ARP EXECUTIVE COMMITTEE MEETING

AGENDA PACKAGE

October 18, 2018
9:30 a.m.

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell
Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
Paul Jakubczak, Fort Pierce
Robert Page, Green Cove Springs
Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee
Glenn Spurlock, Leesburg
Bill Conrad, Newberry
Mike Poucher, Ocala
Robert Milner, Starke

Meeting Location
Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819
(407) 355-7767

MEMORANDUM

TO: FMPA Executive Committee

FROM: Jacob A. Williams, General Manager and CEO

DATE: October 9, 2018

RE: FMPA Executive Committee Meeting
Thursday, October 18, 2018 at 9:30am
(or immediately following the Board of Directors meeting)

PLACE: Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819
Fredrick M. Bryant Board Room

NEW DIAL-IN: (877) 668-4493, Meeting Number (Access Code) 739 362 419
(If you have trouble connecting via phone or internet, call 407-355-7767)

Chairman Howard McKinnon, Presiding

AGENDA

Item also on the Board of Directors Agenda.

***** Item(s) Subject to Super Majority Vote**

NOTE: One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or (888) 774-7606, at least two (2) business days in advance to make appropriate arrangements.

AGENDA ITEM 1 – CALL TO ORDER, ROLL CALL, DECLARATION OF QUORUM

Executive Committee
October 18, 2018

AGENDA ITEM 2 – SET AGENDA (By Vote)

Executive Committee
October 18, 2018

AGENDA ITEM 3 – RECOGNITION OF GUESTS

Executive Committee
October 18, 2018

AGENDA ITEM 4 –PUBLIC COMMENTS (INDIVIDUAL COMMENTS TO BE LIMITED TO 3 MINUTES)

Executive Committee Meeting
October 18, 2018

VERBAL REPORT

AGENDA ITEM 5 – COMMENTS FROM THE CHAIRMAN

Executive Committee
October 18, 2018

VERBAL REPORT

AGENDA ITEM 6 – REPORT FROM THE GENERAL MANAGER

AGENDA ITEM 7 – CONSENT AGENDA

a) Approval of Meeting Minutes – Meeting Held September 20, 2018; ARP Telephonic Rate Workshop Minutes – Workshop Held September 7, 2018

Executive Committee
October 18, 2018

CLERKS DULY NOTIFIED...September 11, 2018
AGENDA PACKAGES AVAILABLE TO MEMBERS........................... September 11, 2018

MINUTES
EXECUTIVE COMMITTEE
THURSDAY, SEPTEMBER 20, 2018
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT

Bushnell	-	Jody Young (via telephone)
Clewiston	-	Lynne Mila
Fort Pierce	-	Paul Jakubczak
Green Cove Springs	-	Robert Page
Jacksonville Beach	-	Allen Putnam
Key West	-	Lynne Tejeda
Kissimmee	-	Larry Mattern
Leesburg	-	Glenn Spurlock
Newberry	-	Bill Conrad
Ocala	-	Mike Poucher

PARTICIPANTS PRESENT

Fort Meade	-	Fred Hilliard
Havana	-	Howard McKinnon
Starke	-	Robert Milner

OTHERS PRESENT

Claston Sunanon, OUC
Jim Williams, Leesburg
Grant Lacerte, Kissimmee
Lynn Sand, Leidos
Rob Taylor, GDS Associates
Laura Moss, Vero Beach
John Tompeck, Fort Pierce
Steve Stein, nFront
Jerry Cooley, Honeywell
Tom Geoffroy, FGU
Rob Szostak, FTN Financial
Jolinda Herring, Bryant Miller Olive P.A.
Karen Nelson, Jacksonville Beach
Mike Perri, Ft. Pierce
Craig Dunlap, Dunlap & Associates, Inc.

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Dan O'Hagan, Associate General Counsel
Frank Gaffney, Chief Operating Officer
Mark McCain, Assistant General Manager, Public Relations & Member Relations
Carol Chinn, Chief Information and Compliance Officer
Michelle Pisarri, Executive Assistant to the Chief Operating Officer
Sue Utley, Executive Assistant to the CEO/Asst. Secy. to the BOD
Rich Popp, Treasury and Risk Director
Ed Nunez, Assistant Treasurer/Debt
Liyuan Woerner, Contracts and Audit Manager
Chris Gowder, Business Development Manager
Susan Schumann, External Affairs Administrator
Linda Howard, Chief Financial Officer
Jason Wolfe, Accounting and Financial Planning Director
Mike McCleary, Manager of Member Service Development
Brandon McCormick, Manager of Regulatory Compliance
Luis Cruz, IT Manager
Cairo Vanegas, Manager of Member Service Development
Susan Schumann, Manager of External Affairs and Solar Projects

ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM:

Vice-Chairwoman Lynne Tejeda, Key West, called the FMPA Executive Committee meeting to order at 11:02 a.m. on Thursday, September 20, 2018, in the Frederick M. Bryant Board Room, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was called and a quorum was declared with 10 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE):

MOTION: Mr. Jakubczak, Fort Pierce, moved to set the agenda as presented. Mr. Poucher, Ocala, seconded the motion. Motion carried 10-0.

ITEM 3 – RECOGNITION OF GUESTS:

None.

ITEM 4 – PUBLIC COMMENTS:

None.

ITEM 5 – COMMENTS FROM THE VICE-CHAIRWOMAN:

Vice-Chairwoman Tejeda thanked the cities that sent line crews to the Carolinas to support the relief efforts.

ITEM 6 – REPORT FROM GENERAL MANAGER:

Mr. Williams reported on the APPA Joint Action meeting in Key West January 6-8, 2019 and stated that flights were reasonable to purchase now and FMPA would pay the expenses for the ARP members wishing to attend.

ITEM 7 –CONSENT AGENDA:

Item 7a – Approval of Meeting Minutes– Held August 23, 2018; ARP Telephonic Rate Workshop Minutes – Workshop Held August 9, 2018

Item 7b – Approval of Treasury Reports - As of July 31, 2018

Item 7d – Approval of the Agency and All-Requirements Project Financials as of July 31, 2018

Item 7e – Acceptance of Fuel Position Portfolio Report - July 2018

MOTION: Mr. Page, Green Cove Springs, moved approval of the Consent Agenda as presented. Mr. Putnam, Jacksonville Beach, seconded the motion. Motion carried 10-0.

ITEM 8 – ACTION ITEMS:

Item 8a – Approval of ARP Solar Participants Advisory Committee (ASPAC) Charter

MOTION: Mr. Spurlock, Leesburg, moved approval of the ARP Solar Participants' Advisory Committee Charter. Mr. Poucher, Ocala, seconded the motion. Motion carried 10-0.

ITEM 9– INFORMATION ITEMS:

a. **ARP Contract Section 29 Withdrawal Payment Estimates**

b. **FMPP Pool Expansion Update**

c. **Gas Prepay Option**

d. Discussion of the Pooled Loan Program

e. Quarterly Regulatory Compliance Update

Staff made presentations and led discussions with the Executive Committee as to the above items.

ITEM 11 – MEMBER COMMENTS:

None.

ITEM 12 – ADJOURNMENT:

There being no further business, the meeting was adjourned at 12:17 p.m.

____________________________	____________________________
Howard McKinnon Chairperson, Executive Committee	Sue Utley Assistant Secretary

Approved: ____________________ Seal

PUBLIC NOTICE SENT TO CLERKS ....August 30, 2018
AGENDA PACKAGES SENT TO MEMBERS.................................... September 7, 2018

MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
FRIDAY, SEPTEMBER 7, 2018
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819

COMMITTEE MEMBERS PRESENT

Bushnell	-	Jody Young (via telephone)
Clewiston	-	Lynne Mila (via telephone)
Fort Pierce	-	Paul Jakubczak (via telephone)
Green Cove Springs	-	Robert Page (via telephone)
Havana	-	Howard McKinnon (via telephone)
Leesburg	-	Glenn Spurlock (via telephone)
Newberry	-	Bill Conrad (via telephone)
Ocala	-	Mike Poucher (via telephone)

COMMITTEE MEMBERS ABSENT

Fort Meade	-	Fred Hilliard
Key West	-	Lynne Tejeda
Kissimmee	-	Larry Mattern
Jacksonville Beach	-	Allen Putnam
Starke	-	Robert Milner

OTHERS PRESENT

Sabrina Hubbell, Leesburg (via telephone)

STAFF PRESENT

Jacob Williams, General Manager & CEO (via telephone)
Michelle Pisarri, Executive Assistant to COO
Mark McCain, AGM of Public Relations and Member Services (via telephone)
Jody Lamar Finklea, General Counsel and CLO (via telephone)
Navid Nowakhtar, Business Development and Resource Planner
Joe McKinney, Systems Operation Manager
Jason Wolfe, Financial Planning and Analysis Manager
Rich Popp, Interim Assistant CFO
Jim Arntz, Senior Financial Analyst

Item 1 – Call to Order

FMPA Executive Committee Chairman Howard McKinnon, Havana, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Friday, September 7, 2018, via telephone. A speaker telephone for public attendance and participation was located in the 1st Floor Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Mr. Wolfe gave a verbal update on the natural gas markets; provided an overview of the August loads; provided a verbal report on Florida Municipal Power Pool Operations for August; and reviewed the August ARP rate calculation.

Item 3 – Member Comments

Staff recommended, due to some difficulties of scheduling the calls before the ARP monthly invoices are distributed, that the rate data be sent out and the group meet, via teleconference, as soon as convenient regardless of date. Members were amenable to this process.

There being no further business, the meeting was adjourned at 2:13p.m.

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Approved

JW/mlp

AGENDA ITEM 7 – CONSENT AGENDA

b) Approval of Treasury Reports - As of August 31, 2018

Executive Committee
October 18, 2018

AGENDA PACKAGE MEMORANDUM

TO:	FMPA Executive Committee
FROM:	Gloria Reyes
DATE:	October 9, 2018
ITEM:	EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of August 31, 2018

Introduction

- This report is a quick summary update on the Treasury Department's functions.
- The Treasury Department reports for August are posted in the member portal section of FMPA's website.

Debt Discussion

The All-Requirements Project has fixed, variable, and synthetically fixed rate debt. The variable rate bonds and lines of credit portion is 1.49%. The fixed and synthetic fixed rate percentages of total debt are 83.24% and 15.27%, respectively. The estimated debt interest funding for fiscal year 2018 as of August 31, 2018 is $43,560,378.38. The total amount of debt outstanding is $979,473,000.[1]

Hedging Discussion

The Project has 8 interest rate swap contracts. As of August 31, 2018, the cumulative market value of the interest rate swaps in the All-Requirements Project was (16,645,399).

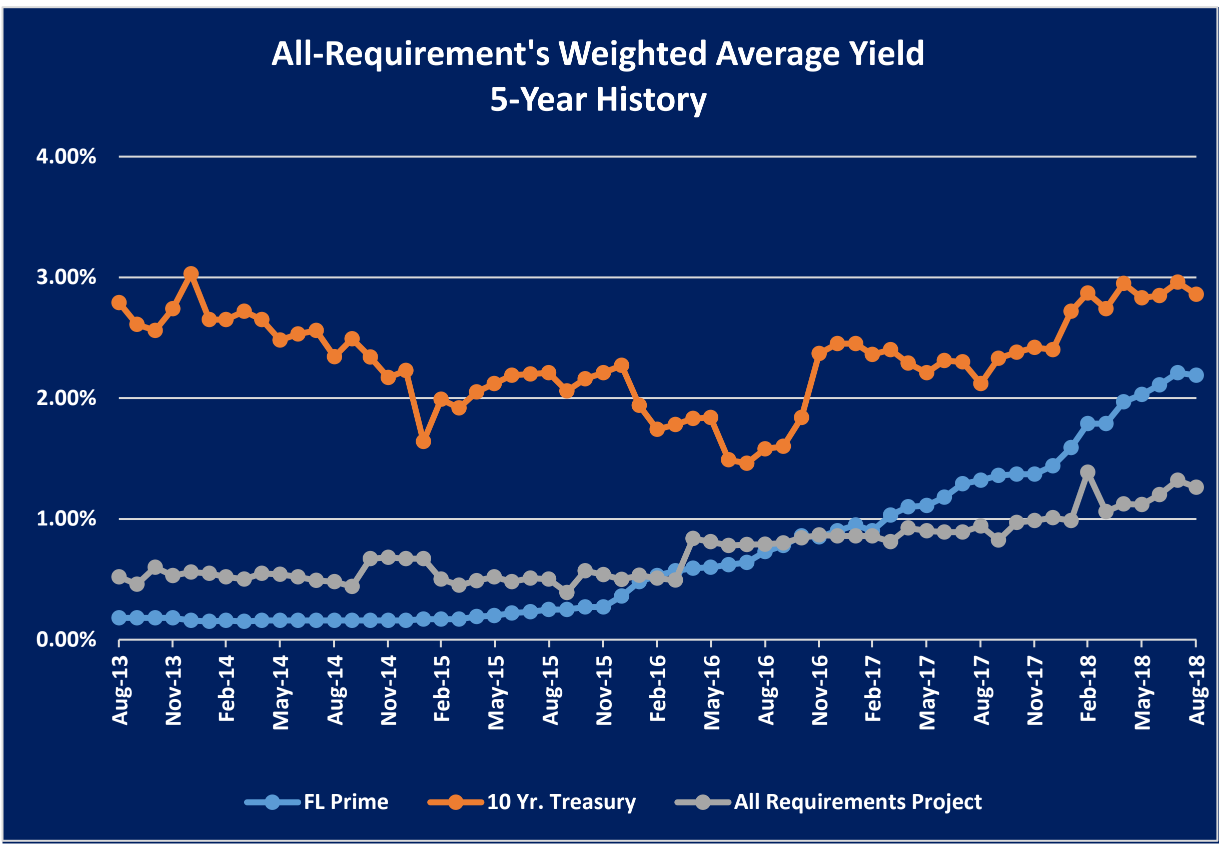
The Swap Valuation Report is a snap shot of the mark-to-market values at the end of the day on August 31, 2018. The report for August is posted in the "Member Portal" section of FMPA's website.

