FMPA BOARD OF DIRECTORS AGENDA PACKAGE

October 17, 2019
8:30 a.m. [NOTE TIME]
Dial-in Info 877-668-4493 or 650-479-3208
Meeting Number 734 730 617#
PASSWORD - 8553

Board of Directors

Barbara Quiñones, Homestead –Chair
Lynne Tejeda, Key West – Vice Chair
Larry Mattern, Kissimmee – Secretary
Allen Putnam, Jacksonville Beach – Treasurer
Rodolfo Valladares, Alachua
Bradley Hiers, Bartow
Vacant, Blountstown
Jody Young, Bushnell
Robert Presnell, Chattahoochee
Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
John Tompeck, Fort Pierce
Tom Brown, Gainesville
Robert Page, Green Cove Springs
Howard McKinnon, Havana
Ed Liberty, Lake Worth Beach
Michael Beckham, Lakeland
Brad Chase, Leesburg
Vacant, Moore Haven
Steve Langley, Mount Dora
Bill Conrad, Newberry
Joe Bunch, New Smyrna Beach
Sandra Wilson, Ocala
Claston Sunanon, Orlando
Vacant, Quincy
Bill Sturgeon, St. Cloud
Robert Milner, Starke
Rob McGarrah, Tallahassee
James Braddock, Wauchula
Scott Lippmann, Williston
Dan D’Alessandro, Winter Park

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

MEMORANDUM

TO: FMPA Board of Directors

FROM: Jacob A. Williams, General Manager and CEO

DATE: October 8, 2019

RE: **FMPA Board of Directors Meeting – 8:30 a.m., October 17, 2019 [NOTE TIME]**

PLACE: Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819

DIAL-IN: **DIAL-IN INFO 877-668-4493 or 650-479-3208, Meeting Number 734 730 617# PASSWORD - 8553**
(If you have trouble connecting via phone or internet, call 407-355-7767)

AGENDA

Chairperson Barbara Quiñones, Presiding

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***Also on the Executive Committee agenda.**

JW/su

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

Board of Directors Meeting
October 17, 2019

AGENDA ITEM 2 – RECOGNITION OF GUESTS

Board of Directors Meeting
October 17, 2019

AGENDA ITEM 3 – PUBLIC COMMENTS (Individual Public Comments Limited to 3 Minutes)

Board of Directors Meeting
October 17, 2019

AGENDA ITEM 4 – SET AGENDA (By Vote)

Board of Directors Meeting
October 17, 2019

AGENDA ITEM 5 – REPORT FROM THE GENERAL MANAGER

Board of Directors Meeting
October 17, 2019

Fiscal 2019 Management Goals Scorecard, as of September 30, 2019

FMPA MUNICIPAL POWER

Goal		Status	Actual	YTD Actual	YTD Target	FY 2019 Target	Comment
1. **Safety** (no lost-time accidents for employees or agents)			0	3	0	0	Zero lost time accidents.
2a. **Compliance** (no violations that are not self-reported)	Environ.				0	0	Zero compliance violations.
	Financial				0	0	
	Regulatory				0	0	
2b. **Cyber Security** (zero cyber breaches: Corp IT & Plant Ops)					0	0	
2c. **Phishing Testing**			2.9%	9.4%	<10%	<10%	Spoofed email from IT offering free antivirus __ Team Member Click Free in FY19
3. **Low Costs** ($/MWh)	Controllable		$40.87	$50.75	$54.51	$52.99	Actual data through August 2019 - will be updated prior to the meeting for September 2019. YTD energy sales 3% > budget, O&M costs $3M < budget, help drive YTD costs $3 < budget.
	Fuels		$15.90	$22.68	$22.74	$22.36	
	All-in		$56.77	$73.43	$77.25	$75.35	
4. **Reliability** (EAF for base-load units)			94%	95%	88%	88%	94% reliability for units in September. Records for Cane Island 3 & 4 at 96% and 95%, respectively.

FMPA ARP Lowest Power Costs Since Fiscal 2004

Costs Down 32% Since 2009

All-Requirements Project Power Costs

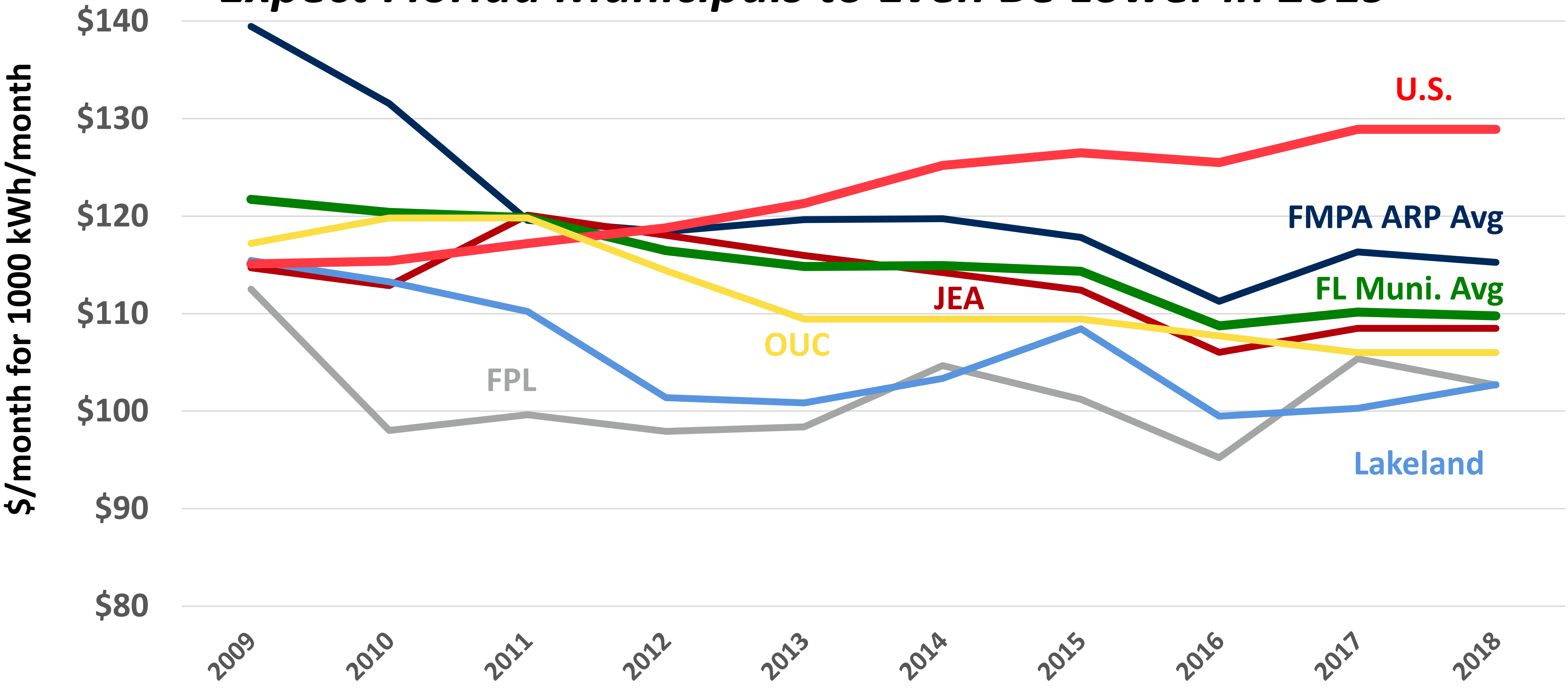
Average cost per 1,000 kWh billed by fiscal year

*2019 is Estimate Based on 11 month actuals and preliminary September Data

All Florida Utilities Residential Cost Lower Today Than 2009

FL Municipals Down 10%, While U.S. Residential Rates Up 12%

Expect Florida Municipals to Even Be Lower in 2019



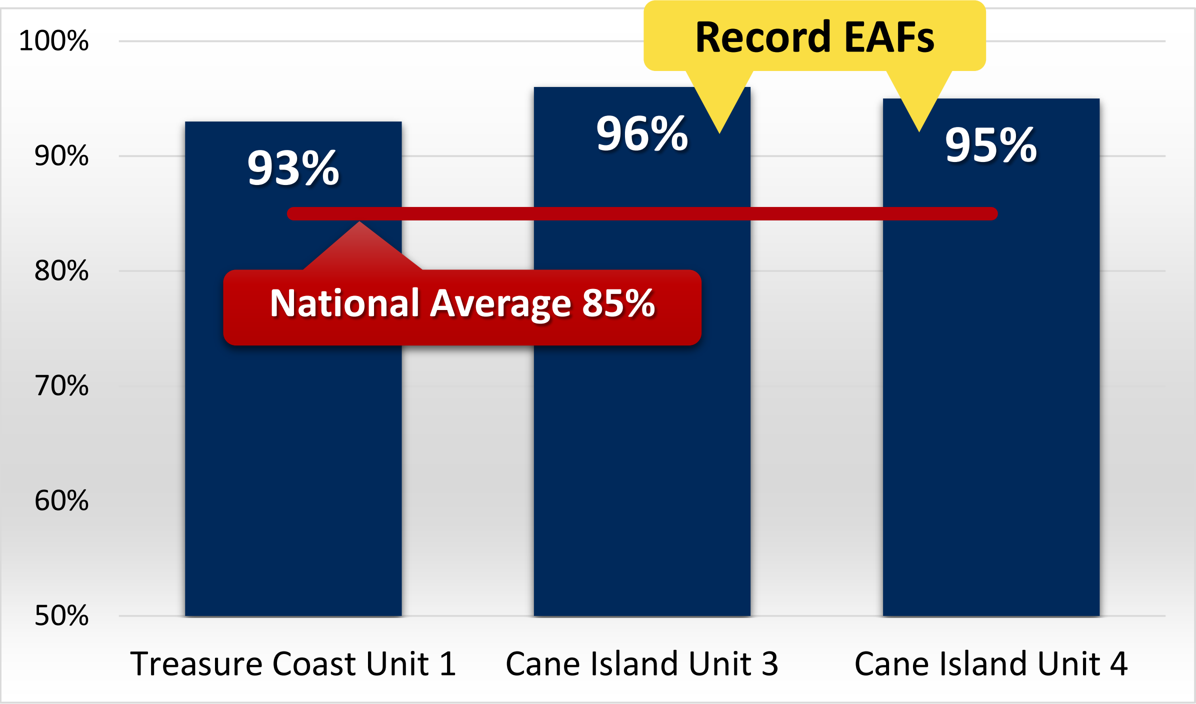
Florida Rates FMEA Analysis 1000kWh/month and U.S. from EIA Annual Electricity for Residential

Reliability

Fleet Outperforms Industry, Achieved 95% EAF

Operation of FMPA's Major Generating Units

Equivalent Availability Factor, Fiscal 2019



SOURCE: North American Electric Reliability Corporation, Generating Availability Data System

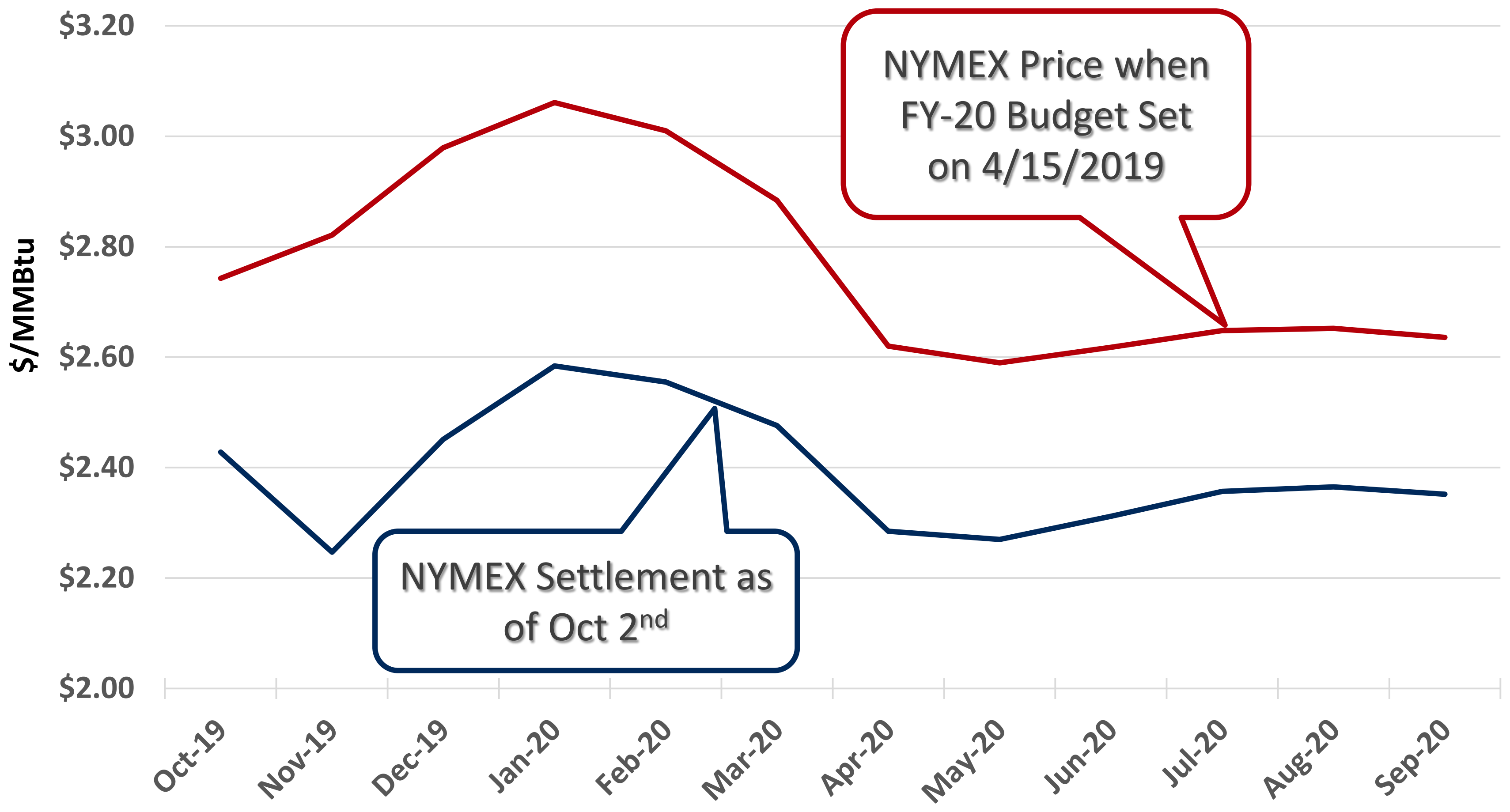
Maintenance work at Cane Island Power Park.

Reliability at Record-High Levels

- Baseload Equivalent Availability Factor **increased 5%** from fiscal 2018
  - Record EAF for Cane Island Units 3 and 4
  - Cane Island Unit 1 **exceeded 98% EAF four out of last five years**
- 5.2 million megawatt hours generated, a 5% increase from fiscal 2018
- Summer season generation **increased 6.5%**
- Treasure Coast second highest availability and capacity factor in last five years
- Cane Island Unit 2 reliability was 98%, service factor and **megawatt hours generated up 25%**
- Stock Island had a record year with **near 90% start reliability**
- **116 days of resource sharing** across FMPA plant sites – target of 80 days

FY 2020 NYMEX Contract $0.38/MMBtu Below Budget

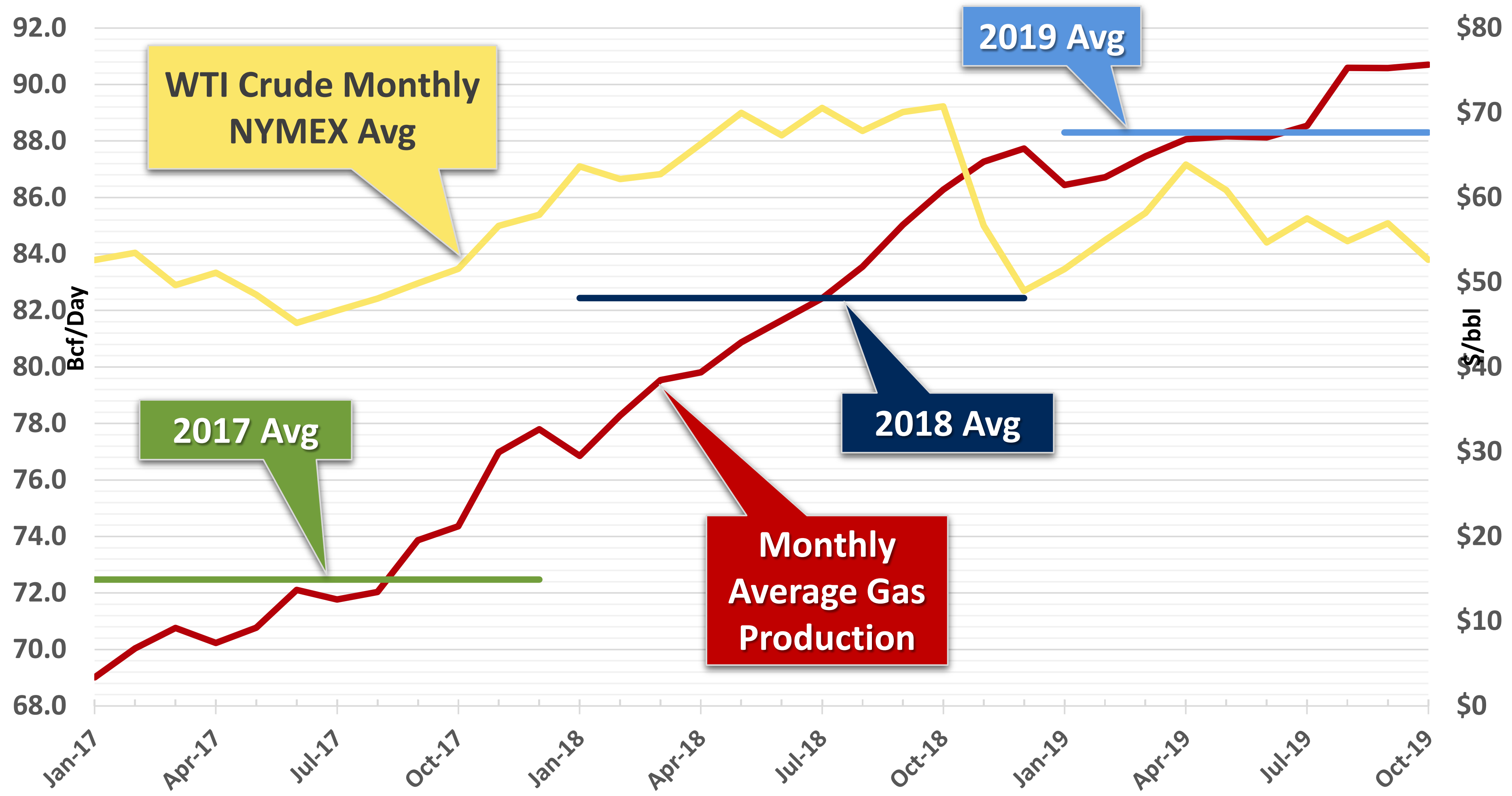
NYMEX Natural Gas Settlement (as of 10/02/19)



FMPA MUNICIPAL POWER

Natural Gas Production Following Changes in Oil Prices

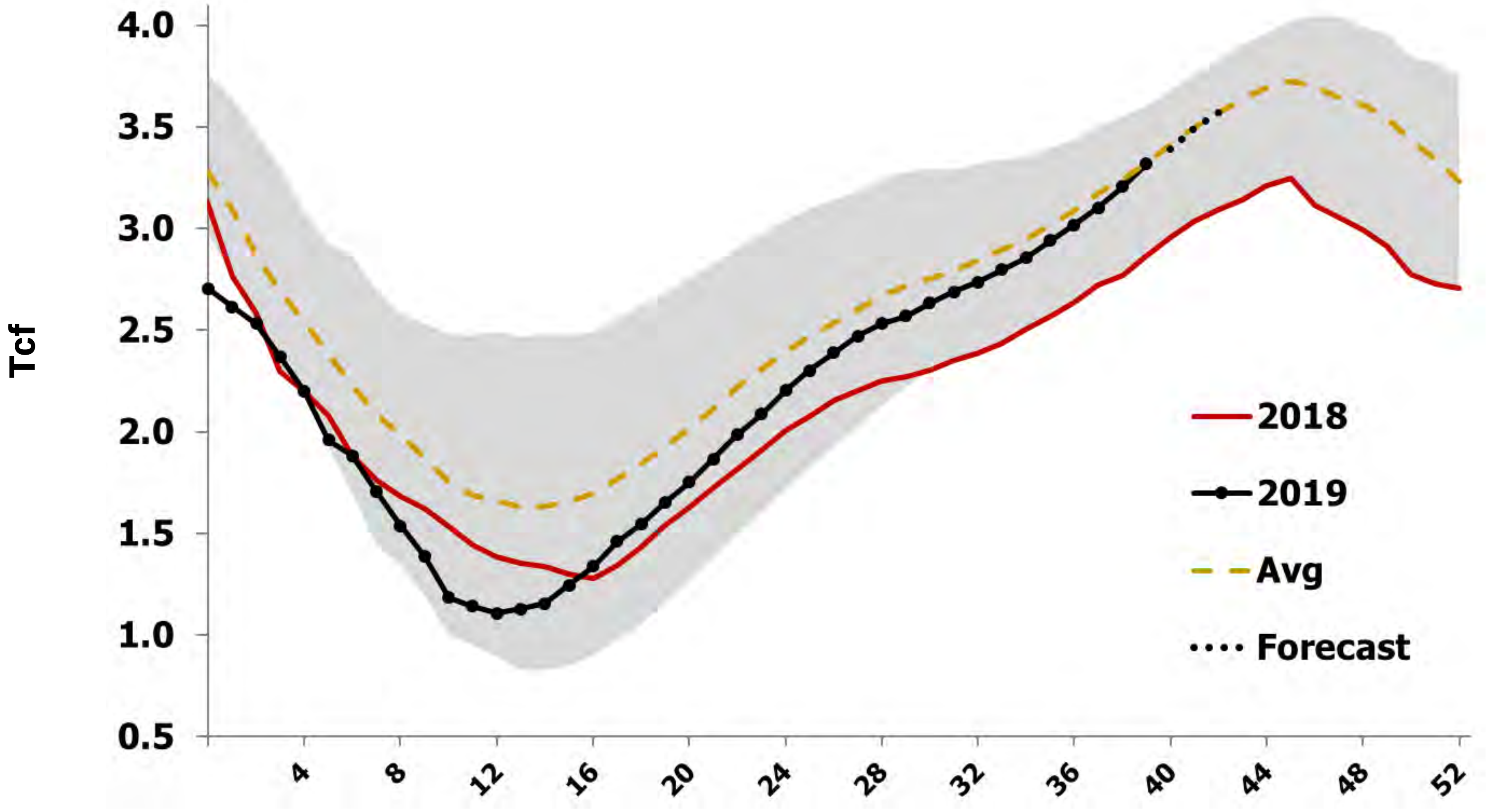
Average Monthly Change Since 2017 to Date (10/03/19)



