UTILITY COMMITTEE

A G E N D A

March 28, 2011 - 5:00 P.M. - Council Chambers - City Hall - City of Dover

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Evaluation of Proposals - Energy Management Agreement

2. Adjournment by 5:55 P.M.

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

ACTION FORM

PROCEEDING: Utility Committee	**AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Public Utilities Administration	**DATE SUBMITTED**: 3/17/2011
PREPARED BY: Ronald H. Lunt, Public Utilities Director	
SUBJECT: Evaluation of Proposals – Energy Management Agreement	
REFERENCE: **N/A**	
RELATED PROJECT: N/A	
APPROVALS: City Manager, Controller	
EXHIBITS: Exhibit #1 - Recommendation of Energy Manager	
EXPENDITURE REQUIRED: $996,000/year	**AMOUNT BUDGETED**: FY 11 - $2,280,000
FUNDING SOURCE (Dept./Page in CIP & Budget): Public Utilities – Electric Division, Operating Budget 480-8102-592-65-44, Operator/Supply Management Fee	
TIMETABLE: To become effective upon Council's approval and City Manager execution of contract.	
RECOMMENDED ACTION: Staff recommends that the City Manager be authorized to execute a five (5) year contract with an annual fee of $996,000, plus additional services as required, with The Energy Authority, Inc. as per the terms of the Request For Proposal.	

BACKGROUND AND ANALYSIS

On May 4, 2006, the City of Dover (City) entered into the *Energy Management Agreement* with Pace Global Asset Management, LLC (PACE) to assist the City with its energy procurement, energy sales, purchase of fuels, establishment and management of risk policies, develop and manage hedging protocols, provide power plant oversight and bidding strategy, and related energy procurement processes. This contract expires on June 30, 2011.

A staff team was organized to solicit proposals from potential bidders and consisted of Antony DePrima, City Manager; Donna Mitchell, Controller; Ronald Lunt, Public Utilities Director; and due to the confidentially of the various proposals Mr. Kirk Betts, Counsel from Betts and Holt LLP, conducted the solicitation process. On November 2, 2010, the team issued a Request for Qualifications to sixteen (16) firms; seven (7) seven responses were received. After evaluating the submittals the team selected three finalists and on January 4, 2011 a Request For Proposal (RFP) was sent to these parties. As part of the RFP request the current Energy Management Agreement was included in the package and would be used as a basis for the new agreement. On February 8th and 9th interviews were conducted with the three parties. Subsequent to these interviews a Best and Final offer was requested and due to the team on February 28th so they could provide a final recommendation. Of the three proposals that were submitted, one was rejected as non-compliant and not considered for the final recommendation.

A summary of the recommendation (exhibit #1) from team is included in the attachment and contains the details of the analysis. It is noteworthy that the selected firm also provided the lowest cost services and represents over a forty-percent decrease in base rates, not including potential incentives. Below is an overview of the submitted prices using PACE Global base price and fixed ARR management:

Bidder	Year 1	Year 2	Year 3	Year 4	Year 5	Total Contract
PACE Global	$1,170,000	$1,205,100	$1,241,253	$1,278,491	$1,316,845	$6,211,689
The Energy Authority	$996,000	$996,000	$996,000	$996,000	$996,000	$4,980,000

Exhibit #1

March 16, 2011

Recommendation of Energy Manager

Background

PACE Global has been the supplier of energy management services since 2006; its contract expires on June 30, 2011. Dover initiated an RFQ/RFP process in October to obtain competitive proposals for continuing the types of services described in its Energy Management Agreement (EMA). All potential suppliers were provided a copy of the EMA to afford an opportunity to either self-disqualify, determine that it had the capacity to perform the comprehensive services required, or to align with an entity that would supplement the core services to be provided by the primary respondent.

The process resulted in eight notices of interest, seven statements of qualifications, and three qualified suppliers (ACES Power Marketing (ACES), PACE Global (PACE), and The Energy Authority (TEA)) who were invited to submit financial proposals. Dover interviewed the three qualified suppliers, clarified contract details, and requested best and final financial proposal that complied with the comprehensive EMA and an alternate financial proposal that excluded power plant oversight and technical services (Alternative A).

The Evaluation Committee concluded that Alternative A would not be in the City's interest. It determined ACES' base proposal was non-conforming because it excluded the minimum technical support and plant oversight services required by the RFP. The proposals submitted by PACE and TEA were comprehensive and fully complied with the RFP.

RECOMMENDATION

The Evaluation Committee recommends the TEA proposal. TEA is a not-for-profit organization owned by and operated exclusively for the benefit of municipal and governmental power suppliers. It serves load in many of the regional transmission organizations (like PJM), dispatches generation, and manages daily loads, purchases, and balancing. Its services are extensive and its mission is to optimize the value of energy management services to its partners and members. The Evaluation Committee believes that TEA's core business, focus, and not-for-profit strategy yields a lower cost for its fixed expenses (building, trading desk, weather services, software, etc.).

