FMPA BOARD OF DIRECTORS AGENDA PACKAGE

January 16, 2020
9:00 a.m. [NOTE TIME]
Dial-in Info 877-668-4493 or 650-479-3208
Meeting Number - 735 241 686#
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: January 7, 2020

RE: **FMPA Board of Directors Meeting – 9:00 a.m., January 16, 2020 [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 # 735 241 686# – PASSWORD – 8553
(If you have trouble connecting via phone or internet, call 407-355-7767)

AGENDA

Chairperson Barbara Quiñones, Presiding

8. Action Items

9. Information Items

***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
January 16, 2020

AGENDA ITEM 2 – RECOGNITION OF GUESTS

Board of Directors Meeting
January 16, 2020

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

Board of Directors Meeting
January 16, 2020

AGENDA ITEM 4 – SET AGENDA (By Vote)

Board of Directors Meeting
January 16, 2020

AGENDA ITEM 5 – REPORT FROM THE GENERAL MANAGER

Board of Directors Meeting
January 16, 2020

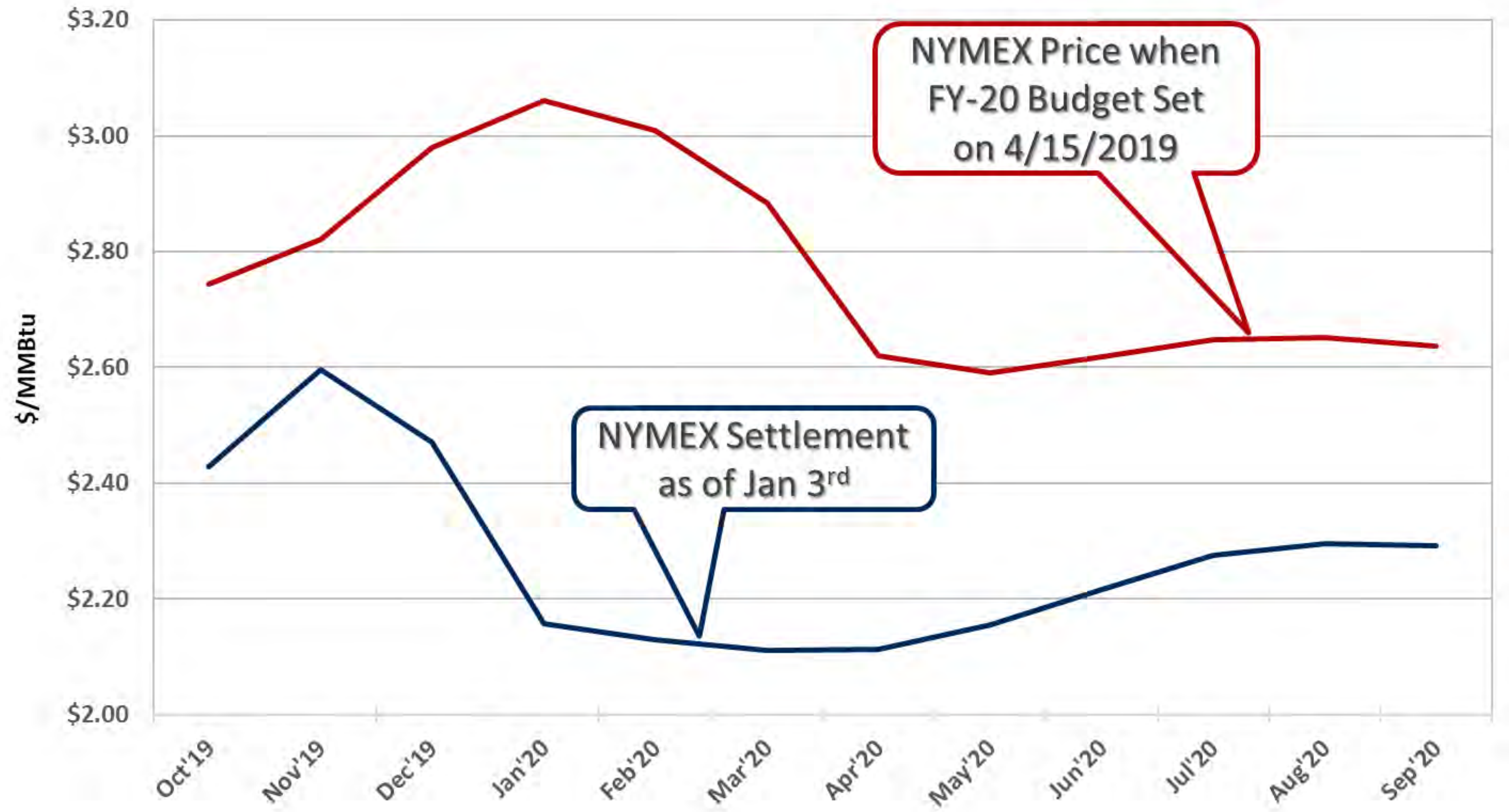
Fiscal 2020 Management Goals Scorecard, as of December 31, 2019

FMPA MUNICIPAL POWER

Goal		Status	Actual	YTD Actual	YTD Target	FY'20 Target	Comment
1. **Safety** (no lost-time accidents for employees/agents)			0	0	0	0	Zero lost time accidents.
2. **Compliance** (no violations that are not self-reported)	Environ.		0	0	0	0	Zero compliance violations.
	Financial		0	0	0	0	
	Regulatory		0	0	0	0	
3. **Cyber Security** (zero cyber breaches: Corp IT & Plant Ops)			0	0	0	0	
Members APPA Scorecard			3	3	2	12	
Phishing Testing			7.2%	9.1%	5% or <	5% or <	Dec – 5 (7.2%) people clicked, "You have a new request from LinkedIn." Current YTD down from 10.1% in Dec
4. **Low Costs** ($/MWh)	Non-Fuel		$58.09	$47.59	$52.91	$48.55	Actuals through November and will be updated prior to meeting. YTD MWh sales 5% above target primary driver of 9% all-in costs below target, with gas costs 17% below budget additional significant driver
	Fuels		$22.24	$22.50	$24.25	$24.09	
	All-in		$80.33	$70.09	$77.16	$72.64	
5. Reliability	CC EAF		84%	85%	83%	88%	84% reliability for all base load units in December. TCEC in planned outage.
	KWS Blk Start						None
	SAIDI Reduction						