FMPA MUNICIPAL POWER

Gas Storage Inventory as of Week Ending September 27th

Injection Season trending well above 2018 levels, now following the 5 Year Average

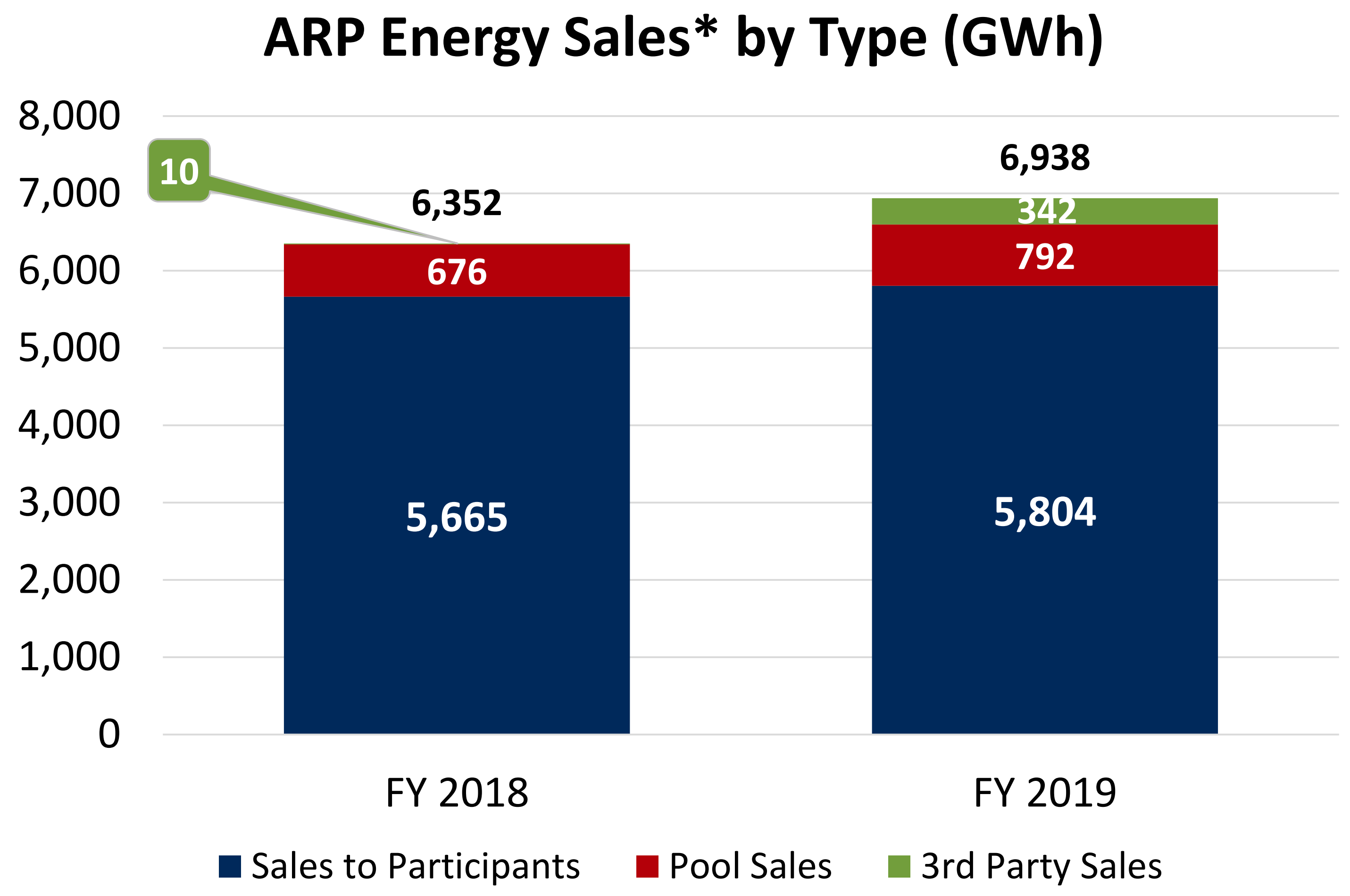


(Continued) **Management Goals Scorecard**, as of September 30, 2019

Goal	Status	Comment
5. Excess Capacity Reduction (reduce costs of 35 MW)		Provided additional information to Homestead. Responded to TECO solicitation for seasonal capacity for 2020 and 2021. FY19, 67% increase in off-system sales. 70% of off-system sales to Pool vs 98% in FY18. September, only 35% of off-system sales to Pool.
6. Generation Team Fleet Resource Sharing (80 days)		Total of 116 days FYTD. Cane Island staff to Treasure Coast. 9 Days in September.
7. Member Visits by Leadership Team (75 visits)		7 visits in September. YTD total is 103.
8. Member Services — 10 project oversight		27 YTD. Added Homestead protection coordination review, Chattahoochee system mapping, and rate sufficiency analysis for Bushnell. Several projects will continue into FY2020.
8. Member Services — 13 regional trainings		16 Total for the year, multiple Fuse classes, multiple Substation classes, 8 separate Roundtables, Windmill class, ABB Breaker class

FMPA ARP Sales to Non-Participants Increase

3rd Party & Pool Sales up 65% over FY2018



*2019 is Estimate Based on 11 month actuals and preliminary September Data

(Continued) **Management Goals Scorecard**, as of September 30, 2019

Goal	Status	Comment
9. Develop 2nd Low-Cost Solar Project Opportunity		16 Members @178.25 MW. Workshop #3 held 10/16. Board and EC Info Item 10/17. Member Approvals expected thru 12/12. Final Board and EC Approvals expected 12/12.
10. Financial Transactions (gas prepay; St. Lucie debt)		Completed several major projects: 1) Closing Vero Beach transaction (including debt payoffs and swap terminations), 2) St. Lucie refunding, 3) Four Prepaid Gas Deals and 4) Relaunched the Pooled Loan program. Monitoring transaction to terminate remaining swaps and refund ARP 2008C Bonds
11. People & Employee Retention (climate survey; train managers; quarterly report to Board of Directors)		Climate survey complete and on task with four focus areas. All but one item from Ogletree letter are complete. Leadership team training in October, one on one coaching sessions on-going through February of 2020. Performance evaluations have been updated and additional training is scheduled.
12. Process Improvement (redesign invoice payments; define Internal Audit scope)		Team focused on utilization of SharePoint and Document Mgmt. and retention. Set scope for document control for the agenda package process.

VERBAL REPORT

AGENDA ITEM 6 – SUNSHINE LAW UPDATE

Board of Directors Meeting
October 17, 2019

AGENDA ITEM 7 – CONSENT AGENDA

a. **Approval of the Minutes for the Meeting Held September 19, 2019**

Board of Directors Meeting
October 17, 2019

CLERKS DULY NOTIFIED ....SEPTEMBER 10, 2019
AGENDA PACKAGES POSTED ....SEPTEMBER 10, 2019

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, SEPTEMBER 19, 2019
9:00 A.M.

MEMBERS PRESENT

Brad Hiers, Bartow
Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
Paul Jakubczak, Fort Pierce
Tom Brown, Gainesville (via telephone)
Bob Page, Green Cove Springs
Barbara Quiñones, Homestead
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Ed Liberty, Lake Worth (via telephone)
Michael Beckham, Lakeland (via telephone)
Brad Chase, Leesburg
Steve Langley, Mount Dora (via telephone)
Bill Conrad, Newberry
Joe Bunch, New Smyrna Beach (via telephone)
Sandra Wilson, Ocala (via telephone)
Claston Sunanon, Orlando
James Braddock, Wauchula * (via telephone)
Justin Isler, Winter Park

*joined after roll call.

OTHERS PRESENT

Karen Nelson, Jacksonville Beach
Jim Williams, Leesburg
Michael Poucher, Ocala
Craig Dunlap, Dunlap & Associates, Inc.
Scott Feuerborn, Burns & McDonnell, Inc.
Craig Brown, Burns & McDonnell, Inc.
Akshay Shiuaram, Burns & McDonnell, Inc.
Randy Clement, Bryant Miller Olive
Jonathan Nunes, nFront Consulting
Rafael G. Couret, Power Engineers

STAFF PRESENT	Jacob Williams, General Manager and CEO Jody Finklea, General Counsel and CLO Ken Rutter, Chief Operating Officer Linda S. Howard, Chief Financial Officer Carol Chinn, Chief Information and Compliance Officer Mark McCain, Assistant General Manager, Member Services and Public Relations Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel Rich Popp, Treasurer and Risk Director Sue Utley, Executive Asst. /Asst. Secy. to the Board Liyuan Woerner, Audit Manager Mike McCleary, Manager of Member Services Development Cairo Vanegas, Manager of Member Services Development Chris Gowder, Business Development and Planning Manager Jason Wolfe, Financial Planning, Rates and Budget Director Luis Cruz, Information Technology Manager Jesse Rivera, Information Technology Support Specialist Isabel Montoya, Information Technology Intern Susan Schumann, Manager of External Affairs and Solar Projects David Schumann, Power Generation Fleet Director

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

Chairperson Barbara Quiñones, Homestead, called the Board of Directors meeting to order at 9:11 a.m. on Thursday, September 19, 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 18 members present representing 30 votes out of a possible 47.5. James Braddock, Wauchula, joined via telephone after roll call bringing the total members present to 19 members present representing 31 votes out of a possible 47.5.

ITEM 2 – Recognition of Guests

Chairperson Quiñones introduced Scott Feuerborn, Craig Brown and Akshay Shiuaram from Burns & McDonnell, Randy Clement from Bryant Miller and Olive and Rafael G. Couret from Power Engineers.

ITEM 3 – PUBLIC COMMENTS (Individual Public Comments Limited to 3 Minutes)

None

ITEM 4 – SET AGENDA (by vote)

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion carried 31 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. Hurricane Dorian
2. Goals Scorecard
3. Congrats on Supreme Court Argument by Jody on Deregulation
4. Mapping effort to start at Clewiston and others in the works
5. October Meetings: Finance Committee meeting at noon on Oct. 16. Policy Makers meeting at 2pm on Oct. 16 and a tour of Reedy Creek solar facility. Open to all FMPA Board members. Dinner after the tour. Need a good RSVP list for the tour, bus rental and dinner reservation. Leave for tour at 3. Sue Utley sent a meeting invite. Please RSVP to her. Board and EC meet on Oct. 17.

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan reported on

ITEM 7 – CONSENT AGENDA

a. Approval of Minutes – Meeting Held August 22, 2019

b. Approval of the Projects' Financials as of July 31, 2019

c. Approval of the Treasury Reports as of July 31, 2019

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion carried 31 – 0.

ITEM 8 – ACTION ITEMS

a. Approval of Resolution 2019-B9 – Approval of Budget Amendment for Stanton Project

MOTION: Bill Conrad, Newberry, moved approval of Resolution 2019-B9. Bob Page, Green Cove Springs, seconded the motion.

Resolution 2019-B9 was read by title:

> RESOLUTION OF THE BOARD OF DIRECTORS OF FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE STANTON PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; (II) ADOPTING THE AMENDED BUDGET FOR THE STANTON PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AND (III) PROVIDING AN EFFECTIVE DATE.

Motion carried 31 – 0.

b. Approval of Resolution 2019-B10 – Approval of Budget Amendment for Tri-City Project

MOTION: Lynne Tejeda, Key West, moved approval of Resolution 2019-B10. Allen Putnam, Jacksonville Beach, seconded the motion.

Resolution 2019-B10 was read by title:

> RESOLUTION OF THE BOARD OF DIRECTORS OF FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE TRI-CITY PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; (II) ADOPTING THE AMENDED BUDGET FOR THE TRI-CITY PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AND (III) PROVIDING AN EFFECTIVE DATE.

Motion carried 31 – 0.

c. Approval of Resolution 2019-B11 – Approval of Budget Amendment for Stanton II Project

MOTION: Larry Mattern, Kissimmee, moved approval of Resolution 2019-B11. Paul Jakubczak, Fort Pierce, seconded the motion.

Resolution 2019-B11 was read by title:

> RESOLUTION OF THE BOARD OF DIRECTORS OF FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE STANTON II PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; (II) ADOPTING THE AMENDED BUDGET FOR THE STANTON II PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AND (III) PROVIDING AN EFFECTIVE DATE.

Motion carried 31 – 0.

d. Approval of Board Officers Recommendation on Evaluations of Jacob Williams, General Manager and CEO and Jody Finklea, General Counsel and CLO

Recommendations in Salaries and/or Benefits for the General Manager and CEO

The Board Officers and Executive Committee Chairman recommend to the Board of Directors the following:

- There was consensus by the Board Officers that Jacob Williams has done an outstanding job this past year. His many accomplishments on achieving great results on the Strategic Goals for this past year were highlighted.

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Board Officers recommendation for the General Manager and CEO of a fourteen (14%) increase to the base salary of the General Manager and CEO and authorize the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. This percentage is the average of the Board Officers recommendations for the merit increase. Lynne Tejeda, Key West, seconded the motion. Motion carried 31 – 0.

Recommendations in Salaries and/or Benefits for the General Counsel and CLO

The Board Officers and Executive Committee Chairman recommend to the Board of Directors the following:

- There was consensus by the Board Officers that Jody Finklea has done an outstanding job this past year. His many accomplishments on achieving great results on the Strategic Goals for this past year were highlighted.

MOTION: Larry Mattern, Kissimmee, moved approval of the recommendation from the Board Officers and Executive Committee Chairman for the General Counsel and CLO of a nine percent (9%) increase to the base salary of the General Counsel and CLO and the Board Officers meet in the first quarter of calendar year 2020 to make recommendations to the Finance Committee to reevaluate the salary ranges of both the General Manager and CEO and General Counsel and CLO, and authorize the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. This percentage is the average of the Board Officers recommendations for the merit increase. Bob Page, Green Cove Springs, seconded the motion. Motion carried 26 – 2. Newberry voted nay. Wauchula left the call before the vote.

The Board directed staff to give the Board Officers salary survey information for the General Manager and CEO and General Counsel and CLO so they could meet in the first quarter of Calendar Year 2020 and get input from the Board to add salary ranges and increases in the budget process going forward. The Finance Committee would take this into consideration in setting the budgets for pay increases for these two positions.

ITEM 9 – INFORMATION ITEMS

a. Review of Finance Municipal Disclosure Procedure Changes

Linda S. Howard presented changes for the Municipal Finance Disclosure Procedures going forward.

b. Solar Projects Development Fund Usage

Chris Gowder presented the information on the use of the Development Fund monies needed for the Solar Projects.

c. Update on FP&L Transmission Rate Increases

Ken Rutter presented information on the increases to the FP&L transmission rate.

d. Human Resources Quarterly Report to the Board

Sharon Adams presented her quarterly report to the Board of Directors.

e. Recommended Risk Policy Changes

Liyuan Woerner presented on recommended risk policy changes.

f. Cyber Security Update

Carol Chinn updated the Board on what FMPA is doing to prevent cyber security attacks on FMPA and how we are helping members in this area.

ITEM 10 – MEMBER COMMENTS

None

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 11:54 a.m.

____________________________	____________________________
Barbara Quiñones Chairperson, Board of Directors	Larry Mattern Secretary

Approved: ________________________ Seal

BQ/LM/su

AGENDA ITEM 7 – CONSENT AGENDA

b. Approval of the Projects' Financials as of August 31, 2019

Board of Directors Meeting
October 17, 2019

Linda S. Howard, CPA, CTP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: **FMPA Board of Directors**
FROM: **Linda Howard**
DATE: **October 8, 2019**
ITEM: **7b – Approval of Projects' Financials as of August 31, 2019**

Discussion: The summary financial statements and detailed financial statements of the Projects for the period ended August 31, 2019 are posted on the Document Portal section of FMPA's website.

Recommended: Move approval of the Projects' Financial Reports for the month ended August 31, 2019.

LH/GF

AGENDA ITEM 7 – CONSENT AGENDA

c. Approval of the Treasury Reports as of August 31, 2019

Board of Directors Meeting
October 17, 2019

FMPA MUNICIPAL POWER

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors

FROM: Gloria Reyes

DATE: October 8, 2019

ITEM: BOD 7(c) – Approval of Treasury Reports as of August 31, 2019

Introduction

This agenda item is a quick summary update of the Treasury Department's functions.

The Treasury Department reports for August are posted in the member portal section of FMPA's website.

Debt Discussion

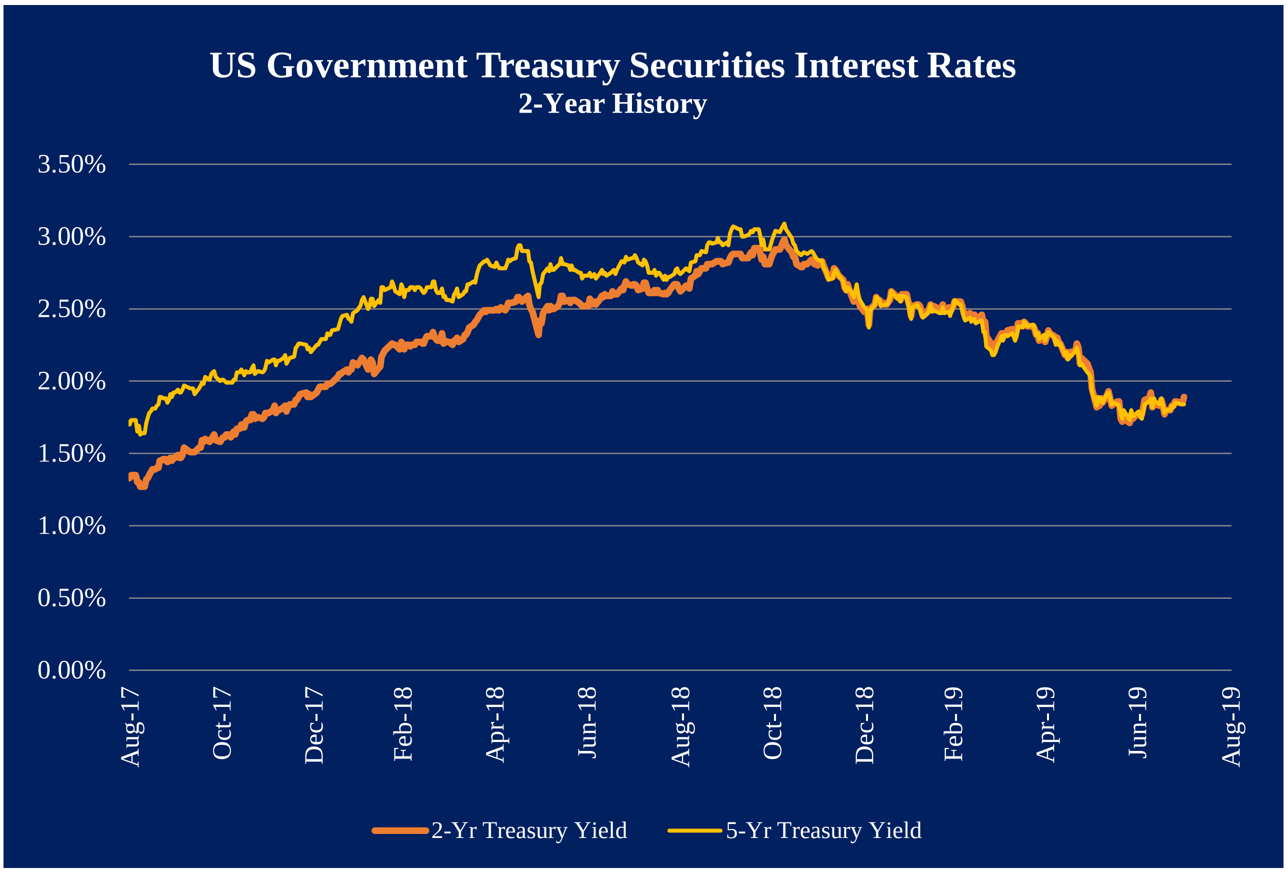
Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of August 31, 2019.

	Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	0.00	0%	0%	0%
St Lucie	134,850,000	100%	0%	0%
Stanton	8,985,000	100%	0%	0%
Stanton II	122,801,000	100%	0%	0%
Tri City	3,290,000	100%	0%	0%

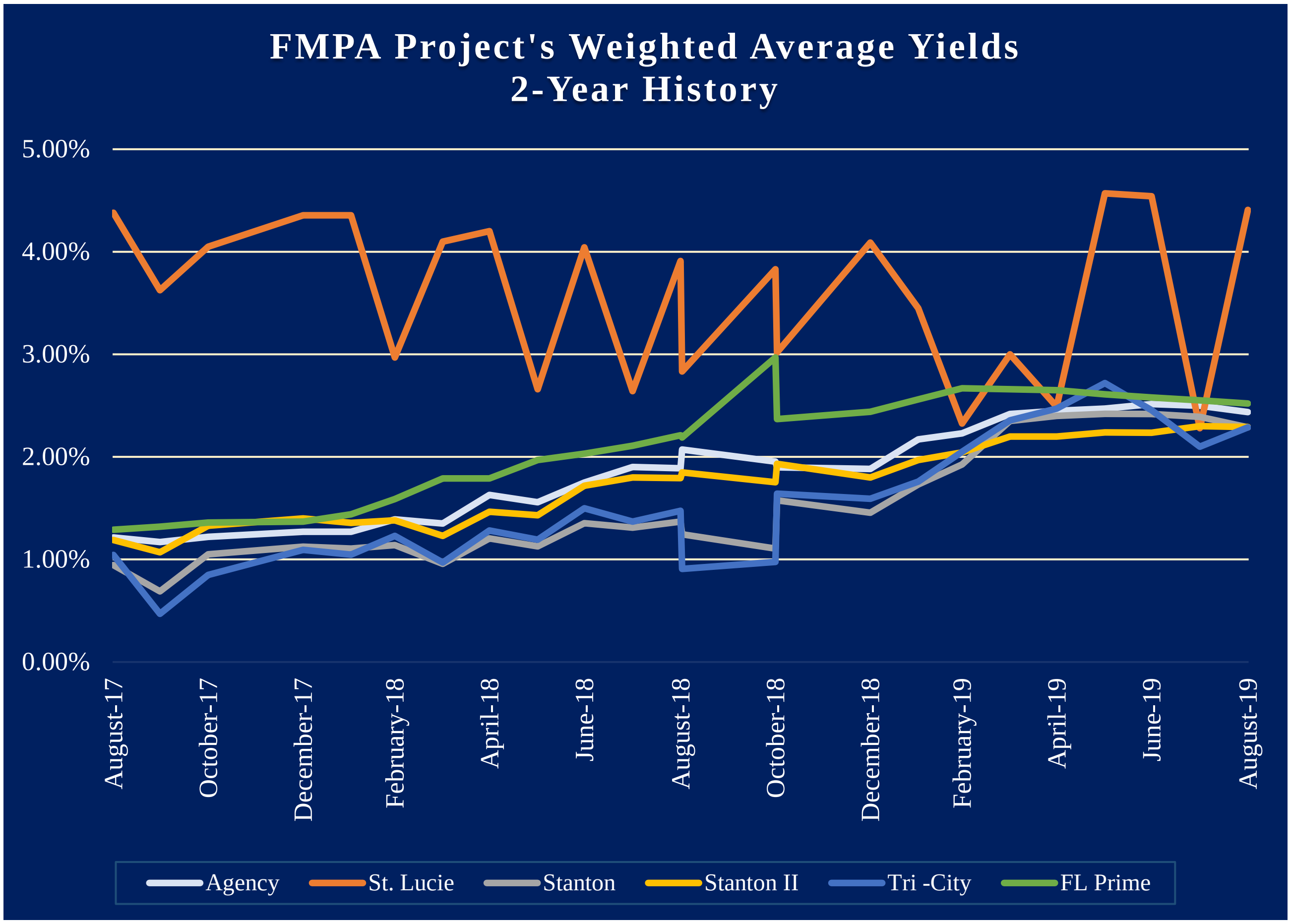
Investment Discussion

The investments in the Projects 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, Commercial Paper, Municipal Bonds, Corporate Notes and Money Market Mutual Funds.

