

Brooks, Jody L. - VP & Chief Legal Officer

From: Scott Merritt <smerritt@daltonagency.com>
Sent: Monday, September 17, 2018 7:17 PM
To: Brooks, Jody L. - VP & Chief Legal Officer; Zahn, Aaron F. - Interim Managing Director/CEO; Charleroy, Melissa M. - Executive Assistant; Patrick Reagin
Cc: Michael Munz
Subject: Communications items for approval - PRIVILEGED AND CONFIDENTIAL
Attachments: Grassroots JEA Overview.docx; Grassroots Organization Outreach Letter.docx; Plant Vogtle PR Messaging_9-14-18_v2.docx; Plant Vogtle Social Media FAQs_9-14-18.xlsx; Post-vote ad letter - 2018-9-17 JEA Letter - Final Sent to Dalton_AFTER VOTE.docx; Social media response matrix - Draft Q.v.swdocx.docx; Website outreach contacts.docx

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

Hi all,

Attached are all outstanding documents, as of tonight, related to the communications campaign that require JEA approval. Please note, for the sake of simplicity, I have included existing and new items in this single email.

- Social media response matrix (two documents attached: the original Excel spreadsheet with the questions listed; Susie's recommended answers). Please remember that the answers are for a general audience engaging on the [No to Plant Vogtle Facebook page](#). *comments*
- Updated Plant Vogtle PR messaging document. *comments*
- Post-vote ad letter (verbal approval received on the phone; awaiting written approval). *comments*
- Website outreach contacts (for auto-delivery of the pre-written action letter triggered by visitors completing website form). *?*
- Grassroots outreach letter. *comments*
- Grassroots communications plan. *OK*

Please let us know if you have any changes or recommendations for all of the above. And of course, please let us know of approvals on any items.

Scott

--

SCOTT MERRITT :: Vice President, Media Relations
1360 Peachtree Street NE, Suite 700 :: Atlanta, GA 30309 w 404.876.2800 x 1330 c 770.778.4786

@ daltonagency

CONFIDENTIALITY NOTICE: This communication may include confidential information and is intended only for the use of the addressee(s). If you are not the intended recipient, please notify the sender immediately and do not disclose, store or copy the e-mail or any related attachments.

Brooks, Jody L. - VP & Chief Legal Officer

From: Scott Merritt <smerritt@daltonagency.com>
Sent: Monday, September 17, 2018 7:17 PM
To: Brooks, Jody L. - VP & Chief Legal Officer; Zahn, Aaron F. - Interim Managing Director/CEO; Charleroy, Melissa M. - Executive Assistant; Patrick Reagin
Cc: Michael Munz
Subject: Communications items for approval - PRIVILEGED AND CONFIDENTIAL
Attachments: Grassroots JEA Overview.docx; Grassroots Organization Outreach Letter.docx; Plant Vogtle PR Messaging_9-14-18_v2.docx; Plant Vogtle Social Media FAQs_9-14-18.xlsx; Post-vote ad letter - 2018-9-17 JEA Letter - Final Sent to Dalton_AFTER VOTE.docx; Social media response matrix - Draft Q.v.swdocx.docx; Website outreach contacts.docx

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

Hi all,

Attached are all outstanding documents, as of tonight, related to the communications campaign that require JEA approval. Please note, for the sake of simplicity, I have included existing and new items in this single email.

- Social media response matrix (two documents attached: the original Excel spreadsheet with the questions listed; Susie's recommended answers). Please remember that the answers are for a general audience engaging on the [No to Plant Vogtle Facebook page](#). *comments*
- Updated Plant Vogtle PR messaging document. *comments*
- Post-vote ad letter (verbal approval received on the phone; awaiting written approval). *comments*
- Website outreach contacts (for auto-delivery of the pre-written action letter triggered by visitors completing website form). *?*
- Grassroots outreach letter. *comments*
- Grassroots communications plan. *ok*

Please let us know if you have any changes or recommendations for all of the above. And of course, please let us know of approvals on any items.

