended the sector risk exposure score based on the asset base resulting in a medium-level exposure.

Environmental exposure

Environmental risks include pollution, land usage, waste management, and contamination of nuclear sources. The transition toward cleaner power is being enacted globally. However, because renewable energy is intermittent and continues to rely on subsidies, further significant growth of renewable energy depends on better technology that will lower the cost of renewable energy and battery storage. Nuclear generation, despite its low carbon footprint, poses several threats from an environmental perspective when it comes to the future of long-term nuclear waste storage, from severe operational issues (reactor outages create production strains and would ultimately resort to switching to polluting thermal production) up to low probability major environmental and human catastrophes (Chernobyl, Fukushima). Natural gas is less environmentally harmful than coal, emitting about half the CO_2 of coal and making it a lower carbon footprint baseload option for power generation. Natural gas also benefits from policies aimed at increasing the share of intermittent renewable generation, and the gradual phasing out other energy sources such as coal and nuclear (in Europe). However, we believe that natural gas represents a bridge fuel to a low carbon future, and the duration of natural gas as a primary source to generate electricity will depend on the development of new energy storage technologies.

Social exposure

Social risks include safety and reliability, social cohesion, and consumer behavior. Power generators play a crucial role for communities because they provide essential energy that needs to stay affordable and reliable. This means they are vulnerable to local politics and, which could lead to strong opposition and arbitrary taxation. Utilities are generally socially intertwined with the local communities because they are usually a large local employer of unionized staff. Long-term consumer behavior will likely be increasingly influential in the energy transition away from polluting energy sources. Social risk for nuclear generators also includes proper nuclear waste management, including storage.

Sector/Region Risk

Regional Risk Summary

With robust institutions and rule-of-law standards, the U.S. demonstrates many strong characteristics but lags several other countries with respect to ESG regulations and social indicators. Income inequality is higher than in other Organiszation for Economic Co-operation and Development countries, but has been so for over a century. Social services are similarly less generous than in most wealthy countries. Governance is characterized by a very stable political system, strong rule of law, a powerful judiciary, and effective checks and balances. Conditions of doing business are generally high. The U.S. follows a rules-based approach to corporate governance, focused on mandatory compliance with requirements from the major exchanges (New York Stock Exchange [NYSE] and NASDAQ), as well as legislation. Exchanges requirements mandate high standards of corporate governance. The NYSE requires companies listing on its exchange to have boards made up of a majority of independent directors and have separate remuneration and nomination committees. However, establishment of formal requirements on ESG reporting are behind those of European countries. While a growing number of companies have an independent chair, the combination of CEO and chair roles is still popular, which can create issues regarding management oversight. Remuneration continues to be a contentious point, because U.S. executive pay dwarves global pay levels. The CEO-to-worker pay ratio is ever-increasing, leading to social tensions and shareholder criticism.

Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P) receives compensation for the provision of the S&P Global Ratings ESG Evaluation product, including the report (Product). S&P may also receive compensation for rating the entity covered by the Product or for rating transactions involving and/or securities issued by the entity covered by the Product.

The Product is not a credit rating. Our ESG Evaluation is a cross-sector, relative analysis of an entity's capacity to operate successfully in the future and is grounded in how ESG factors could affect stakeholders and potentially lead to a material direct or indirect financial impact on the entity. ESG factors typically assess the impact of the entity on the natural and social environment and the quality of its governance. Our definition of stakeholders for a particular entity goes beyond shareholders to include other groups as appropriate such as employees, the local community, government, regulators, customers, lenders, borrowers, policyholders, voters, members and suppliers. The Product is not a research report and is not intended as such.

S&P's credit ratings, opinions, analyses, rating acknowledgment decisions, any views reflected in the Product and the output of the Product are not investment advice, recommendations regarding credit decisions, recommendations to purchase, hold, or sell any securities or to make any investment decisions, an offer to buy or sell or the solicitation of an offer to buy or sell any security, endorsements of the suitability of any security, endorsements of the accuracy of any data or conclusions provided in the Product, or independent verification of any information relied upon in the credit rating process. The Product and any associated presentations do not take into account any user's financial objectives, financial situation, needs or means, and should not be relied upon by users for making any investment decisions. The output of the Product is not a substitute for a user's independent judgment and expertise. The output of the Product is not professional financial, tax or legal advice, and users should obtain independent, professional advice as it is determined necessary by users.

While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Product. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for reliance of use of information in the Product, or for the security or maintenance of any information transmitted via the Internet, or for the accuracy of the information in the Product. The Product is provided on an "AS IS" basis. S&P PARTIES MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDED BUT NOT LIMITED TO, THE ACCURACY, RESULTS, TIMLINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCT, OR FOR THE SECURITY OF THE WEBSITE FROM WHICH THE PRODUCT IS ACCESSED. S&P Parties have no responsibility to maintain or update the Product or to supply any corrections, updates or releases in connection therewith. S&P Parties have no liability for the accuracy, timeliness, reliability, performance, continued availability, completeness or delays, omissions, or interruptions in the delivery of the Product.

To the extent permitted by law, in no event shall the S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence, loss of data, cost of substitute materials, cost of capital, or claims of any third party) in connection with any use of the Product even if advised of the possibility of such damages.

S&P maintains a separation between commercial and analytic activities. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global
Ratings

RatingsDirect®

Research Update:

NextEra Energy Inc. Ratings Affirmed On Acquisition Of Gulf Power; Outlook Remains Stable

Primary Credit Analyst:
Gabe Grosberg, New York (1) 212-438-6043; gabe.grosberg@spglobal.com

Secondary Contact:
Rebecca Ai, New York + (212) 438-7278; rebecca.ai@spglobal.com

Table Of Contents

Research Update:

NextEra Energy Inc. Ratings Affirmed On Acquisition Of Gulf Power; Outlook Remains Stable

Rating Action Overview

- NextEra Energy Inc. (NEE) completed its debt-financed acquisition of Gulf Power Co., which increases the EBITDA contribution from its lower-risk regulated utility businesses.
- On Jan. 3, 2019, S&P Global Ratings affirmed its ratings on NEE, including the 'A-' issuer credit rating. The outlook is stable.
- At the same time, we revised our assessment of the company's business risk profile upward to the low end of the excellent business risk profile category. Previously, we assessed the business risk profile in the strong category.
- Our ratings on Gulf Power, including the 'A-' issuer credit rating and stable outlook, are unchanged.
- The stable rating outlook on NEE incorporates our view that the company will continue to reduce risk at its competitive businesses by strategically growing through contracted assets and that its regulated utility business will consistently reflect about 70% of consolidated EBITDA. Because of the fully debt-financed Gulf Power acquisition, we expect that consolidated financial measures will weaken and reflect funds from operations (FFO) to debt of 21%-24%.

Rating Action Rationale

Our affirmation of the ratings and stable outlook on NextEra reflects our expectations for a modest improvement in the business risk profile, offset by a modest weakening in financial measures. We expect that NextEra's EBITDA contribution from its lower-risk regulated utilities businesses will consistently reflect about 70% of consolidated EBITDA. This compares with our prior expectation that the regulated utility businesses would account for about two-thirds of consolidated EBITDA. Furthermore, we think that the company will continue to reduce the risks of its competitive businesses by growing through lower-risk, long-term contracted assets. Because of these improvements, we revised upward our assessment of the company's business risk profile to excellent from strong. However, we assess the company at the very low end of the range for this category, incorporating the company's other higher-risk businesses. These include nuclear merchant generation, proprietary trading, retail supply and wholesale full-requirements contracts, and natural gas exploration and production businesses. These activities account for more than 10% of consolidated EBITDA and have significant liquidity needs, low margins, and require diligent risk management and hedging against fluctuating commodity prices. To account for these risks, we assess the comparable ratings analysis modifier as negative.

We assess NextEra's financial measures using our medial volatility table because the majority of the company's operating cash flows are from its lower-risk regulated utilities and reflecting its generally effective management of regulatory risk in Florida.

We expect a weakening in NextEra's 2019 financial measures, in part due to the all debt-financed acquisition of Gulf Power. FFO to debt for year-end 2017 and for the rolling-12-months ended September 2018 was about 25% and we expect year-end 2018 to be about 28%. However, we expect NextEra's financial measures to weaken in 2019 reflecting the Gulf Power fully debt-financed acquisition, robust capital spending at more than $10 billion, and dividends of more than $2 billion. Specifically, we expect FFO to debt to weaken to 21%-24% and to remain at this level as NextEra continues to grow its core businesses.

We assess Gulf Power as a core subsidiary of NEE. This reflects our view that Gulf Power is highly unlikely to be sold, is integral to the overall group strategy, and has a strong long-term commitment from senior management. As a result, we assess the issuer credit rating on Gulf Power as in line with NEE's 'a-' group credit profile.

Outlook

The stable rating outlook incorporates our view that the company will remain focused on growing its regulated utility businesses and will continue to reduce risk at its competitive businesses by strategically growing through contracted assets. We expect NEE's regulated utility business will consistently reflect about 70% of consolidated EBITDA. Because of the fully debt-financed nature of the Gulf Power transaction, we expect that consolidated financial measures will weaken, reflecting FFO to debt at 21%-24%.

Downside scenario

We could lower the rating over the next 24 months if the company's effective management of regulatory risk weakens or if the lower-risk regulated utility businesses account for less than 70% of consolidated EBITDA. We could also lower the ratings if FFO to debt consistently weakens to below 21%. This could occur if the company unexpectedly increases debt leverage to support more aggressive growth, shareholder rewards, or another debt-financed large acquisition.

Upside scenario

We could raise the rating over the next 24 months if financial measures consistently reflect the middle of the range for the financial risk profile category, reflecting FFO to debt consistently greater than 26%. This could occur if the company reduces reliance on debt leverage or decides to finance a future large acquisition or capital project with mostly equity.

Company Description

NextEra is a very large company that primarily consists of lower-risk regulated utilities (about 70% of EBITDA), competitive generation (about 20% of EBITDA), proprietary trading (about 5% of EBITDA), and natural gas exploration and production (about 5% of EBITDA). The company's utilities serve more than 5.5 million customers primarily in the state of Florida and has more than 27,000 MW of electric generation of which about 70% is from natural gas. NextEra has continued to reduce the risks of its competitive generation by increasing its reliance on long-term contracted assets with high-quality credit counterparties.

Liquidity

NEE has adequate liquidity, in our view, and can more than cover its needs for the next 12 months even if EBITDA declines by 10%. We expect the company's liquidity sources over the next 12 months will exceed uses by more than 1.1x, the minimum threshold for this liquidity assessment under our criteria. Under our stress scenario, we do not expect the company to require access to the capital markets during that period to meet liquidity needs. In addition, NEE has sound relationships with banks and satisfactory standing in the credit markets. It could absorb a high-impact, low-probability event with limited need for refinancing.