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 August at 1.50%. The yellow line is the 5-year Treasury which was 1.39%.



The weighted average yields on investments earned as of August 31, 2019 in the Projects, along with their benchmark (SBA's Florida Prime Fund), are as follows:



Recommended Motion	Move approval of the Treasury Reports for August 31, 2019.

AGENDA ITEM 8 – ACTION ITEMS

a. Approval of Solar Project Development Fund Usage

Board of Directors Meeting
October 17, 2019

BOD 8a – Solar Project Development Fund Usage

FMPA Board of Directors

October 17, 2019

Development Fund Used to Initiate Solar Project

Allocated Based on Solar Entitlement

- Board previously authorized $200,000 in Development Funds to be used for Solar Project I Development
  - Development Fund expenditures at time of project approval were ~$135,000
- Additional legal expenses: ~$69,000
- Harmony interconnection costs: up to $870,000
- Future unknown expenses / development: up to $126,000
- Total requested additional authorization: **$1,000,000**

Requested Use of Development Funds for Solar

Move approval of:

- Authorization of an additional $1,000,000 in funding from the FMPA Development Fund for joint-action solar projects, which with previously authorized amounts results in a total authorization of $1,200,000 and
- Funding FERC legal counsel expenses related to the solar transmission service request denial complaint filing of $68,669.40 out of the FMPA Development Fund authorized amounts with such expenses being allocated to the Solar Project Participants based on their solar entitlement ratio share to be reimbursed over 20 years as an adder to the energy charge for each MWh received from the Harmony Solar and Poinsett Solar facilities.

Backup Slides

Funding for Legal Support

Summary of Issue

- DEF denied Poinsett Solar Facility transmission service requests
  - Improperly required executed interconnection agreement prior to studying transmission service requests
- FMPA filed FERC complaint, arguing that DEF's practices
  - Violate DEF's Open Access Transmission Tariff (OATT)
  - Are inconsistent with FERC precedent allowing simultaneous requests
  - Contradict FERC's existing orders on interconnection

FMPA Filed Complaint at FERC Against Duke Energy

DEF Improperly Denied Poinsett Transmission Service Requests

- FERC ruled in favor of FMPA, finding that DEF's practice of requiring an interconnection agreement before a customer can submit a valid transmission service request violates DEF's Open Access Transmission Tariff and Business Practices and FERC precedent.
- Spiegel & McDiarmid, FMPA's FERC counsel, provided legal assistance on the filing
- Invoices for the effort total to **$68,700**

Harmony Interconnection Substation Cost Sharing

PPA Does Not Adequately Address

- Florida Renewable Partners and OUC (as the transmission provider for Harmony) have agreed on how to move forward with interconnection
  - Letter agreement to cover cost sharing and substation design
- OUC will need reimbursement for ARP's share of the costs upon commercial operation of Harmony Solar
  - A letter agreement outlining responsibilities will be brought back to Solar Participants and Executive Committee for approval once finalized

ARP Solar Participants Advisory Committee

Request to Use FMPA Development Fund

- Total Cost for Interconnection Substation: $2.2 Million
  - FRP share: $600,000   ($1.6 Million balance)
  - ARP cost for 54.36% share of Harmony not to exceed **$870,000**
- ARP Solar Participants Advisory Committee met on June 13th
  - Voted to request use of the FMPA Development Fund with repayment by the ARP Solar Participants over the first 20 years of the solar PPA

AGENDA ITEM 8 – ACTION ITEMS

b. Approval of the Recommended Risk Policy Changes

Board of Directors Meeting
October 17, 2019

8b – Recommended Risk Policy Changes

FMPA Board of Directors

October 17, 2019

Summary of Policy Review Process

- Policies are reviewed annually to
  - Determine operational effectiveness
  - Increase awareness and compliance
  - Serve as a tool for revision of policies as necessary

Policies Covered This Cycle

- **Credit Policy** : Establishes the governance, framework, and the controls under which FMPA may extend credit to counterparties. This Policy is Appendix E of the FMPA Risk Management Policy.
- **FMPA Risk Policy** : Establishes the governance, framework, and controls under which FMPA engages in enterprise risk management.
- **Investment Policy** : Identify, measure and minimize future business risk resulting from the investment and management of FMPA's financial assets. This Policy is Appendix C of the FMPA Risk Management Policy.

Recommended Changes

- Refine the Credit Policy to lower approval thresholds (Section 4.1) from $10 million down to $5 million, this will provide greater oversight
- Removal of Risk Policy external review of enterprise risk management every five years (Section 4.0)
- Change Investment Policy to increase corporate notes from 10% to 20% of the portfolio (Section 5.5).

FMPA MUNICIPAL POWER

Discussion

RISK MANAGEMENT POLICY
APPENDIX E

FLORIDA MUNICIPAL POWER AGENCY

CREDIT RISK MANAGEMENT POLICY

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CREDIT RISK MANAGEMENT POLICY
FLORIDA MUNICIPAL POWER AGENCY

This Credit Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework, and the controls under which Florida Municipal Power Agency (FMPA) may extend credit to counterparties. This Policy is Appendix E of the FMPA Risk Management Policy.

1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms in place, such as those more fully described in this Policy, that will control, transfer or mitigate these risks so that, to the extent possible, there will not be an adverse effect on FMPA's ability to provide reliable, affordable power to its members.

It is the Policy of the Board of Directors and Executive Committee that:

- ❖ Authority is delegated to the Treasurer and Risk Director to create procedures to administer this Policy.
- ❖ This Policy shall apply only to those material transactions as defined herein or to transactions otherwise specified by the ~~AROC~~ Finance Committee (FC).
- ❖ Material transactions shall be transacted only with qualified counterparties.
- ❖ Counterparty transactions shall be approved by the appropriate body or bodies according to the approval threshold levels described herein.
- ❖ A list of active approved counterparty transactions shall accompany this Policy in Appendix A, and shall be updated as necessary.

- The Treasurer and Risk Director shall report deviations and other reports as required in this Policy to the FC.

This Policy serves as a framework that enables the Treasurer and Risk Director to minimize the financial impact of unfavorable outcomes of credit risks by establishing minimum standards to systematically identify potential exposure to credit risks and measure the possible impact of those risks.

2.0 Scope and Authority

This Policy applies to all material counterparty transactions (as defined in 2.2 below) in which FMPA extends credit to a counterparty. For this Policy "extends credit" is defined as any agreement where repayment or satisfaction to FMPA of a debt and/or claim to goods and services is deferred to some future date. Material transactions may include, but are not limited to, contracts, reoccurring vendors, purchase power agreements, construction vendors and limited use vendors.

2.1 Authority: The Board of Directors' and Executive Committee's authority to create this Policy is derived from the Interlocal Agreement establishing FMPA. The Board of Directors and Executive Committee have delegated authority to the Team (Treasurer and Risk Director and assigned staff (T&RD), as the operational arm of the FC, to administer this Policy. The ~~RMT~~T&RD may deviate from this Policy when deemed necessary but the Treasurer and Risk Director must report all deviations to the FC within 5 business days.

2.2 Materiality: For this Policy, materiality is defined as any transaction(s) involving a single counterparty where the present value of financial loss potential resulting from the counterparty's non-performance exceeds ~~$10,000,000~~$5,000,000. All transactions for a single counterparty shall be included in the calculation of financial loss potential. The ~~RMT~~T&RD has authority to determine that specific transactions which are less than the materiality threshold but are determined to represent a significant credit risk to the Agency will be governed by this Policy, on a case-by-case basis.

3.0 Types of Credit Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's ability to provide reliable affordable power to its Members. The Treasurer and Risk Director shall cause procedures to be written that identify the credit risks noted below and provide ways to measure, control, and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risk encountered by FMPA during the normal course of the business cycle, the following provides insight into FMPA's credit risk exposure.

3.1 Counterparty Risk: The risk that a counterparty will fail to deliver on an obligation. An example of counterparty risk might occur if a Member defaulted on a financial obligation due to FMPA under the terms of a power supply contract. This default would expose FMPA to potential financial loss as well as strategic and reputation risk. The level of concentration of the counterparty in the overall transaction portfolio can compound counterparty risk.

3.2 Transaction Risk: The inherent risk in all transactions that fraud, error, or changes to law, regulation or custom will place the expected performance of the transaction in jeopardy. Transaction risks generally increase as the time between entering into a contract and the delivery of goods and/or services increases. An example of transaction risk might occur if FMPA entered into a prepaid contract with a counterparty for future delivery of natural gas. If the

Internal Revenue Service reinterprets their ruling on the legality of such transactions, the prepaid contract may become void and unenforceable. FMPA would then be exposed to the current market price of natural gas, which may or may not be favorable at the time of the non-performance. Again, the level of concentration of the counterparty can compound this transaction risk.

4.0 Evaluation and Approval of Counterparty Transactions

Managers are responsible for nominating counterparty transactions to the ~~RMT~~T&RD for evaluation. Upon nomination, ~~Risk Management~~T&RD ~~staff~~ shall calculate the present value of financial loss potential. Transactions determined to be below the materiality threshold are not subject to this Policy. For material transactions, ~~Risk Management staff~~ T&RD shall conduct a counterparty credit evaluation and report the results to the nominating manager. The nominating manager shall then submit a formal written plan for managing the identified credit risks to the ~~RMT~~T&RD. Some tools may be but not limited to for mitigating credit risk are Letter of Credit, deposit, parent company guarantees and netting transactions. The ~~Treasurer and Risk Director~~ T&RD shall cause to be established Credit Risk P~~roc~~rocedures to facilitate the completion of the financial loss potential calculation and the credit evaluation.

4.1 Approval Thresholds: The following credit risk management approval thresholds apply to material counterparty transactions:

Present Value of Financial Loss Potential	Authority to Approve Credit
$~~10~~5 million - $10~~50~~ million	T&RD and nominating manager~~Risk Management Team~~
$~~50~~10 million - $5~~10~~0 million	Finance Committee
Greater than $~~10~~50 million	Governing Body (BOD/EC)

All material counterparty transactions and the accompanying credit risk management plan must be presented to the ~~RMT~~T&RD for approval. Upon ~~RMT~~T&RD approval, transactions greater than $1~~5~~0 million shall be forwarded to the FC for approval of the credit risk management plan. Upon FC approval, transactions greater than $~~10~~50 million shall be forwarded to the appropriate governing body for approval of the credit risk management plan. The approvals prescribed here address the credit risk management plan for a counterparty transaction; all transactions are also subject to any applicable FMPA Policies on spending authorities or purchasing requirements.

4.2 **Counterparty Transaction List:** The Treasurer and Risk Director shall cause to be maintained a list of counterparty transactions that have been approved as described in Section 4.0 and are therefore subject to ongoing credit reviews. The Active Counterparty Transaction List is shown in Appendix A of this Policy. Appendix A shall be updated as necessary to reflect changes in active counterparty transactions and approvals by the ~~RMT~~T&RD, FC, Executive Committee and Board of Directors and is therefore exempt from Section 6.0 of the FMPA Risk Management Policy requiring Board of Director and Executive Committee approval for changes.

5.0 Reporting

The Treasurer and Risk Director shall cause a credit file to be maintained for each approved material counterparty transaction. The Treasurer and Risk Director shall cause each such file to be ~~continuously monitored, and a formal~~ reviewed ~~conducted every six months~~annually. This formal review shall include an analysis of credit extended and current credit balance to determine any credit limit overage. Any credit limit overage shall be documented in the counterparty's credit file and reported to the ~~ROC~~FC within 5 business days. The Treasurer and Risk Director shall cause any other significant changes to the credit file to be reported to the FC as needed.

The Treasurer and Risk Director shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the ~~AROC~~ FC as described in Section 7.0 of the FMPA Risk Management Policy. Managers shall report as needed on the current risk environment affecting a proposed or current counterparty to the ~~RMT~~T&RD, and engage any necessary discussion before moving related items to the ~~AROC~~ FC.

APPENDIX A

ACTIVE COUNTERPARTY TRANSACTIONS LIST

This list contains the material counterparty transactions approved by the Team, Executive Committee or Board of Directors on or after the effective date of this Policy. These active counterparty transactions have a credit file and are subject to ongoing credit review.

AEGIS
Bank of America
~~Bank of New York~~
~~Credit Agricole~~
~~Citicorp~~
~~Dexia~~
~~Energy Mutual Insurance~~
~~Florida Gas Transmission~~
~~Florida Gas Utility~~
Florida Power and Light
FM Global
Goldman Sachs
~~Hartford~~
~~JP Morgan Chase~~
~~JP Morgan Ventures Energy~~
Lakeland Electric
Morgan Stanley
Orlando Utilities Commission
~~Quincy, City of~~
~~SG Resources Mississippi, LLC~~
~~Southern Company – Florida, LLC~~
SunTrust
~~Tampa Electric Company (Peoples Gas)~~
~~The Energy Authority~~
~~Transco~~
~~UBS~~
Wells Fargo

Updated ~~August 19, 2011~~07/15/2019

APPENDIX B

Florida Municipal Power Agency
Risk Management Reporting Calendar
Credit Risk Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Link to Policy Reference
Counterparty Evaluation	As needed	Treasurer and Risk Director	Section 4.0	Evaluation and Approval of Counterparty Transactions
Credit File Review	Every 6 months	Treasurer and Risk Director	Section 5.0	Reporting
Credit Limit Overages	As needed	Treasurer and Risk Director	Section 5.0	Reporting
Deviations from Policy	As needed	Treasurer and Risk Director	Section 5.0	Reporting
Policy Operation & Effectiveness	Annually	Finance Committee	Section 5.0	Reporting

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY

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RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Risk Management Policy (the "Policy") and subordinate policies and procedures establish the governance, framework, and controls under which Florida Municipal Power Agency ("FMPA") engages in enterprise risk management.

1.0 Policy Statement

Enterprise risk management utilizes the Agency's organizational structure, procedures, processes, and resources to identify, measure, monitor and report risks. As a result of these efforts the Agency will manage risk by choosing to eliminate, transfer, reduce, or accept some or all of each identified risk. The Executive Committee (EC) and Board of Directors (BOD) of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. It is the objective of this Risk Management Policy to formalize the enterprise risk management process so that financial and strategic impacts of unfavorable outcomes are minimized.

The following summarizes the Policy of the EC and BOD:

- ❖ The Finance Committee (FC) is authorized to oversee the administration of this Policy as detailed in Section 4.1.
- ❖ As detailed in Section 4.3, the Risk Management Team (Treasurer and Risk Director, along with designated staff) shall function as the operational arm of the FC to identify, measure, monitor and report on FMPA's business risks
- ❖ The Treasurer and Risk Director is designated the Agency Risk Manager, and shall cause risks to be reported to the FC as described in Section 4.3.
- ❖ Each defined Agency activity will have separately approved risk management policy as an Appendix to this Policy as listed in Section 5.0.
- ❖ This Policy and all Appendices shall consider the credit rating implications of risk management actions as described in Section 5.0

- The Internal Audit Manager must provide or cause to be provided written risk assessments to the FC at least annually as detailed in Section 7.0.

2.0 Types of Risk

This Policy establishes minimum standards for risk awareness and enterprise risk management to minimize unfavorable outcomes of risk. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the following provides definitions for major categories of risk exposures at FMPA, as established by the 2004 Deloitte & Touche risk assessment. Each Policy Appendix further describes these risks as applicable to specific Agency functions.

2.1 Operational Risk:

The potential economic loss caused by ineffectiveness, inefficiency or loss of power generation, transmission or fuel supply facilities or assets.

2.2 Market Risk:

The risk of potential change in the value of an asset caused by adverse changes in market factors.

2.3 Environmental Risk:

The potential environmental impact associated with a failure to comply with federal and state environmental regulations

2.4 Volumetric Risk:

The potential adverse impact of unanticipated changes in supply or demand of resources and/or obligations.

2.5 Regulatory Risk:

The potential adverse impact of an action or direction from a regulatory body such as, but not limited to, FERC, EPA, DOE, or IRS.

2.6 Strategic Risk:

The risk that the policies and actions of a governing body or management do not promote the successful attainment of strategic goals and objectives.

2.7 Legal Risk:

The potential financial losses incurred through an unauthorized deviation from any legal commitments under local, state, federal law or contracts.

2.8 Reputational Risk:

The potential losses incurred when stakeholders or the public negatively perceive an organization.

2.9 Credit Risk:

The potential of financial losses due to the failure of counterparties to fulfill the terms of a contract on a timely basis, or adverse changes to credit ratings of an organization.

2.10 Administrative Risk:

The potential of financial loss due to deficiencies in internal control structure and management reporting due to human error, fraud or a system failure.

3.0 Enterprise Risk Management Program

This Policy applies to all business activities of the Agency. FMPA has established the following four components for its enterprise risk management program.

3.1 Governance:

Strong organizational governance paths, from employee to governing body, back to employee, are essential for facilitating risk communication up and down the Agency. See Section 4.0 for further details on FMPA's risk management governance structure.

3.2 Internal Control:

Internal control is the system of processes and people designed to provide reasonable assurance that the Agency is able to meet its strategic goals. See Sections 4.0, 5.0 and all Policy Appendices for further details on FMPA's internal control system.

3.3 Risk Framework:

The risk framework of the Agency provides the general structure of the enterprise risk management program. FMPA's risk framework components address the following:

- Risk appetite for each risk category
- Risk tolerances within risk appetite
- Risk aware culture
- Risk metrics
- Risk policies

See Sections 4.0 and 5.0 for further details on specific risk management activities and risk assessment.

3.4 Monitoring and Reporting:

The enterprise risk management program of the Agency must be monitored and reported on so that staff and governing bodies can make decisions inclusive of current and emerging risks. The Agency has established a Risk Management Team (RMT) to facilitate risk monitoring and reporting. See Sections 4.3 and 7.0 for further details on risk monitoring and reporting for the Agency

4.0 Risk Management Governance:

The Agency's enterprise risk management program begins with recognition of the parties (~~Agency Risk Manager, RMT, Internal Audit Manager and staff,~~ employees and governing bodies) with responsibilities under this Policy. The risk management governance structure includes the key elements outlined below:

- Segregation of duties among the parties in the enterprise risk management program.
- Independence of the Agency Risk Manager such that risk and control information flows without restriction or bias due to self-interest.
- All FMPA staff are required to work in cooperation with the RMT to facilitate risk management processes.
- ~~The Agency Risk Manager shall coordinate periodic reviews of the enterprise risk management program conducted by an independent, external party with expertise in risk management. The Agency Risk Manager shall include such a review in the budget process at least every five years.~~

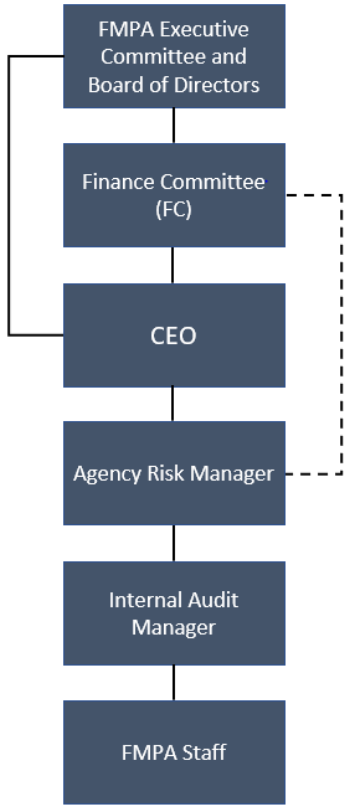
4.1 Oversight Structure- Finance Committee:

Members are appointed to the FC according to the Committee Charter. The FC shall oversee the administration of this Policy and any subsequent procedures relating to Agency risk management activities.

This Policy and all included appendices shall be reviewed on at least an annual basis by the Internal Audit Department. Completed policy compliance reviews shall be reported to the FC. The Agency Risk Manager will from time to time report to the FC on Agency risks as described in Section 2.0.

The Agency Risk Manager may use discretion to report Policy violations directly to the General Manager and/or the FC as deemed necessary. The FC shall advise the Agency Risk Manager and the General Manager on desired next steps for addressing the Policy violation.

4.2 Organizational Structure for Risk Control



4.3 Delegation of Authority:

It is recognized that there are times when a member of the FMPA management team may be absent for some period of time. Through the use of FMPA's "Delegation of Authority" form, any management team member can designate a direct report to fulfill all of their respective organizational responsibilities during their absence, without limitation.

If a member of the management team has failed to delegate their authority, the manager to whom the member reports has the expanded authority to either assume that member's organizational responsibilities or to delegate such to a subordinate of the member. Upon such action, any and all rights provided by the "Delegation of

Authority" form will be authorized as if the form had been completed prior to their absence.

4.4 Risk Management Team:

The RMT is the operational arm of the FC. The mission of the RMT is to facilitate the effective identification, monitoring and reporting of the Agency's risks in support of achieving the goals of the Agency and all of the Agency's Projects, in accordance with this Policy. The RMT is responsible for facilitating an enterprise risk management culture and fulfilling compliance and reporting roles as appropriate. It remains the responsibility of the ~~General Manager~~CEO and governing bodies to set risk appetites and tolerances and to establish risk management strategies.

The Treasurer and Risk Director is designated FMPA's Agency Risk Manager, and is responsible for causing FMPA's risk exposures to be prioritized and reported to the FC. Risks are prioritized by the RMT using the Agency's risk framework for level of severity, likelihood of occurrence, and quality of controls, as well as the judgment of the Agency Risk Manager.

