

Project Freebird

Organizational materials | July 2019



Meeting agenda: July 10–12, 2019

- Welcome and meeting objectives
- Introduction of project team members
- Project team organization
- Project team communication protocol
- Process objectives / description / key work products / sequencing and timing
- Project documentation
- Key considerations in positioning the process for regulatory success
- Potential Counterparty universe
- Key date for sharing with J.P. Morgan and Morgan Stanley

Key process deliverables timeline

Summary overview of near-term deliverables

Key deliverable	Description	Due date	Responsible party(ies)
Deliverables in next two weeks			
<ul style="list-style-type: none"> Update to Plan for Registration (ITN) 	<ul style="list-style-type: none"> Final consensus on ITN process and regulatory requirements Company review of the final process Key project steering committee "kick-off" Key specific and detailed tasks 	July 19, 2018	Company, Foley, JPM, MS, Pillsbury
<ul style="list-style-type: none"> Project steering committee 	<ul style="list-style-type: none"> Final "kick-off" meeting to align on ITN and regulatory requirements 	July 19, 2018	Company, JPM, MS
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Final "kick-off" meeting to align on ITN and regulatory requirements 	July 20, 2018	Company, JPM, MS
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Final "kick-off" meeting to align on ITN and regulatory requirements 	July 20, 2018	Company, JPM, MS
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Final "kick-off" meeting to align on ITN and regulatory requirements 	July 20, 2018	Company, JPM, MS
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Final "kick-off" meeting to align on ITN and regulatory requirements 	July 20, 2018	Company, JPM, MS
Deliverables in next eight weeks			
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July 27, 2018	Company, JPM, MS, Foley Regulatory Consultant
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July 27, 2018	Company, JPM, MS
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July 27, 2018	Company, JPM, MS, Foley Regulatory Consultant
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July 27, 2018	Company, JPM, MS
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July 27, 2018	Company, JPM, MS, Foley Regulatory Consultant
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July 27, 2018	Company, JPM, MS
Ongoing workstreams			
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July, September	Company, Foley, Pillsbury
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July, September	Company, Foley, Pillsbury
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July, September	Company, Foley, Pillsbury
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July, September	Company, Foley, Pillsbury
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July, September	Company, Foley, Pillsbury
<ul style="list-style-type: none"> Company review of regulatory requirements 	<ul style="list-style-type: none"> Company review of regulatory requirements 	July, September	Company, Foley, Pillsbury

Project team communication protocol

- This document solely references internal notes of J.P. Morgan and Morgan Stanley
- Standing process status updates – to be scheduled
 - Agenda
 - Key process updates
 - Key regulatory updates
 - Key business updates
 - Items completed
 - Near-term deliverables
 - Medium-term deliverables
 - Frequency: Weekly
 - Duration: Typically less than 1 hour
 - Format: Telephonic
 - In-person as needed
- Sub-committee regular calls
 - To be determined based on need
- Project code name and communications protocols

A broad process should be utilized to explore all potential opportunities for [Client]

- Obtain a cost benefit analysis, assessing affordability, risk, power and value to customers, it does that and legal to get lower than current forecasts
- Management capability, including [Client's] status, past performance for systems, safety and reliability
- Value in participation, providing a great potential process to the City
- Client's role in development, managing the transition, renewable power sources to meet the state of Florida's environmental goals
- Current staff, employees, not taking the job, and it needs to [Client] employees
- Technological innovation, developing solutions to enhance the [Client]'s customer experience

Process description

- Conduct an RFP process to evaluate and choose a subject
- Distribute a comprehensive request for information to suppliers, help in technical and management presentations and binding bids in 2nd round
- Competitive and response of subject's Counterparty

- Highest probability of achieving all process objectives

- Competitive between multiple bidders

- Best price of proposed price

- Higher level of engineering and process control and output

- Public involvement, assessment through RFP, it is to be an offer [Client] alternatives of alternatives not previously considered

- Some [Client] might be able to participate in a publicly announced auction process

- Multiple bidders high reliability

- Negotiated terms, solutions are set

- Numerous potential Counterparties and limited liability, it will be the most experienced Counterparty

