



## **ARP EXECUTIVE COMMITTEE AGENDA PACKAGE**

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**December 13, 2018**

**9:30 a.m. [NOTE TIME]**

**Dial-in Info 877-668-4493 or 650-479-3208**

**Meeting Number 737 188 973**

### **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: December 4, 2018

RE: FMPA Executive Committee Meeting  
**Thursday, December 13, 2018 at 9:30am [NOTE TIME]**  
 (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) 737 188 973**  
**(If you have trouble connecting via phone or internet, call 407-355-7767)**

Chairman Howard McKinnon, Presiding

## AGENDA

- 1. Call to Order, Roll Call, Declaration of Quorum ..... 4
- 2. Set Agenda (by vote) ..... 5
- 3. Recognition of Guests..... 6
- 4. Public Comments (Individual public comments limited to 3 minutes) ..... 7
- 5. Comments from the Chairman (Howard McKinnon) ..... 8
- 6. Report from the General Manager (Jacob Williams) ..... 9

**7. Consent Agenda**

- a. Approval of Meeting Minutes – Meeting Held November 15, 2018; ARP Telephonic Rate Workshop Minutes Held November 8, 2018 ..... 11
- b. Approval of Treasury Reports – As of October 31, 2018..... 18
- c. Approval of the Agency and All-Requirements Project Financials as of October 31, 2018.... 22
- d. Acceptance of Late Payment Report (Steve Ruppel)..... 24

**8. Action Items**

- a. Approval of Calendar Year 2019 Meeting Schedule \* (Jacob Williams)..... 28
- b. Approval of Gas Prepay Directive with FGU \*\* (Rich Popp)..... 32
- c. Approval of NextEra Energy Guarantees for Stanton Unit A and Plant Oleander Ownership and Power Purchase Agreements Interests (Jody Finklea) ..... 52

**9. Information Items**

- a. Preliminary Fiscal Year 2018 Financial Results \* (Steve Ruppel) ..... 155
- b. Quarterly Regulatory Update (Brandon McCormick) ..... 162
- c. FEMA/FDEM Grant Agreement for Hurricane Irma Damage at Stock Island (Dan O’Hagan) ..... 170
- d. Florida Municipal Solar Project Update \* (Chris Gowder) ..... 174

**10. Member Comments..... 177**

**11. Adjournment..... 178**

**\*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  
December 13, 2018**

**AGENDA ITEM 2 – SET AGENDA (By Vote)**

**Executive Committee  
December 13, 2018**

**AGENDA ITEM 3 – RECOGNITION OF  
GUESTS**

**Executive Committee  
December 13, 2018**

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

**Executive Committee Meeting  
December 13, 2018**

# **VERBAL REPORT**

**AGENDA ITEM 5 – COMMENTS FROM THE  
CHAIRMAN**

**Executive Committee  
December 13, 2018**

# **VERBAL REPORT**

**AGENDA ITEM 6 – REPORT FROM THE  
GENERAL MANAGER**

**Executive Committee  
December 13, 2018**

**AGENDA ITEM 7 – CONSENT AGENDA**

- a) Approval of Meeting Minutes – Meeting Held November 15, 2018; ARP Telephonic Rate Workshop Minutes – Workshop Held November 8, 2018**

**Executive Committee  
December 13, 2018**

**CLERKS DULY NOTIFIED ..... November 6, 2018**  
**AGENDA PACKAGES POSTED..... November 6, 2018**

**MINUTES**  
**EXECUTIVE COMMITTEE**  
**THURSDAY, NOVEMBER 15, 2018**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**

**PARTICIPANTS**  
**PRESENT:**

Clewiston	-	Lynne Mila (via telephone)
Fort Meade	-	Fred Hilliard (via telephone)
Fort Pierce	-	Paul Jakubczak
Green Cove Springs-		Robert Page (via telephone)
Havana	-	Howard McKinnon
Jacksonville Beach	-	George Forbes
Key West	-	Lynne Tejeda (via telephone)
Kissimmee	-	Larry Mattern
Leesburg	-	Glenn Spurlock
Newberry	-	Bill Conrad
Ocala	-	Mike Poucher
Starke	-	Robert Milner

**OTHERS**  
**PRESENT**

John Tompeck, Fort Pierce (via telephone)

Justin Isler, Winter Park  
Craig Dunlap, Dunlap & Associates, Inc.  
Rob Taylor, GDS Associates  
Lynn Sand, Leidos  
Steven Stein, nFront Consulting

**STAFF**  
**PRESENT**

Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and CLO  
Linda Howard, Chief Financial Officer  
Carol Chinn, Chief Information and Compliance Officer  
Mark McCain, Assistant General Manager, Member Services, Human Resources and Public Relations  
Dan O'Hagan, Associate General Counsel  
Sue Utley, Executive Asst. /Asst. Secy. to the Board  
Mike McCleary, Manager of Member Services Development  
Trent Lewis, Environmental / Operations Specialist 1  
Luis Cruz, Information Technology Manager  
Sharon Adams, Human Resources Director  
Susan Schumann, Manager of External Affairs and Solar Projects

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

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee Meeting to order at 10:40 a.m. on Thursday, November 15, 2018 in the Frederick M. Bryant Board Room, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 12 members present out of a possible 13.

**ITEM 2 – SET AGENDA (BY VOTE)**

**MOTION:** Glenn Spurlock, Leesburg, moved to set the agenda as presented, without the additional item 8.b. distributed by separate email. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 12 – 0.

**ITEM 3 – RECOGNITION OF GUESTS**

None

**ITEM 4 – PUBLIC COMMENTS**

None

**ITEM 5 – COMMENTS FROM THE CHAIRMAN**

Chairman McKinnon said the Treasure Coast Energy Center tour the day before was great and that Ed Leongomez, Plant Manager, does a good job running the plant and keeping it reliable. Reliability was 96% last year and emissions are great.

Chairman McKinnon thanked Jacksonville Beach for sending crews to help Havana after Hurricane Michael. He also thanked Mike McCleary, the FMPA staff and Amy Zubaly and the FMEA staff for their support and help.

**ITEM 6 – REPORT FROM GENERAL MANAGER**

Jacob Williams also thanked Amy Zubaly and said FMEA did a great job during Hurricane Michael.

**ITEM 7 – CONSENT AGENDA**

**Item 7a – Approval of Meeting Minutes – Held October 18, 2018; ARP Telephonic Rate Workshop Minutes – Workshop Held October 9, 2018**

**Item 7b – Approval of Treasury Reports – As of September 30, 2018**

**Item 7c – Approval of the Agency and All-Requirements Project Financials as of September 30, 2018**

**MOTION:** Larry Mattern, Kissimmee, moved approval of the consent agenda as presented. Glenn Spurlock, Leesburg, seconded the motion. Motion carried 12 – 0.

**ITEM 8 – ACTION ITEMS**

**Item 8a – Approval of Winter Park Power Purchase Agreement**

**MOTION:** Glenn Spurlock, Leesburg, moved approval of the Agreement for Purchase and Sale of Electric Energy and Capacity between the City of Winter Park and Florida Municipal Power Agency All-Requirements Power Supply Project and authorize the General Manager to execute the agreement upon approval by the City of Winter Park Commission. Mike Poucher, Ocala, seconded the motion. Motion carried 12 – 0.

**ITEM 9 – INFORMATION ITEMS:**

a. None

**ITEM 10 – INFORMATION ITEMS:**

a. **Spiegel & McDiarmid Invoice Summary Report**

Jody Finklea, General Counsel, said Item 10 – Spiegel & McDiarmid Invoice Summary Report has been on the Executive Committee agenda for a long time and was requested by Members previously when Spiegel & McDiarmid did a lot of work for FMPA. It was a consensus of the Members that this item only be put on the agenda in the future if the invoices from Spiegel & McDiarmid for any month are in excess of \$50,000.

**ITEM 11 – MEMBER COMMENTS**

Larry Mattern, Kissimmee, said the KUA personnel hosted a training on plant operations for Duke Energy personnel. Duke Energy treated the KUA plant staff to lunch.

George Forbes, Jacksonville Beach, said the Beaches Energy personnel really enjoyed going to the cities to help out with the recovery efforts after Hurricane Michael.

**ITEM 12 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:05 a.m.

\_\_\_\_\_  
Howard McKinnon  
Chairperson, Executive Committee

\_\_\_\_\_  
Sue Utley  
Assistant Secretary

Approved: \_\_\_\_\_

Seal

**PUBLIC NOTICE SENT TO CLERKS ..... NOVEMBER 6, 2018**  
**AGENDA PACKAGES SENT TO MEMBERS..... NOVEMBER 7, 2018**

**MINUTES**  
**EXECUTIVE COMMITTEE**  
**ALL-REQUIREMENTS POWER SUPPLY PROJECT**  
**TELEPHONIC RATE WORKSHOP**  
**THURSDAY, NOVEMBER 8, 2018**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FLORIDA 32819**

**COMMITTEE MEMBERS PRESENT**

Bushnell	-	Christina Simmons for 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)
Key West	-	Jack Wetzler for Lynne Tejeda (via telephone)
Kissimmee	-	Larry Mattern (via telephone)
Leesburg	-	Glenn Spurlock * (via telephone)
Newberry	-	Bill Conrad * (via telephone)
Ocala	-	Mike Poucher (via telephone)

\*arrived after roll call.

**COMMITTEE MEMBERS ABSENT**

Fort Meade	-	Fred Hilliard
Jacksonville Beach	-	Allen Putnam
Starke	-	Robert Milner

**OTHERS PRESENT**

John Tompeck	-	Fort Pierce (via telephone)
Nina Penick	-	Fort Pierce (via telephone)

**STAFF PRESENT**

Jody Finklea, General Counsel and CLO (via telephone)  
Sue Utley, Executive Assistant to General Manager and CEO / Asst.  
Secy. to the Board  
Mark McCain, Asst. General Manager, Member Services and  
Public Relations  
Chris Gowder, Business Development and Planning Manager  
Joe McKinney, Systems Operation Manager  
Jason Wolfe, Financial Planning and Analysis Manager  
Jim Arntz, Senior Financial Analyst

**Item 1 – Call to Order**

Chairman Howard McKinnon, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, October 9, 2018, via telephone. A speaker telephone for public attendance and participation was located in the 1<sup>st</sup> 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 October loads; provided a verbal report on Florida Municipal Power Pool Operations for October; and reviewed the October ARP rate calculation.

**Item 3 – Member Comments**

Larry Mattern, Kissimmee, said the Board of Directors and Executive Committee have an upcoming Strategic Planning session and the Executive Committee and we have done a lot to save and reduce costs for the ARP but more needs to be done. For the Strategic Planning session in February, two areas to focus on would be transmission and the relationship between the buyers and sellers in the Florida Municipal Power Pool for lowering costs going forward.

Bob Page, Green Cove Springs, likes the new agenda package for the rate workshop but would like to have a summary of each slide.

Howard McKinnon, Havana, said that Havana got to experience first-hand the efforts and help of both FMPA and FMEA during and after Hurricane Michael and he commends both organizations for their efforts.

There being no further business, the meeting was adjourned at 2:15 p.m.

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Approved

HM/su

**AGENDA ITEM 7 – CONSENT AGENDA**

**b) Approval of Treasury Reports as of  
October 31, 2018**

**Executive Committee  
December 13, 2018**



## AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee  
FROM: Gloria Reyes  
DATE: December 4, 2018  
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of October 31, 2018

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- Introduction
- This report is a quick summary update on the Treasury Department’s functions.
  - The Treasury Department reports for October are posted in the member portal section of FMPA’s website.
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Debt Discussion

The All-Requirements Project has fixed, variable, and synthetically fixed rate debt. The variable rate bonds and lines of credit portion is 1.41%. The fixed and synthetic fixed rate percentages of total debt are 82.67% and 15.92%, respectively. The estimated debt interest funding for fiscal year 2018 as of October 31, 2018 is \$40,723,005.35. The total amount of debt outstanding is \$929,093,000.<sup>1</sup>

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Hedging Discussion

The Project has 8 interest rate swap contracts. As of October 31, 2018, the cumulative market value of the interest rate swaps in the All-Requirements Project was (14,481,198).

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

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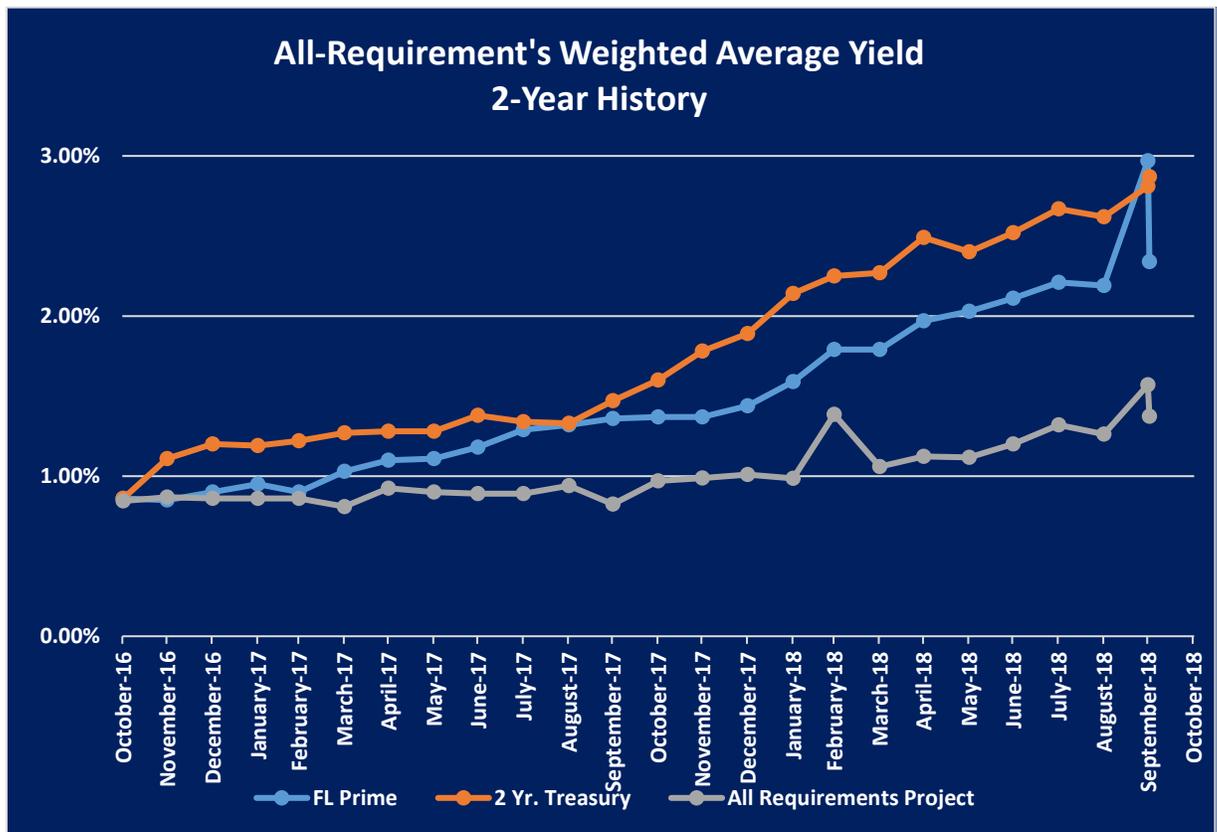
Investment Discussion

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.

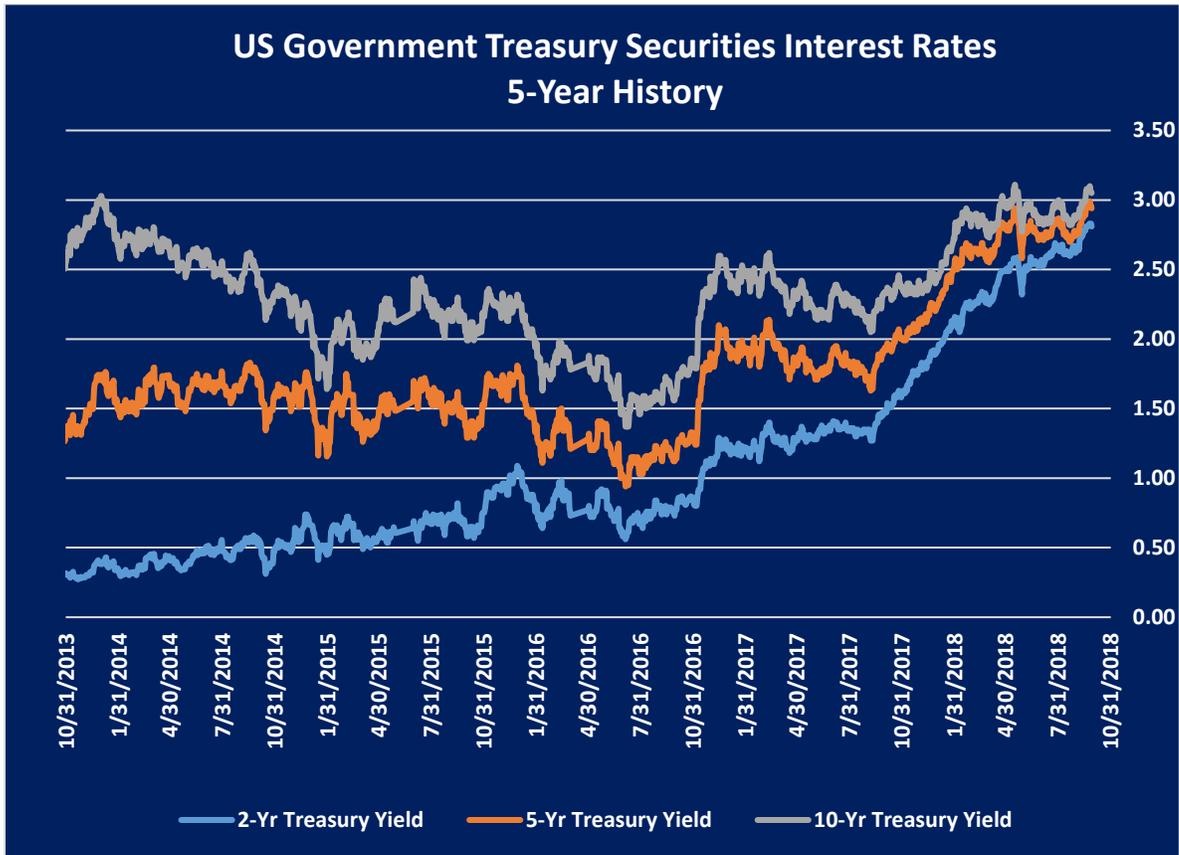
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<sup>1</sup> Although still on deposit, the line of credit draw amount of \$5,000,000 is included in the total amount of debt outstanding.

As of October 31, 2018, the All-Requirements Project investment portfolio earned a weighted average rate of return of 1.373%, reflecting the All-Requirements Project need for liquidity given its 60-day cash position. The benchmarks (SBA’s Florida Prime Fund and the 2-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 October is posted in the “Member Portal” section of FMPA’s website.

Recommended  
Motion

Move for approval of the Treasury Reports for October 31, 2018

**AGENDA ITEM 7 – CONSENT AGENDA**

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

**Executive Committee  
December 13, 2018**



## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Executive Committee  
**FROM:** Linda Howard  
**DATE:** December 4, 2018  
**ITEM:** EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended October 31, 2018.

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

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

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LH/DF

**AGENDA ITEM 7 – CONSENT AGENDA**

**d) Acceptance of Late Payment Report**

**Executive Committee  
December 13, 2018**



# **7d-Acceptance of the Annual Report of Late Payments FYE September 30, 2018**

**Executive Committee  
December 13, 2018**

# Late Fees Reporting Policy

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- In accordance with the Accounting and Internal Controls Policy, Section 7.0 Reporting
- The policy requires that the CFO shall cause to be reported to the Executive Committee the total amount of interest paid for late fees during the proceeding fiscal year
- Late Fees Paid \$187.99

## Recommended Action

Move approval of the Late Payment report for fiscal year 2018

# Detail of Late Fees Paid

Vendor	Period	Late Fee Amount	Explanation
AT & T FMPA	01-2018	15.00	Invoice was not Received by FMPA-Procedure Created to Download Receipts
COMCAST	01-2018	9.50	Invoice was not received by Tallahassee Legal Dept
SAM'S CLUB	02-2018	(37.25)	Reversed Late Fee from Prior Year
UPS	08-2018	11.68	Needed a New P.O. Issued in Maximo-Delayed Payment
BRENNTAG MID-SOUTH	08-2018	171.38	Received Late
AIRGAS USA	09-2018	2.43	Received Late
CED RAYBRO ELECTRIC	09-2018	10.25	Received Late
REPUBLIC SERVICES	11-2018	<u>5.00</u>	Short Paid per KUA Instructions
Total		<u>\$187.99</u>	

**AGENDA ITEM 8 – ACTION ITEMS**

- a) Approval of Calendar Year 2019 Meeting Schedule**

**Executive Committee  
December 13, 2018**



## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Executive Committee  
**FROM:** Jacob A. Williams  
**DATE:** December 4, 2018  
**ITEM:** BOD 8a / EC 8a—Approval of the Board of Directors and Executive Committee Calendar Year 2019 Meeting Schedule

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**Executive Summary** Pursuant to previous years' practice, Board of Directors and Executive Committee meetings are held on the third Thursday of each month, except for the annual conference held in coordination with FMEA's annual conference or as otherwise noted in the recommended schedule.

As a result, having the meetings on the third Thursday, the financial reports will not be included in the agenda packages due to the incompleteness of the month end reconciliation. However, it will be posted to the Member Portal prior to the meeting dates.

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### Recommended Schedule

Following is the recommended schedule for continuing the monthly meetings of the Board of Directors and Executive Committee on the third Thursday.

#### 2019 Monthly Schedule

- ❖ Thursday, January 17, 2019
- ❖ Thursday, February 14, 2019 (2<sup>nd</sup> Thursday due to APPA Legislative Rally in DC February 25-27, 2019)
- ❖ Thursday, March 21, 2019
- ❖ Thursday, April 18, 2019
- ❖ Thursday, May 16, 2019
- ❖ Thursday, June 20, 2019 (APPA's National Conference is June 7-12, 2019 in Austin, TX)
- ❖ Wednesday, July 17, 2019 (FMEA Annual Conference – Hyatt Regency Coconut Point Resort and Spa, Bonita Springs, FL)
- ❖ Thursday, August 22, 2019 (4<sup>th</sup> Thursday due to Florida League of Cities Annual Conference – August 15-17, 2019; Location TBD)

- ❖ Thursday, September 19, 2019
- ❖ Thursday, October 17, 2019
- ❖ Thursday, November 21, 2019
- ❖ Thursday, December 19, 2019

**Location**

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The meetings will be held in the Frederick M. Bryant Board Room, 8553 Commodity Circle, Orlando, Florida with the exceptions noted above.

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**Discussion**

The calendar of previous meetings held in member cities is attached to this memo for information purposes. If a member city would like to host a regular meeting, please let staff know.

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**Recommended  
Motion**

Move approval of the Calendar Year 2019 Board of Directors and Executive Committee meeting dates as presented.

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JAW/su  
Attachment

**LIST OF EXECUTIVE COMMITTEE MEETINGS  
HELD AT MEMBER CITIES**

February 21, 1986	Starke
August 21, 1987	Key West
September 22, 1988	Vero Beach
October 24, 1990	Key West
August 23, 1991	Clewiston
August 25, 1992	Kissimmee
September 22, 1995	Fort Pierce
October 4, 1996	Ocala
March 28, 1997	Lakeland
September 26, 1997	Jacksonville Beach
May 22, 1998	Key West
March 26, 1999	Fort Pierce
December 10, 1999	Kissimmee
September 28, 2001	Fort Pierce
December 14, 2001	Kissimmee
September 27, 2002	Jacksonville Beach
September 19, 2003	Key West
September 24, 2004	Clewiston
March 25, 2005	Kissimmee (Cane Island Power Park)
September 21, 2006	Key West (Stock Island Power Plant Dedication)
December 7, 2006	Havana (100 <sup>th</sup> Anniversary for Town of Havana)
September 27, 2007	Ocala
No meetings held at a member city for 2008 and 2009.	
March 25, 2010	Key West (PV Solar Unit Dedication)
No meetings held at a member city for 2011 and 2012.	
April 18, 2013	Bushnell
No meetings held at a member city for 2014, 2015 and 2016.	
October 19, 2017	Fort Pierce

**AGENDA ITEM 8 – ACTION ITEMS**

**b) Approval of Gas Prepay Directive with FGU**

**Executive Committee  
December 13, 2018**



# **8b – Approval of Gas Prepay Directive with FGU**

FMIPA Executive Committee  
December 13, 2018

# Prepaid Gas Is A Competitive Advantage

## *Lowers ARP's Cost For Future Gas Purchases*

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MGAG's Prepaid transaction opportunity best prepay option right now

Projected to generate \$16.5 million in present value savings over 30 years

Adds to the non-debt fixed costs of ARP

FGU Directive is the simplest way to participate in MGAG's Prepaid transactions for FMPA

# Prepaid Gas Not Significant New Risk

## *Adds Some Complexity to Potential ARP Restructuring*

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- Gas continues to be bought in the same method as today
  - 1<sup>st</sup> of the index at FGT Zone 2 or 3
- Volume committing to is 1/10 of current daily use
- Terminate contract at no cost if gas unable to be used, subject MGAG's consent, which cannot be unreasonably withheld, for permanent loss of load (i.e., gas need)
- An ARP restructuring will be complex, prepaid gas will add to the complexity
  - Allocation share of ARP units and prepaid gas

# MGAG Gas Prepay Transactions

*Two transactions “Fixed” and “Put” Structures*

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## Two Transactions Combined

~10% of FMPA’s current natural gas exposure  
ARP’s large combined cycles each burn ~33,000  
MMBtu/day

Minimum Savings \$28.8 million/ \$16.5 million  
present value over 30 years

Lowers Energy Rate \$0.16 MWh, Year 1 / \$0.17  
MWh, Year 6

# MGAG Gas Prepay Transaction

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## Macquarie “Fixed” Structure

### Exhibit A

MMBtu Volume 4,000 (years 1-5); 5,000 (years 6-30)

\$0.30 Discount or 11% discount from 5-year average projected gas price

“Off-Taker” No SWAP exposure

# MGAG Gas Prepay Transaction

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## RBC “Put” Structure Exhibit B

MMBtu Volume 3,300 (years 1-5); 5,000 (Years 6-30)

\$0.40 Discount or 15% discount from 5-year average projected gas price

\$0.23 Minimum Discount (Years 6-30)

“Off-Taker” No SWAP exposure

Discount better than other market “Put” alternatives

# This is a 30 Year Commitment (2049)

## *Limited Termination Paths*

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- ARP's natural gas needs fall below 10,000 MMBtu per day, portion of the obligation may be terminated, subject to MGAG's consent, which cannot be unreasonably withheld, for permanent loss of load (i.e., gas need)
  - Section 4.6 of the Gas Supply Agreement (Exhibit A)
  - 1/3 of daily consumption of single baseload combined cycle
  - As long as gas generation cost effective, prepay valuable
- RBC offer reprices every five years, if the repricing discount is below \$0.23, this is an allowable termination event
- Termination events are intended to be unlikely

# Long-Term Impacts of Prepaid Gas

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## New component of Section 29(C)(2)

- Prepaid Gas considered stranded cost
- Successful termination removes obligation

## Prepaid Gas operational obligations

- Prepaid gas required to be ARP's first gas burned
- Must provide evidence Prepaid Gas burned for ARP's system or by another qualified entity
- ARP's reliance on FGU's compliance w/ Gas Supply Agreement

# FGU Signs MGAG's Gas Supply Agreement

## *ARP Signs FGU Directive*

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### Advantages of FGU Directive Approach

ARP is not a direct counter-party to Gas Supply Agreement

FGU has more access to market of qualified entities

Gas delivery operational efficiencies

Note in ARP's Financial Statements

# Directive Governed By FGU By-Laws

*Term and Conditions Already Agreed To*

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- Directives States Business Points (Exhibit B & C)
  - Term
  - Volume Commitment
  - Price
  - Delivery Point(s)
  - Termination Provisions



# Discussion/Questions?

# Recommended Action

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- Move to approve the RBC and Macquarie FGU Gas Prepaid Directives and authorize the General Manager to sign on behalf of FMPA, subject to General Counsel legal review

# Exhibit A

## Macquarie “Fixed Structure”

### Directive Confirmation and Addendum

To: Thomas A. Geoffroy, General Manager & CEO  
Florida Gas Utility

From: Florida Municipal Power Agency (All-Requirements Power Supply Project)  
(referred to in this Directive as “Participant”)

Subject: Firm Long-Term Gas Supply Authorization Under Gas Services Agreement -  
Macquarie Transaction

This directive and authorization (“Directive”) is given pursuant to the First Amended and Restated Gas Services Agreement between Florida Gas Utility (“FGU”) and Participant, dated as of July 15, 2003, as subsequently amended and subject to previous directives of Participant (the “Agreement”) and will constitute an Addendum to the Agreement. The gas to be delivered under this Directive shall, except as otherwise provided herein, be supplied in accordance with Article III of the Agreement.

