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# TEA

## THE Energy Authority

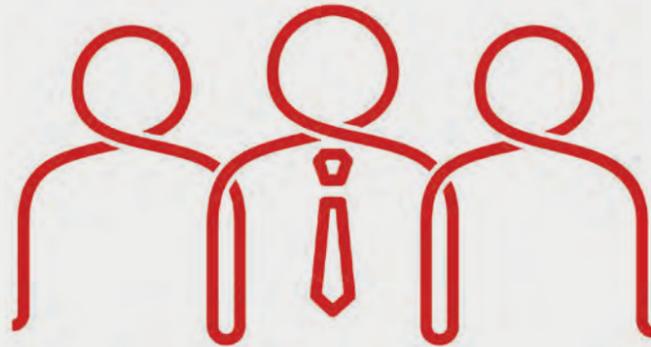
Through our partnership with The Energy Authority (TEA), AMP is able to respond competitively in the changing market, and benefit from state-of-the-art technology and dedicated resources.

"Being a partner with TEA means we have more tools in the tool box," said AMP President/CEO Marc Gerken.

"Our staff has more people to lean on, which allows them to spend more time with our members – answering their questions and providing services."

TEA is a public power-owned, not-for-profit corporation. The organization was created in 1997 by Santee Cooper, MEAG Power and the JEA in Jacksonville. Today, TEA serves communities across the nation by helping public power utilities provide lower cost, reliable electricity.

TEA's services include portfolio management, RTO management and trading, natural gas management, bilateral energy trading, power supply management and analytical services. AMP has had a long-term relationship with TEA and became an equity owner in early 2014.



"TEA has been a great equity partner for us – the relationship has a lot of tangible and intangible value," explained Gerken. "TEA has served as an extension of our energy staff, much like AMP is to its members' staff. They help and support us on power and gas hedging."

One of the most important TEA services for AMP and its members is assistance with gas procurement for the AMP Fremont Energy Center (AFEC).

"When we acquired Fremont, we started using TEA for all gas scheduling and purchasing," said Mike Migliore, AMP vice president of power supply and marketing. "They already had the expertise, which meant we didn't need to spend the time and resources to develop it."

TEA forecasts how much gas AFEC will use for the upcoming day so the appropriate quantity can be purchased. Buying the right amount is key as too much or too little can lead to imbalance issues and added costs.

AMP also coordinates with TEA on the need to peak shave. TEA provides AMP with load forecasts for PJM and transmission zones, which are used to determine when to issue a peak shaving alert.



Above: TEA traders monitor prices, weather, gas availability and other factors to optimize AFEC.

"Every morning, AMP operations and power supply planning have a strategy call with TEA to discuss member generation and Fremont operations," said Jerry Willman, AMP's assistant vice president of energy marketing. "We see what the market is going to look like the next day and then agree on how much gas to purchase and our bid/offer strategy into PJM."

One of TEA's goals is to provide public power utilities access to dedicated resources and advanced technology systems.

"Through TEA, we now have access to their load flow software, which models the PJM and MISO systems. We use the model to forecast future congestion, which assists with our development of our FTR (Financial Transmission Right) purchase strategy," said Migliore. "The member benefit of TEA is more behind the scenes, but it is saving AMP and its members money."

Additionally, AMP partnered with TEA to find an alternative replacement trade capture program that could be used by AMP as its

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member deal capture system. PowerOptix was the software program that was chosen to replace the previous system.

The PowerOptix program is designed to be a single point of entry for activities that include demand bids and generation offers, trade capture,

counterparty and member scheduling, and market settlement of wholesale market purchases and AMP system generation sales.

"Using their scheduling software helps keep our dispatch control center costs down, and that savings is passed down to members by reduced costs on their power invoice," said Willman.

Headquartered in Jacksonville, Florida, with offices also located in Seattle, TEA is one of the largest commodity trading groups in the country. The organization represents more than 24,000 MW of peak demand and 30,000 MW of installed generation capacity across the U.S.

"TEA has given us a forum – we get to work with more of the sophisticated entities through TEA and also get to interact with others in the industry," said Gerken. "We've been very impressed with their staff and they have been a backstop for us on risk and other initiatives." 



Issues and challenges associated with transmission are becoming more complicated, and TEA's services are helping AMP to navigate the increased volatility.

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