When appropriate

Potential process timing and milestones

Timing considerations

- J.P. Morgan and Morgan Stanley are pleased to begin preparation of ITN immediately with a view to approving mutually agreed Counterparties in September 2019.
- Following ITN process, a standard two-step auction process could be completed within 16-20 weeks, although the [Client] sale process might take longer given the number of stakeholders involved.
- Given our experience with recent sale processes, disseminating marketing materials and data rooms will be a swift process.
- Comprehensive materials and sufficient time for Counterparties in the initiative but please have shown past results in past processes and help to ensure Counterparties understand and reflect all value drivers appropriately.
- J.P. Morgan and Morgan Stanley will work closely with the City and its advisors to tailor a process / timeline that meets the objectives of the City**

Indicative process timeline

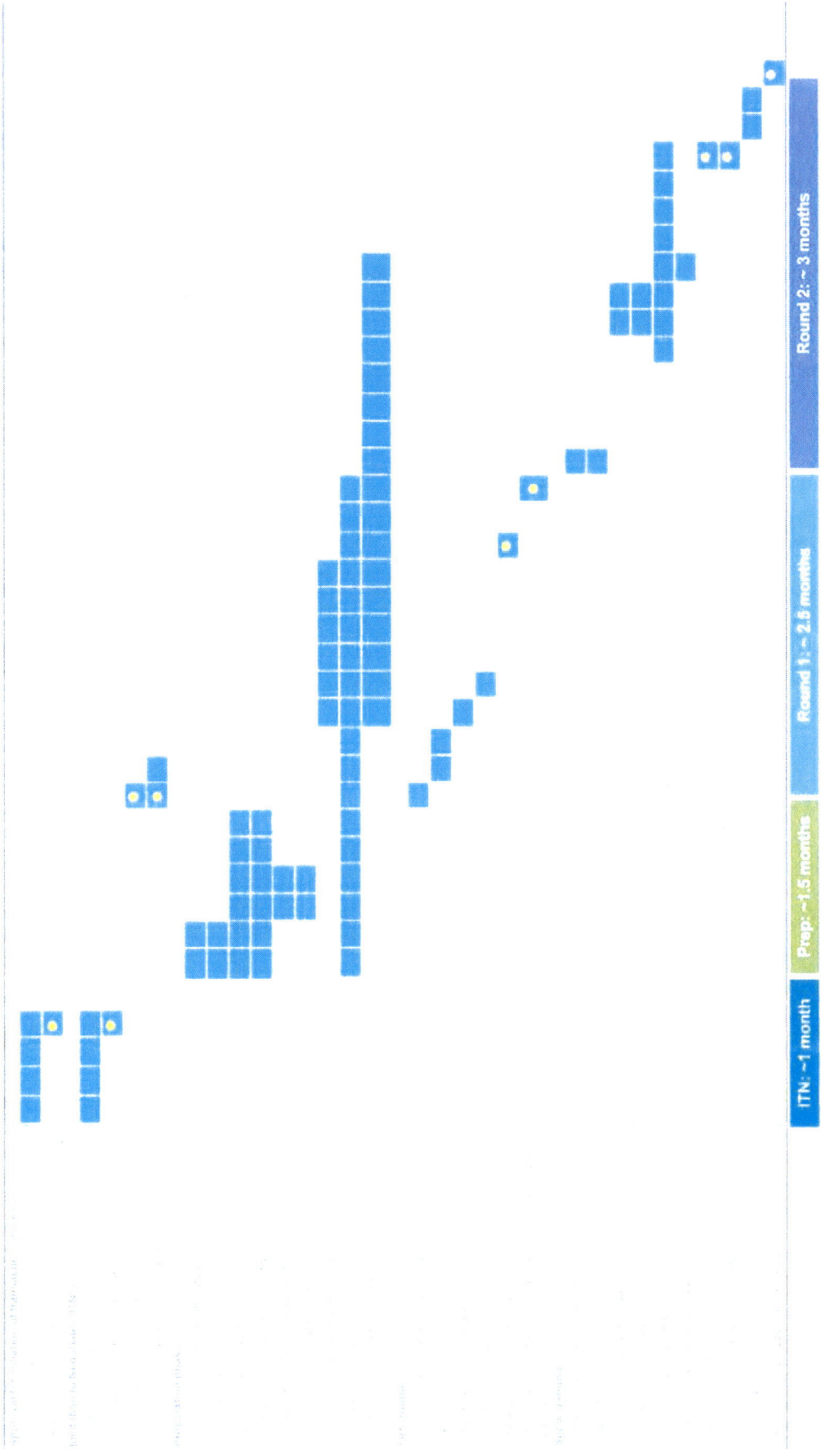
Item	Potential timing
Board meeting	23-24-19
Issue materials & final announcement of ITN	2-4-19
Conduct diligence / Prepare marketing materials / Begin populating data room	August - January
Issue and receive part two announcement of ITN / AEs	September
Distribute Confidentiality Information Memo and process/partners	October
City based due diligence / initial	November
Standard process / diligence including opening of electronic data room	December – February 2020
Final regulatory approvals received	February 2020
Sign SPA and definitive agreement	March 2020