Scott

--

SCOTT MERRITT :: Vice President, Media Relations
1360 Peachtree Street NE, Suite 700 :: Atlanta, GA 30309 w 404.876.2800 x 1330 c 770.778.4786



CONFIDENTIALITY NOTICE: This communication may include confidential information and is intended only for the use of the addressee(s). If you are not the intended recipient, please notify the sender immediately and do not disclose, store or copy the e-mail or any related attachments.

MD

JEA – Plant Vogtle PR Messaging Document

Draft Date: Sept. 14, 2018

Overview

- JEA entered into a purchase power agreement (PPA) with MEAG Power in 2008 as a means to diversify fuel sources and maintain price competitiveness for JEA's ratepayers.
- In exchange, JEA customers would receive power from the units once they were completed after the expected completion dates of April 2016 for Unit 3 and April 2017 for Unit 4.
- The Plant Vogtle expansion is the only remaining nuclear power plant construction project that is in active development in the United States. All other projects in recent years have been shut down for a variety of reasons, including economic infeasibility.

Project History

- The project was initially expected to cost \$9.5 billion in direct costs (\$14.8 billion total after including indirect and financing costs).
- The total cost of the portion attributed to JEA was \$1.4 billion. This amount was not expected to change over the course of the project.
- The project's initial general contractor, Westinghouse, declared bankruptcy in March 2017, which led to the project owners entering into an amended agreement with a new contractor, Bechtel, in June 2017.
- The new agreement, which was implemented without JEA's approval, is an unlimited cost-plus reimbursement arrangement, which means JEA's liability is no longer capped at a fixed amount.

Current Project Status

- As of August 2018, the project has experienced years' worth of delays and exorbitant cost increases.
 - The total cost-to-completion estimates have increased to more than \$30 billion, with no guarantees that amount will not rise again.
 - The estimated completion dates have been delayed to November 2021 for Unit 3 and November 2022 for Unit 4.
- JEA's liability has increased to more than \$2.9 billion – an amount that is uncapped and subject to additional increases in the future.

Impact on Ratepayers

- Ratepayers in Georgia and northeast Florida are footing the bill for a project that continues to suffer from ballooning costs and delays.

- All parties involved in the project have a responsibility to protect ratepayers' interests by cancelling the project's construction.

JEA's Judicial Declaration Claim

- On Tuesday, Sept. 11, 2018, JEA and the City of Jacksonville filed a complaint in the Fourth Judicial Circuit Court of Florida for declaratory judgment on the PPA.
 - The suit seeks to have the PPA declared "ultra vires," or in other words, a void agreement that JEA did not have the authority to accept.
 - The reason for this is that the PPA was never approved by the Jacksonville City Council, which is a requirement the Florida Constitutional law.
- If the court renders a favorable decision for JEA, the result will protect JEA ratepayers from having to shoulder the financial burden of paying increased rates to continue funding the rising uncapped costs of the Plant Vogtle expansion.

MEAG Power's Breach of Contract Lawsuit

- On the same day JEA filed its claim, MEAG Power filed a breach of contract lawsuit against JEA in the Federal Court for the Northern District of Georgia.

About JEA

- JEA is the eighth-largest community-owned electric utility in the United States and one of the largest water and sewer utilities in the nation providing electric, water and sewer service to residents and businesses in northeast Florida.

Add section on FERC filing

DRAFT PRESS RELEASE

Early today, JEA (f/k/a the Jacksonville Electric Authority) filed a Petition for Declaratory Order with the Federal Energy Regulatory Commission. In that Petition, JEA requested that the Commission declare that the Amended And Restated Power Purchase Agreement (“PPA”) between JEA and the Municipal Electric Authority of Georgia (“MEAG”) involves the interstate sale of electricity for resale, and as such is subject to the Commission’s jurisdiction under the Federal Power Act (“FPA”).