FY 2020 NYMEX Contract $0.50/MMBtu Below Budget

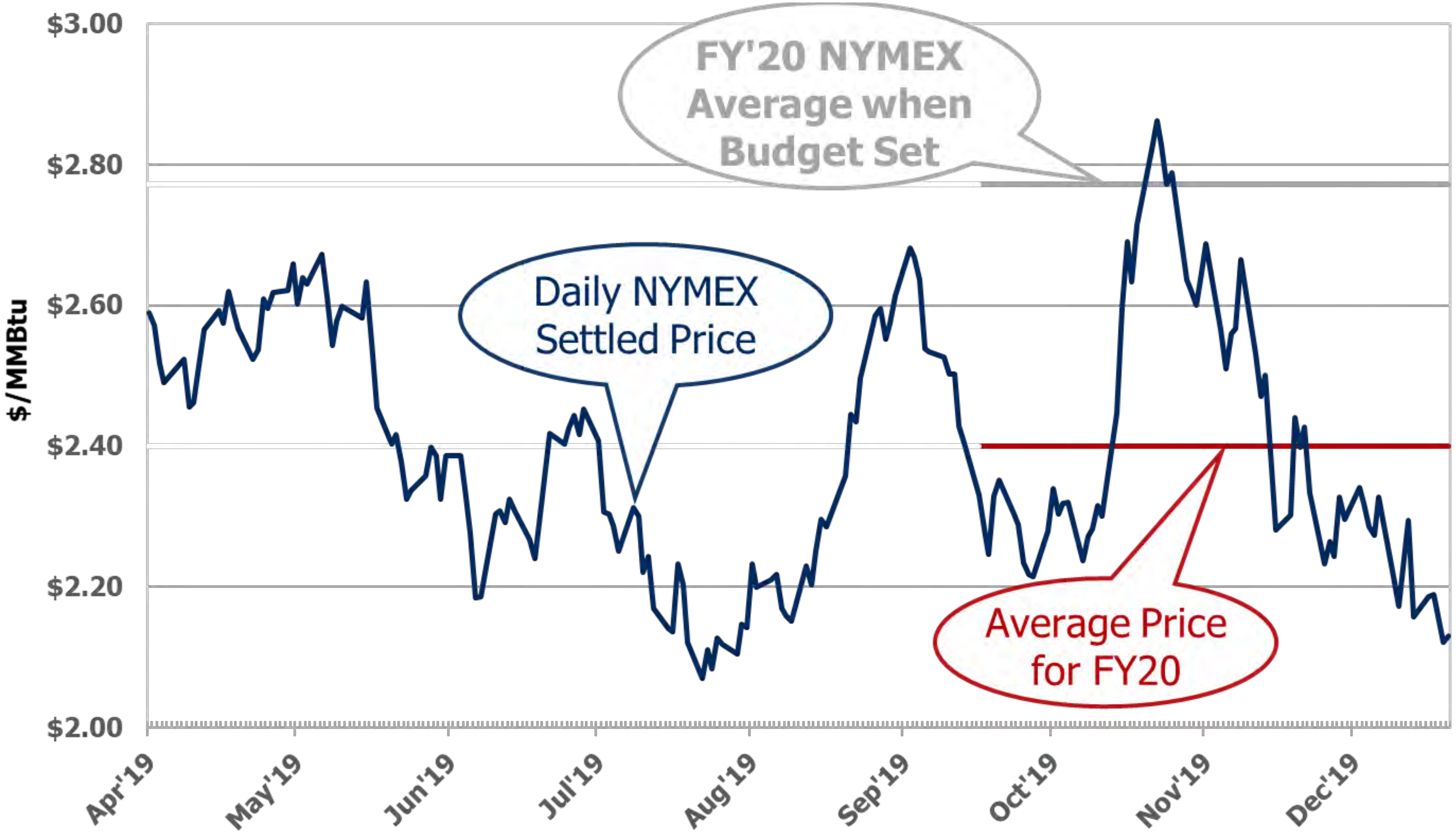
NYMEX Natural Gas Settlement (as of 1/3/20)



FMPA MUNICIPAL POWER

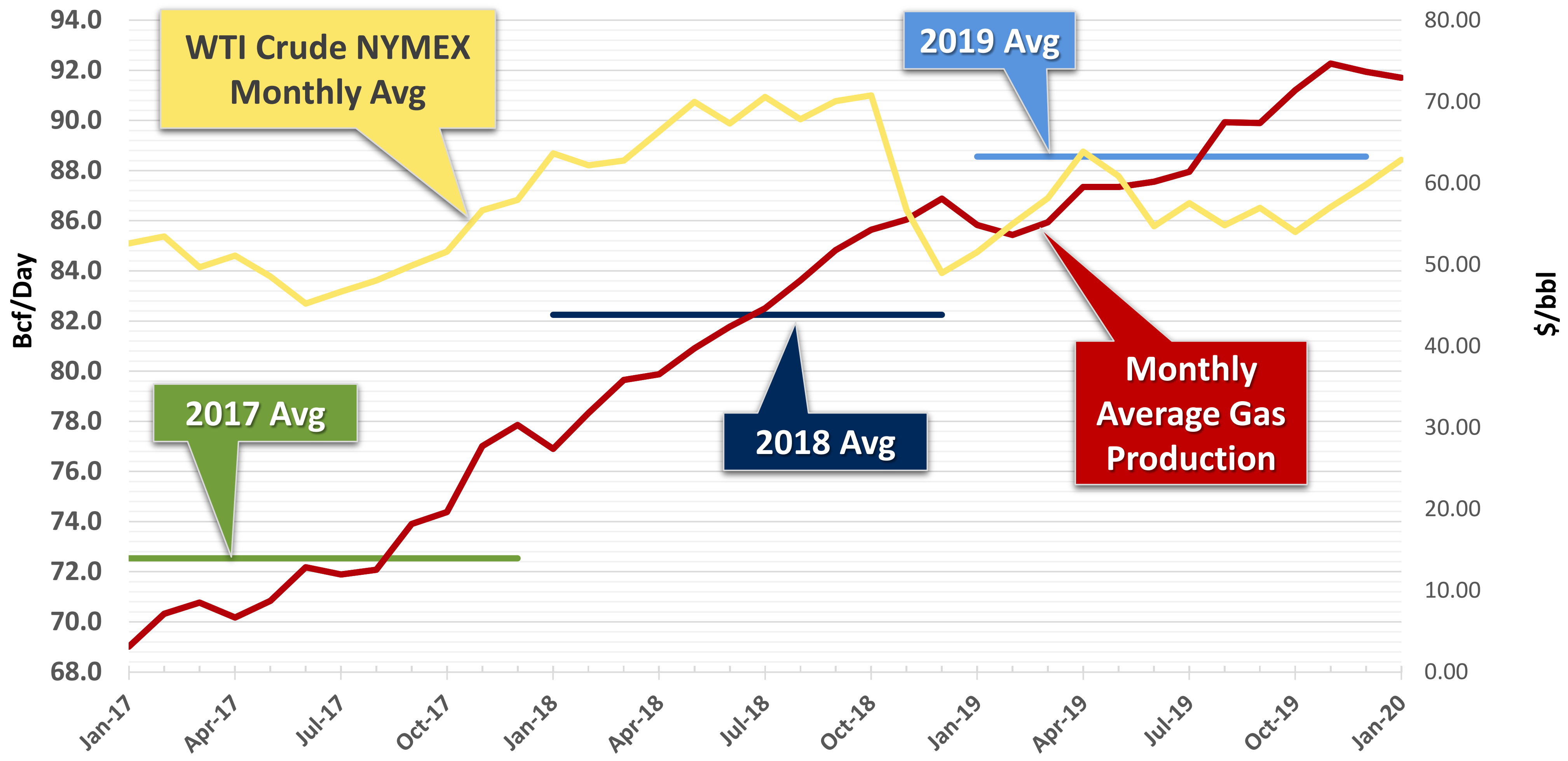
Daily NYMEX Strip Action for since FY20 Budget Set