Principal liquidity sources:

- FFO of about $7 billion;
- Credit facility availability of about $8 billion; and
- Cash on hand of about $500 million.

Principal liquidity uses:

- Long-term debt maturities of about $2.2 billion in 2019;
- Maintenance annual capital spending of about $8 billion; and,
- Annual dividends of more than $2 billion.

Issue Ratings - Subordination Risk Analysis

Capital structure

- NEE's capital structure consists of about $38 billion total debt of which about $13.7 billion is outstanding at NextEra Energy Capital Holdings Inc. (NEECH), about $13.3 billion is outstanding at FPL, about $7 billion of non-recourse debt is outstanding at project subsidiaries of NextEra Energy Resources LLC, and about $1.4 billion is outstanding at Gulf Power.

Analytical conclusions

- The hybrid equity units at NEE are rated two notches below the issuer credit rating, one notch for deferability and one notch for subordination.
- The unsecured debt at NEECH, guaranteed by NEE, is rated one notch below the issuer credit rating because it ranks behind significant debt issued by subsidiaries in the capital structure.
- Junior subordinated notes and hybrid equity units at NEECH are rated two notches below the issuer credit rating, one notch for deferability and one notch for subordination.
- Secured debt at FPL benefits from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral provides coverage of more than 1.5x, supporting a '1+' recovery rating and an issue-level rating one notch above the issuer credit rating.
- Unsecured debt at FPL is rated the same as the issuer credit rating because it is a qualifying investment-grade regulated utility.
- The commercial paper program at both NEECH and FPL is rated 'A-2', consistent with the issuer credit ratings.

Ratings Score Snapshot

Issuer Credit Rating: A-/Stable/--

Business risk: Excellent
- Country risk: Very low
- Industry risk: Low
- Competitive position: Excellent

Financial risk: Intermediate
- Cash flow/Leverage: Intermediate

Anchor: a

Modifiers
- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Financial policy: Neutral (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable ratings analysis: Negative (-1 notch)

Stand-alone credit profile: a-
- Group credit profile: a-

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Corporates - Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Ratings Affirmed

NextEra Energy Inc.	
Issuer Credit Rating	A-/Stable/--
Florida Power & Light Co.	
NextEra Energy Capital Holdings Inc.	
Issuer Credit Rating	A-/Stable/A-2
NextEra Energy Inc.	
Senior Unsecured	BBB
Florida Power & Light Co.	
Senior Secured	A
Recovery Rating	1+
Senior Unsecured	A-
Preferred Stock	BBB
Commercial Paper	A-2
NextEra Energy Capital Holdings Inc.	
Senior Unsecured	BBB+
Senior Unsecured	BBB
Junior Subordinated	BBB
Commercial Paper	A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
25 July 2019

Update

Rate this Research

RATINGS

NextEra Energy, Inc.

Domicile	Juno Beach, Florida, United States
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Jeffrey F. Cassella +1.212.553.1665
VP-Sr Credit Officer
jeffrey.cassella@moodys.com

Gidon Eydelnant +1.212.553.1775
Associate Analyst
gidon.eydelnant@moodys.com

Michael G. Haggarty +1.212.553.7172
Associate Managing Director
michael.haggarty@moodys.com

Jim Hempstead +1.212.553.4318
MD-Utilities
james.hempstead@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

NextEra Energy, Inc.

Update to credit analysis

Summary

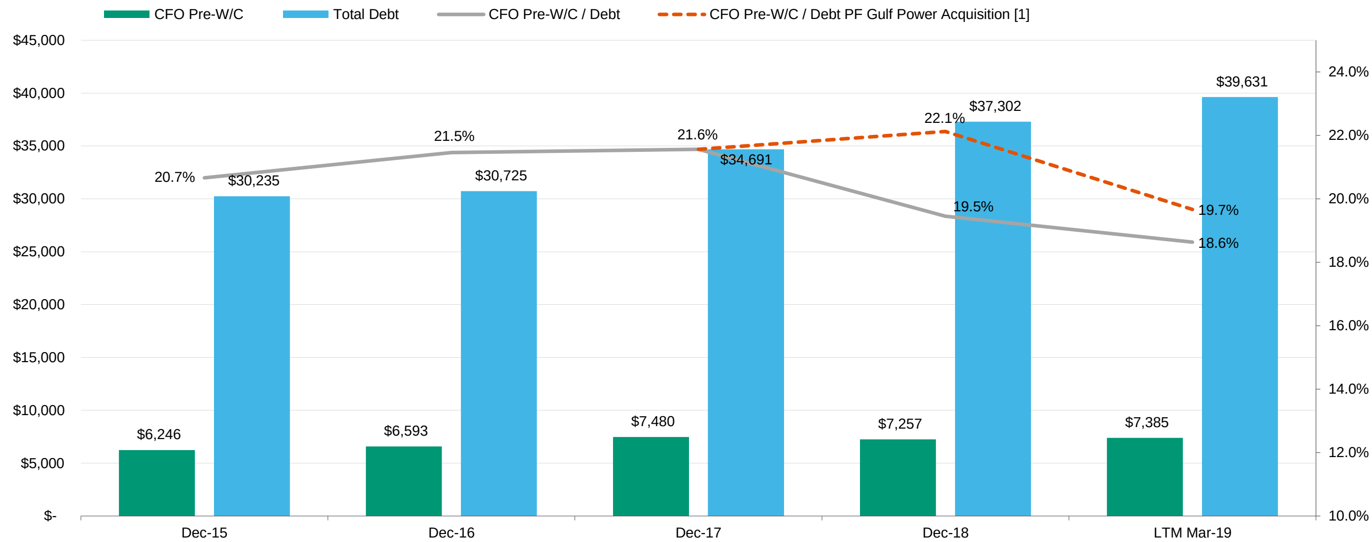
NextEra Energy, Inc.'s (NEE) credit profile reflects its industry-leading positions in the utility and renewable energy sectors as well as its stable financial profile. Its principal utility subsidiary, Florida Power and Light Company (FPL, A1 stable), is one of the largest and financially strongest regulated electric utilities in the US and accounts for about 68% of NEE's consolidated EBITDA. NEE's regulated businesses account for about 70% of NEE's consolidated EBITDA. The vast majority of NEE's remaining EBITDA is generated by NextEra Energy Resources LLC (NEER, unrated), which holds the largest private portfolio of renewable power projects in North America. NEER is the principal subsidiary of NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable on senior unsecured debt guaranteed by NEE), an intermediate holding company of NEE and the principal debt financing vehicle for NEE's non-Florida utility related businesses. NEER also owns a majority stake in NextEra Energy Partners, LP (NEP, Ba1 stable), a yieldco that acquires, manages and owns contracted clean energy projects and pipelines with stable long-term cash flows.

We expect NEE's consolidated ratio of cash from operations pre-working capital (CFO pre-W/C) to debt will continue to remain above 18%, its downgrade threshold. At the same time, NEE's credit is constrained by an elevated level of holding company debt, which is approximately 51% of consolidated debt, including the proportional consolidation of NEP's debt (roughly 44% of consolidated debt when allocating some parent debt to unlevered operating assets). NEE's holding company debt was driven higher with the recent acquisition of Gulf Power Company (A2 stable) on 1 January 2019.

Recent Developments

On 1 January 2019, NEE, through a wholly owned subsidiary, 700 Universe, LLC (unrated), completed the acquisition of Gulf Power from The Southern Company (Southern, Baa2 stable). NEE acquired Gulf Power for approximately $5.75 billion, which included $4.47 billion in cash plus the assumption of approximately $1.3 billion of Gulf Power debt. In order to finance the acquisition, NEECH borrowed $1.125 billion under each of four separate bilateral term loan agreements for a total of $4.5 billion. The term loans were fully repaid in April 2019 using proceeds from the issuance of debentures and junior subordinated notes as well as borrowings from additional variable rate term loan agreements.

Exhibit 1
Historical CFO Pre-W/C, Total Debt and ratio of CFO Pre-W/C to Debt ($ MM)



[1] 2018 excludes Gulf Power acquisition pre-funding and LTM Mar-19 is pro-forma for Gulf Power acquisition
Source: Moody's Financial Metrics

Credit strengths

» Large size and leading position in the utility and renewable energy sectors

» FPL's strong credit quality is the foundation of NEE's credit profile

» Continued focus on growing regulated assets strengthens business risk profile

» NEER, a leading player in the renewable energy sector, has a higher risk profile that is mitigated by long-term power contracts largely with investment grade counterparties

Credit challenges

» Holding company debt level is one of the highest within the sector, constraining the ratings of the corporate family

» Financial metrics are lower compared to recent years

» Large negative free cash flow of $6.8 billion at NEECH

» Aggressive acquisition appetite including expected pursuit of South Carolina Public Service Authority (Santee Cooper, A2 negative)

» Geographic concentration in Florida with risk of storms through ownership of FPL and Gulf Power

» Project execution risk remains at NEER as it continues investing heavily through an elevated construction cycle

Rating outlook

The stable rating outlook is based on our expectation that FPL and Gulf Power will continue to benefit from a highly credit supportive Florida regulatory environment, that NEE's renewable asset portfolio will maintain a steady performance, major construction projects will remain on time and within budget, and that the company will continue to have unfettered access to the capital markets. The stable outlook also reflects our expectation that any M&A activity, if executed, will be financed in a manner that maintains a financial profile that supports the current credit quality such that NEE's ratio of CFO pre-W/C to debt remains above 18% and CFO pre-W/C less dividends to debt remains in the low-teens range.

Factors that could lead to an upgrade

An upgrade is unlikely in the near future due to the high percentage of holding company debt, significant capital projects, and aggressive M&A appetite. Longer term, substantial debt reduction at NEECH such that the percentage of holding company debt is less than 25% and consolidated financial metrics improve such that NEE's ratio of CFO pre-W/C to Debt is sustained in the mid-20% range could put upwards rating pressure on NEE.

Factors that could lead to a downgrade

NEE's ratings could be downgraded if its ratio of CFO pre-W/C to debt declines below 18% for an extended period of time. The ratings could be downgraded if there is substantial regulatory contentiousness in Florida such that there is a delay in cost recovery at FPL or there are adverse tax or environmental policy developments that negatively impact NEECH. Downgrades could also result if NEE's business risk profile deteriorates, if holding company level debt is sustained above 50%, or if the dividend payout increased and is sustained above 70%. A downgrade of NEE and NEECH could lead to a downgrade of FPL, due to affiliation with a weaker parent.