The transactions contemplated under the PPA involve the sale at wholesale in interstate commerce by MEAG to JEA of electricity and other services associated with incremental generation that is under construction at the Plant Vogtle nuclear generation facility in Georgia. Because the PPA involves the sale for resale of electricity in interstate commerce, it is subject to the Commission’s jurisdiction under Section 201(b) of the FPA.

JEA’s Petition expressly acknowledges that both JEA and MEAG are public entities that generally are exempt from regulation by the Commission pursuant to Section 201(f) of the FPA. But that exemption applies only to activities which are intrastate in nature, and not to the interstate sale for resale of electricity that is envisioned under the PPA.

JEA is not seeking any finding that the FPA applies to any other public entity, or that any transaction other than this specific PPA falls within the scope of the FPA. The Petition does not seek a blanket declaration of jurisdiction on any other PPA or wholesale sale of electricity transaction between any other public entities or any other party. Instead, JEA’s Petition is expressly tailored to the specific facts and unique circumstances associated with the PPA.

*Not reviewed -
already signed
off on, correct?*

Plant Vogtle Will Cost You

Dear Ratepayers and Concerned Citizens in Georgia:

The Plant Vogtle nuclear expansion project is a mistake that will cost you and your children for years to come. Act now to stop this historic misuse of your money.

The expansion of Plant Vogtle is one of the most expensive and mismanaged construction projects in history. The project was originally expected to cost \$14.5 billion for the construction of two new units. The first, Unit 3, was to enter service in April 2016 and the second, Unit 4, was to enter service in April 2017.

Since then, JEA's **cost-to-completion estimate for the project has ballooned to more than \$30 billion with the completion dates delayed to November 2021 for Unit 3 and November 2022 for Unit 4.** To make matters worse, these estimates are not guaranteed; and if the past is any guide, the cost will continue to rise.

As a ratepayer in Georgia, you will foot most of the bill for this endless project in the form of higher utility bills.

As power utilities owned by the public, the Municipal Electric Authority of Georgia (MEAG Power) and JEA (the municipal utility of Jacksonville, Florida) are uniquely positioned among the Plant Vogtle project participants. We have a collective duty to make decisions that are purely in the best interest of the customers we serve and not for shareholder returns. Our focus is on delivering reliable and affordable essential services to customers like you.

To protect our customers, JEA has proactively spoken out and acted to stop construction of the Plant Vogtle project. As a similar public power utility, it is time for MEAG Power to do the same. **Alternative power that could realize savings of at least \$2.5 billion over the next 20 years for MEAG, PowerSouth and JEA ratepayers is available today.** This alternative power does not use unproven technology like the Plant Vogtle project does and is generated from a plant that is already in operation so there is no construction risk.

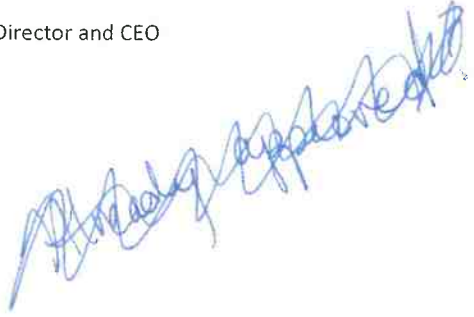
Make your voice heard by contacting your local legislators, the Georgia Public Service Commission, and your MEAG Power representatives. Tell them to choose affordability, choose to protect the public, and choose to say NO to Plant Vogtle.

For more information visit: www.novogtle.com.