Daily Settled Price \$0.37 Below Budget as of Jan 3rd Settlement



Natural Gas Production Following Changes in Oil Prices

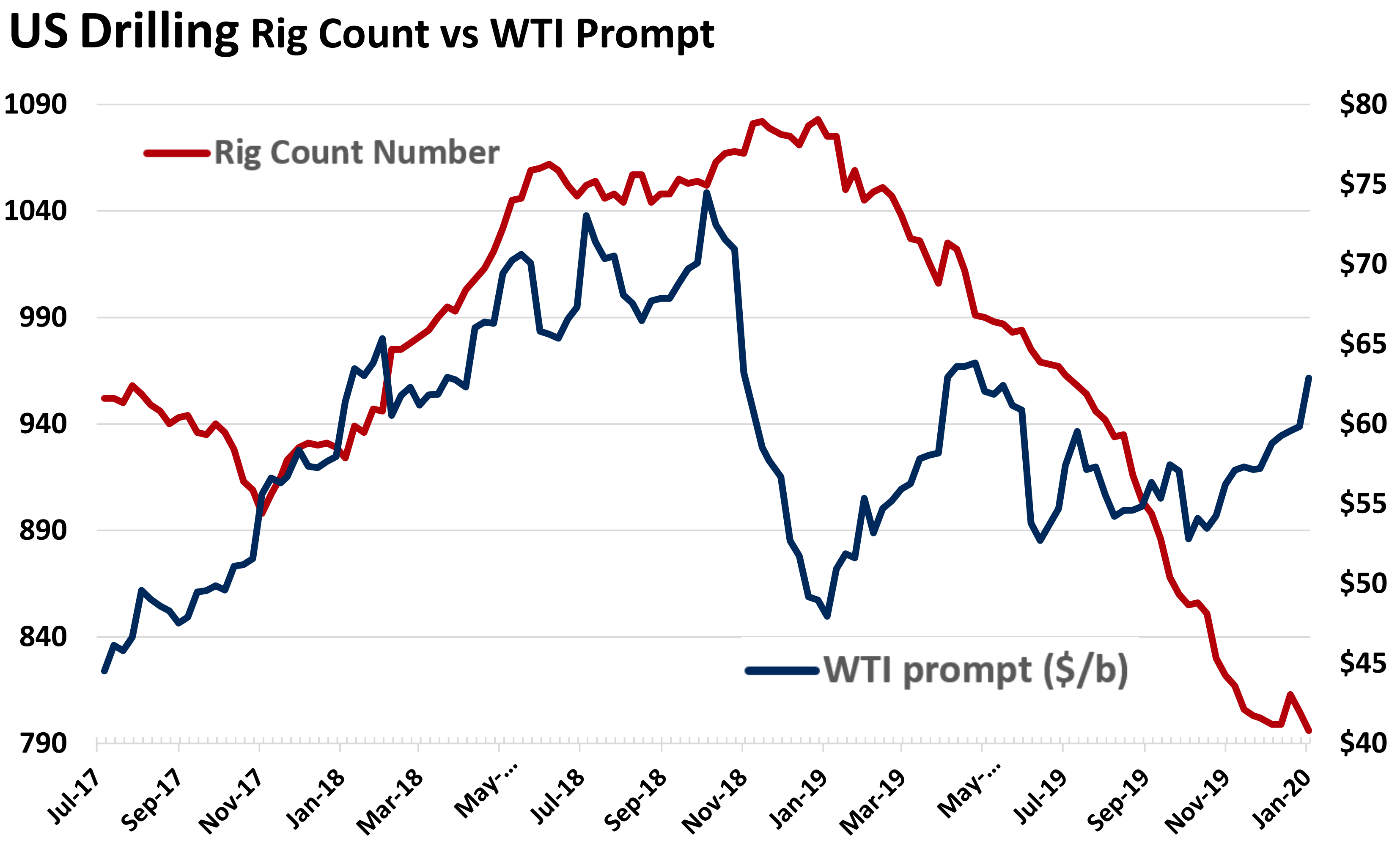
Average Monthly Change Since 2017 to Date (1/3/20)



