



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

May 16, 2019

9:15 a.m. [NOTE TIME]

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

Meeting Number 733 731 472

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: May 7, 2019
RE: FMPA Executive Committee Meeting
Thursday, May 16, 2019 at 9:15am [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

DIAL-IN: (877) 668-4493 or 650-479-3208, Meeting Number 733 731 472#
(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 – Meetings Held April 18, 2019; ARP Telephonic Rate Workshop Minutes Held April 16, 2019..... 11
 - b. Approval of Treasury Reports – As of March 31, 2019 18
 - c. Approval of the Agency and All-Requirements Project Financials as of March 31, 2019..... 22

8. Action Items

- a. Approval of Revisions to the Rate Rider Availability Sections (Chris Gowder) 24
- b. Approval of Green Cove Springs Supplemental Power and Ancillary Services Agreement (Chris Gowder) 39

9. Information Items

- a. ARP Net Metering Policy Revisions (Dan O'Hagan)..... 53
- b. 2019 ARP Ten-Year Site Plan (Chris Gowder)..... 59
- c. Line of Credit Extensions for JPMorgan and Wells Fargo Bank (Rich Popp) 68
- d. Update on ARP Prepaid Gas Transactions (Rich Popp)..... 73

10. Member Comments..... 75

11. Adjournment..... 76

***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
May 16, 2019**

AGENDA ITEM 2 – SET AGENDA (By Vote)

**Executive Committee
May 16, 2019**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
May 16, 2019**

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

**Executive Committee Meeting
May 16, 2019**

VERBAL REPORT

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

**Executive Committee
May 16, 2019**

VERBAL REPORT

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

**Executive Committee
May 16, 2019**

AGENDA ITEM 7 – CONSENT AGENDA

- a) Approval of Meeting Minutes – Meeting Held April 18, 2019 and ARP Telephonic Rate Workshop Minutes – Workshop Held April 16, 2019**

**Executive Committee
May 16, 2019**

CLERKS DULY NOTIFIED APRIL 10, 2019
AGENDA PACKAGES POSTED APRIL 10, 2019

MINUTES
EXECUTIVE COMMITTEE
THURSDAY, APRIL 18, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS
PRESENT:

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

OTHERS
PRESENT

Karen Nelson, Jacksonville Beach
Robert Barrios, Key West
Jim Williams, Leesburg
Craig Dunlap, Dunlap & Associates, Inc.
Jonathan Nunes, nFront Consulting
Scott Feuerborn, Burns & McDonnell

STAFF
PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Carol Chinn, Chief Information and Compliance Officer
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel
Mark McCain, Assistant General Manager, Member Services and Public Relations
Rich Popp, Treasurer and Risk Director
Danyel Sullivan-Marrero, Controller
Sharon Adams, Human Resources Director
Jason Wolfe, Financial Planning, Rates and Budget Director
Sue Utley, Executive Asst. /Asst. Secretary to the Board
Navid Nowakhtar, Business Development and Resource Planner
Cairo Vanegas, Manager of Member Services Development
Chris Gowder, Business Development and Planning Manager
Luis Cruz, Information Technology Manager
Jesse Rivera, Information Technology Support Specialist

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

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee Meeting to order at 11:31 a.m. on Thursday, April 18, 2019 in the Frederick M. Bryant Board Room, at 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: Lynne Tejeda, Key West, moved to set the agenda as written. Glenn Spurlock, Leesburg, 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 expressed his gratitude and complimented the Agency, staff and Board of Directors and Executive Committee members for the efforts to meet the needs of Fort Meade and Green Cove Springs and helping to restore the confidence of those two cities in FMPA.

ITEM 6 – REPORT FROM GENERAL MANAGER

Jacob Williams reported that he and Chris Gowder attended the Green Cove Springs City Council meeting Tuesday, April 16. There was a good exchange with the Council and the Council is happy with the Agency.

ITEM 7 –CONSENT AGENDA

Item 7a – Approval of Meeting Minutes – Held March 21, 2019; ARP Telephonic Rate Workshop Minutes – Workshop Held March 12, 2019

Item 7b – Approval of Treasury Reports – As of February 28, 2019

Item 7c – Approval of the Agency and All-Requirements Project Financials as of February 28, 2019

MOTION: Allen Putnam, Jacksonville Beach, 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 Extension of Load Attraction Incentive Rate (LAIR)

Jason Wolfe presented information on extending the Load Attraction Incentive Rate (LAIR). Discussion ensued on this topic.

Allen Putnam, Jacksonville Beach, said the Executive Committee should change the LAIR rider, itself, not attempt to adjust the impact of the LAIR rider in other documents to accommodate members.

LAIR rider changes will be brought back to the Executive Committee for approval at the next meeting.

MOTION: Lynne Tejeda, Key West, moved approval of the revised Load Attraction Incentive Rate rider to ARP Rate Schedule B-1, to be effective May 1, 2019. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

Item 8b – Approval of ARP Conservation Program Funding for Fiscal Year 2020

Chris Gowder presented a recommendation from the ARP Conservation and Renewable Energy Advisory Committee to fund the ARP Conservation Program for Fiscal Year 2020.

MOTION: Larry Mattern, Kissimmee, moved approval of funding the ARP Conservation Program at \$750,000 for Fiscal Year 2020. The program will be funded out of revenues collected through the ARP Energy Rate at an approximate rate impact of \$0.12/MWh. Glenn Spurlock, Leesburg, seconded the motion. Motion carried 12 – 0.

Item 8c – Approval of FGU Directive for Black Belt Energy Prepaid Gas Transaction

Rich Popp presented information on a proposed FGU Directive for prepaid gas with Black Belt Energy with Morgan Stanley as the underwriter.

MOTION: Larry Mattern, Kissimmee, moved approval of authorizing the General Manager to sign an FGU Directive for participation in Black Belt Energy's 30-year Morgan Stanley prepaid gas transaction. Gas volume will not exceed 10,000 MMBtu per day at a net discount no less than 30 cents for the first five years. Further direction was that all prepaid gas transactions that FMPA enters into will not exceed 26 percent of FMPA's (ARP's) current, daily gas burn. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

ITEM 9 – INFORMATION ITEMS:

a. ARP Net Metering Policy Enrollment Limit Update

Navid Nowakhtar reviewed the ARP Net Metering Policy Enrollment Limit. Feedback from the Executive Committee was that the policy should be amended to either eliminate the enrollment limit or set a review point at 5 percent.

b. Green Cove Springs Supplemental Power and Ancillary Services Agreement

Chris Gowder presented the Green Cove Springs Supplemental Power and Ancillary Services Agreement.

c. Compliance Certificate on the Use of Vero Beach Proceeds

Linda Howard presented the Compliance Certificate on the Use of the Vero Beach Proceeds as was directed in Resolution 2019-EC2.

d. Spiegel McDiarmid Invoice

Jody Finklea presented this item to the Executive Committee at their request to bring the Spiegel McDiarmid invoices to the Executive Committee if they exceed \$50,000. The reason for the charges this month was due to Duke Energy not agreeing to do the Transmission Service Request Study simultaneously with the Interconnection Study, which resulted in FMPA having to file a complaint at FERC.

ITEM 10 – MEMBER COMMENTS

None.

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 1:05 p.m.

Howard McKinnon
Chairperson, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS APRIL 11, 2019
AGENDA PACKAGES SENT TO MEMBERS APRIL 11, 2019

MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, APRIL 16, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819

COMMITTEE MEMBERS PRESENT

Christina Simmons, Bushnell (via telephone)
Paul Jakubczak, Fort Pierce (via telephone)
Howard McKinnon, Havana (via telephone)
Larry Mattern, Kissimmee (via telephone)
Glenn Spurlock, Leesburg (via telephone)
Bill Conrad, Newberry (via telephone)
Karen White, Ocala

COMMITTEE MEMBERS ABSENT

Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
Bob Page, Green Cove Springs
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Robert Milner, Starke

OTHERS PRESENT

None

STAFF PRESENT

Ken Rutter, Chief Operating Officer
Linda S. Howard, Chief Financial Officer (via telephone)
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Joe McKinney, Systems Operation Manager (via telephone)
Jason Wolfe, Financial Planning and Analysis Manager

Item 1 – Call to Order

Chairman Howard McKinnon, Havana, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 3:00 p.m. on Tuesday, April 16, 2019, via telephone. A speaker telephone for public attendance and participation was located in the Executive 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 March loads and reviewed the March ARP rate calculation.

