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Sent: Thursday, February 14, 2019 4:47 PM
To: Michael Munz (mmunz@daltonagency.com); Susie Wiles
Subject: FW: chamber presentation
Attachments: 2019-2-15 Chamber Presentation - v2.pptx

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Sent: Thursday, February 14, 2019 2:40 PM
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Cc: Stewart, Kerri - VP & Chief Customer Officer <stewk@jea.com>; Wannemacher, Ryan F. - Chief Financial Officer <wannrf@jea.com>; Dykes, Melissa H. - President/COO <dykemh@jea.com>; Romero Aguero, Julio E. (Chief Inno. and Transformation Officer) <romeje@jea.com>; Bartley, La'Trece M. - Mgr Executive Administration <bartlm@jea.com>; Hightower, Mike R. - Chief Public & Shareholder Affairs Officer <highmr@jea.com>
Subject: chamber presentation

I threw this together this morning... not perfect but good enough... I have a quick update presentation to the Chamber Board of Directors tomorrow.

This won't burst the bubble of status quo but will set a stage.

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JEA®

August 8, 2005

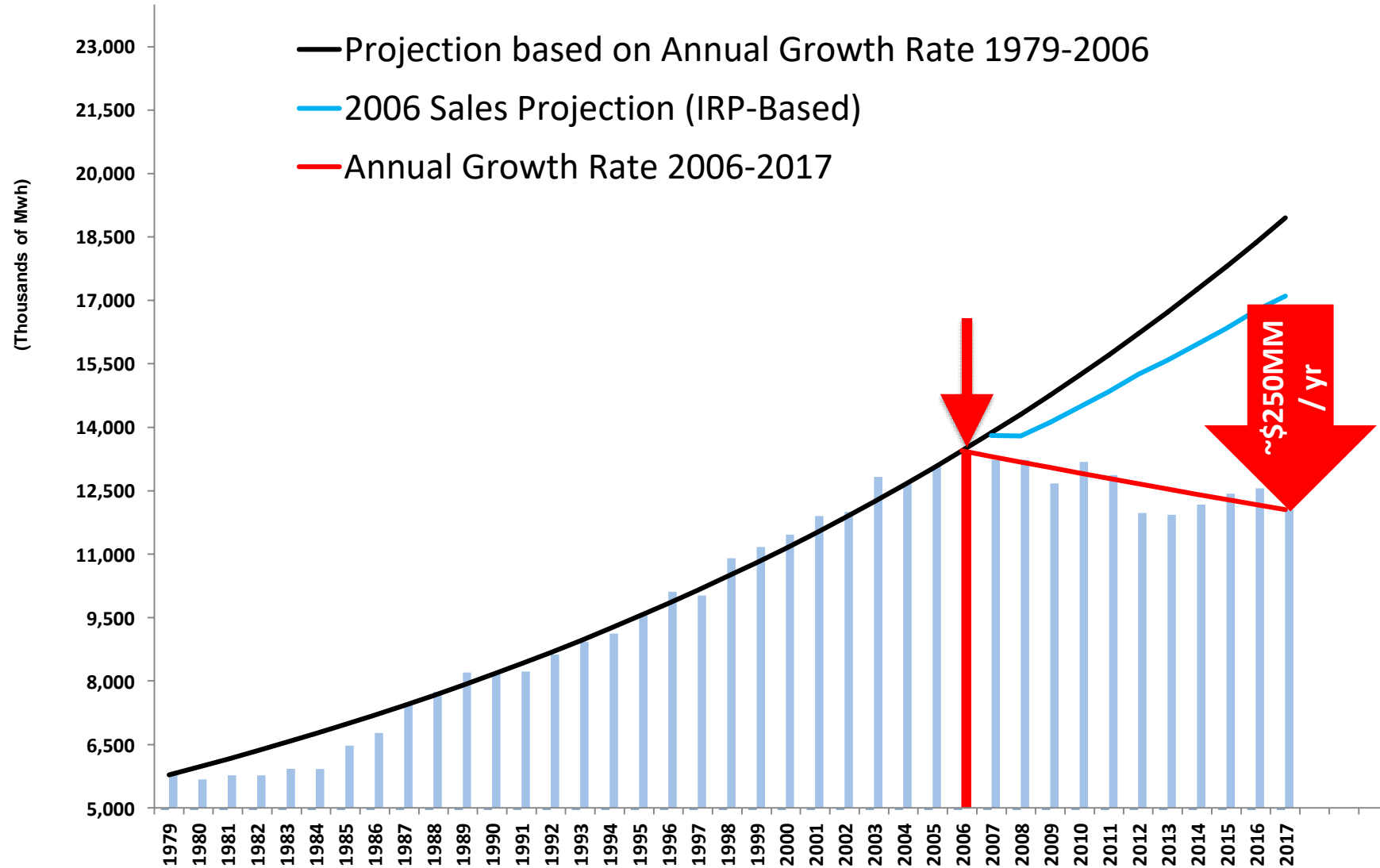
Energy Policy Act of 2005



Energy Efficiency - 2000's technology trend

- Tax incentives for energy efficiency technology
- Exempted fluids used in gas fracking from Clean Air Act, Clean Water Act, Safe Drinking Water Act, and CERCLA
- Additional incentives for solar, wind and renewables

2007 to 2017 lost Avg. of \$130 MM / yr in FCF (\$1.4B of cash) vs Expected Case



National Macro Trends

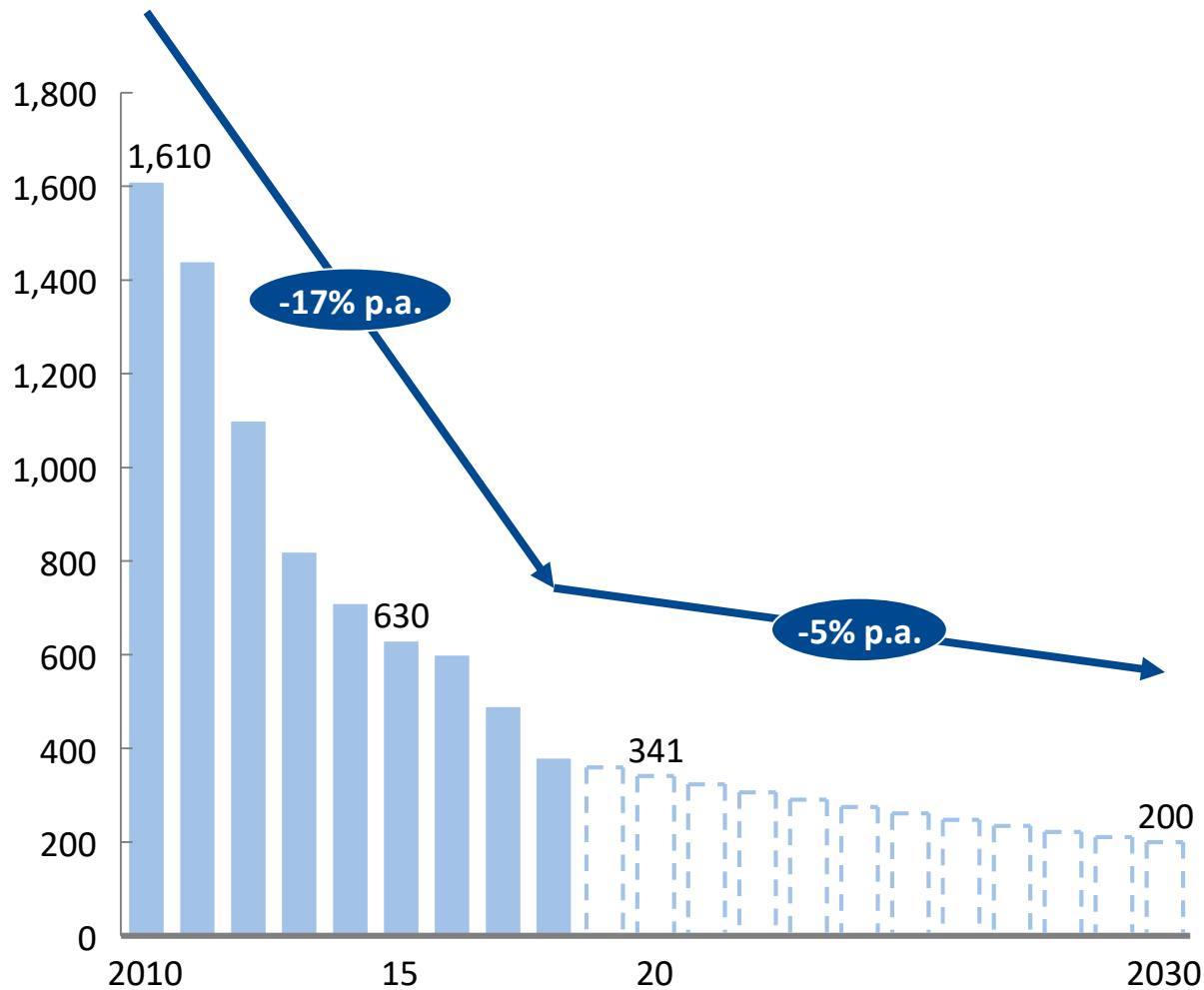
Energy Efficiency (2000's tech trend) Impact on JEA