Key indicators

Exhibit 2
NextEra Energy Inc. [1]

	Dec-15	Dec-16	Dec-17	Dec-18	LTM Mar-19
CFO Pre-W/C + Interest / Interest	5.8x	6.6x	5.6x	5.6x	4.6x
CFO Pre-W/C / Debt	20.7%	21.5%	21.6%	19.5%	18.6%
CFO Pre-W/C – Dividends / Debt	15.9%	15.9%	15.9%	13.5%	12.8%
Debt / Capitalization	47.6%	45.5%	49.3%	45.0%	46.0%

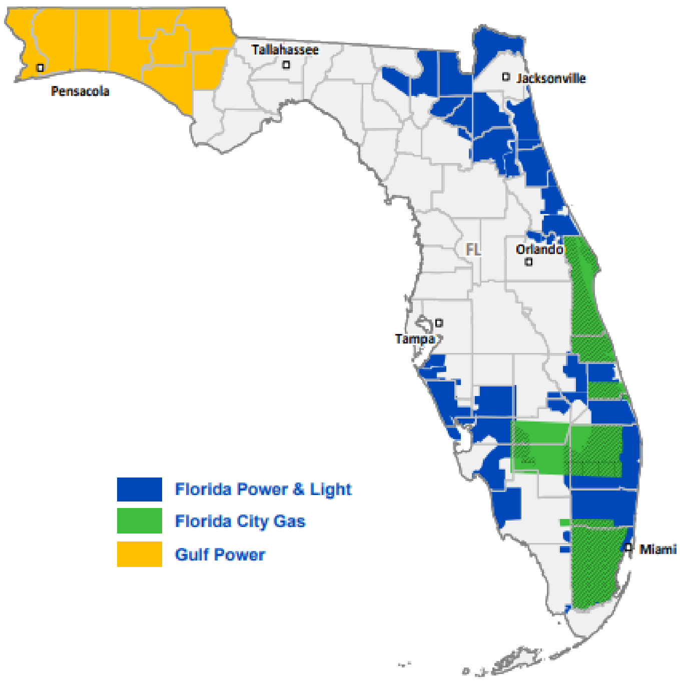
[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

Headquartered in Juno Beach, Florida, NextEra Energy, Inc. is one of the largest holding companies in our global regulated utility rated universe. NEE's principal operating utility, Florida Power & Light Company (FPL, A1 stable) is one of the largest vertically integrated regulated utilities in the US serving approximately 5 million customer accounts or an estimated 10 million people across nearly half of the state of Florida. FPL accounts for about 68% of NEE's consolidated EBITDA. NEE also owns Gulf Power Company (A2 stable), a small regulated vertically integrated electric utility in the panhandle of Florida. NEE is also the holding company of NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable), which is the principal debt financing vehicle for the non-FPL businesses and an intermediate holding company of NextEra Energy Resources (NEER, unrated). NEER is an intermediate holding company for NEE's independent power projects as well as ownership interests in natural gas pipelines, and through a subsidiary also has ownership interest in yieldco, NextEra Energy Partners, LP (NEP, Ba1 stable). NEECH's other subsidiaries include NextEra Energy Transmission (NEET, unrated), which holds FERC regulated electric transmission assets. NEE has no debt of its own but guarantees the debt that resides at NEECH.

Beginning January 2018, because of governance changes at NEP, NEP was deconsolidated from NEE's results on a US GAAP accounting basis. For more details about the credit considerations of NEP please refer to its Credit Opinion available on www.moodys.com.

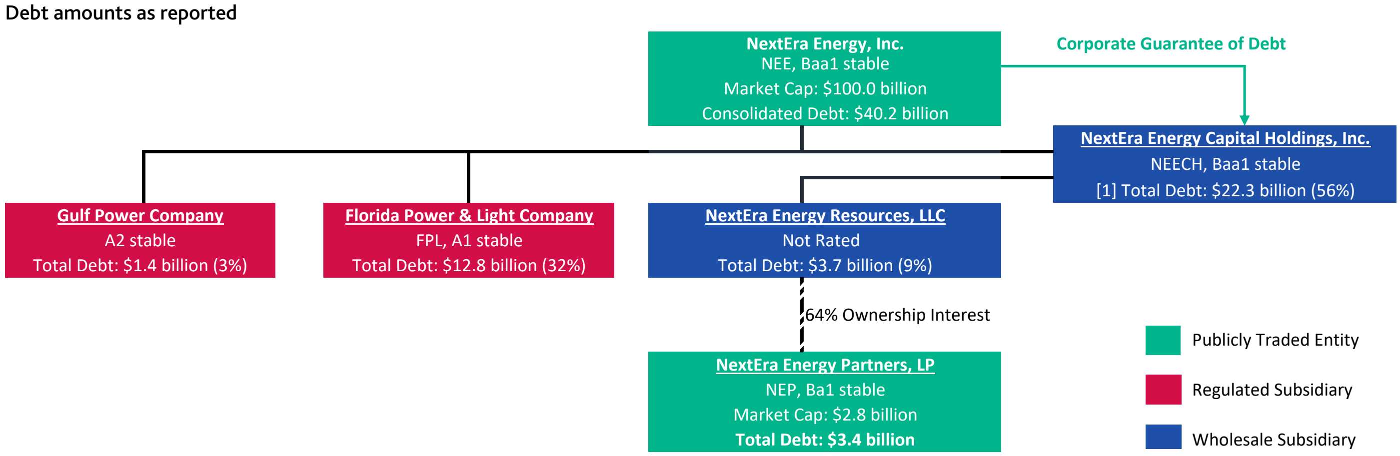
Exhibit 3
NEE's regulated utility service area map



Source: Company Presentations

Detailed credit considerations

Exhibit 4
Organizational Chart
Debt amounts as reported



[1] Includes Lone Star Transmission Debt
Note: As of 31 March 2019; Market Capitalizations as of 15 July 2019; NEE Consolidated Debt.
Source: Company Filings, Marketwatch

FPL'S STRONG CREDIT QUALITY IS THE FOUNDATION OF NEE'S CREDIT PROFILE

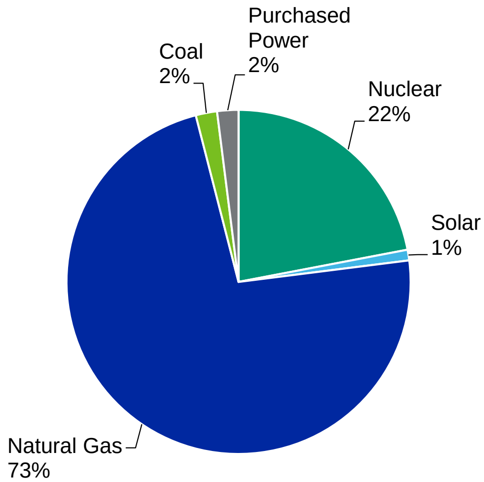
FPL is NEE's principal subsidiary and "crown jewel." FPL is one of the financially strongest regulated electric utilities in the US and forms the core foundation of NEE's credit quality. At the same time, FPL's geographic concentration in Florida exposes NEE to the state's economic cycles, weather events such as severe storms, and any significant changes to the political and regulatory environment. A rarity amongst US regulated electric utilities, FPL's growing service territory generates organic sales and load growth, as well as new investment opportunities that provide steady rate base growth with earnings and cash flow growth potential.

FPL has modernized its generation portfolio to be predominantly gas, a strategy which has lowered customer rates and minimized the environmental risks related to coal. FPL incorporated a strategy of buying coal plants with which it had above-market power purchase agreements, retiring those plants and replacing them with cleaner generation. FPL will eliminate its only remaining coal plant in Florida by the end of 2019, which is after the company shut down two coal plants in Jacksonville and Martin County, in 2016 and 2018, respectively. Additionally, FPL plans to continue increasing the fuel efficiency of its natural gas power plants.

As of 31 March 2019, approximately 3% of FPL's 27,000 megawatts (MW) of generation capacity was solar. In its 2019 10-year power plant site plan, FPL is projecting an additional 7,273 MW of solar power by the end of 2028, which equates to adding roughly 730 MW of solar per year. In its 2016 rate case settlement, FPL is allowed timely recovery of up to 300 MW annually of new solar generation from 2017 to 2020 through a Solar Base Rate Adjustment (SoBRA) mechanism. In early 2019, the company announced its plan to install more than 30 million solar panels by 2030, which could more than double its stated goal of over 4,000 MW.

Exhibit 5

FPL Generation fuel mix by MWh



As of December 31, 2018

Source: Company Filings

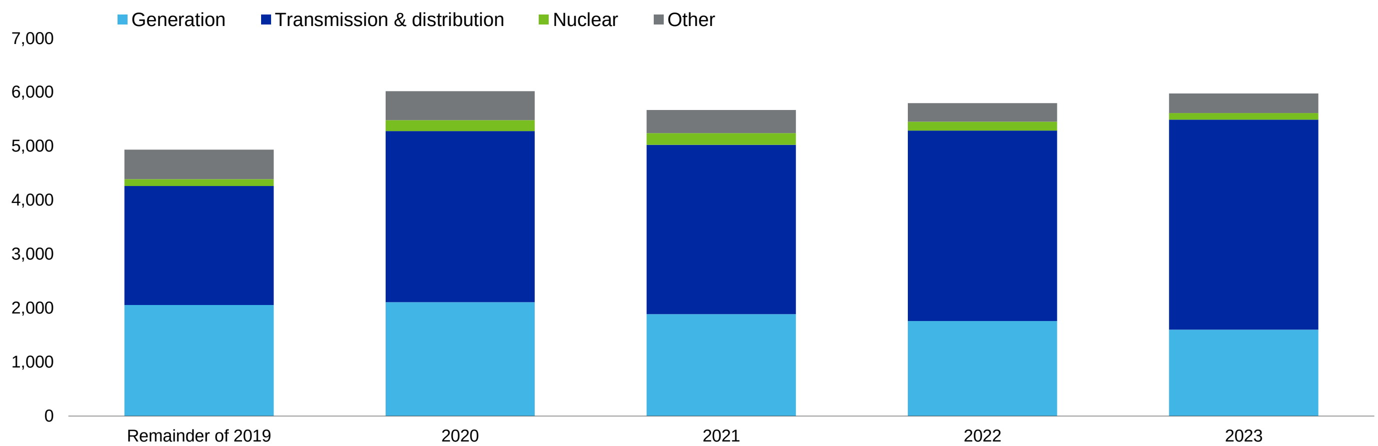
In November 2016, FPL's rate case settlement order demonstrated Florida's stable, credit supportive regulatory environment. The settlement became effective on 1 January 2017 and provided revenue visibility over its four-year term (a total of $811 million in rate increases) through 2020. The rate order included an allowed mid-point ROE of 10.55% with a range of 9.6% to 11.6% based on an equity ratio that FPL has consistently maintained at about 60%.

The 2016 rate settlement retained the cost recovery mechanisms that have allowed FPL to produce consistently above-average credit metrics. An example includes storm cost recovery provisions, which are important in Florida where hurricanes are prevalent. The new SoBRA mechanism was included in the settlement order, which provides FPL the ability to increase base rates on a timely basis without a rate case for the addition of new solar generation assets. This mechanism is similar to the Generation Base Rate Adjustment that allowed for FPL's three large gas plant modernization projects to be reflected in rates once they entered service.