5.0 Risk Management Strategies:

The Agency is subject to numerous risks. These risks can arise from actions taken (or not taken) by Agency staff, parties external to the Agency and from "acts of God." The following Agency activities shall have risk management policies approved by the FC and appropriate governing body, consistent with this Policy and included as Appendices to it.

Natural Gas and Fuel Oil Management	Appendix A
Debt Management Investment	Appendix B
Investment Management	Appendix C
Insurance Program Management	Appendix D
Credit Risk Management	Appendix E
Contract Administration	Appendix F
Statutory and Regulatory Matters	Appendix G
Power Supply and Resource Planning	Appendix H

Asset Management and Operations	Appendix I
Accounting and Internal Controls	Appendix J
Origination Transaction Management	Appendix K
Records Management	Appendix L
Contingency Planning	Appendix M
Human Resource Management	Appendix N
Information Technology	Appendix O

6.0 Risk Assessment and Evaluation

Section 2.0 of this Policy establishes FMPA's risk categories to assist with identifying critical risk factors during decision-making. These risk categories will be used in the process of assessing risk and to facilitate independent measurement of risk by providing common understanding of risks.

When deciding between two or more competing alternate courses, each course of action or decision should be evaluated using the risk framework (Section 3.3). Components of the Agency's risk framework shall be used as a reference for risk assessments presented to the FC and governing bodies. Specific risk assessment and evaluation criteria are established in each of the Policy Appendices.

7.0 Review and Revisions to Policy

The FC is granted authority by the Board of Directors and Executive Committee of FMPA to oversee this Policy. The FC directs the Internal Audit Manager to cause a review of the operation and effectiveness of this Policy through risk assessment reports. The Internal Audit Manager shall present or cause to be presented a written risk assessment report to the FC for approval at least annually. The risk assessment report shall include a synopsis of the current state of the enterprise risk management program.

Based on the findings of each risk assessment report, the FC may make recommendations regarding risk management processes to the CEO and Internal Audit Manager, and if appropriate, recommend a course of action promoting changes to this Policy to the Board of Directors and/or Executive Committee. This Policy may be changed only with approval of the appropriate governing body.

The appropriate governing bodies may, as business needs arise, approve changes to this Policy outside of the annual review process described above.

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY - APPENDIX C

INVESTMENT RISK MANAGEMENT POLICY

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INVESTMENT RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Investment Risk Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure and minimize future business risk resulting from the investment and management of FMPA's financial assets. This Policy is Appendix C of the FMPA Risk Management Policy.

1.0 Policy Statement

The Executive Committee (EC) and Board of Directors (BOD) of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms into place, such as those more fully described in Sections 3.0 and 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse effect on FMPA's ability to invest funds of the Agency and its Projects in a manner that will balance investment return with principal security, such that FMPA will meet the daily and long term cash flow demands of the Agency and its Projects.

It is the Policy of the EC and BOD that:

- ❖ The investment program shall conform to all federal, state, and local legal requirements.
- ❖ Authority is delegated to the Chief Financial Officer (CFO) to create procedures to administer this Policy.
- ❖ The preservation of capital is the foremost objective of the risk-considered investment practice strategies.
- ❖ Investments using derivatives is prohibited unless specifically approved by the EC or BOD.
- ❖ The CFO shall establish benchmarks against which portfolio performance shall be compared regularly.

- Authority is delegated to the CFO to establish a system of written internal controls to regulate investment activities.
- The Treasurer and Risk Director and Risk Director shall provide investment reports for each regular meeting of the EC and BOD.
- Deviations from this Policy shall be reported to the Finance Committee (FC).

This Policy is created to ensure the prudent management of the Agency's and its Projects' funds, and the availability of operating funds, bond proceeds and capital funds as needed. This Policy is applied individually to each Project, not in any combination of Projects. This Policy applies to all monetary assets of the Agency and all Projects with the exception of employee deferred contribution funds. The Agency's employees' employee deferred contribution funds are placed with a third party administrator and are self-managed by the employees.

The standard of prudence to be used by FMPA investment staff shall be the "prudent person" rule as defined in Florida Statute 218.415: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

2.0 Scope

Investments purchased by the Agency shall conform to all federal, state, and local legal requirements governing the investment of Public Funds, including all bond resolutions and ordinances adopted by the EC or BOD. Responsibility for investment decisions, including day-to-day transactions undertaken, is hereby delegated to the Treasurer and Risk Director or designated Treasury staff, under the direction of the CFO. No person may engage in an investment transaction except as provided under the terms of this Policy.

Positions authorized as investment signatories are: FMPA's General Manager and CEO, CFO, Chief Operating Officer-Power Resources, and Executive Officer Public Relations and Human Resources. FMPA may appoint an outside investment manager as "Agent" for the

Agency's cash and investment reserves. The outside investment manager must meet the requirements detailed in the Investment Procedures.

3.0 Types of Investment Risk

This Policy is intended to define responsibility, clarify investment goals, establish strategies, achieve stated goals and set up the method of evaluation and control of all investment operations. The CFO will cause Investment Procedures to be written that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the following provides insight into the major areas of investment risk exposure for FMPA

3.1 Credit Risk:

The risk that a change in the credit quality of an institution will affect the value of a security or portfolio. An example of credit risk might occur if the issuer of a bond that FMPA has purchased as an investment defaults on its obligations, causing the loss of some or all of the investment value. Such risks can be reduced by diversifying securities and maturities.

3.2 Liquidity Risk:

The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Some investments are highly liquid and have low liquidity risk (such as money market funds) while other investments are highly illiquid and have high liquidity risk (such as real estate). An example of liquidity risk might occur if FMPA attempted to convert an investment into cash for operating needs, but was unable to do so due to the illiquid nature of the security. Such risk can be reduced by selecting investments with the liquidity to meet FMPA's cash flow needs.

4.0 Investment Objectives

Investment selections should balance the primary objectives of FMPA's investment program. In priority order, the objectives are

4.1 Safety:

Preservation of capital in the overall portfolio is the highest of the risk based investment practice objectives. To attain this objective, investment securities shall be selected from those deemed authorized and suitable as described in Section 5.0 of this Policy. Speculative strategies shall not be undertaken. Management defines speculation as the process of selecting investments in an attempt to profit from fluctuations in prices.

4.2 Liquidity:

The portfolio should be structured so that securities mature concurrent with cash needs to meet anticipated demands. Investments considered to be liquid are those held until maturity where maturity is less than 3 months. A sufficient level of liquidity must be maintained to meet the next thirty days of expected operating expenses and other disbursements, plus an extra, reasonable amount to meet unusual and unexpected needs.

4.3 Return:

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the cash flow characteristics of the portfolio. Funds should be invested in high credit quality investment instruments (as allowed by Project Bond Resolutions and summarized in Appendix A) in anticipation of achieving a fair return. The methods used in selecting investments should balance market, credit, and liquidity risks.

5.0 Authorized and Suitable Investment Securities

FMPA is empowered by Ordinance 87-1, as amended, to invest in the types of securities listed in Appendix A for the Agency and its Projects. FMPA may swap securities for other securities to improve yield, maturity or reduce credit risk. Investment in securities that "derive" their value through financially engineered derivative indices or are highly interest rate sensitive are not permissible unless specifically recommended in writing and approved by the EC or BOD. FMPA will not allow leveraging (the borrowing of funds for the expressed purpose of reinvesting those funds), or invest in securities with a rating below that required in Appendix A at time of purchase. The Treasurer and Risk Director must report on a monthly basis any security whose rating has fallen below the rating level identified in Appendix A after purchase and submit a rationale for maintaining such security if it has not been sold

5.1 Authorized Financial Institutions, Depositories, and Broker/Dealers:

The Treasurer and Risk Director will cause to be maintained a list of financial institutions and depositories that meet the qualifications detailed in the Investment Procedures and are authorized to provide investment services. An annual (each fiscal year) review of the ratings from national rating agencies and financial condition of all qualified financial institutions and broker/dealers will be conducted in accordance with Investment Procedures.

5.2 Method of Selection:

FMPA shall select securities which provide the highest rate of return within the risk parameters of this policy, given the current objectives, diversification, cash flow needs, and maturity requirements. Selection of securities shall be made using either competitive bids, wherein FMPA solicits proposals from at least three firms; or comparison to the current market price as indicated by one of the market pricing resources available, including but not limited to Bloomberg. Records will be kept of the bids or offers, the bids or offers accepted and if necessary a brief explanation of the decision which was made regarding the investment.

5.3 Maximum Maturities:

The funds of Agency and Project Operating accounts are invested to achieve a market rate of return while meeting the Agency's and its Projects' cash flow needs. FMPA will match investment maturities with known cash needs and anticipated cash flow requirements, not to exceed maximum maturity requirements.

Unless matched to a specific cash flow, FMPA shall invest securities maturing in accordance to Appendix B and the following.

Fund/Account	Invested to Mature as Shown
Operations and Maintenance Fund	
1. Operations and Maintenance Account	Within 12 months from investment date. (Depends on cash flow needs)
2. Working Capital Account	Within 5 years.
3. Rate Stabilization Account	Within 5 years.
Debt Service Fund	
1. Debt Service Account	Not later than when needed for payment to be made from such Account.
2. Debt Service Reserve	Not later than the final maturity date of any Bonds that are outstanding.
3. Subordinated Debt Fund	Not later than when needed for payment to be made from such Account.
Construction Fund or Proceeds Fund	Not later than when needed for payments to be made from such fund.
Reserve and Contingency Fund	
1. Contingency Account	Within 5 years.
2. Renewal and Replacement	Within 5 years.
General Reserve Fund	
1. General Reserve Account	Within 5 years or when needed to make payments.
Decommissioning	Not later than when needed. (Applicable only to St. Lucie)

5.4 Collateralization:

Collateralization, as detailed in the Investment Procedures, may be required for investments such as repurchase agreements and any approved investment agreement contract or agreement.

5.5 Diversification:

FMPA must diversify to avoid incurring unreasonable risks associated with over-investing in specific investments, individual financial institutions, maturities and in the future by geographic area or by any other reasonably determinable characteristic. Compliance with the specific diversification requirements shown in the chart below will be measured using market value at the time of purchase and monthly thereafter. In the event that a particular category exceeds the scheduled maximum percentage by 10% (for example, if Repurchase Agreements exceed 22%) for two consecutive months, the Treasurer and Risk Director must report such deviation and submit for approval a strategy for handling each such deviation. For risks potentially resulting from investments with high concentrations of other characteristics not itemized in the chart above, the Treasurer and Risk Director should bring these investments to the attention of the CFO for review. If the concentration risk is deemed significant enough by any one of the three noted here, the CFO must bring this concentration concern to the FC.

Diversification by Investment Type:	**Percentage at time of purchase:**
US Treasury Obligations	100%
Municipal Bonds (including FSA/FDA)[1]	100%
US Gov. Agency and US Gov. Sponsored Instrumentality	100%
Banker's Acceptances	50%
Commercial Paper	50%
Corporate Bonds and Notes (A or above)	2~~1~~0%
Florida Local Government Surplus Fund Trust Fund (SBA)	50%
Local Government Investment Pools	25%
Collateralized CDs and Time Deposits	25%
Money Market Mutual Funds	25%
Repurchase Agreements	20%
Guaranteed Investment Contracts (GICs)	15%*
Or as approved by the EC or BOD	

(1) Beginning with Version 5 of the Investment Policy, at time of purchase and measured monthly thereafter no more than 25% of total investments, exclusive of the FSA and FDA investments, can be from the same state, regardless of bond structure. Current investment portfolio, at adoption of this Policy revision is grandfathered; Treasury is not required to sell current portfolio to get to 25%., but cannot acquire more, if current portfolio is already to the 25% limit.

Diversification by Institution:	Percentage at time of purchase:
Money Market Mutual Fund	25%
US Gov. Agency by Agency	25%
Municipal Bonds by Issuer	20%
Commercial Banks (CDs, Time Deposits, or Commercial Paper)	10%
Bankers' Acceptance by Bank	10%
Corporate Notes	10%

Diversification by Geographic Location:	Percentage of Portfolio
Within individual state	Not more than 25%
The limitation of investments within a state prior to May 21, 2015 was limited to 50%. The contents of any investment portfolio prior to this date is grandfathered and do not require adjustments to meet the current Policy limit of 25%. Any FSA and FDA investment is exempted from the 25% limitation.	

5.5.1 Exceptions:

Diversification percentages can be exceeded by approval from the EC / BOD.

~~5.6 Brokerage Accounts Equity Balance:~~

~~To maximize interest earning inflows, excess equity above the required margins or minimum balance in the FMPA chosen brokerage futures account can be invested in securities as allowed in Appendix A of this policy. Excess equity funds can be transferred out of the brokerage futures account only upon the approval of the CFO or designee.~~

6.0 Custody

All investment security transactions, including collateral for repurchase agreements, entered into by FMPA shall be settled on a delivery versus payment (DVP) basis. Securities will be held by a third party Custodian or Trustee designated by the CFO and evidenced by trade confirmations and bank statements.

All securities purchased by FMPA will be properly designated as an asset of the Agency or its Projects and held by a third party Custodial or Trustee institution. The Custodial or

Trustee institution shall annually (each fiscal year) provide a copy of their most recent report on internal controls (Statement on Standards for Attestation Engagements No. 16 (SSAE 16)). The Treasurer and Risk Director or designated Treasury Staff will provide this report, upon receipt, to the CFO.

7.0 Benchmarking Performance

The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates, taking into account investment risk constraints and cash flow needs. The CFO shall cause to be established a series of appropriate benchmarks against which portfolio performance shall be compared on a regular basis. Guidelines on selecting and managing benchmarks, which may include the use of duration and convexity as performance measurement tools, are contained in the Investment Procedures.

Any external investment managers, if hired, shall not independently select benchmarks. All benchmarks used by external investment managers must be approved by the CFO. Specific description and the source, including date of such benchmarks, should be provided in any external investment manager's performance report along with the exact methodology used in calculating the yields/returns on the portfolio and the benchmark.

8.0 Internal Controls and Ethics

The CFO shall cause to be established a system of written internal controls to regulate investment and related activities, consistent with this Policy and Investment Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. The controls shall be designed to meet the requirements as listed in Florida State Statute Section 218. As part of the year-end audit, the external auditors will be required to state whether the Agency has complied with Florida State Statute Section 218.415, regarding the investment of public funds.

The CFO and the Treasurer and Risk Director, or their designees, may do placement of funds. Accounting staff will not have any responsibility for investing funds. Further internal controls are established in the Investment Procedures to address safekeeping, repurchase agreement, collateral/depository agreements, banking service contracts, delivery vs. payment procedures, and separation of transaction authority from accounting and record-keeping, and may include security controls contained within Treasury software programs.

The Agency Risk Manager shall be responsible to review all documented internal controls and procedures established to ensure they comply with the FMPA Risk Management Policy and adequately mitigate all applicable risks. If, after review, the Agency Risk Manager identifies areas of concern, the documented internal controls weakness(s) will be communicated to the CFO and FC as appropriate.

8.1 Policy and Procedure Compliance

Risk Management staff shall ensure that compliance with this Policy and the Investment Procedures are monitored on an ongoing basis. Any unresolved compliance issues will be presented to the FC by the Agency Risk Manager at the next regularly scheduled meeting.

8.2 External Parties

All dealers, financial institutions, investment managers, or individuals, collectively referred to as the parties, investing on behalf of FMPA will be sent a copy of the Investment Policy by the Treasurer and Risk Director, along with a list of employees who are authorized to transact investment trades on behalf of FMPA. These parties will be required to respond, in writing, that the Policy was received, read, understood and will commit to adhere to the Policy. FMPA will pursue full recovery of all associated costs resulting from deviations from the Investment Policy.

8.3 Continuing Education

The CFO, Treasurer and Risk Director and other appropriate investment staff will be required to complete annually (each fiscal year) a minimum of 8 hours of continuing professional education (CPE's), or more as ~~as~~ required by State Regulations, in subject courses of study related to investment practices and products.

9.0 Reporting

The Treasurer and Risk Director will produce investment reports in accordance with Investment Procedures and provide these reports to the General Manager and the CFO as and when requested, but for no less than each meeting of the EC and/or BOD.

The CFO shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the FC as described in Section 7.0 of the FMPA Risk Management Policy. The Treasurer and Risk Director shall report on the current risk environment affecting FMPA's investment program to the CFO as needed, and initiate and/or participate in any necessary discussion prior to moving items to the FC.

(See Also Glossary of Terms in FMPA's Risk Management Policy)

ACCRUED INTEREST: The interest to be paid on a security from the last interest accrual date to the settlement date. The buyer of the security pays the market price plus accrued interest. Also called "Purchased Interest".

AGENCY: Florida Municipal Power Agency.

AGENCY SECURITIES: Corporations, such as GNMA, FNMA or FHLMC, which have varying degrees of federal sponsorship and/or regulatory oversight.

ANNUAL AUDIT: The official audit report for FMPA. It includes combined statements for each individual fund and account group prepared in conformity with GAAP.

BASIS POINT: One one-hundredth of a percent (0.01 %).

BOND RATINGS: Evaluations by independent services such as Moody's, Fitch, or Standard & Poor's of a bond's investment quality and credit worthiness.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CONVEXITY: A volatility measure, used in conjunction with duration, of how the price of a bond changes as interest rates change.

CORPORATE BONDS and NOTES: Public or private corporations and organizations issue corporate bonds and notes for the purpose of funding capital improvements, expansions, acquisitions or debt refinancing. Investors essentially are lending money to the issuer.

COUPON RATE: The amount of interest return based upon par value which the issuer agrees to pay the bondholder.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer (unsecured, no liens or pledges on specific assets).

DELIVERY VERSUS PAYMENT: Delivery versus payment is delivery of securities with an exchange of money for the securities.

DELIVERY VERSUS RECEIPT: **(Also called free).** Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; e.g. U. S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DON'T KNOW (DK): A term designating the lack of knowledge of a delivery in a securities transaction.

DURATION: The weighted average time to the receipt of value of the future cash flows of a security weighted by the present value of each of the cash flows in the series. Duration is used as a measure of the relative sensitivity of the price of the security to a change in market required yield.

FACE VALUE: The dollar amount the issuer promises to pay the bondholder at maturity. Also called par value.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The FHLB play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM ("FED"): The Central Bank of the United States created by Congress and composed of the presidentially appointed Board of Governors in Washington, D.C., the Federal Open Market Committee, 12 Regional Federal Reserve Banks, numerous private U.S. member banks, and various advisory councils.

FORWARD DELIVERY AGREEMENT (FDA) and FORWARD SALE AGREEMENT (FSA): See “Forward Contracts” in Agency-wide Risk Management Policy Glossary.

FREE DELIVERY: See "Delivery versus Receipt".

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term “pass-through” is often used to describe Ginnie Mae.

GOVERNMENT SECURITIES: Securities that qualify under government securities are issued or guaranteed by more than 15 different entities/agencies of the U.S. government and corporations created by acts of Congress. Some are backed by the full faith and credit of the U.S. and some are not. The direct and guaranteed obligations of the U.S. government, where the securities are backed by the full faith and credits of the U.S., are considered AAA rated. A comprehensive listing of qualified investments for AAA financing is provided in Appendix A.

INTERNAL RATE OF RETURN (IRR): The discount rate that makes the present value (sum of the discounted values) of a cash flow of an instrument equal to the price of the instrument.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase--reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date a security comes due and fully payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUNICIPAL BOND: A bond issued by a political unit, such as a state, county, city, town, or village or a political unit's agencies or authorities. In general, interest paid on municipal bonds is exempt from federal income taxes and state and local income taxes within the state of issue.

NASD: National Association of Securities Dealers.

NEW HOUSING AUTHORITY BONDS: A bond issue by a local public housing authority to finance public housing secured by U.S. Government assistance agreements which guarantees full payment of interest and principal. Also called Public Housing Authority Bonds (PHA's).

OPEN MARKET OPERATIONS: Purchases and sales of government securities and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve’s most important and flexible monetary policy tool.

PAR VALUE: See "Face Value".

PAYMENT DATE: The date at which the interest on a bond is due.

PORTFOLIO: Collection of securities held by an investor.

PROJECTS: St Lucie, Stanton, All-Requirements, Tri-City, Stanton II

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state- the so-called legal list. In other states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state which has segregated eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on a specified later date.

RIDING THE YIELD CURVE: Buying long-term bonds in anticipation of capital gains as yields fall with the declining maturity of the bonds.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SEC RULE 15C3-1: See "Uniform Net Capital Rule".

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES ACT OF 1933: A federal law for the purpose of protecting the public in the issuance and distribution of securities by requiring full disclosure by the issuer.

SECURITIES AND EXCHANGE COMMISSION: The government agency responsible for regulating and supervising the securities industry.

SECURITIES EXCHANGE ACT OF 1934: A federal law for the purpose of protecting the public in the trading of securities on the stock exchanges and the over-the-counter market.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the yield curve.

TWO HIGHEST CREDIT RATING CATEGORIES: For long-term debt the two highest rating categories, namely AAA and AA, without regard to any gradation of that rating by a numerical, symbol or other such modifier however done by any of the different Rating Agencies. See table below. The two highest credit rating categories are highlighted. Likewise, short-term ratings of the two highest categories by rating firm are also highlighted. Table of ratings categories; partial listing of upper portion of complete table as herein needed:

Moody's		**S&P**		**Fitch**	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Aaa	P-1	AAA	A-1+	AAA	F1+
Aa1	P-1	AA+	A-1+	AA+	F1+

Aa2	P-1	AA	A-1+	AA	F1+
Aa3	P-1	AA-	A-1+	AA-	F1+
A1	P-1	A+	A-1	A+	F1
A2	P-1	A	A-1	A	F1
A3	P-2	A-	A-2	A-	F2
Baa1	P-2	BBB+	A-2	BBB+	F2

Please note, the table shown above is just the relevant part of a comprehensive ratings table in order to clarify the Investment Risk Management Policy meaning for the term "two highest credit rating categories."

