~~CONFIDENTIAL VERSION~~

REVISED REDACTED VERSION

CONFIDENTIAL PRELIMINARY PROPOSAL

November 26, 2019

Attention:

John McCarthy
Vice President / Chief Supply Chain Officer
JEA
Phone: (904) 665-5544
StrategicAlternative@JEA.com

Jenny McCollum
Director of Procurement Services
JEA
Phone: (904) 665-4103
StrategicAlternative@JEA.com

Re: NextEra Energy's Revised Reply Regarding JEA

Mr. McCarthy and Ms. McCollum:

NextEra Energy, Inc. ("NextEra Energy"; NYSE: NEE) is pleased to provide this revised reply ("Revised Reply") to JEA's Invitation to Negotiate ("ITN"). This letter outlines the principal terms and conditions upon which NextEra Energy would be willing to acquire JEA's existing operating assets, including its electric system ("Electric System"), water and wastewater systems (collectively, the "Water System"), its district energy system, as well as its dark fiber leasing platform and other units (the "Proposed Transaction"). We are excited about the opportunity to build upon JEA's already strong commitment to customers in the Jacksonville area, while helping JEA and the City of Jacksonville (the "City" or "Jacksonville") to achieve the process objectives outlined in the ITN. We believe that you will find this Revised Reply to be beneficial to Jacksonville and the stakeholders of JEA including its customers, employees, and the greater Jacksonville community it serves.

The details of our Revised Reply are outlined below:

i. **Identification of the Respondent.** NextEra Energy is the world's largest utility company, with a market capitalization of $114 billion and a total enterprise value of $158 billion.[1] Headquartered in Juno Beach, Florida, NextEra Energy's principal subsidiaries are (a) Florida Power & Light Company ("FPL"), which serves approximately 5 million customer accounts in Florida and is one of the largest rate-regulated electric utilities in the United States, (b) Gulf Power Company ("Gulf Power"), which serves 460,000 customers in the Florida Panhandle region, and (c) NextEra Energy Resources, LLC ("NEER"), which is the world's largest generator of renewable energy from the wind and sun, and owns more than

[1] As of Nov. 25, 2019.

24 Gigawatts ("GWs") of generation assets in North America.

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. Our culture embraces innovation, where we seek to improve upon our industry-leading operating and reliability measures, which in turn offers a challenging and rewarding environment for our 15,400 dedicated employees. We were named to Forbes' list of America's Best Employers for Diversity for a second year in a row in 2019, and named one of America's Best Employers by Forbes for a fourth consecutive year in 2019.

NextEra Energy is among America's largest capital investors in infrastructure and plans to invest between $50 - $55 billion from 2019 through 2022, sustainably and responsibly. We are focused on delivering outstanding customer value, supporting our communities, empowering our team and growing shareholder value. NextEra Energy's track-record of success and continued ability to deliver on commitments to all of our stakeholders is underpinned by our balance sheet, which is one of the strongest in the utility sector. NextEra Energy's long-term credit ratings are A- / A- / Baa1 by S&P, Fitch and Moody's, respectively.

Please refer to Exhibit 1 for a more detailed description of NextEra Energy.

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.

ii. Gross Proceeds [redacted]

Seller's 2020 Rate Base[7]	**$5,791**

[redacted]

Confidential

[redacted]

[redacted]

iii. **Material Conditions, Terms or Assumptions.** In preparing this Revised Reply, NextEra Energy has reviewed the information provided in the Project Scampi data room ("Data Room"), JEA's financial model ("JEA Financial Model"), ITN Process Letter ("Process Letter"), responses from JEA documented in the Questions & Answers ("Q&A") log, and JEA's public filings and board presentations.

NextEra Energy made the following key assumptions:

- **Valuation Methodology**: We relied on methodologies traditionally applied to evaluate the acquisition of U.S. regulated utility assets.

- **Key Changes**: For the purposes of this Revised Reply, NextEra Energy relied upon the financial projections in the JEA Financial Model. Our major changes relate to regulatory authorized capital structure and return on equity ("ROE"), as described below, as well as our high-level assumption that we can optimize some of JEA's operations and maintenance ("O&M Expenses") with services provided by FPL.[8] During the three-year base rate stability period as described in the ITN, we relied on JEA's base rate projections as provided in the JEA Financial Model and as supplemented by the supporting materials provided in the Data Room. We relied upon JEA's status quo fuel and power purchase agreement ("PPA") costs, Vogtle Project J related PPA costs, O&M expenses, property tax and franchise fees estimates, and capital expenditures ("Capex") forecasts as given, which are all subject to diligence in the event NextEra Energy is invited to participate in the next phase of the ITN process.