From a cost perspective, it is approximately $250,000/year lower than PACE and its price is fixed for the five year term.

DISCUSSION OF THE PROPOSALS

PACE: PACE's proposal adhered to the terms of the Energy Management Agreement. PACE has an advantage because it is the incumbent and entity most aware of Dover's current needs, plant dispatch, reporting expectations, risks, etc. Clear from its presentation and proposal, PACE relies on a generally positive review of its historic performance, a perceived bias against changing energy managers, institutional knowledge with respect to Dover's generation and its solar and gas turbine projects, and significant value-added services. PACE has demonstrated that it has resources to perform the scope of work described in the EMA.

In the course of this RFQ/RFP, PACE reduced its fee significantly, but this comes at a cost. In addition to allocating fewer staff resources in the base fee, the cost reduction imposes several new conditions: a) a generation cumulative run-time limit of 100 unit run-hours/year (that is, the sum total of all run hours of all units, including for PJM testing - over 100 hours triggers an hourly fee); b) a limit of two EEI/ISDA agreements per year; and c) reduced staff participants in the monthly meetings.

PACE proposed a base fee of $89,250/mo. plus $8,250 to optimizing the value of Auction Revenue Rights (ARR)(a transmission strategy to mitigate the cost of congestion) for a total of $97,500/mo., or an incentive arrangement that would hold the base fee at $89,250/mo., but pay PACE 35% of the value of ARRs up to a total additional payment of $300,000/year. Outside of these few changes, the contract would remain essentially the same.

The proposal gives Dover the right to terminate the generation services component of the proposal (valued at $11,650/month) upon 60 days notice after the first year. The evaluation committee believes this is such a low probability as to give it no additional weight for purposes of evaluating the proposal.

PACE brings a high caliber staff, extensive utility and private exposure, a full menu of services, and experienced personnel that give Dover a one-stop, integrated approach for utility operations. Looking to the next three years, it has experience with NAES and would be a resource for a plant operator RFP, although at an additional consulting expense similar to other power supply contracting that it has done.

The Energy Authority (TEA): TEA, a corporation owned by member public power agencies, serves a variety of wholesale electric functions for its public power members and partners. It is primarily a wholesale power supply manager with a variety of arrangements with its members and partners, ranging from full requirements supply to dispatch rights. Its core business and services mirror Dover's requirements and it operates from a not-for-profit perspective. We perceive that it is careful and risk averse, given the numerous clarifications that it submitted during each round of the financial proposal submissions as it became more confident of its approach to serve Dover's requirements.

TEA has experience in multiple jurisdictions and RTOs, including PJM-West, where it services significant loads, but Dover would be its first footprint in PJM-East, a unique zone with the highest density of consumers and the greatest transmission constraints. Because it operates in a

number of RTO's, including PJM, it has a breadth of experience that is not similarly possessed by PACE. Given Dover's load profile and data from the past five years, coupled with its existing positions, TEA will assume management of Dover's requirements virtually seamlessly.

TEA provides a wealth of services for municipal and governmental suppliers, virtually all of which will be made available to Dover. Unlike the PACE proposal, it does not seek incentives to perform at its best with respect to congestion risk management, it does not impose run-time limits, limits on the number of master agreements negotiated during the term, or price escalators.

TEA, as a public power oriented supplier of services also provides Dover an opportunity to exchange ideas with others in this highly dynamic and very competitive arena.

FINANCIAL REVIEW

The Evaluation Committee concluded the following, after taking into account the incentive proposals contained in PACE's proposal (least cost to highest cost):

1. The Energy Authority: $ 996,000/year; five year total: $4,980,000
2. PACE with ARR adder: $1,170,000/year; five year total: $6,211,689
3. PACE with ARR 35% cap: $1,371,000/year; five year total: $7,186,084

The difference between 1 and 2 above is $1.23 million over the five year term.

March 16, 2011

Ron Lunt
City of Dover Public Utilities
860 Buttner Place
PO Box 475
Dover, DE 19904
Attn: Lisa Gardner

Ron,

Please find enclosed the information you requested. I've included all of the generic marketing material I could find on short notice. You'll see two brochures, one describing our RTO services and the other our Natural Gas Trading and Risk Management services. Additionally, you'll find a one-page overview of TEA, a fold-out marketing sheet and a list of bios of key TEA personnel.

I hope you find the information helpful – please let me know if I can provide anything else.

I look forward to seeing you and meeting the Committee on March 28 at 5pm. I'll contact you as the date gets closer to coordinate.