- Mandates account for >90% of reduction in electric sales
- 30% lower sales in 2017 than forecasted back in 2006

Distributed Generation (2010's tech trend)

- Solar growth increasing in JEA territory 67% CAGR since FY 14
- >\$2.5MM of Net Income lost to distributed generation annually

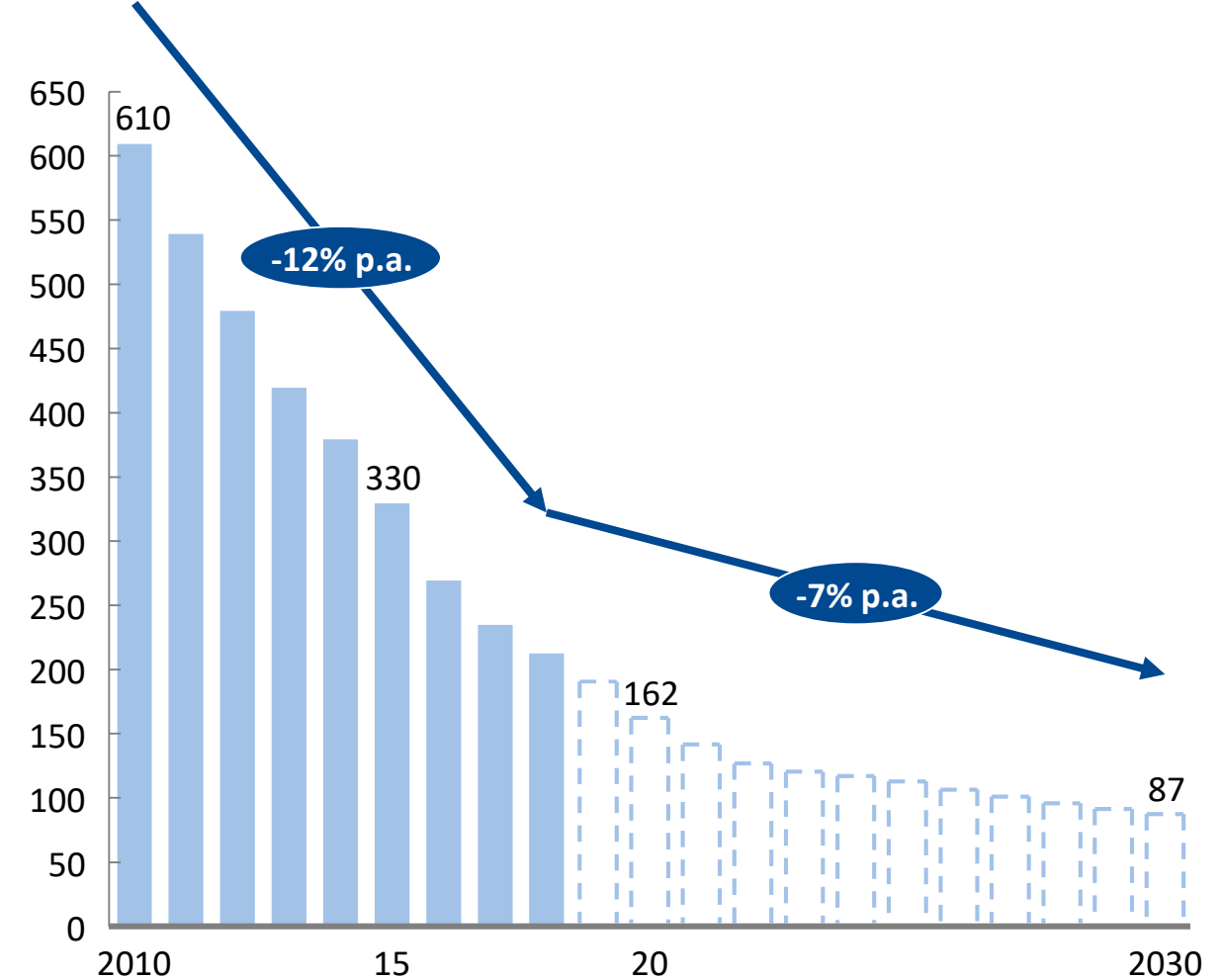
Solar module pricing, \$/kW



Distributed Storage & iDER (2020's tech trend)

- Similar cost / performance trends to DG
- DG + Storage will be at cost parity with utility by ~2025