Item 3 – Member Comments

None

There being no further business, the meeting was adjourned at 3:07 p.m.

Approved

HM/su

AGENDA ITEM 7 – CONSENT AGENDA

- b) Approval of Treasury Reports as of March 31, 2019**

**Executive Committee
May 16, 2019**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Sena Mitchell
DATE: May 7, 2019
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of March 31, 2019

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

Debt Discussion

The All-Requirements Project has fixed, variable, and synthetically fixed rate debt. The variable rate bonds and lines of credit portion is 1.41%. 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 2019 as of March 31, 2019 is \$40,723,005. The total amount of debt outstanding is \$924,093,000.¹

Hedging Discussion

The Project has 8 interest rate swap contracts. As of March 31, 2019, the cumulative market value of the interest rate swaps in the All-Requirements Project was (\$12,582,833).

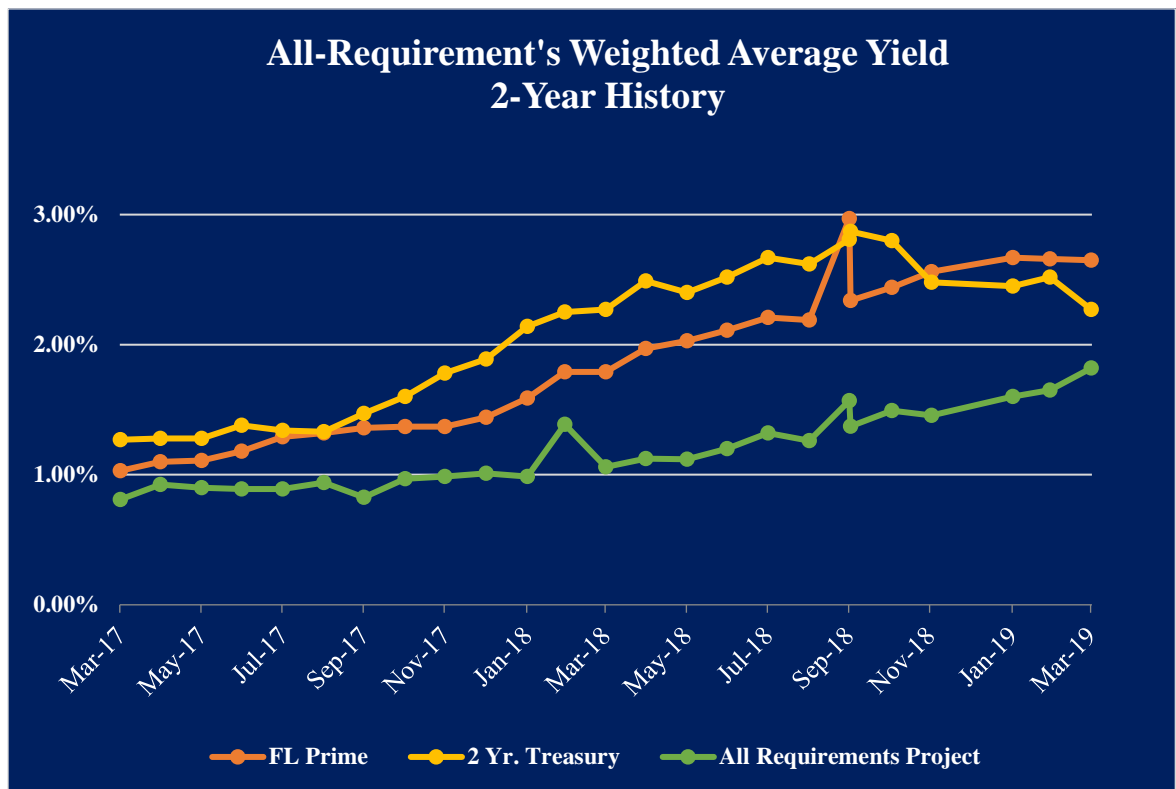
The Swap Valuation Report for March is posted in the "Member Portal" section of FMPA's website.

Investment Discussion

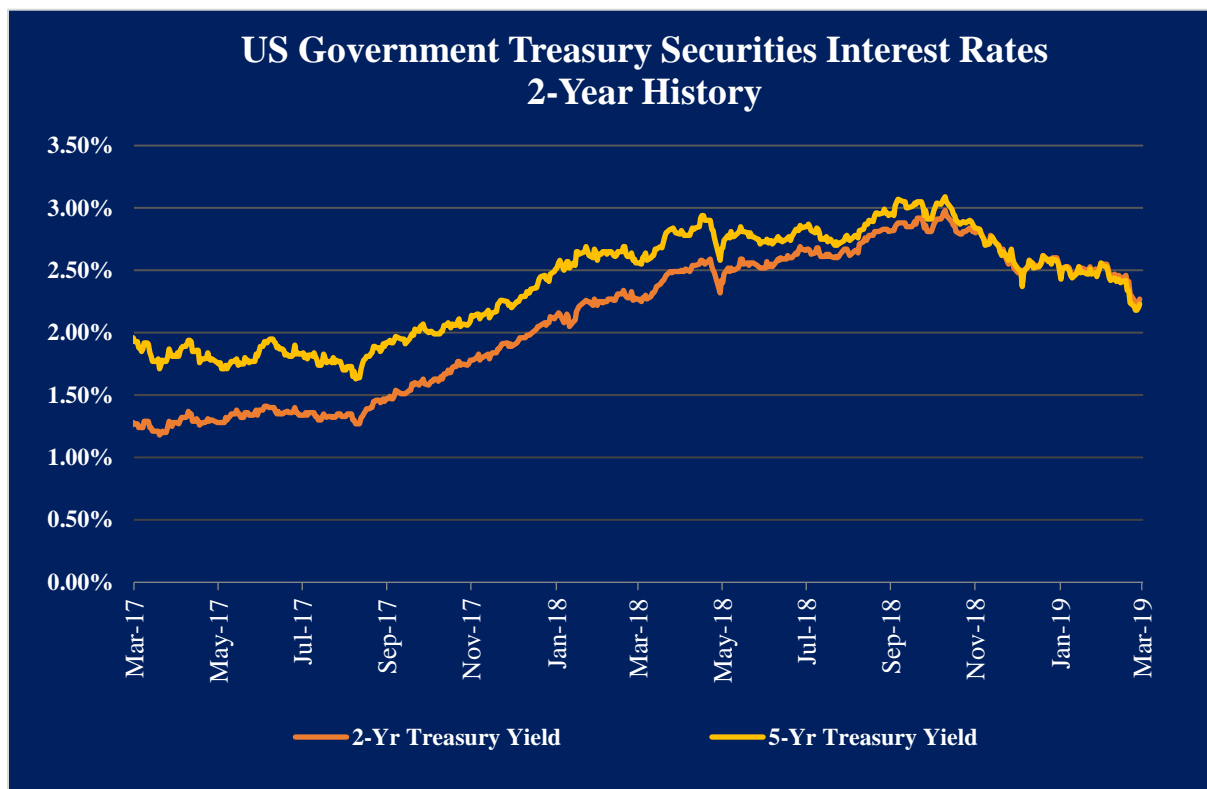
The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries,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

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

As of March 31, 2019, the All-Requirements Project investment portfolio earned a weighted average rate of return of 1.82%, 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 US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of March at 2.27%. The yellow line is the 5-year Treasury which was 2.23%.



The Investment Report for March is posted in the “Member Portal” section of FMPPA’s website.

Recommended
Motion

Move for approval of the Treasury Reports for March 31, 2019

AGENDA ITEM 7 – CONSENT AGENDA

- c) Approval of the Agency and All-Requirements Project Financials as of March 31, 2019**

**Executive Committee
May 16, 2019**



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: May 7, 2019
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended March 31, 2019

Discussion: The summary and detailed financial statements of the Agency and All- Requirements Project for the period ended March 31, 2019 are posted on the Document Portal section of FMPA’s website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of March 31, 2019.