FGU has shared with Participant information concerning an opportunity to participate in a gas pre-pay transaction initiated by Municipal Gas Authority of Georgia (“MGAG”). Under the proposal, MGAG has offered discounted pricing, initially in the neighborhood of \$0.30/Dth off CME Group’s Inside FERC First of Month Index for the applicable geographic zone, for a 30-year commitment to purchase firm quantities of gas (“Discount”). MGAG also has the right to terminate the gas purchase agreement with FGU under certain circumstances. The detailed terms and conditions of the MGAG offer are contained in gas purchase documentation that FGU has previously delivered to Participant (the “Macquarie Transaction Documentation”). FGU is willing to enter into the Macquarie Transaction Documentation on behalf of and as agent for Participant, upon Participant’s execution of this Directive, and upon receipt of other Directives from other FGU Members wishing to participate in MGAG’s offer. This Directive will not become effective until FGU executes and enters into the Macquarie Transaction Documentation.

Participant hereby requests and authorizes FGU to secure firm long-term gas supply on behalf of and as agent for Participant in the following quantities, under the terms and conditions of the Macquarie Transaction Documentation and the Agreement (the “Transaction”):

Term: For a term of 30 years starting no earlier than January 1, 2019, subject to MGAG’s termination rights under the Macquarie Transaction Documentation

and Participant's right to decline to participate further in the event that a Termination Event (as described below) occurs.

Quantity: 4,000 Dths per day, firm for the months of November – March in year one through and including year 5 of the Transaction;

4,000 Dths per day, firm for the months of April – October in year one through and including year 5 of the Transaction;

5,000 Dths per day, firm for the months of November – March in year six through and including year 30 of the Transaction;

5,000 Dths per day, firm for the months of April – October in year six through and including year 30 of the Transaction.

Participant will be obligated to take, or pay for, the designated quantity throughout the term, notwithstanding fluctuations in Participant's gas supply requirements as otherwise permitted under Article III of the Agreement, except for Participant's right to terminate this Directive as the result of a Termination Event. Gas supplies furnished pursuant to this Directive shall constitute a portion of Participant's gas requirements as contemplated in Article III (A) of the Agreement and shall be transported to Participant pursuant to Article II of the Agreement.

Price: Variable based on Inside FERC First of Month Index for the applicable geographic zone minus the Discount, which is expected to be approximately \$0.30/Dth, portions of which shall be applied on a monthly basis with the remainder applied on an annual basis. Participant shall be obligated to pay a pro rata share of all other costs payable by FGU under the Macquarie Transaction Documentation as described below

Location: Receipt point(s) in FGT Zone 2 or as otherwise determined by FGU's General Manager in accordance with the Macquarie Transaction Documentation.

Termination  
Event:

Permanent Load Loss shall mean load loss on Participant's system participating in this transaction due to the permanent cessation of all or part of the operations of a natural gas fired electric generation facilities or the sale of the relevant utility system to any entity other than a governmental person, Participant may request the permanent reduction of its Daily Contract Quantity for the remaining term of this Agreement. If the Gas Authority consents to such request, which consent will not be unreasonably withheld and subject to Section 3.3, the Gas Authority will reduce Gas Purchaser's Daily Contract Quantities through the remaining term of this Agreement accordingly.

Participant will be required to execute additional documentation in connection with the implementation of the Transaction (such as certificates as to base load percentages and use) and periodically thereafter in accordance with the Macquarie Transaction Documentation and

will be subject to certain limitations on the use of gas purchased under this Directive, all as set forth in the Macquarie Transaction Documentation.

Participant acknowledges that any quantities purchased by FGU pursuant to this Directive will be purchased under firm, long-term contracts and that FGU will be required to take delivery of such quantities. Participant agrees to pay all amounts becoming due with respect to the gas to be delivered under this Directive, in accordance with the terms of the Macquarie Transaction Documentation and the Agreement and this Directive, regardless of whether the gas is actually delivered to or used by Participant. Purchaser accepts the risks and limitations otherwise described in the Macquarie Transaction Documentation and hereby agrees to pay its share of all costs, expenses and liabilities (including court costs and attorney fees) incurred by FGU in connection with its obligations arising under or in respect of the Macquarie Transaction Documentation or the transactions contemplated thereby, subject to exercise of Participant's rights for a Termination Event. Furthermore, Participant understands that any claim for adequate assurance that results in a required payment or deposit by FGU, an early termination resulting in early termination costs, or any other costs, incurred by FGU on Participant's behalf because of this Transaction, shall be the responsibility of Participant in accordance with the terms of the Agreement.

This Directive is given as an Addendum to the Agreement for the purchase of a specific supply of gas and shall constitute a contractual obligation of Participant. In the event of a conflict between the terms of the Macquarie Transaction Documentation, as implemented by this Directive, and the terms of the Agreement, the terms of this Directive and the Macquarie Transaction Documentation shall control.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

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(Place on City Letterhead)

# Exhibit B

## RBC “Put Structure”

### Directive Confirmation and Addendum

To: Thomas A. Geoffroy, General Manager & CEO  
Florida Gas Utility

From: Florida Municipal Power Agency (All-Requirements Power Supply Project)  
(referred to in this Directive as “Participant”)

Subject: Firm Gas Supply Authorization Under Gas Services Agreement - RBC  
Transaction

This directive and authorization (“Directive”) is given pursuant to the First Amended and Restated Gas Services Agreement between Florida Gas Utility (“FGU”) and Participant, dated as of July 15, 2003, as subsequently amended and subject to the previous directives of Participant (the “Agreement”) and will constitute an Addendum to the Agreement. The gas to be delivered under this Directive shall, except as otherwise provided herein, be supplied in accordance with Article III of the Agreement.

FGU has shared with Participant information concerning an opportunity to participate in a gas pre-pay transaction initiated by Municipal Gas Authority of Georgia (“MGAG”). Under the proposal, MGAG has offered discounted pricing, initially in the neighborhood of \$0.40/Dth off CME Group’s Inside FERC First of Month Index for the applicable geographic zone, for a 30-year commitment to purchase firm quantities of gas, subject to a number of adjustments and variables, including future bond re-pricings after the first five (5) years, that will occur thereafter at approximate five-year intervals over the term (the “Variable Discount”). If the Variable Discount achieved during any re-pricing period is below \$0.23/Dth (the “Minimum Discount”), then the Participant has the option, but not the obligation, to exercise its right to terminate its participation in the remainder of the Transaction. MGAG also has the right to terminate the gas purchase agreement with FGU under certain circumstances. The detailed terms and conditions of the MGAG offer are contained in gas purchase documentation that FGU has previously delivered to Participant (the “RBC Transaction Documentation”). FGU is willing to enter into the RBC Transaction Documentation on behalf of and as agent for Participant, upon Participant’s execution of this Directive, and upon receipt of other Directives from other FGU Members wishing to participate in MGAG’s offer. This Directive will not become effective until FGU executes and enters into the RBC Transaction Documentation.

Participant hereby requests and authorizes FGU to secure firm gas supply on behalf of and as agent for Participant in the following quantities, under the terms and conditions of the RBC Transaction Documentation and the Agreement (the "Transaction"):

**Term:** For a term of 30 years starting no earlier than January 1, 2019, subject to MGAG's termination rights under the RBC Transaction Documentation and Participant's "*Termination Rights*" in the event: 1) that the Minimum Discount is not achieved in any re-pricing period; or 2) the occurrence of a Termination Event (as described below). If the Minimum Discount is not achieved in any re-pricing period, this Directive shall expire and terminate at the end of the first five (5) years or the previous pre-pricing period, as applicable, unless Participant gives FGU prior written notice of its intent to continue in the gas pre-pay transaction that is the subject of this Directive. Upon such expiration and termination of this Directive, Participant relinquishes all rights and is fully released and discharged of all obligations of the Directive.

**Quantity:** 3,300 Dths per day, firm for the months of November – March in year one through and including year 5 of the Transaction;

3,300 Dths per day, firm for the months of April – October in year one through and including year 5 of the Transaction;

5,000 Dths per day, firm for the months of November – March in year six through and including year 30 of the Transaction;

5,000 Dths per day, firm for the months of April – October in year six through and including year 30 of the Transaction.

Participant will be obligated to take, or pay for, the designated quantity throughout the term, notwithstanding fluctuations in Participant's gas supply requirements as otherwise permitted under Article III of the Agreement, except for Participant's right to terminate this Directive as result of either of the two Termination Rights described above. Gas supplies furnished pursuant to this Directive shall constitute a portion of Participant's gas requirements as contemplated in Article III (A) of the Agreement and shall be transported to Participant pursuant to Article II of the Agreement.

**Price:** Variable based on Inside FERC First of Month Index for the applicable geographic zone minus the Variable Discount, which initially shall be \$0.40/Dth, portions of which shall be applied on a monthly basis with the remainder applied on an annual basis. At year five and approximately every fifth year thereafter for the full 30-year term, the Variable Discount will be subject to adjustment, no less than the Minimum Discount of \$0.23/Dth. Participant shall be obligated to pay a pro rata share of all other costs payable by FGU under the RBC Transaction Documentation as described below.

**Location:** Receipt point(s) in FGT Zone 2 or as otherwise determined by FGU's General Manager in accordance with the RBC Transaction Documentation.

Termination

Event: Each of the following events constitutes a “*Termination Event*” of Participant: Permanent Load Loss shall mean load loss on Participant’s system participating in this transaction due to the permanent cessation of all or part of the operations of a natural gas fired electric generation facilities or the sale of the relevant utility system to any entity other than a governmental person, Participant may request the permanent reduction of its Daily Contract Quantity for the remaining term of this Agreement. If the Gas Authority consents to such request, which consent will not be unreasonably withheld and subject to Section 3.3, the Gas Authority will reduce Gas Purchaser’s Daily Contract Quantities through the remaining term of this Agreement accordingly.

Participant will be required to execute additional documentation in connection with the implementation of the Transaction (such as certificates as to base load percentages and use) and periodically thereafter in accordance with the RBC Transaction Documentation and will be subject to certain limitations on the use of gas purchased under this Directive, all as set forth in the RBC Transaction Documentation.

Participant acknowledges that any quantities purchased by FGU pursuant to this Directive will be purchased under firm contracts and that FGU will be required to take delivery of such quantities. Participant agrees to pay all amounts becoming due with respect to the gas to be delivered under this Directive, in accordance with the terms of the RBC Transaction Documentation and the Agreement and this Directive, regardless of whether the gas is actually delivered to or used by Participant. Purchaser accepts the risks and limitations otherwise described in the RBC Transaction Documentation and hereby agrees to pay its share of all costs, expenses and liabilities (including court costs and attorney fees) incurred by FGU in connection with its obligations arising under or in respect of the RBC Transaction Documentation or the transactions contemplated thereby, subject to Exercise of Participant’s Termination Rights. Furthermore, Participant understands that any claim for adequate assurance that results in a required payment or deposit by FGU, an early termination resulting in early termination costs, or any other costs, incurred by FGU on Participant’s behalf because of this Transaction, shall be the responsibility of Participant in accordance with the terms of the Agreement.

This Directive is given as an Addendum to the Agreement for the purchase of a specific supply of gas and shall constitute a contractual obligation of Participant. In the event of a conflict between the terms of the RBC Transaction Documentation, as implemented by this Directive, and the terms of the Agreement, the terms of this Directive and the RBC Transaction Documentation shall control.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

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# Exhibit C

## Gas Supply Agreement Termination

4.6 Permanent Load Loss. In the event of permanent load loss on any of Gas Purchaser's Municipal Utility systems participating in this transaction due to the permanent cessation of all or part of the operations of a large industrial customer or natural gas fired electric generation facilities or the sale of the relevant utility system to any entity other than a governmental person, Gas Purchaser may request the permanent reduction of its Daily Contract Quantity for the remaining term of this Agreement. If the Gas Authority consents to such request, which consent will not be unreasonably withheld and subject to Section 3.3, the Gas Authority will reduce Gas Purchaser's Daily Contract Quantities through the remaining term of this Agreement accordingly.

**AGENDA ITEM 8 – ACTION ITEMS**

- c) Approval of NextEra Energy Guarantees for Stanton Unit A and Plant Oleander Ownership and Power Purchase Agreements Interests**

**Executive Committee  
December 13, 2018**



**Jody Lamar Finklea, B.C.S.**  
General Counsel and Chief Legal Officer  
Board Certified City, County and Local Government Lawyer

## AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee

FROM: Jody Lamar Finklea, General Counsel and Chief Legal Officer

DATE: 4 December 2018

ITEM: 8.c.—Approval of NextEra Energy Guarantees for Stanton Unit A and Plant Oleander Ownership and Power Purchase Agreements Interests

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**Short Summary** On May 21, 2018, The Southern Company announced that it had entered into an agreement with NextEra Energy, Inc. to sell all of its Florida business interests, including its subsidiary holdings in Stanton Energy Center Unit A and Plant Oleander. The All-Requirements Power Supply Project (ARP) has both an ownership interest in Stanton Unit A and power purchase agreements for capacity and energy from the plant; ARP also has a power purchase agreement for all of the capacity and energy output of Plant Oleander Combustion Turbine No. 5. (OUC and KUA also have ownership and power purchase agreement interests in Stanton Unit A; KUA's power purchase agreement for Stanton Unit A was assigned to the ARP in 2008.) Pursuant to the applicable ownership agreements and power purchase agreements, the obligations owed to the ARP are backed by guaranties from Southern Power Company, the parent company of the subsidiaries that own Stanton Unit A and Plant Oleander.

On November 30, 2018, FERC approved the sale and transfer of the Stanton Unit A and Plant Oleander assets to NextEra Energy, Inc. Pursuant to this deal, NextEra has asked FMPA to accept replacement guaranties from NextEra Capital Holdings, Inc., and to release Southern Power Company from the current Stanton Unit A and Plant Oleander guaranties. Staff and the Office of the General Counsel have negotiated with NextEra on the terms of the replacement guarantees and release agreements. NextEra Capital Holdings, Inc. is financially capable of providing the guarantees, the NextEra guarantees do not reduce the protection afforded to the ARP by the Southern Power Company guarantees, and, as such, we recommend approval of the replacement guarantees and releases.

Explanation            Attached to this memorandum are four release agreements that, when executed, after receipt of the NextEra replacement guarantees, will release Southern Power Company from the existing guarantees. These release agreements relate to:

- (1)     ARP's ownership interest in Stanton Unit A;
- (2)     ARP's power purchase agreement from Stanton Unit A;
- (3)     the KUA power purchase agreement from Stanton Unit A, which was assigned to ARP in 2008; and
- (4)     ARP's power purchase agreement for Plant Oleander.

Each release agreement has attached to it the form of replacement guaranty from NextEra Capital Holdings, Inc. (NEECH).

Also attached is a redline of each NextEra replacement guaranty that shows all changes to the existing Southern Power Company guarantees. No change in the guarantees impairs the protection that ARP receives from those instruments.

Southern Power Company has long term ratings of Baa1/Stable (Moody's) and BBB+/Stable (Fitch), while NEECH has slightly stronger long term ratings of Baa1/Stable and A-/Stable, respectively. According to the latest 10-Q filings for each company, Southern Power Company had net income of \$235 million, while NEECH had net income of \$4,367 million for the same period (nine months ended September 30, 2018). As of September 20, 2018, Southern Power Company had \$15,355 million of total assets, while NEECH had \$45,555 million of total assets.

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Recommended Motion            Move approval of the acceptance of the replacement guarantees from NextEra Capital Holdings, Inc. associated with FMPA's ownership and power purchase agreements interests in Stanton Energy Center Unit A and Plant Oleander, including certain interests of Kissimmee Utility Authority that have been previously assigned to FMPA, and authorize the General Manager and CEO to execute the associated release agreements in favor of Southern Power Company.

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- Attachments
1. Release of Guaranty Agreement (for Stanton Unit A ownership interests) with attached Second Replacement Payment Guaranty
  2. Second Replacement Payment Guaranty (for Stanton Unit A ownership interests) in redline form showing changes from existing guaranty
  3. Release of Guaranty Agreement (for Stanton Unit A power purchase agreement interests) with attached Second Replacement Payment Guaranty
  4. Second Replacement Payment Guaranty (for Stanton Unit A power purchase agreement interests) in redline form showing changes from existing guaranty
  5. Release of Guaranty Agreement (for Stanton Unit A power purchase agreement interests, assigned previously by KUA) with attached Second Replacement Payment Guaranty
  6. Second Replacement Payment Guaranty (for Stanton Unit A power purchase agreement interests, assigned previously by KUA) in redline form showing changes from existing guaranty
  7. Release of Guaranty Agreement (for Plant Oleander power purchase agreement interests) with attached Guaranty of NextEra Capital Holdings, Inc.
  8. Guaranty of NextEra Capital Holdings, Inc. (for Plant Oleander power purchase agreement interests) in redline form showing changes from existing guaranty

JLF:



## **8.c.—Approval of NextEra Energy Guarantees for Stanton Unit A and Plant Oleander Ownership and Power Purchase Agreements Interests**

FMIPA Executive Committee

December 13, 2018

# NextEra Energy Acquisition

## *Stanton Unit A and Plant Oleander*

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# FMPA's Interests

## *Stanton Unit A*

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- The ARP is a joint owner of Stanton Unit A with OUC and KUA.
- The ARP also has two power purchase agreements from Stanton Unit A:
  - The first was effective upon commercial operation of Stanton Unit A; and
  - The second was assigned by KUA to the ARP in 2008.
- All three interests in Stanton Unit A are backed by guarantees from Southern Power Company.

# FMPA's Interests

## *Plant Oleander*

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- The ARP has a long-term power purchase agreement for Plant Oleander Combustion Turbine No. 5 (160 MW).
- All capacity and energy of CT5 is dedicated to the ARP.
- The Plant Oleander power purchase agreement is also backed by a guarantee from Southern Power Company.

# Replacement Guarantees

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- On November 30, 2018, FERC approved the sale of Stanton Unit A and Plant Oleander to NextEra.
- NextEra has asked FMPA to:
  - Accept replacement guarantees from NextEra Energy Capital Holdings, Inc., (NEECH) and
  - Release Southern Power Company from the existing guarantees.

# Replacement Guarantees

- NEECH is financially capable compared to Southern Power Company

	Long-Term Ratings		Net Income <sup>[1]</sup> (in millions)	Total Assets <sup>[2]</sup> (in millions)
	Moody's	Fitch		
<b>NEECH</b>	Baa1/Stable	A-/Stable	\$4,367	\$45,555
<b>Southern Power Company</b>	Baa1/Stable	BBB+/Stable	\$235	\$15,355
<sup>[1]</sup> From latest 10-Q filings (November 2018), for the nine months ended September 30, 2018.				
<sup>[2]</sup> As of September 30, 2018.				

# Replacement Guarantees

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- Replacement NEECH guarantees have been negotiated:
  - NEECH is financially capable
  - Replacement guarantees do not reduce the protection afforded to the ARP by the existing Southern Power Company guarantees

# Recommended Motion

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Move approval of the acceptance of the replacement guarantees from NextEra Capital Holdings, Inc. associated with FMPA's ownership and power purchase agreements interests in Stanton Energy Center Unit A and Plant Oleander, including certain interests of Kissimmee Utility Authority that have been previously assigned to FMPA, and authorize the General Manager and CEO to execute the associated release agreements in favor of Southern Power Company.

**RELEASE OF GUARANTY AGREEMENT**

This Release Agreement (this “**Release**”) is made by Florida Municipal Power Agency (All Requirements Power Supply Project) (“**Beneficiary**”), in favor of Southern Power Company (“**Guarantor**”) and Southern Company – Florida LLC (“**Obligor**”).

**RECITALS**

1. Obligor and Beneficiary are parties to that certain Stanton Energy Center Combined Cycle Unit A Construction and Ownership Participation Agreement, dated as of March 19, 2001, among Obligor, Orlando Utilities Commission, Florida Municipal Power Agency (All Requirements Power Supply Project) and Kissimmee Utility Authority, as amended (the “**Agreement**”).
2. Guarantor provided assurance for the payment of Obligor’s obligations in connection with the Agreement by delivery of that certain Replacement Payment Guaranty, dated as of December 10, 2003 (the “**Guaranty**”).
3. Pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “**EIPA**”), 700 Universe, LLC, an affiliate of NextEra Energy, Inc. (“**NextEra Purchaser**”), has agreed to purchase from Guarantor all of the membership interests of Obligor, and in connection with the closing of the transactions contemplated by the EIPA (the “**EIPA Closing**”), Beneficiary has agreed to have the Guaranty replaced by a guaranty in the form attached hereto as **Exhibit A** (the “**Replacement Guaranty**”) issued by NextEra Energy Capital Holdings, Inc. (“**Replacement Guarantor**”).

**AGREEMENTS**

In consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Beneficiary hereby agrees as follows:

1. **Release of Guaranty.** After the EIPA Closing, and effective as of the receipt by Beneficiary of the Replacement Guaranty from Replacement Guarantor (which receipt may occur via email delivered to the email addresses set forth **Part I of Exhibit B**), all rights, duties, commitments and other obligations of Guarantor under the Guaranty are hereby terminated, and Guarantor is hereby released from any and all obligations it has or may have under the Guaranty.
2. **Return of Release, Guaranty.** Upon receipt of the signed original, executed copy of the Replacement Guaranty, Beneficiary will return to Guarantor the original, executed copy of this Release and, if recoverable and in its possession, the original copy of the Guaranty to the address set forth on **Part II of Exhibit B**).
3. **No Effect on Agreement.** This Release will have no effect on the obligations of Obligor under the Agreement.

Beneficiary has caused this Release to be duly executed and delivered by its duly authorized officer effective as of \_\_\_\_\_, 2018.

FLORIDA MUNICIPAL POWER AGENCY (ALL REQUIREMENTS POWER SUPPLY PROJECT)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit A**  
**Replacement Guaranty**

[attached behind this page]

## SECOND REPLACEMENT PAYMENT GUARANTY

This **SECOND REPLACEMENT GUARANTY AGREEMENT** (the “Guaranty”) is made this \_\_\_ day of November, 2018 by **NEXTERA ENERGY CAPITAL HOLDINGS, INC.** (“Guarantor”), a Florida corporation, in favor of **ORLANDO UTILITIES COMMISSION** (“OUC”), a Florida statutory chartered public utility commission, **FLORIDA MUNICIPAL POWER AGENCY (ALL REQUIREMENTS POWER SUPPLY PROJECT)** (“FMPA”), a governmental legal entity organized and existing under the laws of the State of Florida, and **KISSIMMEE UTILITY AUTHORITY** (“KUA”), a public body corporate organized and existing under the laws of the State of Florida. OUC, FMPA and KUA are collectively referred to herein as the “Obligees.”