- **Key Future Operational Changes**: For the purposes of this Revised Reply, we have relied on JEA's business plan as described in the Confidential Information Presentation ("CIP"). However, as discussed in our October 7, 2019 ITN Response ("NextEra Energy ITN Response"), we believe that we can ultimately implement some best practices of FPL for the benefit of all JEA electric and water customers. We believe we can further enhance customer satisfaction by making smart capital investments, which further reduce non-fuel O&M costs and carbon dioxide ("CO2") emissions, and lead to

[8] Subject to further diligence.

enhanced system reliability metrics. Due to FPL's unique position as a co-owner of the Scherer Unit 4 coal facility, we intend to evaluate what opportunities may be available to further optimize the unit for the benefit of JEA and FPL customers.

We would evaluate whether JEA's Electric System customers would benefit by bringing them on to FPL electric rates, thereby offering additional bill stability beyond the three-year period discussed in the ITN.

- **Key Community Engagement Factors**: Since the founding of our company in 1925, NextEra Energy (and our predecessors) has operated our businesses based on the following core values: commitment to excellence, doing the right thing and treating people with respect. NextEra Energy is very interested in establishing a long-term partnership with JEA's employees, the City and its community leaders, with the ultimate goal of further elevating Jacksonville into one of the best cities to live in North America.

  i. *Community Engagement* – In Exhibit 3, we describe programs through which NextEra Energy and its employees give back to the community through volunteer programs and the sharing of our financial resources. We would extend these existing programs to the Jacksonville community to the extent we are awarded this ITN opportunity.

  ii. *Interagency Coordination on Emergency Operations* – Partnerships with local, state, and federal agencies are critical to restore utility systems and minimize harm during emergency situations. As was the case after Hurricane Matthew, we believe JEA's employees, NextEra Energy employees, and relevant agencies can work together to restore power if an emergency situation were to arise. In addition to a coordinated response system, NextEra Energy is also at the forefront of storm hardening measures which have improved the resiliency of our electrical systems during catastrophic storm events. *Please refer to the System Reliability and Storm discussion in Exhibit 1.*

  iii. *Environmental Stewardship* – NextEra Energy is committed to respecting our environment, providing value for our customers, and sustaining our communities. Similar to our approach at FPL and Gulf Power and to the extent practicable, we would look for opportunities to further decarbonize JEA's fleet while keeping customer bills low and stable. As a joint-owner in Scherer Unit 4, FPL and JEA are uniquely positioned to partner on ways to reduce CO2 emissions. Owning 100% of Scherer Unit 4 under common control allows for the retirement or sale of the plant, which is beneficial to JEA customers. We will evaluate ways to potentially accelerate JEA's current plans to retire the Northside units and replace them with clean energy resources (natural gas, solar and battery). *Please refer to Exhibit 4, which discusses NextEra Energy's environmental and sustainability initiatives.*

  iv. *Other Relevant Community Programs for the Betterment of Northeast Florida* – we expect to deploy our wide range of programs and resources to enhance the local

Jacksonville economy. We would also be very interested in partnering with community leaders on programs to improve the quality of life in Jacksonville. As a key stakeholder in Florida, where NextEra Energy expects to invest approximately $26 to $28 billion from 2019-22 through FPL and Gulf Power, we are open to investing capital which further enhances utility system reliability and customer satisfaction. *Please refer to Exhibits 5 and 6 for further detail on our community programs.*

- **Rates**: Fundamentally, we believe that keeping customer bills low and stable, while improving reliability, is one of the most important elements of a solid foundation for driving continued economic growth in Florida. For the purposes of this Revised Reply, we have assumed the same base rate assumptions embedded in the JEA Financial Model, which we believe are structured in accordance with the three-year base rate stability objective described in the ITN. For the avoidance of doubt, for the Electric System, we are applying the same base rates (excluding the impact of the Project J PPA costs) that JEA models for Fiscal Years 2020 through 2023.

- **Rate Base**: We have applied the same rate base calculations assumed in the JEA Financial Model. If we are invited to participate in the next phase of the ITN process, we intend to further evaluate the JEA Capex plan. On the Water System, we have not had the opportunity to fully diligence the $272 million net Contribution in Aid of Construction ("CIAC") balance, as provided by JEA, and its impact on FPSC-approved rate base, nor any direct implications of FPSC's used and useful rules. These are points on which we will welcome discussion at an appropriate time.

- **Targeted Equity Layer and Return on Equity**: For the Electric System, we assumed an authorized equity layer and ROE consistent with FPL's. For the Water System, we assumed a 50 percent equity layer and a 9.7 percent authorized ROE as determined by the FPSC leverage formula described in the CIP.