Changes to the US tax law in December 2017 did not have a material impact on FPL's financial metrics. FPL used the federal tax savings arising from tax reform to offset approximately $1.3 billion of storm restoration costs resulting from Hurricane Irma in September 2017. FPL's latest rate case settlement agreement set parameters for base rates and storm surcharges from January 2017 through at least December 2020. In addition to avoiding a Hurricane Irma surcharge, in May the FPSC allowed FPL to use future federal tax savings to replenish its reserve amortization account, which was depleted from the Hurricane Irma storm costs. The FPSC also allowed FPL to keep the excess tax reform savings once the reserve account was replenished as long as the utility did not earn above its upper end of the range of 11.6% on its allowed ROE. Because of this decision, FPL may be able to file its next general rate case one year later than 2020, which was the date it originally intended.

In late June 2019, the governor of Florida signed into law Senate Bill 796, which requires investor-owned utilities (IOUs) to submit storm protection plans to the FPSC that detail how the IOUs will harden their grids and make them more resilient during extreme weather events like hurricanes. The new law is credit positive for the state's utilities, particularly FPL, given that it is the state's largest, because it allows it to grow rate base through increased investments and obtain timely recovery of these investments, all in an effort to ensure customer reliability. It is also a sign that Florida regulators support proactive management of physical risks arising from climate change, which is expected to cause storms to be more frequent and more powerful over the long term.

Exhibit 6
FPL's elevated capital expenditures will continue to grow rate base and cash flows
($ millions)



Source: Company Filings

HOLDING COMPANY LEVERAGE IS ONE OF THE HIGHEST WITHIN THE SECTOR, A CREDIT NEGATIVE

With the recent acquisition of Gulf Power at the beginning of 2019, we estimate NEE's holdco debt as a percentage of consolidated debt is currently about 51%, including the proportional consolidation of its ownership in NEP. Excluding NEP, NEE's holdco debt would be approximately 53% of consolidated debt. However, when allocating some parent debt to unlevered assets and excluding pre-funding of a bridge loan repayment, NEE's holdco debt percentage is roughly 44% of consolidated debt. We do expect modest reduction in holding company leverage by the end of the year when $1.5 billion of proceeds from an equity unit conversion in September 2019 is used to pay down debt. As a result, NEE's holding company debt is the highest it has been in recent years, and one of the highest within the regulated utility sector, and is a constraint on the credit quality of the corporate family.

On 1 January 2019, NEE completed the acquisition of Gulf Power from Southern for approximately $5.75 billion, which included $4.35 billion in cash plus the assumption of approximately $1.4 billion of Gulf Power debt. In order to finance the acquisition, NEECH temporarily borrowed $1.125 billion under each of four separate bilateral term loan agreements for a total of $4.5 billion. The term loans were fully repaid in April 2019 using proceeds from the issuance of debentures and junior subordinated notes as well as borrowings from additional variable rate term loan agreements.

The Gulf Power acquisition was the final and largest component of the transaction between NEE and Southern announced in May 2018, in which NEE was to acquire Gulf Power, Florida City Gas Company (unrated) and two contracted gas-fired merchant power plants in Florida for a total purchase price of $6.5 billion. The acquisition of Gulf Power, Florida City Gas and the contracted merchant power plants added modest business diversity to NEE in a credit supportive Florida regulatory environment where NEE already has a large presence in FPL. Although relatively modest, the acquisition is consistent with management's stated strategy to pursue rate regulated assets to add to NEE's regulated businesses and strengthen its business risk profile. At the same time, the announced leveraged transaction was priced at a relatively high multiple of about 13x historical EBITDA and increased leverage at the parent level via debt issued at NEECH, a credit negative.

NEER IS A LEADING PLAYER IN THE RENEWABLE ENERGY SECTOR WITH A HIGHER RISK PROFILE THAT IS MITIGATED THROUGH LONG TERM CONTRACTS

NEER, which accounts for about 25% of NEE's EBITDA, has increased the contracted portion of its large portfolio of renewable assets to approximately 77% in 2018 and expects to increase it up to 80% by 2022. At the same time, we expect NEE's regulated and contracted assets combined will account for 90% of adjusted EBITDA by 2020.

NEER has a large, diverse portfolio of generation assets, and is the largest owner of wind and solar generation in North America. Strong demand for renewable energy provides NEER with growth opportunities to sell renewable energy under long-term contracts, primarily to investment-grade utilities that are attracted to the declining prices of renewable power and seeking to satisfy environmental mandates as well as meet customer preferences. The long term revenue visibility from the contracted assets and the predominance of renewables, which typically entail little fuel risk or capital maintenance after construction, is in contrast to the typically higher risk associated with unregulated power companies that are exposed to merchant power sales and challenged coal and nuclear plants.

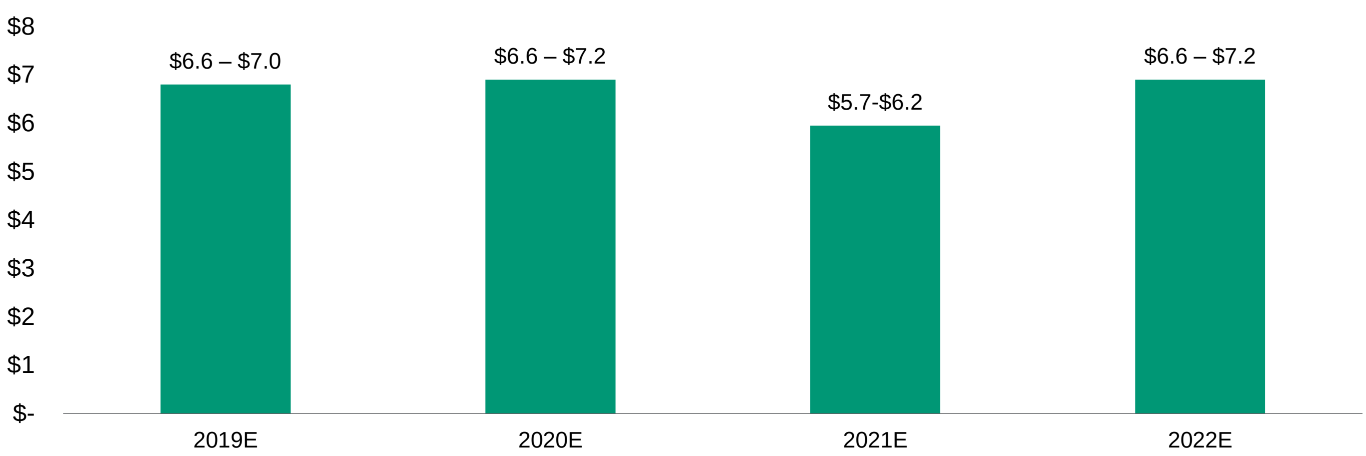
There is somewhat greater uncertainty longer term over environmental policy and supportiveness for renewables after the US exit from the Paris accords, the withdrawal of the Clean Power Plan, as well as changes related to tax reform. However, tax incentives for renewables remain in place for wind through 2023, while solar gradually declines to 10% by 2023 and remains at that level, which should continue to support growth for NEER over the near-term. With many utilities having met their near-term renewable portfolio standards, NEER is continuing its efforts to contract with large corporations to further diversify its customer base before utilities are expected to return to the market as major buyers in order to meet increasing renewable portfolio standards.

NEER's cash flow has risen from new generation capacity that has been added over the last several years. NEER generally manages the construction of renewable projects to make the most of the federal tax credits available. The company is in the midst of a large construction phase, including peak spending levels of about $6.8 billion in 2019, largely due to increased renewable investments. NEER has grown its renewable capacity from approximately 16 GW in 2016 to about 20 GW in 2018.

Gas pipelines and energy storage also contribute to the increase in NEER's capital investments. The company continues to make modest but growing investments in energy storage, which is not only an emerging technology growth area in the renewable sector, but it will also support further growth in wind and solar energy installations.

The $1.5 billion Sabal Trail and the related $500 million Florida Southeast Connection gas pipelines came on line in June of 2017, and the $4.6 billion Mountain Valley pipeline, of which NEE has 31% ownership, is due to go in-service in 2020, depending on receipt of state environmental approvals and a final permit from the Army Corps of Engineers. We note that the Mountain Valley pipeline continues to experience cost overruns and delays related to permitting. These pipelines are expected to generate stable cash flow under 20-year contracts and will help support NEE's credit metrics.

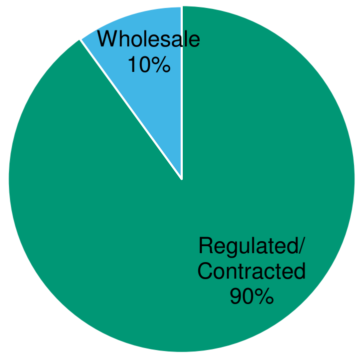
Exhibit 7
NEER projected annual capital expenditures
($ billions)



Source: Company Presentations

Exhibit 8

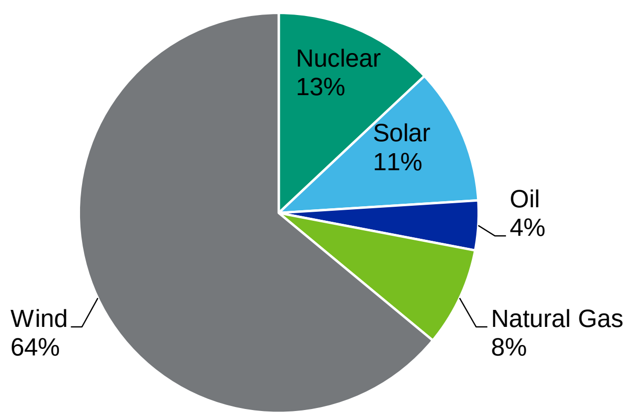
Moody's estimate of NextEra's business mix by adjusted EBITDA (pro forma for Gulf Power acquisition)



Regulated includes FPL, transmission assets and FERC pipelines.
Source: Company Presentations

Exhibit 9

NEER Generation fuel mix by MW
Includes NEP



As of December 31, 2018
Source: Company Filings

FINANCIAL PROFILE EXPECTED TO REMAIN STABLE

For the 12-months ended 31 March 2019, on a US GAAP reporting basis adjusted for Moody's standard adjustments, NEE's ratio of CFO pre-W/C to debt was 18.6% which is lower than its 3-year average ending the same period of 20.9%. Pro forma for the acquisition of Gulf Power, we estimate NEE's ratio of CFO pre-W/C to debt to be almost 20%. As mentioned previously, beginning in 2018, NEE deconsolidated NEP based on US GAAP accounting rules. When proportionally consolidating NEP based on NEE's 64% ownership interest, and pro forma for the recent acquisition of Gulf Power, we estimate that NEE's consolidated ratio of CFO pre-W/C to debt ratio is approximately 19%. Even with significant capital investments at NEER and FPL, we expect NEE's financial profile to remain steady including a ratio of CFO pre-W/C to debt above 18%.