FMPA MUNICIPAL POWER

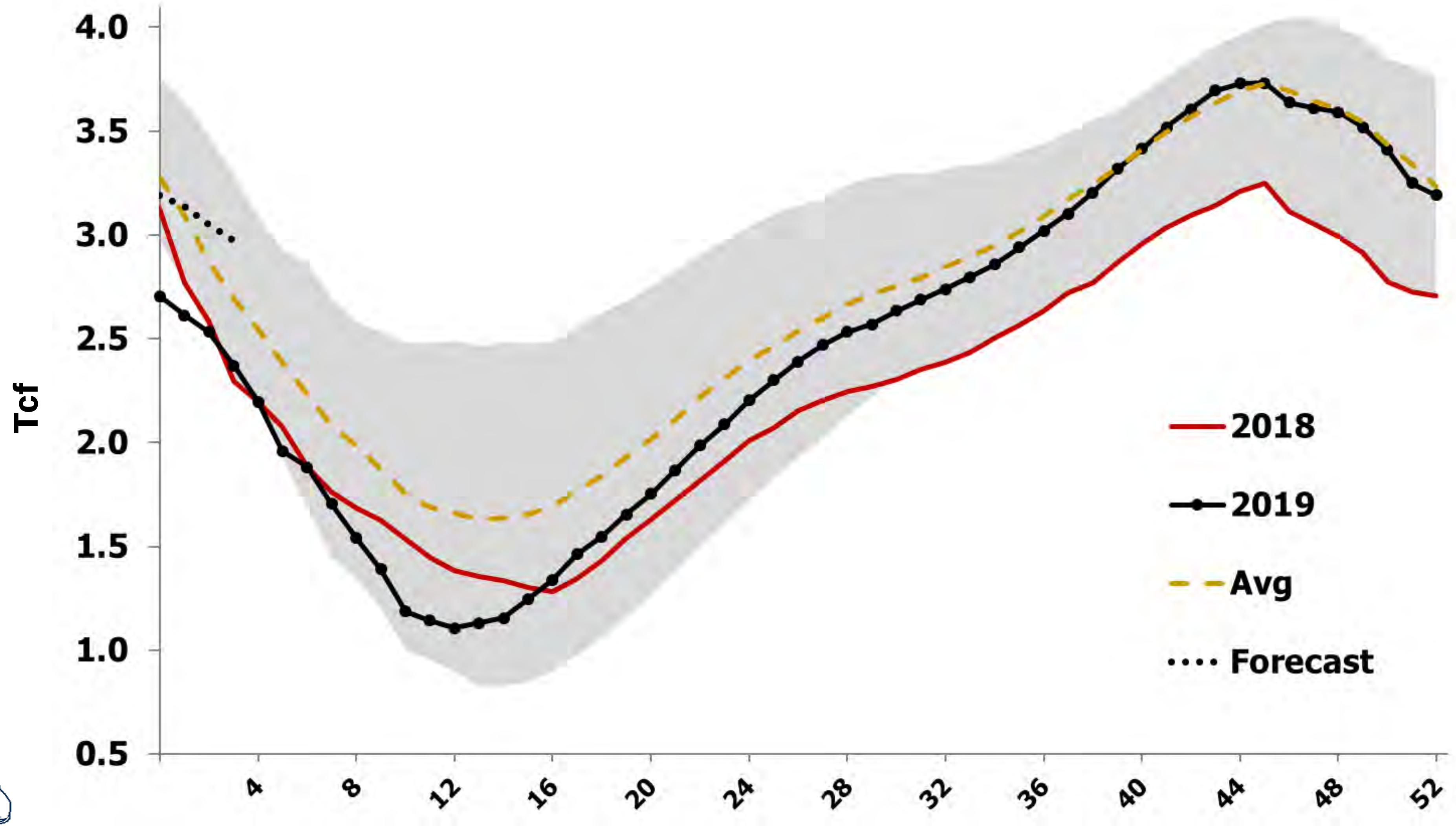
Drilling Rig Count Continues Decline Despite Oil Price Increase

Drilling Rig Expansion impact response delayed as WTI Price rebounds (as of Jan 3rd)



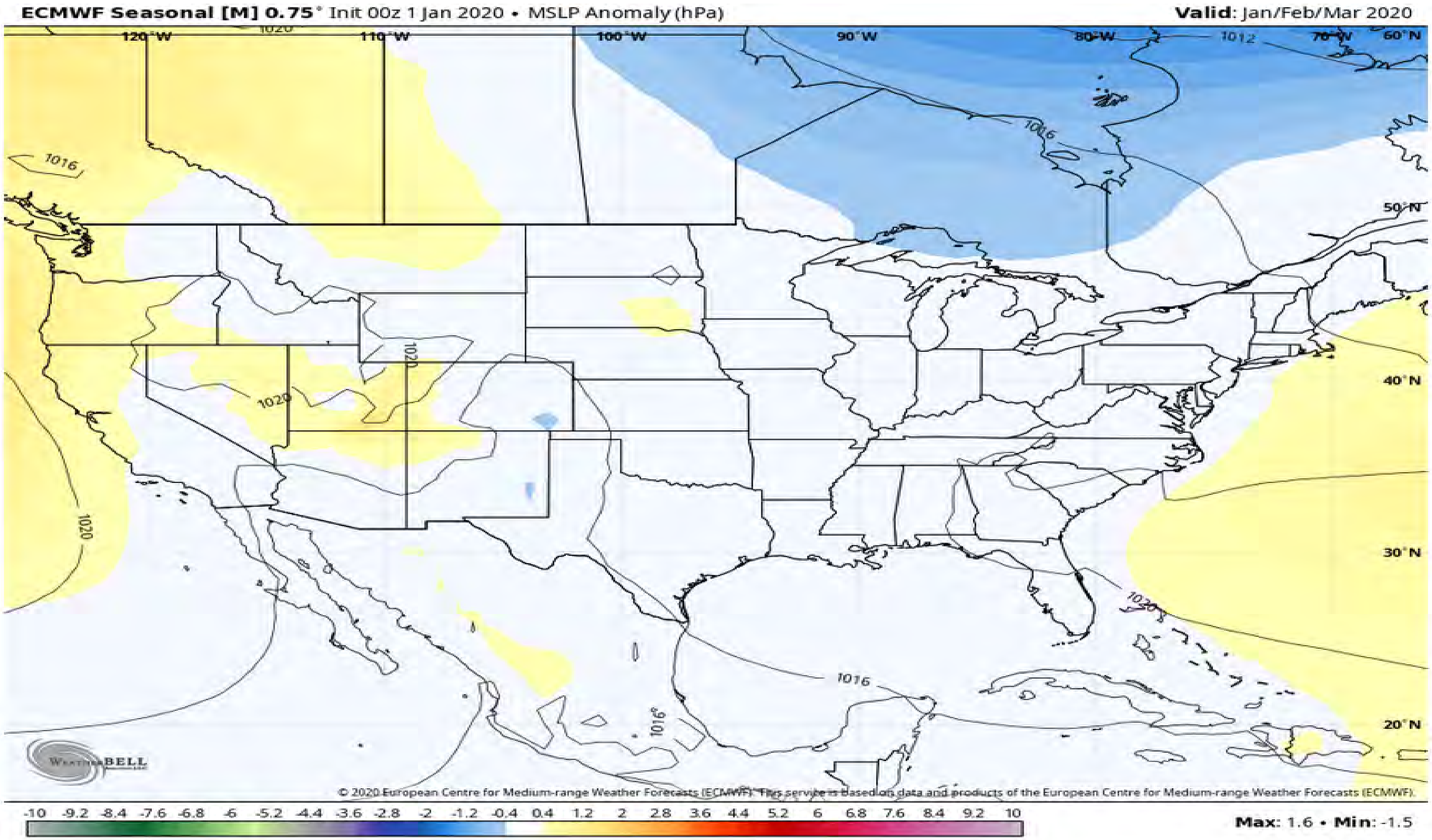
Gas Storage Inventory as of Week Ending December 27th