Overview of key process documents

Document	Description
Pre-launch	<ul style="list-style-type: none"> • Preliminary research on the market, including an initial demand • Pricing, financial, and other key information, and other key information • Description of the new product offering and its value
Counterparty log	<ul style="list-style-type: none"> • Provides all the key information • Describes the key information and the key information
Non-disclosure agreement	<ul style="list-style-type: none"> • Provides the key information and the key information • Describes the key information and the key information
Confidential Information Memorandum	<ul style="list-style-type: none"> • Includes information on the key information and the key information • Describes the key information and the key information
Consulting reports (as necessary)	<ul style="list-style-type: none"> • Provides the key information and the key information • Describes the key information and the key information
Diligence tracker	<ul style="list-style-type: none"> • Provides the key information and the key information • Describes the key information and the key information
Management presentation	<ul style="list-style-type: none"> • Provides the key information and the key information • Describes the key information and the key information
Data room index	<ul style="list-style-type: none"> • Provides the key information and the key information • Describes the key information and the key information
Purchase and Sale Agreement	<ul style="list-style-type: none"> • Provides the key information and the key information • Describes the key information and the key information
Process letters	<ul style="list-style-type: none"> • Provides the key information and the key information • Describes the key information and the key information

Proposed introductory process timeline

Estimated transaction signing and announcement in mid-March



Preliminary key process responsibilities

Overview

	[Client]	J.P. Morgan	Morgan Stanley	Additional advisor(s)
Draft ITN		✓		–
Get terms and rights	✓			–
Direct any future Counterparty discussions to J.P. Morgan and Morgan Stanley	✓			–
Engage, screen potential counterparties	✓	✓		–
Select data room provider through competitive process	✓	✓		–
Prepare and distribute RFI to potential Counterparties	✓			Legal Counsel
Develop pre-marketing materials & set up meetings with technology firms (T&D)	✓	✓		–
Develop initial regulatory issues	✓	✓		–
Draft CIM and first round bid letter		✓		–
Prepare RFA and associated schedules, general terms	✓			Legal Counsel
Negotiate NDAs				Legal Counsel
Distribute CIM and engage the first round bids		✓		–
Prepare management presentation	✓	✓		–
Prepare and review electronic first round	✓	✓		Legal Counsel
Interface between Counterparties and [Client]		✓		–
Review first round bids and conduct due diligence for second round	✓	✓		–
Counterparty Q&A and "deep-dive" due diligence / distribute PSA	✓	✓		–
Management presentation to all bidders	✓	✓		–
Prepare final bid process letter		✓		Legal Counsel
Evaluate final bids	✓	✓		–
Negotiate final terms / PSA	✓	✓		Legal Counsel

Anticipated approvals and protocols following Round 2

	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020
A	26 29	23 26	27 30	24 27	28 31	25 28
B	27	24	28	25	29	26
C	28	25	29	26	30	27
D	29	26	30	27	31	28
E	30	27	31	28	1	4
F	31	28	1	29	2	5

As a part of any potential transaction, certain approvals from the [board, city and the general public] must be obtained

A Board meeting to approve transaction: mid-March

B City Council approval: mid-April

C 90-day advance submission of ballot measures in advance of approval vote: mid-April