Sincerely,

Jamie Mahne
Member Services Manager

The Energy Authority's RTO Services

Day-Ahead Requirements

- Daily Portfolio Optimization Strategies
- Locational Marginal Pricing (LMP) Forecasting
- Generation Offers
- Demand Bids
- Data Validation, Verification and Audit
- Virtual Transaction Management
- Day-Ahead Hedge Strategies

Settlement Activities

- Daily Shadow Settlement
- Dispute Management
- Invoice Reconciliation and Cash Management
- Congestion History Management
- Financial Bilateral Transactions (FinSched/eSchedule) & Contract Management
- Transaction Reporting

Real-Time Activities

- Real-Time Decision Support
- Physical Bilateral Transaction Management

Other Market Activities

- Auction Revenue Rights (ARR) Allocations
- Financial Transmission Rights (FTR) Auctions
- Independent Market Monitor (IMM) Violation Checks
- Network Request Administration
- Market Knowledge and Market Change Support
- North American Electric Reliability Corp. (NERC) Data Requirements

"The Midwest ISO is a complex entity that continues to evolve. TEA provides the additional resources and knowledge that allow our staff to move forward with confidence in the market. TEA follows developments in the Midwest ISO closely, and together the best solution for our utility is determined. Our utility and customers have greatly benefited from our partnership with TEA."

- Eric Hobbie
City Water, Light & Power

Entering an RTO Market?

You Don't Need to Go It Alone!

To learn more about what TEA can do for you call Bill Clarke, Executive Director, RTO Market Services, at 800.423.4800 x11404.

The Energy Authority®

The Nation's Leader in Public Power Energy Trading

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The Energy Authority's Regional Transmission Organization (RTO) Market

Whether your utility is already part of an organized market or not, it is likely being impacted by – and one day may join -- a Regional Transmission Organization (RTO). If and when that happens, you will need to change how you operate in the wholesale marketplace. The Energy Authority ® (TEA) can help.

Entering an RTO requires investment in new systems, procedures, and people to manage the complexities of the market. It also requires a substantial investment of time to monitor the constant changes occurring in these markets.

When entering an organized market, you could attempt to "go it alone," or you could partner with TEA's highly-qualified RTO staff. TEA has the proven systems, technologies, and expertise to help you navigate through these markets.



Our team of experts is ready to help.

TEA is active in the following RTOs:

- Midwest Independent Systems Operator (MISO)
- Southwest Power Pool (SPP)
- California Independent Systems Operator (CAISO)
- Pennsylvania/Jersey/Maryland (PJM)

MidwestISO

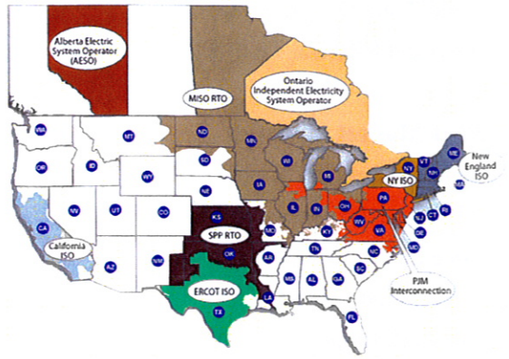
SPP Southwest Power Pool

California ISO Your Link to Power

pjm

TEA assists its customers in managing their resources in the structured RTO markets to extract the maximum value possible from their generating assets and contractual arrangements while minimizing the cost of serving load. Through years of active RTO Market participation, TEA's staff has acquired the specialized knowledge needed to optimize assets and avoid costly errors and penalties as well as the information systems dedicated to managing the RTO markets.

RTO/ISO Map



"We are heavily impacted by all aspects of MISO. The relatively-recent startup of the MISO ancillary services market has added a new layer of complexity to our operations, and with TEA's help, we were well prepared when the market began. TEA continues to provide the support we need to successfully function in the ever-evolving MISO market. Working with our staff, TEA provides a depth and breadth that would be difficult and costly to duplicate in-house."

-

- David Geschwind
Director of Operations & COO
Southern Minnesota Municipal Power Agency (SMMPA)

BENEFITS *from Partnering with TEA*

- Accessing staff with experience operating in, and designing solutions around, RTO markets.
- Lowering your operating costs through economies of scale
- Implementing and maintaining "best of breed" software applications that support the wholesale trading organization
- Maximizing value of resource portfolio and minimizing cost of serving load through portfolio-wide perspective and national energy trading footprint
- Maintaining control of your resources
- Aligning Risk Management Policies and Procedures with the Committee of Chief Risk Officers' stated Best Practices
- Gaining positive recognition from rating agencies

Your TEA® Team

TEA's experienced staff, robust analytical tools, and objective risk management framework can help you:

- Manage your exposure to price swings in the natural gas markets
- Manage high-side natural gas price "spikes"
- Manage your gas cost



Our team of experts is ready to help.

Benefits of Partnering with TEA

- Formed by Public Power to serve the unique needs of Public Power
- Access to expert staff across a range of disciplines
- Continuous monitoring of energy markets
- Programmatic framework, which has received positive recognition from rating agencies and can be customized to meet your specific goals and objectives
- Best practices risk control processes and procedures
- Lower cost of risk management infrastructure through economies of scale

Why Choose TEA?