**WHEREAS**, Southern Company - Florida LLC (“Principal Obligor”), a Delaware limited liability company, and the Obligees entered into that certain Stanton Energy Center Combined Cycle Unit A Construction and Ownership Participation Agreement, dated as of March 19, 2001, as amended (the “Ownership Agreement”);

**WHEREAS**, The Southern Company (“Original Guarantor”), a Delaware corporation, agreed to provide assurance for the payment of Principal Obligor’s obligations in connection with the Ownership Agreement, as provided in that certain “Payment Guaranty” made by Original Guarantor in favor of the Obligees dated effective as of June 28, 2001 (the “Original Guaranty”);

**WHEREAS**, pursuant to Section 9(a)(i) of the Original Guaranty, Original Guarantor was authorized to assign and delegate its rights and obligations under the Original Guaranty to Southern Power Company (“SPC”), without the consent of the Obligees; provided that, (i) SPC achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty, and (ii) Original Guarantor was not replaced by SPC on a date earlier than the Commercial Operation Date (as defined in the Ownership Agreement);

**WHEREAS**, by 2003 SPC achieved the financial criteria described in Section 9(a)(i) of the Original Guaranty and the Commercial Operation Date occurred on October 1, 2003, and on December 10, 2003, Original Guarantor assigned and delegated its rights and obligations under the Original Guaranty to SPC by having SPC execute and deliver to the Obligees a replacement guaranty, on terms and conditions substantially similar to the Original Guaranty, whereby SPC agreed to provide assurance for Principal Obligor’s payment obligations in connection with the Ownership Agreement (the “First Replacement Guaranty”);

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Principal Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Principal Obligor, Guarantor and SPC desire to have assigned and delegated to Guarantor all of SPC’s rights and obligations under the First Replacement Guaranty pursuant to Section 9(a)(i) of the First Replacement Guaranty;

**WHEREAS**, pursuant to Section 9(a)(i) of the First Replacement Guaranty, SPC is authorized to assign and delegate its rights and obligations under the First Replacement Guaranty to Guarantor (who, following the EIPA Closing will be an Affiliate of Principal Obligor), without

the consent of the Obligees; provided that Guarantor has achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty;

**WHEREAS**, Guarantor meets the financial criteria described in Section 9(a)(i) of the First Replacement Guaranty;

**WHEREAS**, in order for SPC to assign and delegate its rights and obligations under the First Replacement Guaranty, Guarantor must execute and deliver to the Obligees a replacement guaranty, on terms and conditions substantially similar to the First Replacement Guaranty, whereby Guarantor agrees to provide assurance for Principal Obligor's payment obligations in connection with the Ownership Agreement;

**WHEREAS**, Guarantor hereby executes and delivers this Guaranty to the Obligees in substitution and replacement of the First Replacement Guaranty; and

**WHEREAS**, this Guaranty shall become effective, and the First Replacement Guaranty shall no longer be of any force or effect, as of the date that Obligees execute that certain "Release Agreement" which releases SPC from any and all liabilities under the Original Guaranty (the "Effective Date");

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty**. Guarantor hereby irrevocably, unconditionally and absolutely guarantees the punctual payment when due of Principal Obligor's payment obligations arising under the Ownership Agreement, as amended or modified from time to time, together with any interest thereon, including, without limitation, any interest amounts accruing under the Ownership Agreement during the pendency of insolvency, bankruptcy, reorganization or other similar proceedings affecting Principal Obligor or its assets; provided, however, that the maximum liability of Guarantor under this Guaranty shall be Ten Million Dollars (\$10,000,000) (the "Guaranteed Obligations"); provided, further, that the cap on Guarantor's liability under this Guaranty established in the immediately preceding clause creates an absolute cap on Guarantor's liability to any and all of the Obligees with respect to the Principal Obligor's obligation under the Ownership Agreement and, if and when Guarantor's liability under this Guaranty has reached the cap, then from and after such time, Guarantor shall have no further liability under this Guaranty whatsoever to any or all of the Obligees and this Guaranty shall thereupon terminate; provided, further, that costs incurred by Guarantor under Section 4 hereof shall not be counted for purposes of determining whether Guarantor has reached the cap, unless and to the extent that Guarantor's costs under such Section 4, together with costs incurred by Guarantor under the corresponding provisions of Guarantor's other three Payment Guarantees of contemporaneous date to each of OUC, FMPA and KUA, exceed Three Million Dollars (\$3,000,000) in the aggregate.
2. **Guaranty Absolute**. The liability of Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of or defect or deficiency in the Ownership Agreement or any other documents executed in connection with the Ownership Agreement;
- (b) any assignment, transfer, modification, extension or waiver of any of the terms of the Ownership Agreement;
- (c) any change in the time, manner, terms of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any agreement or instrument executed in connection therewith;
- (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed or any liabilities incurred directly or indirectly hereunder or any set off against any of said liabilities, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (e) applicable statutes of limitation, failure, omission, delay, waiver or refusal by the Obligees to exercise, in whole or in part, any right or remedy held by the Obligees with respect to the Ownership Agreement or any transaction under the Ownership Agreement; or
- (f) any change in the existence, structure or ownership of Guarantor or Principal Obligor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Principal Obligor or its assets.

The obligations of the Guarantor hereunder are several from the Principal Obligor or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by the Obligees upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Principal Obligor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Principal Obligor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by the Obligees in reliance hereon or in connection herewith;

- (b) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Guaranteed Obligations; and
- (c) any requirement that suit be brought against Principal Obligor or any other person as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

Notwithstanding anything to the contrary set forth herein, Guarantor shall have the same defenses available to it as Principal Obligor may have with respect to any payment obligations arising under the Ownership Agreement.

- 4. **Expenses.** Guarantor agrees to pay on demand any and all costs, including reasonable legal fees, and other expenses incurred by the Obligees in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of the Obligees if no payment under this Guaranty is due.
- 5. **Subrogation.** Guarantor shall be subrogated to all rights of the Obligees against Principal Obligor in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been irrevocably paid to the Obligees in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Obligees and shall forthwith be paid to the Obligees to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to the Obligees of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, the Obligees shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.
- 6. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

If to OUC:

Orlando Utilities Commission  
100 West Anderson Street  
Orlando, FL 32801  
Attention: Chief Operating Officer  
Tel: 407-434-3135  
Fax: 407-434-2224

With a copy to:

Orlando Utilities Commission  
100 West Anderson Street  
Orlando, Florida 32801  
Attention: Legal Department  
Telephone: 407-434-2167  
Facsimile: 407-434-2220

If to FMPA:

Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, FL 32819  
Attention: Chief Financial Officer  
Tel: 407-355-7767  
Fax: 407-355-5794  
[linda.howard@fmpa.com](mailto:linda.howard@fmpa.com)

With required copies and original documents delivered to:

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer  
[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)  
[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

If to KUA:

Kissimmee Utility Authority  
1701 West Carroll Street  
Kissimmee, FL 34741  
Attention: Director of Power Supply  
Tel: 407-933-7777 ext. 1235  
Fax: 407-847-0787

With a copy to:

Kissimmee Utility Authority  
1701 West Carroll Street  
Kissimmee, Florida 34742-3219  
Attention: Manager Bulk System Planning  
Telephone: 407-933-7777 ext. 1235  
Facsimile: 407-847-0787

If to Guarantor:

NextEra Energy Capital Holdings, Inc.  
700 Universe Blvd.  
Juno Beach, Florida 33408  
Attention: Treasurer  
Tel: (561) 694-6204 (for use in connection with courier deliveries)

7. **Demand and Payment.** Any demand by the Obligees for payment hereunder shall be in writing, signed by a duly authorized officer of each of the Obligees and delivered to the Guarantor pursuant to Section 6 hereof, and shall (a) reference this Guaranty, (b) specifically identify the Principal Obligor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within three (3) business days of receipt of such demand.
8. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of the Obligees to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
9. **Replacement of Guarantor and Termination.**
  - (a) Guarantor may assign and delegate its rights and obligations under this Guarantee, in whole or in part, as follows: (i) without the consent of Obligees, to an Affiliate of Principal Obligor, if such Affiliate has achieved the following three characteristics: (1) a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's), (2) Net Equity (as hereinafter defined) of at least Two Hundred Fifty Million Dollars (\$250,000,000), as reflected on its most recent audited balance sheet, and (3) Gross Equity (as hereinafter defined) of at least Five Hundred Million Dollars (\$500,000,000); (ii) with the consent of Obligees, which consent may not be unreasonably withheld, to an assignee which has a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's) and which meets other reasonable financial criteria similar to those identified in Section 9(a)(i), provided, however, that if Guarantor requests Obligees' consent to such an assignment and delegation in connection with a permitted transfer or assignment of the PPA, then Obligees may not withhold such consent if the assignee meets the financial criteria in Section 9(a)(ii); or (iii) without the consent of Obligees, if Principal Obligor is permitted under the Ownership Agreement to engage in any synthetic lease or other financing in respect of the Facility that requires Principal Obligor to assign its Ownership Interest (as defined in the Ownership Agreement) in the Facility and the Interconnection Facilities (both as defined in the Ownership Agreement) in connection therewith, then the date on

which Principal Obligor so assigns its Ownership Interest in the Facility and the Interconnection Facilities in connection with such a financing; provided, however, that any such financing arrangement includes a commitment by a bank or institutional lender or investor or other financing party having a credit rating on its senior securities at or above A (Standard & Poors) and A2 (Moody's), to fund the Costs of Construction (as defined in the Ownership Agreement) associated with Principal Obligor's Ownership Interest. An assignment and delegation of Guarantor's rights and obligations under this Section 9 shall become effective, in the case of Section 9(a)(i) and 9(a)(ii), when the replacement guarantor executes and delivers to Obligees a replacement guaranty on terms and conditions substantially similar to this Guaranty, or in the case of Section 9(a)(iii), when the bank, institutional lender, investor or financing party delivers the mentioned commitment.

- (b) For purposes of this Guaranty, the following terms shall have the following meanings:

"Net Equity" shall mean the aggregate of the capital stock and other equity accounts (including retained earnings and paid-in capital) of the Affiliate of Principal Obligor.

"Gross Equity" shall mean Net Equity plus Guaranteed Debt plus loans to the Affiliate of Principal Obligor from its parent corporation.

"Guaranteed Debt" shall mean any obligations of the Affiliate of Principal Obligor for or in respect of (a) moneys borrowed or raised (whether or not for cash) by whatever means (including acceptances), deposits, discounting, letters of credit, factoring (other than on a non-recourse basis), finance leases, and any other form of financing which is recognized in the Affiliate of Principal Obligor's financial statements as being in the nature of a borrowing (excluding for the avoidance of doubt, share capital, share premium account and any capital prepayment reserve), which has been guaranteed by Guarantor, and (b) the deferred purchase price of assets or services (other than goods and services obtained on normal commercial terms in the ordinary course of business or operations), which has been guaranteed by Guarantor.

"Affiliate" of an Entity shall mean any other entity controlled by, controlling or under common control with such entity, where control of an entity means the ability to direct the policies of such entity through election of a majority of such entity's board of directors or other governing body or by contract or otherwise.

- (c) This Guaranty shall terminate, and upon the effective date of such termination Guarantor shall have no further liability hereunder, on the earliest to occur of: (i) the satisfaction of all of the Guaranteed Obligations, (ii) the termination or expiration of the Ownership Agreement with respect to Principal Obligor in accordance with its terms or by mutual agreement between the parties to the Ownership Agreement, (iii) the date on which the liability cap is reached, as

provided in Section 1 hereof, or (iv) the date on which an assignment and delegation by Guarantor of its rights and obligations hereunder becomes effective under Section 9(a) hereof.

10. **Replacement of First Replacement Guaranty.** As of the date first above written, this Guaranty is executed and delivered by Guarantor to the Obligees in substitution and replacement of the First Replacement Guaranty. Upon the Effective Date, this Guaranty shall become effective and the First Replacement Guaranty will no longer be of any force or effect.
11. **Assignment by Obligees; Successors and Assigns.** Each of the Obligees may, upon notice to Guarantor, assign its rights hereunder only to a subsequent owner of all of such Obligee's interest in the Facility and the Interconnection Facilities (as defined in the Ownership Agreement) without the consent of Guarantor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
12. **Amendments, Etc.** No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and the Obligees. No waiver of any provisions of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by the Obligees. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.
13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.
14. **Representations and Warranties.**

The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.
- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the Obligees' rights and to general equity principles.
- (d) The condensed consolidated financial information of Guarantor included in the financial statements of NextEra Energy, Inc. ("NEE") and the notes thereto

(including the note entitled “15. Summarized Financial Information of NEECH”)for the year ended December 31, 2017 contained in NEE’s annual report filed with the U.S. Securities and Exchange Commission (“SEC”) on Form 10-K on February 16, 2018 (such condensed consolidated financial information, the “Financial Statements”), heretofore delivered to the Obligees or filed with the SEC by NEE present fairly the financial condition and results of operations of Guarantor and its consolidated subsidiaries as of the dates and for the period specified therein in conformity with generally accepted accounting principles, and, except as otherwise expressly stated therein, consistently applied.

15. **Limitation by Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

16. **Governing Law; Submission to Jurisdiction.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Florida, exclusive of any conflict of laws provisions thereof that would apply the laws of another jurisdiction. The parties hereby submit to the jurisdiction of, and agree that venue for actions hereunder shall be, the U.S. District Court for the Middle District of Florida, if the U.S. District Court has jurisdiction, or, if the U.S. District Court does not have jurisdiction, the Circuit Court of the State of Florida sitting in Orange County, Florida and the parties hereby waive any objection to venue in such courts and any objection to any action or proceeding on the basis of forum non conveniens.

**IN WITNESS WHEREOF**, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first written above, to be effective as of the Effective Date.

“Guarantor”

NEXTERA ENERGY CAPITAL HOLDINGS,  
INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit B**  
**Certain Contact Details**

Beneficiary Email Addresses for delivery of Replacement Guaranty

[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)

[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

Beneficiary mail addresses for delivery of original of the Replacement Guaranty

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer

Address for return of Release and of Guaranty to Guarantor

Southern Power Company  
30 Ivan Allen Jr. Blvd.  
Atlanta, GA 30308  
Attention: Treasurer

## SECOND REPLACEMENT PAYMENT GUARANTY

This SECOND REPLACEMENT GUARANTY AGREEMENT (the “Guaranty”) is made this ~~10th day of December, 2003 by SOUTHERN POWER COMPANY~~ day of November, 2018 by NEXTERA ENERGY CAPITAL HOLDINGS, INC. (“Guarantor”), a ~~Delaware~~Florida corporation, in favor of **ORLANDO UTILITIES COMMISSION (“OUC”)**, a Florida statutory chartered public utility commission, **FLORIDA MUNICIPAL POWER AGENCY (ALL REQUIREMENTS POWER SUPPLY PROJECT) (“FMPA”)**, a governmental legal entity organized and existing under the laws of the State of Florida, and **KISSIMMEE UTILITY AUTHORITY (“KUA”)**, a public body corporate organized and existing under the laws of the State of Florida. OUC, FMPA and KUA are collectively referred to herein as the “Obligees.”

**WHEREAS**, Southern Company - Florida LLC (“Principal Obligor”), a Delaware limited liability company, and the Obligees entered into that certain Stanton Energy Center Combined Cycle Unit A Construction and Ownership Participation Agreement, dated as of March 19, ~~2001~~2001, as amended (the “Ownership Agreement”);

**WHEREAS**, The Southern Company (“Original Guarantor”), a Delaware corporation, agreed to provide assurance for the payment of Principal Obligor’s obligations in connection with the Ownership Agreement, as provided in that certain “Payment Guaranty” made by Original Guarantor in favor of the Obligees dated effective as of June 28, 2001 (the “Original Guaranty”), ~~attached hereto as Attachment 1;~~

**WHEREAS**, pursuant to Section 9(a)(i) of the Original Guaranty, Original Guarantor ~~is was~~ authorized to assign and delegate its rights and obligations under the Original Guaranty to ~~Guarantor~~Southern Power Company (“SPC”), without the consent of the Obligees; provided that, (i) ~~Guarantor has~~SPC achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty, and (ii) Original Guarantor ~~shall was~~ not ~~be~~-replaced by ~~Guarantor~~SPC on a date earlier than the Commercial Operation Date (as defined in the Ownership Agreement);

**WHEREAS**, ~~Guarantor has~~by 2003 SPC achieved the financial criteria described in Section 9(a)(i) of the Original Guaranty and the Commercial Operation Date occurred on October 1, ~~2003~~2003, and on December 10, 2003, Original Guarantor assigned and delegated its rights and obligations under the Original Guaranty to SPC by having SPC execute and deliver to the Obligees a replacement guaranty, on terms and conditions substantially similar to the Original Guaranty, whereby SPC agreed to provide assurance for Principal Obligor’s payment obligations in connection with the Ownership Agreement (the “First Replacement Guaranty”);

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Principal Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Principal Obligor, Guarantor and SPC desire to have assigned and delegated to Guarantor all of SPC’s rights and obligations under the First Replacement Guaranty pursuant to Section 9(a)(i) of the First Replacement Guaranty;

WHEREAS, pursuant to Section 9(a)(i) of the First Replacement Guaranty, SPC is authorized to assign and delegate its rights and obligations under the First Replacement Guaranty to Guarantor (who, following the EIPA Closing will be an Affiliate of Principal Obligor), without the consent of the Obligees; provided that Guarantor has achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty;

WHEREAS, Guarantor meets the financial criteria described in Section 9(a)(i) of the First Replacement Guaranty;

WHEREAS, in order for ~~Original Guarantor~~SPC to assign and delegate its rights and obligations under the ~~Original~~First Replacement Guaranty, Guarantor must execute and deliver to the Obligees a replacement guaranty, on terms and conditions substantially similar to the ~~Original~~First Replacement Guaranty, whereby Guarantor agrees to provide assurance for Principal Obligor's payment obligations in connection with the Ownership Agreement;

WHEREAS, Guarantor hereby executes and delivers this Guaranty to the Obligees in substitution and replacement of the ~~Original~~First Replacement Guaranty; and

WHEREAS, this Guaranty shall become effective, and the ~~Original~~First Replacement Guaranty shall no longer be of any force or effect, as of the date that Obligees execute that certain "Release Agreement" which releases ~~Original Guarantor~~SPC from any and all liabilities under the Original Guaranty (the "Effective Date");

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby irrevocably, unconditionally and absolutely guarantees the punctual payment when due of Principal Obligor's payment obligations arising under the Ownership Agreement, as amended or modified from time to time, together with any interest thereon, including, without limitation, any interest amounts accruing under the Ownership Agreement during the pendency of insolvency, bankruptcy, reorganization or other similar proceedings affecting Principal Obligor or its assets; provided, however, that the maximum liability of Guarantor under this Guaranty shall be Ten Million Dollars (\$10,000,000) (the "Guaranteed Obligations"); provided, further, that the cap on Guarantor's liability under this Guaranty established in the immediately preceding clause creates an absolute cap on Guarantor's liability to any and all of the Obligees with respect to the Principal Obligor's obligation under the Ownership Agreement and, if and when Guarantor's liability under this Guaranty has reached the cap, then from and after such time, Guarantor shall have no further liability under this Guaranty whatsoever to any or all of the Obligees and this Guaranty shall thereupon terminate; provided, further, that costs incurred by Guarantor under Section 4 hereof shall not be counted for purposes of determining whether Guarantor has reached the cap, unless and to the extent that Guarantor's costs under such Section 4, together with costs incurred by Guarantor under the corresponding provisions of Guarantor's other three Payment Guarantees of contemporaneous date to each of OUC, FMPA and KUA, exceed Three Million Dollars (\$3,000,000) in the aggregate.

2. **Guaranty Absolute.** The liability of Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of or defect or deficiency in the Ownership Agreement or any other documents executed in connection with the Ownership Agreement;
- (b) any assignment, transfer, modification, extension or waiver of any of the terms of the Ownership Agreement;
- (c) any change in the time, manner, terms of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any agreement or instrument executed in connection therewith;
- (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed or any liabilities incurred directly or indirectly hereunder or any set off against any of said liabilities, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (e) applicable statutes of limitation, failure, omission, delay, waiver or refusal by the Obligees to exercise, in whole or in part, any right or remedy held by the Obligees with respect to the Ownership Agreement or any transaction under the Ownership Agreement; or
- (f) any change in the existence, structure or ownership of Guarantor or Principal Obligor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Principal Obligor or its assets.

The obligations of the Guarantor hereunder are several from the Principal Obligor or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by the Obligees upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Principal Obligor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Principal Obligor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by the Obligees in reliance hereon or in connection herewith;
- (b) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Guaranteed Obligations; and
- (c) any requirement that suit be brought against Principal Obligor or any other person as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

Notwithstanding anything to the contrary set forth herein, Guarantor shall have the same defenses available to it as Principal Obligor may have with respect to any payment obligations arising under the Ownership Agreement.

- 4. **Expenses.** Guarantor agrees to pay on demand any and all costs, including reasonable legal fees, and other expenses incurred by the Obligees in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of the Obligees if no payment under this Guaranty is due.
- 5. **Subrogation.** Guarantor shall be subrogated to all rights of the Obligees against Principal Obligor in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been irrevocably paid to the Obligees in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Obligees and shall forthwith be paid to the Obligees to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to the Obligees of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, the Obligees shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.
- 6. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

If to OUC:

Orlando Utilities Commission  
~~500 South Orange Avenue~~ [100 West Anderson Street](#)

Orlando, FL 32801  
Attention: ~~Vice President of Power Resources~~ Chief Operating Officer  
Tel: 407-~~244-8372~~ 434-3135  
Fax: 407-~~275-4120~~ 434-2224

With a copy to:

Orlando Utilities Commission  
~~500 South Orange Avenue~~ 100 West Anderson Street  
Orlando, Florida 32801  
Attention: Legal Department  
Telephone: 407-~~423-9100~~ 434-2167  
Facsimile: 407-~~423-9198~~ 434-2220

If to FMPA:

Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, FL 32819-~~9002~~  
Attention: ~~General Manager~~ Chief Financial Officer  
Tel: 407-355-7767  
Fax: 407-355-~~5793~~ 5794  
[linda.howard@fmpa.com](mailto:linda.howard@fmpa.com)

With ~~a copy~~ required copies and original documents delivered to:

~~Frederick M. Bryant~~  
~~General Counsel~~, Florida Municipal Power Agency  
~~P. O. Office of the General Counsel~~  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
~~Telephone: 850-297-2011~~  
~~Faesimile: 850-297-2014~~ Attn: General Counsel and Chief Legal Officer  
[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)  
[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

If to KUA:

Kissimmee Utility Authority  
1701 West Carroll Street  
Kissimmee, FL 34741  
Attention: Director of Power Supply  
Tel: 407-933-7777 ext. 1235  
Fax: 407-847-0787

With a copy to:

Kissimmee Utility Authority  
1701 West Carroll Street  
Kissimmee, Florida 34742-3219  
Attention: Manager Bulk System Planning  
Telephone: 407-933-7777 ext. 1235  
Facsimile: 407-847-0787

If to Guarantor:

~~Southern Power Company-  
270 Peachtree Street NW  
12<sup>th</sup> Floor  
Atlanta, GA 30303-  
Attention: Cliff S. Thrasher, Chief Financial Officer-  
Tel: 404-506-5209  
Fax: 404-506-0315-~~

With a copy to:

~~Robert H. Forry, Esq.-  
Troutman Sanders LLP-  
Bank of America Plaza-  
600 Peachtree Street, N.E.-  
Suite 5200-  
Atlanta, Georgia 30308-2216-  
Tel: 404-885-3142-  
Fax: 404-962-6559-~~

If to Principal Obligor:

~~Southern Company – Florida LLC  
270 Peachtree Street NW  
12<sup>th</sup> Floor  
Atlanta, GA 30303-  
Attention: Cliff S. Thrasher, Vice President and Treasurer-  
Tel: 404-506-5209  
Fax: 404-506-0315-~~

With a copy to:

~~Robert H. Forry, Esq.-  
Troutman Sanders LLP-  
Bank of America Plaza-  
600 Peachtree Street, N.E.-  
Suite 5200-  
Atlanta, Georgia 30308-2216-~~

~~Tel: 404-885-3142~~  
~~Fax: 404-962-6559~~

NextEra Energy Capital Holdings, Inc.  
700 Universe Blvd.  
Juno Beach, Florida 33408  
Attention: Treasurer  
Tel: (561) 694-6204 (for use in connection with courier deliveries)

7. **Demand and Payment.** Any demand by the Obligees for payment hereunder shall be in writing, signed by a duly authorized officer of each of the Obligees and delivered to the Guarantor pursuant to Section 6 hereof, and shall (a) reference this Guaranty, (b) specifically identify the Principal Obligor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within three (3) business days of receipt of such demand.
8. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of the Obligees to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
9. **Replacement of Guarantor and Termination.**
  - (a) Guarantor may assign and delegate its rights and obligations under this Guarantee, in whole or in part, as follows: (i) without the consent of Obligees, to an Affiliate of Principal Obligor, if such Affiliate has achieved the following three characteristics: (1) a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's), (2) Net Equity (as hereinafter defined) of at least Two Hundred Fifty Million Dollars (\$250,000,000), as reflected on its most recent audited balance sheet, and (3) Gross Equity (as hereinafter defined) of at least Five Hundred Million Dollars (\$500,000,000); (ii) with the consent of Obligees, which consent may not be unreasonably withheld, to an assignee which has a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's) and which meets other reasonable financial criteria similar to those identified in Section 9(a)(i), provided, however, that if Guarantor requests Obligees' consent to such an assignment and delegation in connection with a permitted transfer or assignment of the PPA, then Obligees may not withhold such consent if the assignee meets the financial criteria in Section 9(a)(ii); or (iii) without the consent of Obligees, if Principal Obligor is permitted under the Ownership Agreement to engage in any synthetic lease or other financing in respect of the Facility that requires Principal Obligor to assign its Ownership Interest (as defined in the Ownership Agreement) in the Facility and the

Interconnection Facilities (both as defined in the Ownership Agreement) in connection therewith, then the date on which Principal Obligor so assigns its Ownership Interest in the Facility and the Interconnection Facilities in connection with such a financing; provided, however, that any such financing arrangement includes a commitment by a bank or institutional lender or investor or other financing party having a credit rating on its senior securities at or above A (Standard & Poors) and A2 (Moody's), to fund the Costs of Construction (as defined in the Ownership Agreement) associated with Principal Obligor's Ownership Interest. An assignment and delegation of Guarantor's rights and obligations under this Section 9 shall become effective, in the case of Section 9(a)(i) and 9(a)(ii), when the replacement guarantor executes and delivers to Obligees a replacement guaranty on terms and conditions substantially similar to this Guaranty, or in the case of Section 9(a)(iii), when the bank, institutional lender, investor or financing party delivers the mentioned commitment.

- (b) For purposes of this Guaranty, the following terms shall have the following meanings:

"Net Equity" shall mean the aggregate of the capital stock and other equity accounts (including retained earnings and paid-in capital) of the Affiliate of Principal Obligor.

"Gross Equity" shall mean Net Equity plus Guaranteed Debt plus loans to the Affiliate of Principal Obligor from its parent corporation.

"Guaranteed Debt" shall mean any obligations of the Affiliate of Principal Obligor for or in respect of (a) moneys borrowed or raised (whether or not for cash) by whatever means (including acceptances), deposits, discounting, letters of credit, factoring (other than on a non-recourse basis), finance leases, and any other form of financing which is recognized in the Affiliate of Principal Obligor's financial statements as being in the nature of a borrowing (excluding for the avoidance of doubt, share capital, share premium account and any capital prepayment reserve), which has been guaranteed by Guarantor, and (b) the deferred purchase price of assets or services (other than goods and services obtained on normal commercial terms in the ordinary course of business or operations), which has been guaranteed by Guarantor.