- **Debt Capitalization and Cost of Debt**: We assumed a debt capitalization at the utility level based on the authorized capital structure described in the preceding paragraph. For the avoidance of doubt, we assumed some incremental debt and hybrid issuances to finance the Gross Proceeds. We noticed the JEA Financial Model applied a 4 percent pre-tax cost of debt; however, we ran various sensitivities on the cost of debt to account for potential interest rate movements. Our cost of debt assumptions also factored in our balance sheet strength (NextEra Energy long-term credit ratings are A- / A- / Baa1 by S&P, Fitch and Moody's, respectively).

- **Customer Demand**: We evaluated JEA's load growth profile in the JEA Financial Model between Fiscal Year 2020 and 2023 (-0.9 percent Compound Annual Growth Rate ("CAGR")), as well as a higher load growth similar to that disclosed in JEA's most recent 10-year site plan (+0.6 percent CAGR).

- **State and Local Taxes other than Income Taxes (including Property Tax assumptions)**: We did not change the tax assumptions in the JEA Financial Model of 25 percent effective income taxes and property taxes of 1.8 percent of net plant. The property tax assumption will be subject to further diligence by NextEra Energy if we are invited to participate in the next phase of the ITN process.

- **O&M Expenses, Amount and Timing of O&M Savings**: Given the limited detail on O&M Expenses, we assumed the O&M Expenses in the JEA Financial Model for the Electric System, the Water System, and the district energy system. We expect to perform additional diligence on O&M Expenses in the next phase of the ITN process. However, we did sensitize Electric System O&M expenses based on the types of programs we have been able to institute at FPL and at Gulf Power. As discussed in the NextEra Energy ITN Response, over the longer term, we believe there are opportunities to reduce O&M expenses for both the Electric System and Water System.

- **Capex by Functional Area and Utility System**: As discussed herein, we assumed JEA's base Capex plan for the Electric System, Water System, and district energy system. We would like to further diligence the base Capex plan in the next phase.

- **Expected Base Revenue Requirement**: We assumed the same base revenue requirement as presented in the JEA Financial Model for the Electric System, Water System, and district energy system.

- **Dispatch Costs and Drivers Including Fuel and Purchase Power Savings**: We assumed JEA's fuel and PPA costs as provided in the JEA Financial Model. Historically, at FPL, we have been able to reduce fuel costs and are working on initiatives to do so at Gulf Power. We expect similar opportunities exist for JEA's Electric System and will evaluate those opportunities. Given our joint ownership of Scherer Unit 4, we will also evaluate opportunities that may yield significant customer benefits to both JEA and FPL customers.

- **Estimates of Forward Commodity Pricing**: Given the limited details on dispatch by electric generation plant, we have assumed JEA's total fuel costs as provided in the JEA Financial Model (and implicitly, JEA's forward commodity prices).

- **Franchise Tax Assumptions**: We have assumed JEA's franchise tax assumption of 2.3 percent of revenues, as provided in the JEA Financial Model; however, in the next phase, we intend to work with JEA's management team to assess whether franchise taxes may change pursuant to the Proposed Transaction.

- **Other Revenue**: We did not change JEA's assumptions for now; subject to diligence, we intend to investigate other revenue opportunities that may be available to NextEra Energy (i.e., similar to the types of opportunities we evaluate for our non-regulated FPL Energy Services, Inc. ("FPLES") subsidiary).

- **Expected All in Revenue Requirement**: We did not change JEA's assumptions, but all-in revenue requirements are subject to our further diligence.

iv. **Minimum Requirements.** 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 System 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 for the Proposed Transaction, ultimately, we believe that we can offer a total transaction package that aligns with, and in many cases exceeds, 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 and Gulf Power customers.

- **Greater Than $3 billion of Value to the City**: 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. [redacted]

  Similar to our recent Gulf Power acquisition, which we closed on Jan. 1, 2019, NextEra Energy has demonstrated a 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.

[redacted]

- **Greater Than $400 Million of Value Distributed to Customers ($350+ Paid to Each JEA Account)** : NextEra Energy is prepared to provide ~$400 million of value to JEA customers.

- **At Least Three Years of Contractually Guaranteed Base Rate Stability for Customers**: NextEra Energy assumes the base rates in the JEA Financial Model, which we assume are designed to be consistent with the ITN process objective of "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 Exhibit 1, 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 percent. 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)[10]

- **Commitment to develop and provide the City of Jacksonville and the Duval County Public School System 100 Percent 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. At both FPL and NEER, NextEra Energy has unparalleled expertise in developing renewable energy. We operate wind and solar facilities in Florida, 36 other U.S.

[10] 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.

states, and four Canadian Provinces. Moreover, our FPL team has the type of FPSC 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 in early 2020.

Please refer to Exhibit 2 for a Discussion of Our Approach to Renewables.

- **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 billion gallons per day ("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") where we would partner on 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:

  i. 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.

  ii. 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.