Investment Discussion

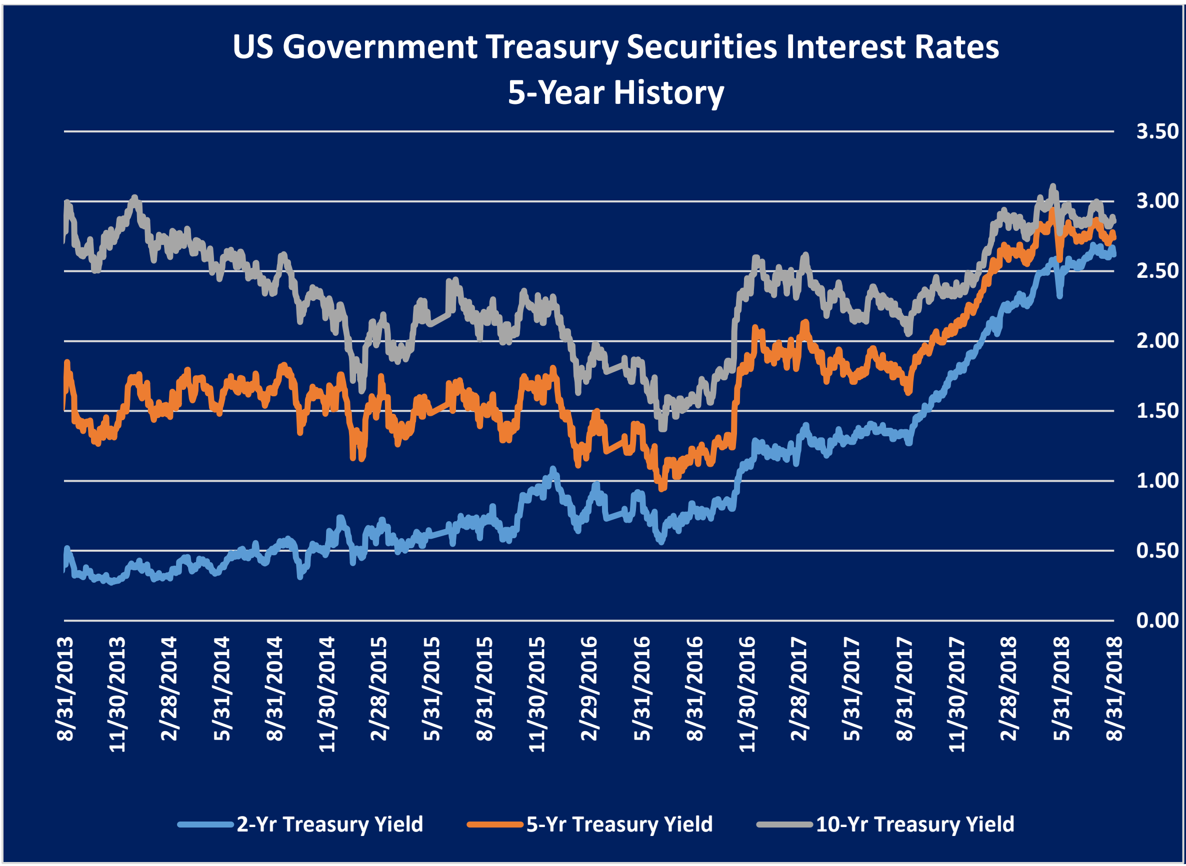
The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Commercial Paper and Money Market Mutual Funds.

[1] Although still on deposit, the line of credit draw amount of $5,000,000 is included in the total amount of debt outstanding.

As of August 31, 2018, the All-Requirements Project investment portfolio earned a weighted average rate of return of 1.26%, reflecting the All-Requirements Project need for liquidity given its 60-day cash position. The benchmarks (SBA's Florida Prime Fund and the 10-year US Treasury Note) and the Project's yields are graphed below:



Below is a graph of U.S. Treasury yields for the past 5 years.



The Investment Report for August is posted in the "Member Portal" section of FMPA's website.

Recommended Motion	Move for approval of the Treasury Reports for August 31, 2018

AGENDA ITEM 7 – CONSENT AGENDA

c) Acceptance of the Agency and All-Requirements Project Financials as of August 31, 2018

Executive Committee
October 18, 2018

AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee

FROM: Steve Ruppel

DATE: October 9, 2018

ITEM: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended August 31, 2018.

Discussion: The summary and detailed financial statements of the Agency and All-Requirements Project for the period August 31, 2018 are posted on the Document Portal section of FMPA's website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of August 31, 2018.

SR/DF

AGENDA ITEM 8 – ACTION ITEMS

a) **Approval of Resolution 2018 – EC5 – Approval of Spending Authority Modification for COO Vacancy**

Executive Committee
October 18, 2018

Executive Committee 8a-Approval of Resolution 2018-EC5 - Spending Authority Modification for COO Vacancy

Linda S. Howard

October 18, 2018

Recommended Motion

Move approval of

- Resolution 2018-EC5, granting Power Generation Fleet Director the same spending authority as the Chief Operating Officer (COO) in the absence of a COO

Resolution 2018-EC5
FMPA Executive Committee
October 18, 2018

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE FINANCIAL COMMITMENT AUTHORITY AS PREVIOUSLY ADOPTED IN THE ANNUAL FLORIDA MUNICIPAL POWER AGENCY GENERAL BUDGET AND THE ALL-REQUIREMENTS POWER SUPPLY PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019, AND THE CORRESPONDING BUDGET DOCUMENTS; (II) ADOPTING THE AMENDMENT TO THE FINANCIAL COMMITMENT AUTHORITY; AND (III) PROVIDING AN EFFECTIVE DATE.

Whereas, pursuant to resolution 2018-EC3 adopted on June 14, 2018, the Executive Committee of Florida Municipal Power Agency (the "**Agency**") adopted the annual Agency general and All-Requirements Power Supply Project budgets for the fiscal year beginning October 1, 2018, and ending September 30, 2019 (the "**Agency and ARP Fiscal Year 2019 Budgets**"), including the detail included in the "**Fiscal Year 2019 Budget Book**," which was incorporated by reference as a material part of resolution 2018-EC3;

Whereas, pursuant to Section III of resolution 2018-EC3, a proposed amendment to the Fiscal Year 2019 Budget Book has been duly submitted to the Executive Committee for approval; and

Whereas, the proposed amendment to the Fiscal Year 2019 Budget Book amends the Financial Commitment Authority, to provide for increased financial commitment authority for the designee of the General Manager and CEO, in place of the Chief Operating Officer, in the event the Chief Operating Officer position is vacant.

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I. **Amendment to Fiscal Year 2019 Budget Book**. The Fiscal Year 2019 Budget Book, adopted as a part of the Agency and ARP Fiscal year 2019 Budgets, is hereby amended by striking the two pages entitled Financial Commitment Authority (pages 103 of 308 and 104 of 308 of the agenda package materials for the June 14, 2018 Executive Committee meeting) and replacing them with the two pages attached to this resolution as Exhibit A-1. Exhibit A-2 indicates the amendments made to the Financial Commitment Authority in redlined, legislative text.

SECTION II. **Adoption of Budget Amendment**. The Fiscal Year 2019 Budget Book, as a part of the Agency and ARP Fiscal Year 2019 Budgets, as amended by Section I above is hereby approved and adopted.

SECTION III. **Effective Date**. This resolution shall take effect immediately upon its adoption.

This Resolution 2018-EC5 is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on October 18, 2018.

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Chairperson of the Executive Committee

I HEREBY CERTIFY that on October 18, 2018, the above Resolution 2018-EC5 was approved and adopted by the Executive Committee of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2018-EC5.

ATTEST:

________________________________ SEAL

Secretary or Assistant Secretary

EXHIBIT A-1

[CLEAN, AMENDED FINANCIAL COMMITMENT AUTHORITY SHEETS]

Financial Commitment Authority – Defined as the authorized personnel who have the ability to financially commit (sign on behalf of) the Agency (contracts, work orders, purchase orders, etc.). Authority levels are shown in the following table.

FMPA Financial Commitment Authority Levels

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
General Manager	Up to $200,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over $200,000 reported at the next EC Meeting	• Up to $50 million notional value for transactions > 2 years but ≤ 7 years • Up to $15 million notional value for transactions > 1 month but ≤ 2 years • Up to $5 million notional value for transactions ≤ 1 month
Chief Operating Officer (COO) [2]	Up to $50,000	Up to $100,000	• Up to $15 million notional value for transactions > 1 month but ≤ 2 years • Up to $5 million notional value for transactions ≤ 1 month
Power Generation Fleet Director	Up to $5,000	Up to $50,000	N/A
CFO, AGMs, Chief Information Compliance Officer, and General Counsel	Up to $20,000	Up to $20,000	N/A
System Operations Manager and Business Development Manager	Up to $5,000	Up to $5,000	• Up to $5 million notional value for transactions ≤ 1 month
Managers, Directors & Deputy General Counsel [3]	Up to $5,000	Up to $5,000	N/A
Approved Agents [4]	N/A	N/A	• Up to $5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPA's Origination Transaction Policy.

[2] COO, or the General Manager's designee in the event the COO position is vacant

[3] Except as may be superseded by higher authority levels for certain manager or director positions elsewhere in this table.

[4] Approved agents include, but may not necessarily be limited to, FGU for transacting of physical natural gas trading activities, FMPP for electricity trading activities less than 8 calendar days, and OUC for non-firm transmission transactions less than 8 days.

Once the Procurement Process has been completed and a vendor and total dollar amount have been negotiated, the above-referenced financial commitment authority determines who is authorized to sign contracts, work orders, purchase orders, etc.

Payment Approval Authority – Defined as managers and above who have the ability to approve vendor invoices and contractual obligations for services rendered. This is an administrative function to verify FMPA has received the good or services it contracted for in accordance with the counterparty's obligations and contract terms.

a. If the goods and services provided are in accordance with work orders/contracts/agreements and doesn't result in expenditures or financial commitments exceeding the governing body approved budget, then the manager and above can approve and process invoices. Additional budget tests may exist, as further set by management.

b. Should there be any desired change in the financial commitment that results in a higher total financial commitment, then the “Financial Commitment Authority” limits are reapplied to determine authority.

EXHIBIT A-2

[REDLINED, AMENDED FINANCIAL COMMITMENT AUTHORITY SHEETS]

Financial Commitment Authority – Defined as the authorized personnel who have the ability to financially commit (sign on behalf of) the Agency (contracts, work orders, purchase orders, etc.). Authority levels are shown in the following table.

FMPA Financial Commitment Authority Levels

Authority Levels	**Agency**	**ARP (Non-Commodity)**	**ARP (Commodity) [1]**
General Manager	Up to $200,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over $200,000 reported at the next EC Meeting	• Up to $50 million notional value for transactions > 2 years but ≤ 7 years • Up to $15 million notional value for transactions > 1 month but ≤ 2 years • Up to $5 million notional value for transactions ≤ 1 month
Chief Operating Officer (COO) [2]	Up to $50,000	Up to $100,000	• Up to $15 million notional value for transactions > 1 month but ≤ 2 years • Up to $5 million notional value for transactions ≤ 1 month
Power Generation Fleet Director	Up to $5,000	Up to $50,000	N/A
CFO, AGMs, Chief Information Compliance Officer, and General Counsel	Up to $20,000	Up to $20,000	N/A
System Operations Manager and Business Development Manager	Up to $5,000	Up to $5,000	• Up to $5 million notional value for transactions ≤ 1 month
Managers, Directors & Deputy General Counsel [3~~2~~]	Up to $5,000	Up to $5,000	N/A
Approved Agents [4~~3~~]	N/A	N/A	• Up to $5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPA's Origination Transaction Policy.

[2] COO, or the General Manager's designee in the event the COO position is vacant

[3~~2~~] Except as may be superseded by higher authority levels for certain manager or director positions elsewhere in this table.

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[4~~3~~] Approved agents include, but may not necessarily be limited to, FGU for transacting of physical natural gas trading activities, FMPP for electricity trading activities less than 8 calendar days, and OUC for non-firm transmission transactions less than 8 days.

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a. If the goods and services provided are in accordance with work orders/contracts/agreements and doesn't result in expenditures or financial commitments exceeding the governing body approved budget, then the manager and above can approve and process invoices. Additional budget tests may exist, as further set by management.

b. Should there be any desired change in the financial commitment that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.

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AGENDA ITEM 8 – ACTION ITEMS

b) Approval of Rate Schedule B-1 for FY2019

Executive Committee
October 18, 2018

AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee

FROM: Jason Wolfe

DATE: October 9, 2018

ITEM: EC 8b – Approval of Rate Schedule B-1 for FY2019

Executive Summary

- Each October, staff provides the Executive Committee with an updated ARP Rate Schedule B-1 for approval that reflects the base billing rates based on the approved budget for the new fiscal year.
- The attached clean and redline versions of Rate Schedule B-1 have been revised to reflect the ARP Fiscal Year 2019 base billing rates of $27.17/MWh for energy, $20.10/kW-mo. for demand, $2.70/kW-mo. for transmission (other than KUA), and $0.77/kWh-mo. for KUA for transmission.
- Also included are the riders to Rate Schedule B-1, including a new

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Discussion

The Fiscal Year 2019 ARP budget that was approved by the Executive Committee in June 2018 included the following base rates for Fiscal Year 2019:

Base Energy Rate:	$27.17/MWh
Base Demand Rate:	$20.10/kW-mo.
Base Transmission Rate:	$2.70/kW-mo.
Base Transmission Rate – KUA:	$0.77/kW-mo.

The attached clean and redline versions of Rate Schedule B-1 have been revised to reflect the ARP Fiscal Year 2019 base billing rates. Per Rate Schedule B-1, and in keeping with the process that was adopted by the Executive Committee in 2006, the base rates will be adjusted each month to reflect the ARP's cash position, projected operating and maintenance expenses, and prior period true-ups.

The attached version of Rate Schedule B-1 includes both the Load Attraction Incentive Rate and Economic Development Rate riders that have previously and separately been approved by the Executive Committee.

Also included in the attached version of Rate Schedule B-1 is a new rider that was added for the Cost Spread Reduction Program. This program was approved by the Executive Committee in June 2018 for the two-year period beginning October 1, 2018. When the program was approved, staff committed to bring the necessary changes to Rate Schedule B-1 to include the Cost Spread Reduction Program for approval along with the annual update to the base rates. The program as outlined in this rider does not differ from what the Executive Committee approved in June.

Recommended Motion

Move approval of Rate Schedule B-1, effective October 1, 2018.