Aaron Zahn
Interim Managing Director and CEO
JEA

approved word?

ok



Deleted: ¶ When the MEAG Power Board votes this Thursday, September 20 (10am ET - 1470 Riveredge Pkwy, Atlanta, GA 30328), to determine the fate of the Plant Vogtle construction project, their decision will endure long past our own lifetimes. Our children and grandchildren will live with the result of their decision.¶
Deleted: vote
Deleted: on

Draft Q&A for discussion

Question Answer

How did the project get so over budget? 1

Why did JEA tear down the coal plant on the Northside? 2

Why is JEA not looking for green energy solutions like solar or wind? 3

Are regulations the reason for the excessive Plant Vogtle project costs? 4

Did the Obama administration add costs to the Plant Vogtle project? 5

Does JEA have a backup plan to produce the energy anticipated by Plant Vogtle? 6

Why did the JEA CEO resign? 7

Is the city trying to sell JEA? 8

- Deleted: administration
- Deleted: back up
- Deleted: anticipated

1 -

There are two primary reasons why Vogtle is so over budget. The first is that all nuclear projects ~~which must meet nuclear quality standards~~ are always expensive. Because so few have been constructed in this country over the past decades, each construction project is unique. Unlike manufacturing an automobile or even a large commercial office building, there is no template. Each project is a custom project which takes many years to complete. The cost of materials and labor often changes as the project progresses and regulatory requirements can also change along the way. In the case of Project Vogtle, the original contractor went bankrupt and the ownership group - of which JEA is not a part - chose a new contractor and entered into a contract that did not cap the cost of the construction, thereby leaving every participant, including JEA, exposed. Remember, in the case of a nuclear plant, every component, every weld, every concrete pour is performed to exacting standards and is inspected. Nuclear plants are among the most complicated and advanced systems built by man. Second, Vogtle is expensive because it is the first project of its kind using a new NRC licensing program in an environment where the nuclear construction industry had largely disappeared. As other nuclear projects were canceled, more design costs were transferred to Vogtle. These are just some of the reasons JEA, as a nonowner but with all of the financial obligations of an owner, opposes the financial decisions being made to move forward with this bloated, delayed project when alternative power at a greatly reduced price is available. To stand by and go along in the face of the facts is an irresponsible way to represent JEA's ratepayers.

Deleted: expensive

Deleted: E

Deleted: The Vogtle project was largely protected by the Engineer, Procure and Construct (EPC) contract with the Westinghouse/Shaw Consortium. The EPC contract guaranteed a price for the plant (with some exceptions, like change in law and owners costs). Any cost overruns under the EPC contract were the responsibility of the consortium. Until Westinghouse, by then the only member of the consortium, declared bankruptcy, and paid the guaranty amount rather than be responsible for future cost overruns. Now the Vogtle construction is being performed under a cost plus fixed fee contract, with no limit.

2 -

With JEA electric sales still significantly below all-time peaks, JEA found itself with more generation capacity than it needed to serve customers and meet reserve requirements. The retirement of SJRPP in January 2018 right-sized JEA's generation fleet, saving customers nearly \$500 million while substantially reducing JEA's carbon footprint. This is, in many ways, good news. JEA ratepayers are conserving energy at an ever-increasing rate, thereby saving money and protecting natural resources.

3 -

JEA is a solar energy leader in Florida and across the nation. We have embarked on a major expansion that will increase our current solar energy offerings by 350 percent. Over what period of time? Through the creation of five new local solar farms, JEA will soon provide up

Formatted: Font: Italic

Deleted:

over budget
As other nuclear projects were canceled, one by one, all eventually canceled.

over the next several years

installed capacity

to 300 MW of solar power ~~- frankly, more than we contemplated buying from Plant Vogtle when we first entered into the purchasing agreement - making Jacksonville one of the leading solar cities in the nation. And these additions save our customers money too - a win win for our entire community.~~

Deleted: -

4 -
See 1

5 -
See 1

6 -
JEA has secured a firm offer for fixed price capacity and energy to replace the power we would have received from Plant Vogtle. Even including ~~what has already been spent by canceling construction and purchasing power under this replacement power offer~~ JEA customers would save \$1 billion. The offer extends to replacement power for ~~Power South~~ and MEAG customers, too, pushing the total savings to \$2.5 billion over 20 years.