- **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 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 the Proposed Transaction will meet the minimum requirements set out in the ITN 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 percent safe environment and a "zero today" injury rate.

  Please refer to Exhibit 7 which describes our positive relationship with unions.

- **Retention payments to all full-time employees of 100 percent 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. It is our intent to use the new headquarters building that JEA is currently developing as our headquarters for the Water System, where we would coordinate regional water operations. We are very interested in hiring the Water System's senior staff members to help us operate the Water System following closing of any Proposed Transaction. Understanding the importance of downtown Jacksonville to the Florida economy, NextEra Energy will endeavor to enhance economic activity in the region. We view a 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.

v. **Feasibility.** This ITN Process is unique from an execution and FPSC regulatory perspective. We believe JEA, Jacksonville, and NextEra Energy must be coordinated in order to close a Proposed Transaction as quickly as practicable. We highlight the following key issues which may impact the transaction closing:

- **Project J PPA:** As noted above, we would need to diligence what consent rights MEAG

would have (if any) to any Project J resolution, whether under the NextEra Scenario or otherwise, and how such a consent right may impact the feasibility of such structure.

- **FPSC Regulatory Process:** While the FPSC does not have merger approval rights per se, we believe any prevailing ITN respondent would need to work with the FPSC to ensure an appropriate transition to regulated utility services, as applicable.

vi. **Financing Sources.** NextEra Energy retains one of the strongest balance sheets in the utility sector, which enables significant access to the equity and debt capital markets. We are one of the largest electric power and energy infrastructure companies in North America, with a market capitalization of approximately $114 billion.[11] We would likely issue debt, common equity, and equity-linked securities to finance the Proposed Transaction, and we do not anticipate any financing contingencies in a definitive written purchase agreement. Our financing plan would be structured to maintain our strong credit ratings.

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 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.

We believe our access to capital and our balance sheet strength, coupled with our significant FPSC and FERC regulatory expertise and experience, are important to helping JEA and Jacksonville achieve a successful transaction closing.

vii. **Internal Approval Process.** The consummation of any Proposed Transaction would require approval of NextEra Energy's Board of Directors, which has been informed of our participation in this ITN process.

viii. **Regulatory / External Approvals and Conditions.** NextEra Energy anticipates that required regulatory approvals will include FERC Section 203 approval, expiration of the waiting period required by the Hart-Scott-Rodino Antitrust Improvement Act of 1976 ("HSR"), FPSC approval on rate-related matters, and potentially the consent of MEAG and other contractual counterparties.

NextEra Energy has a significant amount of experience with FERC and FPSC staff, and we believe our team is uniquely positioned to successfully navigate the complex deal-related regulatory considerations. Our FERC legal and regulatory efforts are led by Joe Kelliher, a former FERC

[11] As of Nov. 25, 2019.

chairman. In Florida, we have operated a regulated investor-owned utility for almost a century, and we successfully completed the acquisitions and integration of Gulf Power, Florida City Gas ("FCG"), and the City of Vero Beach's electric utility ("Vero Beach"). The long-term regulatory relationships we have cultivated with the FPSC staff are based on mutual respect and trust. The continued success of our Florida utility businesses is of the highest priority for NextEra Energy. Our reputation and relationships with our regulators and their staffs are key to our success.

NextEra Energy believes the aforementioned approvals could be obtained within 9-12 months from signing of any Proposed Transaction.

- **FERC Approval**: Given NextEra Energy's presence in Florida, FERC will evaluate horizontal market power considerations associated with the Proposed Transaction in accordance with Section 203 of the Federal Power Act ("FPA"). NextEra Energy engaged outside legal counsel and consultants to help us analyze various post-closing scenarios FERC may consider. NextEra Energy has also sought guidance from FERC staff on market power-related matters.

  Generally, FERC's principal concern is the impact of a merger on regional wholesale customers. In the case of a JEA transaction, we do not believe JEA serves any wholesale customers, thereby mitigating some of the issues FERC customarily evaluates. Based on FERC staff consultations and the advice of our advisors, we believe that FERC will not evaluate the JEA balancing authority area as a relevant destination market for purposes of the transaction. Instead, FERC's market power analysis of any Proposed Transaction will focus on the combined FPL-JEA geographic market and on other, less concentrated first-tier geographic markets where no or only minimal mitigation will be required.

  As a result, we do not believe there are any material market power-related issues that would adversely impact the timing and closing of a Proposed Transaction. NextEra Energy expects that FERC approval of the Proposed Transaction under FPA Section 203 can be received within 6-9 months. We look forward to signing a definitive purchase agreement which provides the level of regulatory approval certainty that JEA and the City would expect to receive.