Withdrawal Season following the 5 Year Average



January to March Temperature Forecast

Continental US Temps projected to be normal through March



FMPA MUNICIPAL POWER

(Continued) **Management Goals Scorecard**, as of December 31, 2019

Goal		Status	Comment
6. Energy/Capacity Sales - Execute wholesale agrmts. with projected margin value $3.5M for FY2020-2024			Homestead 15 MW agreement approved and executed, began serving Jan 1st. Winter Park sale transitioned from 10 MW base to partial-requirements Jan 1st. Provided additional information to Mount Dora for their bid evaluation.
7. Enhance Pool – for future significant solar resources - Hire new Exec. Dir. - Devel. practices for extra reserves and fast start needs - Devel. mkt. compensation products to manage new solar resources			Mycoff and Associates selected for Executive Director search and meets with FMPP Executive Committee and Steering Committee Jan. 9. Task force formed.
8. Member Services Visits by Leadership Team (75 visits)			1 visit in December – total 12 visits YTD.
Member Services	15 project oversight	5	Bushnell; Economic Development project, Starke; Vo Tech reconduct and conversion
	Assist solar subscription service - 6		In process.

(Continued) **Management Goals Scorecard**, as of December 31, 2019

Goal	Status	Comment
9. Promoting Value of Utilities Update Member Reports – 16 Public Presentations by Members or FMPA - 10		In process.
10. Solar Project - Execute Phase 2 Solar Agreements - Assist Members marketing Phase 1 groundbreaking & energize Phase 1		Finalizing Phase II agreements for execution. Phase I groundbreaking Nov 2019; construction on schedule for June 2020 COD; marketing in progress.
11. ARP Restructuring - Reach agreement on desired path of Members		Updates in January & February. Workshops in March & May.
12. People - Development opportunities/cross training/Back-Up – at least 8		In process of identifying more opportunities for cross training.
- FMPA Fleet Team Sharing – 80 days		Total of 29 days FYTD. Cane Island staff at TCEC 24 days and SI 2 days in December.

VERBAL REPORT

AGENDA ITEM 6 – SUNSHINE LAW UPDATE

Board of Directors Meeting
January 16, 2020

AGENDA ITEM 7 – CONSENT AGENDA

a. Approval of the Minutes for the Meeting Held December 12, 2019

Board of Directors Meeting
January 16, 2020

CLERKS DULY NOTIFIED .... DECEMBER 3, 2019
AGENDA PACKAGES POSTED .... DECEMBER 3, 2019

MINUTES
FMPA BOARD OF DIRECTORS MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
THURSDAY, DECEMBER 12, 2019
9:00 A.M.

MEMBERS PRESENT	Brad Hiers, Bartow * Jody Young, Bushnell Lynne Mila, Clewiston John Tompeck, Fort Pierce Bob Page, Green Cove Springs Howard McKinnon, Havana Barbara Quinones, Homestead Allen Putnam, Jacksonville Beach Lynne Tejeda, Key West Larry Mattern, Kissimmee Ed Liberty, Lake Worth Beach Michael Beckham, Lakeland (via telephone) Brad Chase, Leesburg (via telephone) Steve Langley, Mount Dora Bill Conrad, Newberry Joe Bunch, New Smyrna Beach Sandra Wilson, Ocala (via telephone) Bill Sturgeon, St. Cloud (via telephone) Robert Milner, Starke James Braddock, Wauchula (via telephone) Dan D'Alessandro, Winter Park *joined after roll call.
OTHERS PRESENT	Paul Jakubczak, Fort Pierce Karen Nelson, Jacksonville Beach JoLinda Herring, Bryant Miller Olive Craig Dunlap, Dunlap & Associates, Inc. Donna Painter, nFront Consulting Steve Stein, nFront Consulting Rafael A. Hernandez, Origis Energy Johan Vanhee, Origis Energy
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
Danyel Sullivan-Marrero, Controller
Liyuan Woerner, Audit Manager
Mike McCleary, Manager of Member Services Development
Sharon Adams, Human Resources Director
Cairo Vanegas, Manager of Member Services Development
Chris Gowder, Business Development and Planning Manager
Jason Wolfe, Financial Planning, Rates and Budget Director
Ed Nunez, Assistant Treasurer/Debt
Luis Cruz, Information Technology Manager
Jesse Rivera, Information Technology Support Specialist
Isabel Montoya, Information Technology Intern
Truong Le, Manager of Regulatory Compliance
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 9:00 a.m. on Thursday, December 12, 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 19 members present representing 33 votes out of a possible 47.5. Brad Hiers, Bartow arrived in person and Bill Sturgeon, St. Cloud joined via telephone after roll call bringing the total members present to 21 representing 35.5 votes out of a possible 47.5.

ITEM 2 – Recognition of Guests

Chairperson Quiñones welcomed Rafael Hernandez and Johan Vanhee from Origis Energy and Mike Poucher (via telephone), retired from the City of Ocala.

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. Howard McKinnon, Havana, seconded the motion. Motion carried 35.5 – 0.