Attachment

EC-8b – Approval of Rate Schedule B-1 for FY2019

FMPA Executive Committee

October 18, 2018

Summary

- Each October, staff brings a revised Rate Schedule B-1 to the EC for approval
  - Includes update to base rates for new fiscal year
- This year's update also includes a new rider for the Cost Spread Reduction Program

FMPA MUNICIPAL POWER

FY 2019 ARP Base Rates

Rate Category	Base Rate
Demand	$20.10 /kW-mo.
Transmission (all except KUA)	$2.70 /kW-mo.
Transmission (KUA)	$0.77 /kW-mo.
Energy	$27.17 /MWh

FMPA MUNICIPAL POWER

New Rider Added for Cost Spread Reduction Program

- Designed to reduce spread in Participant Demand & Energy Costs ($/MWh) as measured on a rolling 12-month basis
- The program itself was approved by the EC in June 2018 for the 2-year period beginning 10/1/18
- Staff promised to bring necessary changes to Rate Schedule B-1 for approval in October, along with annual update to ARP base rates
  - Included as a separate rider to Rate Schedule B-1
- The rider does not include any changes from the program as approved by the EC
- Program began October 1, 2018
  - Contributions made by Participants and credits paid to Participants will appear on bills beginning with those issued in November 2018

Recommended Motion

- Move approval of Rate Schedule B-1, effective October 1, 2018

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

1. **Applicability.** Electric service for All-Requirements Services and Back-up and Support Services as defined in the All-Requirements Power Supply Project Contract for their own use and for resale.

2. **Availability.** This Schedule B-1 is available to the Project Participants purchasing electric capacity and energy from FMPA under the terms of the All-Requirements Power Supply Project Contracts as All-Requirements Services and, if applicable, as Back-Up and Support Services.

3. **Character of Service.** Electricity furnished under this Schedule B-1 at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three phase, alternating current.

4. **Billing Rate for All-Requirements Services.**
   (a) For electricity furnished hereunder as All-Requirements Services, the charges for each month shall be determined as follows:

Customer Charge	For each Project Participant, previously referred to as the “East Group” (Clewiston, Fort Pierce, Green Cove Springs, Jacksonville Beach, Key West, Lake Worth, Starke and Vero Beach) the charge is $1,345.00 per Point of Delivery. For each Project Participant previously referred to as the “West Group” (Bushnell, Leesburg, Ocala, Ft. Meade, Havana, Kissimmee and Newberry) the charge is $740.00 per Point of Delivery. Notwithstanding the above, the charge for a Project Participant that has both (1) established its Contract Rate of Delivery and (2) does not receive Network Integration Transmission Service under an ARP agreement is $0.00.
Demand Capacity Charge	$ 20.10~~21.49~~ per kilowatt ("kW") of capacity billing demand
Demand Transmission	$ 2.70~~2.72~~ per kilowatt ("kW") of transmission billing demand

Demand Transmission Kissimmee Utility Authority	$ 0.77~~0.81~~ per kilowatt ("kW") of transmission billing demand
Energy Charge	$ 27.17~~30.72~~ per megawatt-hour ("MWh") for all energy supplied as All-Requirements Services
Solar Energy Surcharge	A $ per megawatt-hour ("MWh") rate, as calculated monthly in accordance with 10 below, for all energy pursuant to the solar Power Purchase Agreement (solar PPA) between the ARP and NextEra Florida Renewables, or its successors or assigns ("the Solar Seller"), as specifically agreed to by individual Project Participants pursuant to a Solar Participant Agreement between the ARP and individual Project Participants (hereinafter "Solar Participants").
Reactive Demand Charge	$0.00 per kilo-var ("kVAR") of excess billing reactive demand

(b) Delivery Voltage Adjustment for All-Requirements Services. The Billing Rates under paragraph (a) are based on delivery of electric capacity and energy to the Project Participant at 115,000 volts or higher. Where capacity and energy is delivered at voltages less than 115,000 volts, the Billing Rates under paragraph (a) shall be increased as follows:

Delivery Voltage	Demand Charge Adjustment	Energy Charge Adjustment
69,000 volts	$0.00/kW	$0.00/kWh
12,000/25,000 volts	.722/kW	$0.0000
Under 12,000 volts	.722/kW	$0.0000

5. **Billing Metering For All-Requirements Services.** The metered demand in kW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.

The metered reactive demand in kVAR in each month shall be the reactive demand, which occurred during the same 60-minute demand interval in which the metered kilowatt demand occurred.

Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.

6. **Billing Demand-Capacity for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, less the Project Participant's, Excluded Power Supply Resources capacity, if any.

7. **Billing Demand-Transmission for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, but including the Project Participant's, Excluded Power Supply Resources capacity, if any.

8. **Billing Reactive Demand for All-Requirements Services.**
The billing reactive demand for any month shall be the amount of reactive demand in kVAR by which the metered reactive demand exceeds one-half of the metered kilowatt demands, or such other amount as shall be determined from time to time by FMPA.

9. **Energy Cost Adjustment for All-Requirements Services.**
The monthly bill computed hereunder shall adjust the base energy rate by an amount to the nearest one-thousand of a cent, determined by use of the formula below:

ER = $0.02717/~~$0.02504~~kWh ±ETCA

Where:
ER = Energy Rate to be applied each kWh of billed energy.
ETCA = Energy Total Cost Adjustment to be determined according to the following procedure:

1. The number days of available cash will be determined each month and rounded to the nearest five days.

2. A confidence percentage based on following table will be selected to determine the amount of the total cost adjustment. The Confidence Percentage will then be applied to the output of the probabilistic model discussed below.

Days of Available Cash	Associated Confidence Percentage
30 day or less	95%
35 days	88%
40 days	80%
45 days	73%
50 days	65%
55 days	58%
60 days	50%
65 days	43%
70 days	35%
75 days	28%
80 days	20%
85 days	13%
90 days and over	5%

3. A probabilistic model will be used to estimate next four months of projected energy total cost and projected total kWh sales for providing the All-Requirements Project power supply. For purposes of this adjustment, FMPA's owned and controlled generating units including purchased power or interchange power purchased by FMPA from other suppliers less the energy cost of sales to other utilities, will be used in the calculations.

4. A probabilistic model will also be used to allocate the most current ARP Participant over-recovery and under-recovery balance as listed ARP's Comparative Statement of Net Asset report. This balance will be applied over the next four months and tied to the appropriate percentage level listed in the table above.

10. Solar Energy Surcharge.

The Solar Energy Surcharge shall equal the difference between the adjusted energy rate calculated in 9 above (ER) and the actual monthly cost per MWh of the solar energy (note the surcharge could be negative). The following provisions shall apply to the calculation of the surcharge:

1. Solar energy costs shall equal the sum of the solar PPA charges, FMPA A&G charges allocated to the Solar PPA, the return to the Agency Development Fund of the costs advanced to enter into and implement the solar PPA, and other costs or charges that the ARP may incur related to utilizing solar energy as part of its resource portfolio, e.g. increased regulation charges assessed by the ARP's Balancing Authority.

2. The following All-Requirements Project Participants have responsibility for solar energy (MWh) in each hour that solar energy is produced:

The City of Jacksonville Beach	17.241%
Fort Pierce Utilities Authority	5.173%
Utility Board, City of Key West	8.621%
Kissimmee Utility Authority	51.724%
The City of Ocala	17.241%

3. In the event that one or more of the Solar Participants defaults by not paying the Solar Energy Surcharge, the defaulting Project Participant(s) shall remain liable for all payments to be made on its part pursuant to this Rate Schedule B-1. In such event, each non-defaulting Solar Participant's All-Requirements bill shall be increased, on a pro rata basis based on its respective Solar Energy Surcharge percentage, the amount in default unless and until FMPA shall recover from the defaulting Solar Participant(s) all amounts owed, upon which FMPA shall reimburse the non-defaulting Solar Participants. If all Solar Participants default by not paying the Solar Energy Surcharge, the All-Requirements Project will be obligated for the Power Purchase Agreement and the solar costs will become part of the Energy Rate (ER) above applicable to all All-Requirements Project Participants, including the defaulting Solar Participants, unless and until FMPA shall recover from at least one of the defaulting Solar Participants all amounts owed by all Solar Participants, upon which FMPA shall reimburse the All-Requirements Project Participants either through rates or through such other method as directed by the Executive Committee

4. A Solar Participant may only exit from the financial obligation to pay the Solar Energy Surcharge if one of the following four

conditions are met, subject to approval of the Executive Committee:

a. One or more Solar Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP;

b. One or more All-Requirements Project Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP

c. One or more FMPA Members that is not an All-Requirements Project Participant assumes the financial entitlement to the Solar Participant's percentage share of the PPA and commits that it will take on the (i) associated financial obligation and (ii) obligation to take solar energy, in a form suitable to the ARP; or

d. Pay stranded cost obligations, as determined by FMPA in its sole discretion, to hold the other Solar Participants harmless from the costs associated with the Solar Participant's exit.

   Stranded cost obligations are defined as an estimate of the solar energy costs (defined in 10.1) that the ARP will pay for the exiting Solar Participant's solar energy entitlement during each remaining month of the remaining term of the solar PPA based on (i) a forecast of expected solar production and (ii) a reasonable assessment of unforeseen costs, and are to be paid at the time of exit. The forecast of expected solar production is defined as a P50 (probability of exceedance is 50 percent) production estimate under typical meteorological year conditions using an industry standard modeling tool (PV Syst or its successor/peer products) reflective of a degradation rate of 0.3% per year relative to the original nominal alternating current capacity of the solar resource in the current year (prorated over a partial year as applicable) and each subsequent remaining year of the PPA term.

11. **Demand and Transmission Cost Adjustment for All-Requirements Services.**
The monthly bill computed hereunder shall adjust the base demand capacity rate by an amount to the nearest one-thousand of a cent, determined by use of the formula below:

DR = Demand or Transmission per kW/month $\pm$DTCA

Where:
DR = Demand Rate to be applied each kW of billed demand.

DTCA = Demand Total Cost Adjustment to be determined according to the same procedure as the ETCA except where kWh will be replaced by kW in item 3 within section 9.

12. **Funding for Participants Load Retention Programs.**
Each Participant shall be credited with an amount equal to the Participants monthly billing energy times $0.30 per MWh. This credit may be used by the Participant to fund Load Retention Programs approved by the Participants' governing body, or for other lawful usage.

13. **Tax Adjustment Clause for All-Requirements Services.**
In the event of the imposition of any tax, or payment in lieu thereof, by any lawful authority on FMPA for production, transmission, or sale of electricity, the charges hereunder may be increased to pass on to the Project Participant its share of such tax or payment in lieu thereof.

14. **Late Payment Charge.** FMPA may impose a late payment charge on the unpaid balance of any amount not paid when due. Such charge shall be equal to the interest on the unpaid balance from the due date to the date of payment, with the interest rate being the arithmetic mean, to the nearest one-hundredth of one percent (.01%) of the prime rate values published in the Federal Reserve Bulletin for the fourth, third, and second months prior to the due date. The interest required to be paid under this clause will be compounded monthly.

15. **Month.** The month shall be in accordance with a schedule established by FMPA.

16. **Special Jacksonville Beach Charge**. In the event that FMPA pays or is billed for any amounts by the JEA for back-up transmission capability and/or transmission services and /or back-up electric service supplied by JEA for the City of Jacksonville Beach, such amounts shall be added to any amounts otherwise billed to the City of Jacksonville Beach by FMPA pursuant to this Schedule B-1, less one-third of such amounts, at such times as FMPA shall determine.

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

LOAD ATTRACTION INCENTIVE RATE RIDER

1. **Purpose.** The purpose of this Load Attraction Incentive Rate (LAIR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract a new, large load to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD) and meet at least one of the following conditions:

    - Zero (0) MW CROD
    - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

    For purposes of this Rider, “New Load” is defined as load being established after the date of the original approval date of this Rider:

    (a) by a new business (including occupation of an existing, dormant facility by a new business), by the expansion of an existing establishment, or

    (b) by the expansion of service territory by the Project Participant.

    (c) For existing establishments, New Load is the net incremental load, due to an expansion of business, above that which existed prior to approval for credits under this Rider.

    This Rider is not available for (1) New Load that would have occurred in the Project Participant’s service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant’s service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the LAIR, each New Load must meet or exceed the following minimum size requirements, as measured in Section 5.:

(a) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand less than 35 MW:* Each New Load must be (i) a minimum of 250 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

(b) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand greater than 35 MW:* Each New Load must be either (i) a minimum of 500 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

5. **LAIR Description.** A credit based on the percentages below will be applied to the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant.

Service Month	Discount
1-12	50%
13-24	40%
25-36	30%
37-48	20%
49-60	10%
61 and beyond	0%

The credit shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month (New Load CP Demand).

Credits for the previous month will be issued by FMPA to the Project Participant no later than the twentieth (20^{th}) day of each month. Unless otherwise agreed between FMPA and the Project Participant, credits will be paid in the form of a check.

In no event can FMPA provide a credit for New Load that is proportionally above the Project Participant's load that is served by the ARP.

For a CROD Participant that has a CROD/MAXD ratio that falls below 1.0 following the addition of one or more qualifying New Loads, the monthly metered demand for the New Load(s) to which the credit is applied shall thereafter be adjusted by the following New Load Adjustment Factor over the remainder of the term under this Rider:

$$NLAdj = 1 - \frac{(MAXD - CROD)}{NLD}$$

Where:

NLAdj = New Load Adjustment Factor, expressed as a percentage, which shall be established in the month during which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed each time the CROD Participant's MAXD value changes.

CROD = The CROD Participant's Contract Rate of Delivery, which is a one-time calculation developed pursuant to Section 3(a) of the ARP Contract, as amended, and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

MAXD = The CROD Participant's highest demand during the 12 months ending with the end of the current billing month, which is computed in accordance with Schedule C to the ARP Contract and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

NLD = The sum of the metered demands of all of the CROD Participant's New Loads, as determined in this Section 5., computed during the first month in which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed in each subsequent month that either (i) the CROD Participant's MAXD value changes, or (ii) a New Load ceases to receive credits under this Rider.

And where NLAdj can never be greater than 100% or less than 0%.

Once the CROD/MAXD ratio falls below 1.0, per Section 2., the CROD Participant will be ineligible to apply for credits for additional New Load under this Rider.

All other charges to the Project Participant, including but not limited to the Demand Transmission Charge and the Energy Charge, shall be as set forth in the otherwise applicable ARP Rate Schedule(s). In addition, all other provisions of the Rate Schedule(s) otherwise applicable to the Project Participant shall continue to apply.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive credits under this Rider. All meters shall be of a quality acceptable to FMPA. All metering costs pertaining to this program will be borne by the Project Participant or Project Participant's customer. The Project Participant may request FMPA to provide and install the required metering equipment; if so, FMPA will bill the Project Participant for the equipment costs. The Project Participant must either provide FMPA with access to the meter information, or the Project Participant must provide the meter information for the previous calendar month to FMPA no later than the tenth (10^{th}) day of each month.