D Transaction signing and agreement: mid-April

E Comments regulatory approvals process: April

F Referendum vote: August

Potential Counterparty universe

- ITN sourcing process – designed to
 - Identify process participants that have the financial and operational wherewithal to make a reasonable proposal
 - Eliminate parties that do not have serious intentions or wherewithal to make a reasonable proposal
- Key criteria
 - Minimum level of financial capability (i.e. clear and reasonable source of funding)
 - Minimum level of operational experience (i.e. comparable experience owning and operating a large and complex business operation)
 - Potential differentiating factors (financial, operational, technological or otherwise)
- Communications with potential counterparties
 - Identify appropriate contact at each counterparty
 - Communicate attractiveness of potential opportunity and indicate flexibility regarding potential partnership
 - Maintain ongoing, close communication with key decision makers throughout process
- Counterparty types
 - Domestic strategies
 - Canadian strategies
 - International strategies
 - Infrastructure funds (including sovereign wealth funds and pension funds)
 - Private equity
 - Technology companies
 - Oil and gas companies
 - Partnerships & consortiums

Landscape of potential [Client] utility counterparties

Tier 1

U.S. strategics

International strategics

Tier 2

Pension and sovereign wealth funds

Financial & infrastructure fund investors

Technology companies

Agenda

	Page
1 Appendix	12

Illustrative data room index

Illustrative data room index

Category	Document Title
Corporate/Organizational Docs	
1.1	Charter and Bylaws
1.2	all exchange-traded company Meeting Minutes
1.3	Voting agreements (proxies, etc.)
1.4	Officers, directors, and
1.5	Directors and key management
1.6	Senior management resumes
1.7	Geographical operating areas
1.8	Litigation, non-competes, and policy manuals
1.9	Press clippings and releases
Employment and Benefits	
2.1	Current employee information
2.2	Current independent contractors or agency workers
2.3	Terminations
2.4	Non-disclosure, non-competition, and assignment of copyright/invention agreements
2.5	Labor agreements, including those with unions, sales representatives or management only, with and without striking employees, and laborers, contractors (including agreements) and subcontractors
2.6	Labor disputes against the Company
2.7	Labor law compliance
2.8	Documentation relating to employee performance problems
2.9	Bonus or special compensation granted
2.10	Company and Non-Compete Restriction Plans, Severance, Dispute Resolution, Executive Incentive Compensation, and Director/Shareholder Plans (covering employees, former employees, and other persons, including competitors, suppliers, and clients)
2.11	For each plan which is currently or was formerly in place
2.12	Plans that will be subject to benefits, vesting, and other rules
2.13	Correspondence with or approvals from regulatory or taxation authorities (top hat plan, notice filed with the U.S. Department of Labor, and other correspondence and other information and tax performance issues)
2.14	Summary policies on vacation, sick leave, sabbaticals, holidays and an analysis of accrued leave for all employees
2.15	Company's employee and independent contractor benefit programs
2.16	Renegotiations to union agreements and outline of contingency strike plans

Illustrative data room index (cont'd)

Illustrative data room index

Category	Document Title
Privacy	<ul style="list-style-type: none"> 1. Privacy policies 2. Privacy notices and opt-out notices
Material Agreements	<ul style="list-style-type: none"> 1. Agreements with major customers 2. Agreements with major suppliers and other third parties 3. Material supply of raw materials 4. Largest suppliers and customers 5. Agreements with major financial institutions 6. Patent and fuel purchase agreements 7. Other contracts 8. Engineering, procurement and construction contracts and maintenance services contracts and other agreements 9. Significant licenses 10. Any other competitive start-ups or confidentiality agreements 11. Agreements with major customers 12. Dealer and distributor contracts 13. Licenses of intellectual property 14. Licenses of trademarks 15. Loan agreements, guarantees, indentures, promissory notes, debentures, notes or credit and related instruments in connection with any debt or other financing 16. Agreements with major lenders 17. Agreements with major providers of services
Litigation	<ul style="list-style-type: none"> 1. Litigation 2. Litigation involving the Company or its subsidiaries, including any litigation involving the Company or its subsidiaries that is or may be material to the Company, including the amount involved and the potential course as to the probable outcome 3. Any consent decrees, judgments, other settlements, judgments, attachments and other agreements, which the Company is a party to or is bound, requiring or prohibiting the future activities of any individual or entity 4. Any judgments, administrative proceedings, arbitral awards, or other proceedings pending, under development or otherwise contemplated, related to any pending matter to which any member of the Board of Directors of the Company has been or may be a party to or is bound, requiring or prohibiting the future activities of any individual or entity 5. Any involvement of the Company officers, directors and employees in criminal proceedings or significant civil litigation

Illustrative data room index (cont'd)

