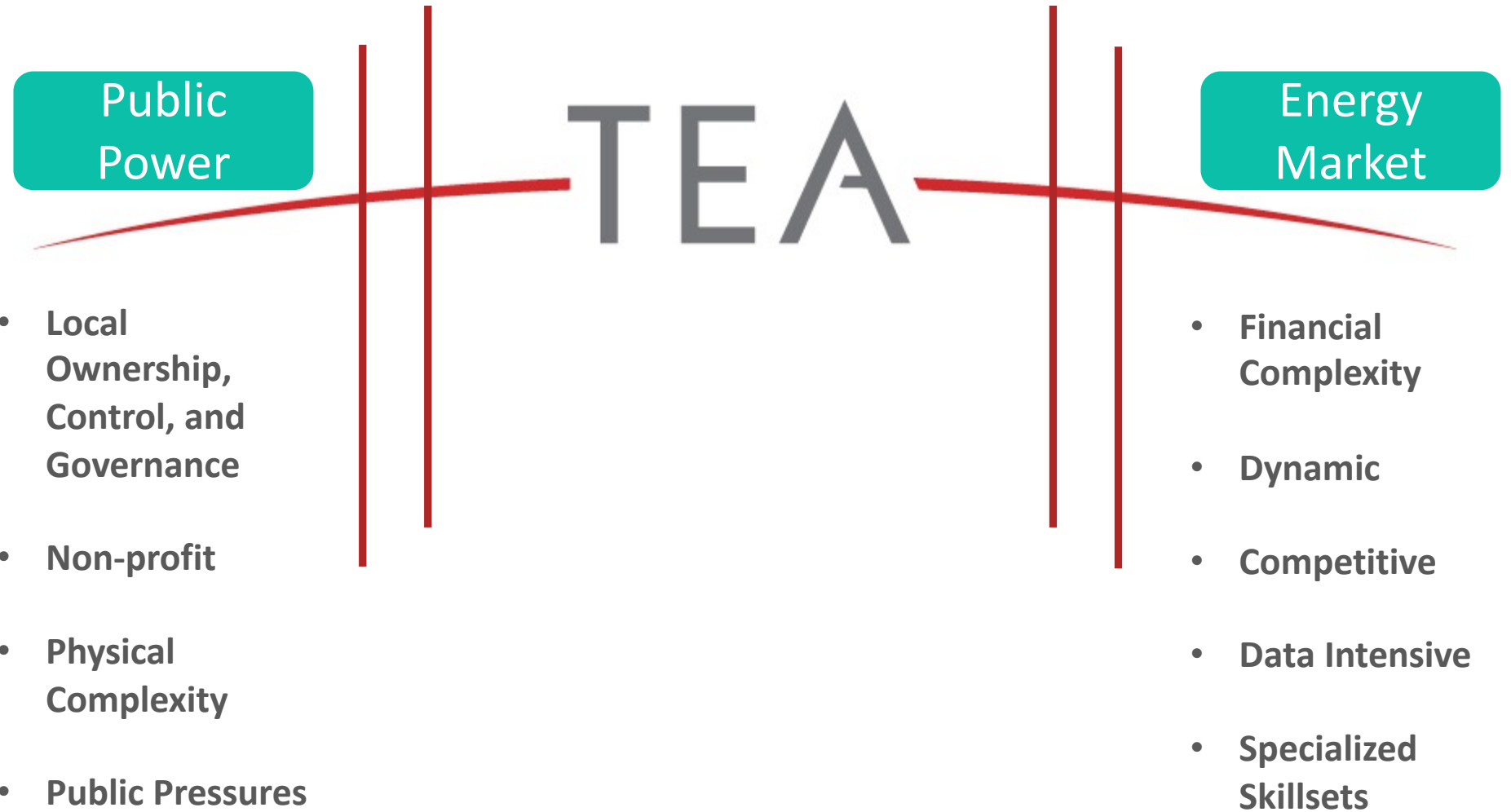




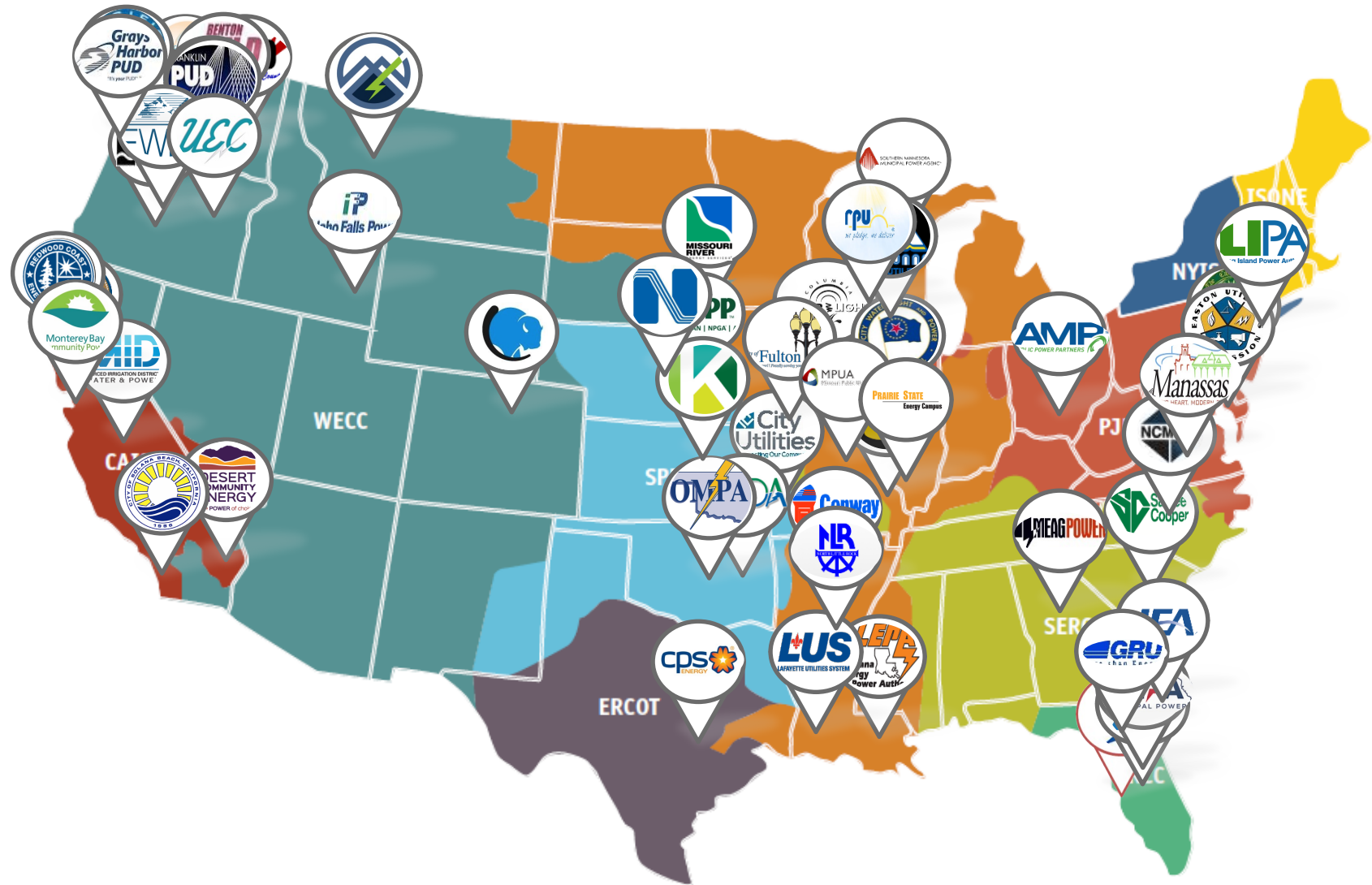
Gainesville Regional Utilities

June, 2022

The Energy Authority



TEA
Clients



Maximize the value of
our clients' **assets.**

Our
Mission



Services



PORTFOLIO
MANAGEMENT



RTO MARKET
MANAGEMENT
AND TRADING



NATURAL GAS
MANAGEMENT



BILATERAL
ENERGY TRADING



POWER SUPPLY
MANAGEMENT



ADVISORY
SERVICES



CONNECTED
ANALYTICS

Transactional

Advisory

Investment

Transactional Business: execute, schedule, and settle physical and financial commodity transactions in the various power and gas markets pursuant to best practices.

- Florida and Southeast
- Power and gas
- Across timelines
- People and systems

Success Measure: **Avoided cost** gained through economies of scale and efficiencies by using TEA versus the expense of self-building

Transactional

Advisory

Investment

Advisory Business:

- Create trading strategies based on GRU's portfolio risks and opportunities.
- Leverage breadth/depth of market intelligence and analytical capabilities.
- Reduce cost of borrowing through solid portfolio risk management practices.

Example: Sell GRU's gas pipeline capacity when not in use, creating margins and reducing GRU's overall cost to serve.

Success Measure: Capture the **added value** from each trading strategy and calculate **cost savings** from portfolio risk management

GRU
Benefits

Transactional

Advisory

Investment

GRU Benefits

Investment Business: Leverage the Members' investment in TEA to capture external margins from partner business and proprietary trading

TEA serves >50 partner utilities on a contract basis using the capabilities created to serve Members