"Affiliate" of an Entity shall mean any other entity controlled by, controlling or under common control with such entity, where control of an entity means the ability to direct the policies of such entity through election of a majority of such entity's board of directors or other governing body or by contract or otherwise.

- (c) This Guaranty shall terminate, and upon the effective date of such termination Guarantor shall have no further liability hereunder, on the earliest to occur of: (i) the satisfaction of all of the Guaranteed Obligations, (ii) the termination or expiration of the Ownership Agreement with respect to Principal Obligor in accordance with its terms or by mutual agreement between the parties to the

Ownership Agreement, (iii) the date on which the liability cap is reached, as provided in Section 1 hereof, or (iv) the date on which an assignment and delegation by Guarantor of its rights and obligations hereunder becomes effective under Section 9(a) hereof.

10. **Replacement of ~~Original~~First Replacement Guaranty.** As of the date first above written, this Guaranty is executed and delivered by Guarantor to the Obligees in substitution and replacement of the ~~Original~~First Replacement Guaranty. Upon the Effective Date, this Guaranty shall become effective and the ~~Original~~First Replacement Guaranty will no longer be of any force or effect.
11. **Assignment by Obligees; Successors and Assigns.** Each of the Obligees may, upon notice to Guarantor, assign its rights hereunder only to a subsequent owner of all of such Obligees' interest in the Facility and the Interconnection Facilities (as defined in the Ownership Agreement) without the consent of Guarantor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
12. **Amendments, Etc.** No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and the Obligees. No waiver of any provisions of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by the Obligees. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.
13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.
14. **Representations and Warranties.**

The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.
- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the Obligees' rights and to general equity principles.

(d) The condensed consolidated financial information of Guarantor included in the financial statements of ~~Guarantor~~ NextEra Energy, Inc. (“NEE”) and the notes thereto (including the note entitled “15. Summarized Financial Information of NEECH”) for the year ended December 31, ~~2002~~ (2017 contained in NEE’s annual report filed with the U.S. Securities and Exchange Commission (“SEC”) on Form 10-K on February 16, 2018 (such condensed consolidated financial information, the “Financial Statements”)), heretofore delivered to the Obligees or filed with the ~~United States Securities Exchange Commission by Guarantor~~ SEC by NEE present fairly the financial condition and results of operations of Guarantor and its consolidated subsidiaries as of the dates and for the period specified therein in conformity with generally accepted accounting principles, and, except as otherwise expressly stated therein, consistently applied.

15. **Limitation by Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

16. **Governing Law; Submission to Jurisdiction.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of ~~Georgia~~ Florida, exclusive of any conflict of laws provisions thereof that would apply the laws of another jurisdiction. The parties hereby submit to the jurisdiction of, and agree that venue for actions hereunder shall be, the U.S. District Court for the ~~Northern~~ Middle District of ~~Georgia~~ Florida, if the U.S. District Court has jurisdiction, or, if the U.S. District Court does not have jurisdiction, the ~~Superior~~ Circuit Court of the State of ~~Georgia~~ Florida sitting in ~~Fulton~~ Orange County, ~~Georgia~~ Florida and the parties hereby waive any objection to venue in such courts and any objection to any action or proceeding on the basis of forum non conveniens.

**IN WITNESS WHEREOF**, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first written above, to be effective as of the Effective Date.

“Guarantor”

~~SOUTHERN POWER COMPANY~~

NEXTERA ENERGY CAPITAL HOLDINGS,  
INC.

By: ~~/s/ Cliff S. Thrasher~~ \_\_\_\_\_

Name: ~~Cliff S. Thrasher~~ \_\_\_\_\_

Title: CFO\_\_\_\_\_

Attachment 1  
~~Original Guaranty~~

**RELEASE OF GUARANTY AGREEMENT**

This Release Agreement (this “**Release**”) is made by Florida Municipal Power Agency (All Requirements Power Supply Project) (“**Beneficiary**”), in favor of Southern Power Company (“**Guarantor**”) and Southern Company – Florida LLC (“**Obligor**”).

**RECITALS**

1. Obligor and Beneficiary are parties to that certain Power Purchase Agreement, dated as of March 19, 2001, between Obligor and Florida Municipal Power Agency (All Requirements Power Supply Project), as amended (the “**Agreement**”).
2. Guarantor provided assurance for the payment of Obligor’s obligations in connection with the Agreement by delivery of that certain Replacement Payment Guaranty, dated as of December 10, 2003 (the “**Guaranty**”).
3. Pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “**EIPA**”), 700 Universe, LLC, an affiliate of NextEra Energy, Inc. (“**NextEra Purchaser**”), has agreed to purchase from Guarantor all of the membership interests of Obligor, and in connection with the closing of the transactions contemplated by the EIPA (the “**EIPA Closing**”), Beneficiary has agreed to have the Guaranty replaced by a guaranty in the form attached hereto as **Exhibit A** (the “**Replacement Guaranty**”) issued by NextEra Energy Capital Holdings, Inc. (“**Replacement Guarantor**”).

**AGREEMENTS**

In consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Beneficiary hereby agrees as follows:

1. **Release of Guaranty.** After the EIPA Closing, and effective as of the receipt by Beneficiary of the Replacement Guaranty from Replacement Guarantor (which receipt may occur via email delivered to the email addresses set forth **Part I of Exhibit B**), all rights, duties, commitments and other obligations of Guarantor under the Guaranty are hereby terminated, and Guarantor is hereby released from any and all obligations it has or may have under the Guaranty.
2. **Return of Release, Guaranty.** Upon receipt of the signed original, executed copy of the Replacement Guaranty, Beneficiary will return to Guarantor the original, executed copy of this Release and, if recoverable, the original copy of the Guaranty to the address set forth on **Part II of Exhibit B**).
3. **No Effect on Agreement.** This Release will have no effect on the obligations of Obligor under the Agreement.

Beneficiary has caused this Release to be duly executed and delivered by its duly authorized officer effective as of \_\_\_\_\_, 2018.

FLORIDA MUNICIPAL POWER AGENCY (ALL REQUIREMENTS POWER SUPPLY PROJECT)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit A**  
**Replacement Guaranty**

[attached behind this page]

## SECOND REPLACEMENT PAYMENT GUARANTY

This Second Replacement Guaranty Agreement (the “Guaranty”) is made this \_\_\_ day of November, 2018 by NextEra Energy Capital Holdings, Inc. (“Guarantor”), a Florida corporation, in favor of Florida Municipal Power Agency (All Requirements Power Supply Project) (“FMPPA”), a governmental legal entity organized and existing under the laws of the State of Florida.

**WHEREAS**, Southern Company - Florida LLC (“Principal Obligor”), a Delaware limited liability company, and FMPPA entered into that certain Power Purchase Agreement, dated as of March 26, 2001, as amended (the “PPA”);

**WHEREAS**, The Southern Company (“Original Guarantor”), a Delaware corporation, agreed to provide assurance for the payment of Principal Obligor’s obligations in connection with the PPA, as provided in that certain “Payment Guaranty” made by Original Guarantor in favor of FMPPA on June 28, 2001, dated effective as of the “Effective Date” of the PPA (the “Original Guaranty”);

**WHEREAS**, pursuant to Section 9(a)(i) of the Original Guaranty, Original Guarantor was authorized to assign and delegate its rights and obligations under the Original Guaranty to Southern Power Company (“SPC”), without the consent of FMPPA; provided that, (i) SPC achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty, and (ii) Original Guarantor was not to be replaced by SPC on a date earlier than the Commercial Operation Date (as defined in the Stanton Energy Center Combined Cycle Unit A Construction and Ownership Participation Agreement);

**WHEREAS**, by 2003, SPC achieved the financial criteria described in Section 9(a)(i) of the Original Guaranty and the Commercial Operation Date occurred on October 1, 2003, and on December 10, 2003, Original Guarantor assigned and delegated its rights and obligations under the Original Guaranty to SPC by having SPC execute and deliver to FMPPA a replacement guaranty, on terms and conditions substantially similar to the Original Guaranty, whereby SPC agreed to provide assurance for Principal Obligor’s payment obligations in connection with the PPA (the “First Replacement Guaranty”);

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Principal Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Principal Obligor, Guarantor and SPC desire to have assigned and delegated to Guarantor all of SPC’s rights and obligations under the First Replacement Guaranty pursuant to Section 9(a)(i) of the First Replacement Guaranty;

**WHEREAS**, pursuant to Section 9(a)(i) of the First Replacement Guaranty, SPC is authorized to assign and delegate its rights and obligations under the First Replacement Guaranty to Guarantor (who, following the EIPA Closing will be an Affiliate of Principal Obligor), without the consent of FMPPA; provided that Guarantor has achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty;

**WHEREAS**, Guarantor meets the financial criteria described in Section 9(a)(i) of the First Replacement Guaranty;

**WHEREAS**, in order for SPC to assign and delegate its rights and obligations under the First Replacement Guaranty, Guarantor must execute and deliver to FMPA a replacement guaranty, on terms and conditions substantially similar to the First Replacement Guaranty, whereby Guarantor agrees to provide assurance for Principal Obligor's payment obligations in connection with the PPA;

**WHEREAS**, Guarantor hereby executes and delivers this Guaranty to FMPA in substitution and replacement of the First Replacement Guaranty; and

**WHEREAS**, this Guaranty shall become effective, and the First Replacement Guaranty shall no longer be of any force or effect, as of the date that FMPA executes that certain "Release Agreement" which releases SPC from any and all liabilities under the First Replacement Guaranty (the "Effective Date");

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty**. Guarantor hereby irrevocably, unconditionally and absolutely guarantees the punctual payment when due of Principal Obligor's payment obligations arising under the PPA, as amended or modified from time to time, together with any interest thereon, including, without limitation, any interest amounts accruing under the PPA during the pendency of insolvency, bankruptcy, reorganization or other similar proceedings affecting Principal Obligor or its assets; provided, however, that the maximum liability of Guarantor under this Guaranty with respect to Principal Obligor's obligations under the PPA shall be limited to the amount that is equal to the then-current Termination Payment (as defined in the PPA), which shall not exceed in any event One Million Nine Hundred Forty-Six Thousand One Hundred Dollars (\$1,946,100) (collectively, the "Guaranteed Obligations"); provided, further, that the cap on Guarantor's liability under this Guaranty established in the immediately preceding clause creates an absolute cap on Guarantor's liability to FMPA in relation to the PPA and, if and when Guarantor's liability under this Guaranty has reached such cap, then from and after such time, Guarantor shall have no further liability under this Guaranty whatsoever to FMPA and this Guaranty shall thereupon terminate; provided, further, that costs incurred by Guarantor under Section 4 hereof shall not be counted for purposes of determining whether Guarantor has reached such cap, unless and to the extent that Guarantor's costs under such Section 4, together with costs incurred by Guarantor under the corresponding provisions of Guarantor's other three Payment Guarantees of contemporaneous date to one or more of OUC, FMPA and KUA, exceed Three Million Dollars (\$3,000,000) in the aggregate.
2. **Guaranty Absolute**. The liability of Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of:
  - (a) any lack of validity or enforceability of or defect or deficiency in the PPA or any other documents executed in connection with the PPA;

- (b) any assignment, transfer, modification, extension or waiver of any of the terms of the PPA;
- (c) any change in the time, manner, terms of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any agreement or instrument executed in connection therewith;
- (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed or any liabilities incurred directly or indirectly hereunder or any set off against any of said liabilities, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (e) applicable statutes of limitation, failure, omission, delay, waiver or refusal by FMPA to exercise, in whole or in part, any right or remedy held by FMPA with respect to the PPA or any transaction under the PPA; or
- (f) any change in the existence, structure or ownership of Guarantor or Principal Obligor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Principal Obligor or its assets.

The obligations of the Guarantor hereunder are several from the Principal Obligor or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by FMPA upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Principal Obligor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Principal Obligor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by FMPA in reliance hereon or in connection herewith;
- (b) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Guaranteed Obligations; and

- (c) any requirement that suit be brought against Principal Obligor or any other person as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

Notwithstanding anything to the contrary set forth herein, Guarantor shall have the same defenses available to it as Principal Obligor may have with respect to any payment obligations arising under the PPA.

4. **Expenses.** Guarantor agrees to pay on demand any and all costs, including reasonable legal fees, and other expenses incurred by FMPA in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of FMPA if no payment under this Guaranty is due.
5. **Subrogation.** Guarantor shall be subrogated to all rights of FMPA against Principal Obligor in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been irrevocably paid to FMPA in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of FMPA and shall forthwith be paid to FMPA to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to FMPA of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, FMPA shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.
6. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

If to FMPA:

Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, FL 32819  
Attention: Chief Financial Officer  
Tel: 407-355-7767  
Fax: 407-355-5794  
[linda.howard@fmpa.com](mailto:linda.howard@fmpa.com)

With a copy to:

Florida Municipal Power Agency  
Office of the General Counsel

2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer  
[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)  
[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

If to Guarantor:

NextEra Energy Capital Holdings, Inc.  
700 Universe Blvd.  
Juno Beach, Florida 33408  
Attention: Treasurer  
Tel: (561) 694-6204 (for use in connection with courier deliveries)

7. **Demand and Payment.** Any demand by FMPA for payment hereunder shall be in writing, signed by a duly authorized officer of FMPA and delivered to the Guarantor pursuant to Section 6 hereof, and shall (a) reference this Guaranty, (b) specifically identify the Principal Obligor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within three (3) business days of receipt of such demand.
8. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of FMPA to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
9. **Replacement of Guarantor and Termination.**
  - (a) Guarantor may assign and delegate its rights and obligations under this Guarantee, in whole or in part, as follows: (i) without the consent of FMPA, to an Affiliate of Principal Obligor, if the Affiliate has achieved the following three characteristics: (1) a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's), (2) Net Equity (as hereinafter defined) of at least Two Hundred Fifty Million Dollars (\$250,000,000), as reflected on its most recent audited balance sheet, and (3) Gross Equity (as hereinafter defined) of at least Five Hundred Million Dollars (\$500,000,000); or (ii) with the consent of FMPA, which consent may not be unreasonably withheld, to an assignee which has a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's) and which meets other reasonable financial criteria similar to those identified in Section 9(a)(i), provided, however, that if Guarantor requests FMPA's consent to such an assignment and delegation in connection with a permitted transfer or assignment of the PPA, then FMPA may not withhold such consent if the assignee meets the financial criteria in Section 9(a)(ii). An assignment and delegation of Guarantor's

rights and obligations under this Section 9 shall become effective when the replacement guarantor executes and delivers to FMPA a replacement guaranty on terms and conditions substantially similar to this Guaranty.

- (b) For purposes of this Guaranty, the following terms shall have the following meanings:

“Net Equity” shall mean the aggregate of the capital stock and other equity accounts (including retained earnings and paid-in capital) of the Affiliate of Principal Obligor.

“Gross Equity” shall mean Net Equity plus Guaranteed Debt plus loans to the Affiliate of Principal Obligor from its parent corporation.

“Guaranteed Debt” shall mean any obligations of the Affiliate of Principal Obligor for or in respect of (a) moneys borrowed or raised (whether or not for cash) by whatever means (including acceptances), deposits, discounting, letters of credit, factoring (other than on a non-recourse basis), finance leases, and any other form of financing which is recognized in the Affiliate of Principal Obligor’s financial statements as being in the nature of a borrowing (excluding for the avoidance of doubt, share capital, share premium account and any capital prepayment reserve), which has been guaranteed by Guarantor, and (b) the deferred purchase price of assets or services (other than goods and services obtained on normal commercial terms in the ordinary course of business or operations), which has been guaranteed by Guarantor.

“Affiliate” of an Entity shall mean any other entity controlled by, controlling or under common control with such entity, where control of an entity means the ability to direct the policies of such entity through election of a majority of such entity’s board of directors or other governing body or by contract or otherwise.

- (c) This Guaranty shall terminate, and upon the effective date of such termination Guarantor shall have no further liability hereunder, on the earliest to occur of: (i) the satisfaction of all of the Guaranteed Obligations; (ii) September 30, 2033 or the earlier termination or expiration of the PPA in accordance with its terms or by mutual agreement between the parties to the PPA; provided, it is understood that if the term of the PPA is extended beyond September 30, 2033 by mutual agreement of the parties to the PPA, this Guaranty will be extended by a commensurate amount unless otherwise expressly agreed by the parties to the PPA and this Guaranty; and provided further that no such termination under this clause (ii) shall affect Guarantor's liability with respect to any Guaranteed Obligation incurred prior to the time the termination is effective; (iii) the date on which the liability cap is reached, as provided in Section 1 hereof; or (iv) the date on which an assignment and delegation by Guarantor of its rights and obligations hereunder becomes effective under Section 9(a) hereof.

10. **Replacement of First Replacement Guaranty.** As of the date first above written, this Guaranty is executed and delivered by Guarantor to FMPA in substitution and replacement of the First Replacement Guaranty. Upon the Effective Date, this Guaranty shall become effective and the First Replacement Guaranty will no longer be of any force or effect.
11. **Assignment by FMPA; Successors and Assigns.** FMPA may, upon notice to Guarantor, assign its rights hereunder only to a subsequent owner of all of FMPA's interest in the Facility and the Interconnection Facilities (as defined in the PPA) without the consent of Guarantor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
12. **Amendments, Etc.** No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and FMPA. No waiver of any provisions of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by FMPA. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.
13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.
14. **Representations and Warranties.**

The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.
- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting FMPA's rights and to general equity principles.
- (d) The condensed consolidated financial information of Guarantor included in the financial statements of NextEra Energy, Inc. ("NEE") and the notes thereto (including the note entitled "15. Summarized Financial Information of NEECH") for the year ended December 31, 2017 contained in NEE's annual report filed with the U.S. Securities and Exchange Commission ("SEC") on Form 10-K on February 16, 2018 (such condensed consolidated financial information, the "Financial Statements"), heretofore delivered to FMPA or filed with the SEC by NEE present fairly the financial condition and results of operations of Guarantor and its

consolidated subsidiaries as of the dates and for the period specified therein in conformity with generally accepted accounting principles, and, except as otherwise expressly stated therein, consistently applied.

- 15. **Limitation by Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.
  
- 16. **Governing Law; Submission to Jurisdiction.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Florida, exclusive of any conflict of laws provisions thereof that would apply the laws of another jurisdiction. The parties hereby submit to the jurisdiction of, and agree that venue for actions hereunder shall be, the U.S. District Court for the Middle District of Florida, if the U.S. District Court has jurisdiction, or, if the U.S. District Court does not have jurisdiction, the Circuit Court of the State of Florida sitting in Orange County, Florida and the parties hereby waive any objection to venue in such courts and any objection to any action or proceeding on the basis of forum non conveniens.

**IN WITNESS WHEREOF**, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first written above, to be effective as of the Effective Date.

“Guarantor”  
  
NEXTERA ENERGY CAPITAL HOLDINGS,  
INC.  
  
By: \_\_\_\_\_  
  
Name: \_\_\_\_\_  
  
Title: \_\_\_\_\_

**Exhibit B**  
**Certain Contact Details**

Beneficiary Email Addresses for delivery of Replacement Guaranty

[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)

[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

Beneficiary mail addresses for delivery of original of the Replacement Guaranty

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer

Address for return of Release and of Guaranty to Guarantor

Southern Power Company  
30 Ivan Allen Jr. Blvd.  
Atlanta, GA 30308  
Attention: Treasurer

## SECOND REPLACEMENT PAYMENT GUARANTY

This Second Replacement Guaranty Agreement (the “Guaranty”) is made this ~~10th day of December, 2003 by Southern Power Company~~ day of November, 2018 by NextEra Energy Capital Holdings, Inc. (“Guarantor”), a ~~Delaware~~Florida corporation, in favor of Florida Municipal Power Agency (All Requirements Power Supply Project) (“FMPPA”), a governmental legal entity organized and existing under the laws of the State of Florida.

**WHEREAS**, Southern Company - Florida LLC (“Principal Obligor”), a Delaware limited liability company, and FMPPA entered into that certain Power Purchase Agreement, dated as of March 26, ~~2001~~2001, as amended (the “PPA”);

**WHEREAS**, The Southern Company (“Original Guarantor”), a Delaware corporation, agreed to provide assurance for the payment of Principal Obligor’s obligations in connection with the PPA, as provided in that certain “Payment Guaranty” made by Original Guarantor in favor of FMPPA on June 28, 2001, dated effective as of the “Effective Date” of the PPA (the “Original Guaranty”), ~~attached hereto as Attachment 1;~~

**WHEREAS**, pursuant to Section 9(a)(i) of the Original Guaranty, Original Guarantor ~~is~~was authorized to assign and delegate its rights and obligations under the Original Guaranty to ~~Guarantor~~Southern Power Company (“SPC”), without the consent of FMPPA; provided that, (i) ~~Guarantor has~~SPC achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty, and (ii) Original Guarantor ~~shall~~was not to be replaced by ~~Guarantor~~SPC on a date earlier than the Commercial Operation Date (as defined in the Stanton Energy Center Combined Cycle Unit A Construction and Ownership Participation Agreement);

**WHEREAS**, ~~Guarantor has~~by 2003, SPC achieved the financial criteria described in Section 9(a)(i) of the Original Guaranty and the Commercial Operation Date occurred on October 1, ~~2003~~2003, and on December 10, 2003, Original Guarantor assigned and delegated its rights and obligations under the Original Guaranty to SPC by having SPC execute and deliver to FMPPA a replacement guaranty, on terms and conditions substantially similar to the Original Guaranty, whereby SPC agreed to provide assurance for Principal Obligor’s payment obligations in connection with the PPA (the “First Replacement Guaranty”);

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Principal Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Principal Obligor, Guarantor and SPC desire to have assigned and delegated to Guarantor all of SPC’s rights and obligations under the First Replacement Guaranty pursuant to Section 9(a)(i) of the First Replacement Guaranty;

**WHEREAS**, pursuant to Section 9(a)(i) of the First Replacement Guaranty, SPC is authorized to assign and delegate its rights and obligations under the First Replacement Guaranty to Guarantor (who, following the EIPA Closing will be an Affiliate of Principal Obligor), without the consent of FMPPA; provided that Guarantor has achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty;

WHEREAS, Guarantor meets the financial criteria described in Section 9(a)(i) of the First Replacement Guaranty;

WHEREAS, in order for ~~Original Guarantor~~SPC to assign and delegate its rights and obligations under the ~~Original~~First Replacement Guaranty, Guarantor must execute and deliver to FMPA a replacement guaranty, on terms and conditions substantially similar to the ~~Original~~First Replacement Guaranty, whereby Guarantor agrees to provide assurance for Principal Obligor's payment obligations in connection with the PPA;

WHEREAS, Guarantor hereby executes and delivers this Guaranty to FMPA in substitution and replacement of the ~~Original~~First Replacement Guaranty; and

WHEREAS, this Guaranty shall become effective, and the ~~Original~~First Replacement Guaranty shall no longer be of any force or effect, as of the date that FMPA executes that certain "Release Agreement" which releases ~~Original Guarantor~~SPC from any and all liabilities under the ~~Original~~First Replacement Guaranty (the "Effective Date");

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby irrevocably, unconditionally and absolutely guarantees the punctual payment when due of Principal Obligor's payment obligations arising under the PPA, as amended or modified from time to time, together with any interest thereon, including, without limitation, any interest amounts accruing under the PPA during the pendency of insolvency, bankruptcy, reorganization or other similar proceedings affecting Principal Obligor or its assets; provided, however, that the maximum liability of Guarantor under this Guaranty with respect to Principal Obligor's obligations under the PPA shall be limited to the amount that is equal to the then-current Termination Payment (as defined in the PPA), which shall not exceed in any event One Million Nine Hundred Forty-Six Thousand One Hundred Dollars (\$1,946,100) (collectively, the "Guaranteed Obligations"); provided, further, that the cap on Guarantor's liability under this Guaranty established in the immediately preceding clause creates an absolute cap on Guarantor's liability to FMPA in relation to the PPA and, if and when Guarantor's liability under this Guaranty has reached such cap, then from and after such time, Guarantor shall have no further liability under this Guaranty whatsoever to FMPA and this Guaranty shall thereupon terminate; provided, further, that costs incurred by Guarantor under Section 4 hereof shall not be counted for purposes of determining whether Guarantor has reached such cap, unless and to the extent that Guarantor's costs under such Section 4, together with costs incurred by Guarantor under the corresponding provisions of Guarantor's other three Payment Guarantees of contemporaneous date to one or more of OUC, FMPA and KUA, exceed Three Million Dollars (\$3,000,000) in the aggregate.
2. **Guaranty Absolute.** The liability of Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of or defect or deficiency in the PPA or any other documents executed in connection with the PPA;
- (b) any assignment, transfer, modification, extension or waiver of any of the terms of the PPA;
- (c) any change in the time, manner, terms of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any agreement or instrument executed in connection therewith;
- (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed or any liabilities incurred directly or indirectly hereunder or any set off against any of said liabilities, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (e) applicable statutes of limitation, failure, omission, delay, waiver or refusal by FMPA to exercise, in whole or in part, any right or remedy held by FMPA with respect to the PPA or any transaction under the PPA; or
- (f) any change in the existence, structure or ownership of Guarantor or Principal Obligor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Principal Obligor or its assets.

The obligations of the Guarantor hereunder are several from the Principal Obligor or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by FMPA upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Principal Obligor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Principal Obligor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by FMPA in reliance hereon or in connection herewith;
- (b) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Guaranteed Obligations; and

- (c) any requirement that suit be brought against Principal Obligor or any other person as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

Notwithstanding anything to the contrary set forth herein, Guarantor shall have the same defenses available to it as Principal Obligor may have with respect to any payment obligations arising under the PPA.