LH/GF

AGENDA ITEM 8 – ACTION ITEMS

- a) Approval of Revisions to the Rate Rider Availability Sections**

**Executive Committee
May 16, 2019**



EC 8a – Approval of Revisions to the Rate Rider Availability Sections

FMIPA Executive Committee

May 16, 2019

CROD Participants' Access to Rate Riders

- The Load Attraction Incentive Rate and Economic Development Rate rider availability sections currently exclude CROD Participants with “Wrap” Agreements.
 - Section 2 Availability is identical in both riders.
- One of the main attractions to effectively revoking CROD and becoming a full ARP Participant again is the ability to utilize the rate riders to attract new large loads in the same way as any other ARP member.

Proposed Changes to Section 2 of LAIR & EDR

2. Availability. This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD), **have not executed a Supplemental Power and Ancillary Services Agreement**, and meet at least one of the following conditions:

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

Staff Seeking Approval of Revised LAIR & EDR

- Red-lined versions of the Load Attraction Incentive Rate and Economic Development Rate riders with the proposed new language are included in the package.

Recommended Motion

- Move approval of the revised Load Attraction Incentive Rate Rider and Economic Development Rate Rider to ARP Rate Schedule B-1, to be effective June 1, 2019.

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

LOAD ATTRACTION INCENTIVE RATE RIDER

1. **Purpose.** The purpose of this Load Attraction Incentive Rate (LAIR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract a new, large load to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.
2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD). have not executed a Supplemental Power and Ancillary Services Agreement, and meet at least one of the following conditions:
 - Zero (0) MW CROD
 - CROD/MAXD ratio below 1.0
3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

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

- (a) by a new business (including occupation of an existing, dormant facility by a new business), by the expansion of an existing establishment, or
- (b) by the expansion of service territory by the Project Participant.
- (c) For existing establishments, New Load is the net incremental load, due to an expansion of business, above that which existed prior to approval for credits under this Rider.

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

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

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

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

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

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

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

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

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

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

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

Where:

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

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

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

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

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

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

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

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive credits under this Rider. All meters shall be of a quality acceptable to FMPA. All metering costs pertaining to this program will be borne by the Project Participant or Project Participant's customer. The Project Participant may request FMPA to provide and install the required metering equipment; if so, FMPA will bill the Project Participant for the equipment costs. The Project Participant must either provide FMPA with access to the meter information, or the Project Participant must provide the meter information for the previous calendar month to FMPA no later than the tenth (10th) day of each month. In the event that it is either not possible or not practical to install metering that can measure the New Load CP Demand separate from existing Project Participant load, an alternative method for measuring the New Load CP Demand may be utilized at FMPA's sole discretion. Prior to being utilized, the alternative method must be approved by FMPA's General Manager and CEO as to its reasonableness in accurately measuring the New Load CP Demand, and the utilization of such alternative method must be reported to the FMPA Executive Committee at its next regularly scheduled meeting.
7. **Term of Service.** Except as limited below in this Section 7., credits provided under this Rider shall be for a term of five (5) years from the commencement of service of each New Load. Such credits under this Rider will terminate at the end of the five (5) year period.

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

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

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

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

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2024, or until a total of 30 MW of New Load has qualified under this Rider and/or any other incentive rate rider to Rate Schedule B-1, whichever occurs first.
9. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON MAY 16~~APRIL 18~~, 2019

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

ECONOMIC DEVELOPMENT RATE RIDER

1. **Purpose.** The purpose of this Economic Development Rate (EDR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract large, energy-intensive new business to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.
2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD), have not executed a Supplemental Power and Ancillary Services Agreement, and meet at least one of the following conditions:
 - Zero (0) MW CROD
 - CROD/MAXD ratio below 1.0
3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

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

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

4. **Qualifying Criteria.** To qualify to receive the EDR, the ARP must have sufficient capacity available to serve each New Load for the first 10 years of service, and each New Load and Project Participant must meet the following criteria and conditions:
 - (a) Each New Load must be a minimum of 5,000 kW for each month, as measured in Section 5, at a single location (multiple meters are allowed at a single campus)

- (b) Each New Load must be energy-intensive, meaning the business uses a significant amount of electricity per square foot (at least 100 kWh/ft²/year)
- (c) Each New Load must be separately metered with information from such meters being available to FMPA, as described in Section 6
- (d) Electricity price must be a significant determining factor in the site selection competition of the new or expanded business
- (e) Project Participant must pass through the EDR demand and energy rates directly to the new or expanded business
 - Project Participant must recover its distribution, metering, and customer charges through an adder to the EDR demand rate at a discount, including reductions to general fund transfers. Such adder is not to be increased from the initially determined level during the first 10 years of service
 - Project Participant must pass through the EDR energy rate with zero adders
- (f) Project Participant cannot receive generation capacity credits, through a Capacity and Energy Sales Contract, higher than the EDR for the amount of capacity used to serve the new or expanded business

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

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

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

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

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

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive EDR pricing for the New Load under this Rider. All meters must meet the same qualifications as those required at the Point of Measurement in the ARP Contract.
7. **Term of Service.** Except as limited below in this Section 7, pricing provided under this Rider shall be for a term to be negotiated on a case-by-case basis and approved by the FMPA Executive Committee. Such pricing under this Rider will terminate at the end of the negotiated service period.

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

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

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

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2020.
9. **Good Faith Business Development Efforts.** The Project Participant must demonstrate to the Executive Committee that a reasonable amount of good faith business development effort was undertaken to attract the New Load in order to qualify for EDR pricing as set forth in Section 5. Qualification for EDR pricing is at the discretion of the Executive Committee on a case-by-case basis.
10. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON ~~APRIL 18, 2018~~ MAY 16, 2019

AGENDA ITEM 8 – ACTION ITEMS

- b) Approval of Green Cove Springs
Supplemental Power and Ancillary
Services Agreement**

**Executive Committee
May 16, 2019**



EC 8b – Green Cove Springs Supplemental Power and Ancillary Services Agreement

FMIPA Executive Committee

May 16, 2018

Supplying All Capacity and Energy Needs to Green Cove Springs

- CROD will be effective January 1, 2020
- Supplemental agreement “wraps” around CROD amount to provide for all of Green Cove Springs’ requirements
- Green Cove Springs can reduce potential risk and cost exposure
- The ARP sells some of its excess capacity if Green Cove Springs grows – some additional ARP revenue for at least 10 years
 - Every MW of growth reduces the ARP rate by approximately 4 cents per MWh

Supplemental Power and Ancillary Services Agreement

- “Wrap” effective January 1, 2020
 - Concurrent with CROD, which remains in effect, to be determined in December 2019
- No CROD Responsibility Agreement needed
- No changes to transmission agreements needed
- Initial term to September 30, 2029
 - 4-year automatic renewals unless notification provided by either party 1 year prior to extension date

Result

- A total wholesale power cost to Green Cove Springs that is effectively the same as if CROD were revoked and they were a full ARP Participant again.

Recommended Motion

- Move approval of the Supplemental Power and Ancillary Services Agreement with Green Cove Springs, and authorize the General Manager and CEO to execute the agreement.

DRAFT

SUPPLEMENTAL POWER AND ANCILLARY SERVICES AGREEMENT

This supplemental power and ancillary services agreement (hereafter "**Agreement**") is entered into this ____ day of _____, 2019, by and between FLORIDA MUNICIPAL POWER AGENCY (ALL-REQUIREMENTS POWER SUPPLY PROJECT), a governmental legal entity created and existing pursuant to Florida law ("**FMPA**") and the CITY OF GREEN COVE SPRINGS, FLORIDA, a Florida municipality operating a retail electric utility in Clay County, Florida (the "**City**" or "**GCS**").

RECITALS

1. The City is a member of FMPA and a participant in the St. Lucie Project, the first power supply project developed by FMPA, consisting of an 8.8% undivided ownership interest in the St. Lucie Unit No. 2 nuclear power plant, otherwise owned and operated by Florida Power & Light Company ("**FPL**"). FMPA and the City entered into the St. Lucie Project Power Sales Contract and Project Support Contract, dated as of June 1, 1982, as amended (collectively, the "**St. Lucie Project Contracts**"), pursuant to which FMPA agreed to sell and deliver to the City and the City agreed to purchase and receive a 1.757% share of electric capacity and energy from the St. Lucie Generation, as defined in the St. Lucie Project Contracts (the City's, "**St. Lucie Power Entitlement Share**").