We expect that NEE will manage its balance sheet in a manner that maintains its current financial profile and supports its credit quality. Historically, the company has sold assets (e.g., the January 2017 sale of its telecom subsidiary for $1.5 billion) and has issued equity to maintain a balanced capital structure. In addition, $1.5 billion of equity units sold in 2016 will convert to equity in 2019. NEE's financial metrics were not materially impacted by the December 2017 changes in tax legislation as we expect NEE's unregulated business to benefit from the lower tax rate and FPL was able to offset hurricane restoration costs with the federal tax savings.

NEE has a relatively high percentage of holding company debt compared to its peers, but this, along with the presence of a higher risk unregulated, albeit heavily contracted, business are incorporated in our credit analysis and reflected in the relatively wide differential between the credit quality of NEE and its principal utility subsidiary, FPL.

Liquidity analysis

NEE's corporate family of companies have sufficient liquidity, with FPL maintaining the strongest liquidity profile. NEECH's liquidity is somewhat constrained by its large capital investment program and the need to repay/refinance a substantial amount of maturing debt and provide for material contingent calls related to its hedging and marketing activities. However, NEECH has demonstrated an ability to manage its liquidity profile sufficiently, primarily through solid access to bank and debt capital markets.

For the last twelve months ended 31 March 2019, FPL's cash flow from operations was $5 billion compared to capital expenditures of $5.1 billion, largely driven by spending on transmission and distribution infrastructure, investments at its Okeechobee Clean Energy Center which went into service in March 2019, as well as solar generation investments. The shortfall in funding capital investments using internally generated cash flow was supplemented by short and long-term borrowings as well as capital contributions from its parent. Going forward, we expect FPL will fund its capital investments using internally generated cash flow and any shortfalls will be supplemented with debt borrowings and equity contributions from its parent in a balanced manner in order to maintain its targeted capital structure.

As of 31 March 2019, FPL had net available liquidity of about $3.6 billion, which included $3.9 billion of bank revolving line of credit facilities that also backstop its commercial paper (CP) program of which $396 million was outstanding. The utility had full availability on its $1 billion of bilateral revolving credit facilities and about $77 million of cash on-hand. Owing to its strong credit profile, FPL also maintains unfettered access to capital markets which typically allows the utility to easily refinance its debt maturities. Commitments under the core revolver are laddered, with the vast majority terminating in 2024. FPL's credit facilities do not contain a material adverse change clause on borrowings. The next debt maturity at FPL is $74 million of FPL Recovery Funding senior bonds maturing in August 2019.

NEECH's liquidity profile is impacted by its large capital investment program and the continuous development of power projects, which typically results in a negative free cash flow. It's negative free cash flow position has ranged from about $3 billion to almost $7 billion over the last five years. For the LTM March 2019, NEECH's cash flow from operations was $1.9 billion compared to capital expenditures of $6.8 billion and dividends of $1.7 billion. NEECH expects to finance the resulting negative free cash flow of about $6.8 billion through a combination of project finance debt, tax equity, recycling of capital through asset sales and long-term debt issuances at NEECH.

As of 31 March 2019, NEECH had $4.6 billion of net available liquidity, which included $842 million of cash and $6.6 billion of availability on its revolving credit facilities, net against about $2.8 billion of commercial paper borrowings. NEECH's almost $5.3 billion bank revolving line of credit facility backstops its CP program. As with FPL's core revolvers, the commitments are laddered, with the vast majority terminating in 2024. This facility does not contain a material adverse change clause on borrowings. NextEra's nearest debt maturity is $800 million of senior debt at the HoldCo that will mature in September 2019.

Rating methodology and scorecard factors

Rating Factors
NextEra Energy, Inc.

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 3/31/2019		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Baa	Baa	Baa	Baa
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Aa	Aa	Aa	Aa
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	5.8x	A	5.2x - 5.7x	A
b) CFO pre-WC / Debt (3 Year Avg)	20.9%	Baa	17% - 19%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	15.1%	Baa	11% - 14%	Baa
d) Debt / Capitalization (3 Year Avg)	44.9%	A	43% - 46%	A
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A3		A3
HoldCo Structural Subordination Notching	-2	-2	-2	-2
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned		(P)Baa1		(P)Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 3/31/2019(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 11

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-15	Dec-16	Dec-17	Dec-18	LTM Mar-19
As Adjusted					
FFO	**6,475**	**6,663**	**7,559**	**7,394**	**7,585**
+/- Other	(229)	(70)	(79)	(137)	(200)
CFO Pre-WC	**6,246**	**6,593**	**7,480**	**7,257**	**7,385**
+/- ΔWC	313	(388)	(857)	(693)	(566)
CFO	**6,559**	**6,205**	**6,623**	**6,564**	**6,819**
- Div	1,448	1,714	1,967	2,238	2,316
- Capex	8,256	9,501	10,621	12,880	11,768
FCF	**(3,145)**	**(5,010)**	**(5,965)**	**(8,554)**	**(7,265)**
(CFO Pre-W/C) / Debt	20.7%	21.5%	21.6%	19.5%	18.6%
(CFO Pre-W/C - Dividends) / Debt	15.9%	15.9%	15.9%	13.5%	12.8%
FFO / Debt	21.4%	21.7%	21.8%	19.8%	19.1%
RCF / Debt	16.6%	16.1%	16.1%	13.8%	13.3%
Revenue	17,486	16,155	17,173	16,727	16,945
Cost of Good Sold	5,410	4,113	4,071	3,732	3,880
Interest Expense	1,289	1,181	1,636	1,579	2,066
Net Income	2,490	2,512	4,789	3,103	2,303
Total Assets	82,358	89,858	97,849	103,584	108,911
Total Liabilities	59,462	65,121	69,203	68,982	74,055
Total Equity	22,896	24,737	28,646	34,602	34,856

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months
Source: Moody's Financial Metrics

Exhibit 12

Peer Comparison Table [1]

	NextEra Energy, Inc. (P)Baa1 Stable			Berkshire Hathaway Energy Company A3 Stable			Duke Energy Corporation Baa1 Stable			Sempra Energy Baa1 Negative			Dominion Energy, Inc. Baa2 Stable		
(in US millions)	FYE Dec-17	FYE Dec-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Mar-19	FYE Dec-17	FYE Dec-18	LTM Mar-19
Revenue	17,173	16,727	16,945	18,614	19,787	19,957	23,565	24,521	24,549	11,207	11,687	12,049	12,586	13,366	13,758
CFO Pre-W/C	7,480	7,257	7,385	6,729	6,531	6,530	8,018	7,907	8,046	3,608	3,336	3,244	4,655	5,158	5,246
Total Debt	34,691	37,302	39,631	41,967	41,363	41,580	54,169	57,787	59,672	21,331	27,280	26,322	38,825	36,852	44,033
CFO Pre-W/C / Debt	21.6%	19.5%	18.6%	16.0%	15.8%	15.7%	14.8%	13.7%	13.5%	16.9%	12.2%	12.3%	12.0%	14.0%	11.9%
CFO Pre-W/C – Dividends / Debt	15.9%	13.5%	12.8%	16.0%	15.8%	15.7%	10.3%	9.4%	9.3%	12.8%	8.5%	8.1%	6.9%	7.9%	6.4%
Debt / Capitalization	49.3%	45.0%	46.0%	53.4%	51.6%	51.4%	53.0%	52.9%	53.3%	54.7%	55.9%	54.7%	61.1%	56.7%	55.9%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade
Source: Moody's Financial Metrics

Ratings

Exhibit 13

Category	Moody's Rating
NEXTERA ENERGY, INC.	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured Shelf	(P)Baa1
Jr Subordinate Shelf	(P)Baa2
Pref. Shelf	(P)Baa3
NEXTERA ENERGY CAPITAL HOLDINGS, INC.	
Outlook	Stable
Bkd Senior Unsecured	Baa1
Bkd Jr Subordinate	Baa2
BACKED Pref. Shelf	(P)Baa3
Commercial Paper	P-2
FLORIDA POWER & LIGHT COMPANY	
Outlook	Stable
Issuer Rating	A1
First Mortgage Bonds	Aa2
Senior Secured	Aa2
Senior Unsecured	A1
Commercial Paper	P-1
Other Short Term	VMIG 1
NEXTERA ENERGY OPERATING PARTNERS, LP	
Outlook	Stable
Bkd Senior Unsecured	Ba1/LGD4
GULF POWER COMPANY	
Outlook	Stable
Issuer Rating	A2
Senior Unsecured	A2
Commercial Paper	P-1
NEXTERA ENERGY PARTNERS, LP	
Outlook	Stable
Corporate Family Rating	Ba1
Speculative Grade Liquidity	SGL-2

Source: Moody's Investors Service

REPORT NUMBER 1184480

Moody's
INVESTORS SERVICE

NextEra Energy, Inc. and NextEra Energy Capital Holdings, Inc.

Rating Type	Rating	Outlook	Last Rating Action
Long-Term IDR	A–	Stable	Affirmed 21 May 2018
Short-Term IDR	F2		Affirmed 21 May 2018
Senior Unsecured	A–		Affirmed 21 May 2018
Junior Subordinated Debt	BBB		Affirmed 21 May 2018
CP	F2		Affirmed 21 May 2018

Financial Summary

(USDm)	Dec 2014	Dec 2015	Dec 2016	Dec 2017
Gross Revenue	16,945	17,414	16,081	17,121
Operating EBITDAR	7,215	7,791	7,600	8,540
Cash Flow from Operations	5,445	6,058	6,273	7,845
Capital Intensity (Capex/Revenue) (%)	41.4	48.1	59.9	62.7
Total Adjusted Debt With Equity Credit	27,204	28,878	29,273	33,209
FFO Fixed-Charge Coverage (x)	5.9	6.5	6.2	6.6
FFO-Adjusted Leverage (x)	3.9	3.9	3.9	3.9
Total Adjusted Debt/Operating EBITDAR (x)	3.8	3.7	3.9	3.9

Source: Fitch Ratings, Fitch Solutions.

NextEra Energy Inc.'s (Nextera) continued shift from merchant businesses toward regulated investments and contracted nonregulated renewable assets is supportive of its credit profile. Driving the favorable shift in cash flow mix are significant base rate increases at Florida Power & Light Co. (FPL), planned investments in regulated solar generation projects, planned acquisition of Gulf Power Company, and the continued growth in contracted nonregulated solar and wind investments. On a fully consolidated basis, Fitch Ratings expects NextEra's adjusted debt/EBITDAR and FFO-adjusted leverage to be 3.6x–4.1x over 2018–2021. Fitch also expects FFO fixed-charge coverage to be between 5.5x and 6.0x over 2018–2021.