Deleted: the "sunk" costs in the plant,

Deleted: PowerSouth

7 -
~~JEA's previous CEO's contract expires [redacted]. He announced his decision not to extend his contract last April. In his message to the JEA Board of Directors and JEA employees, Paul McElroy said "The path forward for JEA, at least for the next period of time calls for a different set of leadership skills, not better or worse, just different." He continued "...I have given careful consideration to a contract extension and have concluded it is simply not in the best interest of the parties, me personally and professionally, my family or the community to extend the contract."~~

Deleted: Paul McElroy

Deleted: 's

Deleted: not

Deleted: Friday, April 6, 2018

8 -
~~Mayor Curry has gone on record that he is not pursuing JEA privatization. The City Council has concluded their study regarding the future of JEA and is not considering any plan to privatize JEA. This is very definite and who knows what the future might hold. Do you think we should equivocate a little here? If so, how about:~~

JEA leadership and employees are hard at work every day to enhance the value proposition JEA brings to Jacksonville. Enhanced conservation, embracing solar and renewables, eliminating obsolete facilities, streamlining and automating processes to better serve customers and save money - these and many others are some of the ways JEA makes itself a valued asset across the board. Jacksonville Mayor Curry and the Jacksonville City Council are not ~~even~~ pursuing plans for a sale of JEA.

6

Website outreach contacts. Auto-delivery of the pre-written action letter triggered by visitors completing website form:

Georgia State House of Representatives

[http://www.gahouse.org/](#)

Georgia State Senate

[http://www.gasenate.com/](#)

Georgia Public Service Commission

[http://www.gapsc.com/](#)

MEAG Power Board Members

[http://www.meag.com/](#)

MEAG Power Senior Management

[http://www.meag.com/](#)

This requires approval?

Question

How did the project get so over budget?

Why did JEA tear down the coal plant on the Northside?

Why is JEA not looking for green energy solutions like solar or wind?

Are regulations the reason for the excessive Plant Vogtle project costs?

Did the Obama administration add costs to the Plant Vogtle project?

Does JEA have a back up plan to produce the energy anticipated by Plant Vogtle?

Why did the JEA CEO resign?

Is the city trying to sell JEA?

Recently Asked Questions

Answer

Virginia Love, Chairperson, Georgia Apartment Association

Dear Virginia,

I am reaching out to you regarding Plant Vogtle, a costly project that is negatively impacting hundreds of thousands of Georgia electricity ratepayers who live in apartments across the state.

The construction of Plant Vogtle units 3 and 4, the nuclear power generating facility outside of Augusta, is one of the most expensive and mismanaged construction projects in U.S. history.

As costs balloon – with no end in sight – it is Georgia’s ratepayers who will foot most of the bill in the form of higher utility bills.

This is unacceptable.

There have been multiple lawsuits from groups across Georgia and Florida aimed at canceling the project’s construction. Now it’s time for like-minded organizations who have a vested interest in stopping Plant Vogtle to work together to prevent the plant’s owners from pouring billions more ratepayer dollars into a project that the *Jacksonville Business Journal* called a “nuclear money pit.”

We want to ask you to help by considering one or more of the following:

- Writing a letter to the editor of your local publications
- Submitting an Op-Ed to your local publications
- Sending a letter to:
 - Your legislators and local representatives
 - Commissioners of the Georgia Public Service Commission
 - Jim Fuller, President and CEO, MEAG
- Including messaging in your organization’s newsletters and social media channels

We can provide you with contact information for the above individuals. Please visit our website www.NoPlantVogtle.com and like our Facebook page at www.facebook.com/NoPlantVogtle.

If you would like to discuss this in greater detail, I can be reached at 404-876-2875.

Thank you in advance for your thoughtful consideration.

Roland Alonzi
NoPlantVogtle.com

approved word?