2. The City is also a participant in the All-Requirements Power Supply Project (the "**ARP**") pursuant to the All-Requirements Power Supply Project Contract, between the City and FMPA, entered into as of March 22, 1985, as amended (collectively, the "**ARP Contract**"). Pursuant to section 3(a) of the ARP Contract, the City gave notice to irrevocably limit the maximum amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the City as All-Requirements Services (as defined in the ARP Contract) to a Contract Rate of Delivery ("**CROD**"). The City's CROD will be established by the FMPA Executive Committee in December 2019 and become effective on January 1, 2020. Pursuant to past practices, FMPA and the City would need to enter into an agreement to provide for the scheduling of capacity and energy ahead of the January 1, 2020, effective date to implement CROD (a "**CROD Responsibility Agreement**").

3. The City elected the CROD option based on expectations of significant growth in the City's load and a desire to take advantage of the low-cost power supply available in the market relative to the high ARP rates at the time the City gave notice. The City has not yet experienced the expected load growth, however, continues to believe some degree of growth is inevitable. The City also recognizes the cost improvements that FMPA has made and the corresponding decreases to the ARP rates in effect now.

4. The City desires to limit the impacts of CROD to the City's operations and costs, while continuing to have the ability to make use of available ARP rate discount riders should significant load(s) materialize, consistent with the terms of this Agreement. The City and FMPA discussed the possibility of Executive Committee action to extend the availability of the Load

Attraction Incentive Rate so it is available to be utilized the City for the entire term of this Agreement.

5. Given these circumstances, and in consideration of the mutual benefits provided by this Agreement, FMPA and the City desire to enter into this agreement for FMPA to provide supplemental power and ancillary services to the City, in accord with the terms of this Agreement, in place of a CROD Responsibility Agreement which would otherwise be required.

ACCORDINGLY, in consideration of the above stated Recitals and other good and valuable consideration the receipt and adequacy of which is hereby acknowledged by the parties, the parties agree as follows:

Section 1. Recitals. The above Recitals are true and correct and form a material part of this Agreement.

Section 2. Supplemental Capacity and Energy. FMPA hereby agrees to sell and deliver to the City, and the City hereby agrees to purchase and receive from FMPA, commencing on the Service Effective Date and extending through the Term (as defined below) of this Agreement, all capacity and energy (including all associated transmission and dispatching services) which the City requires for the operation of its municipal electric system over and above its CROD, over and above its Excluded Power Supply Resources (as defined in the ARP Contract), and over and above Back-up and Support Services (as defined in the ARP Contract) ("**Supplemental C&E**").

Section 3. Term. (a) This Agreement is effective as of the date stated in the introductory paragraph. This Agreement will remain in effect until September 30, 2029, and thereafter is subject to the following automatic extensions: on September 30, 2029, and each fourth anniversary thereafter (i.e., 2033, etc.), until the termination of the City's ARP Contract, this Agreement will automatically extend for an additional four year period, unless either party notifies the other in writing at least one year prior to such an automatic extension date of its decision to not extend this Agreement (collectively, the "**Term**"). For the avoidance of doubt, this Agreement is co-terminus with the City's ARP Contract.

(b) The provision of Supplemental C&E shall commence on January 1, 2020 (the "**Service Effective Date**").

Section 4. No Amendment to the ARP Contract. This Agreement does not amend the ARP Contract and all terms and conditions of the ARP Contract continue to be in full force and effect, applicable to both the City and FMPA. As such, the City, as a participant in the ARP, will continue to be subject to all terms, conditions, covenants, obligations, rights, and limitations, as to this contract and the provision of Supplemental C&E, including being bound by all policies and procedures adopted by FMPA, in accord with the ARP Contract, for the All-Requirements Power Supply Project. Nothing in this Agreement shall limit the FMPA Executive Committee in establishing or amending the ARP rates, including amending, rescinding, or developing new rate riders. Any action by the FMPA Executive Committee relative to rate riders is separate from this Agreement.

Section 5. Delivery and Billing. (a) Delivery and receipt of Supplemental C&E pursuant to this Agreement shall be provided for by the parties as though it was a part of the All-Requirements Services provided for in accord with the terms of the ARP Contract. However, the parties hereby acknowledge and agree that the Supplemental C&E is a separate contractual obligation of the parties, pursuant to this contract. During the Term of this Agreement, the point of delivery for Supplemental C&E ("**Supplemental C&E POD**"), and CROD C&E ("**CROD POD**") shall be the interconnection point between the FPL, transmission system and the City's transmission system. FMPA will revise Schedule A of the City's ARP Contract, in accord with section 19(c) of the ARP Contract, to reflect changes that are necessary or appropriate to give effect to this Agreement.

(b) FMPA's contractual obligations under the ARP Contract to provide transmission and related services, including, without limitation, dispatching and scheduling, to GCS for delivery of CROD C&E shall be fulfilled by FMPA delivering or causing to be delivered CROD C&E to the CROD POD, and FMPA will have no obligation or responsibility beyond such CROD POD. FMPA's obligation under 3(a) of the ARP Contract to use its best efforts to arrange for and provide to GCS the transmission services required by GCS for its capacity and energy requirements in excess of its CROD (with all costs related thereto borne by GCS) shall be fulfilled upon FMPA delivering or causing to be delivered the Supplemental C&E to the Supplemental C&E POD, as it may be amended, and FMPA will have no obligation or responsibility beyond such Supplemental C&E POD.

(c) Billing, metering, and all other technical and operational aspects and matters related to this contract shall be handled by the parties in accord with the terms and conditions of the ARP Contract, unless otherwise provided for in this contract. After the Service Effective Date, and for the Term of this contract, FMPA will provide to the City a monthly bill that separately states the charges for the Supplemental C&E.

Section 6. Transmission and Ancillary Services. (a) After the effectiveness of this Agreement, FMPA will continue to provide for the City to receive all needed transmission service for its electric load to be provided for under FMPA's Network Integration Transmission Service Agreement ("**NITSA**") with FPL, and to include the City's electric demand in the Florida Municipal Power Pool ("**FMPP**"), or its successor, balancing area; and as a result, provide all ancillary services for the City as a part of the Supplemental C&E.

(b) All costs, charges, fees, or other expenses associated with, arising out of, related to, occasioned by, or otherwise due to the delivery of GCS's CROD C&E, Supplemental C&E, and St. Lucie Power Entitlement Share, to their points of delivery, including any associated losses, shall be payable to FMPA by GCS in accordance with the terms and conditions of the this Agreement, the ARP Contract and St. Lucie Contracts, as applicable. GCS acknowledges that FMPA may include these costs on its regular ARP power bills or its St. Lucie Project bills, or otherwise invoice GCS for these costs, which must be paid by GCS in accord with the applicable ARP Contract or St. Lucie Contracts.

(c) FMPA shall not be responsible for any costs, charges, fees, or other expenses imposed by FPL, or any other entity, for transmitting CROD C&E, Supplemental C&E, or St. Lucie Power Entitlement Share beyond their respective points of delivery, including, without limitation, those associated with, arising out of, related to, occasioned by, or otherwise due to any new or upgraded transmission facilities, or other equipment required in order to include the City's total electric load in FMPA NITSA with FPL. To the extent FMPA is billed for any such costs, charges, fees, or other expenses imposed by FPL or any other entity, FMPA shall invoice GCS, and GCS hereby agrees to reimburse FMPA, as billed by FMPA.

Section 7. CROD Responsibility Agreement. In the event that this Agreement terminates prior to the term of the City's ARP Contract, the parties shall cooperate to enter into a subsequent CROD Responsibility Agreement to provide for the technical and operations matters that need to be addressed, if any, for FMPA and the City to provide for the provision of CROD, absent this Agreement. It is understood and agreed by the Parties that a CROD Responsibility Agreement must be entered into before the effectiveness of the termination of this Agreement, to provide for continued reliable service of capacity and energy to the City.