TEA partners closely with its customers to ensure the risk management program is consistent with your risk policies and procedures. Your risk tolerance is strictly adhered to by TEA's staff – who works on your behalf.

"Without TEA, we would never by able to afford a 24x7 trading staff. Nor would we have the market intelligence data TEA has or the depth of credit information that protects our trades. TEA's real-time ability to execute our hedging strategies and the sophisticated risk management tools TEA makes available were significant in allowing us to begin using financial instruments to hedge our power and fuel costs. It is safe to say that TEA brings benefits to our customers every year that are many times more valuable than the costs for TEA's services."

Robert E. Hunzinger
General Manager for Utilities
Gainesville Regional Utilities

To learn more about what TEA® can do for you, call 800.423.4800, ext. 11403.

Overwhelmed by Volatility in Natural Gas Prices?



The Energy Authority® Can Help Manage Your Exposure to Volatile Prices

The Energy Authority®

The Nation's Leader in Public Power Energy Trading

TEA Can Help

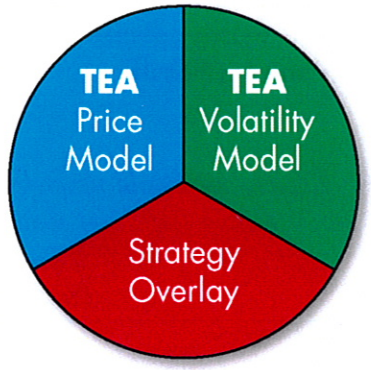
With the increase in natural gas-fired generation, natural gas is now a large component of fuel costs, making many public utilities increasingly susceptible to volatile swings in prices. This price volatility creates substantial challenges for financial planning and retail rate setting. Many utilities can no longer simply pass through rising energy costs by increasing retail rates to their consumers. Governing boards and consumers are increasingly resistant to accept rate increases and volatile fuel adjustment charges as a standard way to manage price volatility.



The Energy Authority (TEA) helps your utility implement a disciplined, programmatic approach to managing natural gas price risk that is consistent with your risk tolerances, goals, and objectives. You, not TEA, maintain control over all purchase and sale decisions. Our program empowers you to manage your business while TEA focuses on managing your natural gas price risk.

TEA's Natural Gas Hedging Program

TEA uses multiple decision drivers in its Natural Gas Hedging Program to actively manage your price risk. TEA's Proprietary Price and Volatility Models are utilized in conjuction with fundamental factors and your specific goals and constraints to provide you with a customized program to fit your specific needs.



We use our natural gas hedging program models and risk management expertise for initiation of hedging positions as well as active management or modification of hedges based on the multiple decision drivers. We enter all transactions into our trade capture system for daily monitoring and reporting.

TEA's methodology balances the trade off between reducing risk and capturing opportunity that best fits your goals and objectives. The systematic approach of our program helps remove the emotion from your hedging decisions.

Hedging Products Used in **TEA's** Hedging Programs

The following instruments may be used as part of TEA's customization of your hedging program, depending upon the goals and constraints of your utility.

- NYMEX Future
- NYMEX Options
- OTC Swaps and Options
- Physical Forwards
- Physical Contracts with Embedded Options
- Combinations of All of the Above

"We count on TEA for sound advice in the ever-changing natural gas hedging market. They have expertise with complex issues and the ability to communicate relevant and action-oriented information. They are willing and able to adapt their hedging programs to support the goals we, and our customers, value. TEA is a necessary and critical part of the CU team."

John Twitty
General Manager & CEO
City Utilities of Springfield, Missouri (CU)

The Energy Authority®

Overview

The Energy Authority® Advantage

The Energy Authority® (TEA®) is the nation's leader in Public Power energy trading and risk management. We are wholly-owned and directed by our Public Power Members who participate in our organization's decision making.

Today, nearly 40 Public Power entities across the nation are affiliated with TEA®, representing more than 25,000 MW of combined generation assets with all fuel types.



Key Benefits

- National energy trading capacity
- Robust risk management
- Local control of your resources
- Rating agency recognition
- Portfolio-wide perspective

Member Benefits

- **Greater rewards and savings** that come with a national energy trading capability
- **Reduced wholesale energy** risks through robust risk management services
- **Lower transactional costs** through economics of scale
- **Rating agency recognition** with TEA's® reputation as a benchmark in Public Power risk management
- **Portfolio-wide perspective** with coordinated fuel purchasing, power management and hedging
- **Compete and Succeed in RTO markets** with shared costs, reduced risk and first-hand insight
- **Robust risk policy & procedures** that are consistent with your Public Power philosophy
- **Experienced personnel** in energy trading and risk management
- **An unparalleled record of success**
- **Prudent credit risk management** practices
- **Retain control** of your resources as well as enjoy all the benefits TEA® can bring
- **Individually tracked** transactions for each Member
- **Outstanding service** from an organization exclusively dedicated to meeting the needs of Public Power

The Energy Authority® Solution

We understand that Public Power utilities are confronted with the challenge of managing energy supplies and related risks in addition to all the responsibilities that come with serving retail customers. While Public Power professionals often handle this balancing act very well, their opportunities to manage costs and risks are usually limited to the challenges of day-to-day operations.

