



TITLE: Electric Systems Procurement Directive

Sale of JEA-Owned Transmission and Ancillary Services including applicable Enabling Agreements

EFFECTIVE DATE:

POLICY STATEMENT: It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and Federal Energy Regulatory Commission (FERC) orders, on the JEA Open Access Same-time Information System. The markets for selling transmission and ancillary services are sufficiently different from the markets for other supplies and services required by JEA that special procurement directives are needed to supplement those presented in the JEA Purchasing Code. Specifically, supplemental procurement directives are needed to allow JEA staff to make the immediate commitments as needed to comply with FERC Orders. This procurement directive provides JEA's staff the flexibility to sell transmission and ancillary services pursuant to JEA tariff that meets FERC orders. While this procurement directive is in force or effect, if any article, part or section of the JEA Purchasing Code or of any other JEA resolution or policy statement conflicts with this procurement directive, this procurement directive will supersede the JEA Purchasing code, but only to the extent of the conflict.

ASSIGNMENT OF RESPONSIBILITY: The sale of transmission and ancillary services are activities exempted from the JEA Purchasing Code as specified in Section 2-602(1), Exemptions. The Managing Director/CEO has designated Garry Baker, Director Bulk Power Systems, as the Procurement Officer responsible for procurement actions related to this Procurement Directive.

DEFINITIONS:

Open Access Same-time Information Systems (OASIS): Systems that facilitate marketing of transmission capacity to eligible transmission customers in a non-discriminative manner. JEA is an owner and user of the Florida Oasis (FLOASIS) system along with several other Florida utilities.

Transmission Service: Excess transmission capacity into, out or through JEA's electrical transmission system for the purpose transporting electrical capacity and energy

Ancillary Services: Services that are required to transmit capacity and energy into, out or through a system. These services are fully defined by FERC Order 888, and include the following:

- Scheduling, System Control and Dispatch Service
- Reactive Supply and Voltage Control from Generation Sources Service
- Regulation and Frequency Response Service
- Energy Imbalance Service

- Operating Reserve - Spinning Reserve Service
- Operating Reserve – Supplemental Reserve Service
- Generator Imbalance Service

PROCEDURE:

Enabling Agreements: The JEA Board has approved a tariff for the sale of transmission and ancillary services. Included in the tariff are blanket service agreements that have been approved to form by the Office of General Council. These service agreements or Enabling Agreements are negotiated by the Bulk Power Systems Department and executed by the Procurement Officer. Enabling Agreements are executed prior to any business is conducted on JEA's OASIS. Enabling Agreements set out the framework for how business is conducted including, but not limited to, transmission service studies, facility studies including any facility upgrades and the payment of transmission and ancillary services.

Transmission and Ancillary Services

In accordance with FERC Orders, JEA will study and post its available transmission capacity on OASIS to facilitate transfers in, out or through the JEA system. JEA will sell its available transmission capability to any transmission customer that has an enabling agreement with JEA. Transmission and ancillary services are sold per the tariff, the enabling agreement and online negotiations on OASIS.

In cases where there is no available transmission capacity and a request is made on OASIS, JEA will perform studies to determine what facility upgrades would be necessary to satisfy the request to any customer that executes the appropriate enabling agreements. Additional agreements will be needed to actually expand the system to satisfy the request.

Approvals

1. All enabling agreements including study agreements will require the Procurement Officer's signature.
2. Approval of the sale of hourly and daily transmission and ancillary services: Assigned operating personnel
3. Approval of the sale of weekly, monthly and yearly transmission and ancillary services: Designated appointed manager

Documentation

The Procurement Officer will maintain service agreements and all other documentation related to the sale of transmission and ancillary services.

Execution of Documents

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/CEO, their designee, or the designated Procurement Officer.

I hereby designate Garry Baker as the Procurement Officer for all JEA procurement actions of the following type:

- Sale of transmission and ancillary services



Jim Dickenson, Managing Director and CEO

6/17/10
Date