Section 8. Assignment. It is understood and agreed that neither party may transfer, sell, mortgage, pledge, hypothecate, convey, designate, or otherwise assign this contract, or any interest in this contract or any rights or obligations under this Agreement, in whole or in part, either voluntarily or by operation of law, (including by merger, consolidation, or otherwise), without the express written consent of the other party (and any such attempt shall be void), which consent shall not be unreasonably conditioned, withheld or delayed. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

Section 9. No Third-Party Beneficiaries. This Agreement is solely for the benefit of FMPA and the City and no right nor any cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person or corporation other than FMPA and the City, any right, remedy, or claim under or by reason of this Agreement; or any of the provisions or conditions of this Agreement; and all provisions, representations, covenants and conditions contained in this Agreement shall inure to the sole benefit of and be binding upon FMPA and the City and their respective representatives, successors, and permitted assigns.

Section 10. Entire Agreement. This instrument shall constitute the final complete expression of this Agreement between FMPA and the City relating to the subject matter of this contract.

Section 11. Good Faith Dealings. The parties agree to cooperate in good faith with each other in their respective performance hereunder and in carrying out and giving effect to the provisions of this Agreement, including, without limitation, the execution and filing of applications for authorizations, permits and licenses with governmental authorities, and the execution of such

other documents and taking of such actions as may be reasonably necessary to carry out the provisions of this Agreement.

Section 12. Notices. (a) Each party giving or making any notice, request, demand, or other communication (each, a “**notice**”) pursuant to this Agreement shall give the notice in writing and shall use one of the following methods of delivery, each of which for purposes of this contract is a writing: (1) personal delivery; (2) registered or certified mail, in each case, return receipt requested and postage prepaid; (3) nationally recognized overnight courier, with all fees prepaid; (4) electronic mail with electronic confirmation of the addressee opening the electronic mail (i.e., read receipt) or (5) facsimile.

(b) Each party giving a notice shall address the notice to the appropriate person at the receiving party (the “**Addressee**”) at the address listed below or to another Addressee or at another address designated by a party in a notice pursuant to this section 12:

If to FMPA: Florida Municipal Power Agency
8553 Commodity Circle
Orlando, Florida 32819-9002
Attention: Chief Operating Officer
Facsimile No.: (407) 355-5794
Telephone No. (for verification purposes only): (407) 355-7767

With a required 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
Facsimile No.: (850) 297-2014
Telephone No. (for verification purposes only): (850) 297-2011

If to the City:

With a required copy to:

(c) Except as provided elsewhere in this Agreement, a notice is effective only if the party giving or making the notice has complied with subsections (a) and (b) and if the Addressee has received the notice. A notice is deemed to have been received as follows:

- (1) If a notice is delivered in person, or sent by registered or certified mail, or nationally recognized overnight courier, upon receipt as indicated by the date on the signed receipt.
- (2) If a notice is sent by facsimile, upon receipt by the party giving or making the notice of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the Addressee's facsimile number.
- (3) If the Addressee rejects or otherwise refuses to accept the notice, or if the notice cannot be delivered because of a change of address for which no notice was given, then upon the rejection, refusal, or inability to deliver.
- (4) Despite the other clauses in this subsection (c), if any notice is received after 5:00 p.m. on a business day where the Addressee is located, or on a day that is not a business day where the addressee is located, then the notice is deemed received at 9:00 a.m. on the next business day where the Addressee is located.

Section 13. Governing Law. The validity and interpretation of this Agreement and the right and obligations of the parties under this Agreement shall be governed and construed in accordance with the laws of the State of Florida without regard for any conflicts of law provisions that might cause the law of other jurisdictions to apply.

Section 14. Venue. All controversies, claims, or disputes arising out of or related to this Agreement or any agreement, instrument, or document contemplated hereby, shall be brought exclusively in the state or federal courts located in Florida, as appropriate. The parties consent to and agree to submit to the personal jurisdiction of such courts. Each of the parties hereby waives, and agrees not to assert in any such controversy, claim, or dispute, to the fullest extent permitted by applicable law or other legal restrictions on a party, any argument or claim that: (1) such party is not personally subject to the jurisdiction of such courts, (2) such party and such party's property is immune from any legal process issued by such courts, or (3) any litigation or other process commenced in such courts is brought in an inconvenient forum.

Section 15. Severability. Wherever possible, each provision of this Agreement is to be interpreted in such a manner as to be effective and valid under applicable law. Should any portion of this contract be declared invalid for any reason, such declaration shall have no effect upon the remaining portions of this Agreement. In the event any provision of this Agreement is held by any tribunal of competent jurisdiction to be contrary to applicable law, the remaining provisions of this Agreement shall remain in full force and effect.

Section 16. Amendment. No amendment to this Agreement is valid unless mutually agreed and signed by both parties.

Section 17. All-Requirements Project Responsibility. For FMPA, this Agreement is a liability and obligation of the All-Requirements Power Supply Project only. No FMPA liability or

obligation under this Agreement inures to or binds any of the funds, accounts, monies, property, instruments, or rights of the Florida Municipal Power Agency generally or any of any other “project” of FMPA as that term is defined in the Interlocal Agreement Creating Florida Municipal Power Agency, as supplemented and amended.

Section 18. Counterparts. This Agreement may be executed in counterparts, each of which is deemed to be an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

DRAFT

The parties are signing this supplemental power and ancillary services contract as of the date stated in the introductory paragraph.

FLORIDA MUNICIPAL POWER AGENCY (ALL-
REQUIREMENTS POWER SUPPLY PROJECT)

By: _____
Jacob A. Williams
General Manager and CEO

ATTEST:

CITY OF GREEN COVE SPRINGS, FLORIDA, a
municipal corporation

APPROVED AS TO FORM AND LEGALITY:

AGENDA ITEM 9 – INFORMATION ITEMS

a) ARP Net Metering Policy Revisions

**Executive Committee
May 16, 2019**



9a – ARP Net Metering Policy Revisions

FMIPA Executive Committee

May 16, 2019

The Story In Brief

Policy Limits Approaching

- The current ARP net metering policy caps an individual Participant's uptake to 2.5% of their peak demand, with discretionary additions possible thereafter
- KUA has a proposed large home development with solar
 - Would bring their total to 10.5 MW-DC and would put KUA close to exceeding their cap
- In April, EC gave direction to amend ARP Net Metering Policy to:
 - Eliminate the 2.5% "cap" and institute 5% triggering point to bring back to EC for further review;
 - Calculate subscriptions based on AC ratings;
 - Clarify that summer coincident peak demand is being used;
 - Other necessary changes.

ARP Net Metering Policy Revisions

Redline and Clean Versions

Section 6. ~~Limit on~~ Review of Customer Enrollment

6.01. Each ARP Participant may offer net metering service to customer-owned renewable generators under this Policy on a first-come first-served basis. When the ARP Participant's total AC rated generating capacity (subject to a capacity contribution of 40%) used by eligible customer-owned renewable generators exceeds 2.55% of the ARP Participant's aggregate customer-summer coincident peak demand, based on an FMPA staff semi-annual review, then FMPA staff shall bring the issue before the Executive Committee for further review of net metering customer enrollment.

~~6.02. In the event that the ARP's total DC rated generating capacity of an ARP Participant's net metering customers meets the limit on enrollment set forth above, subsequent applicants for net metering service shall be considered on an individual basis by FMPA, with due consideration given to the customer's impact on ARP Participant's system and the rate impact on all ARP Participants' and their customers.~~

Section 6. Review of Customer Enrollment

6.01. Each ARP Participant may offer net metering service to customer-owned renewable generators under this Policy on a first-come first-served basis. When the ARP Participant's total AC rated generating capacity (subject to a capacity contribution of 40%) used by eligible customer-owned renewable generators exceed 5% of the ARP Participant's summer coincident peak demand, based on an FMPA staff semi-annual review, then FMPA staff shall bring the issue before the Executive Committee for further review of net metering customer enrollment, with due consideration given to the impact on ARP Participants' systems and the rate impact on all ARP Participants and their customers.