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Phone: 425.451.9123

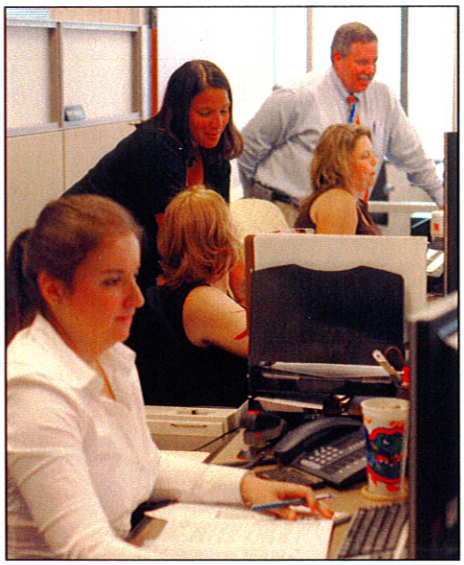
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121 SW Salmon Street
Suite 1100
Portland, OR 97204
Phone: 503.679.7300

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Overview

The Energy Authority®

The Energy Authority® Advantage



The Energy Authority® has solved these challenges and more — creating unprecedented value for its Members and Partners through expertise and economies of scale.

With TEA®, Public Power utilities now have access to the dedicated resources, sophisticated systems, and highly-skilled staff necessary to maximize the value of supply contracts and generation assets. In addition, TEA's® broad market reach gives its Members and Partners the advantage of national trading and price discovery.

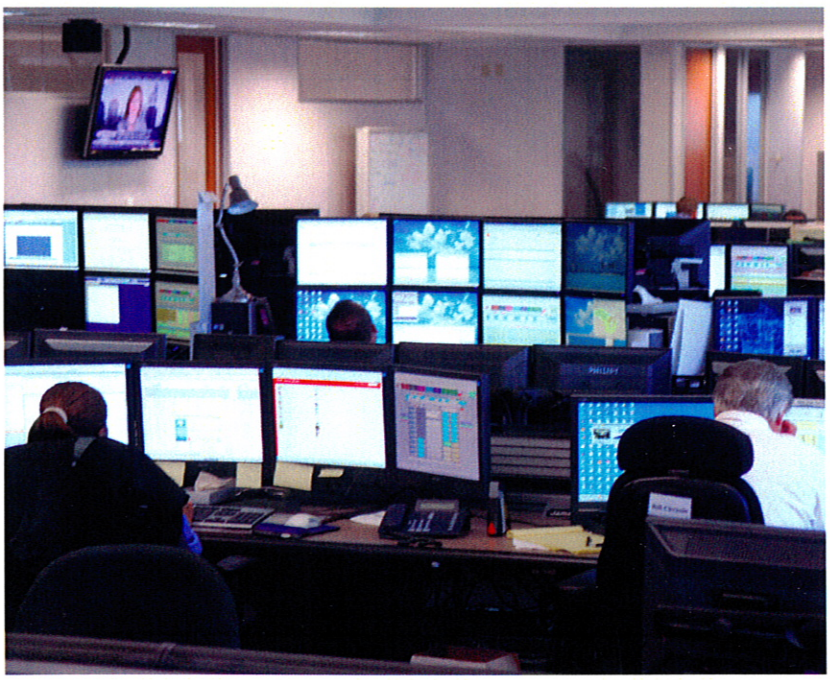
The Energy Authority® can help you control costs, manage your risk and remain competitive in a changing market. And in today's environment, that can make all the difference to you and your customers.

For more information on how your utility can enjoy the benefits of TEA®, call 800.423.4800 ext.11391 or visit www.teainc.org.

"TEA® was built by Public Power Members to put Public Power on an equal playing field with other large energy trading operations.

TEA's® top-notch staff and economies of scale have brought Public Power to the forefront in the energy markets and all Public Power utilities can benefit by being associated with TEA®.