- **FPSC Matters**: Transitioning to a model where many of JEA's current services will become subject to rate regulation and oversight by the FPSC will require us to obtain certain approvals from the FPSC. The specific form and nature of approvals will be a function of the ultimate transaction structure that is agreed upon by JEA and NextEra Energy, and approved by Jacksonville and its citizens. We believe an FPSC proceeding will likely take 8-10 months from filing, depending on the approvals sought.

- **MEAG Consent**: If required under the terms of the Project J PPA, MEAG may need to consent to the NextEra Energy Scenario or any other Project J resolution, including any cost recovery mechanism and the offtake arrangements for the Project J Power.

- **Other Contractual Counterparties**: A Proposed Transaction may require the consent of the counterparty to any assumed contract (*e.g.*, PPAs, real estate).

ix. **Prior Acquisitions / Investments.** In the past two years, NextEra Energy has executed and closed three acquisitions of regulated utility properties located in Florida. As such, our organization is equipped with the regulatory, financial, and integration experiences to successfully close a regulated utility acquisition in the state.

- **Gulf Power**: On January 1, 2019, NextEra Energy completed the acquisition of Gulf Power. Gulf Power is a vertically-integrated electric utility serving 460,000 customer accounts in the Florida Panhandle, which owns approximately 2.3 GW of net generating capacity and approximately $5.2 billion in net assets. The total transaction value for Gulf Power was $5.75 billion, inclusive of the assumption of approximately $1.4 billion of existing debt. 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, which we funded with debt financing, we have identified almost $3 billion of 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.

- **FCG**: On July 29, 2018, we completed the acquisition of FCG for $530 million, which is a natural gas distribution company serving approximately 108,000 residential and commercial natural gas customers in Florida. FCG was NextEra Energy's first gas utility acquisition, and we have applied many of the FPL best practices to improve FCG's operations.

- **Vero Beach**: On December 17, 2018, FPL completed the acquisition of Vero Beach for $185 million. The Vero Beach acquisition provided FPL with valuable insights for acquiring a municipally-owned utility.

x. **Advisors / Contact List.** To the extent that you or your team have any questions regarding this Revised Reply, please contact the following individuals.

Mark Hickson
Executive Vice President
Corporate Development Strategy Quality & Integration
Phone: (561) 304-5624
Email: Mark.Hickson@nee.com

Petter Skantze
Vice President
Corporate Development & Strategy
Phone: (561) 304-5624
Email: Petter.Skantze@nee.com

Brian Chung
Senior Director
Corporate Development
Phone: (561) 304-6125
Email: Brian.Chung@nee.com

NextEra Energy has engaged the following financial, legal, and other advisors:

- Financial Advisors: Goldman Sachs and BofA Securities
- Legal Advisors: Skadden, Arps, Slate, Meagher & Flom LLP; Squire Patton Boggs; and Dean Mead
- Water Consultant: U.S. Water
- Depreciation Consultant: Gannett Fleming

xi. **Due Diligence.** NextEra Energy has evaluated the materials JEA provided in the Data Room, along with publicly available information and board presentations. We have significant experience in conducting due diligence and transaction structuring in the context of regulated utility and non-utility acquisitions. To the extent we advance to the next phase of this ITN process, NextEra Energy is prepared to provide a detailed diligence list customary for U.S. utility transactions, and to begin discussions with JEA and its counsel regarding a form of mutually agreeable definitive acquisition agreement (the "Purchase Agreement"). We believe we can complete our due diligence process and execute the Purchase Agreement within 6 weeks from notification that we have advanced to the next phase of the ITN process, assuming prompt responses from JEA to critical diligence inquiries.

NextEra Energy believes that the Revised Reply as described herein represents a compelling value proposition for JEA and is excited about the opportunity to continue the excellent work of serving customers, employees, and other key stakeholders. Based on our significant utility M&A transactional experience, our strong balance sheet and credit ratings, our access to the equity and debt capital markets, and our regulatory expertise, NextEra Energy believes we are uniquely well-positioned to enter into the Purchase Agreement in a short period of time.

This Revised Reply represents a non-binding indicative bid for the Proposed Transaction, upon the terms set forth above. A binding obligation to enter into any Proposed Transaction would be created only upon execution of the Purchase Agreement, related ancillary documents and receipt of all required approvals and consents. This Revised Reply is confidential and neither its existence nor its contents should be disclosed to anyone other than in accordance with the terms of the ITN, and in such case, subject to NextEra Energy's request for exemption of certain portions of this Revised Reply from disclosure pursuant to the Florida Public Records Act, as provided herein.

We are available to discuss the details of this Revised Reply in greater detail with you at your earliest convenience and appreciate the opportunity to participate in this ITN process. In addition, we are prepared to move forward quickly and complete the steps outlined above in order to assure completion of diligence in the shortest amount of time.

We look forward to hearing from you. Thank you for your consideration.