Success Measure: Margins generated from Investment business

The Members jointly support TEA's activity via **guarantees**

Guarantee Review

Transactional

Enables TEA to build the economies of scale needed to be a sophisticated market participant

- Over 300 counterparties, etc.
- Largest community-owned trading entity in the US
- Across commodities and timelines (power and gas; MISO, PJM, and bilateral markets; term and spot transactions)

Advisory

Optimization of client portfolios comes from experience and teamwork

- Depth and breadth of knowledge
- Lessons learned from other markets

Investment

External margins

- Trade for partners as principal
- Physical-backed strategies

- Guarantees from Members are foundational to TEA's business and integral to providing value back to Members
- Due to corporate structure, guarantees supplied by Members are TEA's only source of trade collateral
 - Facility backed by guarantees, not cash
 - Levels are 15 years old
 - Guarantees have never been called on in TEA's history
- Need is increasing due to fundamental market changes
 - Increased market volatility and less fuel diversity
 - Member risk management needs (increased hedging)
 - Continued growth

Guarantee Review

- Seeking an increase in guarantees
- GRU's Increase: from \$9.6M to \$20M
 - Equivalent to a 5% annual increase in *guarantees* over last 15 years
 - Compared to a 12% annual increase in *volumes* transacted over last 15 years
- Planned timing of guarantee increases
 - Phase 1: \$9.6M to \$15M by June 1
 - Phase 2: \$15M to \$20M by December 1

Operational
Excellence

Guarantee
Review

QUESTIONS?