- Robert Johnston
President & CEO
Municipal Electric Authority of Georgia
(MEAG Power)

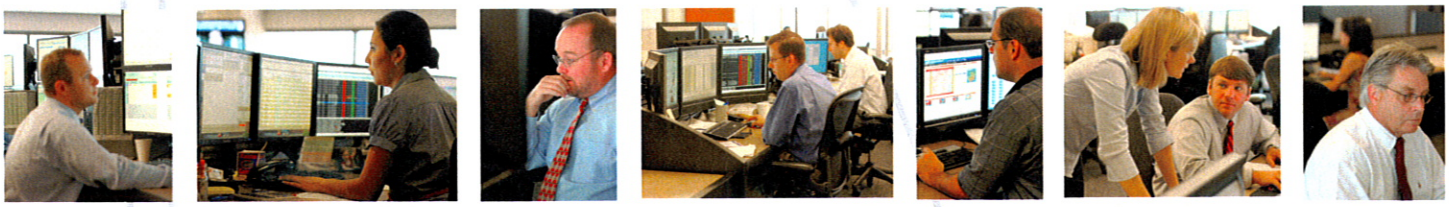


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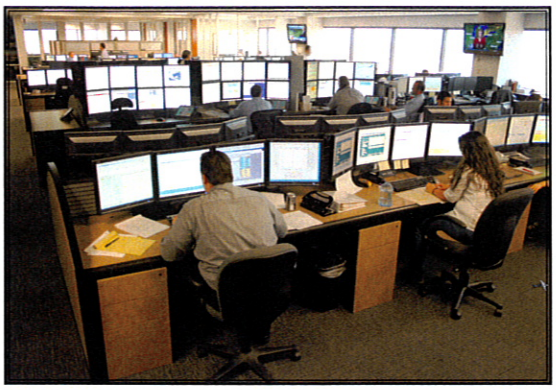
The Energy Authority®



The Energy Authority *Advantage*



The Energy Authority® Advantage



The Energy Authority® (TEA®) is the nation's leader in Public Power Energy trading and risk management. We are wholly-owned and directed by our Public Power Members and Partners who participate in our organization's decision making.

Today, nearly 40 Public Power entities across the nation rely on TEA®, representing more than 25,000 MW of combined generation assets with all fuel types.

We at TEA® provide an array of products and services designed to manage risk and enhance energy asset efficiencies for Public Power organization throughout the country.

We offer a variety of services to suit the needs of your utility — from bilateral power trading, to risk analysis and management, to full credit and contract support. You benefit from an organization that understands your resources, your culture, your values and your risks... because we are Public Power.



From Our Members:

"TEA® was built by Public Power members to put Public Power on an equal playing field with other large energy trading operations. TEA's® top-notch staff and economies of scale have brought Public Power to the forefront in the energy markets and all Public Power organizations can benefit by being associated with TEA®"

- Robert Johnston
President & CEO
Municipal Electric Authority of Georgia (MEAG Power)

Member Benefits

- **Greater rewards and savings** that come with a national energy trading capability
- **Reduced wholesale energy** risks through robust risk management services
- **Lower transactional costs** through economies of scale
- **Rating agency recognition** with TEA®'s reputation as a benchmark in Public Power risk management
- **Portfolio-wide perspective** with coordinated fuel purchasing, power management and hedging
- **Compete and succeed in RTO markets** with shared costs, reduced risk and first-hand insight
- **Robust risk policy and procedures** that are consistent with your Public Power philosophy
- **Experienced personnel** in energy trading and risk management
- **An unparalleled record of success**
- **Prudent credit risk management** practices
- **Retain control** of your resources as well as enjoy all the benefits TEA® can bring
- **Individually tracked** transactions for each Member
- **Outstanding service** from an organization exclusively dedicated to meeting the needs of Public Power

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Resource Management Services

The Energy Authority®

The Nation's Leader in Public Power Energy Trading

Support Services

All the necessary functions needed to make sure your business is conducted in accordance with industry best practices.

Services Include:

- Contract management
- Real-time credit management
- Settlement
- Risk control

Natural Gas Management

Natural gas management and trading services are provided for natural gas-fired power production and your local distribution companies.

Services Include:

- Natural gas purchasing, re-sales and balancing
- Storage management
- Transportation/pipeline nominations and management
- Transportation and storage optimization

Bilateral Energy Trading

Full range of power trading services in bilateral markets to meet your energy portfolio management needs.

Services Include:

- Hourly trading
- Day-ahead and term trading
- Forward trading
- Transmission acquisition and management
- Tagging

Advisory Services

In addition to our primary charter, we offer advisory services to Public Power entities of all sizes and in all markets.

Services Include:

- Integrated portfolio analysis
- Integrated resource analysis
- Alternative markets analysis
- LMP and FTR market analysis
- TEA Risk Advisor® services
- And more!

Power Supply Management

A single, fully integrated supply management service.

Services Include:

- Long and short-term strategic power and fuel supply planning
- Resource optimization
- Hourly, daily, and long-term load forecasting
- Unit commitment and scheduling
- Bilateral / RTO Trading

Energy Risk Management

A custom designed hedging program that incorporates natural gas and other fuels, financial instruments and physical power to actively manage your energy risks.