Other Net Metering Document Revisions

Individual ARP Participant Documents

- Tri-Party Net Metering Power Purchase Agreement
 - No change
- ARP Participant Tariffs & Other Documents
 - Net Metering Tariffs & Interconnection Agreements:
 - “Customer acknowledges that its provision of electricity to [Utility] hereunder is on a first-offered first-accepted basis and subject to diminution and/or rejection in the event the total amount of electricity delivered to [Utility] pursuant to the [Utility’s] Net Metering Service Rate Schedule, (as filed with the Florida Public Service Commission), from all participating [Utility] customers, exceeds 2.5 percent (%) of the aggregate customer peak demand on [Utility’s] electric system.”
 - PSC filing requirements
 - Customer Application, Net Metering Checklist, Net Metering FAQs, etc.
 - No EC action necessary; but FMPPA legal will assist

Requested Action

- No requested action at this time. Information item only.

AGENDA ITEM 9 – INFORMATION ITEMS

b) 2019 ARP Ten-Year Site Plan

**Executive Committee
May 16, 2019**



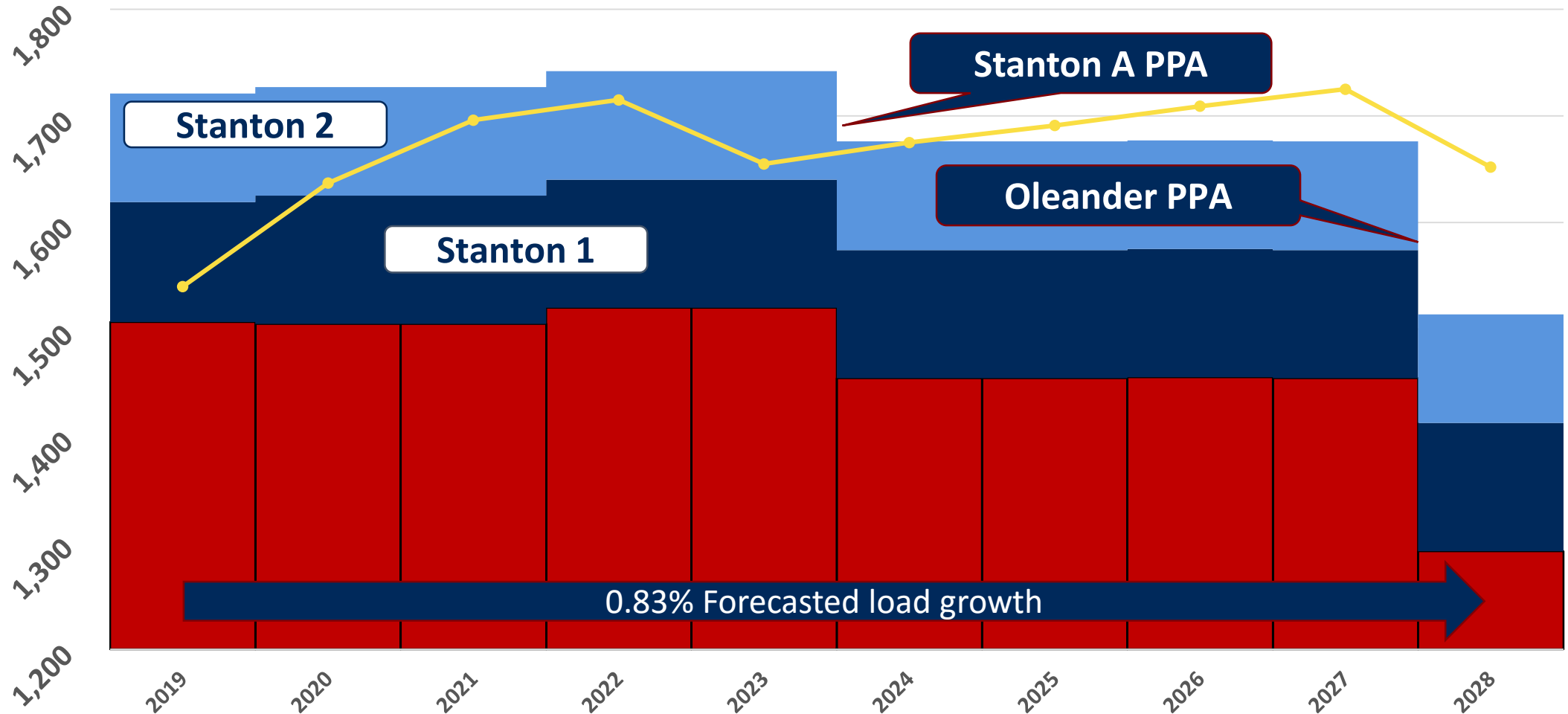
EC 9b – ARP 2019 Ten-Year Site Plan

FMIPA Executive Committee

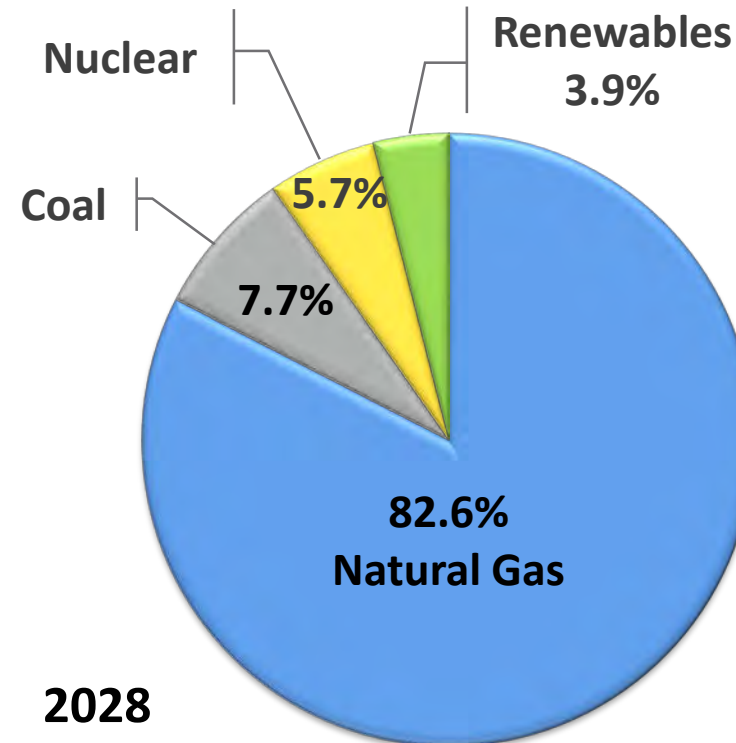
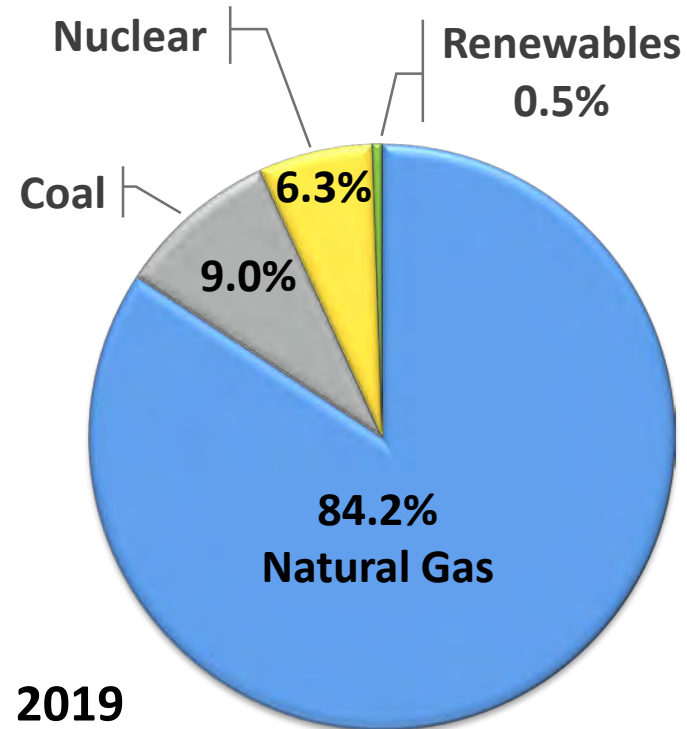
May 16, 2018

ARP Projected MW Load and Resource Balance

Includes maintaining a 15% Reserve Margin



2019 and 2028 Generation Fuel Mix (by energy)



Information Only

- Questions?