4. **Expenses.** Guarantor agrees to pay on demand any and all costs, including reasonable legal fees, and other expenses incurred by FMPA in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of FMPA if no payment under this Guaranty is due.
5. **Subrogation.** Guarantor shall be subrogated to all rights of FMPA against Principal Obligor in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been irrevocably paid to FMPA in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of FMPA and shall forthwith be paid to FMPA to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to FMPA of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, FMPA shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.
6. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

If to FMPA:

Florida Municipal Power Agency  
~~7201 Lake Ellenor Drive~~[8553 Commodity Circle](#)  
Orlando, FL ~~32809-32819~~  
Attention: ~~General Manager~~[Chief Financial Officer](#)  
Tel: 407-355-7767  
Fax: 407-355-~~5793~~[5794](#)  
[linda.howard@fmpa.com](mailto:linda.howard@fmpa.com)

With a copy to:

~~Frederick M. Bryant-~~  
~~General Counsel,~~ Florida Municipal Power Agency  
~~P. O. Office of the General Counsel~~  
~~2061-2 Delta Way (32303-4240)~~  
~~Post Office~~ Box 3209  
Tallahassee, ~~FL~~ Florida 32315-3209  
~~Telephone: 850-297-2011-~~  
~~Faeximile: 850-297-2014~~ ~~Attn: General Counsel and Chief Legal Officer~~  
~~[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)~~  
~~[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)~~

If to Guarantor:

~~Southern Power Company-~~  
~~270 Peachtree Street NW~~  
~~12<sup>th</sup> Floor-~~  
~~Atlanta, GA 30303-~~  
~~Attention: Cliff S. Thrasher, Chief Financial Officer-~~  
~~Tel: 404-506-5209~~  
~~Fax: 404-506-0315-~~

~~With a copy to:~~

~~Robert H. Forty, Esq.-~~  
~~Troutman Sanders LLP-~~  
~~Bank of America Plaza-~~  
~~600 Peachtree Street, N.E.~~  
~~Suite 5200-~~  
~~Atlanta, Georgia 30308-2216-~~  
~~Tel: 404-885-3142-~~  
~~Fax: 404-962-6559-~~

~~If to Principal Obligor:~~

~~Southern Company - Florida LLC~~  
~~270 Peachtree Street NW~~  
~~12<sup>th</sup> Floor-~~  
~~Atlanta, GA 30303-~~  
~~Attention: Cliff S. Thrasher, Vice President and Treasurer-~~  
~~Tel: 404-506-5209-~~  
~~Fax: 404-506-0315-~~

~~With a copy to:~~

~~Robert H. Forry, Esq.-~~  
~~Troutman Sanders LLP-~~

~~Bank of America Plaza  
600 Peachtree Street, N.E.  
Suite 5200  
Atlanta, Georgia 30308-2216  
Tel: 404-885-3142  
Fax: 404-962-6559~~

NextEra Energy Capital Holdings, Inc.  
700 Universe Blvd.  
Juno Beach, Florida 33408  
Attention: Treasurer  
Tel: (561) 694-6204 (for use in connection with courier deliveries)

7. **Demand and Payment.** Any demand by FMPA for payment hereunder shall be in writing, signed by a duly authorized officer of FMPA and delivered to the Guarantor pursuant to Section 6 hereof, and shall (a) reference this Guaranty, (b) specifically identify the Principal Obligor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within three (3) business days of receipt of such demand.
8. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of FMPA to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
9. **Replacement of Guarantor and Termination.**
  - (a) Guarantor may assign and delegate its rights and obligations under this Guarantee, in whole or in part, as follows: (i) without the consent of FMPA, to an Affiliate of Principal Obligor, if the Affiliate has achieved the following three characteristics: (1) a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's), (2) Net Equity (as hereinafter defined) of at least Two Hundred Fifty Million Dollars (\$250,000,000), as reflected on its most recent audited balance sheet, and (3) Gross Equity (as hereinafter defined) of at least Five Hundred Million Dollars (\$500,000,000); or (ii) with the consent of FMPA, which consent may not be unreasonably withheld, to an assignee which has a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's) and which meets other reasonable financial criteria similar to those identified in Section 9(a)(i), provided, however, that if Guarantor requests FMPA's consent to such an assignment and delegation in connection with a permitted transfer or assignment of the PPA, then FMPA may not withhold such consent if the assignee meets the financial criteria in Section 9(a)(ii). An assignment and delegation of Guarantor's rights and obligations under this Section 9 shall become effective when the replacement guarantor executes and

delivers to FMPPA a replacement guaranty on terms and conditions substantially similar to this Guaranty.

- (b) For purposes of this Guaranty, the following terms shall have the following meanings:

“Net Equity” shall mean the aggregate of the capital stock and other equity accounts (including retained earnings and paid-in capital) of the Affiliate of Principal Obligor.

“Gross Equity” shall mean Net Equity plus Guaranteed Debt plus loans to the Affiliate of Principal Obligor from its parent corporation.

“Guaranteed Debt” shall mean any obligations of the Affiliate of Principal Obligor for or in respect of (a) moneys borrowed or raised (whether or not for cash) by whatever means (including acceptances), deposits, discounting, letters of credit, factoring (other than on a non-recourse basis), finance leases, and any other form of financing which is recognized in the Affiliate of Principal Obligor’s financial statements as being in the nature of a borrowing (excluding for the avoidance of doubt, share capital, share premium account and any capital prepayment reserve), which has been guaranteed by Guarantor, and (b) the deferred purchase price of assets or services (other than goods and services obtained on normal commercial terms in the ordinary course of business or operations), which has been guaranteed by Guarantor.

“Affiliate” of an Entity shall mean any other entity controlled by, controlling or under common control with such entity, where control of an entity means the ability to direct the policies of such entity through election of a majority of such entity’s board of directors or other governing body or by contract or otherwise.

- (c) This Guaranty shall terminate, and upon the effective date of such termination Guarantor shall have no further liability hereunder, on the earliest to occur of: (i) the satisfaction of all of the Guaranteed Obligations; (ii) ~~the~~ September 30, 2033 or the earlier termination or expiration of the PPA; in accordance with its terms or by mutual agreement between the parties to the PPA; provided, it is understood that if the term of the PPA is extended beyond September 30, 2033 by mutual agreement of the parties to the PPA, this Guaranty will be extended by a commensurate amount unless otherwise expressly agreed by the parties to the PPA and this Guaranty; and provided further that no such termination under this clause (ii) shall affect Guarantor's liability with respect to any Guaranteed Obligation incurred prior to the time the termination is effective; (iii) the date on which the liability cap is reached, as provided in Section 1 hereof; or (iv) the date on which an assignment and delegation by Guarantor of its rights and obligations hereunder becomes effective under Section 9(a) hereof.

10. **Replacement of ~~Original~~ First Replacement Guaranty.** As of the date first above written, this Guaranty is executed and delivered by Guarantor to FMPPA in substitution

and replacement of the ~~Original~~[First Replacement](#) Guaranty. Upon the Effective Date, this Guaranty shall become effective and the ~~Original~~[First Replacement](#) Guaranty will no longer be of any force or effect.

11. **Assignment by FMPA; Successors and Assigns.** FMPA may, upon notice to Guarantor, assign its rights hereunder only to a subsequent owner of all of FMPA's interest in the Facility and the Interconnection Facilities (as defined in the PPA) without the consent of Guarantor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
12. **Amendments, Etc.** No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and FMPA. No waiver of any provisions of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by FMPA. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.
13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.
14. **Representations and Warranties.**

The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.
- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting FMPA's rights and to general equity principles.
- (d) The [condensed consolidated financial information of Guarantor included in the financial statements of ~~Guarantor~~NextEra Energy, Inc. \("NEE"\) and the notes thereto \(including the note entitled "15. Summarized Financial Information of NEECH"\) for the year ended December 31, ~~2002-~~\(2017 contained in NEE's annual report filed with the U.S. Securities and Exchange Commission \("SEC"\) on Form 10-K on February 16, 2018 \(such condensed consolidated financial information, the "Financial Statements"\), heretofore delivered to FMPA or filed with the ~~United States Securities Exchange Commission by Guarantor~~SEC by](#)

NEE present fairly the financial condition and results of operations of Guarantor and its consolidated subsidiaries as of the dates and for the period specified therein in conformity with generally accepted accounting principles, and, except as otherwise expressly stated therein, consistently applied.

15. **Limitation by Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.
16. **Governing Law; Submission to Jurisdiction.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of ~~Georgia~~Florida, exclusive of any conflict of laws provisions thereof that would apply the laws of another jurisdiction. The parties hereby submit to the jurisdiction of, and agree that venue for actions hereunder shall be, the U.S. District Court for the ~~Northern~~Middle District of ~~Georgia~~Florida, if the U.S. District Court has jurisdiction, or, if the U.S. District Court does not have jurisdiction, the ~~Superior~~Circuit Court of the State of ~~Georgia~~Florida sitting in ~~Fulton~~Orange County, ~~Georgia~~Florida and the parties hereby waive any objection to venue in such courts and any objection to any action or proceeding on the basis of forum non conveniens.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first written above, to be effective as of the Effective Date.

“Guarantor”

~~SOUTHERN POWER COMPANY~~

NEXTERA ENERGY CAPITAL HOLDINGS,  
INC.

By: ~~/s/ Cliff S. Thrasher~~\_\_\_\_\_

Name: ~~Cliff S. Thrasher~~\_\_\_\_\_

Title: ~~CFO~~\_\_\_\_\_

Attachment 1  
~~Original Guaranty~~

**RELEASE OF GUARANTY AGREEMENT**

This Release Agreement (this “**Release**”) is made by Florida Municipal Power Agency (All Requirements Power Supply Project) (“**Beneficiary**”), in favor of Southern Power Company (“**Guarantor**”) and Southern Company – Florida LLC (“**Obligor**”).

**RECITALS**

1. Obligor and Beneficiary are parties to that certain Power Purchase Agreement, dated as of March 19, 2001, between Obligor and Florida Municipal Power Agency (All Requirements Power Supply Project) (as assignee of Kissimmee Utility Authority), as amended (the “**Agreement**”).
2. Guarantor provided assurance for the payment of Obligor’s obligations in connection with the Agreement by delivery of that certain Replacement Payment Guaranty, dated as of December 10, 2003 (the “**Guaranty**”).
3. Pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “**EIPA**”), 700 Universe, LLC, an affiliate of NextEra Energy, Inc. (“**NextEra Purchaser**”), has agreed to purchase from Guarantor all of the membership interests of Obligor, and in connection with the closing of the transactions contemplated by the EIPA (the “**EIPA Closing**”), Beneficiary has agreed to have the Guaranty replaced by a guaranty in the form attached hereto as **Exhibit A** (the “**Replacement Guaranty**”) issued by NextEra Energy Capital Holdings, Inc. (“**Replacement Guarantor**”).

**AGREEMENTS**

In consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Beneficiary hereby agrees as follows:

1. **Release of Guaranty.** After the EIPA Closing, and effective as of the receipt by Beneficiary of the Replacement Guaranty from Replacement Guarantor (which receipt may occur via email delivered to the email addresses set forth **Part I of Exhibit B**), all rights, duties, commitments and other obligations of Guarantor under the Guaranty are hereby terminated, and Guarantor is hereby released from any and all obligations it has or may have under the Guaranty.
2. **Return of Release, Guaranty.** Upon receipt of the signed original, executed copy of the Replacement Guaranty, Beneficiary will return to Guarantor the original, executed copy of this Release and, if recoverable, the original copy of the Guaranty to the address set forth on **Part II of Exhibit B**).
3. **No Effect on Agreement.** This Release will have no effect on the obligations of Obligor under the Agreement.

Beneficiary has caused this Release to be duly executed and delivered by its duly authorized officer effective as of \_\_\_\_\_, 2018.

FLORIDA MUNICIPAL POWER AGENCY (ALL REQUIREMENTS POWER SUPPLY PROJECT)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit A**  
**Replacement Guaranty**

[attached behind this page]

## SECOND REPLACEMENT PAYMENT GUARANTY

This Second Replacement Guaranty Agreement (the “Guaranty”) is made this \_\_\_ day of November, 2018 by NextEra Energy Capital Holdings, Inc. (“Guarantor”), a Florida corporation, in favor of Florida Municipal Power Agency (All Requirements Power Supply Project) (“FMPPA”), a governmental legal entity organized and existing under the laws of the State of Florida.

**WHEREAS**, Southern Company - Florida LLC (“Principal Obligor”), a Delaware limited liability company, and Kissimmee Utility Authority (“KUA”) entered into that certain Power Purchase Agreement, dated as of March 26, 2001, as amended (the “PPA”);

**WHEREAS**, The Southern Company (“Original Guarantor”), a Delaware corporation, agreed to provide assurance for the payment of Principal Obligor’s obligations in connection with the PPA, as provided in that certain “Payment Guaranty” made by Original Guarantor in favor of KUA on June 28, 2001, dated effective as of the “Effective Date” of the PPA (the “Original Guaranty”);

**WHEREAS**, pursuant to Section 9(a)(i) of the Original Guaranty, Original Guarantor was authorized to assign and delegate its rights and obligations under the Original Guaranty to Southern Power Company (“SPC”), without the consent of KUA; provided that, (i) SPC achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty, and (ii) Original Guarantor was not to be replaced by SPC on a date earlier than the Commercial Operation Date (as defined in the Stanton Energy Center Combined Cycle Unit A Construction and Ownership Participation Agreement);

**WHEREAS**, by 2003, SPC achieved the financial criteria described in Section 9(a)(i) of the Original Guaranty and the Commercial Operation Date occurred on October 1, 2003, and on December 10, 2003, Original Guarantor assigned and delegated its rights and obligations under the Original Guaranty to SPC by having SPC execute and deliver to KUA a replacement guaranty, on terms and conditions substantially similar to the Original Guaranty, whereby SPC agreed to provide assurance for Principal Obligor’s payment obligations in connection with the PPA (the “First Replacement Guaranty”);

**WHEREAS**, pursuant to an Assignment and Assumption Contract, dated as of July 2, 2008, between KUA and FMPPA, KUA assigned to FMPPA, and FMPPA accepted, the PPA and the First Replacement Guaranty, thereby making FMPPA the “Purchaser” under the PPA and the “Beneficiary” under the First Replacement Guaranty;

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Principal Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Principal Obligor, Guarantor and SPC desire to have assigned and delegated to Guarantor all of SPC’s rights and obligations under the First Replacement Guaranty pursuant to Section 9(a)(i) of the First Replacement Guaranty;

**WHEREAS**, pursuant to Section 9(a)(i) of the First Replacement Guaranty, SPC is authorized to assign and delegate its rights and obligations under the First Replacement Guaranty to Guarantor (who, following the EIPA Closing will be an Affiliate of Principal Obligor), without

the consent of FMPA; provided that Guarantor has achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty;

**WHEREAS**, Guarantor meets the financial criteria described in Section 9(a)(i) of the First Replacement Guaranty;

**WHEREAS**, in order for SPC to assign and delegate its rights and obligations under the First Replacement Guaranty, Guarantor must execute and deliver to FMPA a replacement guaranty, on terms and conditions substantially similar to the First Replacement Guaranty, whereby Guarantor agrees to provide assurance for Principal Obligor's payment obligations in connection with the PPA;

**WHEREAS**, Guarantor hereby executes and delivers this Guaranty to FMPA in substitution and replacement of the First Replacement Guaranty; and

**WHEREAS**, this Guaranty shall become effective, and the First Replacement Guaranty shall no longer be of any force or effect, as of the date that FMPA executes that certain "Release Agreement" which releases SPC from any and all liabilities under the First Replacement Guaranty (the "Effective Date");

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby irrevocably, unconditionally and absolutely guarantees the punctual payment when due of Principal Obligor's payment obligations arising under the PPA, as amended or modified from time to time, together with any interest thereon, including, without limitation, any interest amounts accruing under the PPA during the pendency of insolvency, bankruptcy, reorganization or other similar proceedings affecting Principal Obligor or its assets; provided, however, that the maximum liability of Guarantor under this Guaranty with respect to Principal Obligor's obligations under the PPA shall be limited to the amount that is equal to the then-current Termination Payment (as defined in the PPA), which shall not exceed in any event One Million Nine Hundred Forty-Six Thousand One Hundred Dollars (\$1,946,100) (collectively, the "Guaranteed Obligations"); provided, further, that the cap on Guarantor's liability under this Guaranty established in the immediately preceding clause creates an absolute cap on Guarantor's liability to FMPA in relation to the PPA and, if and when Guarantor's liability under this Guaranty has reached such cap, then from and after such time, Guarantor shall have no further liability under this Guaranty whatsoever to FMPA and this Guaranty shall thereupon terminate; provided, further, that costs incurred by Guarantor under Section 4 hereof shall not be counted for purposes of determining whether Guarantor has reached such cap, unless and to the extent that Guarantor's costs under such Section 4, together with costs incurred by Guarantor under the corresponding provisions of Guarantor's other three Payment Guarantees of contemporaneous date to one or more of OUC, FMPA and KUA, exceed Three Million Dollars (\$3,000,000) in the aggregate.

2. **Guaranty Absolute.** The liability of Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of:
- (a) any lack of validity or enforceability of or defect or deficiency in the PPA or any other documents executed in connection with the PPA;
  - (b) any assignment, transfer, modification, extension or waiver of any of the terms of the PPA;
  - (c) any change in the time, manner, terms of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any agreement or instrument executed in connection therewith;
  - (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed or any liabilities incurred directly or indirectly hereunder or any set off against any of said liabilities, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
  - (e) applicable statutes of limitation, failure, omission, delay, waiver or refusal by FMPA to exercise, in whole or in part, any right or remedy held by FMPA with respect to the PPA or any transaction under the PPA; or
  - (f) any change in the existence, structure or ownership of Guarantor or Principal Obligor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Principal Obligor or its assets.

The obligations of the Guarantor hereunder are several from the Principal Obligor or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by FMPA upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Principal Obligor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Principal Obligor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by FMPA in reliance hereon or in connection herewith;

- (b) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Guaranteed Obligations; and
- (c) any requirement that suit be brought against Principal Obligor or any other person as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

Notwithstanding anything to the contrary set forth herein, Guarantor shall have the same defenses available to it as Principal Obligor may have with respect to any payment obligations arising under the PPA.

- 4. **Expenses.** Guarantor agrees to pay on demand any and all costs, including reasonable legal fees, and other expenses incurred by FMPA in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of FMPA if no payment under this Guaranty is due.
- 5. **Subrogation.** Guarantor shall be subrogated to all rights of FMPA against Principal Obligor in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been irrevocably paid to FMPA in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of FMPA and shall forthwith be paid to FMPA to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to FMPA of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, FMPA shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.
- 6. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

If to FMPA:

Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, FL 32819  
Attention: Chief Financial Officer  
Tel: 407-355-7767  
Fax: 407-355-5794  
[linda.howard@fmpa.com](mailto:linda.howard@fmpa.com)

With required copies and original documents delivered to:

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer  
[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)  
[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

If to Guarantor:

NextEra Energy Capital Holdings, Inc.  
700 Universe Blvd.  
Juno Beach, Florida 33408  
Attention: Treasurer  
Tel: (561) 694-6204 (for use in connection with courier deliveries)

7. **Demand and Payment.** Any demand by FMPA for payment hereunder shall be in writing, signed by a duly authorized officer of FMPA and delivered to the Guarantor pursuant to Section 6 hereof, and shall (a) reference this Guaranty, (b) specifically identify the Principal Obligor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within three (3) business days of receipt of such demand.
8. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of FMPA to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
9. **Replacement of Guarantor and Termination.**
  - (a) Guarantor may assign and delegate its rights and obligations under this Guarantee, in whole or in part, as follows: (i) without the consent of FMPA, to an Affiliate of Principal Obligor, if the Affiliate has achieved the following three characteristics: (1) a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's), (2) Net Equity (as hereinafter defined) of at least Two Hundred Fifty Million Dollars (\$250,000,000), as reflected on its most recent audited balance sheet, and (3) Gross Equity (as hereinafter defined) of at least Five Hundred Million Dollars (\$500,000,000); or (ii) with the consent of FMPA, which consent may not be unreasonably withheld, to an assignee which has a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's) and which meets other reasonable financial criteria similar to those identified in Section

9(a)(i), provided, however, that if Guarantor requests FMPA's consent to such an assignment and delegation in connection with a permitted transfer or assignment of the PPA, then FMPA may not withhold such consent if the assignee meets the financial criteria in Section 9(a)(ii). An assignment and delegation of Guarantor's rights and obligations under this Section 9 shall become effective when the replacement guarantor executes and delivers to FMPA a replacement guaranty on terms and conditions substantially similar to this Guaranty.

- (b) For purposes of this Guaranty, the following terms shall have the following meanings:

"Net Equity" shall mean the aggregate of the capital stock and other equity accounts (including retained earnings and paid-in capital) of the Affiliate of Principal Obligor.

"Gross Equity" shall mean Net Equity plus Guaranteed Debt plus loans to the Affiliate of Principal Obligor from its parent corporation.

"Guaranteed Debt" shall mean any obligations of the Affiliate of Principal Obligor for or in respect of (a) moneys borrowed or raised (whether or not for cash) by whatever means (including acceptances), deposits, discounting, letters of credit, factoring (other than on a non-recourse basis), finance leases, and any other form of financing which is recognized in the Affiliate of Principal Obligor's financial statements as being in the nature of a borrowing (excluding for the avoidance of doubt, share capital, share premium account and any capital prepayment reserve), which has been guaranteed by Guarantor, and (b) the deferred purchase price of assets or services (other than goods and services obtained on normal commercial terms in the ordinary course of business or operations), which has been guaranteed by Guarantor.

"Affiliate" of an Entity shall mean any other entity controlled by, controlling or under common control with such entity, where control of an entity means the ability to direct the policies of such entity through election of a majority of such entity's board of directors or other governing body or by contract or otherwise.

- (c) This Guaranty shall terminate, and upon the effective date of such termination Guarantor shall have no further liability hereunder, on the earliest to occur of: (i) the satisfaction of all of the Guaranteed Obligations; (ii) September 30, 2033 or the earlier termination or expiration of the PPA in accordance with its terms or by mutual agreement between the parties to the PPA; provided, it is understood that if the term of the PPA is extended beyond September 30, 2033 by mutual agreement of the parties to the PPA, this Guaranty will be extended by a commensurate amount unless otherwise expressly agreed by the parties to the PPA and this Guaranty; and provided further that no such termination under this clause (ii) shall affect Guarantor's liability with respect to any Guaranteed Obligation incurred prior to the time the termination is effective; (iii) the date on which the liability cap is reached, as provided in Section 1 hereof; or (iv) the date on which an assignment and

delegation by Guarantor of its rights and obligations hereunder becomes effective under Section 9(a) hereof.

10. **Replacement of First Replacement Guaranty.** As of the date first above written, this Guaranty is executed and delivered by Guarantor to FMPA in substitution and replacement of the First Replacement Guaranty. Upon the Effective Date, this Guaranty shall become effective and the First Replacement Guaranty will no longer be of any force or effect.
11. **Assignment by FMPA; Successors and Assigns.** FMPA may, upon notice to Guarantor, assign its rights hereunder only to a subsequent owner of all of FMPA's interest in the Facility and the Interconnection Facilities (as defined in the PPA) without the consent of Guarantor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
12. **Amendments, Etc.** No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and FMPA. No waiver of any provisions of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by FMPA. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.
13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.
14. **Representations and Warranties.**

The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.
- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting FMPA's rights and to general equity principles.
- (d) The condensed consolidated financial information of Guarantor included in the financial statements of NextEra Energy, Inc. ("NEE") and the notes thereto (including the note entitled "15. Summarized Financial Information of NEECH") for the year ended December 31, 2017 contained in NEE's annual report filed with the U.S. Securities and Exchange Commission ("SEC") on Form 10-K on February

16, 2018 (such condensed consolidated financial information, the “Financial Statements”), heretofore delivered to FMPA or filed with the SEC by NEE present fairly the financial condition and results of operations of Guarantor and its consolidated subsidiaries as of the dates and for the period specified therein in conformity with generally accepted accounting principles, and, except as otherwise expressly stated therein, consistently applied.

15. **Limitation by Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.
16. **Governing Law; Submission to Jurisdiction.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Florida, exclusive of any conflict of laws provisions thereof that would apply the laws of another jurisdiction. The parties hereby submit to the jurisdiction of, and agree that venue for actions hereunder shall be, the U.S. District Court for the Middle District of Florida, if the U.S. District Court has jurisdiction, or, if the U.S. District Court does not have jurisdiction, the Circuit Court of the State of Florida sitting in Orange County, Florida and the parties hereby waive any objection to venue in such courts and any objection to any action or proceeding on the basis of forum non conveniens.

**IN WITNESS WHEREOF**, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first written above, to be effective as of the Effective Date.

“Guarantor”

NEXTERA ENERGY CAPITAL HOLDINGS,  
INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit B**  
**Certain Contact Details**

Beneficiary Email Addresses for delivery of Replacement Guaranty

[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)

[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

Beneficiary mail addresses for delivery of original of the Replacement Guaranty

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer

Address for return of Release and of Guaranty to Guarantor

Southern Power Company  
30 Ivan Allen Jr. Blvd.  
Atlanta, GA 30308  
Attention: Treasurer

## SECOND REPLACEMENT PAYMENT GUARANTY

This Second Replacement Guaranty Agreement (the “Guaranty”) is made this ~~10th day of December, 2003 by Southern Power Company~~ day of November, 2018 by NextEra Energy Capital Holdings, Inc. (“Guarantor”), a ~~Delaware~~Florida corporation, in favor of ~~Kissimmee Utility Authority (“KUA”), a public body corporate~~Florida Municipal Power Agency (All Requirements Power Supply Project) (“FMPA”), a governmental legal entity organized and existing under the laws of the State of Florida.