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms, as well as nonmember broker-dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Investment Risk Management Policy
Appendix A
Allowable Investments by Project

Agency, All Requirements, St. Lucie, Stanton, Stanton II and Tri-City Projects

	Authorized Investments	Credit Rating/Security/Collateral
1.	U.S. Gov. obligations including Federal Agencies unconditionally guaranteed by the U.S. Govt.	Guaranteed by the U. S. Government.
2.	Non-callable bonds or other obligations of any U.S. State, Agency, Instrumentality or local Gov. unit.	Guaranteed by cash or U.S. Gov. securities or rated in the highest category by a nationally recognized bond rating agency.
3.	Bonds, debentures or other indebtedness issued or guaranteed issued by any Agency or Instrumentality of the United States of America.	Issued or guaranteed by any agency or corporation of the U.S. Gov.
4.	New Housing Authority Bonds and Project notes fully secured.	Fully secured by payment agreement with U.S. Gov.
5.	Direct and general obligations of any State, Agency or Instrumentality of the U. S. or any agency, instrumentality or local government.	Rated in either of the two highest credit rating categories.
6.	Obligations of any state agency or instrumentality of the U.S. Gov.	Rated in either of the two highest credit rating categories.
7.	Certificates that evidence ownership of the right to payment as long as those securities are those described above, under 1, and are held by a trust company or bank.	Unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
8.	Certificates that evidence ownership of the right to payment as long as those securities are those described above, under 1, and are held by a trust company or bank.	Guaranteed by the U.S. Gov.
9.	Certificates of deposit and banker's acceptance of the 50 largest banks in the U.S. or commercial paper issued by the parent holding company.	Unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
10.	Commercial Paper other than that issued by a bank holding co.	Rated in the highest rating category or issued by a U.S. Corp. which has an unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
11.	Repurchase agreements with banks or trust companies.	Banks with combined capital of no less than $50 million or primary dealer secured by securities described under 1, 3, 4, 9, or 10 above.
12.	Shares of Investment Companies organized under Inv. Co. Act 1940, which invests its assets exclusively in obligations described above, under 1, 6, 9, 10, or 11.	
13.	Local Gov. Surplus Trust Fund of the State of Florida.	
15.	Money Market Funds.	Rated in the highest category of comparable types of obligations.
16.	Investment agreements or guaranteed investment contracts.	Rated in the highest credit rating category.
17	CORPORATE BONDS and NOTES: Public or private corporations and organizations issue corporate bonds and notes for the purpose of funding capital improvements, expansions, acquisitions or debt refinancing. Investors essentially are lending money to the issuer.	Rated A or above

Allowable Investments by Project
(Continued)

Decommissioning Funds - St. Lucie Unit No. 2

Authorized Investments		Credit Rating/Security/Collateral
1.	Securities or other obligations of the Federal, State government or any agency or instrumentality.	
2.	Time deposits or demand deposits of the Trustee.	Insured by an agency of the Federal Gov.
3.	Forward delivery agreements.	Guaranteed by any agency of the U.S. Gov.
4.	In accordance with instructions from FMPA subject to the provisions of Section 5 of the Trust Fund Agreement.	

Investment Risk Management Policy
Appendix B
Flow of Funds Under the Resolution

Pursuant to the Resolution, all revenues are deposited with FMPA to the credit of the Revenue Fund established under the Bond Resolution. In each month, funds are to be first transferred from the Revenue Fund to the Operation and Maintenance Fund (i) for credit to the Operation and Maintenance account in the amount, if any, required so that the balance credited to said Account shall equal the amount necessary for the payment of Operation and Maintenance Expenses for the succeeding month, (ii) for credit to the Working Capital Account in the amount budgeted therefore, and (iii) for credit to the Rate Stabilization Account in the amount, if any, budgeted therefore. After these transfers from the Revenue Fund, FMPA will make in each month the following deposits from the Revenue Fund in the order of priority set forth below:

First, to the Debt Service Account held by the Trustee, the amount required so that the balance in such Account (excluding capitalized interest on deposit therein in excess of the amount thereof to be applied to pay interest accrued and to accrue on all outstanding Bonds to the end of the then current calendar month) shall equal the Accrued Aggregate Debt Service;

Second, to the Debt Service Reserve Account held by the Trustee (and each sub account therein), after giving effect to any surety bond, insurance policy, letter of credit or other obligation deposited therein pursuant to the terms of the Resolution, the amount required to be deposited into such Account in such month to make up any deficiency in the Debt Service Reserve Requirement;

Third, to the Subordinated Debt Fund held by FMPA for credit to the various accounts therein, including the Offered Securities Account, the amount, if any, required to pay principal or sinking fund installments of and interest on each issue of Subordinated Debt (including the Offered Securities) and reserves therefore, as required by the supplemental Bond Resolution authorizing such issue of Subordinated Debt;

Fourth, to the Reserve and Contingency Fund held by FMPA (a) for credit to the Renewal and Replacement Account, the amount budgeted therefore, and (b) for credit to the Contingency Account the amount required for such account to equal the Contingency Requirement;

Fifth, for deposit to the Decommissioning Fund (which is not pledged to the Offered Securities), the amount budgeted therefore; (applicable for St. Lucie Project) and

Sixth, for credit to the General Reserve Fund held by FMPA, any remaining monies in the Revenue Fund.

Investment Risk Management Policy
Appendix C
Reporting Calendar

Florida Municipal Power Agency Risk Management Reporting Calendar Investment Risk Management Reporting Requirements				
Reporting Item	Frequency Of Report	Responsible Party	Policy Section Reference	Policy Category Reference
Security Ratings Compliance	Monthly	Treasurer and Risk Director	Section 5.0	Authorized and Suitable Investment Securities
Financial Condition	Annually	Treasurer and Risk Director	Section 5.1	Authorized Financial Institutions, Depositories, and Broker/Dealers:
Diversification Percentage	Monthly	Treasurer and Risk Director	Section 5.5	Diversification:
SSAE 16 Report for Trustees and Custodians	Annually	Treasurer and Risk Director	Section 6.0	Custody
Policy Compliance Deviations	As Needed	Agency Risk Manager	Section 8.1	Policy and Procedure Compliance
Investment Reports	EC/BOD meetings	Treasurer and Risk Director	Section 9.0	Reporting
Policy Operation and Effectiveness	Annually	FC	Section 9.0	Reporting

AGENDA ITEM 8 – ACTION ITEMS

c. Approval of Municipal Finance Disclosure Procedure Changes

Board of Directors Meeting
October 17, 2019

8c –Approval of Municipal Finance Disclosure Procedure Changes

Board of Directors

October 17, 2019

Municipal Finance Disclosure Procedures
Background

- FMPA is committed to ensuring that disclosures made in connection with our debt transactions and required filings are fair, accurate, and in compliance with applicable federal and state securities laws
- These procedures were designed to ensure compliance with section 4.11 of the Debt Risk Management Policy
- No changes to the Debt Policy, just the underlying disclosure procedures

Recommended Changes
Summarized

- Updates to the procedures to reflect the two new reporting events that were added to Rule 15c2-12 back in February:
    1. Incurrence of a financial obligation of FMPA **or a Major Participant**, if material or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material
    2. Default, event of acceleration, termination event, modification of terms, or other similar events under terms of a financial obligation of FMPA or **a Major Participant**, any of which reflect financial difficulties
- Note: These new events include events for Major Participants
- Other administrative changes for names and titles changes

FMPA MUNICIPAL POWER

Recommended Motion

- Move approval of adopting the new reporting events into the municipal finance disclosure procedures

AGENDA ITEM 9 – INFORMATION ITEMS

a. FY 2020 Management Goals

Board of Directors Meeting
October 17, 2019

BOD 9a – FY 2020 Management Goals Scorecard

Board of Directors

October 17, 2019

2020 Draft Goals for FMPA

- Focused on Strategic Priorities from 2019 Strategy Session
- Emphasis on shared Member and FMPA activities that required jointly working together
- Highlighting areas where many members working to improve
- Forward looking trends requiring multi-year steps for solar, cyber security, etc.

Goals - Safety, Compliance and Cyber Security

1. **Safety**	No Lost Time Accidents
2. **Compliance**	
▪ Financial	No Violations not Self Reported
▪ Environmental	No Violations not Self Reported
▪ NERC Compliance	No Violations not Self Reported
3. **Cyber Security**	
▪ FMPA – Breaches IT or OT	- None
– Monthly Phishing	- 5% or less click Rate
▪ Members APPA Scorecard	- 12 additional

FMPA MUNICIPAL POWER

Goals - Cost and Reliability

4. **Low Cost -** 2.5% below Budget - $72.64
   - Controllable
   - Fuel
5. **Energy/Capacity Sales** Execute New Agreements Projected Margin Value of $3.5M
6. **Reliability**
   - Combined Cycle EAF 88%
   - Keys Black Start 100% Successful
   - 5% SAIDI Improvement 5 Members
7. **Enhance Pool** - for Future with Significant Solar Resources Challenging Existing Operating Practices
   - Hire New Executive Director to Lead Pool of the Future
   - Develop Practices for Extra Reserves and Fast Start Needs
   - Develop tools to manage Significant new Solar resources

Goals – Members and People

8. **Member Services**
   - Leadership Team Visits – 75
   - New Member Projects Managed – 15
   - Assist Solar Subscription/Rate Reviews – 10
9. **Promoting Value of Utilities**
   - Update Member Reports – 16
   - Public Presentations by Member or FMPA – 10
10. **Solar Project**
    - Execute Phase 2 Solar Agreements
    - Assist Members Marketing Phase 1 Groundbreaking & Subscription
    - Successfully Energize Phase 1 site
11. **ARP Restructuring** – Reach Agreement on Desired Path of Members
12. **People**
    - Developmental Opportunities/Cross Training/Back-up – at least 8
    - FMPA Fleet Team Sharing - 80 Days

AGENDA PACKAGE MEMORANDUM

TO:	Board of Directors
FROM:	Jacob Williams
DATE:	October 8, 2019
ITEM:	9a – Approval of FMPA's 2020 Top 12 Management Goals

FY 2020 Management Goals

1. **Safety**		No Lost Time Accidents
2. **Compliance** -	Financial	No Violations not Self-Reported
	Environmental	No Violations not Self-Reported
	NERC Compliance	No Violations not Self-Reported
3. **Cyber Security**	FMPA – Breaches IT or OT – None	
	– Phishing	5% or less click Rate
	Members APPA Scorecard	12 additional
4. **Low Cost**	- Total All-in Cost	$72.64 MWh (2 ½% below budget)
5. **Reliability**	- Combined Cycle EAF	88%
	- Keys Black Start	100% Successful
	- Member – Obtain 5% SAIDI improvement for 5 Members	

6. **Energy/Capacity Sales** – Execute New Agreements Projected Margin Value of $3.5M?

7. **Enhance Pool Operating Practices**
   - For Future with Significant Solar Resources Challenging Existing
   - Hire New Executive Director to Lead Pool of the Future
   - Develop Practices for Extra Reserves and Fast Start Needs
   - Develop tools to manage Significant new Solar resources

8. **Member Services**
   - Leadership Team Visits – 75
   - New Member Projects Managed – 15
   - Assist Solar Subscription Service/Rate Reviews – 10

9. **Promoting Value of Utilities** – Update Member Reports – 16
   - Public Presentations by Member or FMPA – 10

10. **Solar Project**	- Execute Phase 2 Solar Agreements
	- Assist Members marketing Phase 1 Groundbreaking
	- Successfully Energize Phase 1 site
11. **ARP Restructuring**	- Reach Agreement on Desired Path of Members
12. **People**	- Developmental Opportunities/Cross Training/Back-up – at least 8
	- FMPA Fleet Team Sharing - 80 Days

Recommended Action	Move approval of FMPA's FY 2020 Top 12 Management Goals.

JW/su

AGENDA ITEM 9 – INFORMATION ITEMS

b. Update on Bond Counsel RFP

Board of Directors Meeting
October 17, 2019

9b –Update on Bond Counsel RFP

Board of Directors and Executive Committee

October 17, 2019

Bond Counsel RFP
Background

- Why do an Request for Proposal (RFP)?
  - This is part of our ongoing efforts to promote transparency and ensure that FMPA receives the best professional service at a reasonable cost
  - To that end, FMPA will periodically conduct RFPs for all professional services where deemed appropriate
  - Over the past 3 years, FMPA has issued RFPs for investment advisors, underwriters, financial advisors, and external auditors. Bond Counsel is the last remaining category

Where We Are in the Process

Summary to Date

RFP was noticed in the Bond Buyer (print form and online) from 8/27/19 to 9/24/19

RFP was noticed on the FMPA website for same period

7 proposals were received:

- BMO
- D. Seaton and Associates
- Greenberg Traurig
- Holland & Knight
- Nabors Giblin & Nickerson
- Nixon Peabody
- Orrick

The evaluation team will review and most likely recommend two firms to handle the bond counsel, disclosure counsel and special counsel work

Timeline to Finish Line

Recommendation in December → Negotiation → New Contracts Effective January 2020 or later

Recommended Motion

- Information Only. No action.

AGENDA ITEM 9 – INFORMATION ITEMS

c. FMPA Electric Vehicle Charging Station

Board of Directors Meeting
October 17, 2019

BOD 9c – FMPA EV Charging Station

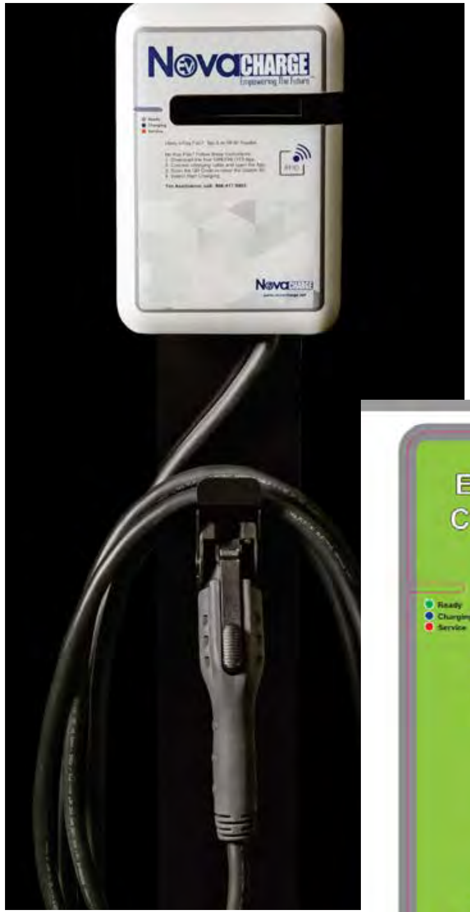
Board of Directors

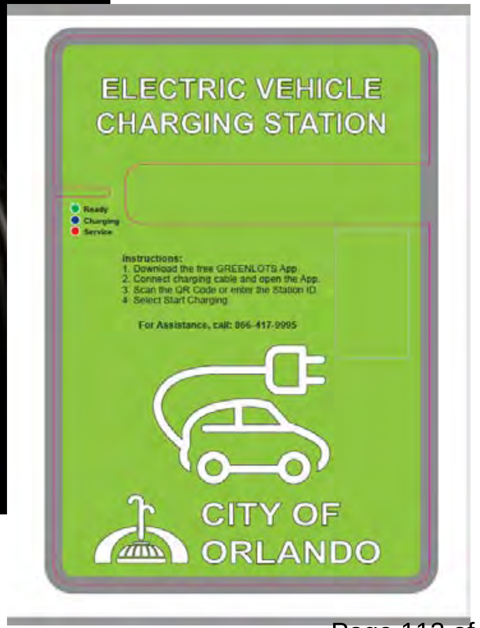
October 17, 2019

FMPA Electric Vehicle Charging Station

NovaCHARGE Commercial Charger (~$25k to purchase and install)

- Dual-port unit can charge two vehicles at the same time
- Access restricted to FMPA members and guests by use of Fob – no cost to users
  - Can be upgraded to allow payment in the future
- NovaCHARGE currently used by Winter Park, OUC, FPL and Duke
- Label can be customized with FMPA logo
- Expected installation in December 2019






Two charging ports installed
at SE section of parking lot.
(Access Fobs located at
FMPA front desk)
FlightScope
Commodity Cir
Commodity Cir
Commodity Cir
Map
Google
3D
Imagery ©2019 Google, Imagery ©2019 Lake County, Maxar Technologies, U.S. Geological Survey, Map data ©2019
United States
Terms
Send feedback
20 ft

What does it look like?

AGENDA ITEM 9 – INFORMATION ITEMS

d. Solar Phase II Project Recommendation

Board of Directors Meeting
October 17, 2019

BOD 9d – EC 9a
Solar Phase II Project Recommendation

Board of Directors and Executive Committee

October 17, 2019

Project Approval Information

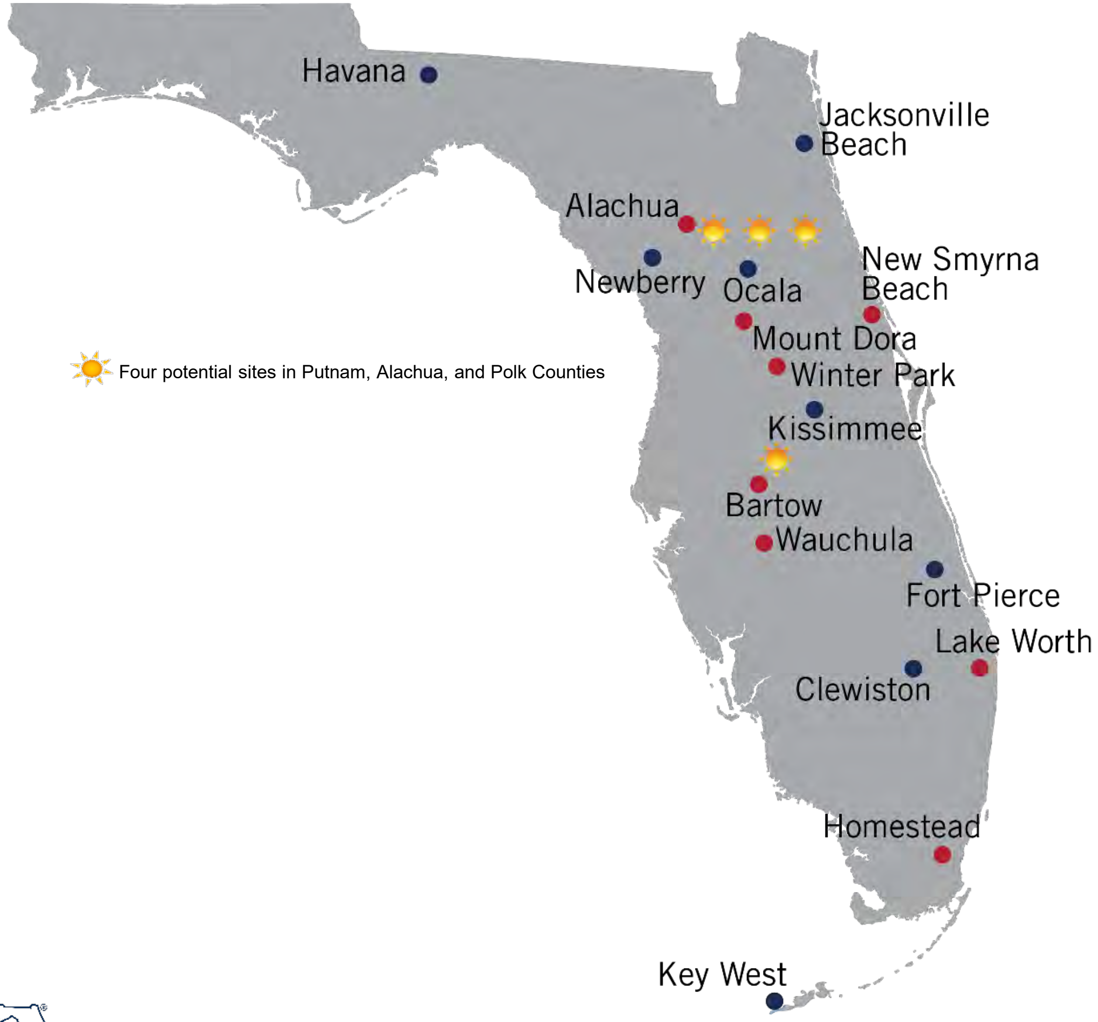
FMSP Phase II Details

- FMSP Phase II Participants and Project Structure
- Approvals Required
  - Members
  - FMPA Board and EC
- FMPA Solar II Project – Board Approvals
- ARP Solar II Participants – EC Approvals
- Schedule and Next Steps

FMSP Phase II Participants and Project Structure

Final Participation from 16 Member Cities

178.25 MW Total – Three 74.9 MW Facilities



Member	Megawatts-AC
Alachua	5
Bartow	8
Clewiston	**1**
Fort Pierce	**15**
Havana	**0.25**
Homestead	5
Jacksonville Beach	**15**
Key West	**25**
Kissimmee	**20**
Lake Worth Beach	30
Mount Dora	5
New Smyrna Beach	10
Newberry	**1**
Ocala	**20**
Wauchula	3
Winter Park	15
Total	**178.25 MW**

FMPA MUNICIPAL POWER

Member Shares

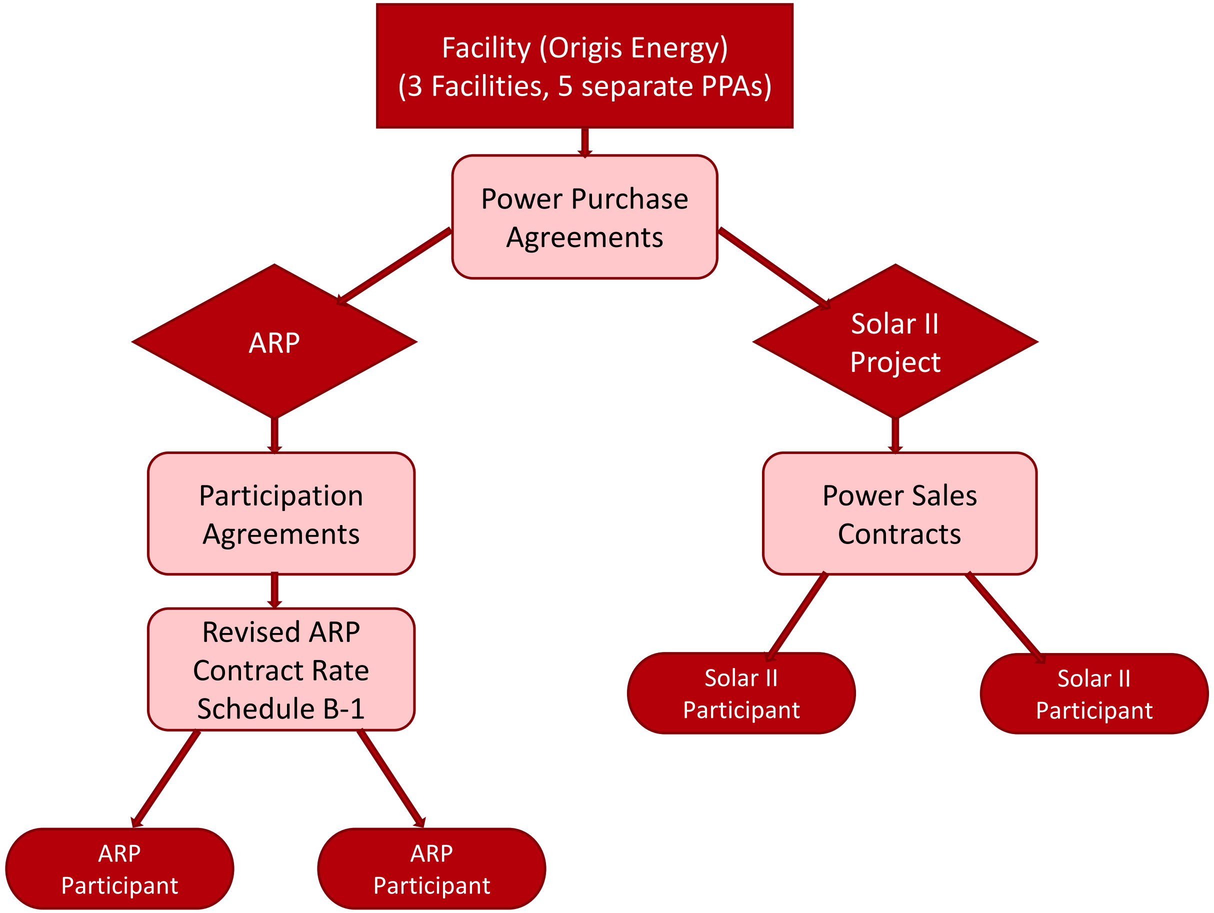
Optimized With Regard to DEF or FPL Interconnect