AGENDA PACKAGE MEMORANDUM

TO: Executive Committee
FROM: Chris Gowder
DATE: May 7, 2019
ITEM: EC 9b – 2019 ARP Ten-Year Site Plan

Executive Summary

- As reported to the Florida Public Service Commission, the All Requirements Power Supply Project's (ARP) existing resource portfolio can meet the ARP capacity requirements, with a 15% reserve margin, through 2024. For the period from 2025 through 2028, the Ten-Year Site Plan (TYSP) anticipates additional seasonal (summer) peaking purchases will be required to maintain a 15% reserve margin. This peaking need to meet reserve requirements does not account for any capacity contribution from solar resources being added to the portfolio and assumes the Stanton A Power Purchase Agreement is not extended beyond the agreement end date of Oct 1, 2023.
-

Explanation

- Chapter 186, Florida Statutes, requires that each electric utility in the state of Florida with an existing generating capacity of 250 MW or more submit a ten-year site plan by April 1 of each year. Consistent with rules 25-22.070, 25-22.071, and 25-22.072 of the Florida Administrative Code, the TYSP is to provide a ten-year projection of the utility's electric power generating needs, how those needs will be met, and information about the utility's preferred and potential power plant sites for generation capacity additions.
 - FMIPA filed the 2019 TYSP with the Florida Public Service Commission (FPSC) on March 28, 2019 on behalf of the ARP Participants as joint owners of the ARP. The 2019 TYSP is available on the Member Portal.
-

Highlights of the ARP 2019 TYSP

- Based on the ARP base load forecast, the ARP expects to meet its generation capacity requirements, with a 15% reserve margin with existing resources, through 2024. For the remainder of the TYSP study period (through December 31, 2028), FMIPA anticipates additional seasonal (summer) peaking purchases will be required to maintain a 15% reserve margin.
- Table 1 shows the ARP's annual coincident peak (CP) demand at the generation level, the CP peak demand with 15% reserves, and the projected available capacity from existing ARP resources as reported in the TYSP.

Table 1 – 10 Year Projected Base Case ARP CP Demand and Resource Capability

Year	Annual Summer CP Demand (MW)	Annual Summer CP Demand With 15% Reserves (MW)	Existing Resource Summer Capability (MW)	Capacity Need (MW)
2019	1,339	1,540	1,721	0
2020	1,424	1,637	1,727	0
2021	1,475	1,696	1,727	0
2022	1,491	1,715	1,742	0
2023	1,439	1,655	1,742	0
2024	1,456	1,675	1,676	0
2025	1,471	1,691	1,676	15
2026	1,486	1,709	1,677	32
2027	1,500	1,725	1,676	49
2028	1,437	1,652	1,514	138

- Figure 1 illustrates the projected fuel mix by energy of the ARP as reported in the 2019 TYSP for 2019 and 2028. The figure reflects a forward strip natural gas price forecast and coal prices as projected by OUC. FMPPA's actual fuel mix will vary based on relative future fuel prices, variances in load, and actual unit dispatch, among other factors.
- Figure 2 is a graphical representation of the ARP's Load and Resource Balance depicting each generation asset's capacity contribution by year. This graph illustrates the excess capacity over the 2019-2028 time period of the 2019 TYSP and the ten years beyond 2028 showing the projected ARP capacity deficiency.

Recommended Motion

For information only. No action requested.

RLM/rlm

Figure 1 – Projected ARP Fuel Mix for 2019 and 2028

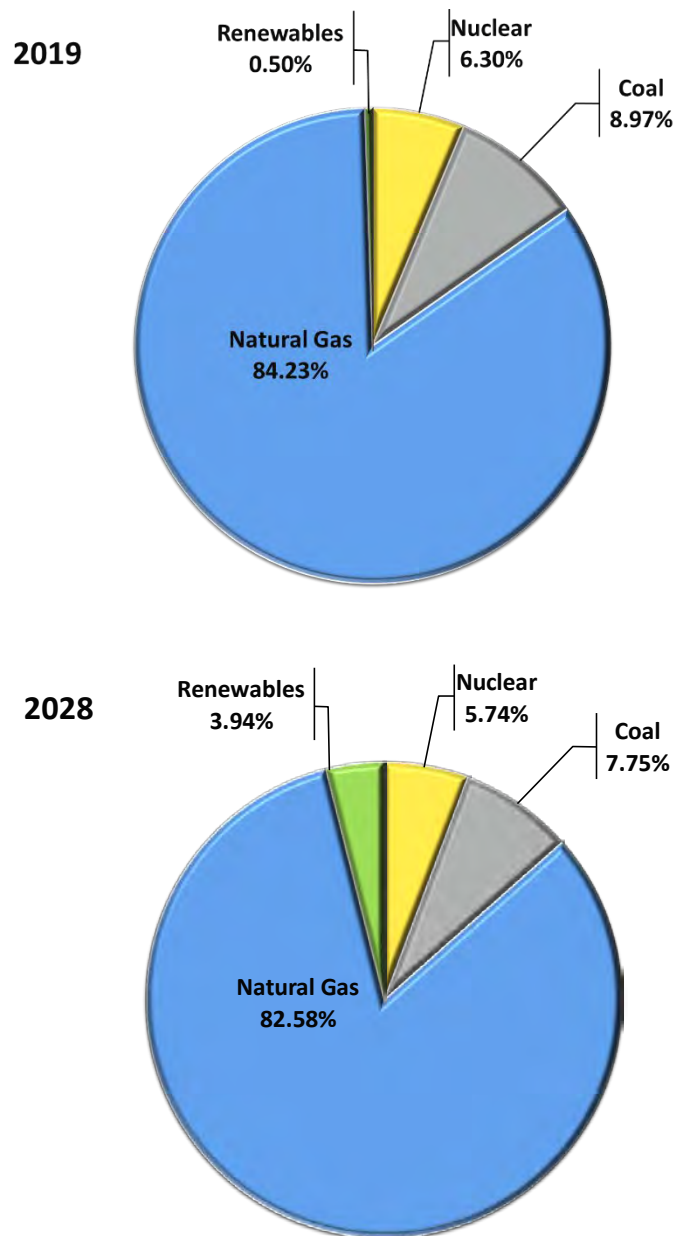
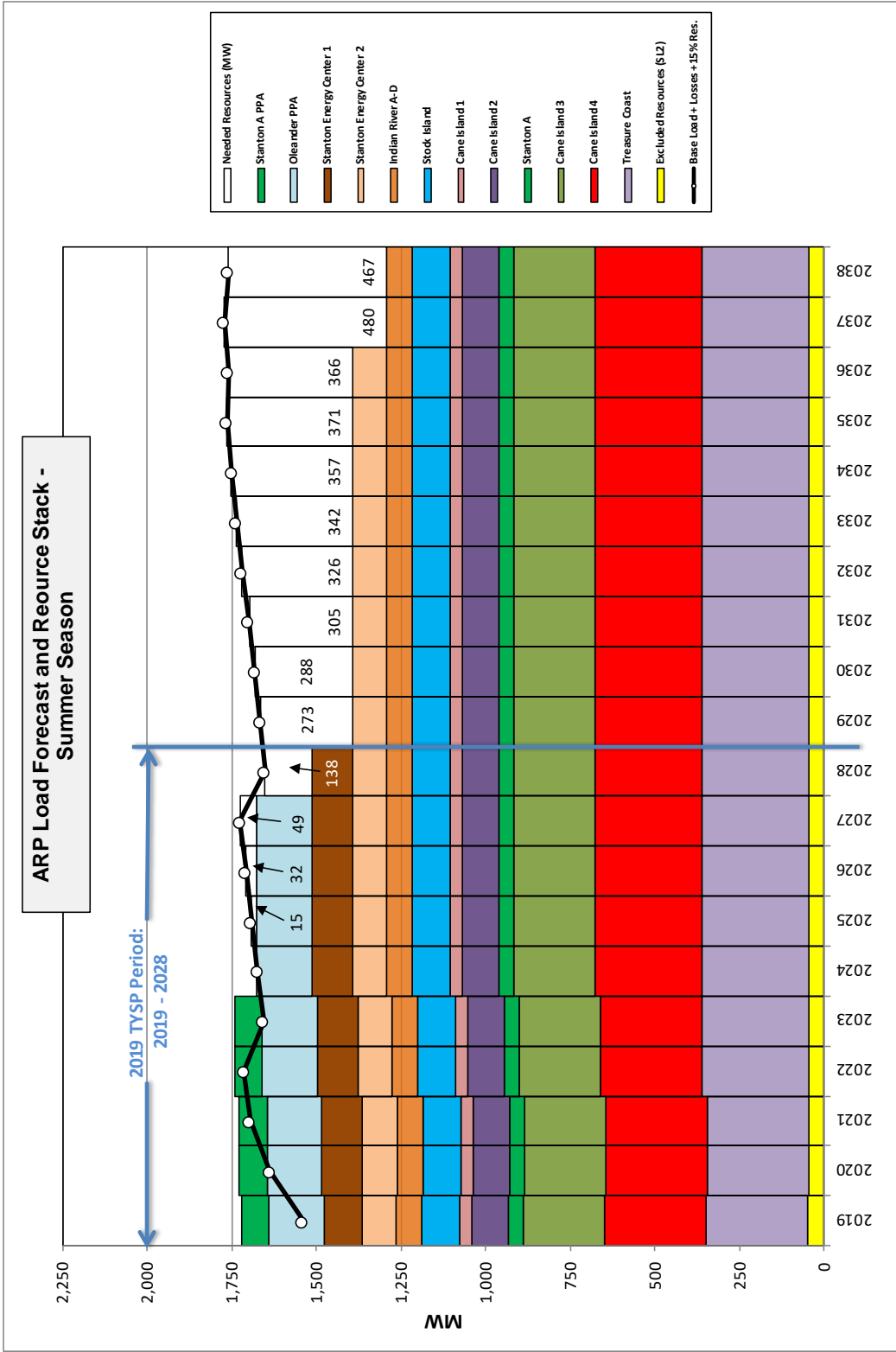