7. **Term of Service.** Except as limited below in this Section 7., credits provided under this Rider shall be for a term of five (5) years from the commencement of service of each New Load. Such credits under this Rider will terminate at the end of the five (5) year period.

   Each New Load must meet or exceed the minimum size requirements, as measured by the New Load CP Demand, at least once during the initial six (6) month service period in order to continue to be eligible to receive the credit beyond that initial period.

   Beginning in the seventh (7^{th}) service month, and continuing for the remainder of the service period under this Rider, the credit will be discontinued for any New Load that fails to maintain the minimum size requirements, as measured by the New Load CP Demand, during any three (3) consecutive months. Thereafter, if the New Load is able to resume meeting the minimum size requirements for three (3) consecutive months, payment of the credit will be reinstated beginning with the following month. The credit will be based on the percentage for the then-applicable service month in the table shown in Section 5. No retroactive credits shall be provided.

   If the New Load either (1) ceases to take service from the Project Participant, or (2) reduces operations to such a level that it will no longer meet the qualifying criteria, the credit will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

   In the event of early termination of the credit, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify to receive the credit. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the credits should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2020.

9. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON APRIL 18, 2018

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

ECONOMIC DEVELOPMENT RATE RIDER

1. **Purpose.** The purpose of this Economic Development Rate (EDR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract large, energy-intensive new business to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD) and meet at least one of the following conditions:
   - Zero (0) MW CROD
   - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

   For purposes of this Rider, "New Load" is defined as load being established after the effective date of this Rider by a new business (including occupation of an existing, dormant facility by a new business) or by the expansion of an existing establishment.

   This Rider is not available for (1) new load that would have occurred in the Project Participant's service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant's service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the EDR, the ARP must have sufficient capacity available to serve each New Load for the first 10 years of service, and each New Load and Project Participant must meet the following criteria and conditions:

   (a) Each New Load must be a minimum of 5,000 kW for each month, as measured in Section 5, at a single location (multiple meters are allowed at a single campus)

(b) Each New Load must be energy-intensive, meaning the business uses a significant amount of electricity per square foot (at least 100 kWh/ft^2/year)

(c) Each New Load must be separately metered with information from such meters being available to FMPA, as described in Section 6

(d) Electricity price must be a significant determining factor in the site selection competition of the new or expanded business

(e) Project Participant must pass through the EDR demand and energy rates directly to the new or expanded business

- o Project Participant must recover its distribution, metering, and customer charges through an adder to the EDR demand rate at a discount, including reductions to general fund transfers. Such adder is not to be increased from the initially determined level during the first 10 years of service
- o Project Participant must pass through the EDR energy rate with zero adders

(f) Project Participant cannot receive generation capacity credits, through a Capacity and Energy Sales Contract, higher than the EDR for the amount of capacity used to serve the new or expanded business

5. **EDR Description.** The following Demand Charges will be applied in lieu of the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant for the period described in Section 7.

Service Month	Demand Charge ($/kW-mo)
EDR Demand Charge to be negotiated on a case-by-case basis and must be approved by the FMPA Executive Committee	

The EDR Demand Charge shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the New Load measured during the month (New Load Demand).

The EDR Energy Charge will negotiated on a case-by-case basis and must be (a) designed such that it attempts to recover no less than the ARP's cost to serve the new load, including fuel and non-fuel variable costs, and (b) approved by the FMPA Executive Committee

If the New Load fails to meet the 5,000 kW threshold in any three (3) consecutive months, the rates will automatically revert to the applicable Load Attraction Incentive Rate (LAIR) rider.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive EDR pricing for the New Load under this Rider. All meters must meet the same qualifications as those required at the Point of Measurement in the ARP Contract.

7. **Term of Service.** Except as limited below in this Section 7, pricing provided under this Rider shall be for a term to be negotiated on a case-by-case basis and approved by the FMPA Executive Committee. Such pricing under this Rider will terminate at the end of the negotiated service period.

   If the New Load either (1) ceases to take service from the Project Participant, or (2) modifies operations in such a way that it will no longer meet the qualifying criteria, the EDR pricing will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

   In the event of early termination of the EDR pricing, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the

Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the EDR pricing should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2020.

9. **Good Faith Business Development Efforts.** The Project Participant must demonstrate to the Executive Committee that a reasonable amount of good faith business development effort was undertaken to attract the New Load in order to qualify for EDR pricing as set forth in Section 5. Qualification for EDR pricing is at the discretion of the Executive Committee on a case-by-case basis.

10. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON APRIL 18, 2018

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

COST SPREAD REDUCTION PROGRAM RIDER

1. **Purpose.** The purpose of this Cost Spread Reduction Program (CSRP) Rider is to reduce the spread in Project Participant total Demand and Energy Costs (as defined in Section 3.) as measured on a rolling 12-month basis.

2. **Applicability.** This Rider is applicable to all Project Participants.

3. **Definition of Demand and Energy Cost.** For purposes of the CSRP, a Project Participant's "Demand and Energy Cost" shall be expressed as a $/MWh amount and is defined as the sum of all ARP costs billed to the Project Participant except for transmission related costs (e.g., ARP transmission charges, low voltage delivery charges, etc.) over a period, divided by the Project Participant's Billing Energy for All-Requirements Services over the same period. Such costs shall also reflect any incentives received by the Project Participant (e.g., Load Attraction Incentive Rate, Economic Development Rate) during the period, even if such amounts were not included on the Project Participant's ARP invoice. Additionally, the calculation of the rolling 12-month Demand and Energy Costs shall include the Project Participant's contributions to the CSRP, less any credits received under the CSRP, over the preceding 11 months.

4. **Credit.** All Project Participants are eligible to receive the CSRP credit. The total CSRP credits provided to the highest cost Project Participants over any 12-month period shall be a maximum of $200,000. The total monthly CSRP credits provided shall be a maximum of (a) one/twelfth of the maximum annual amount, or (b) the amount needed to bring the 12-month rolling average Demand and Energy cost spread (in $/MWh) of the lowest-cost to highest-cost Project Participants to $10/MWh, whichever is less.

   The CSRP credit allocation process shall be as follows (references to cost below shall mean the 12-month rolling average Demand and Energy Cost):

   1. The highest-cost Project Participant shall receive the dollar amount (up to its monthly cap) necessary to bring its 12-month rolling average Demand and Energy cost equal to the 2nd highest-cost Project Participant.
   2. Next, the two highest-cost Project Participants shall receive dollar amounts (up to their respective monthly caps) necessary to bring their 12-month rolling average Demand and Energy Cost equal to the 3rd highest-cost Participant.

3. This process shall continue until the total monthly CSRP credit amount is exhausted or until the overall 12-most rolling average Demand and Energy \$/MWh cost spread from highest-cost Project Participant to lowest-cost Project Participant reaches \$10/MWh, whichever comes first.

The following additional limitations shall apply in the computation of the credit to be provided to a Project Participant:

- No Project Participant may receive an amount that would cause its 12-month rolling average Demand and Energy Cost to be reduced below the next highest Participant's cost.
- No Project Participant may receive greater than 50 percent of the total monthly CRSP credit amount.

5. **Contribution.** All Project Participants shall contribute to the monthly credit. The Project Participants' respective dollar contributions shall be computed such that the contributions will have an equivalent \$/MWh increase across all Participants' respective 12-month rolling average Demand and Energy Costs and will be computed according to the following formula:

$$Z = \frac{SumZ}{SumE} \: x \: E$$

Where:

Z = The Project Participant's monthly contribution to the CSRP, in dollars.

SumZ = The total monthly amount to be contributed to the CSRP, in dollars, by all Project Participants developed per Section 4.

SumE = The sum of the total Billing Energy for All-Requirements Services for all Project Participants, in MWh, over the most recent 12 full calendar months.

E = The Project Participant's monthly Billing Energy for All-Requirements Services, in MWh.

6. **Other.** Monthly contributions to the CSRP and any CSRP credits received shall be included as line items on the Project Participant's monthly ARP invoice.

7. **Effective Date.** This Rider will be effective for service beginning October 1, 2018.

8. **Sunset Provision.** This Rider will sunset for service ending September 30, 2020.

THIS PROGRAM APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON JUNE 14, 2018

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

1. **Applicability.** Electric service for All-Requirements Services and Back-up and Support Services as defined in the All-Requirements Power Supply Project Contract for their own use and for resale.

2. **Availability.** This Schedule B-1 is available to the Project Participants purchasing electric capacity and energy from FMPA under the terms of the All-Requirements Power Supply Project Contracts as All-Requirements Services and, if applicable, as Back-Up and Support Services.

3. **Character of Service.** Electricity furnished under this Schedule B-1 at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three phase, alternating current.

4. **Billing Rate for All-Requirements Services.**
   (a) For electricity furnished hereunder as All-Requirements Services, the charges for each month shall be determined as follows:

Customer Charge	For each Project Participant, previously referred to as the "East Group" (Clewiston, Fort Pierce, Green Cove Springs, Jacksonville Beach, Key West, Lake Worth, Starke and Vero Beach) the charge is $1,345.00 per Point of Delivery. For each Project Participant previously referred to as the "West Group" (Bushnell, Leesburg, Ocala, Ft. Meade, Havana, Kissimmee and Newberry) the charge is $740.00 per Point of Delivery. Notwithstanding the above, the charge for a Project Participant that has both (1) established its Contract Rate of Delivery and (2) does not receive Network Integration Transmission Service under an ARP agreement is $0.00.
Demand Capacity Charge	$ 20.10 per kilowatt ("kW") of capacity billing demand
Demand Transmission	$ 2.70 per kilowatt ("kW") of transmission billing demand

Demand Transmission Kissimmee Utility Authority	$ 0.77 per kilowatt ("kW") of transmission billing demand
Energy Charge	$ 27.17 per megawatt-hour ("MWh") for all energy supplied as All-Requirements Services
Solar Energy Surcharge	A $ per megawatt-hour ("MWh") rate, as calculated monthly in accordance with 10 below, for all energy pursuant to the solar Power Purchase Agreement (solar PPA) between the ARP and NextEra Florida Renewables, or its successors or assigns ("the Solar Seller"), as specifically agreed to by individual Project Participants pursuant to a Solar Participant Agreement between the ARP and individual Project Participants (hereinafter "Solar Participants").
Reactive Demand Charge	$0.00 per kilo-var ("kVAR") of excess billing reactive demand

(b) Delivery Voltage Adjustment for All-Requirements Services. The Billing Rates under paragraph (a) are based on delivery of electric capacity and energy to the Project Participant at 115,000 volts or higher. Where capacity and energy is delivered at voltages less than 115,000 volts, the Billing Rates under paragraph (a) shall be increased as follows:

Delivery Voltage	Demand Charge Adjustment	Energy Charge Adjustment
69,000 volts	$0.00/kW	$0.00/kWh
12,000/25,000 volts	.722/kW	$0.0000
Under 12,000 volts	.722/kW	$0.0000

5. **Billing Metering For All-Requirements Services.** The metered demand in kW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.

The metered reactive demand in kVAR in each month shall be the reactive demand, which occurred during the same 60-minute demand interval in which the metered kilowatt demand occurred.

Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.

6. **Billing Demand-Capacity for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, less the Project Participant's, Excluded Power Supply Resources capacity, if any.

7. **Billing Demand-Transmission for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, but including the Project Participant's, Excluded Power Supply Resources capacity, if any.

8. **Billing Reactive Demand for All-Requirements Services.**
The billing reactive demand for any month shall be the amount of reactive demand in kVAR by which the metered reactive demand exceeds one-half of the metered kilowatt demands, or such other amount as shall be determined from time to time by FMPA.

9. **Energy Cost Adjustment for All-Requirements Services.**
The monthly bill computed hereunder shall adjust the base energy rate by an amount to the nearest one-thousand of a cent, determined by use of the formula below:

$$ER = \$0.02717/kWh \pm ETCA$$

Where:
ER = Energy Rate to be applied each kWh of billed energy.
ETCA = Energy Total Cost Adjustment to be determined according to the following procedure:

1. The number days of available cash will be determined each month and rounded to the nearest five days.

2. A confidence percentage based on following table will be selected to determine the amount of the total cost adjustment. The Confidence Percentage will then be applied to the output of the probabilistic model discussed below.

Days of Available Cash	Associated Confidence Percentage
30 day or less	95%
35 days	88%
40 days	80%
45 days	73%
50 days	65%
55 days	58%
60 days	50%
65 days	43%
70 days	35%
75 days	28%
80 days	20%
85 days	13%
90 days and over	5%

3. A probabilistic model will be used to estimate next four months of projected energy total cost and projected total kWh sales for providing the All-Requirements Project power supply. For purposes of this adjustment, FMPA's owned and controlled generating units including purchased power or interchange power purchased by FMPA from other suppliers less the energy cost of sales to other utilities, will be used in the calculations.

4. A probabilistic model will also be used to allocate the most current ARP Participant over-recovery and under-recovery balance as listed ARP's Comparative Statement of Net Asset report. This balance will be applied over the next four months and tied to the appropriate percentage level listed in the table above.

10. Solar Energy Surcharge.

The Solar Energy Surcharge shall equal the difference between the adjusted energy rate calculated in 9 above (ER) and the actual monthly cost per MWh of the solar energy (note the surcharge could be negative). The following provisions shall apply to the calculation of the surcharge:

1. Solar energy costs shall equal the sum of the solar PPA charges, FMPA A&G charges allocated to the Solar PPA, the return to the Agency Development Fund of the costs advanced to enter into and implement the solar PPA, and other costs or charges that the ARP may incur related to utilizing solar energy as part of its resource portfolio, e.g. increased regulation charges assessed by the ARP's Balancing Authority.