Li-ion battery pack costs, \$/kWh



February 6, 2019

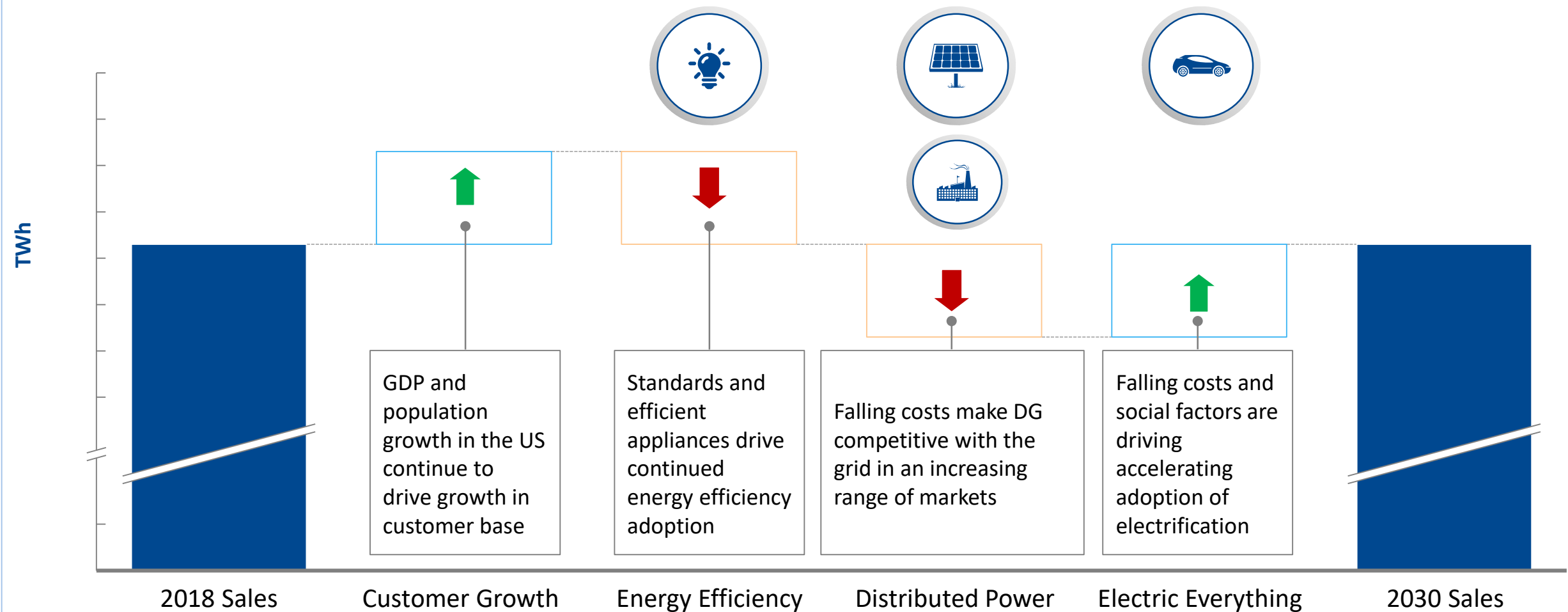
Southside Jacksonville

- Built 1993
- 1,900 sq ft
- 3 bedrooms
- 2 bathrooms
- Estimated value:
\$250,000

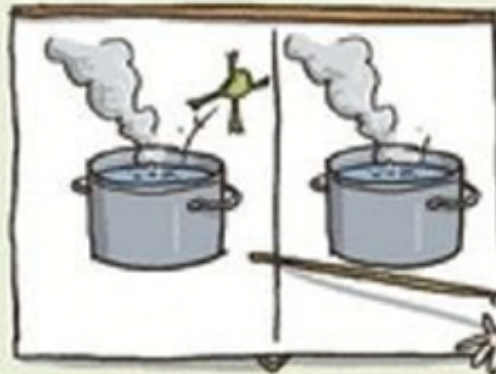


National trends will impact JEA substantially by 2030

2030 JEA energy sales drivers



The boiling frog theory states that if a frog is placed in boiling water, it will jump out, but if it is slowly heated, it will not perceive the danger and die ...



I don't get the relevance ...
Isn't this supposed to be a seminar
on the relationship between JEA
and the Jax Chamber?



3/15
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Corporate Measures

Our mission will be guided by and evaluated against how we as employees drive these four basic Corporate Measures of JEA's value

The fundamental goal is to maximize each value both now and in the future:

- 1) Customer Value**
- 2) Financial Value**
- 3) Environmental Value**
- 4) Community Impact Value**

