

Public Power Overview

**Jacksonville City Council
Future of JEA Workshop #6
March 9, 2020**

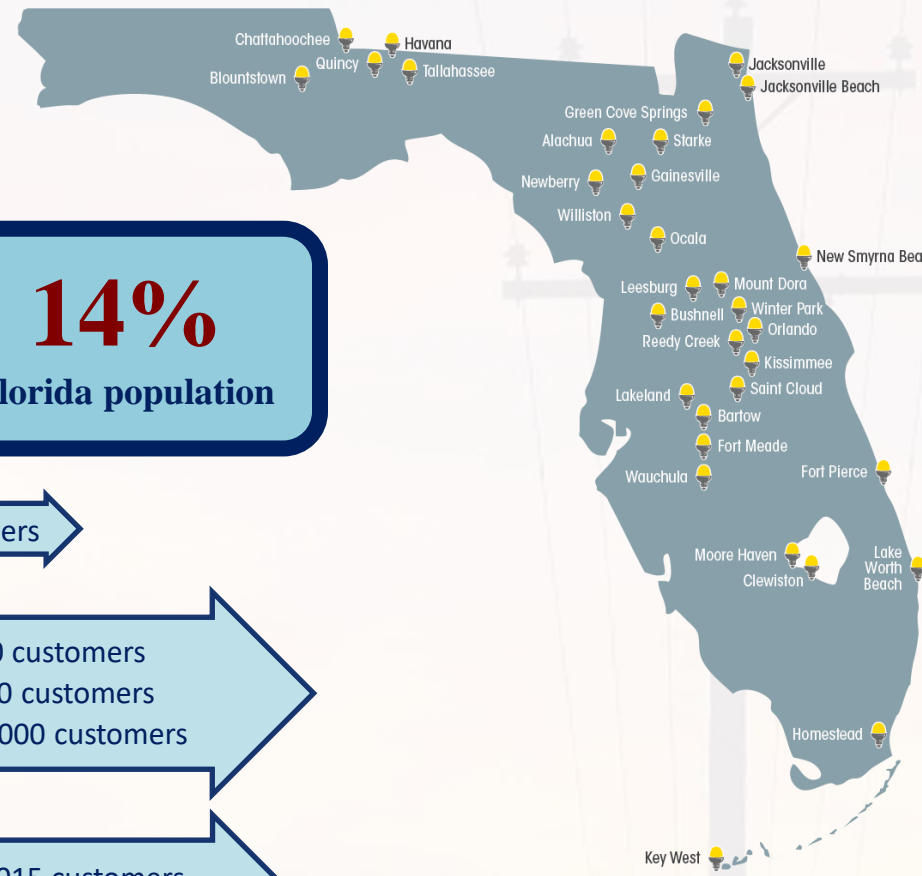
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Overview

- What is Public Power?
- Benefits
- Rate Comparisons
- Reliability & Hurricane Restoration
- Governance Types (examples)
- Expanded Energy Services/Programs

Florida Public Power



33
Public Power
Utilities

1.4 mil
Customers

14%
Florida population

JEA
• JEA: 478,000 customers

Large Utilities
• Orlando: 249,000 customers
• Lakeland: 127,000 customers
• Tallahassee: 123,000 customers

Small Utilities
• Moore Haven: 1,015 customers
• Bushnell: 1,065 customers
• Chattahoochee: 1,100 customers

What is FMEA?

- Statewide trade association representing Florida public power distribution utilities
- Legislative & Regulatory (Tallahassee and Washington, DC)
- Mutual Aid and Emergency Response
- Professional Development & Networking
- Communication – Headline News, Relay, Surveys, Social Media, Awards
- Florida Lineman Competition
- FMEA is **NOT** an electric utility
- FMPA – wholesale power supply agency formed by municipal utilities for power supply – not a member of FMEA



JEA & Florida Lineman Competition

- JEA has placed in the top 3 on events 90 times
 - 64 times as Journeyman teams
 - 26 as Apprentices
- They've been ranked in top 5 overall 24 times
 - 15 with Journeyman teams
 - 9 as Apprentices
- JEA's taken home 114 FLC trophies!