Services Include:

- Assessment of the utility's risks
- Determination of the goals and objectives for hedging, as well as any constraints
- Risk management strategy development
- Implementation of the strategy
- Regular updating of the strategy to be consistent with changes in the market and the utility's system
- Execution and active management of hedge positions

RTO Market Management & Trading

A full suite of services to help manage your resources within Regional Transmission Organizations (RTOs).

Services Include:

- RTO strategy development, implementation and monitoring
- Set-up and registration of assets
- Real-time and day-ahead bids and offers
- Financial schedules
- Virtual bids and offers
- Transmission rights and auction revenue rights management
- Dispute resolution management
- FTR auctions

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The Energy Authority®

The Nation's Leader in Public Power Energy Trading

The Energy Authority® Solution

We understand that Public Power utilities are confronted with the challenge of managing energy supplies and related risks in addition to all the responsibilities that come with serving retail customers. While Public Power professionals often handle this balancing act very well, their opportunities to manage costs and risks are usually limited due to the challenges of day-to-day operations.

The Energy Authority® has solved these challenges and more — creating unprecedented value for its Members through expertise and economies of scale.

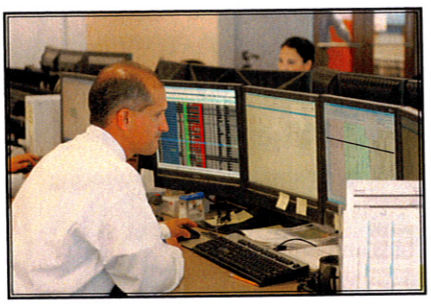
With TEA®, Public Power utilities now have access to the dedicated resources, sophisticated systems, and highly skilled staff necessary to maximize the value of supply contracts and generation assets. In addition, our broad market reach gives our Members the advantage of national trading and price discovery.

The Energy Authority® can help you control costs, manage your risk and remain competitive in a changing market. And in today's world, that can make all the difference to you and your customers.

From Our Members:

"TEA's® trading and power supply management operations enable it to bring a practical, real-world perspective to its advisory services that many traditional consulting firms often times lack. TEA® also goes beyond simply producing a study report — it is there to help us implement the recommendations."

- Jim Sanders, General Manager
Public Utility District No. 1 of Benton County, WA







For more information on doing business with The Energy Authority®, contact **Sam Doaks** (East coast) at **800.423.4800 ext. 11391** or **sdoaks@teainc.org** or **Rob Sirvaitis** (West coast) at **503.679.7300** or **rsirvaitis@teainc.org**.

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The Nation's Leader in Public Power Energy Trading

Key TEA Personnel

Jamie Mahne

Member Services Manager

Jamie Mahne been with The Energy Authority® (TEA) since 2008 and is currently a Member Services Manager. Mr. Mahne is responsible for coordinating all interaction and maintaining relationships between The Energy Authority and Members and Partners in the Midwest ISO (MISO) and PJM Regional Transmission Organizations (RTOs). Mr. Mahne is also responsible for managing large projects and integrating new RTO customers into TEA.

Prior to joining TEA, Mahne worked as an energy industry consultant with The Structure Group for nine years and for Exxon prior to that. Mr. Mahne has managed business integration projects for some of the largest merchant generators, retailers and Investor Owned Utilities in the U.S. and has helped participants integrate into most of the North American RTOs (PJM, ISO-NE, NYISO, MISO, CAISO, ERCOT and SPP). Mr. Mahne has a deep knowledge of the system and process impacts that participation in an RTO can have on an organization from the front-, mid- and back-office perspectives.

Mr. Mahne holds both a Bachelor of Arts degree with a concentration in Communication and a Master's of Science in Business Administration from Mississippi State University.

Joanie Teofilo

President and Chief Executive Officer

As The Energy Authority's President and CEO, Ms. Teofilo is responsible for leading the organization, interfacing with board members, and serving as the spokesperson for TEA. The Energy Authority has helped some of the nation's largest public power systems operate more efficiently, manage energy risk diligently, and expand their market reach. TEA's members now collectively represent approximately 25,000 MW of generating assets and TEA's trading partners now span much of the nation.

Ms. Teofilo most recently served as Vice President of Risk Control and Chief Risk Officer for The Energy Authority. In that role, she was responsible for monitoring commercial business risk and for the management of compliance, control, risks, and monitoring for TEA. Previously, serving as the Director of Financial Trading and Risk Management, Ms. Teofilo led the team responsible for providing risk services and

execution of financial positions for natural gas, power, and crude oil. Customized risk management programs, including hedging recommendations and risk metrics for TEA's members, were developed under her leadership.

In addition, Ms. Teofilo's industry experience and value-focused leadership reaches beyond The Energy Authority. As an industry subject matter expert, she is frequently invited to provide educational seminars on energy risk management and other relevant industry topics. Her speaking engagements have included the Committee of Chief Risk Officers' joint roundtable between the Commodity Futures Trading Commission and the Federal Energy and Regulatory Commission and American Public Power Association events.