**WHEREAS**, Southern Company - Florida LLC (“Principal Obligor”), a Delaware limited liability company, and ~~KUA~~Kissimmee Utility Authority (“KUA”) entered into that certain Power Purchase Agreement, dated as of March ~~19, 2001~~26, 2001, as amended (the “PPA”);

**WHEREAS**, The Southern Company (“Original Guarantor”), a Delaware corporation, agreed to provide assurance for the payment of Principal Obligor’s obligations in connection with the PPA, as provided in that certain “Payment Guaranty” made by Original Guarantor in favor of KUA on June 28, 2001, dated effective as of the “Effective Date” of the PPA (the “Original Guaranty”), ~~attached hereto as Attachment 1;~~

**WHEREAS**, pursuant to Section 9(a)(i) of the Original Guaranty, Original Guarantor ~~is~~was authorized to assign and delegate its rights and obligations under the Original Guaranty to ~~Guarantor~~Southern Power Company (“SPC”), without the consent of KUA; provided that, (i) ~~Guarantor has~~SPC achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty, and (ii) Original Guarantor ~~shall~~was not to be replaced by ~~Guarantor~~SPC on a date earlier than the Commercial Operation Date (as defined in the Stanton Energy Center Combined Cycle Unit A Construction and Ownership Participation Agreement);

**WHEREAS**, ~~Guarantor has~~by 2003, SPC achieved the financial criteria described in Section 9(a)(i) of the Original Guaranty and the Commercial Operation Date occurred on October 1, ~~2003~~2003, and on December 10, 2003, Original Guarantor assigned and delegated its rights and obligations under the Original Guaranty to SPC by having SPC execute and deliver to KUA a replacement guaranty, on terms and conditions substantially similar to the Original Guaranty, whereby SPC agreed to provide assurance for Principal Obligor’s payment obligations in connection with the PPA (the “First Replacement Guaranty”);

**WHEREAS**, pursuant to an Assignment and Assumption Contract, dated as of July 2, 2008, between KUA and FMPA, KUA assigned to FMPA, and FMPA accepted, the PPA and the First Replacement Guaranty, thereby making FMPA the “Purchaser” under the PPA and the “Beneficiary” under the First Replacement Guaranty;

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Principal Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Principal Obligor, Guarantor and SPC desire to have assigned and delegated to Guarantor all of SPC’s rights and obligations under the First Replacement Guaranty pursuant to Section 9(a)(i) of the First Replacement Guaranty;

WHEREAS, pursuant to Section 9(a)(i) of the First Replacement Guaranty, SPC is authorized to assign and delegate its rights and obligations under the First Replacement Guaranty to Guarantor (who, following the EIPA Closing will be an Affiliate of Principal Obligor), without the consent of FMPA; provided that Guarantor has achieved certain financial criteria described in Section 9(a)(i) of the Original Guaranty;

WHEREAS, Guarantor meets the financial criteria described in Section 9(a)(i) of the First Replacement Guaranty;

WHEREAS, in order for ~~Original Guarantor~~SPC to assign and delegate its rights and obligations under the ~~Original~~First Replacement Guaranty, Guarantor must execute and deliver to ~~KUAFMPA~~ a replacement guaranty, on terms and conditions substantially similar to the ~~Original~~First Replacement Guaranty, whereby Guarantor agrees to provide assurance for Principal Obligor's payment obligations in connection with the PPA;

WHEREAS, Guarantor hereby executes and delivers this Guaranty to ~~KUAFMPA~~ in substitution and replacement of the ~~Original~~First Replacement Guaranty; and

WHEREAS, this Guaranty shall become effective, and the ~~Original~~First Replacement Guaranty shall no longer be of any force or effect, as of the date that ~~KUAFMPA~~ executes that certain "Release Agreement" which releases ~~Original Guarantor~~SPC from any and all liabilities under the ~~Original~~First Replacement Guaranty (the "Effective Date");

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby irrevocably, unconditionally and absolutely guarantees the punctual payment when due of Principal Obligor's payment obligations arising under the PPA, as amended or modified from time to time, together with any interest thereon, including, without limitation, any interest amounts accruing under the PPA during the pendency of insolvency, bankruptcy, reorganization or other similar proceedings affecting Principal Obligor or its assets; provided, however, that the maximum liability of Guarantor under this Guaranty with respect to Principal Obligor's obligations under the PPA shall be limited to the amount that is equal to the then-current Termination Payment (as defined in the PPA), which shall not exceed in any event One Million Nine Hundred Forty-Six Thousand One Hundred Dollars (\$1,946,100) (collectively, the "Guaranteed Obligations"); provided, further, that the cap on Guarantor's liability under this Guaranty established in the immediately preceding clause creates an absolute cap on Guarantor's liability to ~~KUAFMPA~~ in relation to the PPA and, if and when Guarantor's liability under this Guaranty has reached such cap, then from and after such time, Guarantor shall have no further liability under this Guaranty whatsoever to ~~KUAFMPA~~ and this Guaranty shall thereupon terminate; provided, further, that costs incurred by Guarantor under Section 4 hereof shall not be counted for purposes of determining whether Guarantor has reached such cap, unless and to the extent that Guarantor's costs under such Section 4, together with costs incurred by Guarantor under the corresponding provisions of Guarantor's other

three Payment Guarantees of contemporaneous date to one or more of OUC, FMPA and KUA, exceed Three Million Dollars (\$3,000,000) in the aggregate.

2. **Guaranty Absolute.** The liability of Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of:
- (a) any lack of validity or enforceability of or defect or deficiency in the PPA or any other documents executed in connection with the PPA;
  - (b) any assignment, transfer, modification, extension or waiver of any of the terms of the PPA;
  - (c) any change in the time, manner, terms of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any agreement or instrument executed in connection therewith;
  - (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed or any liabilities incurred directly or indirectly hereunder or any set off against any of said liabilities, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
  - (e) applicable statutes of limitation, failure, omission, delay, waiver or refusal by ~~KUA~~FMPA to exercise, in whole or in part, any right or remedy held by ~~KUA~~FMPA with respect to the PPA or any transaction under the PPA; or
  - (f) any change in the existence, structure or ownership of Guarantor or Principal Obligor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Principal Obligor or its assets.

The obligations of the Guarantor hereunder are several from the Principal Obligor or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by ~~KUA~~FMPA upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Principal Obligor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Principal Obligor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by [KUA](#)[EMPA](#) in reliance hereon or in connection herewith;
- (b) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest with respect to the Guaranteed Obligations; and
- (c) any requirement that suit be brought against Principal Obligor or any other person as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

Notwithstanding anything to the contrary set forth herein, Guarantor shall have the same defenses available to it as Principal Obligor may have with respect to any payment obligations arising under the PPA.

- 4. **Expenses.** Guarantor agrees to pay on demand any and all costs, including reasonable legal fees, and other expenses incurred by [KUA](#)[EMPA](#) in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of [KUA](#)[EMPA](#) if no payment under this Guaranty is due.
- 5. **Subrogation.** Guarantor shall be subrogated to all rights of [KUA](#)[EMPA](#) against Principal Obligor in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until all of the Guaranteed Obligations shall have been irrevocably paid to [KUA](#)[EMPA](#) in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of [KUA](#)[EMPA](#) and shall forthwith be paid to [KUA](#)[EMPA](#) to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to [KUA](#)[EMPA](#) of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, [KUA](#)[EMPA](#) shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.
- 6. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

If to [KUA](#)[EMPA](#):

[Kissimmee Utility Authority](#)

~~1701 West Carroll Street~~  
~~Kissimmee~~ Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, FL 3474132819  
Attention: ~~Vice President of Power Supply~~ Chief Financial Officer  
Tel: ~~407-933-7777 ext. 1235~~ 355-7767  
Fax: ~~407-847-0787~~ 355-5794  
[linda.howard@fmpa.com](mailto:linda.howard@fmpa.com)

With ~~a copy to:~~ required copies and original documents delivered to:

~~Kissimmee Utility Authority~~  
~~1701 West Carroll Street~~  
~~Kissimmee, Florida 34742-3219~~  
~~Attention: Manager Bulk System Planning~~  
~~Telephone: 407-933-7777 ext. 1235~~  
~~Facsimile: 407-847-0787~~

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer  
[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)  
[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

If to Guarantor:

~~Southern Power Company~~  
~~270 Peachtree Street NW~~  
~~12th Floor~~  
~~Atlanta, GA 30303~~  
~~Attention: Cliff S. Thrasher, Chief Financial Officer~~  
~~Tel: 404-506-5209~~  
~~Fax: 404-506-0315~~

With a copy to:

~~Robert H. Forry, Esq.~~  
~~Troutman Sanders LLP~~  
~~Bank of America Plaza~~  
~~600 Peachtree Street, N.E.~~  
~~Suite 5200~~  
~~Atlanta, Georgia 30308-2216~~  
~~Tel: 404-885-3142~~  
~~Fax: 404-962-6559~~

~~If to Principal Obligor:~~

~~Southern Company – Florida LLC  
270 Peachtree Street NW  
12th Floor  
Atlanta, GA 30303  
Attention: Cliff S. Thrasher, Vice President and Treasurer  
Tel: 404-506-5209  
Fax: 404-506-0315~~

~~With a copy to:~~

~~Robert H. Forry, Esq.  
Troutman Sanders LLP  
Bank of America Plaza  
600 Peachtree Street, N.E.  
Suite 5200  
Atlanta, Georgia 30308-2216  
Tel: 404-885-3142  
Fax: 404-962-6559~~

~~[NextEra Energy Capital Holdings, Inc.](#)  
[700 Universe Blvd.](#)  
[Juno Beach, Florida 33408](#)  
[Attention: Treasurer](#)  
[Tel: \(561\) 694-6204 \(for use in connection with courier deliveries\)](#)~~

7. **Demand and Payment.** Any demand by ~~KUA~~[FMPA](#) for payment hereunder shall be in writing, signed by a duly authorized officer of ~~KUA~~[FMPA](#) and delivered to the Guarantor pursuant to Section 6 hereof, and shall (a) reference this Guaranty, (b) specifically identify the Principal Obligor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within three (3) business days of receipt of such demand.
8. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of ~~KUA~~[FMPA](#) to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
9. **Replacement of Guarantor and Termination.**
  - (a) Guarantor may assign and delegate its rights and obligations under this Guarantee, in whole or in part, as follows: (i) without the consent of ~~KUA~~[FMPA](#), to an

Affiliate of Principal Obligor, if the Affiliate has achieved the following three characteristics: (1) a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's), (2) Net Equity (as hereinafter defined) of at least Two Hundred Fifty Million Dollars (\$250,000,000), as reflected on its most recent audited balance sheet, and (3) Gross Equity (as hereinafter defined) of at least Five Hundred Million Dollars (\$500,000,000); or (ii) with the consent ~~of~~ KUA of FMPA, which consent may not be unreasonably withheld, to an assignee which has a credit rating on its senior securities at or above BBB- (Standard & Poors) and Baa3 (Moody's) and which meets other reasonable financial criteria similar to those identified in Section 9(a)(i), provided, however, that if Guarantor requests KUA FMPA's consent to such an assignment and delegation in connection with a permitted transfer or assignment of the PPA, then KUA FMPA may not withhold such consent if the assignee meets the financial criteria in Section 9(a)(ii). An assignment and delegation of Guarantor's rights and obligations under this Section 9 shall become effective when the replacement guarantor executes and delivers to KUA FMPA a replacement guaranty on terms and conditions substantially similar to this Guaranty.

- (b) For purposes of this Guaranty, the following terms shall have the following meanings:

"Net Equity" shall mean the aggregate of the capital stock and other equity accounts (including retained earnings and paid-in capital) of the Affiliate of Principal Obligor.

"Gross Equity" shall mean Net Equity plus Guaranteed Debt plus loans to the Affiliate of Principal Obligor from its parent corporation.

"Guaranteed Debt" shall mean any obligations of the Affiliate of Principal Obligor for or in respect of (a) moneys borrowed or raised (whether or not for cash) by whatever means (including acceptances), deposits, discounting, letters of credit, factoring (other than on a non-recourse basis), finance leases, and any other form of financing which is recognized in the Affiliate of Principal Obligor's financial statements as being in the nature of a borrowing (excluding for the avoidance of doubt, share capital, share premium account and any capital prepayment reserve), which has been guaranteed by Guarantor, and (b) the deferred purchase price of assets or services (other than goods and services obtained on normal commercial terms in the ordinary course of business or operations), which has been guaranteed by Guarantor.

"Affiliate" of an Entity shall mean any other entity controlled by, controlling or under common control with such entity, where control of an entity means the ability to direct the policies of such entity through election of a majority of such entity's board of directors or other governing body or by contract or otherwise.

- (c) This Guaranty shall terminate, and upon the effective date of such termination Guarantor shall have no further liability hereunder, on the earliest to occur of: (i)

the satisfaction of all of the Guaranteed Obligations; (ii) ~~the~~ September 30, 2033 or the earlier termination or expiration of the PPA; in accordance with its terms or by mutual agreement between the parties to the PPA; provided, it is understood that if the term of the PPA is extended beyond September 30, 2033 by mutual agreement of the parties to the PPA, this Guaranty will be extended by a commensurate amount unless otherwise expressly agreed by the parties to the PPA and this Guaranty; and provided further that no such termination under this clause (ii) shall affect Guarantor's liability with respect to any Guaranteed Obligation incurred prior to the time the termination is effective; (iii) the date on which the liability cap is reached, as provided in Section 1 hereof; or (iv) the date on which an assignment and delegation by Guarantor of its rights and obligations hereunder becomes effective under Section 9(a) hereof.

10. **Replacement of OriginalFirst Replacement Guaranty.** As of the date first above written, this Guaranty is executed and delivered by Guarantor to KUAFMPA in substitution and replacement of the OriginalFirst Replacement Guaranty. Upon the Effective Date, this Guaranty shall become effective and the OriginalFirst Replacement Guaranty will no longer be of any force or effect.
11. **Assignment by KUAFMPA; Successors and Assigns.** KUAFMPA may, upon notice to Guarantor, assign its rights hereunder only to a subsequent owner of all of KUAFMPA's interest in the Facility and the Interconnection Facilities (as defined in the PPA) without the consent of Guarantor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
12. **Amendments, Etc.** No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and KUAFMPA. No waiver of any provisions of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by KUAFMPA. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.
13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.
14. **Representations and Warranties.**

The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the

Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.

- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting ~~KUAFMPA~~'s rights and to general equity principles.
- (d) The condensed consolidated financial information of Guarantor included in the financial statements of ~~Guarantor~~NextEra Energy, Inc. ("NEE") and the notes thereto (including the note entitled "15. Summarized Financial Information of NEECH") for the year ended December 31, ~~2002~~(2017 contained in NEE's annual report filed with the U.S. Securities and Exchange Commission ("SEC") on Form 10-K on February 16, 2018 (such condensed consolidated financial information, the "Financial Statements"), heretofore delivered to ~~KUAFMPA~~ or filed with the ~~United States Securities Exchange Commission by Guarantor~~SEC by NEE present fairly the financial condition and results of operations of Guarantor and its consolidated subsidiaries as of the dates and for the period specified therein in conformity with generally accepted accounting principles, and, except as otherwise expressly stated therein, consistently applied.

- 15. **Limitation by Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.
- 16. **Governing Law; Submission to Jurisdiction.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of ~~Georgia~~Florida, exclusive of any conflict of laws provisions thereof that would apply the laws of another jurisdiction. The parties hereby submit to the jurisdiction of, and agree that venue for actions hereunder shall be, the U.S. District Court for the ~~Northern~~Middle District of ~~Georgia~~Florida, if the U.S. District Court has jurisdiction, or, if the U.S. District Court does not have jurisdiction, the ~~Superior~~Circuit Court of the State of ~~Georgia~~Florida sitting in ~~Fulton~~Orange County, ~~Georgia~~Florida and the parties hereby waive any objection to venue in such courts and any objection to any action or proceeding on the basis of forum non conveniens.

**IN WITNESS WHEREOF**, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first written above, to be effective as of the Effective Date.

"Guarantor"

~~SOUTHERN POWER COMPANY~~

NEXTERA ENERGY CAPITAL HOLDINGS,  
INC.

By: ~~/s/ Cliff S. Thrasher~~ \_\_\_\_\_

Name: ~~Cliff S. Thrasher~~ \_\_\_\_\_

Title: ~~CFO~~ \_\_\_\_\_

Attachment 1  
Original Guaranty

**RELEASE OF GUARANTY AGREEMENT**

This Release Agreement (this “**Release**”) is made by Florida Municipal Power Agency (All Requirements Power Supply Project) (“**Beneficiary**”), in favor of Southern Power Company (“**Guarantor**”) and Oleander Power Project, L.P. (“**Obligor**”).

**RECITALS**

1. Obligor and Beneficiary are parties to that certain Power Purchase Agreement, dated as of February 23, 2006, between Obligor and Florida Municipal Power Agency (All Requirements Power Supply Project), as amended (the “**Agreement**”).
2. Guarantor provided assurance for the payment of Obligor’s obligations in connection with the Agreement by delivery of that certain Guaranty, dated as of February 23, 2006 (the “**Guaranty**”).
3. Pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “**EIPA**”), 700 Universe, LLC, an affiliate of NextEra Energy, Inc. (“**NextEra Purchaser**”), has agreed to purchase from Guarantor all of the membership interests of Obligor, and in connection with the closing of the transactions contemplated by the EIPA (the “**EIPA Closing**”), Beneficiary has agreed to have the Guaranty replaced by a guaranty in the form attached hereto as **Exhibit A** (the “**Replacement Guaranty**”) issued by NextEra Energy Capital Holdings, Inc. (“**Replacement Guarantor**”).

**AGREEMENTS**

In consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Beneficiary hereby agrees as follows:

1. **Release of Guaranty.** After the EIPA Closing, and effective as of the receipt by Beneficiary of the Replacement Guaranty from Replacement Guarantor (which receipt may occur via email delivered to the email addresses set forth **Part I of Exhibit B**), all rights, duties, commitments and other obligations of Guarantor under the Guaranty are hereby terminated, and Guarantor is hereby released from any and all obligations it has or may have under the Guaranty.
2. **Return of Release, Guaranty.** Upon receipt of the signed original, executed copy of the Replacement Guaranty, Beneficiary will return to Guarantor the original, executed copy of this Release and, if recoverable, the original copy of the Guaranty to the address set forth on **Part II of Exhibit B**).
3. **No Effect on Agreement.** This Release will have no effect on the obligations of Obligor under the Agreement.

Beneficiary has caused this Release to be duly executed and delivered by its duly authorized officer effective as of \_\_\_\_\_, 2018.

FLORIDA MUNICIPAL POWER AGENCY (ALL REQUIREMENTS POWER SUPPLY PROJECT)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit A**  
**Replacement Guaranty**

[attached behind this page]

## GUARANTY

This Guaranty (“Guaranty”) dated as of \_\_\_\_\_, 2018 (the “Effective Date”), is made by **NextEra Energy Capital Holdings, Inc.**, (“Guarantor”) a Florida corporation with a principal place of business at 700 Universe Boulevard, Juno Beach, Florida 33408, in favor of **Florida Municipal Power Agency (All-Requirements Power Supply Project)**, a governmental legal entity existing under the laws of the State of Florida with offices at 8553 Commodity Circle, Orlando, Florida 32819-1061 (“Beneficiary”).

### RECITALS:

**WHEREAS** Oleander Power Project, L.P. (“Obligor”), an indirect wholly-owned special purpose subsidiary of Guarantor, and the Beneficiary are parties to that certain Power Purchase Agreement dated as of February 23, 2006, as amended (the “PPA”) pursuant to which Obligor has agreed to deliver to Beneficiary certain electric capacity and energy and other related services;

**WHEREAS** the Guarantor and Beneficiary recognize the importance associated with Obligor’s reliable supply of electricity to the customers of the Beneficiary and agree that Guarantor’s breach of this Guaranty may cause irreparable harm to Beneficiary and its customers;

**WHEREAS** Section 21.15.2 of the PPA provided that Southern Power Company (“SPC”) was to absolutely, unconditionally and irrevocably guarantee the prompt payment of and for all of Obligor’s obligations under the PPA, other than for an event of default by Obligor leading to termination by Beneficiary in accordance with Section 17.2.2 of the PPA, up to an amount not to exceed the product of (i) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment or performance upon SPC and (ii) twenty-four (24) upon demand by Beneficiary; provided, that for an event of default by Obligor leading to termination by Beneficiary in accordance with Section 17.2.2 of the PPA, such guarantee shall be for an amount not to exceed the product of (a) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment or performance upon SPC and (b) sixty (60) upon demand by Beneficiary; provided further, that such guarantee was an obligation for the full and prompt payment of and for all such obligations and performance rather than a secondary guarantee of payment;

**WHEREAS** Beneficiary relied on the provisions of Section 21.15.2 of the PPA in deciding to enter into the PPA with Obligor;

**WHEREAS** in satisfaction of Obligor’s obligation under Section 21.15.2 of the PPA, SPC executed a guaranty (the “Original Guaranty”) and agreed to comply with the terms and conditions thereof.

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Obligor, Guarantor and SPC desire to have the Original Guaranty terminated, released and returned to SPC in exchange for this Guaranty;

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby covenants and agrees with, and represents and warrants to, Beneficiary as follows:

**1. The Guaranty.**

(a) Guarantor hereby irrevocably and unconditionally guarantees to Beneficiary the prompt payment of and for Obligor's obligations under the PPA in satisfaction of Section 21.15.2 of such PPA and shall cause Obligor to comply with the PPA in accordance with its terms; provided, however, for all Obligor obligations under the PPA, other than for an event of default leading to termination by the Non-Defaulting Party in accordance with Section 17.2.2, the maximum liability of Guarantor under this Guaranty with respect to Obligor's obligations shall be limited to the Non-Default Guaranteed Amount (the "Non-Default Guaranteed Obligations"); provided further, for Obligor's obligations under the PPA for an event of default leading to termination by the Non-Defaulting Party in accordance with Section 17.2.2, the maximum liability of Guarantor under this Guaranty with respect to Obligor's obligations shall be limited to the amount that is equal to the Default Guaranteed Amount (the "Default Guaranteed Obligations"). The Non-Default Guaranteed Obligations and the Default Obligations are together the "Guaranteed Obligations." Beneficiary hereby accepts this Guaranty from Guarantor as a replacement of the Original Guaranty in satisfaction of Obligor's obligations pursuant to the first sentence of Section 21.15.1 of the PPA.

(b) Guarantor hereby agrees that the Guaranteed Obligations under this Guaranty are cumulative, and shall be primary, absolute, irrevocable and unconditional and not subject to discharge except by full satisfaction of the obligations under Section 1(a) of this Guaranty, irrespective of any claim as to the PPA's validity, regularity or enforceability or the lack of authority of Obligor to execute or deliver the PPA; or any change in or amendment to the PPA; or the absence of any action to enforce the PPA, or of any action to enforce a judgment against the Obligor under the PPA; or any change in the existence, structure or ownership of Guarantor or Obligor or any insolvency, bankruptcy, reorganization or other similar proceedings affecting the Obligor or its assets; or the failure, delay, waiver or refusal by Beneficiary to exercise, in whole or in part, any right or remedy held by Beneficiary with respect to this Guaranty; and any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally.

(c) In the event of a failure by Obligor to fulfill any obligation in the PPA that triggers Beneficiary's right to draw upon the Default Guaranty Amount or the Non-Default Guaranty Amount, Beneficiary shall have the right to proceed first and directly against Guarantor under this Guaranty with respect to the Guaranteed Obligations. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein. It shall not be necessary for Beneficiary, in order to enforce payment by Guarantor under this Guaranty, to exhaust its remedies against Obligor, any other guarantor, or any other person liable for the payment of the Guaranteed Obligations. This is a guaranty of payment, not of collection.

(d) Guarantor hereby waives:

(i) notice of acceptance of this Guaranty, of the extension of credit, of the acceptance of notes, or of the creation or existence of any of the Guaranteed Obligations and of any action of Beneficiary in reliance thereon or in connection herewith;

(ii) promptness, diligence, presentment, demand for payment, and notice of dishonor or nonpayment, with respect to the Guaranteed Obligations; and

(iii) any requirement that suit be brought against the Obligor or any other person as a condition to the Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

(e) The Beneficiary shall make a demand by delivering to the Guarantor at the address in Section 4 of this Guaranty the following documents:

(i) A Drawing Certificate, in the form of Exhibit A to this Guaranty, presented for payment with all blanks properly completed and signed by Beneficiary's authorized officer. The Drawing Certificate shall certify the occurrence of an event of default under the PPA which may be remedied by rendering payment to Beneficiary to satisfy specified payment obligations of Obligor under the PPA; and

(ii) Copies of all supporting documentation related to Obligor's default as set forth in the Drawing Certificate.

(f) Guarantor shall promptly and fully pay, or cause to be paid, to Beneficiary any such Guaranteed Obligation by wire transfer of funds as specified in such Drawing Certificate to the Guarantor within three (3) Business Days of receipt of such Drawing Certificate.

(g) In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, Beneficiary must rescind or restore any payment, or any part thereof, received by Beneficiary from Obligor, any prior release or discharge from the terms of this Guaranty shall be without effect, and this Guaranty shall remain in full force and effect. It is the intention of Beneficiary and Guarantor that the Guaranteed Obligations hereunder shall not be discharged except by Guarantor's payment of such obligation and then only to the extent of such payment.

## **2. Credit Requirement.**

(a) During the term of this Guaranty, Guarantor shall maintain a credit rating that is equal to or better than Investment Grade. Guarantor shall promptly notify Beneficiary in writing, and in any event not later than three (3) Business Days after the determination thereof, if at any time Guarantor's credit rating is determined to be less than Investment Grade.

(b) If, at any time while this Guaranty is in effect, Guarantor experiences a MAC and Obligor has not delivered or caused to be delivered to Beneficiary Eligible Collateral in accordance with Section 17.1.11 of the PPA, then Guarantor shall not later than two (2) Business Days after

the determination thereof, post a Credit Enhancement for the benefit of Beneficiary in the amount of Eligible Collateral that Obligor would be obligated to provide under Section 17.1.11 of the PPA.

(c) In the event Guarantor does not fulfill, in whole or in part, any of its payment obligations to Beneficiary under this Guaranty within three (3) Business Days after receiving written notice from Beneficiary of such failure, then Beneficiary may draw upon such Credit Enhancement in the amount of such obligation. In the event any Credit Enhancement is drawn upon by Beneficiary in accordance with this Section 2(c), then, within three (3) Banking Days thereafter, Guarantor shall replenish such Credit Enhancement so as to meet the amount required under Section 2(b).

**3. Representations.** Guarantor represents to Beneficiary as of the date of this Guaranty, that:

(a) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform, or cause to be performed, the provisions of this Guaranty on its part to be performed;

(b) neither the execution and delivery of this Guaranty nor the performance by Guarantor of the terms of this Guaranty (i) shall conflict with or result in a breach, default or violation of (A) the charter or bylaws of Guarantor or (B) any material contract, permit or judgment to which Guarantor is a party or to which it is subject or by which any of its assets is bound, (ii) shall result in the creation of any lien on any material asset of Guarantor, or (iii) shall require Guarantor to obtain the consent of any private non-governmental third party to enter into this Guaranty;

(c) all consents, authorizations, approvals and clearances and notifications, reports and registrations requisite for the due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant Governmental Authorities having jurisdiction and remain in full force and effect and all conditions have been duly complied with and no other action by, and no notice to or filing with, any Governmental Authority having jurisdiction is required for such execution, delivery or performance;

(d) there are no bankruptcy proceedings pending or, to Guarantor's knowledge, threatened against it;

(e) Guarantor's credit rating with all Credit Rating Services is at or above the level below which Guarantor would experience a MAC; and

(f) this Guaranty is a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy or other laws affecting creditors' rights.