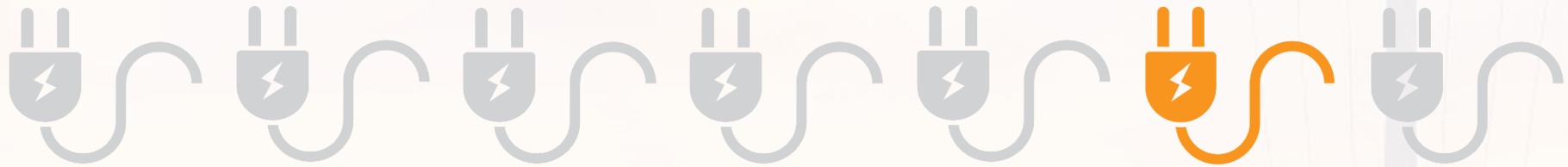


What is APPA?

- Nationwide network of public power utilities
- Advocacy, education, training, R&D, sharing of best practices
- Resources for boards and policymakers
 - “Get to Know Public Power: A Guide for Utility Board and Council Members” (e-book)
 - Governance training for boards and councils
 - National Conference Governance Topics
 - Public Power intro; Governance 101; Strategic Planning
 - Numerous reports/research, benchmarking tools (eReliability Tracker, eSafety Tracker, etc.)
 - If not possible to travel, APPA can customize training for new JEA Policymakers and bring it to JAX