ARP Member	Share MWac
Beaches	15
Clewiston	1
Fort Pierce	15
Havana	0.25
Key West	25
Kissimmee	20
Newberry	1
Ocala	20
ARP Total	**97.25**

Solar II Member	Share MWac
Alachua	5
Bartow	8
Homestead	5
Lake Worth Beach	30
Mount Dora	5
New Smyrna Beach	10
Wauchula	3
Winter Park	15
Solar II Total	**81**

Facility	ARP	Solar II
Facility 1 (FPL)	40%	60%
Facility 2 (DEF)	52%	48%
Facility 3 (DEF)	100%	0%

Project PPA Structure



Approvals Required

Member Approvals

Required Prior to FMPA Board and EC Approval

- Each Participant's Governing Board will approve:
  - Solar Project II Participants (8)
    - Power Sales Contract between FMPA and Solar Project II Participants
  - ARP Solar Project II Participants (8)
    - Solar II Participation Agreement between FMPA ARP and Solar II Participants

FMPA Board and EC Approvals

Documents Required for Final Approval on December 12

Board Approvals:

- **Power Purchase Agreements** between FMPA Solar Project II and Origis
- Solar Project **Power Sales Contracts** between FMPA and Solar Project II Participants (indiv. Member approvals received)
- **Resolution** to form FMPA Solar Project II

ARP Approvals:

- **Power Purchase Agreements** between FMPA ARP and Origis
- Solar II **Participation Agreements** between ARP and Solar Project II Participants (indiv. Member approvals received)
- ARP **Rate Schedule** B-1

FMPA Solar II Project – Board Approvals

FMPA Board Approvals

Documents Required for Final Approval on December 12

Board Approvals:

- **Power Purchase Agreements** between FMPA Solar Project II and Origis
- Solar Project **Power Sales Contracts** between FMPA and Solar Project II Participants (indiv. Member approvals received)
- **Resolution** to form FMPA Solar Project II

PPA Key Terms

Pricing Terms Confidential

20-Year Term	Options for two 5-year extensions at predetermined prices
Delivery Points	2 facilities Duke Interconnect; 1 facility FPL Interconnect
Commercial Operation Date (COD)	December 31, 2023 with permitted extensions; Origis pays for delays after permitted COD extensions
Production Guarantee	Damages paid for under-performance measured over rolling 2 years
Network Upgrades	Cost not included in price; If Network Upgrades are required, payment will be refunded by DEF and/or FPL
Energy Price	<$28/MWh (exact pricing confidential); 2% escalation over 20 year PPA term; adjustment provision for loss of Investment Tax Credit (ITC) due to Interconnection study delays.

Solar II Project Power Sales Contract Terms

Approval by Board of Directors

Power Entitlement Share	% of solar energy produced by the facility
Term of Agreement	Date of signature until termination of the PPA with Origis
Costs	Participant pays PPA energy costs plus project related A&G costs (projected to be less than $.50/MWh)
Step-up Provision	In the event a Participant defaults, the non-defaulting Participants may agree to take and pay for a pro-rata share of defaulting Participant's Power Entitlement
Exit Provision	If a Participant wishes to exit the Solar II Project, FMPA will facilitate transfer of energy to other willing Participants or sell to others. Participant remains responsible for costs not covered.
Solar II Project Committee	Will be created, consisting of one representative from each Solar II Participant. All recommendations are subject to approval by the Board of Directors.

Board Resolution 2019-xxx
Approval by Board of Directors

Designating Solar II Project as a Project under the Interlocal Agreement
Establishing Solar II Project Participants’ power entitlement share in the Solar II Project
Approving the Solar II Project Power Purchase Agreements between FMPA (Solar II Project) and Origis Energy
Approving separate Power Sales Contracts between FMPA and each of the eight Solar II Project Participants
Designating authorized officers
Providing for severability
Providing an effective date

ARP Solar II Participation Agreement Executive Committee Approvals

FMPA EC Approvals

Documents Required for Final Approval on December 12

ARP Approvals:

- **Power Purchase Agreements** between FMPA ARP and Origis
- Solar II **Participation Agreements** between ARP and Solar Project II Participants (indiv. Member approvals received)
- ARP **Rate Schedule** B-1

PPA Key Terms
Pricing Terms Confidential

20-Year Term	Options for two 5-year extensions at predetermined prices
Delivery Points	2 facilities Duke Interconnect; 1 facility FPL Interconnect
Commercial Operation Date (COD)	December 31, 2023 with permitted extensions; Origis pays for delays after permitted COD extensions
Production Guarantee	Damages paid for under-performance measured over rolling 2 years
Network Upgrades	Cost not included in price; If Network Upgrades are required, payment will be refunded by DEF and/or FPL
Energy Price	<$28/MWh (exact pricing confidential); 2% escalation over 20 year PPA term; adjustment provision for loss of Investment Tax Credit (ITC) due to Interconnection study delays.

ARP Solar II Participation Agreement Terms
Approval by Executive Committee

Power Entitlement Share	% of solar energy produced by the facility
Term of Agreement	Date of signature until termination of the PPA with Origis
Costs	Participant pays PPA energy cost plus nominal project related costs (A&G)
Exit Provision	If a Participant wishes to exit the Solar Participation Agreement, FMPA will facilitate transfer of energy to other willing Participants or sell to others. Participant remains responsible for costs not covered.
ARP Solar Participants Advisory Committee	Consists of one representative from each ARP Solar Participant. All recommendations will be subject to approval of the Executive Committee

Rate Schedule B-1

Approval by Executive Committee

- Solar Energy Surcharge shall equal the difference between the adjusted energy rate and the actual monthly cost per MWh of the solar energy plus associated costs.
  - Language revised to distinguish between Phase I and Phase II Projects and Participants

FMPA MUNICIPAL POWER

Schedule and Next Steps

Project Schedule: *End of Year Completion Target*

Oct. 16
- Member Information Workshop

Oct. 17
- FMPA Board and EC Information Items

Oct. 18 thru Dec. 12
- Member Approvals by Local Governing Boards
  - (Power Sales Contracts OR ARP Participation Agreements)

Dec. 12
- FMPA Board and EC Final Approvals
  - (Resolution, PPAs, Solar II Power Sales Contracts, ARP Participation Agreements, Rate Schedule.)

Dec. 12
- Execute Project Documents

Next Steps

- Participants review and confirm final shares
  - Feedback needed ASAP if commitment changes are needed
- Member approvals
  - FMPA Solar Team is available to support Member approvals
- FMPA Board and Executive Committee Information Item
- FMPA Board and Executive Committee Final Approvals

RESOLUTION 2019-B12

A RESOLUTION OF THE BOARD OF DIRECTORS OF FLORIDA MUNICIPAL POWER AGENCY (I) DESIGNATING THE SOLAR II PROJECT AS A PROJECT UNDER THE INTERLOCAL AGREEMENT; (II) ESTABLISHING THE SOLAR II PROJECT PARTICIPANTS' POWER ENTITLEMENT SHARES IN THE SOLAR II PROJECT; (III) APPROVING THE SOLAR II PROJECT POWER PURCHASE AGREEMENTS BETWEEN FLORIDA MUNICIPAL POWER AGENCY (SOLAR II PROJECT) AND ORIGIS ENERGY; (IV) APPROVING SEPARATE POWER SALES CONTRACTS BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND EACH OF THE SOLAR II PROJECT PARTICIPANTS; (V) DESIGNATING AUTHORIZED OFFICERS; (VI) APPROVING AND TAKING CERTAIN OTHER ACTIONS; (VII) PROVIDING FOR SEVERABILITY; AND (VIII) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, Chapter 163, Part I, Florida Statutes, as amended, and Chapter 166, Part II, Florida Statutes, as amended (collectively the "Act").

SECTION 2. DEFINITIONS. When used in this Resolution, capitalized terms shall have the same meaning as that specified in the Power Sales Contracts, a form of which is attached hereto as Exhibit A, unless otherwise provided for herein or unless the context clearly requires otherwise.

SECTION 3. FINDINGS. It is hereby found, determined, and declared as follows:

3.01 Florida Municipal Power Agency ("FMPA") was formed pursuant to the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended (the "Interlocal Agreement"), and the findings, determinations and declarations made in the preambles thereof are hereby reaffirmed and ratified.

3.2. FMPA was created to, among other things, provide a means for the Florida municipal corporations and other entities which are members of FMPA to cooperate with each other on a basis of mutual advantage to provide electric capacity and energy.

3.3. FMPA is authorized by the terms of the Act and the Interlocal Agreement, among other things (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in any electric power supply project or projects or to acquire an interest in any such project or facilities (ii) to issue its bonds, notes, or other evidences of indebtedness to pay all or part of the cost of acquiring joint electric power supply projects; and (iii) to exercise all other powers which have been or may be granted to FMPA under the laws of the State of Florida which may be necessary and proper to further the purposes of FMPA.

3.4 It is necessary and desirable and in the best interests of FMPA, the Project Participants (as defined in the Power Sales Contracts, a form of which is annexed hereto as Exhibit A) and the residents of the State of Florida (the "State") to whom the Project Participants furnish, supply or distribute electrical energy that FMPA enter into the Solar II Power Purchase Agreement between FMPA Solar II Project and Origis Energy, dated as of___________, (the "Solar II Project PPA"), a form of which is annexed hereto as Exhibit B), pursuant to which FMPA will purchase the Solar Product derived from the Solar Facility (as those terms are defined in the Power Sales Contracts).

3.5 It is necessary and desirable and in the best interests of FMPA, the Project Participants and the residents of the State to whom the Project Participants furnish, supply or distribute electrical energy, that FMPA take or cause to be taken all steps necessary for the execution and delivery of the Solar II Project PPA, for the supply of Solar Product to the Project Participants and sell the Solar Product from the Solar II Project PPA pursuant to the Power Sales Contracts with the Project Participants.

3.6 It is necessary and desirable and in the best interests of FMPA, the Project Participants and the residents of the State to whom the Project Participants furnish, supply or distribute electrical energy and the Board of Directors of FMPA desires to specify the Power Entitlement Share of each of the Project Participants in the Solar II Project, and to approve the terms of and authorize the execution and delivery of the Power Sales Contracts and the Solar II Project PPA.

SECTION 4. DESIGNATION OF PROJECT, ESTABLISHMENT OF POWER ENTITLEMENT SHARES; PROJECT AGREEMENT.

4.1 There is hereby authorized the undertaking by FMPA of all actions necessary or desirable to enter into a power purchase agreement for the purchase of approximately xx.xx% of the electric energy generated by the Solar Facility, as well as the associated Renewable Attributes, and other ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Solar Facility, to be located in xx or xx or xx County, Florida.

4.2 The Solar II Project is hereby designated as a project under the Interlocal Agreement.

4.3 The Power Entitlement Share of each of the Project Participants is established as follows:

- City of Alachua – 6.173%
- City of Bartow – 9.876%

- Homestead Public Services – 6.173%
- City of Lake Worth Beach Utilities – 37.037%
- City of Mount Dora – 6.173%
- Utilities Commission, City of New Smyrna Beach – 12.346%
- City of Wauchula – 3.704%
- Winter Park Electric Utility – 18.518%

4.4 This Resolution shall constitute a supplement to the Interlocal Agreement and shall be maintained by the Secretary of FMPA among the permanent records of FMPA.

4.5 The Interlocal Agreement, as supplemented by this Resolution, shall (with respect to the Solar II Project) constitute "an agreement to implement a project" and a "joint power agreement", as those terms are used in Chapter 361, Part II, Florida Statutes, as amended.

SECTION 5. APPROVAL OF SEPARATE POWER SALES CONTRACTS.

5.01 The terms of the separate Power Sales Contracts to be entered into between FMPA and the Project Participants, in the form annexed hereto as Exhibit A, are hereby expressly approved.

SECTION 6. APPROVAL OF THE SOLAR II PROJECT POWER PURCHASE AGREEMENT. The terms of the Solar II Project PPA, to be entered in between FMPA and Origis Energy, in substantially the form annexed hereto as Exhibit B, with such additions and changes as any Authorized Officer of FMPA shall deem necessary or appropriate, are hereby expressly approved, such approval of such final form to be presumed by the execution thereof by any Authorized Officer of FMPA.

SECTION 7. DESIGNATION OF AUTHORIZED OFFICERS OF FMPA. The Chairman and Vice Chairman of FMPA's Board of Directors, the Secretary-Treasurer, the Assistant Secretary-Treasurer, the General Manager & CEO and the Chief Operating Officer are each hereby designated as an Authorized Officer of FMPA for the purpose of executing and delivering the Power Sales Contract, and Solar II Project PPA and taking any other actions authorized by this Resolution.

SECTION 8. FURTHER ACTIONS. Each Authorized Officer of FMPA is hereby authorized and empowered (i) to execute and deliver the Power Sales Contracts and the Solar II PPA, and (ii) to execute and deliver, in the name of and on behalf of FMPA such other documents, certificates or papers, not specifically referred to in this Resolution, as are required or contemplated by the provisions of the Power Sales Contracts and the Solar II Project PPA and take all such further action as may be necessary or desirable in carrying out the terms and provisions of the Power Sales Contracts and the Solar II Project PPA.

SECTION 9. SEVERABILITY. If any one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

SECTION 10. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED by the Florida Municipal Power Agency on ____________________.

Florida Municipal Power Agency

ATTEST:

______________________	______________________
Secretary	Chairman

DRAFT

All-Requirements Project Solar Energy Participation Agreement

This All-Requirements Project Solar Energy Participation Agreement is entered into as of this _____ day of ______, 2019, (the "Effective Date") by and between the [insert Member utility] ("ARP Solar Participant"), and Florida Municipal Power Agency All-Requirements Power Supply Project ("FMPA") (FMPA and ARP Solar Participant are hereinafter referred to individually as a "Party" or collectively as the "Parties").

WHEREAS, ARP Solar Participant is a member of the Florida Municipal Power Agency ("FMPA") All-Requirements Power Supply Project ("ARP Project"); and

WHEREAS, as an ARP Participant, ARP Solar Participant receives all of its power supply needs from the ARP Project; and

WHEREAS, ARP Solar Participant desires that FMPA, as its wholesale power supply provider, include within its energy resource portfolio renewable energy resources; and

WHEREAS, FMPA has entered into Power Purchase Agreements between FMPA and Origis Energy (the "Seller"), (the "Solar PPA") for xx MWs of the output of three photovoltaic electric generating facilities having nameplate capacities of 74.9 MW alternating current ("ac") each, which will be designed, financed, constructed and operated by Seller in xxx, xxx, and xxx Counties, Florida ("Solar Facility");

WHEREAS, FMPA has revised Rate Schedule B-1 of the All-Requirement Power Supply Contract to permit ARP Participants to voluntarily commit to financial responsibility for a percentage share of the costs incurred by FMPA pursuant to the Solar PPA (the "Solar Rate Commitment"); and

WHEREAS, ARP Solar Participant hereby determines that it is in the best interests of the health, safety, and welfare of the citizens and residents of ARP Solar Participant to commit financially, subject to the conditions set forth in this Agreement, to the Solar Rate Commitment set forth in the revised Rate Schedule B-1.

NOW THEREFORE, for and in consideration of the mutual covenants by them to be kept and performed, all as hereinafter set forth, the Parties hereby mutually agree as follows:

SECTION 1. Term & Termination

(a) Term. This Agreement shall commence on the Effective Date, and shall thereafter continue in effect until terminated in accordance with the terms of this Agreement (the "Term").

(b) Termination. Unless terminated in accordance with SECTION 1(c) or SECTION 1(d) of this Agreement, this Agreement shall automatically terminate upon the expiration or early termination of the Solar PPA, except that any accrued liabilities or obligations incurred by FMPA under the Solar PPA shall survive termination of this Agreement and shall be billable to ARP Solar Participants.

(c) Early Termination; Step-Up. ARP Solar Participant may only terminate its Solar Rate Commitment if one of the following four conditions are met, subject to approval of the Executive Committee:

(1) Another ARP Solar Participant assumes the ARP Solar Participant's Solar Rate Commitment;

(2) An All-Requirements Project Participant assumes ARP Solar Participant's Solar Rate Commitment;

(3) An FMPA Member that is not an All-Requirements Project Participant assumes the financial entitlement to ARP Solar Participant's percentage share of the PPA and commits that it will take on the associated financial obligation in a form suitable to the Executive Committee; or

(4) ARP Solar Participant pays all stranded cost obligations, as determined by FMPA, to hold the other, non-terminating, ARP Solar Participants harmless from the costs associated with ARP Solar Participant's termination. For purposes of this SECTION 1(c)(4), stranded cost obligations are defined as an estimate of the solar energy costs (defined in 10.1 of Rate Schedule B-1) that the ARP will pay for the terminating ARP Solar Participant's Solar Rate Commitment during each remaining month of the remaining term of the Solar PPA based on (i) a forecast of expected solar production and (ii) a reasonable assessment of unforeseen costs, and are to be paid at the time of exit. The forecast of expected solar production is defined as a P50 (probability of exceedance is 50 percent) production estimate under typical meteorological year conditions using an industry standard modeling tool (PVsyst or its successor/peer products) reflective of a degradation rate of 0.3% per year relative to the original nominal alternating current capacity of the solar resource in the current year (prorated over a partial year as applicable) and each subsequent remaining year of the Solar PPA term.

(d) Solar PPA Early Termination, Term Extension and ARP Solar Committee. The Solar PPA includes several provisions that allow FMPA to exercise discretion regarding whether to extend the Term of the Solar PPA or to continue the existing Term of the Solar PPA despite a triggering event under the terms of the Solar PPA that permit early termination (hereinafter referred to as "Discretionary Term Decisions"). Such Discretionary Term Decisions may include, for example but without limitation, options for extension of the Term of the Solar PPA beyond the Initial Term, options for continuing or terminating obligations related to portions of the solar capacity that do not make commercial operation deadlines, and options for early termination of the Solar PPA if certain conditions precedent are not met. In order to make Discretionary Term Decisions, ARP Solar Participant and all other ARP Solar Participants will each designate a representative to serve on the ARP Solar Committee. The Committee will meet in advance of any Discretionary Term Decisions provided for under the Solar PPA, and as FMPA or any ARP Solar Participant may request, with 30 day advance Notice (or less if the matter at hand so requires). The ARP Solar Committee shall meet not less than 180 days prior to the expiration of the Initial Term, or a Renewal Term, if any, to decide whether to extend the Term of the Solar PPA. In making any Discretionary Term Decision, the ARP Solar Committee will vote on the matter. If the ARP Solar Committee unanimously decides to exercise a Discretionary Term Decision, then such unanimous consent shall be presented to the FMPA Executive Committee as a recommendation for action on the matter. If one or more ARP Solar Participants do not wish to exercise a Discretionary Term Decision, then the other ARP Solar Participants may elect to assume the Solar Rate Commitment of those ARP Solar Participant(s) that do not wish to exercise the Discretionary Term Decision. In such event, the non-exercising ARP Solar Participant(s)' ARP Solar Participation Agreement shall be terminated, and the ARP Solar Participation Agreement of the assuming Project Participant(s)', and Rate Schedule B-1, shall be amended to reflect the revised Solar Rate Commitments. In the event that the ARP Solar Participant(s) that wish to exercise the Discretionary Term Decision cannot agree to assume 100% of the terminating Project Participant(s)' Solar Rate Commitment, then the Discretionary Term Decision shall not be exercised.

(e) No amendment shall be made to SECTION 1(c) or SECTION 1(d) of this Agreement without a contemporaneous amendment to the step-up provision in Rate Schedule B-1 of the ARP Contract.

SECTION 2. Solar Rate Commitment

(a) Solar Rate Commitment. ARP Solar Participant agrees to be bound by all terms and conditions of section 10 of Rate Schedule B-1, a copy of the most recent version of which as of the Effective Date is attached hereto as Appendix A, or its successor provision. ARP Solar Participant hereby commits during the Term of this Agreement to be financially responsible for its Solar Rate Commitment, which percentage share is set forth in Appendix A of this Agreement.

(b) Payment. On each ARP Solar Participant's monthly ARP bill, FMPA shall add an amount, as calculated pursuant to section 10 of Rate Schedule B-1 of the ARP Contract, or its successor provision, which represents FMPA's Solar Rate Commitment share. Such amount shall be a Revenue Requirement, as that term is defined in the ARP Contract, of the All-Requirements Power Supply Project.

SECTION 3. Solar Capacity Value

(a) ARP Solar Participant acknowledges that, as of the Effective Date, FMPA has excess capacity, and, as long as FMPA continues to have excess capacity, the Solar Facility will be given no capacity value and will have no impact on ARP demand billing. If, in the future, FMPA no longer has excess capacity and the Executive Committee determines that: (1) the Solar Facility can provide some degree of capacity to the ARP Project; and (2) that capacity provided by the Solar Facility has value to the ARP Project, then the ARP Solar Participant may gain financial rights to that capacity value through a revised rate schedule as determined by the FMPA Executive Committee. If such financial rights are granted through a revision to the ARP Rate Schedule then: (i) the amount of solar capacity will be determined through statistical analysis of the Solar Facility Electric Energy output against the FMPA coincident peak on a monthly or seasonal basis and may vary month-to-month, and (ii) the financial value of solar capacity will be treated in an equivalent manner as Load Management discussed in Section 8(g) of the ARP Contract.

SECTION 4. Miscellaneous

(a) Definitions. Capitalized terms used in this agreement that are not otherwise defined in this Agreement shall have the meaning set forth in the Solar PPA.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be executed by their proper officers respectively, being thereunto duly authorized, and their respective seals to be hereto affixed, as of the day and year first above written.