**4. Notices.** Unless otherwise specifically provided in this Guaranty, all notices, demands, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms of this Guaranty shall be in writing, shall be personally delivered or sent by U.S. first class mail, certified or registered, or by telecopy (with signed confirmed copy

to follow by mail), and any such communication shall become effective when received, addressed in the following manner:

(a) if to Guarantor, to:

NextEra Energy Capital Holdings, Inc.  
700 Universe Boulevard  
Juno Beach, Florida 33408  
ATTN: Treasurer  
Phone: (561) 694-6204 (for use in connection with courier deliveries)

(b) if to Beneficiary and Obligor, to the address for notice set forth for such Party in Section 19.1 of the PPA; provided, however, that any such addressee may change its address for communications by notice given as aforesaid to the other parties hereto.

**5. Severability.** If any provision of this Guaranty, or its application to any person or circumstances, shall, for any reason or to any extent, be invalid or unenforceable, such invalidity or unenforceability shall not in any manner affect or render invalid or unenforceable the remainder of this Guaranty, and the application of that provision to other persons or circumstances shall not be affected but, rather, shall be enforced to the extent permitted by applicable law.

**6. Assignment.** This Guaranty shall not be assigned by Guarantor to any party, except with the express written consent of Beneficiary. In connection with any assignment by Beneficiary of the PPA in accordance with its terms, this Guaranty may be assigned by Beneficiary to the party to whom the PPA is assigned without the prior consent of Guarantor.

**7. Consent to Jurisdiction and Waiver of Jury Trial.** Guarantor and Beneficiary irrevocably submit to the jurisdiction of any state or federal court sitting in the State of Florida over any suit, action or proceeding arising out of or relating to this Guaranty. Each of Guarantor and Beneficiary hereby irrevocably waive all right of trial by jury in any action, proceeding or counterclaim arising out of or in connection with this Guaranty or any matter arising hereunder.

**8. No Set-off.** Except as otherwise set forth in the PPA, Guarantor shall not reduce or diminish its obligations under this Guaranty through set-off, counterclaim, or any defense. Obligor or Guarantor may have against Beneficiary (other than the payment or other satisfaction by Guarantor of its obligations under this Guaranty in full).

**9. Delays, Omissions.** No delay or omission to exercise any right, remedy, power or privilege accruing upon any default, omission or failure of performance hereunder shall impair any such right, remedy, power or privilege or be construed to be waiver thereof, but any such right, remedy, power or privilege may be exercised from time to time and as often as may be deemed expedient. In the event any provision contained in this Guaranty shall be breached by the Guarantor and thereafter duly waived in writing by Beneficiary, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Guaranty shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by Beneficiary.

**10. Amendment of Agreement.** An amendment or modification of the PPA shall not affect the terms or the enforceability of the Guaranty, except to the extent such amended or modified provisions of the PPA are expressly referenced or incorporated in this Guaranty.

**11. Entire Agreement; Amendment.** This Guaranty expresses the entire understanding of Guarantor and Beneficiary and all other understandings, written or oral, are hereby merged and superseded by this Guaranty. No amendment of or supplement to this Guaranty, or waiver or modification of or consent under the terms of this Guaranty shall be effective unless in writing and signed by the Guarantor and the Beneficiary.

**12. Term of Guaranty.** This Guaranty and the Guarantor's obligations hereunder will terminate automatically and immediately upon the termination or expiration of the PPA on December 15, 2027 unless the PPA is terminated or expires earlier pursuant to the terms of the PPA or by mutual agreement between the parties to the PPA; provided, however, that no such termination shall affect Guarantor's liability with respect to all Guaranteed Obligations incurred prior to the date the termination is effective, which Guaranteed Obligations shall continue in full force and effect and shall not be discharged until such time as all such Guaranteed Obligations shall be performed and discharged in full.

**13. Definitions.** Terms, capitalized but not defined in this Guaranty, shall have the meaning given such terms in the PPA. The following terms shall have the meanings set forth below:

“Business Day” shall mean any Day other than a Saturday, Sunday or a day on which banks in the State of Florida or the State of New York are required or permitted to be closed.

“Credit Enhancement” shall mean any of the following: (a) a standby letter of credit drawn on a major United States commercial bank, or foreign bank with a United States branch office, having a credit rating of at least “A” from Standard & Poor's or “A2” from Moody's which permits draws on terms substantially similar to those for making a demand for satisfaction of a Guaranteed Obligation under this Guaranty, or (b) a pledge of, or deposit into escrow, of cash collateral or collateral in the form of negotiable debt obligations issued by the United States Treasury Department having an original maturity at issuance of not more than five years, which debt obligations shall be revalued weekly to determine the adequacy of their credit enhancement.

“Collateral Amount” shall mean, in the case of a MAC Level 1, an amount equal to twelve (12) Months of then-current Monthly Capacity Payments; or in the case of a MAC Level 2, an amount equal to twenty-four (24) Months of then-current Monthly Capacity Payments.

“Default Guaranteed Amount” means the lesser of the following: (i) an amount that is equal to the product of (a) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and (b) sixty (60); or (ii) an amount that is equal to the product of (a) the Monthly Capacity

Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and (b) the number of Months remaining in the Term of the Agreement as of the time Beneficiary makes demand for payment upon Guarantor; provided, however, that the amount in clause (b) above shall not be less than the product of the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and twelve (12).

“Investment Grade” shall mean either a BBB- rating with Standard Poor’s or Fitch or a Baa3 with Moody’s, respectively.

“Non-Default Guaranteed Amount” means an amount that is equal to the product of (i) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and (ii) twenty-four (24).

**14. Further Assurances.** Guarantor hereby agrees to execute and deliver all such instruments and take all such action as Beneficiary may from time to time reasonably request in order to effectuate fully the purposes of this Guaranty.

**15. Applicable Law.** This Guaranty shall be governed by, construed, and enforced in all respects in accordance with the laws of the State of Florida, without reference to choice of law doctrine.

**16. Expenses.** The Guarantor agrees to pay to the Beneficiary upon its request all reasonable costs and expenses, including reasonable fees and disbursements of counsel (including allocated costs and expenses of in-house counsel), incurred by Beneficiary in connection with collection or other enforcement proceedings against the Guarantor hereunder.

**17. Subrogation.** Until payment of all the obligations of the Obligor under the PPA, the Guarantor shall not exercise any remedies by way of subrogation. Upon such payment, the Guarantor shall be subrogated to the rights of the Beneficiary against the Obligor, and the Beneficiary agrees to take, at the Guarantor’s expense, such steps as the Guarantor may reasonably request to implement such subrogation.

**18. Enforceability.** Guarantor acknowledges that the provisions of this Guaranty constitute a material portion of the consideration to Beneficiary for entering into the PPA, and that Beneficiary has executed the PPA in reliance on the enforceability and legality of such provisions. Guarantor unconditionally and irrevocably agrees not to challenge, question, or otherwise seek to undermine in any manner the enforceability or legality of this Guaranty, and agrees to file and diligently prosecute such applications, briefs, testimony, or other pleadings as may be necessary or appropriate in connection with any legal proceeding to support the enforceability and legality of this Guaranty; provided that, consistent with last sentence of Section 21.15.2 of the PPA, this Guaranty shall not be construed as imposing on Guarantor any obligation to perform or observe any obligation, agreement or covenant that Obligor, by virtue of the terms of the PPA, is not obligated to perform or observe under the PPA or which is excused or waived by Beneficiary or discharged by performance thereof by Obligor under the PPA.

*[signature page follows]*

Guarantor has caused this Guaranty to be duly executed and delivered as of the date and year first above written by its authorized representative.

NextEra Energy Capital Holdings, Inc., as  
Guarantor

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED, ACKNOWLEDGED AND  
AGREED:

Florida Municipal Power Agency  
(All-Requirements Power Supply Project)

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**

**DRAWING CERTIFICATE**

[Date]

TO:

NextEra Energy Capital Holdings, Inc.  
700 Universe Boulevard  
Juno Beach, Florida 33408  
ATTN:

RE: Drawing Certificate for Payment from NextEra Energy Capital Holdings, Inc.  
("NEECH") as Guarantor for Oleander Power Project, L.P. ("Oleander Power")

Ladies and Gentlemen:

The undersigned, a duly authorized officer of the Florida Municipal Power Agency ("FMPPA"), hereby certifies that:

1. Oleander Power Project, L.P. ("Oleander Power"), a wholly-owned special purpose subsidiary of Southern Power, and FMPPA have entered into that certain Power Purchase Agreement dated as of February 23, 2006, as amended (the "PPA").

2. NEECH has executed a Guaranty associated with the PPA and is obligated to post and maintain the Collateral Amount pursuant to such Guaranty and Section 21.15.2 of the PPA.

3. Either:

(a) Pursuant to Sections 17.2.1 and 17.2.2 of the PPA, Oleander Power has experienced an event of default under the PPA due to a failure to satisfy either a payment obligation or a performance obligation to FMPPA, in whole or in part, and, following receipt of Notice of such event of default, has failed to cure such event of default within the cure period permitted by the PPA, if any. Notice of such event of default was provided to Oleander Power by FMPPA on \_\_\_\_\_, 20\_\_; or

(b) Pursuant to Sections 17.2.1 and 17.2.2 of the PPA, Oleander Power has experienced an event of default under the PPA due to a failure to satisfy either a payment obligation or a performance obligation to FMPPA, in whole or in part, and, following receipt of Notice of such event of default, has failed to cure such event of default within the cure period permitted by the PPA. Notice of such event of default was provided to Oleander Power by FMPPA on \_\_\_\_\_, 20\_\_. As a result, FMPPA has elected to terminate the PPA and provided Oleander Power with such termination Notice on \_\_\_\_\_, 20\_\_.

4. Accordingly, FMPPA has presented written notice to Oleander Power of its intent to draw upon the Guaranty, at least one (1) Business Day prior to the date of this

Drawing Certificate, and has set forth with particularity in such written notice the facts that it alleges to satisfy the drawing requirements of Section 3 of this Drawing Certificate; provided, such facts are true and correct to the best of such authorized officer's belief; provided further, such written notice has been executed by an authorized officer of FMPA and presented to Oleander Power via facsimile.

5. Consequently, payment under the Guaranty is hereby requested on the date hereof in the amount of \$ \_\_\_\_\_ **[any amount up to and including the Non-Default Guaranteed Amount in the case of 3(a) or any amount up to and including the Default Guaranteed Amount in the case of 3(b)].** Such payment shall be made within two business days of the date hereof.

Please direct payment under the Letter of Credit by wire transfer in accordance with the following:

Bank: \_\_\_\_\_  
ABA No.: \_\_\_\_\_  
Account No.: \_\_\_\_\_  
Reference: \_\_\_\_\_  
Notify: \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate as of \_\_\_\_\_, 20\_\_.

Florida Municipal Power Agency  
(All-Requirements Power Supply Project)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit B**  
**Certain Contact Details**

Beneficiary Email Addresses for delivery of Replacement Guaranty

[jody.lamar.finklea@fmpa.com](mailto:jody.lamar.finklea@fmpa.com)

[dan.ohagan@fmpa.com](mailto:dan.ohagan@fmpa.com)

Beneficiary mail addresses for delivery of original of the Replacement Guaranty

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303-4240)  
Post Office Box 3209  
Tallahassee, Florida 32315-3209  
Attn: General Counsel and Chief Legal Officer

Address for return of Release and of Guaranty to Guarantor

Southern Power Company  
30 Ivan Allen Jr. Blvd.  
Atlanta, GA 30308  
Attention: Treasurer

~~GUARANTY SOUTHERN POWER COMPANY GUARANTY~~

This Guaranty (“Guaranty”) dated as of ~~February 23, 2006~~, February 23, 2018 (the “Effective Date”), is made by ~~Southern Power Company~~ NextEra Energy Capital Holdings, Inc., (“Guarantor”) a ~~Delaware~~ Florida corporation with a principal place of business at ~~30 Ivan Allen Jr. 700 Universe Boulevard, N.W., Atlanta, Georgia 30308~~, Juno Beach, Florida 33408, in favor of **Florida Municipal Power Agency (All-Requirements Power Supply Project)**, a governmental legal entity existing under the laws of the State of Florida with offices at 8553 Commodity Circle, Orlando, Florida 32819-1061 (“Beneficiary”).

~~RECITAL:~~ RECITALS:

**WHEREAS** Oleander Power Project, L.P. (“Obligor”), ~~an indirect~~ wholly-owned special purpose subsidiary of Guarantor, and the Beneficiary ~~have entered into~~ are parties to that certain Power Purchase Agreement dated as of February 23, ~~2006~~ 2006, as amended (the “PPA”) pursuant to which Obligor has agreed to deliver to Beneficiary certain electric capacity and energy and other related services;

**WHEREAS** the Guarantor and Beneficiary recognize the importance associated with Obligor’s reliable supply of electricity to the customers of the Beneficiary and agree that Guarantor’s breach of this Guaranty may cause irreparable harm to Beneficiary and its customers;

**WHEREAS** Section 21.15.2 of the PPA ~~provides that Guarantor shall~~ provided that Southern Power Company (“SPC”) was to absolutely, unconditionally and irrevocably guarantee the prompt payment of and for all of Obligor’s obligations under the PPA, other than for an event of default by Obligor leading to termination by Beneficiary in accordance with Section 17.2.2 of the PPA, up to an amount not to exceed the product of (i) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment or performance upon ~~Guarantor~~ SPC and (ii) twenty-four (24) upon demand by Beneficiary; provided, that for an event of default by Obligor leading to termination by Beneficiary in accordance with Section 17.2.2 of the PPA, such guarantee shall be for an amount not to exceed the product of (a) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment or performance upon ~~Guarantor~~ SPC and (b) sixty (60) upon demand by Beneficiary; provided further, that ~~this~~ such guarantee ~~shall be~~ was an obligation for the full and prompt payment of and for all such obligations and performance rather than a secondary guarantee of payment;

**WHEREAS** Beneficiary relied on the provisions of Section 21.15.2 of the PPA in deciding to enter into the PPA with Obligor;

**WHEREAS** in satisfaction of Obligor’s obligation under Section 21.15.2 of the PPA, ~~Guarantor is executing this~~ SPC executed a guaranty (the “Original Guaranty”) and ~~agrees~~ agreed to comply with the terms and conditions ~~hereof~~ thereof.

**WHEREAS**, pursuant to an Equity Interest Purchase Agreement, dated as of May 20, 2018 (the “EIPA”), Affiliates of Guarantor have agreed to purchase from SPC all of the membership interests of Obligor, and in connection with, and effective as of, the closing of the transactions contemplated by the EIPA (the “EIPA Closing”), Obligor, Guarantor and SPC desire

to have the Original Guaranty terminated, released and returned to SPC in exchange for this Guaranty;

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby covenants and agrees with, and represents and warrants to, Beneficiary as follows:

**1. The Guaranty.**

(a) Guarantor hereby irrevocably and unconditionally guarantees to Beneficiary the prompt payment of and for Obligor's obligations under the PPA in satisfaction of Section 21.15.2 of such PPA and shall cause Obligor to comply with the PPA in accordance with its terms; provided, however, for all Obligor obligations under the PPA, other than for an event of default leading to termination by the Non-Defaulting Party in accordance with Section 17.2.2, the maximum liability of Guarantor under this Guaranty with respect to Obligor's obligations shall be limited to the Non-Default Guaranteed Amount (the "Non-Default Guaranteed Obligations"); provided further, for Obligor's obligations under the PPA for an event of default leading to termination by the Non-Defaulting Party in accordance with Section 17.2.2, the maximum liability of Guarantor under this Guaranty with respect to Obligor's obligations shall be limited to the amount that is equal to the Default Guaranteed Amount (the "Default Guaranteed Obligations"). The Non-Default Guaranteed Obligations and the Default Obligations are together the "Guaranteed Obligations." Beneficiary hereby accepts this Guaranty from Guarantor as a replacement of the Original Guaranty in satisfaction of Obligor's obligations pursuant to the first sentence of Section 21.15.1 of the PPA.

(b) Guarantor hereby agrees that the Guaranteed Obligations under this Guaranty are cumulative, and shall be primary, absolute, irrevocable and unconditional and not subject to discharge except by full satisfaction of the obligations under Section 1(a) of this Guaranty, irrespective of any claim as to the PPA's validity, regularity or enforceability or the lack of authority of Obligor to execute or deliver the PPA; or any change in or amendment to the PPA; or the absence of any action to enforce the PPA, or of any action to enforce a judgment against the Obligor under the PPA; or any change in the existence, structure or ownership of Guarantor or Obligor or any insolvency, bankruptcy, reorganization or other similar proceedings affecting the Obligor or its assets; or the failure, delay, waiver or refusal by Beneficiary to exercise, in whole or in part, any right or remedy held by Beneficiary with respect to this Guaranty; and any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally.

(c) In the event of a failure by Obligor to fulfill any obligation in the PPA that triggers Beneficiary's right to draw upon the Default Guaranty Amount or the Non-Default Guaranty Amount, Beneficiary shall have the right to proceed first and directly against Guarantor under this Guaranty with respect to the Guaranteed Obligations. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein. It shall not be necessary for Beneficiary, in order to enforce payment by Guarantor under this Guaranty, to exhaust its remedies against Obligor, any other guarantor, or any other person liable for the payment of the Guaranteed Obligations. This is a guaranty of payment, not of collection.

(d) Guarantor hereby waives:

(i) notice of acceptance of this Guaranty, of the extension of credit, of the acceptance of notes, or of the creation or existence of any of the Guaranteed Obligations and of any action of Beneficiary in reliance thereon or in connection herewith;

(ii) promptness, diligence, presentment, demand for payment, and notice of dishonor or nonpayment, with respect to the Guaranteed Obligations; and

(iii) any requirement that suit be brought against the Obligor or any other person as a condition to the Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

(e) The Beneficiary shall make a demand by delivering to the Guarantor at the address in Section 4 of this Guaranty the following documents:

(i) A Drawing Certificate, in the form of Exhibit A to this Guaranty, presented for payment with all blanks properly completed and signed by Beneficiary's authorized officer. The Drawing Certificate shall certify the occurrence of an event of default under the PPA which may be remedied by rendering payment to Beneficiary to satisfy specified payment obligations of Obligor under the PPA; and

(ii) Copies of all supporting documentation related to Obligor's default as set forth in the Drawing Certificate.

(f) Guarantor shall promptly and fully pay, or cause to be paid, to Beneficiary any such Guaranteed Obligation by wire transfer of funds as specified in such Drawing Certificate to the Guarantor within three (3) Business Days of receipt of such Drawing Certificate.

(g) In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, Beneficiary must rescind or restore any payment, or any part thereof, received by Beneficiary from Obligor, any prior release or discharge from the terms of this Guaranty shall be without effect, and this Guaranty shall remain in full force and effect. It is the intention of Beneficiary and Guarantor that the Guaranteed Obligations hereunder shall not be discharged except by Guarantor's payment of such obligation and then only to the extent of such payment.

## **2. Credit Requirement.**

(a) During the term of this Guaranty, Guarantor shall maintain a credit rating that is equal to or better than Investment Grade. Guarantor shall promptly notify Beneficiary in writing, and in any event not later than three (3) Business Days after the determination thereof, if at any time Guarantor's credit rating is determined to be less than Investment Grade.

(b) If, at any time while this Guaranty is in effect, Guarantor experiences a MAC and Obligor has not delivered or caused to be delivered to Beneficiary Eligible Collateral in accordance with Section 17.1.11 of the PPA, then Guarantor shall not later than two (2) Business Days after the determination thereof, post a Credit Enhancement for the benefit of Beneficiary in

the amount of Eligible Collateral that Obligor would be obligated to provide under Section 17.1.11 of the PPA.

(c) In the event Guarantor does not fulfill, in whole or in part, any of its payment obligations to Beneficiary under this Guaranty within three (3) Business Days after receiving written notice from Beneficiary of such failure, then Beneficiary may draw upon such Credit Enhancement in the amount of such obligation. In the event any Credit Enhancement is drawn upon by Beneficiary in accordance with this Section 2(c), then, within three (3) Banking Days thereafter, Guarantor shall replenish such Credit Enhancement so as to meet the amount required under Section 2(b).

**3. Representations.** Guarantor represents to Beneficiary as of the date of this Guaranty, that:

(a) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform, or cause to be performed, the provisions of this Guaranty on its part to be performed;

(b) neither the execution and delivery of this Guaranty nor the performance by Guarantor of the terms of this Guaranty (i) shall conflict with or result in a breach, default or violation of (A) the charter or bylaws of Guarantor or (B) any material contract, permit or judgment to which Guarantor is a party or to which it is subject or by which any of its assets is bound, (ii) shall result in the creation of any lien on any material asset of Guarantor, or (iii) shall require Guarantor to obtain the consent of any private non-governmental third party to enter into this Guaranty;

(c) all consents, authorizations, approvals and clearances and notifications, reports and registrations requisite for the due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant Governmental Authorities having jurisdiction and remain in full force and effect and all conditions have been duly complied with and no other action by, and no notice to or filing with, any Governmental Authority having jurisdiction is required for such execution, delivery or performance;

(d) there are no bankruptcy proceedings pending or, to Guarantor's knowledge, threatened against it;

(e) Guarantor's credit rating with all Credit Rating Services is at or above the level below which Guarantor would experience a MAC; and

(f) this Guaranty is a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy or other laws affecting creditors' rights.

**4. Notices.** Unless otherwise specifically provided in this Guaranty, all notices, demands, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms of this Guaranty shall be in writing, shall be personally delivered or sent by U.S. first class mail, certified or registered, or by telecopy (with signed

confirmed copy to follow by mail), and any such communication shall become effective when received, addressed in the following manner:

(a) if to Guarantor, to:

~~Southern Power Company~~  
~~Southern Company Services, Inc.~~  
~~30 Ivan Allen Jr. Boulevard, N.W.~~  
~~Atlanta, Georgia 30308~~  
~~ATTN: Vice President Marketing~~  
~~Phone: (404) 506-0346~~  
~~Fax: (404) 506-0399~~ NextEra Energy Capital Holdings, Inc.  
700 Universe Boulevard  
Juno Beach, Florida 33408  
ATTN: Treasurer  
Phone: (561) 694-6204 (for use in connection with courier deliveries)

(b) if to Beneficiary and Obligor, to the address for notice set forth for such Party in Section 19.1 of the PPA; provided, however, that any such addressee may change its address for communications by notice given as aforesaid to the other parties hereto.

**5. Severability.** If any provision of this Guaranty, or its application to any person or circumstances, shall, for any reason or to any extent, be invalid or unenforceable, such invalidity or unenforceability shall not in any manner affect or render invalid or unenforceable the remainder of this Guaranty, and the application of that provision to other persons or circumstances shall not be affected but, rather, shall be enforced to the extent permitted by applicable law.

**6. Assignment.** This Guaranty shall not be assigned by Guarantor to any party, except with the express written consent of Beneficiary. In connection with any assignment by Beneficiary of the PPA in accordance with its terms, this Guaranty may be assigned by Beneficiary to the party to whom the PPA is assigned without the prior consent of Guarantor.

**7. Consent to Jurisdiction and Waiver of Jury Trial.** Guarantor and Beneficiary irrevocably submit to the jurisdiction of any state or federal court sitting in the State of Florida over any suit, action or proceeding arising out of or relating to this Guaranty. Each of Guarantor and Beneficiary hereby irrevocably waive all right of trial by jury in any action, proceeding or counterclaim arising out of or in connection with this Guaranty or any matter arising hereunder.

**8. No Set-off.** Except as otherwise set forth in the PPA, Guarantor shall not reduce or diminish its obligations under this Guaranty through set-off, counterclaim, or any defense Obligor or Guarantor may have against Beneficiary (other than the payment or other satisfaction by Guarantor of its obligations under this Guaranty in full).

**9. Delays, Omissions.** No delay or omission to exercise any right, remedy, power or privilege accruing upon any default, omission or failure of performance hereunder shall impair any such right, remedy, power or privilege or be construed to be waiver thereof, but any such

right, remedy, power or privilege may be exercised from time to time and as often as may be deemed expedient. In the event any provision contained in this Guaranty shall be breached by the Guarantor and thereafter duly waived in writing by Beneficiary, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Guaranty shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by Beneficiary.

**10. Amendment of Agreement.** An amendment or modification of the PPA shall not affect the terms or the enforceability of the Guaranty, except to the extent such amended or modified provisions of the PPA are expressly referenced or incorporated in this Guaranty.

**11. Entire Agreement; Amendment.** This Guaranty expresses the entire understanding of Guarantor and Beneficiary and all other understandings, written or oral, are hereby merged and superseded by this Guaranty. No amendment of or supplement to this Guaranty, or waiver or modification of or consent under the terms of this Guaranty shall be effective unless in writing and signed by the Guarantor and the Beneficiary.

**12. Term of Guaranty.** ~~All guaranties, covenants and agreements of Guarantor contained in this Guaranty~~This Guaranty and the Guarantor's obligations hereunder will terminate automatically and immediately upon the termination or expiration of the PPA on December 15, 2027 unless the PPA is terminated or expires earlier pursuant to the terms of the PPA or by mutual agreement between the parties to the PPA; provided, however, that no such termination shall affect Guarantor's liability with respect to all Guaranteed Obligations incurred prior to the date the termination is effective, which Guaranteed Obligations shall continue in full force and effect and shall not be discharged until such time as all ~~of the~~such Guaranteed Obligations shall be performed and discharged in full.

**13. Definitions.** Terms, capitalized but not defined in this Guaranty, shall have the meaning given such terms in the PPA. The following terms shall have the meanings set forth below:

“Business Day” shall mean any Day other than a Saturday, Sunday or a day on which banks in ~~Atlanta, Georgia~~the State of Florida or the State of New York are required or permitted to be closed.

“Credit Enhancement” shall mean any of the following: (a) a standby letter of credit drawn on a major United States commercial bank, or foreign bank with a United States branch office, having a credit rating of at least “A” from Standard & Poor’s or “A2” from Moody’s which permits draws on terms substantially similar to those for making a demand for satisfaction of a Guaranteed Obligation under this Guaranty, or (b) a pledge of, or deposit into escrow, of cash collateral or collateral in the form of negotiable debt obligations issued by the United States Treasury Department having an original maturity at issuance of not more than five years, which debt obligations shall be revalued weekly to determine the adequacy of their credit enhancement.

“Collateral Amount” shall mean, in the case of a MAC Level 1, an amount equal to twelve (12) Months of then-current Monthly Capacity Payments; or in the case of a MAC Level 2, an amount equal to twenty-four (24) Months of then-current Monthly Capacity Payments.

“Default Guaranteed Amount” means the lesser of the following: (i) an amount that is equal to the product of (a) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and (b) sixty (60); or (ii) an amount that is equal to the product of (a) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and (b) the number of Months remaining in the Term of the Agreement as of the time Beneficiary makes demand for payment upon Guarantor; provided, however, that the amount in clause (b) above shall not be less than the product of the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and twelve (12).