Illustrative data room index

Category	Document/Title
Sales and Marketing, Services, and Support	
6.1	Organization chart for Company's sales and marketing organizations, including the principal location, title, job description, and compensation of each sales or marketing employee, contract employee, or outsourced vendor not already provided
6.2	List of sales or marketing offices and regions, and list of key employees in each
6.3	List of partners with responsibilities, entitlements and type (e.g. distributors, business partners, VARs, OEM, etc.)
6.4	Process for the Company's ability to identify, evaluate, and acquire potential sales and marketing employees, including the Company's recruitment strategy, recruitment process, and compensation strategy
6.5	List of systems and tools used to manage and support sales employees, partners and their customers

General Financial Information

7.1	Audited financial statements for Company (including income statements, cash flow statements and balance sheets) and any subsidiaries
7.2	Company's tax returns for the last four years, including state, local, and federal tax returns
7.3	Data led financial projections for the Company (including income statements, cash flow statements and balance sheets) including detailed underlying revenue, cost and balance sheet and other material assumptions
7.4	Financial statements of subsidiaries for Company, including income statements, cash flow statements and balance sheets
7.5	Trial balance for the most recent period and the last fiscal year end
7.6	Company's schedule of unusual non-recurring revenue expense
7.7	Company's schedule of unusual non-recurring revenue expense
7.8	Company's schedule of deferred liabilities (e.g. gas costs)

Revenue Information

8.1	Revenue recognition policies/procedures
8.2	Revenue recognition policies/procedures for all revenue generating activities, including all revenue generating activities
8.3	Detailed schedule of revenues and units sales per product, by appropriate Unique Product Identifier
8.4	Summary schedule of the prior year's (or other appropriate year) revenue by product
8.5	Revenue by quarter by type (license, service, maintenance) for the last four quarters

Current Assets

9.1	Debt schedule of cash, including a copy of the bank reconciliations for the most recent balance sheet date
9.2	Debt schedule of bank deposits, including a copy of the bank reconciliations for the most recent balance sheet date
9.3	Debt schedule of bank deposits, including a copy of the bank reconciliations for the most recent balance sheet date
9.4	A schedule of any retail expenses and write offs, as applicable of any notes or accounts receivable issued by the Company, except for residential write offs in the ordinary course of business
9.5	A schedule of any prepaid expenses or other prepaid or deferred assets as of the most recent date available
9.6	A schedule of any deferred profit or loss, as applicable, for the most recent date available

Illustrative data room index (cont'd)

Illustrative data room index

Category	Document Title
Insurance/Risk Management	
14.1	Provide a summary of and copies of all current insurance policies held by Company and any subsidiaries, including but not limited to general liability, office package policy, workers compensation, auto, employment practices liability, crime, E&O and D&O. Also, provide contact information for insurance agents or brokers.
14.2	Provide a summary of all current and historical claims, including but not limited to, litigation, regulatory, and other claims, and the status of such claims.
14.3	Provide summary of (1) all property and casualty claims under all lawsuits, and (2) all billed claims and or lawsuits.
14.4	Provide a summary of all current and historical (1) all environmental claims, including but not limited to, property damage, liability, and other claims.
Operations	
15.1	Summary of all EPC contracts and sub-contractors at all of our major facilities.
15.2	Detailed description of transmission infrastructure.
Government Regulation	
16.1	A list of all federal, state, local, and foreign agencies that license, regulate, inspect, register, or issue permits or other approvals for the Company and any of its activities or products or any fuel used or consumed at or in any facilities of the Company.
16.2	A list of all state, local, and foreign agencies that license, regulate, inspect, register, or issue permits or other approvals for the Company and any of its activities or products or any fuel used or consumed at or in any facilities of the Company.
16.3	A schedule of all authorizations, approvals, licenses, permits and certificates of authority, issued or required to be issued by any federal, state, local, or foreign governmental authority, and required by the Company for the ownership, operation, or completion of its business or assets.
16.4	Any permits, licenses, or other approvals issued by any federal, state, local, or foreign governmental authority, and any other documents, including but not limited to, contracts, agreements, and other documents, that are required for the operation, maintenance, or completion of its business or assets.
16.5	A list of all federal, state, local, and foreign agencies that license, regulate, inspect, register, or issue permits or other approvals for the Company and any of its activities or products or any fuel used or consumed at or in any facilities of the Company.
16.6	Description (together with any related reports, notices or correspondence) of any inquiries or complaints (including informal customer complaints).
16.7	A list of all federal, state, local, and foreign agencies that license, regulate, inspect, register, or issue permits or other approvals for the Company and any of its activities or products or any fuel used or consumed at or in any facilities of the Company.
Environmental	
17.1	Summary of all environmental claims, including but not limited to, litigation, regulatory, and other claims, and the status of such claims.
17.2	Underground and above-ground storage tanks.
17.3	Summary of all environmental claims, including but not limited to, litigation, regulatory, and other claims, and the status of such claims.
17.4	Recent environmental reports or studies undertaken.