[*Signature Page Follows*]

NextEra Energy Revised Reply

Sincerely,

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

Exhibit 1: NextEra Energy Overview

NextEra Energy is well-positioned to provide safe, reliable and cost-effective utility services for JEA's customers. We intend to rely on the same core principles we utilize at our FPL subsidiary, which provides superior customer value to more than five million electric customer accounts in Florida.

FPL Operating Philosophy: The "Virtuous Circle"

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.

The success we have had in delivering outstanding customer value reflects a longstanding philosophy and committed approach to the business that we refer to as the "virtuous circle."

The starting point for us on this "circle" is focusing on delivering superior customer value. 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. This virtuous circle model has worked exceptionally well for customers over many years.

Under the framework just described, we strive to do the right thing even before we are ordered or asked to do so – and at times in the face of intervener opposition that is focused only on the short-term. When the Great Recession was disrupting other Florida businesses, we maintained our long term perspective, continuing to make smart investments in our infrastructure and building a system that would provide long-term benefits to customers in terms of both clean generation, reliability, storm resiliency and low bills. A key example is our ongoing investment in highly efficient natural gas and solar generating plants that have saved our customers billions of dollars in fuel costs. In addition, 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. Another example is the modernization of our grid, building one of the strongest and smartest grids in America today. At a time when many areas of our country are struggling to deal with daunting infrastructure problems, we can be proud of the smart, modern infrastructure we have built in Florida and the value that it brings to customers every day.

FPL's long-term strategy has worked extremely well, as measured by traditional utility operating metrics (e.g. lower typical residential 1,000 kWh customer bill ("Typical Residential Bill"), lower operating costs per MWh, lower fuel costs, lower carbon footprint and higher system reliability metrics).

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 percent 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 percent 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; and

- 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 vs. Industry Non-Fuel O&M per Retail MWh[12]

FPL has consistently been a best-in-class performer and we continue to effectively manage non-fuel O&M. In recent years, NextEra Energy has instituted two programs – Project Momentum (2013-2016) and Project Accelerate (2017-current) – which continuously reevaluates our operating performances and encourages the implementation of cost efficiencies. Across FPL and other NextEra Energy businesses, we have realized approximately $1 billion of run-rate cost efficiencies through these programs since 2013. For FPL, such efficiencies often 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.

[12] FERC Form 1, 1994-2018; excludes pensions and other employee benefits; FPL costs exclude expense related to Hurricane Irma write-off.

Operational Cost Effectiveness[13]

Over the last few decades, 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 and retired coal-fired power plants with which we held power purchase agreements, providing further benefits to our customers and communities. Since 2001, these investments in cleaner, more efficient power plants have saved customers more than $10 billion, reduced our non-fuel O&M expense per megawatt-hour, reduced our oil usage by 99 percent, improved our OSHA safety record and avoided the emission of 120 million tons of CO2.

[13] FERC Form 1, 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.

Fuel Savings of ~$10 billion on a Cumulative Basis, Reducing Customer Bills and Increasing Customer Value[14]

In addition to fuel cost savings, FPL's strategy has reduced CO2 emissions by approximately 35 percent since 2001, resulting in an emissions profile that is approximately 30 percent below the national average. FPL's CO2 emission rates are expected to decrease an additional 16 percent 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 CPP had proposed for Florida.

[14] 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 CO2 Emissions Profile[15]

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

Investments Improve Reliability and Operations

The "virtuous cycle" long-term view philosophy on capital expenditures and O&M results in investments in T&D and generation resulting in fewer system outages and industry-leading reliability metrics. The System Average Interruption Duration Index ("SAIDI"), which represents the number of minutes the average customer is without power in one year, is a common metric utilized in the electric utility sector. Relative to 2008, FPL's 2018 SAIDI improved by 33 percent and was materially lower than the other Florida electric utilities. In fact, FPL has been named one of the most reliable utilities in the industry, and our reliability metrics are top decile.

2008 to 2018 SAIDI (Minutes)[16]

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.

[16] 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, 2018 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 percent 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 percent 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 percent 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 percent 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 percent 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.

Interagency Coordination on Emergency Operations

In addition to storm hardening the physical electric infrastructure, FPL believes coordination with local, state, and federal agencies is integral to minimize outages and, to the extent possible, prevent harm to our customers. 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. Coordination with local, state, and federal agencies is integral to our planning process. FPL partners with county emergency operations managers prior to the storm season to identify critical infrastructure locations as identified by each local government for priority restoration. We also 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 utilizes advanced communication tools to give local officials and communities the most up-to-date information about recovery. As part of the NextEra Energy family of companies,

JEA's Electric System and Water System employees will be integrated into our storm planning preparedness programs.