2. The following All-Requirements Project Participants have responsibility for solar energy (MWh) in each hour that solar energy is produced:

The City of Jacksonville Beach	17.241%
Fort Pierce Utilities Authority	5.173%
Utility Board, City of Key West	8.621%
Kissimmee Utility Authority	51.724%
The City of Ocala	17.241%

3. In the event that one or more of the Solar Participants defaults by not paying the Solar Energy Surcharge, the defaulting Project Participant(s) shall remain liable for all payments to be made on its part pursuant to this Rate Schedule B-1. In such event, each non-defaulting Solar Participant's All-Requirements bill shall be increased, on a pro rata basis based on its respective Solar Energy Surcharge percentage, the amount in default unless and until FMPA shall recover from the defaulting Solar Participant(s) all amounts owed, upon which FMPA shall reimburse the non-defaulting Solar Participants. If all Solar Participants default by not paying the Solar Energy Surcharge, the All-Requirements Project will be obligated for the Power Purchase Agreement and the solar costs will become part of the Energy Rate (ER) above applicable to all All-Requirements Project Participants, including the defaulting Solar Participants, unless and until FMPA shall recover from at least one of the defaulting Solar Participants all amounts owed by all Solar Participants, upon which FMPA shall reimburse the All-Requirements Project Participants either through rates or through such other method as directed by the Executive Committee

4. A Solar Participant may only exit from the financial obligation to pay the Solar Energy Surcharge if one of the following four

conditions are met, subject to approval of the Executive Committee:

a. One or more Solar Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP;

b. One or more All-Requirements Project Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP

c. One or more FMPA Members that is not an All-Requirements Project Participant assumes the financial entitlement to the Solar Participant's percentage share of the PPA and commits that it will take on the (i) associated financial obligation and (ii) obligation to take solar energy, in a form suitable to the ARP; or

d. Pay stranded cost obligations, as determined by FMPA in its sole discretion, to hold the other Solar Participants harmless from the costs associated with the Solar Participant's exit.

   Stranded cost obligations are defined as an estimate of the solar energy costs (defined in 10.1) that the ARP will pay for the exiting Solar Participant's solar energy entitlement during each remaining month of the remaining term of the solar PPA based on (i) a forecast of expected solar production and (ii) a reasonable assessment of unforeseen costs, and are to be paid at the time of exit. The forecast of expected solar production is defined as a P50 (probability of exceedance is 50 percent) production estimate under typical meteorological year conditions using an industry standard modeling tool (PV Syst or its successor/peer products) reflective of a degradation rate of 0.3% per year relative to the original nominal alternating current capacity of the solar resource in the current year (prorated over a partial year as applicable) and each subsequent remaining year of the PPA term.

11. **Demand and Transmission Cost Adjustment for All-Requirements Services.**
The monthly bill computed hereunder shall adjust the base demand capacity rate by an amount to the nearest one-thousand of a cent, determined by use of the formula below:

DR = Demand or Transmission per kW/month $\pm$DTCA

Where:
DR = Demand Rate to be applied each kW of billed demand.

DTCA = Demand Total Cost Adjustment to be determined according to the same procedure as the ETCA except where kWh will be replaced by kW in item 3 within section 9.

12. **Funding for Participants Load Retention Programs.**
Each Participant shall be credited with an amount equal to the Participants monthly billing energy times $0.30 per MWh. This credit may be used by the Participant to fund Load Retention Programs approved by the Participants' governing body, or for other lawful usage.

13. **Tax Adjustment Clause for All-Requirements Services.**
In the event of the imposition of any tax, or payment in lieu thereof, by any lawful authority on FMPA for production, transmission, or sale of electricity, the charges hereunder may be increased to pass on to the Project Participant its share of such tax or payment in lieu thereof.

14. **Late Payment Charge.** FMPA may impose a late payment charge on the unpaid balance of any amount not paid when due. Such charge shall be equal to the interest on the unpaid balance from the due date to the date of payment, with the interest rate being the arithmetic mean, to the nearest one-hundredth of one percent (.01%) of the prime rate values published in the Federal Reserve Bulletin for the fourth, third, and second months prior to the due date. The interest required to be paid under this clause will be compounded monthly.

15. **Month.** The month shall be in accordance with a schedule established by FMPA.

16. **Special Jacksonville Beach Charge**. In the event that FMPA pays or is billed for any amounts by the JEA for back-up transmission capability and/or transmission services and /or back-up electric service supplied by JEA for the City of Jacksonville Beach, such amounts shall be added to any amounts otherwise billed to the City of Jacksonville Beach by FMPA pursuant to this Schedule B-1, less one-third of such amounts, at such times as FMPA shall determine.

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

LOAD ATTRACTION INCENTIVE RATE RIDER

1. **Purpose.** The purpose of this Load Attraction Incentive Rate (LAIR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract a new, large load to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD) and meet at least one of the following conditions:
   - Zero (0) MW CROD
   - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

   For purposes of this Rider, “New Load” is defined as load being established after the date of the original approval date of this Rider:

   (a) by a new business (including occupation of an existing, dormant facility by a new business), by the expansion of an existing establishment, or

   (b) by the expansion of service territory by the Project Participant.

   (c) For existing establishments, New Load is the net incremental load, due to an expansion of business, above that which existed prior to approval for credits under this Rider.

   This Rider is not available for (1) New Load that would have occurred in the Project Participant’s service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant’s service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the LAIR, each New Load must meet or exceed the following minimum size requirements, as measured in Section 5.:

(a) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand less than 35 MW:* Each New Load must be (i) a minimum of 250 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

(b) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand greater than 35 MW:* Each New Load must be either (i) a minimum of 500 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

5. **LAIR Description.** A credit based on the percentages below will be applied to the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant.

Service Month	Discount
1-12	50%
13-24	40%
25-36	30%
37-48	20%
49-60	10%
61 and beyond	0%

The credit shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month (New Load CP Demand).

Credits for the previous month will be issued by FMPA to the Project Participant no later than the twentieth (20^{th}) day of each month. Unless otherwise agreed between FMPA and the Project Participant, credits will be paid in the form of a check.

In no event can FMPA provide a credit for New Load that is proportionally above the Project Participant's load that is served by the ARP.

For a CROD Participant that has a CROD/MAXD ratio that falls below 1.0 following the addition of one or more qualifying New Loads, the monthly metered demand for the New Load(s) to which the credit is applied shall thereafter be adjusted by the following New Load Adjustment Factor over the remainder of the term under this Rider:

$$NLAdj = 1 - \frac{(MAXD - CROD)}{NLD}$$

Where:

NLAdj = New Load Adjustment Factor, expressed as a percentage, which shall be established in the month during which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed each time the CROD Participant's MAXD value changes.

CROD = The CROD Participant's Contract Rate of Delivery, which is a one-time calculation developed pursuant to Section 3(a) of the ARP Contract, as amended, and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

MAXD = The CROD Participant's highest demand during the 12 months ending with the end of the current billing month, which is computed in accordance with Schedule C to the ARP Contract and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

NLD = The sum of the metered demands of all of the CROD Participant's New Loads, as determined in this Section 5., computed during the first month in which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed in each subsequent month that either (i) the CROD Participant's MAXD value changes, or (ii) a New Load ceases to receive credits under this Rider.

And where NLAdj can never be greater than 100% or less than 0%.

Once the CROD/MAXD ratio falls below 1.0, per Section 2., the CROD Participant will be ineligible to apply for credits for additional New Load under this Rider.

All other charges to the Project Participant, including but not limited to the Demand Transmission Charge and the Energy Charge, shall be as set forth in the otherwise applicable ARP Rate Schedule(s). In addition, all other provisions of the Rate Schedule(s) otherwise applicable to the Project Participant shall continue to apply.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive credits under this Rider. All meters shall be of a quality acceptable to FMPA. All metering costs pertaining to this program will be borne by the Project Participant or Project Participant's customer. The Project Participant may request FMPA to provide and install the required metering equipment; if so, FMPA will bill the Project Participant for the equipment costs. The Project Participant must either provide FMPA with access to the meter information, or the Project Participant must provide the meter information for the previous calendar month to FMPA no later than the tenth (10^{th}) day of each month.

7. **Term of Service.** Except as limited below in this Section 7., credits provided under this Rider shall be for a term of five (5) years from the commencement of service of each New Load. Such credits under this Rider will terminate at the end of the five (5) year period.

   Each New Load must meet or exceed the minimum size requirements, as measured by the New Load CP Demand, at least once during the initial six (6) month service period in order to continue to be eligible to receive the credit beyond that initial period.

   Beginning in the seventh (7^{th}) service month, and continuing for the remainder of the service period under this Rider, the credit will be discontinued for any New Load that fails to maintain the minimum size requirements, as measured by the New Load CP Demand, during any three (3) consecutive months. Thereafter, if the New Load is able to resume meeting the minimum size requirements for three (3) consecutive months, payment of the credit will be reinstated beginning with the following month. The credit will be based on the percentage for the then-applicable service month in the table shown in Section 5. No retroactive credits shall be provided.

   If the New Load either (1) ceases to take service from the Project Participant, or (2) reduces operations to such a level that it will no longer meet the qualifying criteria, the credit will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

   In the event of early termination of the credit, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify to receive the credit. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the credits should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2020.

9. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON APRIL 18, 2018

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

ECONOMIC DEVELOPMENT RATE RIDER

1. **Purpose.** The purpose of this Economic Development Rate (EDR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract large, energy-intensive new business to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD) and meet at least one of the following conditions:
   - Zero (0) MW CROD
   - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

   For purposes of this Rider, "New Load" is defined as load being established after the effective date of this Rider by a new business (including occupation of an existing, dormant facility by a new business) or by the expansion of an existing establishment.

   This Rider is not available for (1) new load that would have occurred in the Project Participant's service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant's service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the EDR, the ARP must have sufficient capacity available to serve each New Load for the first 10 years of service, and each New Load and Project Participant must meet the following criteria and conditions:

   (a) Each New Load must be a minimum of 5,000 kW for each month, as measured in Section 5, at a single location (multiple meters are allowed at a single campus)

(b) Each New Load must be energy-intensive, meaning the business uses a significant amount of electricity per square foot (at least 100 kWh/ft^2/year)

(c) Each New Load must be separately metered with information from such meters being available to FMPA, as described in Section 6

(d) Electricity price must be a significant determining factor in the site selection competition of the new or expanded business

(e) Project Participant must pass through the EDR demand and energy rates directly to the new or expanded business

- Project Participant must recover its distribution, metering, and customer charges through an adder to the EDR demand rate at a discount, including reductions to general fund transfers. Such adder is not to be increased from the initially determined level during the first 10 years of service
- Project Participant must pass through the EDR energy rate with zero adders

(f) Project Participant cannot receive generation capacity credits, through a Capacity and Energy Sales Contract, higher than the EDR for the amount of capacity used to serve the new or expanded business

5. **EDR Description.** The following Demand Charges will be applied in lieu of the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant for the period described in Section 7.

Service Month	Demand Charge ($/kW-mo)
EDR Demand Charge to be negotiated on a case-by-case basis and must be approved by the FMPA Executive Committee	

The EDR Demand Charge shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the New Load measured during the month (New Load Demand).

The EDR Energy Charge will negotiated on a case-by-case basis and must be (a) designed such that it attempts to recover no less than the ARP's cost to serve the new load, including fuel and non-fuel variable costs, and (b) approved by the FMPA Executive Committee

If the New Load fails to meet the 5,000 kW threshold in any three (3) consecutive months, the rates will automatically revert to the applicable Load Attraction Incentive Rate (LAIR) rider.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive EDR pricing for the New Load under this Rider. All meters must meet the same qualifications as those required at the Point of Measurement in the ARP Contract.

7. **Term of Service.** Except as limited below in this Section 7, pricing provided under this Rider shall be for a term to be negotiated on a case-by-case basis and approved by the FMPA Executive Committee. Such pricing under this Rider will terminate at the end of the negotiated service period.

   If the New Load either (1) ceases to take service from the Project Participant, or (2) modifies operations in such a way that it will no longer meet the qualifying criteria, the EDR pricing will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

   In the event of early termination of the EDR pricing, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the

Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the EDR pricing should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2020.

9. **Good Faith Business Development Efforts.** The Project Participant must demonstrate to the Executive Committee that a reasonable amount of good faith business development effort was undertaken to attract the New Load in order to qualify for EDR pricing as set forth in Section 5. Qualification for EDR pricing is at the discretion of the Executive Committee on a case-by-case basis.

10. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON APRIL 18, 2018

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

COST SPREAD REDUCTION PROGRAM RIDER

1. **Purpose.** The purpose of this Cost Spread Reduction Program (CSRP) Rider is to reduce the spread in Project Participant total Demand and Energy Costs (as defined in Section 3.) as measured on a rolling 12-month basis.

2. **Applicability.** This Rider is applicable to all Project Participants.

3. **Definition of Demand and Energy Cost**. For purposes of the CSRP, a Project Participant's "Demand and Energy Cost" shall be expressed as a $/MWh amount and is defined as the sum of all ARP costs billed to the Project Participant except for transmission related costs (e.g., ARP transmission charges, low voltage delivery charges, etc.) over a period, divided by the Project Participant's Billing Energy for All-Requirements Services over the same period. Such costs shall also reflect any incentives received by the Project Participant (e.g., Load Attraction Incentive Rate, Economic Development Rate) during the period, even if such amounts were not included on the Project Participant's ARP invoice. Additionally, the calculation of the rolling 12-month Demand and Energy Costs shall include the Project Participant's contributions to the CSRP, less any credits received under the CSRP, over the preceding 11 months.

4. **Credit.** All Project Participants are eligible to receive the CSRP credit. The total CSRP credits provided to the highest cost Project Participants over any 12-month period shall be a maximum of $200,000. The total monthly CSRP credits provided shall be a maximum of (a) one/twelfth of the maximum annual amount, or (b) the amount needed to bring the 12-month rolling average Demand and Energy cost spread (in $/MWh) of the lowest-cost to highest-cost Project Participants to $10/MWh, whichever is less.

   The CSRP credit allocation process shall be as follows (references to cost below shall mean the 12-month rolling average Demand and Energy Cost):

   1. The highest-cost Project Participant shall receive the dollar amount (up to its monthly cap) necessary to bring its 12-month rolling average Demand and Energy cost equal to the 2nd highest-cost Project Participant.
   2. Next, the two highest-cost Project Participants shall receive dollar amounts (up to their respective monthly caps) necessary to bring their 12-month rolling average Demand and Energy Cost equal to the 3rd highest-cost Participant.

3. This process shall continue until the total monthly CSRP credit amount is exhausted or until the overall 12-most rolling average Demand and Energy \$/MWh cost spread from highest-cost Project Participant to lowest-cost Project Participant reaches \$10/MWh, whichever comes first.

The following additional limitations shall apply in the computation of the credit to be provided to a Project Participant:

- No Project Participant may receive an amount that would cause its 12-month rolling average Demand and Energy Cost to be reduced below the next highest Participant's cost.
- No Project Participant may receive greater than 50 percent of the total monthly CRSP credit amount.