[Signature page follows]

FLORIDA MUNICIPAL POWER AGENCY

(SEAL)

By:____________________________________
General Manager & CEO

Attest:

Date:___________________________________

____
Secretary or Assistant Secretary

[insert Member utility]

(SEAL)

By:____________________________________
Title

Attest:

Date:___________________________________

____
Secretary

APPENDIX A

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

[insert revised Rate Schedule B-1]

THE RIDERS TO THE ARP RATE SCHEDULED ARE NOT ATTACHED.

DRAFT

Solar II Project

Power Sales Contract

Between

Florida Municipal Power Agency,
Solar II Power Project

and

[insert Member utility]

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SOLAR II PROJECT

POWER SALES CONTRACT

This POWER SALES CONTRACT is made and entered into as of ______ __, 2019, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA") and the [insert Member utility], a public agency of the State of Florida and member of FMPA who has executed this Power Sales Contract (the "Project Participant").

WITNESSETH:

WHEREAS, FMPA was created to, among other things, provide a means for the Florida municipal corporations and other entities which are members of FMPA to cooperate with each other on a basis of mutual advantage in the generation of Electric Energy; and

WHEREAS, FMPA is authorized and empowered, among other things, (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in one or more electric projects; (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the costs of acquiring such electric projects; and (iii) to exercise all other powers which may be necessary and proper to further the purposes of FMPA which have been or may be granted to FMPA under the laws of the State of Florida; and;

WHEREAS, Origis Energy, including its successors or assigns, ("Seller") is developing solar photovoltaic single-axis tracking electric generating facilities having a nameplate capacity of 74.9 MW alternating current ("ac"), which will be designed, financed, constructed and operated by Seller in xxx and xxx Counties, Florida ("Solar Facility"); and

WHEREAS, FMPA has entered into Power Purchase Agreements between Seller and FMPA on behalf of the Solar II Project ("Solar PPA"), a copies of which are attached to this Power Sales Contract as "Attachment A," and FMPA will purchase and receive a portion of the as-available net Electric Energy output and associated Renewable Energy Attributes and Facility Attributes produced by Solar Facility (referred to cumulatively in this Power Sales Contract as the "Solar Product"); and

WHEREAS, FMPA will take or cause to be taken all steps necessary for delivery to Project Participant and the other Project Participants of their respective share of the Solar Product produced from or attributable to the Solar Facility and delivered to FMPA under the Solar PPA, and will sell the Solar Product from the Solar Facility pursuant to this Power Sales Contract and pursuant to contracts substantially similar to this contract with such other Project Participants; and

WHEREAS, the execution of the Solar PPA for the supply of Solar Product produced by or attributable to the Solar Facility to the Project Participant and the other Project Participants contracting with FMPA therefore is authorized by the Interlocal Agreement creating the Florida Municipal Power Agency, as amended to date and as such Interlocal Agreement has been supplemented by a resolution adopted by the Board of FMPA at a meeting duly called and duly held on MMM DD, YYYY, which Interlocal Agreement, as so amended and supplemented, constitutes "an agreement to implement a project" and a "joint power agreement" for the Solar II Project, as such terms are used in Chapter 361, Part II, Florida Statutes, as amended; and

WHEREAS, in order to pay the cost of acquiring the Solar Product produced by or attributable to the Solar Facility under the Solar PPA, it is necessary for FMPA to have substantially similar binding contracts with the Project Participant and such other Project Participants purchasing Solar Product produced by or attributable to the Solar Facility.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

SECTION 1. Definitions and Explanations of Terms. As used herein:

Allocable A&G Costs shall mean administrative and general costs incurred by FMPA that have been allocated to the Solar II Project by the FMPA Board of Directors. The initial allocation of Allocable A&G Costs is attached to this Power Sales Contract as "Attachment B," as it may be amended from time to time at the discretion of the FMPA Board of Directors.

Annual Budget means the budget adopted by the Board of FMPA pursuant to paragraph (a) of SECTION 4 hereof which itemizes the estimated Monthly Energy Costs and Project Related Costs for the following Contract Year, or, in the case of an amended Annual Budget adopted by the Board of FMPA, during the remainder of a Contract Year, and the Project Participant's share, if any, of each.

Board shall mean the Board of Directors of FMPA, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof.

Contract Year shall mean the twelve (12) month period commencing at 12:01 a.m. on October 1 of each year, except that the first Contract Year shall commence on 12:01 a.m. on MMM DD, YYYY, and shall expire at 12:00 a.m. the next succeeding October 1.

Discretionary Term Decision shall have the meaning set forth in SECTION 7(a) of this Power Sales Contract.

Downgrade Event shall have the meaning set forth in the Solar PPA.

Effective Date shall have the meaning set forth in SECTION 2 of this Power Sales Contract.

Electric Energy shall mean kilowatt hours (kWh).

Energy Price means the price ($/MWh) to be paid by FMPA under the Solar PPA for Solar Product produced by the Solar Facility and delivered by Seller to FMPA.

Energy Share shall mean FMPA's xx MW share under the Solar PPA in the Solar Product produced by or associated with the Solar Facility.

Facility Attributes has the meaning given in the Solar PPA.

Initial Energy Delivery Date shall have the meaning provided for in the Solar PPA.

Interlocal Agreement means the Interlocal Agreement creating the Florida Municipal Power Agency, as amended and supplemented to date, and as the same may be amended or supplemented in the future.

Month shall mean a calendar month.

Monthly Energy Costs shall mean, with respect to each Month of each Contract Year, the product of (i) the Energy Price and (ii) the quantity of Solar Product delivered by Seller to FMPA.

Point of Delivery shall mean the high side of the generator step-up transformer of the Solar Facility.

Power Sales Contracts shall mean this Power Sales Contract and the other Power Sales Contracts, dated the date hereof, between FMPA and the other Project Participants, all relating to the Solar PPA and Solar Facility, as the same may be amended from time to time, and any substantially similar contract entered into by FMPA in connection with any transfer or assignment in accordance with this Power Sales Contract.

Project Development Fund Costs shall mean those costs incurred by FMPA and funded by the FMPA Project Development Fund used for the establishment of the FMPA Solar II Project. The Project

Development Fund Costs as of the Effective Date are set forth in "Attachment D" of this Power Sales Contract.

Project Related Costs shall mean the costs incurred under the Solar PPA other than Monthly Energy Costs, as well as any other costs incurred by FMPA directly attributable to the Solar II Project, including, without limitation, Allocable A&G Costs, any amounts to reimburse FMPA Project Development Fund Costs, a Working Capital Allowance, any costs associated with real-time monitoring of the output from the Solar Facility to facilitate Project Participants' transmission scheduling requirements, any credit or payment assurance amounts that may be required under the Solar PPA due to a Downgrade Event, as such term is defined in the Solar PPA, among others.

Project Participants shall mean the parties, including the Project Participant, other than FMPA, to Power Sales Contracts substantially similar hereto.

Renewable Attributes has the meaning given in the Solar PPA.

Schedule of Project Participants shall mean the Schedule of Project Participants contained in Schedule 1 hereto, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

Seller shall have the meaning set forth in the Recitals of this Power Sales Contract.

Solar Entitlement Share shall mean, with respect to each project Participant, that percentage of FMPA's Energy Share from the Solar Facility shown opposite the name of such Project Participant in the Schedule of Project Participants as the same may be adjusted from time to time in accordance with the provisions hereof.

Solar II Project shall mean the contractual arrangements and agreements for the purchase of Solar Product by FMPA pursuant to the Solar PPA and sale of the Solar Product to Project Participant pursuant to this Power Sales Contract.

Solar II Project Committee has the meaning set forth in SECTION 7 of this Power Sales Contract.

Solar Facility shall have the meaning set forth in the recitals of this Power Sales Contract.

Solar Product shall have the meaning set forth in the recitals of this Power Sales Contract.

Solar PPA shall have the meaning set forth in the recitals of this Power Sales Contract.

Transmission Service Provider shall mean the transmission service provider(s) to which the Solar Facility is interconnected.

Uniform System of Accounts shall mean the Federal Energy Regulatory Commission (or its successor in function) Uniform Systems of Accounts prescribed for Class A and Class B Public Utilities and Licensees, as the same may be modified, amended or supplemented from time to time.

Working Capital Allowance shall mean funds acquired by the Solar II Project in such amounts as shall be deemed reasonably necessary by the FMPA Board of Directors to provide for any working capital needs, including providing for the Solar II Project's ability to pay the Seller in the event of non-payment by one or more Project Participants. The initial Working Capital Allowance and the method of funding is described in "Attachment C" to this Power Sales Contract.

SECTION 2. Term & Termination.

(a) Effective Date. This Power Sales Contract shall become effective upon the last date of execution and delivery of all Power Sales Contracts by all Project Participants originally listed in the Schedule of Project Participants and by FMPA (the "Effective Date") and shall, unless this Power Sales

Contract is terminated early pursuant hereto, continue until the expiration or earlier termination of the Solar PPA. Unless a Project Participant terminates this Agreement pursuant to Section 19(a) by paying all stranded cost obligations, neither termination nor expiration of this Power Sales Contract shall affect any accrued liability or obligation hereunder. Notwithstanding the foregoing, in the event it is ultimately determined that any other Project Participant failed to duly and validly execute and deliver its Power Sales Contract, or if any other Power Sales Contract, or any portion thereof, shall be deemed invalid or unenforceable for any other reason whatsoever, such determination shall in no way affect the commencement, term or enforceability of this Power Sales Contract or the Project Participant's obligations hereunder.

(b) Early Termination. Project Participant may terminate this Power Sales Contract pursuant to SECTION 19 of this Power Sales Contract.

SECTION 3. Sale and Purchase.

Commencing on the Initial Energy Delivery Date of the Solar Facility, FMPA shall purchase from Seller in accordance with the terms and conditions of the Solar PPA, and FMPA agrees to and does sell, and the Project Participant agrees to and does hereby purchase, the Project Participant's Solar Entitlement Share. The Project Participant shall, in accordance with and subject to the provisions of SECTION 5 hereof, pay FMPA (i) for its Solar Entitlement Share, an amount determined by multiplying Monthly Energy Costs by the Project Participant’s Solar Entitlement Share, and (ii) for its share of monthly Project Related Costs, an amount determined by multiplying the Project Related Costs for such Month by Project Participant’s Solar Entitlement Share. FMPA shall provide documentation evidencing the conveyance of the Renewable Attributes associated with the Solar Product to Project Participant in a form acceptable to FMPA and Project Participant.

SECTION 4. Project Budget.

(a) In accordance with the FMPA Board of Directors’ annual schedule for budget development, the Solar II Project Committee shall develop and approve a budget for the Solar II Project and submit the same to the FMPA Board of Directors for approval. As part of the budget process, the Solar II Project Committee will review Project Related Costs, including the Allocable A&G and the Working Capital Allowance, to ensure the appropriate amount of resources are allocated the Solar II Project.

(b) On or before August 1, 2020, and on or before August 1 prior to the beginning of each Contract Year thereafter, the Board of FMPA shall review the proposed Solar II Project budget submitted by the Solar II Project Committee, and shall adopt and submit to the Project Participant an Annual Budget for the following Contract Year which shall provide an estimate of the Project Participant's monthly payments hereunder and serve as a basis for Project Participants' payments hereunder for Monthly Energy Costs and Project Related Costs for such Contract Year.

(c) During each Contract Year, the Solar II Project Committee or Board may review its Annual Budget for the remainder of the Contract Year at any time as it shall deem desirable. In the event such or any other review indicates that such Annual Budget will not substantially correspond with actual Monthly Energy Costs, or actual Project Related Costs, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits or costs substantially affecting the Monthly Energy Costs, or Project Related Costs, the Solar II Project Committee shall recommend and the Board of FMPA shall adopt and submit to each Project Participant an amended Annual Budget applicable to the remainder of such Contract Year which shall provide an estimate of the Project Participant's monthly payments hereunder for the remainder of such Contract Year and serve as the basis for the Project Participant's monthly payments for Monthly Energy Costs and Project Related Costs hereunder for the remainder of such Contract Year.

SECTION 5. Billing, Payment, Disputed Amounts.

(a) On or before the 10th day of each Month beginning with the second Month of the first Contract Year following the Effective Date, FMPA shall render to the Project Participant a monthly statement showing, in each case with respect to the prior Month, the amount of energy delivered for each hour and the amounts payable by Project Participant in respect of the following (i) the Monthly Energy Costs; (ii) the Project Related Costs; and (iii) any amount, if any, to be credited to or paid by the Project Participant pursuant to the terms of this Power Sales Contract.

(b) Monthly payments required to be paid to FMPA pursuant to this SECTION 5 shall be due and payable to FMPA on the 25th day of the Month in which the monthly statement was rendered. The Project Participant shall make payment to FMPA by the transfer of funds from the Project Participant's bank account, using an ACH Push or domestic Wire Transfer, through instructions to be provided by FMPA to the Project Participant.

(c) If payment in full is not made on or before the close of business on the due date, a delayed payment charge on the unpaid amount due for each day overdue will be imposed at a rate equal to the annual percentage prime rate of interest plus 5%, or the maximum rate lawfully payable by the Project Participant, whichever is less. If said due date is Saturday, Sunday or a holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed payment charge.

(d) In the event of any dispute that is known by Project Participant, or should have reasonably been known, as to any portion of any monthly statement, the Project Participant shall nevertheless pay the full amount of such disputed charges when due and shall give written notice of such dispute to FMPA not later than the date such payment is due. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. FMPA shall give consideration to such dispute and shall advise the Project Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the statement next submitted to the Project Participant after such determination. If it is determined that the disputed amount is in the favor of the Participant, to the extent that FMPA earned any interest on the amount withheld, then interest actually earned shall be applied to the overpaid amount.

(e) The obligation of the Project Participant to make the payments under this SECTION 5 shall constitute an obligation of the Project Participant payable as an operating expense of the Project Participant's electric utility system solely from the revenues and other available funds of the electric utility system. The obligation of the Project Participant to make payments under this Power Sales Contract shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be otherwise conditioned upon performance of FMPA or Seller under the Solar PPA or the performance by FMPA under this or any other agreement or instrument or the validity or enforceability of any other Power Sales Contract or any other agreement between FMPA and any other Project Participant; provided, however, that the Monthly Energy Costs payable by Project Participant shall reflect the Project Participant's Solar Entitlement Share of the quantity of Solar Product made available by the Seller at the Point of Delivery, and payable by FMPA under the Solar PPA, during that month. The obligation of the Project Participant to make payments under this SECTION 5 shall not constitute a debt of the Project Participant within the meaning of any constitutional or statutory provision or limitation or a general obligation of or pledge of the full faith and credit of the Project Participant, and neither the Project Participant nor the State of Florida or any agency or political subdivision thereof shall ever be obligated or compelled to levy ad valorem taxes to make the revenues provided for in this SECTION 5, and the obligation of the Project Participant to make payments pursuant to this SECTION 5 shall not give rise to or constitute a lien upon any property of the Project Participant or any property located within its boundaries or service area.

SECTION 6. Scheduling of Deliveries; Transmission.

(a) FMPA shall cause Seller, or Seller's agent, to schedule and deliver FMPA's Energy Share to the Point(s) of Delivery in accordance with standard scheduling and dispatching procedures. Unless otherwise agreed to in writing by FMPA and Project Participant, Project Participant shall be responsible for scheduling the delivery of its Solar Entitlement Share of Electric Energy, as well as the associated transmission service, from the Point(s) of Delivery to Project Participant's electric system. Upon request, FMPA, or its agent, shall provide such Project Participant with the Seller's daily forecasted output of the Solar Facility as provided by Seller pursuant to the Solar PPA. FMPA, or its agent, shall maintain communication with the Project Participant regarding Solar Facility forecasts and real-time output in order to enable Project Participant to modify its transmission schedules with its transmission service provider to align with the Solar Facility's actual output.

(b) Project Participant shall be responsible for securing transmission service necessary to deliver the Solar Energy from the Point of Delivery to Project Participant's electric system. To the extent this transmission service requires upgrades to Project Participant's transmission service provider's transmission system, Project Participant shall be responsible for ensuring all upgrades are complete and Project Participant is able to receive its Solar Entitlement Share prior to the Initial Energy Delivery Date, as defined in the Solar PPA, or otherwise arrange for alternative transmission arrangement for, or disposal of, its Solar Entitlement Share until such time as Project Participant can receive it. Project Participant shall be responsible for enforcing its rights under its transmission service agreement(s) and its transmission service provider's OATT regarding the transmission service provider's obligation to make such upgrades.

(c) All of the provisions of this SECTION 6 are subject to the provisions of the Solar PPA, and in the event of any inconsistencies between this SECTION 6 and the provisions of the Solar PPA governing scheduling, the terms of the Solar PPA shall govern.

SECTION 7. Solar PPA Early Termination and Term Extension, other Solar PPA Business Matters, and Solar II Project Committee

(a) The Solar PPA includes several provisions that allow the Solar II Project to exercise discretion regarding whether to extend the Term of the Solar PPA or to continue the existing Term of the Solar PPA despite a triggering event under the terms of the Solar PPA that permit early termination (hereinafter referred to as "Discretionary Term Decisions"). Such Discretionary Term Decisions may include, for example but without limitation, options for extension of the Term of the Solar PPA beyond the Initial Term, options for continuing or terminating obligations related to portions of the solar capacity that do not make commercial operation deadlines, and options for early termination of the Solar PPA if certain conditions precedent are not met. Project Participant and all other Project Participants will each designate a representative to serve on the Solar II Project Committee. The Committee will meet in advance of any Discretionary Term Decisions provided for under the Solar PPA, and as FMPA or any Project Participant may request, with 30 day advance Notice (or less if the matter at hand so requires). The Solar II Project Committee shall meet not less than 180 days prior to the expiration of the Initial Term or a Renewal Term, as defined in the Solar PPA, if any, to decide whether to extend the Term of the Solar PPA. In making any Discretionary Term Decision, the Solar II Project Committee will vote on the matter. If the Solar II Project Committee unanimously decides to exercise a Discretionary Term Decision, then such unanimous consent shall be presented to the FMPA Board of Directors as a recommendation for action on the matter. If one or more Solar II Project Participants do not wish to exercise a Discretionary Term Decision, then the other Solar II Project Participants may elect to assume the Solar Entitlement Share of those Project Participant(s) that do not wish to exercise the Discretionary Term Decision. In such event, the non-exercising Project

Participant(s)' Solar II Project Power Sales Contract shall be terminated, and the Power Sales Contract of the assuming Project Participant(s)' shall be amended to reflect the revised Solar Entitlement Shares. In the event that the Project Participant(s) that wish to exercise the Discretionary Term Decision cannot agree to assume 100% of the terminating Project Participant(s)' Solar Entitlement Share, then the Discretionary Term Decision shall not be exercised.

(b) All other, non-Discretionary Term Decisions made by the Solar II Project Committee shall be by a simple majority, with each Project Participant having one equally-weighted vote on Solar II Project matters. After formation of the Solar II Project, each Project Participant shall designate a representative to serve on the Solar II Project Committee. The Solar II Project Committee shall develop a Solar II Project Committee Charter for review and approval of the Board of Directors.

SECTION 8. Availability of Entitlement Shares.

Except as provided otherwise by this Power Sales Contract, and subject to the provisions of the Solar PPA, the Project Participant's Solar Entitlement Share shall be made available for delivery to each Project Participant by FMPA in accordance with this Power Sales Contract during the term of this Power Sales Contract; provided, however, that, regardless of the amount of Solar Product actually delivered in any given month, Project Participant shall be obligated to make its payments under SECTION 5 hereof all for non-energy related Project Related Costs.

SECTION 9. Accounting.

(a) FMPA agrees to keep accurate records and accounts relating to the Solar II Project and relating to Monthly Energy Costs, and Project Related Costs, in accordance with the Uniform System of Accounts, separate and distinct from its other records and accounts. Said accounts shall be audited annually, which audit may be conducted as part of and in connection with the normal year-end audit of FMPA, by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by FMPA. A copy of each annual audit, including all written comments and recommendations of such accountants, shall be furnished by FMPA to the Project Participant not later than 120 days after the end of each Contract Year.

(b) The Project Participant shall supply to FMPA upon request a copy of the Project Participant's annual financial audit. Project Participant shall notify FMPA in writing immediately upon becoming aware of any event that may negatively affect the Project Participant's credit rating or cause a Downgrade Event, as defined in the Solar PPA.

SECTION 10. Information to be Made Available.

(a) Based, in each case, upon the data most recently available to FMPA pursuant to the Solar PPA, at intervals requested by Project Participant, FMPA will prepare and issue to the Project Participant the following reports:

(1) status of the Solar II Project annual budget,

(2) status of construction of the Solar Facility during construction, as received from Seller, and

(3) operating statistics relating to Solar II Project, as received from Seller

(b) Upon request, FMPA shall furnish or otherwise make available to the Project Participant all other information which FMPA receives from Seller pursuant to the Solar PPA.

(c) FMPA shall promptly provide Project Participant copies of any notices made or received by FMPA pursuant to the Solar PPA.

(d) Project Participant shall, upon request, furnish to FMPA all such information as is reasonably required by FMPA to carry out its obligations under this Power Sales Contract and the Solar PPA. As the Solar II Project is obligated to demonstrate creditworthiness as a requirement of the Solar PPA and report to Seller any Downgrade Event, Project Participants will cooperate with FMPA and will promptly notify FMPA of any event experienced by Project Participant that may cause or contribute to a Downgrade Event.

SECTION 11. Covenants.

(a) Project Participant Covenants. Project Participant agrees (1) to maintain its electric utility system in good repair and operating condition; (2) to cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this Power Sales Contract; (3) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric utility system, which rents, rates, and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric utility system, (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant, (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this Power Sales Contract, and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric utility system; and (4) take such action and execute and deliver all documents and information reasonably necessary to enable FMPA to perform its obligations under the Solar PPA.

Project Participant agrees that any power purchase agreement entered into by Project Participant after the Effective Date of this Power Sales Contract, including, without limitation, any full-requirements power supply agreement, with any third party shall permit Project Participant to purchase and receive Solar Product pursuant to this Power Sales Contract.

(b) FMPA Covenants. FMPA covenants that it shall administer and enforce against the Seller the terms and conditions of the Solar PPA, including complying with any covenants required therein, as advised by the Solar II Project Committee and directed by the FMPA Board of Directors.

SECTION 12. Event of Default – Project Participant.

(a) Failure of the Project Participant to make to FMPA when due any of the payments for which provision is made in this Power Sales Contract shall constitute an immediate default on the part of the Project Participant.

(b) Continuing Obligation, Right to Discontinue Service. In the event of any default referred to in this SECTION 12 hereof, the Project Participant shall not be relieved of its liability for payment of the amounts in default, plus reasonable attorney's fees and costs, and FMPA shall have the right to recover from the Project Participant any amount in default. In enforcement of any such right of recovery, FMPA may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation to make any payment for which provision is made in this Power Sales Contract against the Project Participant, and FMPA shall, upon ten (10) days written notice to the Project Participant, cease and discontinue, either permanently or on a temporary basis, providing all or any portion of the Project Participant's Solar Entitlement Share, at the discretion of the Solar II Project Committee.