2,011 PUBLIC POWER UTILITIES PROVIDE ELECTRICITY TO 49 MILLION PEOPLE* IN 49 STATES AND 5 U.S. TERRITORIES



1 IN **7** ELECTRICITY CUSTOMERS IN THE U.S. ARE SERVED BY **PUBLIC POWER**

#FLPublicPower

*Based on U.S. Census Bureau stats of 2.54 people per household/meter



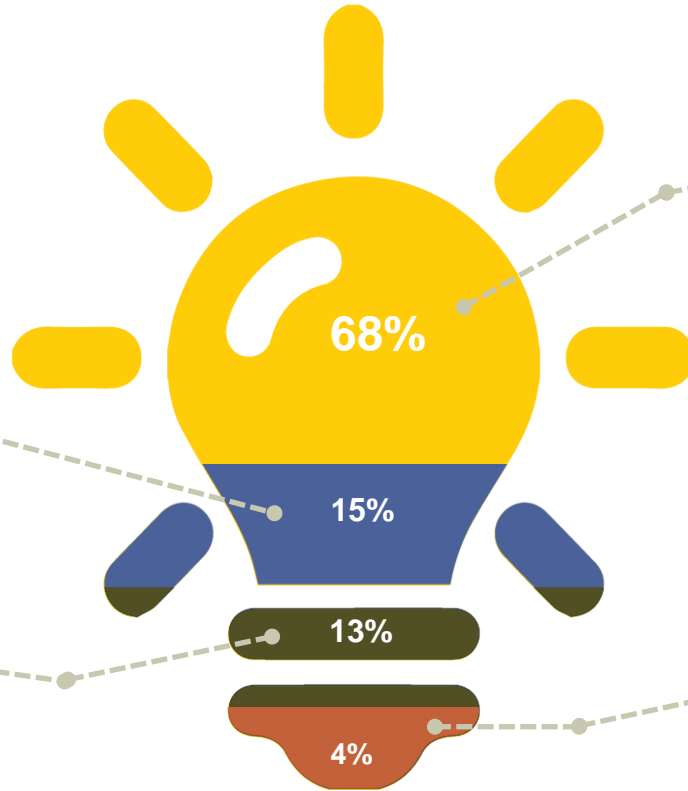
ELECTRICITY CUSTOMERS SERVED BY



PUBLIC POWER UTILITIES



RURAL ELECTRIC COOPERATIVES



INVESTOR-OWNED UTILITIES



POWER MARKETERS

MOSTLY IN TEXAS

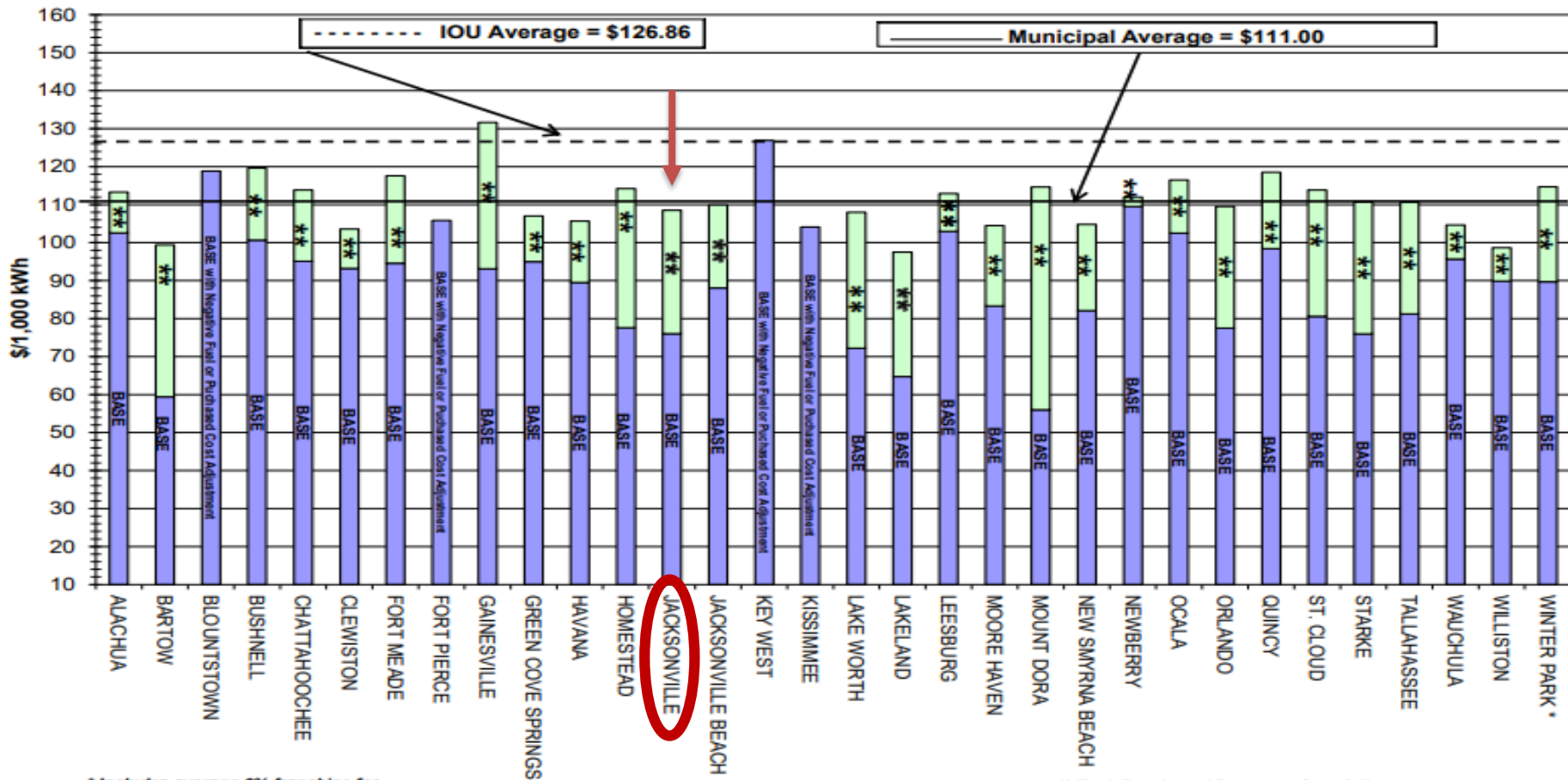
Public Power Benefits

- Locally owned, locally operated, local decision making
- Not-for-profit: utility revenues reinvested in the community
- Accountability and transparency
- Local control over energy future that reflects local community desires and interests
- Reliable electric system
- Employees live and work in the community
- Faster response time for outages/storms
- Affordable rates
- In-kind contributions – community sponsorships and engagement, streetlighting
- Eligible for FEMA public assistance
- Can issue tax-exempt municipal bonds

Public Power Benefits

- High Value to City and Customers
 - Emphasis on local priorities
 - Investment in local infrastructure
 - Energy conservation and efficiency programs
 - Renewable energy
 - Environmental stewardship
 - System aesthetics, design and resiliency
 - Partner for city for economic development
 - Responsive customer service policies and procedures tailored to local needs
 - Local, live and often in-person customer service
 - Customers and employees are family, friends, neighbors – integrated in local community