5. **Contribution.** All Project Participants shall contribute to the monthly credit. The Project Participants' respective dollar contributions shall be computed such that the contributions will have an equivalent \$/MWh increase across all Participants' respective 12-month rolling average Demand and Energy Costs and will be computed according to the following formula:

$$Z = \frac{SumZ}{SumE} \; x \; E$$

Where:

Z = The Project Participant's monthly contribution to the CSRP, in dollars.

SumZ = The total monthly amount to be contributed to the CSRP, in dollars, by all Project Participants developed per Section 4.

SumE = The sum of the total Billing Energy for All-Requirements Services for all Project Participants, in MWh, over the most recent 12 full calendar months.

E = The Project Participant's monthly Billing Energy for All-Requirements Services, in MWh.

6. **Other.** Monthly contributions to the CSRP and any CSRP credits received shall be included as line items on the Project Participant's monthly ARP invoice.

7. **Effective Date.** This Rider will be effective for service beginning October 1, 2018.

8. **Sunset Provision.** This Rider will sunset for service ending September 30, 2020.

THIS PROGRAM APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON JUNE 14, 2018

AGENDA ITEM 8 – ACTION ITEMS

c) Approval of Resolution 2018-EC6 – Short-Term Hurricane-Related Financial Support

Executive Committee
October 18, 2018

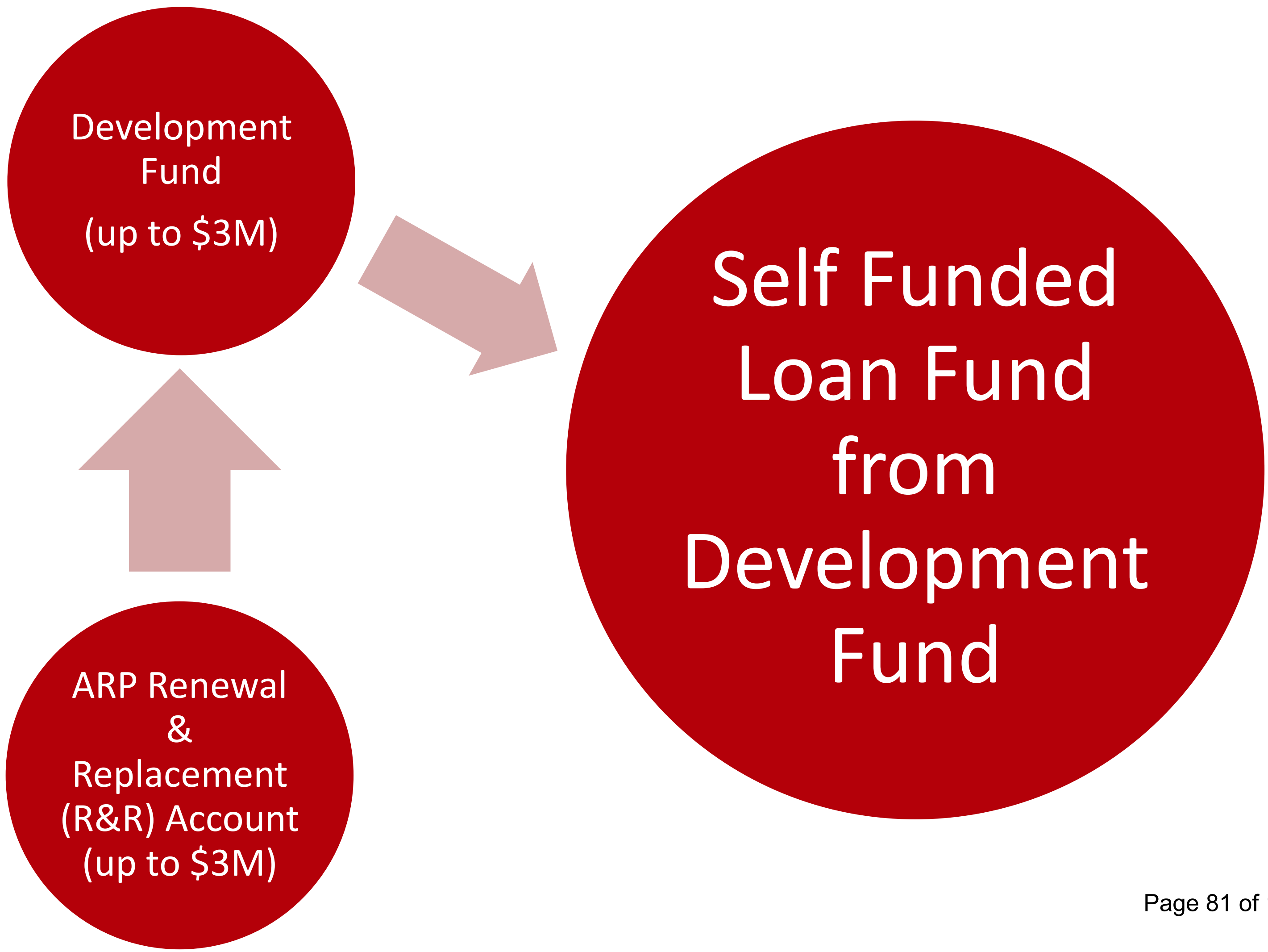
BOD 8g/EC 8c - Short-Term Hurricane Related Financial Support

October 18, 2018

Need for Support
Hurricane Michael

- Category 4 storm (2 mph short of CAT5 status) hit without much warning
  - Strongest hurricane (wind speed) to make landfall in the U.S. since Andrew (1992)
  - First major hurricane to strike the Florida panhandle in recorded weather history (since 1851)
- Extensive damage to several smaller member cities
- Immediate cash is needed for mutual aid assistance and other storm recovery costs
- Short-term loans will be replaced with long-term funding source(s)

Member Loans
From Development Fund



Documentation
Board of Directors

- Resolution 2018-B14
  - Authorizes loans to be made from the Development Fund, where there is no current need for those monies
  - Provides that loans have to be repaid in 1 year
  - Caps total amount available of $6 million:
    - $3 million on hand in Development Fund
    - $3 million from ARP General Reserve transfer
  - No more than half of the available $6 million can be borrowed by a single member
  - Initial loans are to be made upon receipt of a promissory note, with formal loan agreement to follow within 3 months
  - GM, CFO and GC are authorized officers and can sign-off on loans

Documentation
Executive Committee

- Resolution 2018-EC6
  - Amends ARP budget to reduce minimum R&R funding from $10 million to $7 million
  - Provides for $3 million of R&R fund to be transferred to the ARP General Reserve fund
  - Provides for $3 million to be transferred to Agency Development Fund to prepay costs of development efforts for the ARP, but those transferred monies can be used to make loans in the short-term
  - Authorizes loans from Development Fund with ARP money if there is no present ARP-related need
  - Requires repayment of loans within 1 year
  - Minimum interest rate for loans must be no less than average interest earning in R&R account for previous 12 months
  - CEO, CFO and GC are authorized officers and can sign-off on loans

Documentation
Promissory Note

- Exhibit A to Executive Committee and Board resolutions
- Establishes principal amount and interest rate of each loan
- Binding commitment of Member
- Monies can be disbursed by FMPA upon receipt of signed Promissory Note
- For Mutual Aid Assistance and other storm recovery costs
- Bridge to formal loan agreement with all terms and conditions
- Loan amount can be paid to each Member or directly to vendors/mutual aid providers by FMPA
- Each Member's security for repayment of the Note is utility revenues
- Member can prepay without penalty

Recommended Motion

- Board

  Move approval of Resolution 2018-B14

- EC

  Move approval Resolution 2018-EC6

Discussion

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY (THE "AGENCY"): (I) AMENDING THE ALL-REQUIREMENTS POWER SUPPLY PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019 TO REDUCE THE MINIMUM REQUIRED BALANCE IN THE RENEWAL AND REPLACEMENT ACCOUNT IN THE RESERVE AND CONTINGENCY FUND FROM TEN MILLION DOLLARS ($10,000,000) TO SEVEN MILLION DOLLARS ($7,000,000); (II) ADOPTING THE AMENDED BUDGET FOR THE ALL-REQUIREMENTS POWER SUPPLY PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; (III) AUTHORIZING THE TRANSFER OF EXCESS AMOUNTS IN THE RENEWAL AND REPLACEMENT ACCOUNT IN THE RESERVE AND CONTINGENCY FUND TO THE GENERAL RESERVE FUND; (IV) AUTHORIZING THE APPLICATION OF AMOUNTS TRANSFERRED TO THE GENERAL RESERVE FUND FOR TRANSFER TO THE AGENCY DEVELOPMENT FUND HELD BY THE AGENCY TO BE APPLIED TO THE PAYMENT OF DEVELOPMENT COSTS FOR THE ALL-REQUIREMENTS POWER SUPPLY PROJECT; (V) AUTHORIZING THE USE OF THE AMOUNTS TRANSFERRED TO THE AGENCY DEVELOPMENT FUND TO PROVIDE FUNDING FOR THE PAYMENT OF DEVELOPMENT COSTS AND TO PROVIDE FOR THE INVESTMENT OR USE OF SUCH AMOUNTS TO MAKE BRIDGE LOANS TO MEMBER CITIES FOR REPAIRS TO THEIR UTILITY SYSTEMS CAUSED BY HURRICANE MICHAEL, SUBJECT TO CERTAIN TERMS AND CONDITIONS, IF SUCH AMOUNTS ARE NOT EXPECTED TO BE NEEDED TO PAY DEVELOPMENT COSTS IN THE NEXT SUCCEEDING TWELVE MONTHS; (VI) DELEGATING TO AUTHORIZED OFFICERS THE ABILITY TO DETERMINE THE TERMS AND CONDITIONS OF SUCH LOANS; (VII) ESTABLISHING THE AUTHORIZED OFFICERS AUTHORIZED TO EFFECT ACTIONS UNDER THIS RESOLUTION; (VIII) AUTHORIZING THE REIMBURSEMENT OF EXPENDITURES; AND (IX) PROVIDING FOR SEVERABILITY; AND (X) PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on Wednesday, October 10, 2018, Hurricane Michael made landfall in the Florida Panhandle as a Category Four hurricane with sustained winds of 155 miles per hour and a storm surge in excess of 12 feet and several of the member cities of Florida Municipal Power Agency (the "**Agency**" or "**FMPA**") were directly impacted by Hurricane Michael sustaining significant damage and, in places, absolute destruction of their electric and other utility systems;

WHEREAS, the member cities impacted by Hurricane Michael, including, without limitation, the Town of Havana, the City of Chattahoochee, the City of Blountstown and the City of Quincy (the "**Affected Members**") are in immediate need of funds to pay for the costs of major renewals, repairs and replacements of their electric or other utility systems as a result of the damage and losses caused by Hurricane Michael;

WHEREAS, pursuant to this Resolution 2018-EC6 (this "**Resolution**"), the Executive Committee of the Agency desires to provide assistance to such Affected Members by providing for (1) a determination that there are presently excess funds in the Renewal and Replacement Account in the Reserve and Contingency Fund (the "**R&R Account**") established and held by the Agency in accordance with the terms and provisions of the Agency's All-Requirements Power Supply Project Revenue Bond Resolution adopted by the Agency on March 22, 1985, and amended and restated in its entirety on May 23, 2003, as previously supplemented and amended (the "**Bond Resolution**"), and (2) the transfer and usage of such excess funds as further described in this Resolution;

WHEREAS, pursuant to Resolution 2018-EC3 adopted on June 14, 2018 ("**Resolution 2018-EC3**"), the Executive Committee of FMPA adopted the All-Requirements Power Supply Project budget for the fiscal year beginning October 1, 2018, and ending September 30, 2019, (the "**ARP Fiscal Year 2019 Budget**") which authorized a deposit to the R&R Account for the fiscal year beginning October 1, 2018, and ending September 30, 2019, ("**Fiscal Year 2019**") in a total amount of $5,400,000 and provided for a minimum recommended balance in the R&R Account of $10,000,000;

WHEREAS, the Agency desires to amend the ARP Fiscal Year 2019 Budget by reducing the minimum recommended balance in the R&R Account by $3,000,000 to $7,000,000;

WHEREAS, Resolution 2018-EC3 provides that the ARP Fiscal Year 2019 Budget may only be amended by the Executive Committee at a duly called meeting of the Executive Committee by resolution and in accordance with Agency requirements and requirements of law;

WHEREAS, such amendments will result in the balance in the R&R Account being $3,000,000 greater than is required and such excess amount can be made available for transfer to the General Reserve Fund established under the Bond Resolution (such amount being hereinafter referred to as the "**Current Excess Funds**");

WHEREAS, the Current Excess Funds in the General Reserve Fund can be used for any lawful purpose of FMPA related to the System not otherwise prohibited by the Resolution;

WHEREAS, the Agency wishes to transfer the Current Excess Funds transferred to the General Reserve Fund to the Agency Development Fund for the prepayment of Development Costs (as defined in the Bond Resolution) related to the All-Requirements Power Supply Project and to provide that any funds not needed to pay such Developments Costs within the next succeeding twelve months may be used for the purpose of making short-term loan(s) (each, a "**Loan**") to the Affected Members to be used by such Affected Members to pay costs of repairing, restoring, rebuilding and revitalizing the Affected Member's utility system(s) (the "**Utility System**") due to damage from Hurricane Michael, including to pay for mutual aid assistance, which constitutes a project for which FMPA is permitted to make loans to the Affected Members pursuant to Chapter 163, Part I, Florida Statutes, as amended, Chapter 166, Part II, Florida Statutes, as amended, Chapter 361, Part II, Florida Statutes, as amended, and the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended and supplemented (the "**Act**");

WHEREAS, the Executive Committee desires to delegate the authority to establish the terms and conditions of such Loans to certain officers of the Agency and to establish certain parameters for the making of such Loans;

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I. Amendment to ARP Fiscal Year 2019 Budget. The ARP Fiscal Year 2019 Budget is hereby amended (the "**Budget Amendment**") by amending and reducing the minimum recommended balance in the R&R Account from $10,000,000 to $7,000.000.

SECTION II. Adoption of Budget Amendment. The ARP Fiscal Year 2019 Budget as amended by the Budget Amendments set forth in Section I above is hereby approved and adopted.

SECTION III. Application of Excess Amounts in the R&R Account. 1. Upon the adoption and effectiveness of the Budget Amendments set forth in Section I above, the Agency hereby determines that there shall be an amount equal to $3,000,000 of Current Excess Funds ("**Available Excess Funds**") on deposit in the R&R Account which is in excess of the minimum required balance to be on deposit therein.