ITEM 5 – REPORT FROM THE GENERAL MANAGER

Jacob Williams reported on the following items:

1. Goals Scorecard
2. Plaque to Larry Mattern & Jay Butters – record for continuous run days for Cane Island 3
3. Truong Le has joined FMPA as Manager of Regulatory Compliance
4. FMPA has paid off Stanton I debt
5. FMPA terminated final swaps – NPV in the money $297K.
6. City of Bushnell has completed cutover in their service territory acquired from SECO.
7. Solar Phase II Announcement
    - During today's meeting, the Board will discuss the final approval of Phase II of the Florida Municipal Solar Project.
    - If approved, we will take a quick ceremonial photo immediately following the Board meeting.
    - The photos will include a representative from the 12 participating cities, FMPA and Origis.
    - FMPA's PR Team will meet the group in the front lobby at the conclusion of this meeting.
8. FPL transmission rate increase – FERC awarded FMPA 5-month deferral.
9. Stanton is FMPA's highest cost asset. FMPA would like OUC to attend a future FMPA Board meeting to explain what is going on there.
10. FMPA has a new EV charging station in the parking lot in front of the building.
11. New dial-in format for meeting invitations for BOD, EC and other meetings – format will be dial-in number then 2 commas then meeting number then 2 commas then password.

ITEM 6 – SUNSHINE LAW UPDATE

Dan O'Hagan reported on the City of Gainesville's new Public Records Request Portal on their website to facilitate public records requests.

ITEM 7 – CONSENT AGENDA

a. Approval of Minutes – Meeting Held October 17, 2019
b. Approval of the Projects' Preliminary Financials as of September 30, 2019 and October 31, 2019
c. Approval of the Treasury Reports as of September 30, 2019 and October 31, 2019
d. Acceptance of the Annual Report of Late Fees Payments

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Bill Conrad, Newberry, seconded the motion. Motion carried 35.5 – 0.

ITEM 8 – ACTION ITEMS

a. Approval of FY 2020 Management Goals

For the NERC compliance, it was adopted to say no violations with fines.

MOTION: Howard McKinnon, Havana, moved approval of the FY 2020 Management Goals as discussed with the change. Bob Page, Green Cove Springs, seconded the motion. Motion carried 35.5 – 0.

b. Approval of Board of Directors Meeting Schedule for Calendar Year 2020

MOTION: Lynne Tejeda, Key West, moved approval of the Board of Directors meeting schedule for Calendar Year 2020. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 35.5 – 0.

c. Approval of Resolution 2019-B12 Establishing the Solar II Project

MOTION: Howard McKinnon, Havana, moved approval Resolution 2019-B12, the Power Purchase Agreement, and the Power Sales contract, and authorize FMPA's CEO and General Manager to execute the agreements. Allen Putnam, Jacksonville Beach, seconded the motion.

Resolution 2019-B12 was read by title:

> **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; 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.**

Motion carried 35.5 – 0.

d. Approval of the St. Lucie Audit Report

Members asked staff to bring back the policy and a list of values received over the last 10 years to show St. Lucie Project Participants' amounts they will and did receive over this period.

MOTION: Larry Mattern, Kissimmee, moved approval of the St. Lucie Audit Report. John Tompeck, Fort Pierce, seconded the motion. Motion carried 35.5 – 0.

e. Approval of Selection of Bond Counsel

MOTION: Lynne Tejeda, Key West, moved approval of the Finance Committee's recommendation that the Board and Executive Committee select Nixon Peabody as Bond Counsel, Bryant Miller Olive as Disclosure Counsel and Nixon Peabody and Bryant Miller Olive as Special Counsel as determined by FMPA based on the nature of the project. Howard McKinnon, Havana, seconded the motion. Motion carried 35.5 – 0.

ITEM 9 – INFORMATION ITEMS

a. Guidelines for a Significant Amount of Staff Time for an Individual Member Project

Mark McCain presented information on guidelines for charging Members for significant projects that require a lot of staff time.

b. FY 2019 Preliminary Financial Results

Danyel Sullivan-Marrero reported on the FY 2019 preliminary financial results.

c. Summary of Finance Committee Items

Linda S. Howard gave the Board a summary on items the Finance Committee will be recommending items to the Board for approval.

d. Solar Phase I Poinsett PPA Revisions

Chris Gowder updated the Board on the Solar Phase I Poinsett Power Purchase Agreement revisions.

e. Parliamentary Procedure to Suspend the Rules for Reading Resolution Titles

Jody Finklea reported on a parliamentary procedure on suspending the rules for reading Resolution titles.

ITEM 10 – MEMBER COMMENTS

Barbara Quiñones, Homestead, said a company contacted them regarding a mobile substation transformer and asked if other Members would be interested. FMPA will look into this for the Members.

Bob Page, Green Cove Springs, said the City wishes to thank FMPA for all the efforts to help the City.

Larry Mattern, Kissimmee, said that Bushnell's acquisition of the SECO customers and all the help FMPA staff and fellow Members gave Bushnell is a showcase for how municipal power and joint action works. We have a strong group of Members and a strong organization in FMPA.

Joseph Bunch, New Smyrna Beach, thanked Carter Manucy who helped his IT team when NSB was a target of a cyber-attack. They did not get hacked and said there are resources to advise members at low to no cost, like an APPA grant they received to get outside help from Burns & McDonnell.

Jody Young, Bushnell, thanked all the FMPA Staff and Members for their help during the cutover for the SECO customers they acquired. She plans to publish an article in Relay Magazine on this.

ITEM 11 – ADJOURNMENT

There being no further business, the meeting was adjourned at 11:18 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' Preliminary Financials as of November 30, 2019

Board of Directors Meeting
January 16, 2020

FMPA MUNICIPAL POWER

Linda S. Howard, CPA, CTP
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: **FMPA Board of Directors**

FROM: **Linda Howard**

DATE: **January 7, 2020**

ITEM: **7b – Approval of Projects' Financials as of November 30, 2019**

Discussion: The summary financial statements and detailed financial statements of the Projects for the period ended November 30, 2019 are posted on the Document Portal section of FMPA's website.

Recommended: Move approval of the Projects' Financial Reports for the month ended November 30, 2019.

