



TITLE: **Environmental Allowances Procurement Directive**
Procurement of Environmental Allowances

EFFECTIVE DATE: February 13, 2006
Revision 1: March 19, 2014
Revision 2: March 11, 2020

POLICY STATEMENT: JEA employs a staff of professionals in Environmental Services that develops and administers cost-effective strategies for the procurement and sale of Environmental Allowances, excluding Air Emission Allowances which are procured via the Fuels Management Services Procurement Directive.

JEA recognizes that the procurement and sale of Environmental Allowances is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in the Environmental Allowance markets. This Directive also governs the procurement of Environmental Allowances notwithstanding any provision in JEA's Procurement Code to the contrary.

ASSIGNMENT OF RESPONSIBILITY:

The VP & Chief Environmental Services Officer is hereby designated by the Managing Director/CEO to serve as the Procurement Officer for Environmental Allowances in accordance with JEA Procurement Code, Section 2-201, Exemptions.

DEFINITIONS:

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Procurement Code.

Air Emission Allowances – Trading credits associated with JEA's activities in purchasing, generating, using, or providing energy. Emission Allowance markets include but are not limited to sulfur dioxide (SO₂), nitrogen oxides (NO_x), and carbon dioxide (CO₂). The Fuels Management Services Procurement Directive exists for the procurement of Air Emission Allowances.

Environmental Allowances – refers to environmental trading credits associated with JEA's activities in purchasing, generating, using, constructing, or providing energy, water, or wastewater services or other related services. Examples of Environmental Allowance markets include, but are not limited to, renewable energy attributes (also known as green tags), wetland mitigation banking credits, wildlife credits, water quality credits, and consumptive use permitting impact offsets and substitution credits.

PROCEDURE:

The following procedure augments the JEA Procurement Code. At the option of the Procurement Officer for Environmental Allowances, Environmental Allowances may be procured in a streamlined

approach. When market conditions and time constraints allow a standard bid and award process, the Procurement Officer for Environmental Allowances may utilize the Solicitation Review Team and/or Award Committee involvement.

Public Notice

Due to the nature of Environmental Allowances procurement, there is no requirement to advertise individual bid solicitations. The Procurement Officer for Environmental Allowances will, however, provide general notice on JEA's website of its ongoing intent to engage in future bid solicitations and will solicit bids from those known suppliers.

Procurement of Environmental Allowances

Use of Competitive Bid Procedures

The Procurement Officer for Environmental Allowances will use a competitive bidding process when soliciting for bids. The time available for procurement of allowances is typically less than that required by JEA's conventional procurement process. Due to the nature of allowances, the Procurement Officer for Environmental Allowances must request, receive and evaluate bids, and consummate a procurement contract in a much shorter time frame than required in the standard procurement process. Therefore, at the option of the Procurement Officer for Environmental Allowances, JEA may informally solicit bids from known providers, use a broker, or utilize a combination of both methods to expedite the transaction. As market conditions and time constraints allow, a conventional bid and award process as described in the JEA Procurement Code may be utilized.

Accelerated Bid Procedure

The Procurement Officer for Environmental Allowances may distribute a bid form to prospective bidders. Under this method, the Procurement Officer for Environmental Allowances will receive bids directly for quick evaluation and award.

Acceptance of Unsolicited Offers

JEA may enter into contracts based on an unsolicited offer for Environmental Allowances without using the competitive bid process. JEA may engage in negotiations with the party who provided the unsolicited offer to improve the terms, conditions and/or pricing. The Procurement Officer for Environmental Allowances will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.

Cooperative Procurement

JEA may participate in, sponsor, conduct, or administer a cooperative procurement agreement for the procurement of Environmental Allowances with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in JEA's best interest.

Loan or Sale

JEA may loan or sell Environmental Allowances when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.

Contract Approval

Procurement Approval of Contracts of \$1,000,000 or more in Total Value

All actions taken under this Procurement Directive for these contracts will be approved by the Procurement Officer for Environmental Allowances, and the Chief Financial Officer, or their designees unless Awards Committee approval is utilized as described below.

Procurement Approval of Contracts of Less than \$1,000,000 in Total Value

All actions taken under this Procurement Directive for these contracts will be fully documented and approved by the Procurement Officer for Environmental Allowances unless Awards Committee approval is utilized as described below.

Awards Committee Approval

As market conditions and time constraints allow, the Procurement Officer for Environmental Allowances may elect to take a procurement action to the Awards Committee for approval.

Documentation

Contract Term of One Year or Greater

The Procurement Officer for Environmental Allowances will provide original executed contract documents to the Manager Procurement Contracts for storage, and the Procurement Officer for Environmental Allowances will maintain a copy and all supporting documentation.

Contract Term of Less than One Year

The Procurement Officer for Environmental Allowances will maintain original contract documents and all supporting documentation.

Execution of Documents

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer, their designee, or the Procurement Officer for Environmental Allowances.

VII. Right to Protest

Any actual or prospective bidder who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

VIII. Authority/Appointment

Pursuant to the authority contained in Section 2-202 of the Procurement Code, I hereby designate Paul Steinbrecher, VP & Chief Environmental Services Officer, as the Procurement Officer for Environmental Allowances for procurement actions made under the authority of the Environmental Allowances Procurement Directive.



Melissa Dykes, Interim Managing Director/CEO