Figure 2 - ARP Load and Resource Balance



AGENDA ITEM 9 – INFORMATION ITEMS

- c) Line of Credit Extensions for JPMorgan
and Wells Fargo Bank**

**Executive Committee
May 16, 2019**



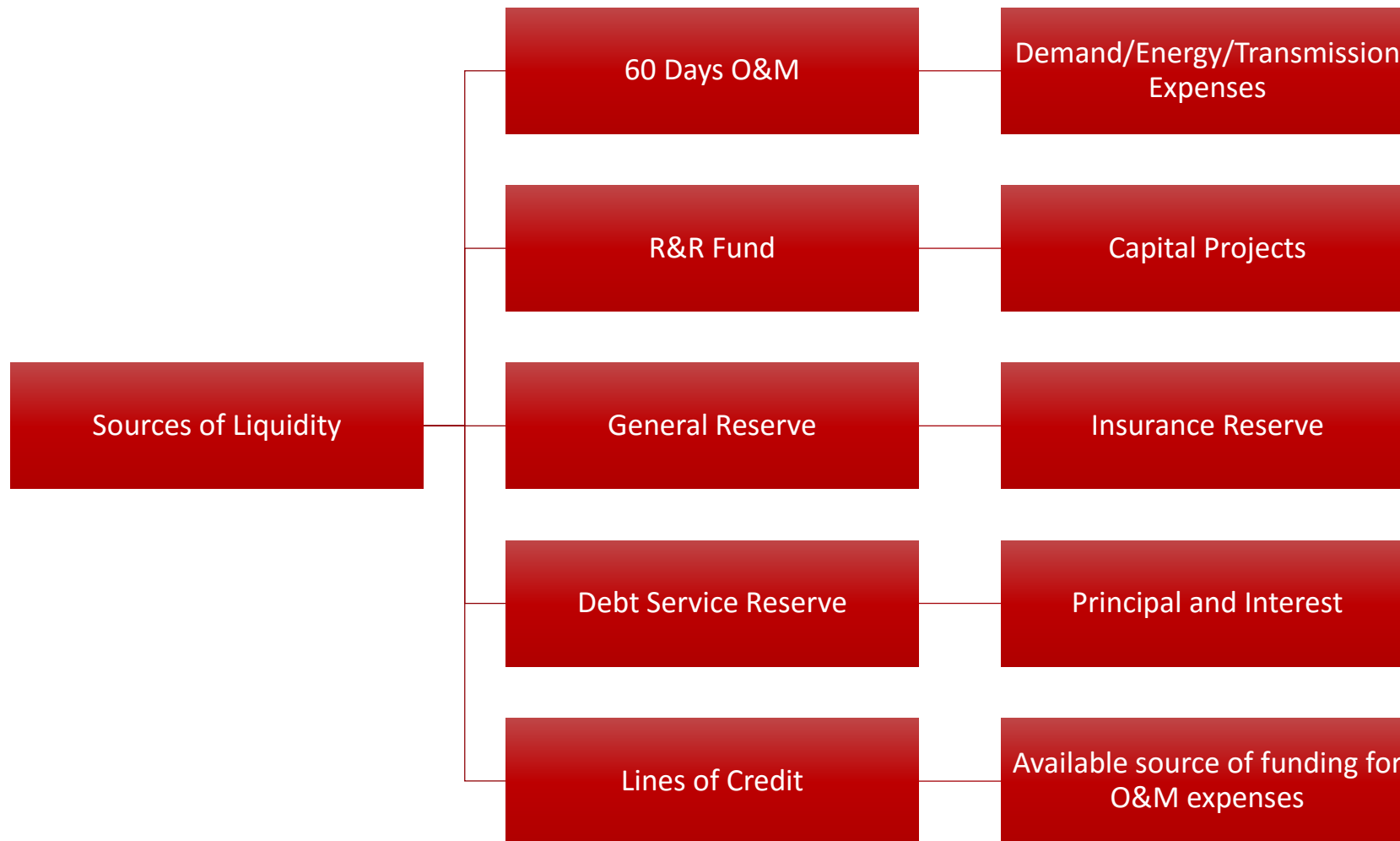
9c – ARP Line of Credit Extensions for JP Morgan and Wells Fargo

Executive Committee

May 16, 2019

Two Lines of Credit Provide \$100 Million ARP of Liquidity

LOC Covers Unplanned Costs Giving Rating Agencies Comfort



Two Lines of Credits Expiring in 2019

Both Counter-Parties Have Conceptually Agreed to 3 Year Extensions

- **JP Morgan LOC**

- \$75 Million of capacity
- Expires: July 1, 2019
- \$5 million currently outstanding
 - Lowest total LOC cost when some of the line is used
- FY 2018 cost \$405,891 or 54.1 bps

- **Wells Fargo LOC**

- \$25 Million of capacity
- Expires: November 1, 2019
- No amount outstanding
- FY 2018 cost \$89,201 or 35.7 bps

Extension Changes

Attempting to Limit Changes to Only Required Changes

- Interest Rate based on LIBOR. This index will terminate before new expiration date.
 - Working on language to allow for transition
- Address Bank Regulatory and Legal Requirements
 - FMPA attesting to Office of Foreign Asset Control Sanctions and Executives Orders. Governs sanctioned individuals and money laundering laws.
 - Anti-Terrorism Laws

AGENDA ITEM 9 – INFORMATION ITEMS

d) Update on ARP Prepaid Gas Transactions

**Executive Committee
May 16, 2019**



9d – Update on ARP Prepaid Gas Transactions

Executive Committee

May 16, 2019

ARP Participates in Four Prepaid Gas Transactions

Projected Fiscal Year 2020 Savings of \$0.47 per MWh

Prepaid Gas Transactions	Daily MMBtu Volume	Discount off of First of Month Price*	Annual Savings	Saving Start Date
Main Street / RBC	2,750	\$0.40	\$401,500	April 1, 2019
Main Street / Macquarie	2,500	\$0.30	\$273,500	April 1, 2019
Main Street / TD Bank	8,000	\$0.31	\$905,200	July 1, 2019
Black Belt Energy / Morgan Stanley	10,000	\$0.32	\$1,168,000	November 1, 2019
Totals	23,250		\$2,748,000	

* Includes estimated annual interest earnings

AGENDA ITEM 10 – MEMBER COMMENTS

**Executive Committee
May 16, 2019**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
May 16, 2019**