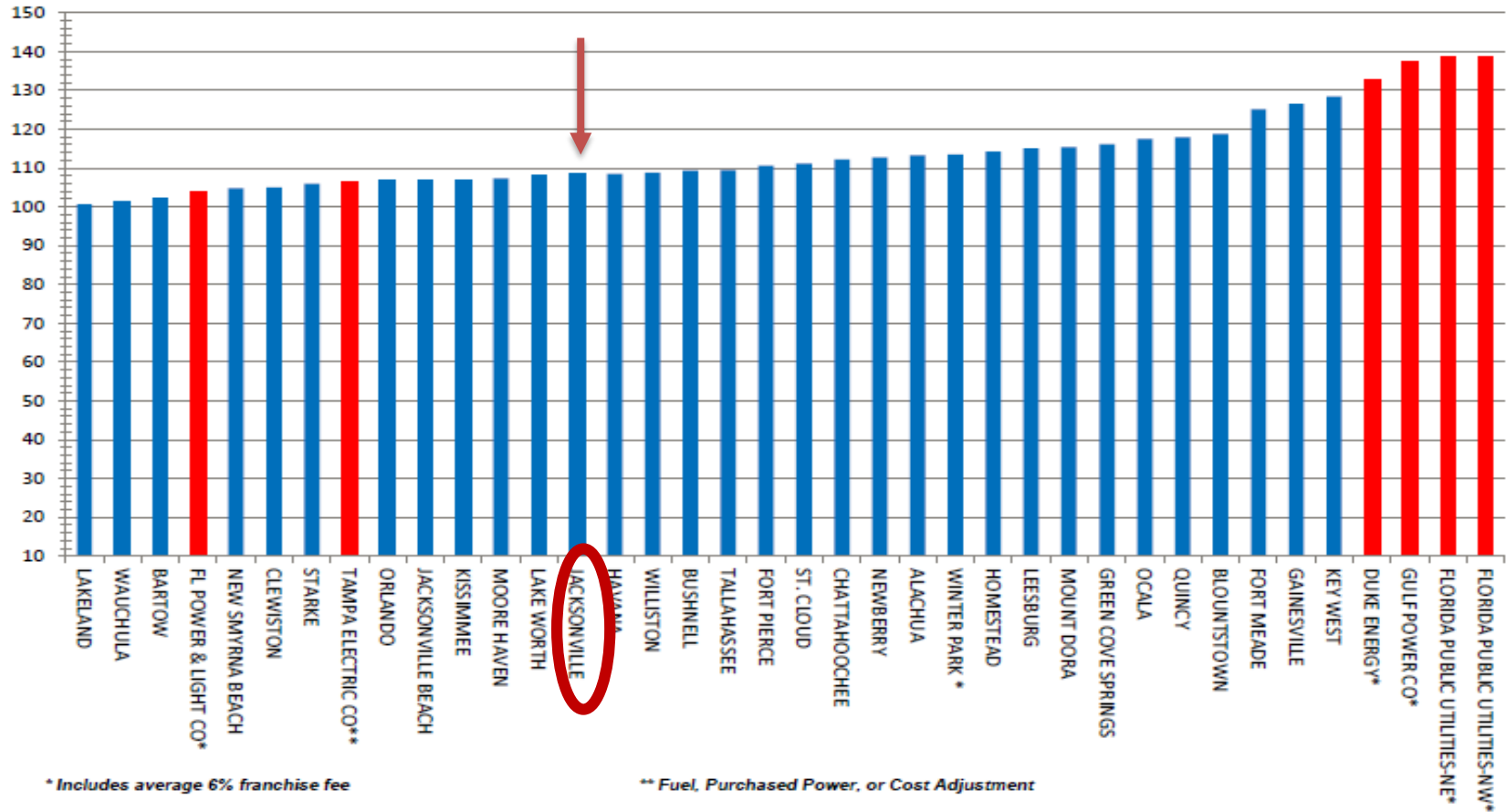
Residential Bill Comparison, January 2020



* Includes average 6% franchise fee.

** Fuel, Purchased Power, or Cost Adjustment

Lowest to Highest Residential Bill Comparison - 1,000 kWh 12-Month Average: January 2019 - December 2019



* Includes average 6% franchise fee

** Fuel, Purchased Power, or Cost Adjustment

Reliability Comparisons

2018 Distribution Reliability Indices

Best Performance Highlighted in Green, Second Best in Yellow

| Utility | Length ¹ | Duration ² | Repair Time ³ |
|----------|---------------------|-----------------------|--------------------------|
| KUA | 80 | 43 | 51 |
| Beaches | 99 | 44 | 54 |
| OUC | 74 | 53 | 73 |
| JEA | 107 | 58 | 46 |
| Lakeland | 120 | 63 | 101 |
| FPL | 199 | 53 | 60 |
| Duke | 147 | 99 | 97 |

¹ **L-Bar** = Average length of a service interruption.