Partnership with Communities During Storm Events

During times of natural catastrophic events, we are a critical first responder and support our communities in various ways. In 2016, after Hurricane Matthew, we partnered with JEA employees and other first responders to restore power. FPL dispatched a mutual assistance team to assist JEA, and our personnel remained on site through the restoration period. 106 FPL employees travelled to JEA's service area along with 100 vegetation contractors, who were released from our system and contracted directly with JEA. We deployed a mobile command center near the area, staffed EOCs in Nassau and St. Johns counties, and provided fueling support for the other restoration crews.

Applying FPL Best Practices to Gulf Power

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[17], 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. In fact, Gulf Power's employees participated in our 2019 Project Accelerate program 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's Electric System, is executing on 200 of these ideas, which are expected to yield approximately $100 million of run-rate savings by 2022.

NextEra Energy has disclosed its intent to accomplish the following by the end of 2021:

- Reduce Gulf Power's SAIDI by approximately 20 percent.
- Reduce Gulf Power's CO2 emissions by 40 percent through investments in cleaner natural gas and solar generation facilities.
- Reduce fuel costs by almost 50 percent through generation modernization.
- Reduce the Typical Residential Bill by approximately 9 percent[18].

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[19]

[17] Represents Gulf Power acquisition close date of Jan. 1, 2019.
[18] In terms of 2018 real dollars.
[19] 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.

Gulf Power depends on older, fossil-fueled generation with a CO2 emissions rate approximately 2.5 times higher than FPL's. Almost 75 percent of Gulf Power's current electricity delivered to our 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 percent (100 percent 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 percent reduction relative to 2018 levels.

Gulf Power Generation Mix and Emissions Rates[20]

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.

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

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 billion gallons per day ("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. 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.

- FPL has announced a Memorandum of Understanding ("MOU") through which we would partner 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"), which is a 1,250 MW natural gas combined cycle generation facility, 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.

[22] Excludes water use for once-through-cooling processes for steam turbine generation facilities.

Exhibit 2: NextEra Energy Is a Leading Renewable Energy Company

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.[23] It also operates approximately 2.5 GW through 32 universal solar projects in the United States.[24] 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-standing relationships and collectively serves nearly 2.7 GW.[25] 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 Has a Diverse Portfolio of Assets Across North America

[23] Source: NextEra Energy as of July 31, 2019.
[24] Source: NextEra Energy as of July 31, 2019.
[25] Source: NextEra Energy.

NEER Generation Capacity[26]

Current 24 GW Fleet

- 88 percent of NEER's existing fleet is comprised of wind, solar, and nuclear energy.
- 12.3 GW backlog of wind, solar and battery storage generation contracts signed as of Oct. 22, 2019.[27]
- ~30 GW combined operating and backlog wind and solar generation
  - 10x JEA's current owned generation capacity of 3.1 GW
  - 100x the size of JEA's current and planned solar Power Purchase Agreement capacity of 289 MW

FPL Is Leader in Renewable Development in Florida

FPL currently owns and operates over 1,000 MW of solar generation across the state of Florida. By 2030, FPL intends to add significantly more solar and battery storage sites in the state, which would advance Florida as a world leader in solar energy.

- **Solar Base Rate Adjustment ("SoBRA"):** FPL's 2016 Settlement Agreement authorizes the construction of 1,200 MW of new solar projects from 2017 through 2020 provided that the projects were cost-effective to FPL's customers. FPL completed construction of twelve 74.5 MW universal solar sites. Construction of four additional 74.5 MW universal solar sites is underway and expected to be placed in service in Q2 2020. The addition of these sixteen solar sites will result in a cumulative customer savings of $172 MM and has accounted for roughly half of Florida's solar installations from 2017 through Q1 2019. FPL's SoBRA program created ~3,200 construction jobs, generated enough clean electricity to power one quarter of a million homes, reduced emissions equivalent to removing over 190,000 cars from the road each year, and property taxes paid to local communities to date have exceeded $8 MM. In addition, FPL's successful and innovative SoBRA program has resulted in similar programs being implemented by other investor owned utilities in Florida.

- **"30-by-30" program**: In early 2019, FPL announced its "30-by-30" plan to install 30 million solar panels by 2030, equating to 10,000 MW (or 10 GW) of installed solar capacity. The total capital investment for this project Is estimated at ~$10 billion. FPL has a portfolio of solar sites throughout the state of Florida to support this plan. The end result will be the largest installation of solar panels by a regulated utility in the world and a 67 percent FPL fleet-wide reduction in CO2 emissions by 2030 as compared to the 2005 electric utility national average.

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[26] Source: NextEra Energy.
[27] Source: NextEra Energy as of Oct. 22, 2019.

- **Manatee Energy Storage Center** – Manatee Storage ("Manatee"), the world's largest battery storage project, 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.