Illustrative data room index (cont'd)

Illustrative data room index

Category	Document Title
Tangible Assets – Real & Personal Property	
1.1	Address, legal descriptions, and tax documents for each asset, office, or other property owned
1.2	Leases, including all amendments, and other lease agreements
Intellectual Property	
2.1	Patents, trademarks, and other intellectual property rights
2.2	Licenses and other agreements
2.3	Copyrights, domain names, and other intangibles
Tax Matters	
3.1	Corporate, state, and local tax returns and schedules for each year
3.2	All tax examination reports, notices of proposed assessment, notices of assessment or reassessment
Other Documents	
4.1	Advisory
4.2	Agency planning and compliance reports
4.3	Insurance and other policies, including underwriting

J.P. Morgan disclaimer

This presentation was prepared as a service to the recipient and does not constitute an offer or a recommendation, financial advice or a possible transaction or investment. The recipient of a possible transaction or investment should not rely on any oral or written information, including this presentation, to make any investment decision. This presentation is for informational purposes only and should not be used as a basis for any investment decision. Morgan Stanley and its affiliates do not assume any liability for any loss or damage caused by or resulting from the use of the information contained in this presentation.

The contents of this presentation are not intended to constitute an offer or a recommendation, financial advice or a possible transaction or investment. The recipient of a possible transaction or investment should not rely on any oral or written information, including this presentation, to make any investment decision. This presentation is for informational purposes only and should not be used as a basis for any investment decision. Morgan Stanley and its affiliates do not assume any liability for any loss or damage caused by or resulting from the use of the information contained in this presentation.

This presentation is not intended to constitute an offer or a recommendation, financial advice or a possible transaction or investment. The recipient of a possible transaction or investment should not rely on any oral or written information, including this presentation, to make any investment decision. This presentation is for informational purposes only and should not be used as a basis for any investment decision. Morgan Stanley and its affiliates do not assume any liability for any loss or damage caused by or resulting from the use of the information contained in this presentation.

This presentation is not intended to constitute an offer or a recommendation, financial advice or a possible transaction or investment. The recipient of a possible transaction or investment should not rely on any oral or written information, including this presentation, to make any investment decision. This presentation is for informational purposes only and should not be used as a basis for any investment decision. Morgan Stanley and its affiliates do not assume any liability for any loss or damage caused by or resulting from the use of the information contained in this presentation.

IRS Circular 230 Disclosure JPMorgan Chase & Co and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters included herein (including any Co. of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

This presentation is not intended to constitute an offer or a recommendation, financial advice or a possible transaction or investment. The recipient of a possible transaction or investment should not rely on any oral or written information, including this presentation, to make any investment decision. This presentation is for informational purposes only and should not be used as a basis for any investment decision. Morgan Stanley and its affiliates do not assume any liability for any loss or damage caused by or resulting from the use of the information contained in this presentation.

This presentation is not intended to constitute an offer or a recommendation, financial advice or a possible transaction or investment. The recipient of a possible transaction or investment should not rely on any oral or written information, including this presentation, to make any investment decision. This presentation is for informational purposes only and should not be used as a basis for any investment decision. Morgan Stanley and its affiliates do not assume any liability for any loss or damage caused by or resulting from the use of the information contained in this presentation.

Morgan Stanley disclaimer

This document is for internal use only. It is not intended to be used by anyone outside the organization. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared.

The information contained in this document is confidential and may be subject to legal proceedings. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared.

The information contained in this document is confidential and may be subject to legal proceedings. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared.

The information contained in this document is confidential and may be subject to legal proceedings. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared.

The information contained in this document is confidential and may be subject to legal proceedings. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared. It is not intended to be used for any purpose other than the one for which it was prepared.