Key Rating Drivers

Continued Pivot to Regulated and Contracted Assets: NextEra's continued shift from merchant businesses toward regulated investments and contracted nonregulated renewable assets is supportive of its credit profile. Driving the favorable shift in cash flow mix are significant base rate increases at FPL, proposed acquisition of Gulf Power Company (A-/Stable) and recently closed acquisition of Florida City Gas, planned investments in regulated solar generation projects, and the continued growth in contracted, nonregulated solar and wind investments. The acquisition of Gulf Power and Florida City Gas extends NextEra's regulated presence in Florida, which Fitch regards as a favorable regulatory jurisdiction and where FPL has established a successful track record of securing constructive regulatory outcomes. Pro forma for the acquisition of Florida assets, regulated EBITDA increases to approximately 70% by 2020, from the prior 68% forecast by Fitch. Within the nonregulated businesses, management's emphasis remains on long-term contracted renewable generation, specifically solar and wind. The adjusted EBITDA contribution from both regulated and contracted businesses at NextEra was approximately 90% in 2017, and Fitch expects no material deviation from these levels over the next few years.

Growth of Renewables Portfolio: Fitch views positively the growth in NextEra's contracted renewable portfolio as it poses limited technology and construction risks while delivering a long stream of stable cash flows. NextEra expects to develop 4.9GW–8.0GW of wind and solar projects in 2017–2018, which includes repowering of the existing fleet of wind projects of 2.1GW–2.6GW. Against this target, the company has executed approximately 5.3GW of signed contracts as of June 30, 2018. The company has further outlined additional 5.2GW–8.5GW of wind and solar development opportunities, including 1.2GW–1.7GW of wind repowering, over 2019–2020. NextEra sees continued strong access to tax equity post tax reform and could gain market share at the expense of smaller developers.

Resilient Credit Metrics: On a fully consolidated basis and pro forma for the acquisition of Florida assets, Fitch expects NextEra's FFO-adjusted leverage to be 3.6x–4.1x and FFO fixed-charge coverage to be between 5.5x and 6.0x over 2018–2021.

Tax Reform Offsets Storm Cost Recovery: FPL plans to use tax reform benefits to offset the surcharge it had proposed to levy on customers to recover approximately $1.3 billion in Hurricane Irma restoration costs. FPL expensed the $1.3 billion Hurricane Irma restoration costs in fourth-quarter 2017 and used all available reserve amortization to offset the expense. FPL will replenish the depreciation reserve through tax savings. FPL will be able to further use tax reform benefits to extend rate certainty by up to two more years beyond 2020.

Rebound in Customer Growth at FPL: Florida's economy is recovering well, with most key indicators, such as housing starts, employment statistics and consumer sentiment, on an upward trend. Growth in customer accounts, which averaged 1.5%, 1.3% and 0.6% in 2015, 2016 and 2017, respectively, has offset weakness in underlying usage. During the first and second quarters of 2018, FPL experienced customer growth of 0.9% and underlying usage increased by 0.7% and 1.0%, respectively. Fitch's financial forecasts for FPL are based on a 0.5% cumulative annual growth rate in retail sales over 2018–2021.

High Capex: Fitch expects consolidated capex to be approximately $41 billion over 2018–2021. Fitch expects FPL to spend approximately $19.5 billion in capex from 2018–2021. The remaining capex will be spent primarily for nonregulated renewable businesses. At FPL, a significant portion will be spent on maintaining and upgrading existing infrastructure, including investments for storm hardening and grid reliability. The balance is earmarked for new generation capacity, which includes both natural gas combined cycle and utility scale solar generation, among other investments. Fitch expects FPL to finance its capex and dividend distribution in a balanced manner to maintain its regulatory capital structure.

Rating Derivation Relative to Peers

Rating Derivation Versus Peers	
Peer Comparison	NextEra compares favorably with its peer parent holding companies, Southern Company (BBB+/Negative), Sempra Energy (BBB+/Stable) and Dominion Energy (BBB+/Stable) given its ownership of a strong regulated utility in Florida, dominant position in contracted renewable business and superior credit metrics, offset by a smaller proportion of regulated utility operations in the overall business mix. NextEra's proportion of consolidated EBITDA generated from regulated utility subsidiaries will be approximately 70% once Gulf Power acquisition is complete. This proportion is less favorable compared to Southern (88%) and Sempra (80% pro forma for Cameron completion) but more favorable than that of Dominion (60%–65%). NextEra's forecast FFO-adjusted leverage metrics at 3.6x–4.1x are stronger than the projected metrics for Southern (4.75x–5.0x), Sempra (4.1x–4.6x) and Dominion (5.0x). All of NextEra's peers face project execution risk due to construction of large projects, albeit this risk has declined for Dominion as its Cove Point liquefied natural gas (LNG) facility has become operational. Compared to Dominion's Cove Point LNG project, Sempra's Cameron project has stronger offtakers but is experiencing delay. The project construction risk has diminished at Southern Company due to the cancellation of the Kemper IGCC project, but those related to Vogtle units 3 and 4 still remain. NextEra's ownership of NextEra Energy Partners L.P. (NEP) adds to complexity in organizational structure that Southern, Dominion (pro forma for the roll up of Dominion Midstream) and Sempra do not have.

Parent/Subsidiary Linkage	NextEra and FPL have moderate rating linkage, in Fitch's opinion. Hence, Fitch would generally limit the notching between the one to two notches. NextEra and NextEra Energy Capital Holdings' Issuer Default Ratings are the same due to strong legal rating linkages.
Country Ceiling	No Country Ceiling constraint was in effect for these ratings.
Operating Environment	No operating environment influence was in effect for these ratings.
Other Factors	Not applicable.

Source: Fitch Ratings.

Rating Sensitivities

Developments That May, Individually or Collectively, Lead to Positive Rating Action

- Positive rating actions for NextEra appear unlikely at this time.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

- Inability to achieve FFO-adjusted leverage of 4.0x–4.4x on a sustainable basis;
- Any deterioration in credit measures that result from higher use of leverage or outsized return of capital to shareholders;
- An aggressive acquisition or financial strategy at NEP, rising conflict of interest between NextEra and NEP, or predominantly shareholder focused use of proceeds from the sale of assets to NEP;
- A change in strategy to invest in noncontracted renewable/pipeline/electric transmission assets, more speculative assets, or a lower proportion of cash flow under long-term contracts;
- Any change in current regulatory policies at Florida Public Service Commission and/or any weakness in the current business climate in Florida;
- Changes in tax rules that reduce NextEra's ability to monetize its accumulated production tax credits, investment tax credits and accumulated tax losses carried forward.

Liquidity and Debt Structure

Strong Liquidity: Liquidity is robust, with $8.6 billion of net available liquidity as of June 30, 2018, excluding limited recourse or nonrecourse project financing arrangements. NextEra's ratings reflect the company's strong access to the capital markets, CP market and to banks for both corporate credit and project finance.

Debt Maturities and Liquidity at FYE

Liquidity Summary

(USD Mil.)	12/31/2017	6/30/2018
Total Cash & Cash Equivalents	1,714	478
Short-Term Investments	0	0
Less: Not Readily Available Cash and Cash Equivalents	0	0
Fitch-defined Readily Available Cash and Cash Equivalents	**1,714**	**478**
Availability under Committed Lines of Credit	8,366	8,164
Total Liquidity	**10,080**	**8,642**
LTM EBITDA	**8,540**	**8,254**
LTM FCF	**(4,740)**	**(4,087)**

Source: Fitch Ratings, Fitch Solutions, NextEra Energy Inc.

Scheduled Debt Maturities

(USD Mil.)	6/30/2018
Current Year	1,819
Plus 1 Year	1,596
Plus 2 Years	2,327
Plus 3 Years	2,756
Plus 4 Years	121
Thereafter	21,677
Total Long-Term Debt Maturities	**30,296**

Source: Fitch Ratings, Fitch Solutions, NextEra Energy Inc.

Key Rating Issues

The Issue	Significant growth in renewables		
Our View	The extension of renewable energy tax subsidies combined with technological and cost improvements are expected to drive significant growth in NextEra's renewables development program through to 2020. NEER, NextEra's nonregulated subsidiary, anticipates completing 4.9GW–8.0GW of additional renewable capacity in 2017–2018. This includes repowering of the existing fleet of wind projects of approximately 2.1GW–2.6GW. NEER expects to bring additional 5.2GW–8.5GW of renewable capacity online in 2019–2020.Wind projects continue to comprise a bulk of NEER's renewable growth over 2017–2020. Technological developments and falling costs of battery storage presents additional growth opportunities, since batteries can be paired with intermittent renewable sources to offer a firm product. Fitch views positively the expansion of this business line, as it poses limited technology and construction risks, while delivering a long stream of stable cash flows.		
Timeline:	Medium term	Rating Impact:	Positive

The Issue	Governance changes at NEP		
Our View	NextEra currently controls 100% of NEP's General Partner (GP) interest and approximately 65% of the Limited Partners (LP) interest. NextEra implemented certain corporate governance changes in August 2017 that have resulted in NextEra ceding control of NEP to the LP unit holders. Fitch views this as a positive development since it minimizes any potential conflict that can emerge with NextEra pursuing drop down of assets into NEP.		
Timeline:	Short to medium term	Rating Impact:	Positive

The Issue	Constructive 2016 rate order		
Our View	FPL secured a cumulative $811 million retail base rate increase over January 2017–December 2020, which includes a $200 million rate increase coinciding with the commercial operation date of the Okeechobee power plant (likely mid-2019). The rate increases are based on an authorized ROE of 10.55%, within a band of 9.6%–11.6%. In addition, FPL can implement base rate increases on investments associated with installation of up to 300MW of solar generation capacity annually over 2017–2020; the solar investments would be subject to a cost cap of $1,750/kW. The settlement also allows FPL to amortize up to $1 billion of depreciation reserve surplus and any excess depreciation reserve surplus remaining under the 2012 rate order to earn a regulatory ROE of 9.6%–11.6%.		
Timeline:	Medium term	Rating Impact:	Positive