“Investment Grade” shall mean either a BBB- rating with Standard Poor’s or Fitch or a Baa3 with Moody’s, respectively.

“Non-Default Guaranteed Amount” means an amount that is equal to the product of (i) the Monthly Capacity Payment in effect as of the time Beneficiary makes demand for payment upon Guarantor and (ii) twenty-four (24).

**14. Further Assurances.** Guarantor hereby agrees to execute and deliver all such instruments and take all such action as Beneficiary may from time to time reasonably request in order to effectuate fully the purposes of this Guaranty.

**15. Applicable Law.** This Guaranty shall be governed by, construed, and enforced in all respects in accordance with the laws of the State of Florida, without reference to choice of law doctrine.

**16. Expenses.** The Guarantor agrees to pay to the Beneficiary upon its request all reasonable costs and expenses, including reasonable fees and disbursements of counsel (including allocated costs and expenses of in-house counsel), incurred by Beneficiary in connection with collection or other enforcement proceedings against the Guarantor hereunder.

**17. Subrogation.** Until payment of all the obligations of the Obligor under the PPA, the Guarantor shall not exercise any remedies by way of subrogation. Upon such payment, the Guarantor shall be subrogated to the rights of the Beneficiary against the Obligor, and the Beneficiary agrees to take, at the Guarantor’s expense, such steps as the Guarantor may reasonably request to implement such subrogation.

**18. Enforceability.** Guarantor acknowledges that the provisions of this Guaranty constitute a material portion of the consideration to Beneficiary for entering into the PPA, and that Beneficiary ~~is executing~~has executed the PPA in reliance on the enforceability and legality of such provisions. Guarantor unconditionally and irrevocably agrees not to challenge, question, or otherwise seek to undermine in any manner the enforceability or legality of this Guaranty, and

agrees to file and diligently prosecute such applications, briefs, testimony, or other pleadings as may be necessary or appropriate in connection with any legal proceeding to support the enforceability and legality of this Guaranty; provided that, consistent with last sentence of Section 21.15.2 of the PPA, this Guaranty shall not be construed as imposing on Guarantor any obligation to perform or observe any obligation, agreement or covenant that Obligor, by virtue of the terms of the PPA, is not obligated to perform or observe under the PPA or which is excused or waived by Beneficiary or discharged by performance thereof by Obligor under the PPA.

*[signature page follows]*

Guarantor has caused this Guaranty to be duly executed and delivered as of the date and year first above written by its authorized representative.

~~Southern Power Company, a~~NextEra Energy Capital Holdings, Inc., as Guarantor

By: /s/ Ronnie L. Bates  
Name: ~~Ronnie L. Bates~~  
Title: ~~President~~

ACCEPTED ~~AND~~ ACKNOWLEDGED AND AGREED:

Florida Municipal Power Agency  
(All-Requirements Power Supply Project)

By: /s/ Roger A. Fontes  
Name: ~~Roger A. Fontes~~  
Title: ~~General Manager and CEO~~

EXHIBIT A

DRAWING CERTIFICATE

[Date]

TO:

~~Southern Power Company~~  
~~c/o Southern Company Services, Inc.~~  
~~30 Ivan Allen Jr.~~ NextEra Energy Capital Holdings, Inc.  
~~700 Universe Boulevard, N.W.~~  
~~Atlanta, Georgia 30308~~  
Juno Beach, Florida 33408

ATTN:

RE: Drawing Certificate for Payment from ~~Southern Power Company~~ (“~~Southern Power~~ NextEra Energy Capital Holdings, Inc. (“NEECH”) as Guarantor for Oleander Power Project, L.P. (“Oleander Power”)

Ladies and Gentlemen:

The undersigned, a duly authorized officer of the Florida Municipal Power Agency (“FMPPA”), hereby certifies that:

1. Oleander Power Project, L.P. (“Oleander Power”), a wholly-owned special purpose subsidiary of Southern Power, and FMPPA have entered into that certain Power Purchase Agreement dated as of February 23, ~~2006~~ 2006, as amended (the “PPA”).

2. ~~Southern Power~~ NEECH has executed a Guaranty associated with the PPA and is obligated to post and maintain the Collateral Amount pursuant to such Guaranty and Section 21.15.2 of the PPA.

3. Either:

(a) Pursuant to Sections 17.2.1 and 17.2.2 of the PPA, Oleander Power has experienced an event of default under the PPA due to a failure to satisfy either a payment obligation or a performance obligation to FMPPA, in whole or in part, and, following receipt of Notice of such event of default, has failed to cure such event of default within the cure period permitted by the PPA, if any. Notice of such event of default was provided to Oleander Power by FMPPA on \_\_\_\_\_, ~~2000~~ 20; or

(b) Pursuant to Sections 17.2.1 and 17.2.2 of the PPA, Oleander Power has experienced an event of default under the PPA due to a failure to satisfy either a payment obligation or a performance obligation to FMPPA, in whole or in part, and, following receipt of Notice of such event of default, has failed to cure such event of default within the cure period permitted by the PPA. Notice of such event of default was provided to Oleander Power by FMPPA on \_\_\_\_\_, ~~2000~~ 20. As a result, FMPPA

has elected to terminate the PPA and provided Oleander Power with such termination Notice on \_\_\_\_\_, ~~2000~~20.

4. Accordingly, FMPPA has presented written notice to Oleander Power of its intent to draw upon the Guaranty, at least one (1) Business Day prior to the date of this Drawing Certificate, and has set forth with particularity in such written notice the facts that it alleges to satisfy the drawing requirements of Section 3 of this Drawing Certificate; provided, such facts are true and correct to the best of such authorized officer's belief; provided further, such written notice has been executed by an authorized officer of FMPPA and presented to Oleander Power via facsimile.

5. Consequently, payment under the Guaranty is hereby requested on the date hereof in the amount of \$ \_\_\_\_\_ [**any amount up to and including the Non-Default Guaranteed Amount in the case of 3(a) or any amount up to and including the Default Guaranteed Amount in the case of 3(b)**]. Such payment shall be made within two business days of the date hereof.

Please direct payment under the Letter of Credit by wire transfer in accordance with the following:

Bank: \_\_\_\_\_  
ABA No.: \_\_\_\_\_  
Account No.: \_\_\_\_\_  
Reference: \_\_\_\_\_  
Notify: \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate as of \_\_\_\_\_, ~~2000~~20.

Florida Municipal Power Agency  
(All-Requirements Power Supply Project)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**AGENDA ITEM 9 – INFORMATION ITEMS**

- a) Preliminary Fiscal Year 2018 Financial Results**

**Executive Committee  
December 13, 2018**



# BOD 9a & EC 9a Preliminary FY2018 Financial Results

December 13, 2018

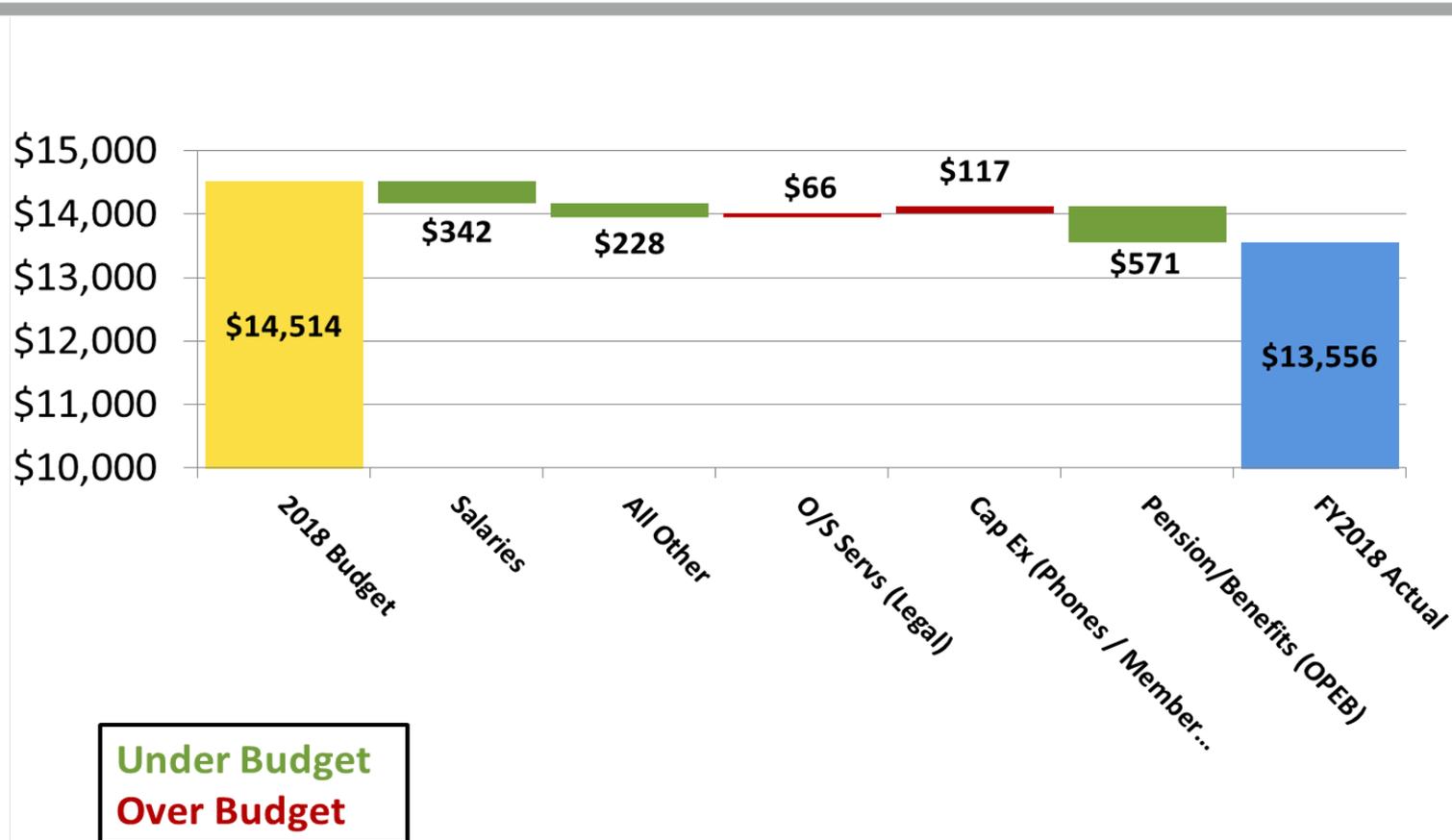
# FY2018 Financials - Key Points

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- **OPEB Largest Driver of Agency Costs Below Budget**
- **Amendments Maintained Sufficient Spending Authority for Small Projects**
- **\$99 Million Reduction in Total Long Term Debt**
- **Lower Rates in FY2018**

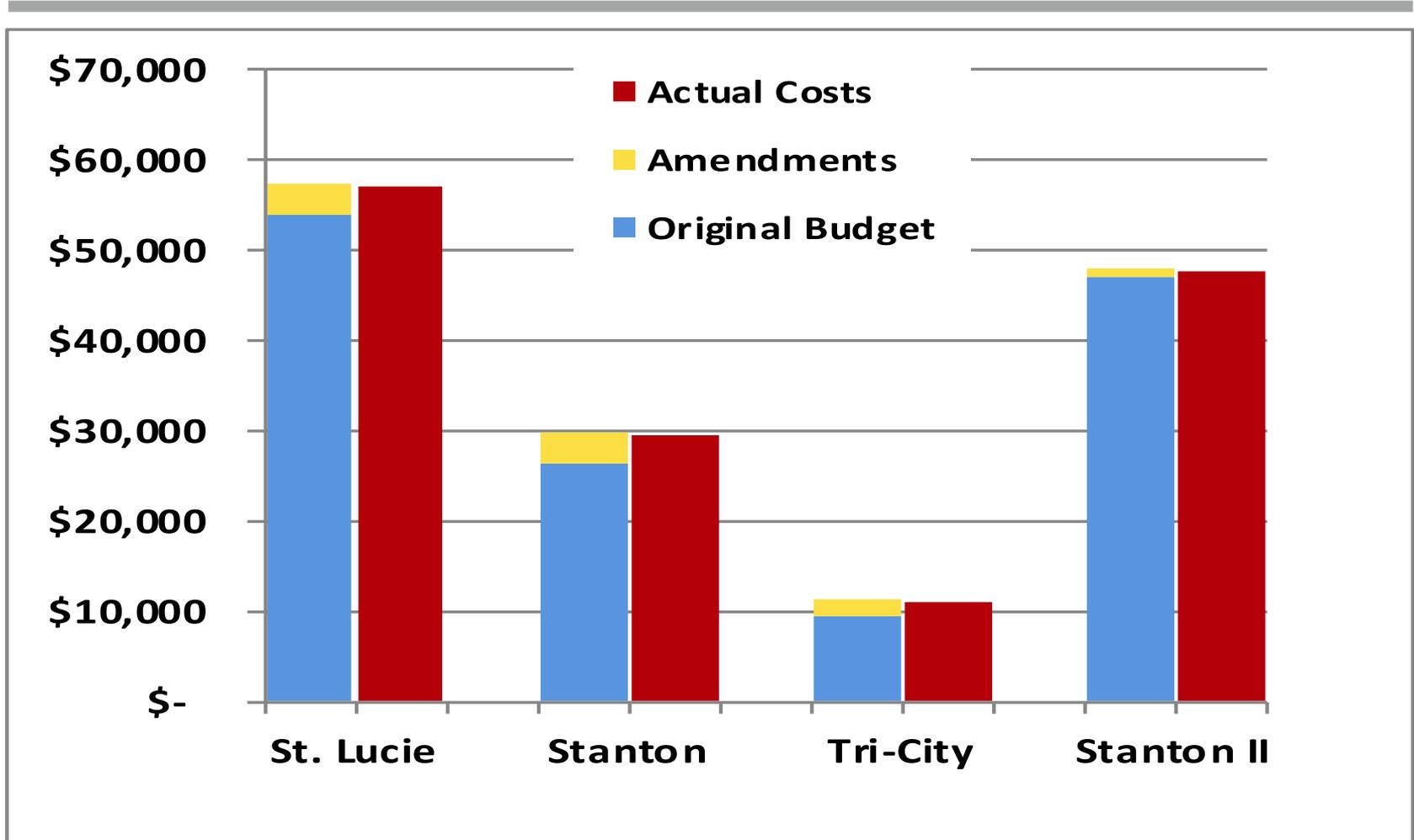
# Agency Below Budget

(\$000's)



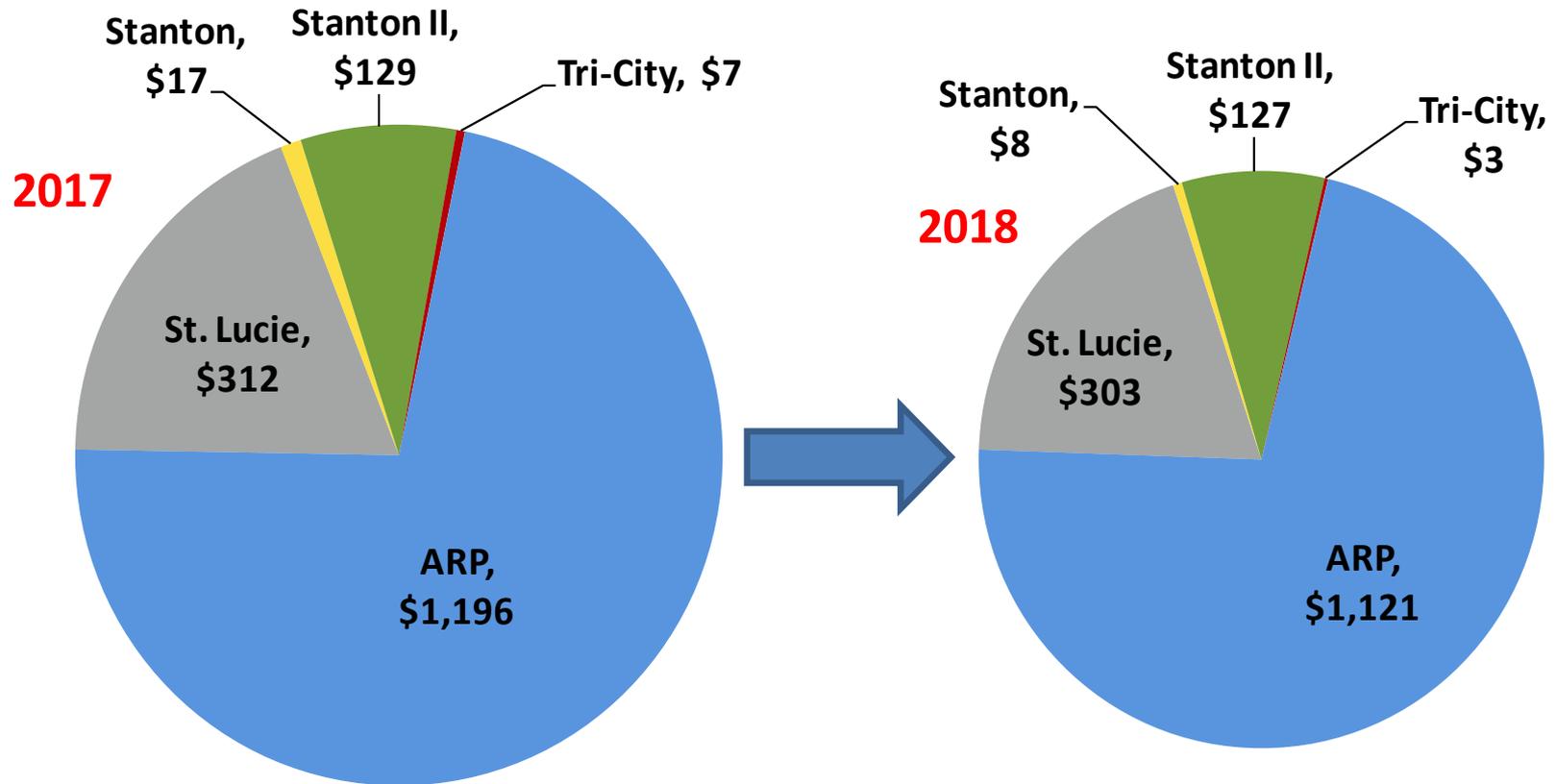
# Budget Amendments

## Maintain Sufficient Spending Authority (\$000)



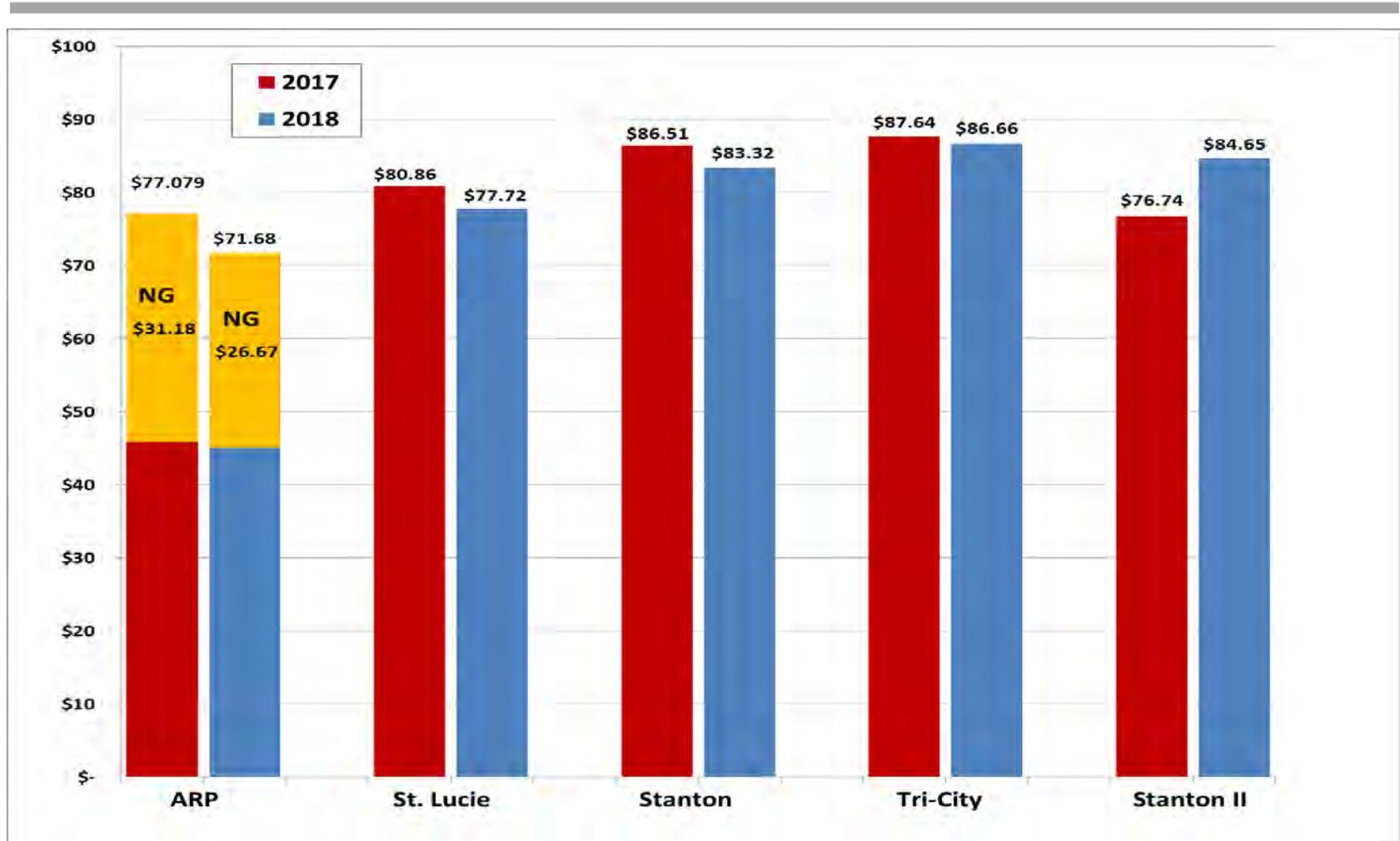
# Long Term Debt by Project (\$ MMs)

## Payoffs: Stanton & Tri-City - 10/1/2019



\$197 MM of Investments (MTM) Accumulated at 9/30/18 to Mitigate St. Lucie Debt

# Average \$/MWh Billed Down For All Projects Except Stanton II – 2 Month Planned Outage



NG = Natural Gas

**AGENDA ITEM 9 – INFORMATION ITEMS**

**b) Quarterly Regulatory Update**

**Executive Committee  
December 13, 2018**



# EC-9b Regulatory Compliance Update

Executive Committee

December 13, 2018

# FMPA Compliance

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- Self-certification due January 31, 2019 for 2018 calendar year
  - PRC-001-1.1 R1
  - Collaborative effort with Compliance, Engineering, and Power Generation
- FMPA peer review concluded on 9/27/18
  - No potential issues found
- FMPA Internal Audit completed 11/15/18
  - No potential non-compliances identified
  - Some observations and recommendations were provided

# FMPA Compliance

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- Internal Audit Observations and Recommendations
  - Email the monthly checklist of the operator logs to the sites each month to confirm they are correct
  - Use of the GPI learn software to ensure operators receive all required training, specifically Protection System training.
  - It will be necessary to clearly demonstrate an accurate Protection System inventory for the upcoming Audit, clearly identify the RAS/SPS components, and show that required test dates have been met.
  - Test reports used for evidence should be easily traceable to the Protection System device

# FMPA Compliance

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- Audits and evidence requirements becoming more burdensome
- Compliance Department has had staff reductions
- SMEs and other staff more active in FMPA Compliance
  - Independence of doing the work vs. checking the work

# Member Support

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- Peer review for Ocala underway
- Review of Homestead's Back-up Control Center
  - Carter Manucy and Larry Watt of Lakeland Electric
- KEYS BES Exception Study
- On going transmission planning studies
  - Lake Worth and Ocala
- Protection Coordination Reviews

# Industry Influence

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- Staff continues to play an active role within NERC and with trade organizations such as NAGF, TAPS and APPA.
  - Brandon McCormick a member of the North American Generator Forum Advisory Committee
- FMPA staff met with FERC in early December along with other TAPS members.
  - Meeting was with FERC Commissioners and advisors
  - Issues such as distributed energy penetration, resilience, and various other reliability related topics were discussed

# Industry Influence

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- FMPA Staff attended the APPA Cyber Security Conference in November
  - Carter presented on the Cyber Security Scorecard
  - Carter will discuss the Cyber Security Scorecard again at the Joint Action Agency Conference being held this coming January in Key West
- Standards Efficiency Review
  - Carol Chinn continues to play an active role and is on the SER Advisory Team
  - Phase One complete with approximately 20% of current requirements recommended for retirement

**AGENDA ITEM 9 – INFORMATION ITEMS**

- c) FEMA/FDEM Grant Agreement for  
Hurricane Irma Damage at Stock Island**

**Executive Committee  
December 13, 2018**



# **EC 9c – FEMA/FDEM Grant Agreement for Hurricane Irma Damage at Stock Island**

Executive Committee

December 13, 2018

# FEMA/FDEM Grant Agreement

## *Stock Island Hurricane Irma Damage*

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- FMIPA applied for FEMA reimbursement for Stock Island damage after Hurricane Irma
- Seeking \$370,992.62 reimbursement
- FDEM Grant Agreement
  - Requires formal approval of governing body
  - Requires affirmation that all FEMA procurement and contracting requirements have been met

# Recommended Motion

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- For information only, No action requested.

**AGENDA ITEM 9 – INFORMATION ITEMS**

**d) Florida Municipal Solar Project Update**

**Executive Committee  
December 13, 2018**



# **BOD 9b – EC 9d – Florida Municipal Solar Project Update**

Board of Directors &  
Executive Committee

December 13, 2018

# Florida Municipal Solar Project

## *Project Status Update*

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- FDEP Environmental Resource Permit
  - Received for Harmony Site / Pending for Poinsett Site
- Osceola County Submittal
  - In progress
  - Administrative approval only; no public hearings required
- USACE jurisdiction evaluation (Poinsett Site)
  - Poinsett array revised to avoid Class 1 wetlands
  - Potential to move to a different site
- Transmission Service (Poinsett Site)
  - Working with Duke to resolve process and schedule

# Member Discussion

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- Comments / Questions

**AGENDA ITEM 10 – Member Comments**

**Executive Committee  
December 13, 2018**

**AGENDA ITEM 11 – ADJOURNMENT**

**Executive Committee  
December 13, 2018**