Add Board Chairman of MEAG?

GRASSROOTS COMMUNITY OUTREACH OVERVIEW

Dalton Agency has identified the following organizations (see below) across the state that offer credibility and visibility. We are engaging with these organizations to leverage the considerable influence that they possess in an effort to amplify the voices of opposition to Plant Vogtle.

Our outreach will explore opportunities that include, but are not limited to, the following:

- Letters to the editor for local publications
- Op-Ed pieces for local publications
- Letters to legislators and local representatives
- Letters to Commissioners of the Georgia Public Service Commission
- Inclusion of messaging into organizational newsletters/social media channels
- Letters to Jim Fuller, President and CEO, MEAG

Statewide and Regional Georgia Apartment Associations

MEAG identifies 49 communities on its website that receive wholesale electric power from MEAG. The following seven regional apartment associations cover 37 of the 49 communities listed on the MEAG website. This represents approximately 75 percent of MEAG communities. The Georgia Apartment Association is a statewide organization that we hope to work with on several levels.

- Georgia Apartment Association (Statewide)
- Apartment Association of Greater Augusta
- Athens Apartment Association
- Atlanta Apartment Association
- Coastal Georgia Apartment Association
- Greater Columbus Apartment Association
- Mid-Georgia Apartment Association
- South Georgia Apartment Association

Dalton Agency is also researching companies that may have a list of homeowner associations across Georgia for purchase.

Organizations Currently Engaged in Opposition/Litigation

The following organizations have either initiated litigation directed at Plant Vogtle, specifically against the Georgia Public Service Commission, or have been on the record in opposition to Plant Vogtle.

- Georgia Interfaith Power and Light
- Partnership for Southern Equity
- Southern Environmental Law Center
- Georgia Watch
- Nuclear Watch South
- Concerned Ratepayers of Georgia
- Southern Alliance for Clean Energy

City Councils/Local Government in MEAG Communities

Outreach to the following mayors, city councils, boards of commissioners, aldermen, etc. will be facilitated via homeowner associations and other groups and will receive communications about the impact of Plant Vogtle and the repercussions for ratepayers in their respective districts. We can also consider sending the open letter from JEA, which is currently being drafted.

- Board of Aldermen, Acworth, GA
- City Council, Adel, GA
- City Council, Columbus, GA
- City Council, Barnesville, GA
- City Council, Blakely, GA
- City Council, Brinson, GA
- Board of Commissioners, Buford, GA
- City Council, Cairo, GA
- City Council, Calhoun, GA
- City Council, Camilla
- City Council, Cartersville
- City Council, College Park, GA
- City Council, Commerce, GA
- City Council, Covington
- Board of Commissioners, Crisp County
- City Council, Doerun, GA
- Board of Commissioners, Douglas, GA
- City Council, East Point, GA
- City Council, Elberton, GA
- City Council, Ellaville, GA
- City Council, Fairburn, GA
- City Council, Fitzgerald, GA
- City Council, Forsyth, GA
- City Council, Fort Valley, GA
- City Commission, Grantville, GA
- City Council, Griffin, GA
- City Council, Hogansville, GA
- City Council, Jackson, GA
- City Council, Lafayette, GA
- City Council, Lagrange, GA
- City Council, Lawrenceville, GA
- City Council, Mansfield
- City Council, Marietta, GA
- City Council, Monroe, GA
- City Council, Monticello, GA
- City Council, Moultrie, GA
- City Council, Newnan, GA
- City Council, Norcross, GA
- City Council, Oxford, GA
- City Council, Palmetto, GA
- City Commission, Quitman, GA
- City Council, Sandersville, GA
- City Council, Sylvania, GA
- City Council, Sylvester, GA
- City Council, Thomaston, GA
- City Council, Thomasville, GA
- City Council, Washington, GA
- City Council, West Point, GA
- City Council, Whigham, GA

###