HEADLINE PRIORITIES

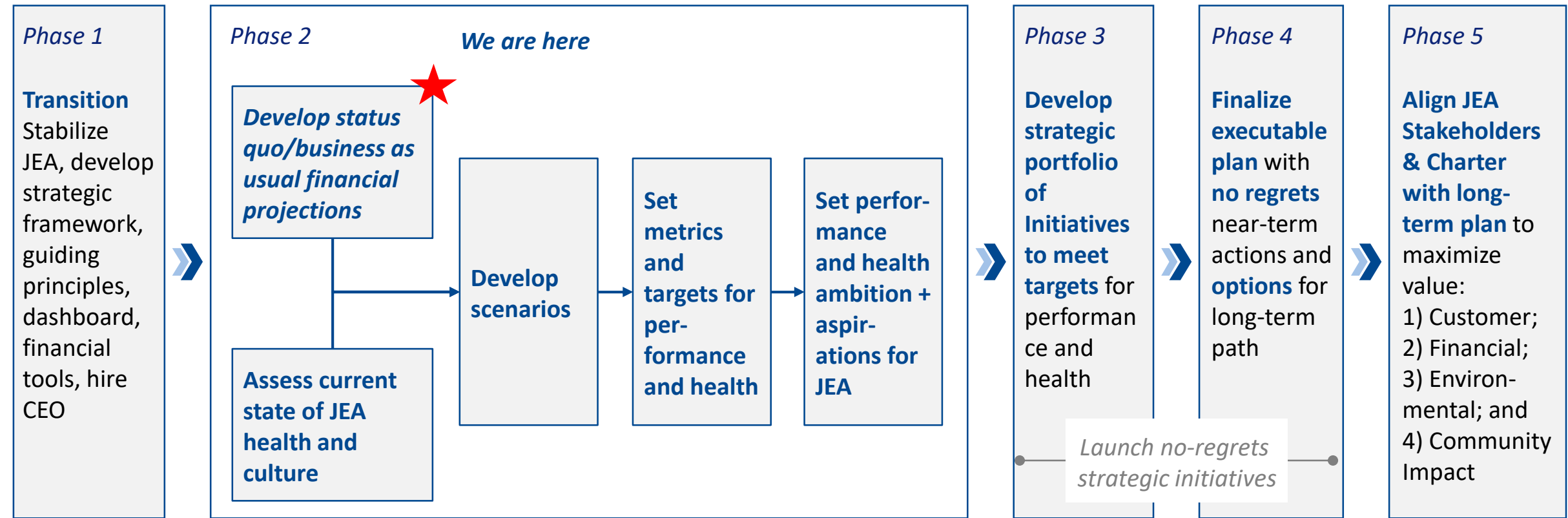
Five focus areas of JEA
necessary for future success.

- 1) Adaptive Culture
- 2) Align to a pervasive commitment to profitability and value
- 3) Create platform for customer choice
- 4) De-Risk business
- 5) 10-Year strategic plan in line with Guiding Principles



We are now more focused than ever on developing a strategic plan for JEA

Internal stakeholder alignment (Board, SLT, appointed employees, Union)



External stakeholder consultation and feedback (e.g. City of Jacksonville)



JEA will develop a plan of action consistent with its strategic goals

Strategic Goal: Drive an increase in the value of JEA now and in the future

Corporate measures and metrics

Customer value



Provide JEA customers with safe and reliable electric, water and wastewater **services at a rate structure equal to or less than industry average**



Maintain **customer service standards and experience** within the top quartile of the industry



Expand our trusted partner **relationship with our customers**

Financial value



Maintain financial performance metrics necessary to preserve aa3 / AA- ratings, or similar comparable risk measures as adopted and deemed appropriate by JEA from time to time



Establish growth initiatives to drive values and efficiencies with respect to electric, water, sewer, natural gas and other utility services, systems and/or products

Community impact value



Establish and maintain **open and transparent communication** with employee, customer and all our stakeholders



Continue investment and leadership of **economic development within Jacksonville**



Continue and drive **employment within the region**



Foster an environment of **engaged employees** that treat JEA as owners



Preserve the level of **financial contribution of JEA to the city**

Environmental Value



Maintain **compliance with all regulations** and meet or exceed industry standards that impact the environment



Establish and lead a **sustainability program** for the benefit of the region



Set an example of **environmental stewardship**



WATER REVOLUTION

Improving Lives by Accelerating Water Innovation

JEA'S WATER EVOLUTION

PAST

- Protecting the St. Johns River
- Beneficial Reuse of Byproducts
- Conserving our Water Resource

PRESENT

- Resource Constraints
- Policy/Regulatory Drivers

FUTURE of INNOVATION

- Integrated Water Resource Planning
- Infrastructure Innovation



INTEGRATED RESOURCES DRIVE CORPORATE VALUES



- Reduce air pollution and GHG emissions
- Reduce energy costs
- Support economic growth
- Improve energy and water efficiency
- Extend life of infrastructure and equipment
- Enhanced protection of public health
- Continue to demonstrate leadership

ALIGNS WITH JEA
CORPORATE MEASURES