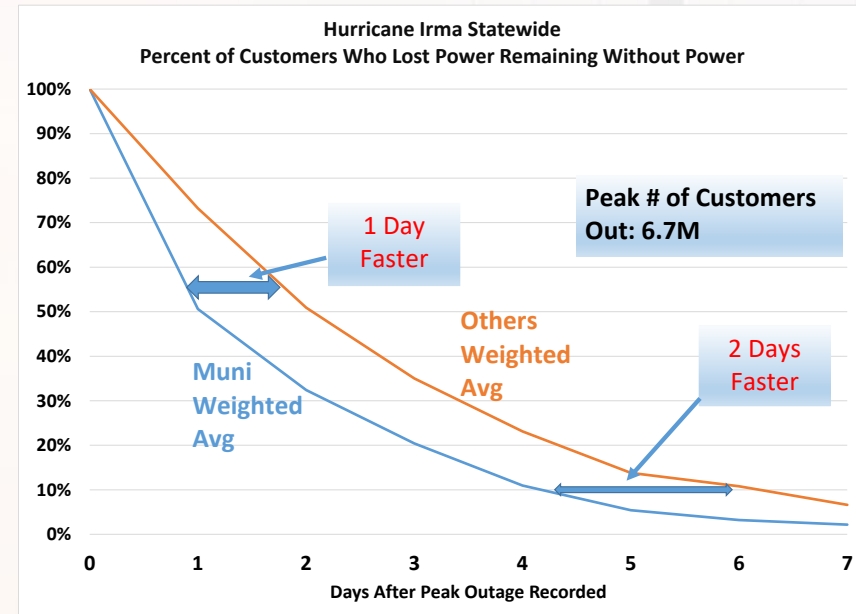
² **SAIDI** = Average duration of interruptions for the average customer.

³ **CAIDI** = Average repair time experienced by the average customer who experienced an outage.

Hurricane Irma

- 6.7 million Floridians out at peak
 - 827,000 from public power
- Every electric utility impacted, including all 33 public power utilities
- 2,000 public power lineworkers responded from approximately 200 utilities from 26 states plus Canada: working through APPA mutual aid program
- More than 827,000 public power customers out at peak
 - Nearly 50% of those restored in 24 hours
 - More than 80% of total customers restored in 48 hours
 - 98% restored in less than a week

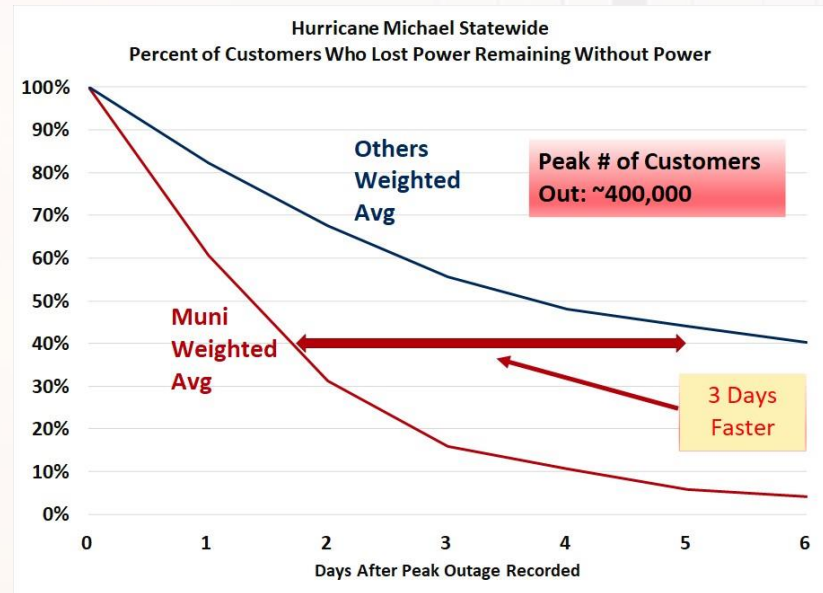
| | | |
|-------------|----------------|----------------|
| Alabama | Louisiana | Oklahoma |
| Arkansas | Maryland | Pennsylvania |
| Connecticut | Massachusetts | Rhode Island |
| Georgia | Michigan | South Carolina |
| Illinois | Minnesota | Tennessee |
| Indiana | Missouri | Texas |
| Iowa | Nebraska | Virginia |
| Kansas | North Carolina | Wisconsin |
| Kentucky | Ohio | |