2. In accordance with Section 510.6 of the Bond Resolution, the Agency hereby determines that such Available Excess Funds on deposit in the R&R Account is not required to meet a deficiency in any Debt Service Account in the Debt Service Fund or any subaccount in the Debt Service Reserve Account in the Debt Service Fund and directs that

such amount be transferred and deposited in the General Reserve Fund (as defined in the Bond Resolution).

SECTION IV. Application of Excess Amounts in General Reserve Fund. In accordance with Section 511 of the Bond Resolution, upon the transfer of the Available Excess Funds from the R&R Account to the General Reserve Fund, the Agency hereby determines that there is an amount equal to $3,000,000 on deposit in the General Reserve Fund ("**Excess Reserve Amount**") which is not required to meet a deficiency in any Funds and Accounts established under the Bond Resolution and directs that such Excess Reserve Amount be transferred to the Agency for deposit in the Agency Development Fund to provide for the payment in advance of Development Costs related to the planning and development of renewals, replacements, repairs, additions, betterments, enlargements or improvements to the All-Requirements Power Supply Project's System, including any costs related to the planning and development of a project or transaction to finance a prepayment for gas and/or energy. The date of such transfer of the Excess Reserve Amount is referred to herein as the "**Transfer Date**".

SECTION V. Agency Development Fund. 1. The Agency is hereby authorized to use the Excess Reserve Amount transferred to the Agency Development Fund from the General Reserve Fund for the payment of Development Costs related to the ARP System.

2. Monies held in the Agency Development Fund that have been transferred from the General Reserve Fund to prefund Development Costs shall be invested and reinvested by FMPA to the fullest extent practicable in Investment Securities (as defined in the Bond Resolution) which mature not later than such times as shall be necessary to provide monies when needed for payments to be made from such Fund. Interest earned on the investment of such Excess Reserve Amount in the Agency Development Fund, including any interest earned on any Loan authorized pursuant to this Resolution, shall be credited to the Agency Development Fund and shall be added to the Excess Reserve Amount on deposit in the Agency Development Fund. All interest earned from the investment or lending of the Excess Reserve Amount shall be separately accounted for by the Agency and all such interest earnings shall be transferred to the General Reserve Fund on October 1 in each year and on the first anniversary of the Transfer Date.

3. Monies held in the Agency Development Fund, prior to and if determined to be not needed for the payment of Development Costs within the next succeeding twelve months, may be used by the Agency to make Loans to Affected Members of the Agency to pay for the costs of repairing, restoring, rebuilding and revitalizing the Affected Member's Utility System due to damage from Hurricane Michael.

4. Monies constituting the Excess Reserve Amount held in the Agency Development Fund and not applied to the payment of Development Costs of the All-Requirements Power Supply Project shall be withdrawn from the Agency Development

Fund and transferred to the General Reserve Fund on the first anniversary of the Transfer Date.

SECTION VI. Loans from Agency Development Fund.

1. Each Loan to an Affected Member pursuant to this Resolution shall be based upon demonstrated need, including mutual aid assistance costs, but no single Affected Member may receive a Loan in an aggregate principal amount that is more than half of the total amount authorized to be loaned from available funds in the Agency Development Fund.

2. The Agency hereby delegates to the Authorized Officers (as hereinafter defined) the authority to make Loans from amounts on deposit in the Agency Development Fund if such amounts are not reasonable expected to be needed for the payment of Development Costs in the next succeeding twelve months and are otherwise available for the making of Loans, and to determine the terms and conditions of such Loans, including, without limitation, whether and when to enter into each Loan, the aggregate principal amount of each Loan, the security and source of payment for such Loan, various matters relating to the making of each Loan, including the interest rate or rates, maturity date, principal amount, provisions as to prepayment, events of default, remedies upon the occurrence of an event of default, use of the proceeds of each Loan, determination of amount, if any, of a reserve requirement for each Loan, the timing and amount of disbursements of the proceeds of such Loan, and such other matters as may be required in connection with the making of each Loan; provided, however, that in no event shall (i) the aggregate principal amount of all Loans made from the Agency Development Fund exceed the Excess Reserve Amount transferred to the Agency Development Fund, together with other monies on deposit in the Agency Development Fund that the Board of Directors of the Agency may also authorize to be used for the making of Loans of the nature described in this Resolution; (ii) the interest rate on each Loan be less than the average interest earnings on the investments in the R&R Account for the prior twelve month period; and (iii) the initial maturity date of each Loan be longer than six months, which maturity date may, at the option of the Agency in its sole discretion, be extended to a date not later than the one year anniversary of the Transfer Date.

3. In order for the Agency to provide immediate financial assistance to the Affected Members, the obligation of each Affected Member to repay the Agency for such Loan shall be evidenced initially by a promissory note of such Affected Member in substantially the form attached hereto as Exhibit A with such changes as are determined by the Authorized Officers to be necessary or appropriate. The Agency will within three months of the execution of the Promissory Note enter into a more definitive loan agreement with each Affected Member, which loan agreement shall contain such representations and warranties, covenants, events of default and remedies as are necessary or desired by the Agency and customary for loans of such type and with such terms and conditions as may be required for the Agency to secure long-term financing for such Loans.

4. Prior to or at time of the funding of each Loan or such other time as the Authorized Officers may otherwise agree, the Agency shall receive (i) an executed original of the Promissory Note from the Affected Member receiving the Loan; (ii) evidence satisfactory to the Agency of the costs of repairing, restoring, rebuilding and revitalizing the Affected Member's Utility System to be financed or refinanced are reasonable as requested by the Authorized Officers; (iii) resolutions authorizing or ratifying the entering into of such Loan, (iv) an opinion of the Affected Member's legal counsel; and (v) such other certificates, documents, opinions and information as the Authorized Officers may reasonably require.

SECTION VII. Authorized Officers; Further Actions**.**

1. The General Manager and Chief Executive Officer, the Chief Financial Officer ("**CFO**") and) the General Counsel and Chief Legal Officer of the Agency, are each hereby designated as "Authorized Officers" (the "**Authorized Officers**") for the purposes of executing and delivering the Promissory Notes, Loan Agreements and taking any other actions authorized by this Resolution and in connection with the making of Loans under this Resolution.

2. Each Authorized Officer designated hereunder is hereby authorized and empowered to take all further actions as may be necessary or desirable in carrying out the terms and provisions of this Resolution and each of the documents referred to herein.

3. Each of the Authorized Officers shall approve and evidence his or her approval of the actions delegated to him or her under this Resolution by execution of a written certificate delivered at the time of the initial funding of each Loan, except that, for purposes of administrative efficiency, the Authorized Officers may agree in a written certificate that the CFO has the authority to act on behalf of all three Authorized Officers, who are in agreement on any matter delegated to such Authorized Officers under this Resolution, and any such documentation of the CFO acting on behalf of the Authorized Officers shall evidence such determinations.

4. In the event that the Authorized Officers exercise the authority delegated to them pursuant to this Resolution and make a Loan, a report describing the exercise of such delegated authority shall be delivered at the next regularly scheduled meeting of the Executive Committee of FMPA.

SECTION VIII. Reimbursement of Expenditures.

1. The costs of repairing, restoring, rebuilding and revitalizing each Affected Member's Utility System due to damage from Hurricane Michael which constitute capital improvements and are expected to be financed with commercial paper notes, loans, or other debt obligations may initially be paid with other temporarily available funds of the Agency or the All-Requirements Power Supply Project, respectively, pending issuance of such commercial paper notes, loans or other debt; it is the expectation of the Agency that such

expended amounts will be reimbursed when the proceeds of such debt become available, that the maximum principal amount of debt issued for such purposes will also include the amount necessary to fund associated issuance costs, debt reserve funds, capitalized interest and similar items customarily included in a debt financing of such capital expenditures, and it is the Agency's intention that this Section VIII be treated as a statement of the Agency's “official intent” within the meaning of IRS regulations Section 1.150-2. While this is the current intention of the Agency, it does not in any way obligate it to proceed with tax-exempt financing for any such expenditures, or to reimburse itself from the proceeds of any such commercial paper note, loan or debt financing or financings which may be undertaken, in the event that the Agency later determines that such action is not in its best interest. In addition, in the event that it becomes apparent during Fiscal Year 2019 that the actual costs of capital improvements for Hurricane Michael Relief for Fiscal year 2019 may or will exceed the amount set forth in this Resolution as the Excess Reserve Amount and the Agency determines that the amount expected to be financed with commercial paper notes, loans or other debt obligations will exceed the maximum principal amount described herein, a further statement of “official intent” under applicable federal income tax regulations may be subsequently adopted by the Authorized Officers (as set forth further in this Section VIII) in a timely manner in order to preserve the ability to reimburse such excess from the proceeds of additional commercial paper notes, loans or debt obligations.

2. The expenditures in connection with the capital improvements to be reimbursed pursuant to this Resolution 2018-EC6 have been incurred and paid not more than 60 days prior to the date hereof or will be incurred and paid after the date hereof in connection with the capital improvements.

SECTION IX. Severability. If one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof, and shall in no way affect the validity or enforceability of such remaining provisions

SECTION X. Effective Date. This resolution shall take effect immediately upon its adoption.

[remainder of page intentionally left blank]

This Resolution 2018-EC6 is hereby approved and adopted by the Executive Committee of the Florida Municipal Power Agency on October 18, 2018.

____
Chairperson or Vice Chairperson of the
Executive Committee

I HEREBY CERTIFY that on October 18, 2018, the above Resolution 2018-EC6 was approved and adopted by the Executive Committee of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2018-EC6.

ATTEST:

__________________________________ (SEAL)
Secretary or Assistant Secretary

EXHIBIT A

FORM OF PROMISSORY NOTE

$___________ _________, 2018

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, the **[NAME OF MEMBER]**, the ("Borrower"), hereby promises to pay to the order of Florida Municipal Power Agency ("FMPA"), on _________, 20__ (the "Maturity Date"), the principal amount of [________________Dollars], ($__________) (the "Principal Amount"), together with interest on the unpaid principal amount hereof from the date of the issuance and delivery of this Promissory Note (the "Promissory Note") set forth above until the Borrower's obligation with respect to the payment of such Principal Amount shall be discharged, at a rate of interest equal to ____ percent (__%) (the "Interest Rate") per annum calculated on the basis of a year consisting of 365 days, payable [monthly in arrears on the first Business Day of each month and upon the earlier of the Maturity Date or such earlier date on which this Promissory Note is paid in full] [semi-annually] [in full on the Maturity Date][1] (each, an "Interest Payment Date"). FMPA may, at its option, extend the Maturity Date on such terms and conditions as determined by FMPA in its sole discretion. All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid at the designated office of [FMPA at 8553 Commodity Circle, Orlando, Florida 32819] [Sun Trust Bank, 200 S. Orange Avenue, Orlando, Florida 32801].

This Promissory Note is issued pursuant to a resolution of the Board of FMPA adopted on October 18, 2018 (the "Resolution") authorizing FMPA to make short-term loans to members of FMPA (the "Members") from amounts on deposit in FMPA's Development Fund to be used by such Members to pay costs[2] of repairing, restoring, rebuilding and revitalizing the Borrower's utility system(s) (the "Utility System") due to damage from Hurricane Michael, which constitutes a project for which FMPA is permitted to make loans to the Borrower pursuant to Chapter 163, Part I, Florida Statutes, as amended, Chapter 166, Part II, Florida Statutes, as amended, Chapter 361, Part II, Florida Statutes, as amended, and the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended and supplemented (the "Act"). Each Loan to a Member shall be made upon the approval of FMPA's General Manager and CEO, Chief Financial Officer, and General Counsel and CLO, subject to their consideration of each Member's and other Members' needs, allocation of available amounts, and such other factors and with such terms and conditions as they determine are necessary and appropriate to carry out the intent of the Resolution.

This Promissory Note is issued in consideration of the advance of monies made by FMPA from its Development Fund (the "Loan") to the Borrower and to evidence the obligations of the

[1] To be determined by Borrower, subject to approval by FMPA.

[2] Use of proceeds will need to be reviewed for ability to determine whether the long-term financing may be done on a tax-exempt or taxable basis.

Borrower to repay such Loan. The Borrower hereby acknowledges and agrees that it shall (i) execute a Loan Agreement with FMPA containing such representations and warranties, covenants (including, without limitation, covenants as to rates, maintenance of Utility System, use of proceeds), events of default (including, without limitation, breach of any covenant or agreement, voluntary or involuntary bankruptcy, insolvency) and remedies (such as acceleration or default interest rate) as are customary or considered necessary or appropriate in order to secure long-term financing for the Loan, and (ii) deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Promissory Note.

Disbursements of the proceeds of the Loan shall be made by FMPA to the Borrower, its designee or to FMPA for direct payment to Borrower's payee, which disbursements shall be noted by FMPA on the Disbursements and Payments Grid annexed to this Promissory Note and all payments, of principal on this Promissory Note shall be made to FMPA and be noted by FMPA on the Disbursements and Payments Grid annexed hereto; provided, however, that any failure by FMPA to make any such notation shall not affect in any respect the Borrower's obligations hereunder. The Borrower hereby acknowledges that the proceeds of this Loan will be used to pay for costs of repairing, restoring, rebuilding and revitalizing the Borrower's Utility System due to damage from Hurricane Michael and also acknowledges that FMPA reserves the right at any reasonable time to request from the Borrower copies of or schedules of bills or invoices (stamped "paid" if paid prior to such disbursement and reimbursement is to be made to the Borrower) or other evidence reasonably satisfactory to FMPA supporting the use of the proceeds of any disbursement.

This Promissory Note is a special obligation of the Borrower payable from the sources set forth herein and neither the full faith and credit nor the taxing power of the Borrower is pledged to the payment of this Promissory Note.

This principal of and interest on this Promissory Note is payable solely from (i) the proceeds of notes or other evidence of indebtedness or other amounts that the Borrower in its discretion elects to apply to such payments and (ii) revenues or other receipts of the Utility System that are [junior and subordinated in all respects to certain payments and obligations incurred as specified in the Borrower's [describe bonds of the Borrower] under its [describe resolution] (the "Utility System Resolution") as to source and security for payment from revenues, receipts or other available moneys of the Borrower's Utility System.] The Borrower agrees to make all payments of principal and interest ("Loan Repayments") and any other payments required hereunder as and when required hereunder, such as administrative or other fees or costs of FMPA ("Required Payments") and, if not previously paid, to pay all Loan Repayments and all Required Payments due and owing on the Maturity Date. FMPA may also require as a part of this Promissory Note additional security or sources of payment requirements for a Borrower, based upon credit rating, payment history, or other factors, in the sole discretion of FMPA.