LH/GF

AGENDA ITEM 7 – CONSENT AGENDA

c. Approval of the Treasury Reports as of November 30, 2019

Board of Directors Meeting
January 16, 2020

MUNICIPAL POWER

AGENDA PACKAGE MEMORANDUM

TO: FMPA Board of Directors

FROM: Gloria Reyes

DATE: January 7, 2020

ITEM: BOD 7(c) – Approval of Treasury Reports as of November 30, 2019

Introduction

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

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

Debt Discussion

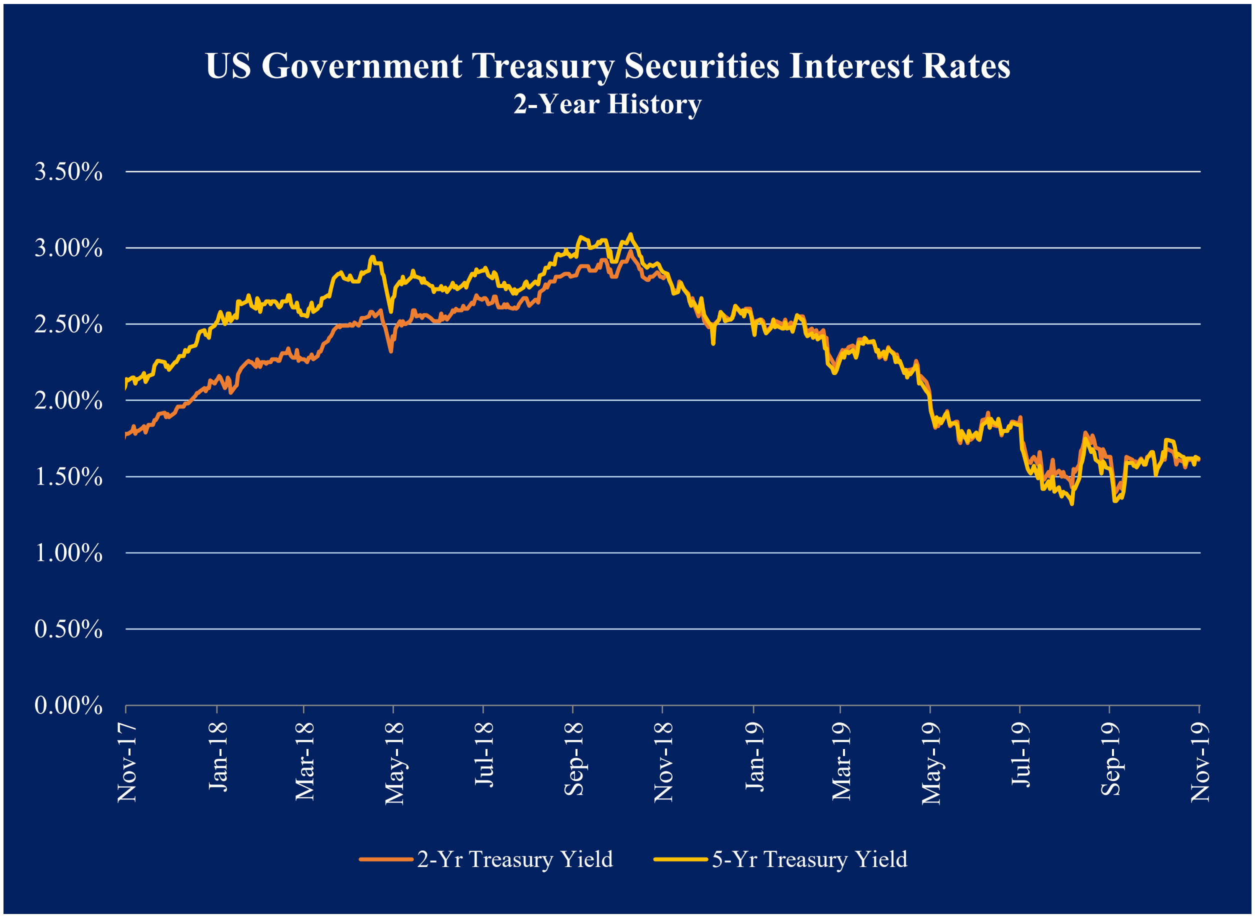
Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of November 30, 2019.

	Total debt Outstanding	Fixed Rate	Variable Rate	Synthetically Fixed
Agency	0.00	0%	0%	0%
St Lucie	117,135,000	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	112,054,000	100%	0%	0%
Tri City	0.00	0%	0%	0%