(c) Transfer of Solar Entitlement Shares Following Default. In the event of a default by any Project Participant and permanent discontinuance of service pursuant to this SECTION 12 of such Project Participant's Power Sales Contract, FMPA is hereby appointed the agent of such Project Participant for the purpose of disposing of such Project Participant's Solar Entitlement Share and as such agent, FMPA shall proceed to dispose of such defaulting Project Participant's Solar Entitlement Share as follows:

(1) FMPA shall first offer to transfer to all other non-defaulting Project Participants a pro rata portion of the defaulting Project Participant's Solar Entitlement Share which shall have been discontinued by reason of such default. Any part of such Solar Entitlement Share of a defaulting Project Participant which shall be declined by any non-defaulting Project Participant shall be reoffered pro rata to the non-defaulting Project Participants which have accepted in full the first such offer; such reoffering shall be repeated until such defaulting Project Participant's Solar Entitlement Share has been reallocated in full or until all non-defaulting Project Participants have declined to take any portion or additional portion of such defaulting Project Participant's Solar Entitlement Share.

(2) In the event less than all of a defaulting Project Participant's Solar Entitlement Share shall be accepted by the other non-defaulting Project Participants pursuant to clause (1), FMPA shall, to the extent permitted by law, use commercially reasonable efforts to sell the remaining portion of a defaulting Project Participant's Solar Entitlement Share for the remaining term of such defaulting Project Participant's Power Sales Contract with FMPA. The agreement for such sale shall contain such terms and conditions, including provisions for discontinuance of service upon default, and as are otherwise acceptable to the Solar II Project Committee.

(3) Any portion of the Solar Entitlement Share of a defaulting Project Participant transferred pursuant to SECTION 12(c)(1) to a non-defaulting Project Participant shall become a part of and shall be added to the Solar Entitlement Share of such Project Participant(s), and each such Project Participant(s) shall be obligated to pay for its Solar Entitlement Share increased as aforesaid, as if the Solar Entitlement Share of such Project Participant(s), increased as aforesaid, had been stated originally as the Solar Entitlement Share of such Project Participant(s) in its Power Sales Contract with FMPA; provided, however, that the Project Participant assuming the defaulting Project Participant’s Power Entitlement share shall not be liable for, and the defaulting Project Participant shall remain liable for, any amounts owed by the defaulting Project Participant prior to the assignment and assumption of the defaulting Project Participant’s Power Entitlement Share.

(4) The defaulting Project Participant shall remain liable for all payments to be made on its part pursuant to the Power Sales Contract, except that the obligation of the defaulting Project Participant to pay FMPA shall be reduced to the extent that payments shall be received by FMPA, net of any administrative and reasonable attorney’s fees and costs incurred by FMPA that is caused by the default, for that portion of the defaulting Project Participant's Solar Entitlement Share which may be transferred or sold or for the Solar Product associated therewith which may be sold as provided in clauses (1), (2), or (3) of this SECTION 12. Notwithstanding the foregoing, to the extent a defaulting Project Participant has failed to pay its Solar II Project invoice, in order to prevent FMPA from defaulting under the Solar PPA, the non-defaulting Project Participants’ monthly Solar II Project invoices shall be increased on a pro rata basis, based on such Project Participants Solar Entitlement Shares, unless and until FMPA shall recover from the defaulting Project Participants amounts owed, upon which FMPA shall reimburse the non-defaulting Project Participants.

(d) Other Default by Project Participant. In the event of any default by the Project Participant under any other covenant, agreement or obligation of this Power Sales Contract which has not been cured within thirty (30) days after receipt of notice by FMPA, FMPA may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Power Sales Contract against the Project Participant. Such remedies shall be in addition to all other remedies provided for herein.

SECTION 13. Default by FMPA.

In the event of any default by FMPA under any other covenant, agreement or obligation of this Power Sales Contract, Project Participant may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Power Sales Contract against FMPA. Such remedies shall be in addition to all other remedies provided for herein.

SECTION 14. Abandonment of Remedy.

In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of FMPA and the Project Participant shall continue as though no such proceedings had been taken.

SECTION 15. Waiver of Default.

Any waiver at any time by either FMPA or the Project Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

SECTION 16. Relationship to and Compliance with Other Instruments.

The performance of FMPA under this Power Sales Contract is made subject to the terms and provisions of the Solar PPA.

SECTION 17. Measurement of Electric Energy.

FMPA will or will cause Seller to install, maintain, and operate the metering equipment, required to measure the quantities of Electric Energy produced and delivered from the Solar Facility in accordance with the Solar PPA. Each meter used pursuant to this SECTION 17 shall be tested and calibrated in accordance with the Solar PPA.

SECTION 18. Liability of Parties.

Any liability which is incurred by FMPA pursuant to the Solar PPA and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of FMPA derived from the Solar II Project, and any payments made by FMPA, or which FMPA is obligated to make, to satisfy such liability shall become part of Monthly Energy Costs, as required in order to satisfy the obligation of FMPA to make such payments as provided in the Solar PPA.

SECTION 19. Assignment or Sale of Project Participant's Solar Entitlement Share.

(a) Project Participant may terminate this Power Sales Contract upon 90 days advance written notice to FMPA and provided that Project Participant pay, prior to the termination date, the amounts set forth in this SECTION 19(a). Prior to the termination date, Project Participant shall pay to FMPA all stranded cost obligations, as determined by FMPA, to hold the other, non-terminating, Project Participants harmless from the costs associated with Project Participant's termination. For purposes of this SECTION 19(a), stranded cost obligations are defined as an estimate of the solar energy costs that FMPA will pay for the terminating Project Participant's Solar Entitlement Share during each remaining month of the remaining Initial Term of the Solar PPA based on a forecast of expected solar production. The forecast of expected solar production is defined as a P50 (probability of exceedance is 50 percent) production estimate under typical meteorological year conditions using an industry standard modeling tool (PVsyst or its successor/peer products) reflective of a degradation rate of 0.5% per year relative to the original nominal alternating current capacity of the solar resource in the current year (prorated over a partial year as applicable) and each subsequent remaining year of the Solar PPA Initial Term. Upon such payment and termination, Project Participant shall have no further obligation to the Solar II Project or other Project Participants under this Power Sales Contract. The terminating Project Participant's Solar Entitlement Share shall be allocated to the remaining Project Participants on a pro rata basis based on their Solar Entitlement Shares.

(b) Project Participant may assign this Power Sales Contract to another Project Participant or another FMPA member, provided that such assignee agrees to fully assume, and fully accept all terms and conditions of, this Power Sales Contract for the Term hereof. If assigned to a FMPA member that is not a Project Participant, such assuming FMPA member shall become a Project Participant upon its assumption of the Power Sales Contract. Upon such assignment and assumption, this Power Sales Contract shall terminate, and Project Participant shall have no further obligation to the Solar II Project or other Project Participants under this Power Sales Contract.

(c) In the event the Project Participant shall determine that all or any amount of the Solar Product which can be produced from the Project Participant's Solar Entitlement Share are in excess of the requirements of the Project Participant, or Project Participant no longer desires to purchase and receive its Solar Entitlement Share, at the written request of the Project Participant, FMPA shall use commercially reasonable efforts to sell and transfer on behalf of such Project Participant for any period of time all or any part of such excess Solar Product to such other Project Participant or Participants as shall agree to take such Solar Product at such prices as may be agreed to, provided, however, that in the event the other Project Participants do not agree to take the entire amount of such excess, FMPA shall have the right, to the extent permitted by law, to dispose of such excess to other utilities. If all or any portion of such excess of the Project Participant's Solar Entitlement Share is sold pursuant to this SECTION 19(c), then the Project Participant's Solar Entitlement Share shall not be reduced, and the Project Participant shall remain liable to FMPA to pay the full amount due as if such sale had not been made; except that such liability shall be discharged to the extent that FMPA shall receive payment for such excess from the purchaser or purchasers thereof and that any amounts received by FMPA as payment for such excess which is greater than the liability owed by the Project Participant to FMPA in respect of such excess shall be promptly paid or credited by FMPA to the Project Participant.

SECTION 20. Consent to Assignment of Power Sales Contract, Sale of Project Participant's System.

(a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; provided, however, that, except as provided in (1) SECTION 12 hereof in the event of a default; (2) SECTION 19(a), and (3) SECTION 20(b), neither this Power Sales Contract nor any interest herein shall be transferred or assigned by either party hereto except with the consent in writing of the other party hereto, which consent shall not be unreasonably withheld. The Solar II Project Committee shall make a recommendation on any assignment of a Power Sales Contract hereunder to the FMPA Board of Directors for their action.

(b) Project Participant agrees that it will not sell, lease, abandon or otherwise dispose of all or substantially all of its electric utility system except upon ninety (90) days prior written notice to FMPA and, in any event, will not sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall, subject to the Solar PPA, assign this Power Sales Contract and its rights and interest hereunder to the purchaser or lessee of said electric system, if any, and any such purchaser or lessee shall assume all obligations of the Project Participant under this Power Sales Contract; and (ii) FMPA shall by affirmative vote of the FMPA Solar II Project Committee reasonably determine that such sale, lease, abandonment or other disposition will not materially adversely affect FMPA's ability to meet its obligations under the Solar PPA.

SECTION 21. Termination or Amendment of Contract.

(a) This Power Sales Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Power Sales Contract or any other instrument or otherwise except as specifically provided in this Power Sales Contract.

(b) This Power Sales Contract may be terminated by FMPA by notice to the Project Participant upon an event of default by Project Participant that has not been cured in accordance with this Power Sales Contract.

(c) No Power Sales Contract entered into between FMPA and another Project Participant may be amended so as to provide terms and conditions different from those herein contained except upon written notice to and written consent or waiver by each of the other Project Participants, and upon similar amendment being made to the Power Sales Contract of any other Project Participants requesting such amendment after receipt by such Project Participant of notice of such amendment.

SECTION 22. Notice and Computation of Time.

Any notice or demand by the Project Participant to FMPA under this Power Sales Contract shall be deemed properly given if sent by overnight mail or courier, or by facsimile or email transmission to the following:

Florida Municipal Power Agency
Attn: Chief Operating Officer
8553 Commodity Circle
Orlando, FL 32819
Email: ken.rutter@fmpa.com
Fax: 407-355-5794

With a required copy to:
FMPA Office of the General Counsel
2061-2 Delta Way
P.O. Box 3209 (32315-3209)
Tallahassee, FL 32303
Email: jody.lamar.finkea@fmpa.com
dan.ohagan@fmpa.com
Fax: 850-297-2014

Any notice or demand by FMPA to the Project Participant under this Power Sales Contract shall be deemed properly given if sent by overnight mail or courier, or by facsimile or email transmission, and addressed to the Project Participant at the address set forth on Schedule 1 hereto.

A notice sent by facsimile transmission or e-mail will be recognized and shall be deemed received on the business day on which such notice was transmitted if received before 5:00 p.m. (and if received after 5:00 p.m., on the next business day) and a notice of overnight mail or courier shall be deemed to have been received two (2) business days after it was sent or such earlier time as is confirmed by the receiving Party.

The designations of the name and address to which any such notice or demand is directed may be changed at any time and from time to time by either party giving notice as above provided.

SECTION 23. Applicable Law; Construction.

This Power Sales Contract is made under and shall be governed by the laws of the State of Florida. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 24. Severability.

If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

SECTION 25. Solar II Project Responsibility

This Power Sales Contract is a liability and obligation of the Solar II Project only. No liability or obligation under this Power Sales Contract shall inure to or bind any of the funds, accounts, monies, property, instruments, or rights of the Florida Municipal Power Agency generally, any individual FMPA member other than Project Participant, or any of any other "project" of FMPA as that term is defined in the Interlocal Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Power Sales Contract to be executed by their proper officers respectively, being thereunto duly authorized, and their respective seals to be hereto affixed, as of the day and year first above written.

FLORIDA MUNICIPAL POWER AGENCY

(SEAL)

By:_________________________________
General Manager & CEO

Attest:

Date:_________________________________

____
Secretary or Assistant Secretary

[insert Member utility]

(SEAL)

By:_________________________________
Title

Attest:

Date:_________________________________

____
City Clerk

ATTACHMENT A

POWER PURCHASE AGREEMENTS

ATTACHMENT B

FMPA PROCESS FOR DETERMINING ALLOCABLE A&G COSTS

FMPA uses a process to determine the Administrative and General costs (A&G) that will be incurred to effectively manage its non-ARP power supply projects. FMPA's Board approves the process and the allocations to power supply project participants when the Board approves each annual power supply project budget. The process is subject to annual review and approval by the Board, and thus, may change from time to time.

The total A&G allocated to the Solar II Project will not exceed 100% of the cost associated with the single highest cost non-executive level FMPA position essential to the effective management of the Projects, and annual increases in total A&G allocated shall be commensurate with annual salary increases of such highest costs non-executive level FMPA position. Any revision to this approach shall require the approval of the Solar II Project Committee. As of the Effective Date of this Agreement, the amount equal to 100% of the cost associated with the single highest cost non-executive level FMPA position essential to the effective management of the Projects is $232,447.

The following describes the power supply project A&G cost determination process for the FY2018 Budget and provides an example of how A&G costs will be allocated to Solar II Project and ARP Solar Participants, starting with the FY2020 budget:

1) Staff determines the FMPA positions that are essential to effective management of the Projects;
2) Staff determines the percent time each position spends serving the needs of each the Projects and the ARP;
3) The allocable cost of each position to each of the Projects is the percent time this position spends serving the needs of each the Projects determined in 2) multiplied by the current mid-point of the salary range of the position as maintained by FMPA's Human Resources Department and approved by the Board, and multiplied by FMPA's overhead adder percentage;
4) The total A&G allocated to each Project is the sum of the allocable costs of each position essential to effective management of the Project;
5) Once the annual A&G costs to be allocated to the Solar II Project is determined, the amount is divided by 12 to arrive at the monthly allocable A&G costs.
6) For Solar II Project, the monthly allocable A&G costs will be divided by the total amount of the solar energy received by the Solar II Project for the billing month to determine a monthly allocable A&G rate ($/MWh). Each Solar II Project pays this rate times the amount of solar energy each Participant received during the billing month.
7) The table below is an example of the calculation of annual and monthly allocable A&G costs to each power supply project and the Solar II Project for the FY2020 Budget using cost data and the process approved for the FY2020 Budget. This allocation process is subject to Board approval each year.

		Example A&G Allocation for FY 2020 Budget						
Position	**FY 2019 Mid Point Salary**	**ARP**	**STN**	**Tri-City**	**STN 2**	**St Lucie**	**Solar**	**Solar 2**
General Manager	$225,000	19.2%	19.2%	19.2%	19.2%	19.2%	2.0%	2.0%
Admin Asst.	$57,712	19.2%	19.2%	19.2%	19.2%	19.2%	2.0%	2.0%
Director of Engineering	$196,197	19.2%	19.2%	19.2%	19.2%	19.2%	2.0%	2.0%
Engineer	$116,129	18.0%	18.0%	18.0%	18.0%	18.0%	5.0%	5.0%
Engineering Assistant	$57,712	19.2%	19.2%	19.2%	19.2%	19.2%	2.0%	2.0%
Director of Finance	$185,092	16.0%	16.0%	16.0%	16.0%	16.0%	10.0%	10.0%
Mgr. Contracts Compliance	$123,097	16.0%	16.0%	16.0%	16.0%	16.0%	10.0%	10.0%
Accountant III	$116,129	16.0%	16.0%	16.0%	16.0%	16.0%	10.0%	10.0%
Accounting Clerk	$43,126	16.0%	16.0%	16.0%	16.0%	16.0%	10.0%	10.0%
Payroll Clerk PT	$45,714	19.2%	19.2%	19.2%	19.2%	19.2%	2.0%	2.0%
Total	$1,165,908	$207,503	$207,503	$207,503	$207,503	$207,503	$64,198	$64,198
Overhead Adder	88.83%	88.83%	88.83%	88.83%	88.83%	88.83%	88.83%	88.83%
Annual Allocable A&G	$2,201,616	$391,833	$391,833	$391,833	$391,833	$391,833	$121,226	$121,226
Monthly Allocable A&G	$183,468	$32,653	$32,653	$32,653	$32,653	$32,653	$10,102	$10,102

ATTACHMENT C

WORKING CAPITAL ALLOWANCE

In order to provide for working capital for the Solar II Project, and to provide for the Solar II Project's ability to pay Seller in the event that of non-payment by one or more Project Participants, the Solar II Project shall maintain a working capital fund in the principal amount of $250,000 as cash on hand, or other financial instrument as determined by the Solar II Project Committee. The working capital fund will be funded at the time solar energy starts to be provided under the Solar PPA and will remain in place for the remaining term of this Power Sales Contract. Working capital expenses, including payment of interest on any amounts drawn on any financial instruments, shall constitute Project Related Costs.

ATTACHMENT D

PROJECT DEVELOPMENT FUND COSTS

As of the Effective Date of this Agreement, FMPA has incurred $0 in Project Development Fund costs.

The amount of Project Development Fund costs allocable to Project Participants shall be calculated by dividing the total balance of Development Fund Costs incurred for solar development by the total expected energy production allocated to the Solar II Project over the first 20 years of the Solar PPA. The resulting dollar per MWh cost shall be allocated as a Project Related Cost.

Project Development Fund Cost	Units	Value
Total Development Fund Expenditure	$	
Participant Capacity	MW-AC	
Est. Annual Capacity Factor	%	
Est. Annual Project Energy	MWh	
20 Year Buy down Per Year	$	
20 Year Buy down Per MWh	$/MWh	

SCHEDULE 1

SCHEDULE OF PROJECT PARTICIPANTS

Name of Project Participant	Solar Entitlement Share (MW)	Solar Entitlement Share (%)
City of Alachua	5	6.173%
City of Bartow	8	9.876%
Homestead Public Services	5	6.173%
City of Lake Worth Utilities	30	37.037%
City of Mount Dora	5	6.173%
New Smyrna Beach Utilities Commission	10	12.346%
City of Wauchula	3	3.704%
Winter Park Electric Utility	15	18.518%
Total	**81**	**100%**

Notice Information of Project Participants

City of Alachua City of Alachua, City Manager P.O. Box 9 Alachua, FL 32616 Tel: (386) 418-6100	**City of Bartow** City of Bartow, City Manager 450 N. Wilson Ave. Bartow, Florida 33831 Tel: (863) 534-3883 Fax: (863) 519-3883
Homestead Public Services George Gretsas, City Manager The City of Homestead 100 Civic Court Homestead, FL 33033	**City of Lake Worth Utilities** City of Lake Worth Electric Utilities Director 1900 2nd Avenue North Lake Worth, FL 33461 Tel: (561) 586-1670 With a copy to: City of Lake Worth Attn: City Attorney 7 N. Dixie Highway Lake Worth, FL 33460

City of Mount Dora City of Mount Dora City Hall 510 Baker Street Mount Dora, FL 32757	**City of New Smyrna Beach Utilities Commission** Utilities Commission, City of New Smyrna Beach 200 Canal Street New Smyrna Beach, FL 32168
City of Wauchula Terry Atchley, City Manager 126 S 7th Ave. Wauchula, FL 33873 Tel: (863) 773-3535 Fax: (863) 773-0773	**Winter Park Electric Utility** City of Winter Park Randy Knight, City Manager 401 South Park Avenue Winter Park, FL 32789-4386

DRAFT

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

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

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

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

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

Customer Charge	For each Project Participant, previously referred to as the “East Group” (Clewiston, Fort Pierce, Green Cove Springs, Jacksonville Beach, Key West, Lake Worth, Starke and Vero Beach) the charge is $1,345.00 per Point of Delivery. For each Project Participant previously referred to as the “West Group” (Bushnell, Leesburg, Ocala, Ft. Meade, Havana, Kissimmee and Newberry) the charge is $740.00 per Point of Delivery. Notwithstanding the above, the charge for a Project Participant that has both (1) established its Contract Rate of Delivery and (2) does not receive Network Integration Transmission Service under an ARP agreement is $0.00.
Demand Capacity Charge	$ 19.56 per kilowatt ("kW") of capacity billing demand
Demand Transmission	$ 2.82 per kilowatt ("kW") of

transmission billing demand

Demand Transmission Kissimmee Utility Authority	$ 0.82 per kilowatt ("kW") of transmission billing demand
Energy Charge	$ 27.05 per megawatt-hour ("MWh") for all energy supplied as All-Requirements Services
Solar Energy Surcharge	A $ per megawatt-hour ("MWh") rate, as calculated monthly in accordance with 10 below, for all energy pursuant to the applicable solar Power Purchase Agreement(s) (~~solar~~ "PPA") ~~between the ARP and NextEra Florida Renewables, or its successors or assigns ("the Solar Seller")~~, as specifically agreed to by individual Project Participants pursuant to ~~a~~ Solar Participant Agreements between the ARP and individual Project Participants (hereinafter "Solar Participants").
Reactive Demand Charge	$0.00 per kilo-var ("kVAR") of excess billing reactive demand

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

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

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

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

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

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

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

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

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

ER = $0.02705/kWh ±ETCA

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

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

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

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

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

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

10. Solar Energy Surcharge.

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

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

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

   Phase I solar PPAs between the ARP and NextEra Florida Renewables, or its successors or assigns:

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

   Phase II solar PPAs between the ARP and Origis Energy, or its successors or assigns:

The City of Jacksonville Beach	15.424%
City of Clewiston	1.028%
Fort Pierce Utilities Authority	15.424%
The Town of Havana	0.257%
Utility Board, City of Key West	25.707%
Kissimmee Utility Authority	20.566%
The City of Newberry	1.028%
The City of Ocala	20.566%

3. In the event that one or more of the Solar Participants defaults by not paying the Solar Energy Surcharge, the defaulting Project Participant(s) shall remain liable for all payments to be made on its part pursuant to this Rate Schedule B-1. In such event, each non-defaulting Solar

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

4. A Solar Participant may only exit from the financial obligation to pay the Solar Energy Surcharge if one of the following four conditions are met, subject to approval of the Executive Committee:

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

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

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

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

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

11. Demand and Transmission Cost Adjustment for All-Requirements Services.

The monthly bill computed hereunder shall adjust the base demand capacity rate by an amount to the nearest one-thousand of a cent, determined by use of the formula below:

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

Where:

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

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

12. Funding for Participants Load Retention Programs.

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

13. Tax Adjustment Clause for All-Requirements Services.

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

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

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

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

AGENDA ITEM 10 – MEMBER COMMENTS

Board of Directors Meeting
October 17, 2019

AGENDA ITEM 11 – ADJOURNMENT

Board of Directors Meeting
October 17, 2019