The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional without any defense or right of set off, counterclaim or recoupment by reason of any default by, FMPA or under any other agreement between the Borrower and FMPA or out of any indebtedness or liability at any time owing to the Borrower by FMPA or for any other reason.

The Borrower may prepay this Promissory Note, in whole or in part, at any time upon payment by the Borrower to FMPA of the Principal Amount to be repaid, plus the interest to accrue on such amount to the date of such prepayment. Prepayments shall be applied first to accrued interest on the portion of this Promissory Note to be prepaid and then to principal payments on this Promissory Note in inverse order of their maturity.

If the Borrower fails to pay any Loan Repayment required to be paid hereunder when due, which failure shall continue until the last day of the month in which such Loan Repayment was due (an "Event of Default"), then FMPA shall give the Borrower written notice of such Event of Default and FMPA shall have the right, but not the obligation, to take one or more of the following remedial steps: (i) declare all Loan Repayments and all other amounts due hereunder, to be immediately due and payable, and upon notice to the Borrower the same shall become immediately due and payable by the Borrower without further notice or demand; and (ii) take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any obligation, agreement or covenant of the Borrower hereunder. So long as an Event of Default has occurred and is continuing, the Borrower shall pay interest on the unpaid amount of such Loan from and including the date of the occurrence of the Event of Default until the earlier of (i) the date on which such Event of Default shall have been cured and (ii) the date of payment in full of such Loan, at a rate per annum equal to Interest Rate plus [______] % (the "Default Rate").

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of Florida without regard to conflicts of law principles thereof. Venue for any action at law or in equity related to this Promissory Note shall be in Leon County, Florida.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay costs of collection and attorneys' fees in case of a default on this Promissory Note. All costs incurred by FMPA, including its costs and expenses of in-house and outside legal counsel, and FMPA staff time and any costs and expenses of FMPA otherwise incurred as a result of an Event of Default shall be payable in full by Borrower.

The Borrower hereby approves and consents to any assignment or transfer of this Promissory Note that FMPA deems to be necessary in connection with any refinancing of the Loan or otherwise in connection with the pooled loan program of FMPA.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Borrower has caused this Promissory Note to be duly executed, sealed and delivered, as of this ___ day of [Month], 2018.

[NAME OF BORROWER]

(SEAL)

By: ___________________________________
Name:
Title:

ATTEST:

By:________________________________
Name:
Title:

APPENDIX A to
the Promissory Note

DISBURSEMENT AND PAYMENT GRID

Original Principal Amount $__________________
[Original Deposit to [_____] Account $__________________]

Date of Disbursement or Payment	Disbursement from Development Fund	Principal Amount Repaid	Principal Amount Outstanding	Authorized Officer Signature

4845-6700-9912.9

AGENDA ITEM 9 – INFORMATION ITEMS

a) Discussion on Reducing Bill Volatility to Member Cities

Executive Committee
October 18, 2018

EC-9a – Reducing Bill Volatility to Member Cities

FMPA Executive Committee

October 18, 2018

Summary

- On the August 9th rate call, some members requested that staff examine increasing the ARP's cash target from 60 days to 90 days
- Staff wishes to discuss this concept with the EC and get member feedback

Questions to Consider

1. What is our goal? What do we hope to accomplish with the change?
2. Is the change fair to customers? Does it reflect the true cost to serve?
3. If we make a change, how do we implement it in order to prevent rate shock?
4. What are the potential unintended consequences of the change?

- Today we would like the EC to provide feedback on item 1 with respect to increasing the ARP's cash target.

FMPA MUNICIPAL POWER

Potential Reasons for Changing Cash Target

- Potential reasons include:
  - Increase ARP bond rating
  - Increase cash reserves
  - Reduce monthly bill volatility*

* Biggest driver

FMPA MUNICIPAL POWER

Potential Reason #1
Increase ARP Bond Rating

- Increasing to 90 days cash policy alone unlikely to result in rating increase
  - Cash is only 1 of several factors considered by rating agencies
  - Substantial (e.g., 3x to 6x) increase in cash target would likely be necessary
- ARP's monthly rate adjustment mechanism is favorably viewed by rating agencies and allows us to keep a smaller cash target

FMPA MUNICIPAL POWER

Potential Reason #2
Increase Cash Reserves

- Increasing cash-on-hand would provide better reserves for large, unexpected expenses
  - e.g., plant equipment failure or spike in natural gas prices
- Would also help protect ARP against unexpected disruptions in cash receipts

Potential Reason #3

Reduce Monthly Rate Volatility

- Reducing month-to-month fluctuations in billed amounts was cited as a primary driver for increasing cash target
- However, increasing days cash target year-round (e.g., targeting 90 days cash) alone will not reduce this volatility
- Adjusting cash target seasonally could lead to rate smoothing
- Other options for smoothing rates are available
- Many members use tools locally achieving reduced volatility-Is there desire for FMPA to do this for some Members?

Staff Seeking Feedback

- What problem(s) is the EC looking to address?
- Is there consensus around options that staff should consider and bring back?
- Are there fundamental rate volatility/smoothing issue that should be addressed during the upcoming strategic planning session?
- Staff happy to work with individual members to smooth their billings or implement smoothing process locally to benefit their customers

FMPA MUNICIPAL POWER

DISCUSSION

VERBAL REPORT

AGENDA ITEM 9 – INFORMATION ITEMS

b) Public Gas Partners (PGP) Update

Executive Committee
October 18, 2018

AGENDA ITEM 9 – INFORMATION ITEMS

c) 3RD Party Gas Prepay Parameters and Update on Leading Prepay Transaction

Executive Committee
October 18, 2018

9c – 3rd Party Gas Prepay Parameters and Update on Leading Prepay Transaction

FMPA Executive Committee

October 18, 2018

Prepay Gas Deals Generate Savings for Municipals

Leverages Tax-Exempt Debt Financing

- Municipals can borrow at rates less than Gas Suppliers
  - IRS Regulations allow for the issuance of municipal debt and transferring bond proceeds to a taxable entity
  - Difference between municipal borrower rate and taxable entity creates discount on monthly gas index
    - Gas Supplier delivers gas in lieu of debt cash repayment
    - Adding a swap transaction brings deal to monthly gas index minus pricing
  - Issuing “Put” Debt structure can achieve higher discounts in current market
    - Put Structure allows for potentially greater savings in future if interest rates spreads increase due to an inflationary economy

Two Paths to Deliver a Gas Prepay Transaction

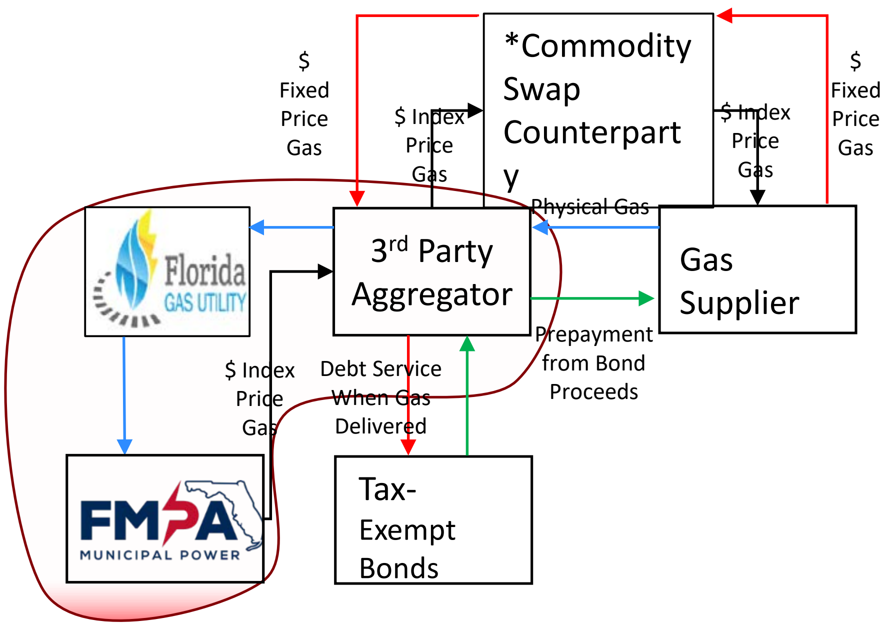
Off-Taker Role or Leading a Deal

- Discussion on being an Off-Taker on 3rd Party transaction
  - Highlights of available 3rd Party Offers
    - Structure
    - Impact on ARP
    - Negotiation Points / Minimum Requirements
- Update on Leading Gas Prepay Transaction

FMPA MUNICIPAL POWER

As an Off-Taker, Little Change On How ARP Buys Gas

Agreeing to a Take and Pay Contract



- ARP will purchase "1st of the month" gas the same way it does now
- ARP's only obligation is to pay for gas when delivered
- ARP agrees to a long-term gas supply commitment from 3rd Party Aggregator
- FGU serves as gas agent

Off-Taker Role Removes Prepay Gas Complexities

- Debt on 3rd Party Aggregators books
  - No Swaps / No Mark-to-Market reporting / Only Financial Note Disclosure
  - Rating Agencies do not consider supply agreements in the Debt Ratio calculation
  - Lower gas volume commitment
  - Terms and Conditions already known
    - Discount amount stated
  - Administration Fee .04 cents MMBtu (20Kp/d = $5 million PV)
  - Creates a new long-term relationship

FMPA MUNICIPAL POWER

Terms from Municipal Gas Authority of Georgia

Three Transactions with Gas Delivery Starting in Q1 2019

- 30 year “Fixed” Structure
  - Guaranteed $.30/MMBtu discount
  - Gas volume escalation of 25% over the life of the transaction
- 30 year “Put” Structure with 5 year repricing
  - Guaranteed $.40/MMBtu discount, minimum net repricing discount $.23/MMBtu
  - Contingent on participation in other prepay transaction
  - Gas volume escalation of 67% over the life of the transaction
- 30 year “Put” Structure with 6 or 7 year repricing
  - Guaranteed $.31/MMBtu discount, minimum net repricing discount $.21/MMBtu
  - Gas volume escalation of 30% over the life of the transaction

5 Year Put Structure Has Best 1st Year Savings

Fixed Has Best Guaranteed PV Savings

Term of Contract	MGAG Offers	Average Monthly MMBtu Volume	Escalating MMBtu Volume	Discount/ Guaranteed per MMBtu	1st Year Savings	Guaranteed min. PV Savings over Term (4% dsc)
30 years	Fixed Disc	10,000	Yes	.30	$1.1M	$18.9M
30 years	5 yr. Put	10,000	Yes*	.40	$1.5M	$16.9M
30 years	7 yr. Put	10,000	Yes	.31	$1.1M	$15.5M

Must be Permanent Change in ARP System
Load or Generation Reduction Creates Exit Path

- Generation asset(s) retired or system load loss
  - Terminate portion of obligation, if commitment is greater than gas need
- No exit cost or make whole provisions
- If gas use reduction caused by exiting ARP member(s), exiting ARP member(s) may have to pay associated stranded costs, if any
- ARP will be able to unwind prepay obligation if ARP's entire gas needs are less than Pre-pay commitment

Target Action Item in November

Gas Supply Contract with MGAG

- Up to 10,000 MMBtu with MGAG
  - Maybe over one or two transactions
- Targeting a "Put" Structured Transaction
- Will have support of FGU on delivery points
- Will have support from Dunlap and Associates and PFM
- Will have support of FMPA's General Counsel
- Will have termination language reviewed by Swap Financial and Nixon Peabody to ensure adequacy

Update on Leading a Transaction

Natural Gas/Electric Deal

- Utilities more interested in long-term (30 years) Natural Gas/Electric Transaction
- Second transaction of this type coming to market in 1st Quarter 2019
- Look to create new FMPA Project

FMPA MUNICIPAL POWER

Discussion/Questions?

AGENDA ITEM 9 – INFORMATION ITEMS

d) Committee Structure Discussion

Executive Committee
October 18, 2018

EC 9d-Committee Structure Discussion

Executive Committee

October 18, 2018

Background
List of Current Committees

- Board
- Executive Committee
- Policy Makers Liaisons Committee
- Audit Risk Oversight Committee (AROC)- with participants
- Business Planning and Budget Committee – with participants

Common Functions

- Each committee
  - Designated members
  - Selection process
  - Set terms of service
  - Objectives
  - Reporting structures

Proposed Idea

Creating a Finance Committee

- Common structure to many of the FMPA members
- Combine functions of the AROC and Business Planning and Budget Committees
- Set terms of service similar to our existing committees
- Recommend 7 to 11 members with financial background and expertise
- Meet quarterly or as needed based on criticality of business decisions
- Allow a few months transition time for changes if/as agreed upon

FMPA MUNICIPAL POWER

Specific Types of Information
Under Finance Committee Review

- There are several types of financial data that the finance committee would be responsible for including the following:
  - Budget
  - Financial transactions
  - End of Year results
  - Major audits
  - Risk review

Discussion/Questions?

AGENDA ITEM 10– OTHER INFORMATION

a) FYI – Invoice Summary Report from Spiegel and McDiarmid

Executive Committee
October 18, 2018

AGENDA PACKAGE MEMORANDUM

TO: **FMPA Executive Committee**

FROM: **Accounting Department**

DATE: **October 9, 2018**

ITEM: **EC 10(a) – Invoice Summary Report of Spiegel & McDiarmid for September 2018.**

Introduction

- Historically, the paid invoices for Spiegel & McDiarmid were included in the Agenda packages for review at the request of the members. At the July 30, 2002 FMPA Executive Committee Meeting at the Breakers Hotel in Palm Beach, Florida, it was requested that a summary be developed and used in the Agenda package.
- At the December 12, 2003 FMPA Executive Committee and Board Meeting it was requested that a brief description of the invoice charges be included in this summary.
- The following summary schedule is the result of those requests.

Invoice Number	Invoice Date	Description	Amount Paid
210211588	August 9, 2018	General	$ 583.75
210211589	August 9, 2018	FPL Transmission	5,762.50
		PEF Transmission	16,949.89
		Jacksonville Beach	3,730.55
		TOTAL PAID	**$ 27,026.69**

AGENDA ITEM 11– MEMBER COMMENTS

Executive Committee
October 18, 2018

AGENDA ITEM 12– ADJOURNMENT

Executive Committee
October 18, 2018