The Issue	High capex at FPL		
Our View	FPL's capex has been high over the last few years, mostly driven by new generation additions. As part of its fleet modernization program, FPL constructed and placed into service the 1,210MW Cape Canaveral and 1,212MW Riviera Beach power plants in April 2013 and April 2014, respectively. The utility completed the modernization of its Port Everglades plant (1,240MW) in 2016. These projects have allowed FPL to lower its fuel and operating costs, improve the emissions profile of its fleet and keep customer bills low. FPL has also undertaken up rates at its nuclear facilities of St. Lucie and Turkey Point, which resulted in an incremental 522MW of capacity at these units. Through a generation base rate adjustment mechanism, FPL has been able to receive rate recovery of its modernization projects without filing for a rate case. The nuclear uprate costs are being recovered through the nuclear clause and base rates. Capex peaked in 2012 and has been moderating since, but is going to pick up again. Fitch expects FPL to spend approximately $19.5 billion in capex in 2018–2021.A significant part of that capex will be spent on transmission and distribution investments, including for storm hardening and grid reliability. The balance is earmarked for new generation capacity, which includes the Okeechobee Energy Center to be operational in 2019. FPL is also seeking regulatory approval for the modernization of Dania Beach Energy Center, to be operational by 2022. In addition, FPL has placed into service 600MW of new utility scale solar and is finalizing sites for additional 600MW of utility scale solar to be operational over 2019–2020. Fitch expects FPL to finance its capex and dividend distribution in a balanced manner so as to maintain its regulatory capital structure		
Timeline:	Short to medium term	Rating Impact:	Neutral

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer Include:

- Annual retail sales growth of 0.5% at FPL over 2018–2021;
- Rate increases for FPL under 2016 rate order and retention of tax savings;
- O&M and other expenses growth at FPL relatively flat from 2018 to 2021;
- Capex at FPL and Capital Holdings of approximately $41 billion over 2018–2021, split approximately 45/55 between the two businesses;
- Renewable projects growth toward the middle of management forecasts;
- Balanced funding mix at FPL and reliance on project debt and tax equity at Capital Holdings;
- Limited commodity exposure based on existing hedge position;
- Issuance of $5.1 billion of debt at Capital Holdings to finance the acquisition of Florida assets;
- At Gulf Power, sales growth of 0.5% over 2019–2021, capex of $300 million–$400 million a year and rate changes reflecting the 2017 and 2018 rate orders.

Financial Data

(USDm)	Historical			
	Dec 2014	Dec 2015	Dec 2016	Dec 2017
Summary Income Statement				
Gross Revenue	16,945	17,414	16,081	17,121
Revenue Growth (%)	12.8	2.8	-7.7	6.5
Operating EBITDA (Before Income from Associates)	7,215	7,791	7,600	8,540
Operating EBITDA Margin (%)	42.6	44.7	47.3	49.9
Operating EBITDAR	7,215	7,791	7,600	8,540
Operating EBITDAR Margin (%)	42.6	44.7	47.3	49.9
Operating EBIT	4,374	4,646	4,286	5,977
Operating EBIT Margin (%)	25.8	26.7	26.7	34.9
Gross Interest Expense	-1,368	-1,330	-1,275	-1,664
Pretax Income (Including Associate Income/Loss)	3,331	3,990	4,388	4,667
Summary Balance Sheet				
Readily Available Cash and Equivalents	577	571	1,292	1,714
Total Debt with Equity Credit	27,204	28,878	29,273	33,209
Total Adjusted Debt with Equity Credit	27,204	28,878	29,273	33,209
Net Debt	26,627	28,307	27,981	31,495
Summary Cash Flow Statement				
Operating EBITDA	7,215	7,791	7,600	8,540
Cash Interest Paid	-1,181	-1,143	-1,204	-1,298
Cash Tax	-46	-33	-91	-142
Dividends Received Less Dividends Paid to Minorities (Inflow/(Out)flow)	0	0	0	0
Other Items Before FFO	-170	-349	18	250
Funds Flow from Operations	5,818	6,266	6,323	7,350
FFO Margin (%)	34.3	36.0	39.3	42.9
Change in Working Capital	-373	-208	-50	495
Cash Flow from Operations (Fitch Defined)	5,445	6,058	6,273	7,845
Total Non-Operating/Nonrecurring Cash Flow	0	0	0	0
Capex	-7,017	-8,377	-9,636	-10,740
Capital Intensity (Capex/Revenue) %	41.4	48.1	59.9	62.7
Common Dividends	-1,261	-1,385	-1,612	-1,845
FCF	-2,833	-3,704	-4,975	-4,740
Net Acquisitions and Divestitures	0	0	658	1,632
Other Investing and Financing Cash Flow Items	606	195	2,422	-514
Net Debt Proceeds	755	1,444	2,079	3,441
Net Equity Proceeds	1,611	2,059	537	603
Total Change in Cash	139	-6	721	422
Calculations for Forecast Publication				
Capex, Dividends, Acquisitions and Other Items Before FCF	-8,278	-9,762	-10,590	-10,953
FCF After Acquisitions and Divestitures	-2,833	-3,704	-4,317	-3,108
FCF Margin (After Net Acquisitions) (%)	-16.7	-21.3	-26.8	-18.2
Coverage Ratios				
FFO Interest Coverage (x)	5.9	6.5	6.2	6.6
FFO Fixed Charge Coverage (x)	5.9	6.5	6.2	6.6
Operating EBITDAR/Interest Paid + Rents (x)	6.1	6.8	6.3	6.6
Operating EBITDA/Interest Paid (x)	6.1	6.8	6.3	6.6
Leverage Ratios				
Total Adjusted Debt/Operating EBITDAR (x)	3.8	3.7	3.9	3.9
Total Adjusted Net Debt/Operating EBITDAR (x)	3.7	3.6	3.7	3.7
Total Debt with Equity Credit/Operating EBITDA (x)	3.8	3.7	3.9	3.9
FFO-Adjusted Leverage (x)	3.9	3.9	3.9	3.9
FFO-Adjusted Net Leverage (x)	3.8	3.8	3.8	3.7

Source: Fitch Ratings, Fitch Solutions.

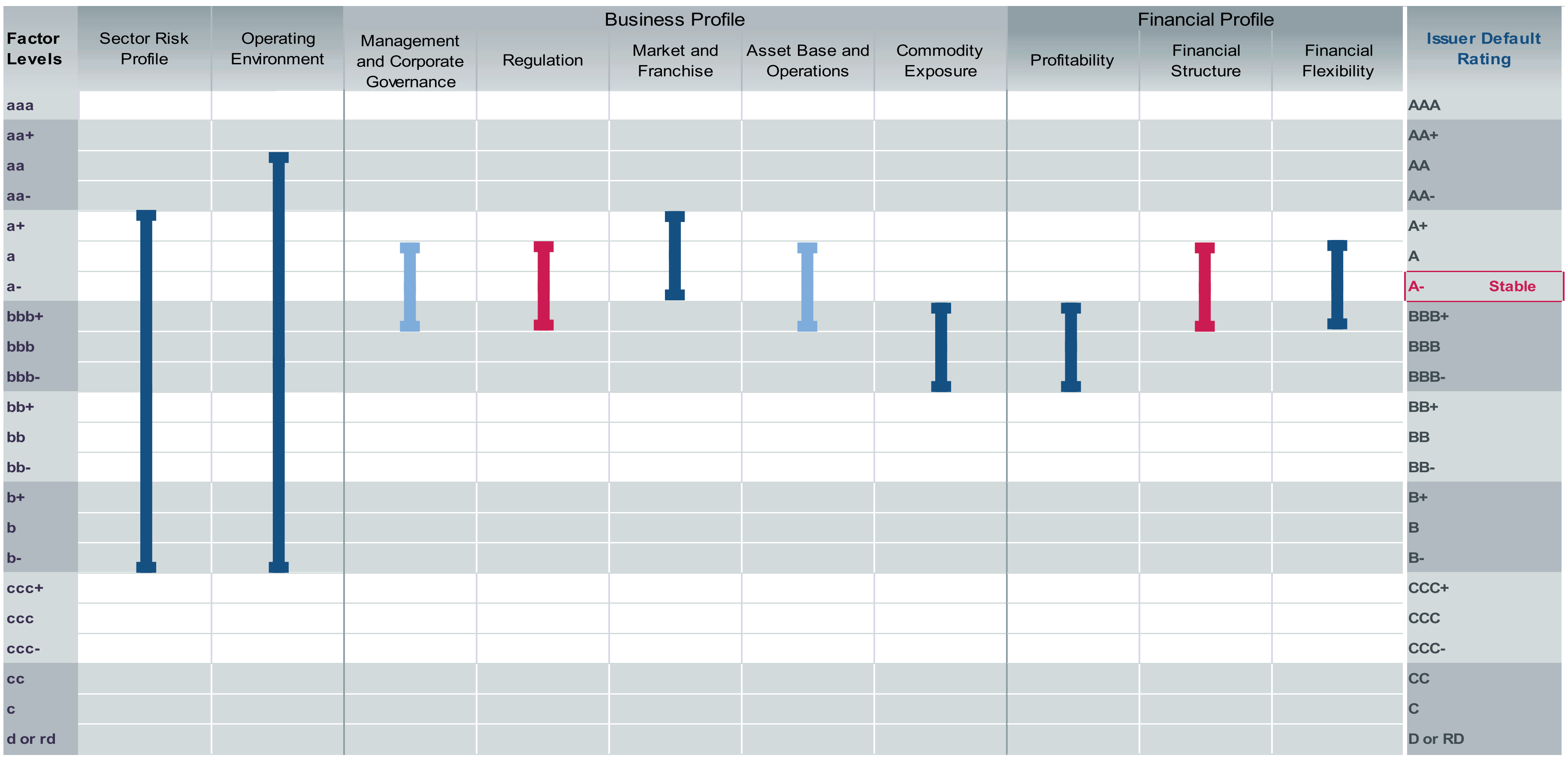
How to Interpret the Forecast Presented

The forecast presented is based on the agency's internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch's rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch's forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch's own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch's own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch's own internal deliberations, where Fitch, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch may update the forecast in future reports but assumes no responsibility to do so.

Rating Navigator

NextEra Energy, Inc.

Corporates Ratings Navigator
US Utilities



FitchRatings

NextEra Energy, Inc.

Corporates Ratings Navigator
US Utilities

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries w here economic value is created and w here assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law , corruption; government effectiveness) of the issuer's country of incorporation consistent w ith 'aa'.
b-			
ccc+			

Management and Corporate Governance

a+	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ow nership can be concentrated among several shareholders.
a-	Group Structure	a	Group structure show s some complexity but mitigated by transparent reporting.
bbb+	Financial Transparency	a	High quality and timely financial reporting.
bbb			

Regulation

a+	Degree of Transparency and Predictability	bbb	Generally transparent and predictable regulation w ith limited political interference.
a	Timeliness of Cost Recovery	a	Minimal lag to recover capital and operating costs.
a-	Trend in Authorized ROEs	a	Above-average authorized ROE.
bbb+	Mechanisms Available to Stabilize Cash Flows	bbb	Revenues partially insulated from variability in consumption.
bbb	Mechanisms Supportive of Creditworthiness		n.a.

Market and Franchise

aa-	Market Structure	bbb	Established market structure but some level of uncertainty in price-setting mechanisms.
a+	Consumption Growth Trend	a	Economically vibrant market or service territory w ith strong sales grow th.
a	Customer Mix	a	Favorable customer mix.
a-	Geographic Location	a	Favorable location or high geographic diversity.
bbb+	Supply Demand Dynamics	a	Beneficial outlook for prices/rates.