FPL Solar Panels Are Located Throughout the State of Florida, With More on the Horizon

Increasing Reliance on Solar Generation by 2028 (Based on MWh)[28]

There are multiple ways through which FPL customers could receive the benefits of solar generation – the FPL SolarTogether voluntary community solar program, and lower fuel and non-fuel O&M costs incorporated in customer bills.

FPL SolarTogether

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 2020. FPL SolarTogether participants will pay a monthly charge (the "Subscription Charge") for their subscribed solar capacity and will receive bill credits which are expected to reduce their monthly bills over time. This voluntary program is projected to generate $249 million in lifetime savings, with the general body of customers realizing almost 45 percent of the total benefits, which illustrates how our community solar program would benefit all customers across the FPL system.[29] As of Jan. 25, 2019, more than 200 municipal, commercial and industrial customers had pre-registered to reserve 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 percent to 100 percent of their accounts' annual energy usage. In addition, the program has enough capacity for 75,000 residential customers as well as a carve out for low income customers.

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

Exhibit 3: Community Engagement

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 have 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 program, in 2018, our employees volunteered more than 85,000 hours through dozens of company-sponsored events and projects. Our employees sit on the boards of more than 250 non-profit organizations. 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, for every 40 hours of employee volunteer service, NextEra Energy donates grants to a charity designated by such employee. In 2018, NextEra Energy contributed $187,000 grants under the Dollars for Doers program.

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.

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.

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.

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 percent 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.

Exhibit 4: 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 percent by 2025, from a 2005 baseline level, which equates to a nearly 40 percent 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 percent 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 percent, 81 percent and 55 percent 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 percent 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.

Exhibit 5: Other Relevant Community Programs that will be Undertaken by the Respondent for the betterment of northeast Florida

NextEra Energy believes economic development programs attract businesses, providing well-paying jobs and financial support that improve the local community. The FPSC authorizes Florida Investor IOUs to recover economic development investments through electric rates. In 2018, FPL, Gulf Power, and TECO Energy petitioned the FPSC to raise the economic development investment cap from $3 million to the greater of (a) $10 million or (b) 0.225 percent 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.

We also expect to apply many of the programs, opportunities, and resources developed by our Office of Economic Development ("OED") to attract more businesses to the Jacksonville area. 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. Since its inception in 2012, the OED, its talented staff, and its 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 positive impact of more than $89 billion in the state.

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. The OED already retains a meaningful presence in Jacksonville, as exemplified by our collaboration with JAXUSA and JinkoSolar to build a new solar manufacturing facility in the area, and we expect to have opportunities to increase our economic development efforts to the extent we are awarded this ITN opportunity. OED's existing resources and programs could be applied towards attracting businesses to the Jacksonville area, including providing businesses with demographic and workforce data, information on local competitors, site permitting expertise, and networking opportunities with community leaders. We also invest in local businesses through corporate sponsorship programs and would seek to promote local businesses through incentive electricity rates.

Exhibit 6: Long-Term Partnership with Jacksonville

NextEra Energy believes good working relationships with the Mayor, Jacksonville City Council, community leaders, businesses, customers, and other key stakeholders are instrumental towards the success of the FPL Virtuous Circle described above. An open dialogue with community leaders helps us identify key issues, such that we can provide effective remedies to improve utility service and overall customer satisfaction. We would view ourselves as long-term partners with the Jacksonville community, and we would seek input from the community on where to prioritize our time and resources.

As a major investor and stakeholder in Florida, NextEra Energy has a vested interest in the success of our state and its economy. NextEra Energy is willing and prepared to make large capital investments which improve utility system reliability, reduce costs, and enhance customer satisfaction. Over the four-year period between 2019 and 2022, NextEra Energy expects to deploy $50 to $55 billion in total capital, or approximately $12 to $14 billion per year. Approximately 50 percent of that total capital amount, or $26 - $28 billion from 2019 through 2022, is expected to be deployed in Florida through investments in FPL and Gulf Power.

We also see potential opportunities to partner with the City on projects which further elevates Jacksonville as one of the best places to live and raise a family in North America. For example, it is our understanding that the accelerated replacement of septic tanks and the reduction of effluents and other harmful discharges to the St. Johns River are high priority concerns for JEA and the City. Replacing septic tanks and connecting customers to the broader sewer and wastewater system could ameliorate some of the harmful side effects. Given the potential size and scale of the replacement projects and the need to take swift action, to the extent we acquire the Water System through this ITN process, we would seek to continue JEA's existing partnership with the City on a comprehensive septic tank replacement solution. As a long-term investor in Florida, we believe we are well-positioned to collaborate with the City to put the ITN process-related net proceeds to work on investments that generate long-term benefit to all Jacksonville residents. We believe the partnership between NextEra Energy and the City would be truly transformational to the community.

Exhibit 7: 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 employee 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.