While she has a broad base of industry expertise, it was Ms. Teofilo's entrepreneurial spirit that inspired her participation on the original launch team for TEA. Ms. Teofilo played a vital role in the initial structure and set up of deal capture trade systems and deal pricing and valuation in the newly-forming deregulated market. This pioneering team was charting new territory, and TEA was leading the industry for Public Power.

Prior to joining TEA, Ms. Teofilo worked as a project engineer in construction management at Santee Cooper, one of TEA's original equity owners, where she participated in combustion turbine studies, emissions studies, and the planning and implementation of equipment upgrades at generating stations. Ms. Teofilo began her professional career as a mechanical engineer at the American Samoa Power Authority, where she assisted with the development of a unit maintenance program, analysis of diesel generator performance, and capital improvement projects.

Ms. Teofilo obtained both a Bachelor of Science degree in Mechanical Engineering and a Bachelor of Arts degree in Government and International Relations from the University of Notre Dame. She holds a Master's degree in Business Administration from the University of South Carolina. She is also a registered Professional Engineer.

Mark Kinevan

Vice President, Energy Trading

As The Energy Authority's Vice President of Energy Trading, Mark Kinevan is responsible for all short- and long-term energy marketing and trading. Included in these responsibilities are the development of risk management strategies and the execution of over-the-counter and exchange-traded forwards, futures and options to manage wholesale power and fuel price risk. Also included is the responsibility for physical power and Regional Transmission Organization (RTO) transactions necessary to optimize member power supply assets and all natural gas procurement for member generation. Previously, Mr. Kinevan served for four years as the Vice President of Risk Control and Strategic Planning for The Energy Authority. Mr. Kinevan has more than 30 years of diverse

experience in the energy industry, and prior to joining TEA he served as the Vice President and Chief Trading Officer for the Montana Power Trading & Marketing Company where he oversaw risk management strategies, policies, practices, and systems, as well as the company's electric power, natural gas, crude oil, and natural gas liquids trading activities. Prior to joining Montana Power, Mr. Kinevan held various positions in the energy industry, including Vice President of Marketing and Manager of Planning and Economics at an independent oil and natural gas producer. He began his career in the energy industry as a geophysicist at a large integrated oil company.

Mr. Kinevan holds a Bachelor of Science degree in Engineering Physics from the Colorado School of Mines and a Master of Business Administration degree from Harvard Business School.

William Clarke

Executive Director, RTO Market Services

As TEA's Executive Director of RTO Market Services, Mr. Clarke is responsible for guiding the planning, implementation, and delivery of the RTO services to TEA's Members and Partners. Mr. Clarke is also responsible for the development and application of requisite models and analytical tools to structure and evaluate the full range of physical, financial and derivative energy products/transactions, developing trading strategies and structuring products for portfolio optimization for TEA, its Members and customers, and managing the daily activities of analysts and assist them in developing their skills and abilities.

Mr. Clarke has over 30 years experience in the industry in diverse areas such as strategic planning, financial planning, resource planning, transmission planning, and system operations. Prior to joining TEA, Mr. Clarke had been the project manager for the initial formation of the MISO when the utilities first came together to create the RTO in the Midwest. In addition, he consulted with a number of utilities throughout the Midwest regarding the costs and benefits of entering into an organized market.

Mr. Clarke holds a Bachelor of Science degree in Electrical Engineering from Purdue University and a Masters degree in Business Administration from the University of New Mexico. He is also a registered Professional Engineer in New Mexico and Indiana.

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Jim Fort

Director of Special Projects

Jim Fort is the Director of Special Projects for The Energy Authority (TEA). Mr. Fort's responsibility is to manage sensitive, highly visible and comprehensive corporate projects which vary in scope, complexity and duration. Such projects have included refinements to the methods in which TEA addresses long-term resource services, monitoring impacts of FERC, CFTC and EPA regulations on TEA's services, development of a emissions allowance and renewable energy credit trading program and preparation of a variety of presentations for events such as Members' and APPA's annual meetings.

Mr. Fort has more than 35 years of broad and in-depth knowledge and experience in the energy industry, including risk management analytics, integrated resource and financial planning, power production, transmission and distribution, management of capital improvement projects and regulatory compliance. Prior to joining TEA, Mr. Fort served as Executive Consultant with Navigant Consulting in Orlando, Florida where he was responsible for a wide variety of client engagements relating to the electric and natural gas utility industries. Prior to that position, Mr. Fort worked for Gainesville, Florida Regional Utilities as Manager of Power Engineering and as a Strategic Planning Engineer.

Mr. Fort's education includes a Bachelor of Science degree in Electrical Engineering with a focus on power systems from the University of Florida in Gainesville, Florida. Mr. Fort is a registered Professional Engineer in the state of Florida.