Asset Base and Operations

a+	Diversity of Assets	a	High-quality and/or large-scale diversified assets.
a	Operations Reliability and Cost Competitiveness	a	Track record of reliable, low -cost operations.
a-	Exposure to Environmental Regulations	a	No exposure to environmental regulations.
bbb+	Capital and Technological Intensity of Capex	bbb	Moderate reinvestments requirements in established technologies.
bbb			

Commodity Exposure

a-	Ability to Pass Through Changes in Fuel	bbb	Limited exposure to changes in commodity costs.
bbb+	Underlying Supply Mix	bbb	Low variable costs and moderate flexibility of supply.
bbb	Hedging Strategy	bbb	Long-term supply and sales contracts w ith creditw orthy counterparties.
bbb-			
bb+			

Profitability

a-	Free Cash Flow	bbb	Structurally neutral to negative FCF across the investment cycle.
bbb+	Volatility of Profitability	bbb	Stability and predictability of profits in line w ith utility peers.
bbb			
bbb-			
bb+			

Financial Structure

a+	Lease Adjusted FFO Gross Leverage	a	3.5x
a	Total Adjusted Debt/Operating	bbb	3.75x
a-			
bbb+			
bbb			

Financial Flexibility

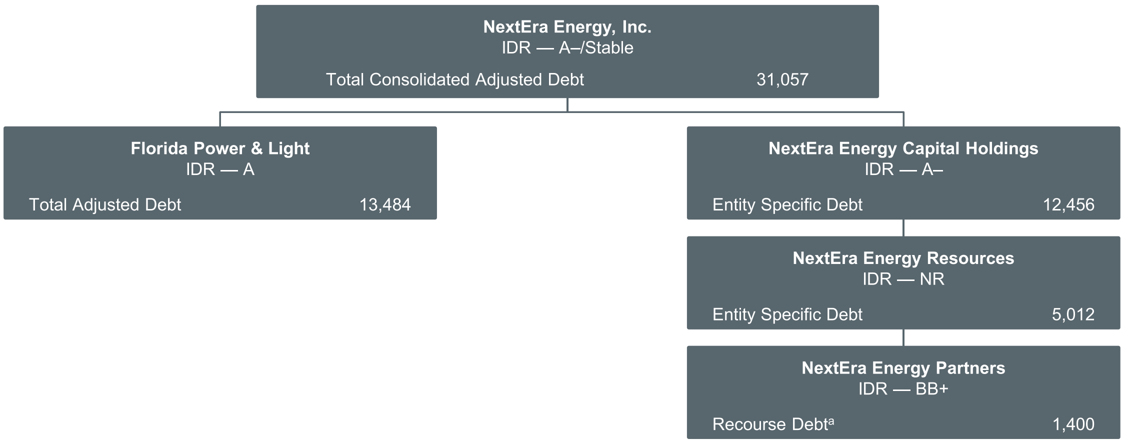
a+	Financial Discipline	bbb	Less conservative policy, but generally applied consistently.
a	Liquidity	a	Very comfortable liquidity. Well-spread maturity schedule of debt. Diversified sources of funding.
a-	FFO Fixed Charge Cover	a	5.0x
bbb+			
bbb			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Navigator Version: RN 1.44.3.0

Simplified Group Structure Diagram

Organizational Structure
($ Mil., As of June 30, 2018)



[a]NEP Recourse Debt is not consolidated at the NextEra Energy level. IDR – Issuer Default Rating. Note: 50% Equity Credit at NextEra Energy Capital Holdings for Junior Subordinated Debt.
Source: Fitch Ratings, Fitch Solutions, NextEra Energy Inc.

Peer Financial Summary

Company	IDR	Financial Statement Date	Gross Revenue	Funds Flow From Operations	FFO Fixed Charge Coverage (x)	FFO Adjusted Leverage (x)	Total Adjusted Debt/Operating EBITDAR (x)
NextEra Energy, Inc.	A–						
	A–	2017	17,121	7,350	6.6	3.9	3.9
	A–	2016	16,081	6,323	6.2	3.9	3.9
	A–	2015	17,414	6,266	6.5	3.9	3.7
Sempra Energy	BBB+						
	BBB+	2017	11,207	3,398	4.4	4.5	5.1
	BBB+	2016	10,183	2,595	4.5	5.3	5.9
	BBB+	2015	10,231	2,457	4.5	4.7	4.7
Dominion Energy, Inc.	BBB+						
	BBB+	2017	12,586	4,795	4.5	6.1	5.8
	BBB+	2016	11,737	4,212	4.3	6.4	6.3
	BBB+	2015	11,683	4,152	4.8	5.5	5.5
Southern Company	BBB+						
	A–	2017	23,031	7,225	4.8	5.5	5.4
	A–	2016	19,896	4,395	3.7	8.0	5.6
	A–	2015	17,489	5,979	6.8	4.3	4.4

Source: Fitch Ratings, Fitch Solutions.

Reconciliation of Key Financial Metrics

(USD Millions, As reported)	31 Dec 2017
Income Statement Summary	
Operating EBITDA	8,540
+ Recurring Dividends Paid to Non-controlling Interest	0
+ Recurring Dividends Received from Associates	0
+ Additional Analyst Adjustment for Recurring I/S Minorities and Associates	0
= Operating EBITDA After Associates and Minorities (k)	**8,540**
+ Operating Lease Expense Treated as Capitalised (h)	**0**
= Operating EBITDAR after Associates and Minorities (j)	**8,540**
Debt & Cash Summary	
Total Debt with Equity Credit (l)	**33,209**
+ Lease-Equivalent Debt	0
+ Other Off-Balance-Sheet Debt	0
= Total Adjusted Debt with Equity Credit (a)	**33,209**
Readily Available Cash [Fitch-Defined]	1,714
+ Readily Available Marketable Securities [Fitch-Defined]	0
= Readily Available Cash & Equivalents (o)	**1,714**
Total Adjusted Net Debt (b)	**31,495**
Cash-Flow Summary	
Preferred Dividends (Paid) (f)	**0**
Interest Received	81
+ Interest (Paid) (d)	**(1,298)**
= Net Finance Charge (e)	**(1,217)**
Funds From Operations [FFO] (c)	**7,350**
+ Change in Working Capital [Fitch-Defined]	495
= Cash Flow from Operations [CFO] (n)	**7,845**
Capital Expenditures (m)	**(10,740)**
Multiple applied to Capitalised Leases	**8.0**
Gross Leverage	
Total Adjusted Debt / Op. EBITDAR* [x] (a/j)	**3.9**
FFO Adjusted Gross Leverage [x] (a/(c-e+h-f))	**3.9**
Total Adjusted Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)	
Total Debt With Equity Credit / Op. EBITDA* [x] (l/k)	**3.9**
Net Leverage	
Total Adjusted Net Debt / Op. EBITDAR* [x] (b/j)	**3.7**
FFO Adjusted Net Leverage [x] (b/(c-e+h-f))	**3.7**
Total Adjusted Net Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)	
Total Net Debt / (CFO - Capex) [x] ((l-o)/(n+m))	**-10.9**
Coverage	
Op. EBITDAR / (Interest Paid + Lease Expense)* [x] (j/-d+h)	**6.6**
Op. EBITDA / Interest Paid* [x] (k/(-d))	**6.6**
FFO Fixed Charge Cover [x] ((c+e+h-f)/(-d+h-f))	**6.6**
(FFO + Net Finance Charge + Capit. Leases - Pref. Div Paid) / (Gross Int. Paid + Capit. Leases - Pref. Div. Paid)	
FFO Gross Interest Coverage [x] ((c+e-f)/(-d-f))	**6.6**
(FFO + Net Finance Charge - Pref. Div Paid) / (Gross Int. Paid - Pref. Div. Paid)	

* EBITDA/R after Dividends to Associates and Minorities

Source: Fitch, based on information from company reports.

Fitch Adjustment Reconciliation

	Reported Values 31 Dec 17	Sum of Fitch Adjustments	Adjusted Values
Income Statement Summary			
Revenue	17,195	(74)	17,121
Operating EBITDAR	7,359	1,181	8,540
Operating EBITDAR after Associates and Minorities	7,359	1,181	8,540
Operating Lease Expense	0	0	0
Operating EBITDA	7,359	1,181	8,540
Operating EBITDA after Associates and Minorities	7,359	1,181	8,540
Operating EBIT	4,730	1,247	5,977
Debt & Cash Summary			
Total Debt With Equity Credit	35,081	(1,872)	33,209
Total Adjusted Debt With Equity Credit	35,081	(1,872)	33,209
Lease-Equivalent Debt	0	0	0
Other Off-Balance Sheet Debt	0	0	0
Readily Available Cash & Equivalents	1,714	0	1,714
Not Readily Available Cash & Equivalents	0	0	0
Cash-Flow Summary			
Preferred Dividends (Paid)	0	0	0
Interest Received	81	0	81
Interest (Paid)	(1,184)	(114)	(1,298)
Funds From Operations [FFO]	5,918	1,432	7,350
Change in Working Capital [Fitch-Defined]	495	0	495
Cash Flow from Operations [CFO]	6,413	1,432	7,845
Non-Operating/Non-Recurring Cash Flow	0	0	0
Capital (Expenditures)	(10,740)	0	(10,740)
Common Dividends (Paid)	(1,845)	0	(1,845)
Free Cash Flow [FCF]	(6,172)	1,432	(4,740)
Gross Leverage			
Total Adjusted Debt / Op. EBITDAR* [x]	4.8		3.9
FFO Adjusted Leverage [x]	5.0		3.9
Total Debt With Equity Credit / Op. EBITDA* [x]	4.8		3.9
Net Leverage			
Total Adjusted Net Debt / Op. EBITDAR* [x]	4.5		3.7
FFO Adjusted Net Leverage [x]	4.8		3.7
Total Net Debt / (CFO - Capex) [x]	-7.7		-10.9
Coverage			
Op. EBITDAR / (Interest Paid + Lease Expense)* [x]	6.2		6.6
Op. EBITDA / Interest Paid* [x]	6.2		6.6
FFO Fixed Charge Coverage [x]	5.9		6.6
FFO Interest Coverage [x]	5.9		6.6

*EBITDA/R after Dividends to Associates and Minorities
Source: Fitch, based on information from company reports.

Related Research & Criteria

Parent and Subsidiary Rating Linkage (July 2018)
Corporate Rating Criteria (March 2018)
Corporates Notching and Recovery Ratings Criteria (March 2018)

Analysts

Shalini Mahajan
+1 212 908-0351
shalini.mahajan@fitchratings.com

Barbara Chapman
+1 646 582-4886
barbara.chapman@fitchratings.com

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.