Hurricane Michael

- 400,000 Floridians out at peak
 - 122,000 from public power
- 600 public power lineworkers responded from approximately 80 utilities from 16 states: working through APPA mutual aid program
- Five public power utilities impacted
 - Tallahassee – 92% customers out
 - 90% restored in 4 days
 - 100% restored in 9 days
 - Havana – 100% customers out
 - Transmission out 3 days
 - 100% restored in 4 days
 - Quincy & Chattahoochee – 100% customers out
 - Transmission out 3 days
 - 100% restored in 12 days
 - Blountstown – 100% customers out
 - Transmission out 7 days
 - 100% restored in 12 days

| | | |
|-------------|---------------|--------------|
| Alabama | Kentucky | Nebraska |
| Arkansas | Louisiana | Ohio |
| Connecticut | Massachusetts | Oklahoma |
| Florida | Mississippi | Rhode Island |
| Indiana | Missouri | Tennessee |
| | | Texas |



Electric Utility Governance Options

- City Council/City Commission
- Commission/Customer Committee Hybrid
- Appointed Utility Authority
- Elected Utility Authority
- Customer Advisory Committee
- Public Service Commission (IOU)

City Council/Commission

(26 cities)

- Elected by city voters
- Electric utility is a department of city
- Utility governing body is city council
- Utility employees are city employees
 - Departmental functions often shared (IT, HR, etc.)
- City council sets rates and utility policies

Commission/Customer Committee Hybrid

(Lakeland)

- City Commission (Council) elected by city voters (7 members)
- Separate Utility Committee
 - 6 members
 - 4 appointed by Mayor (at least one from outside city limits); 2 from business sector
 - Customers apply; 3-year terms
- 12 meetings per year
 - Separate from City Commission meetings, but Commissioners participate
 - 2 hours in length
 - Provide policy direction
 - Vote on some issues, including utility budget, but votes are advisory
- City Commission then takes up same issues and votes in their meeting – but takes less time
 - Commission has fiduciary responsibility
 - Rarely overturns a vote of Hybrid Committee

Appointed Utility Authority

(Ft. Pierce, Jacksonville, Orlando, Kissimmee, New Smyrna Beach)

- Appointed by mayor or city council
- Some require county representation, most have flexibility to seek best candidate
 - Mayor sits ex-officio on some
- At least 12 meetings per year
 - Generally business background
 - Fixed transfer to general fund
 - Fiduciarly responsible, hear, vote on all issues, including utility budget
 - City sometimes approves budget and bond issues

Appointed Utility Authority

(Ft. Pierce, Jacksonville, Orlando, Kissimmee, New Smyrna Beach)

- Fort Pierce Utilities Authority
 - 5 members – including the mayor
 - Appt by City Commission
 - Two consecutive 4-yr terms
- Orlando Utilities Commission
 - 5 members – including the mayor (ex officio)
 - Appt by City Council through nominating council approved by OUC Board
 - Two consecutive 4-yr terms; One from unincorporated service area
- Kissimmee Utility Authority
 - 5 members – plus mayor (ex officio)
 - Appt by City Commission through nominations from KUA Board
 - Two consecutive 5-yr terms; Two may be from outside city limits
- Utilities Commission New Smyrna Beach
 - 5 members
 - Appt by City Commission
 - Three consecutive 3-yr terms

Elected Utility Authority

(Key West)

- Board elected by ALL Keys Energy customers
- 5 members: 3 from inside city and 2 from outside
- 24 meetings per year
- Four year terms; no term limits
- Highly engaged, well known in community
 - Governing board members attend industry conferences, have greater focus with limited agenda

Customer Advisory Committee

(Many)

- Appointed by city manager or mayor
 - Sometimes input from full governing board
- **County representation**
 - Broad community-wide background
- ~12 meetings per year
 - Discuss most utility issues
 - Not fiduciarly responsible
 - Recommendations to governing body

Public Service Commission

- Commissioners appointed by governor
 - No local input
- Many meetings, depending on utility issues
 - Meet in Tallahassee
 - Judicial format
- Full regulation of IOU rates, service offerings
- Limited PSC regulation over public power – rate structure, territory disputes, power plant siting, various reports

Expanded Energy Services and Programs

- Community/rooftop solar programs
- Smart lighting – LED, streetlight outage detection, video surveillance, parking and traffic analytics
- Coordinated demand response with customers
- Customer rebates and loans for efficiency upgrades and weatherization
- Electrification – EV charging, fleet conversion, EV rebates (Nissan)
- Backup generation, microgrids, energy storage
- Distribution projects –self-healing technologies to reduce outage times
- Smart meters – Advanced Metering Infrastructure
- Other utility services – broadband, chilled water, dark fiber leasing