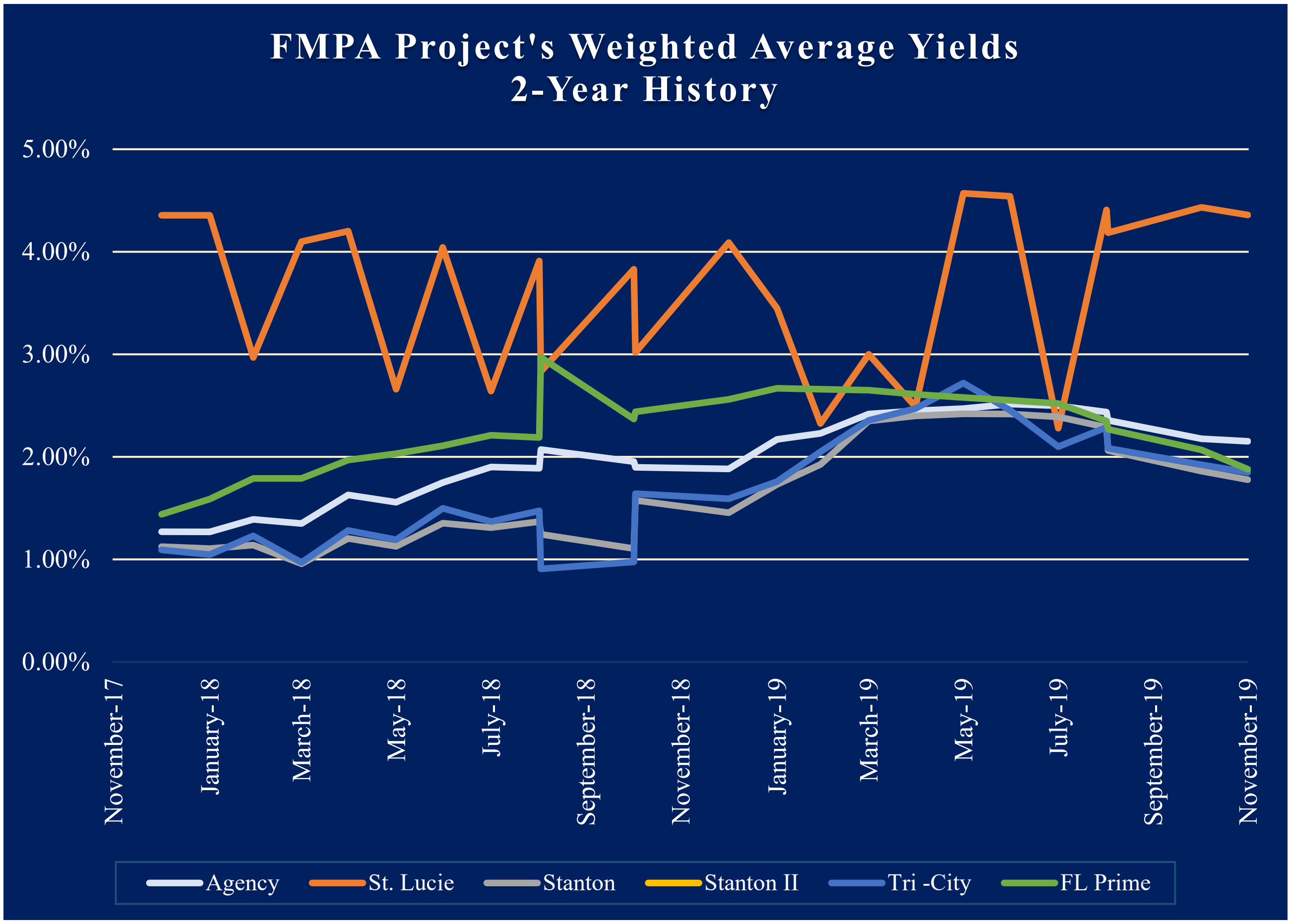
Investment Discussion

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 November at 1.61%. The yellow line is the 5-year Treasury which was 1.62%.



The weighted average yields on investments earned as of November 30, 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 November 30, 2019.

AGENDA ITEM 8 – ACTION ITEMS

a. Approval of Guidelines for a Significant Amount of Staff Time for an Individual Member Project

Board of Directors Meeting
January 16, 2020

BOD 8a – Approval of Guidelines for a Significant Amount of Staff Time for an Individual Member Project

FMPA Board of Directors

January 16, 2020

Presentation Overview

- FMPA is expanding services to members
- Many service requests are related to FMPA’s strategic priorities, but the requests could be viewed as member-specific projects
- Consider adopting a policy when to bill for significant staff time on individual member projects
- Recommended guidelines were approved by FMPA’s Member Services Advisory Committee (MSAC) in October and are being submitted to FMPA’s Board of Directors for consideration

Why Propose These Guidelines?

To Be Proactive and Have a Policy in Place

- As FMPA expands services to members, there could come a time when someone asks if we have a policy when to bill for big projects
- This has not been an issue to date
- The intent is to be proactive and have policy in place to define a significant member project and how to handle it
- The recommended guidelines are intended to apply to a limited number of time-consuming requests; not intended to impact the type of services FMPA has provided to date

FMPA MUNICIPAL POWER

FMPA's Strategic Priorities, as Ranked by Members

5 of 7 Involve Projects at Member Systems [Votes out of 25]

1. **Assist Cities in evaluating retail cost of service, retail rate structures and solar subscription programs to price our service correctly [22]**
2. Continue to drive down controllable wholesale power costs for all of FMPA's power supply projects [21]
3. **Assist members with best practices and strategic guidance in operational areas to enhance reliability [18]**
4. **Expand engineering services (e.g., fuse coordination, phase balancing, EVs) [17]**
5. **Expand services in NERC regulatory compliance, cyber security and information technology [16]**
6. **Assist members with AMI implementation and/or provide data management services for AMI [16]**
7. Investigate alternatives to mitigate increasing transmission rates of IOUs or connect with new power supply resources [16]

Project Oversight Assistance a Management Goal

FMPA Provided Assistance with 27 Projects in Fiscal 2019

- **Bartow**: Power quality investigation, scoping fuse coordination
- **Bushnell**: System expansion (engineering, operations, rates, communications)
- **Clewiston**: Substation upgrade, breaker replacement, SCADA/HMI
- **Fort Meade, Havana Moore Haven**: System maps
- **Jacksonville Beach, Kissimmee:** Transmission operations planning studies
- **Kissimmee**: Distributed generation interconnection study, solar subscriptions
- **Lake Worth Beach**: AMI/Power quality
- **New Smyrna Beach**: Grid modernization plan, storm playbook, reliability analysis
- **Newberry**: AMI project
- **Starke**: Substation, vault re-design, feeder relocations, back-up generator
- **Winter Park**: Rate assistance

FMPA MUNICIPAL POWER

Consider Adopting a Policy to Address Big Projects

Policy Guidelines When to Bill for Individual Member Projects

- Amend FMPA's existing Member Services Guidelines
- Not include Member Services staff (Mike, Cairo, Sharon, Mark)
- Significant projects defined as more than 120 staff hours, includes self-performed and project management projects
- First 120 hours provided at no cost as a member benefit
- Estimated hours in excess of 120 charged at rate of average salary plus benefits for FMPA's subject-matter-expert pay grades
- If project requires travel, bill for travel expenses

Billable Time, Expenses Intended to Mitigate Costs

But Intent Is Not to Discourage Member Requests

- Billable guidelines intended to apply to <u>distinct projects</u> that require significant FMPA staff time <u>within a particular project period</u> that, as a result, <u>diverts FMPA's human resources from their primary function</u>
- Not apply to combination of smaller efforts less than 120 hours/year
- FMPA will not charge more than original good-faith estimate, unless project scope changes and the increase is approved by the member
- If a project takes less time, reduce the charge accordingly
- Existing projects with members not affected
- MSAC requested periodic updates on policy implementation

Recommended Motion

Move approval of revisions to FMPA's Guidelines for Development of Member Services.

Florida Municipal Power Agency
Guidelines for Development of Member Services
May 2003
DRAFT Revised October 2019

1. Purpose

At the FMPA Strategic Planning Session in 2002, “Member Services” was identified as a Priority Strategic Issue. One of FMPA’s action items, as directed by board members and participants at the Strategic Planning Session, is to review FMPA’s existing member services policies and to determine what services members would like to see provided through the agency.

A major step toward addressing this action item was to establish a Member Services Advisory Committee (MSAC), consisting of FMPA Board Members. The objective of this committee is to provide assessment and direction for new and existing member services offered by FMPA.

The purpose of this document is to provide FMPA members, as well as agency staff, with objective procedures for existing and new member services. The use of these procedures will ensure that FMPA is providing its members with quality services that are relevant to member issues and adequately address members' needs.

2. Proposal Phase

The suggestion for a new member service may originate with any FMPA member or FMPA staff. The person or group who proposes a new member service will complete a FMPA Member Services Proposal Form and submit it to the MSAC for review. (A copy of the Proposal Form is included as Attachment 1-.) The Member Services Proposal Form should be completed in as much detail as possible, in order to facilitate review by the MSAC.

The FMPA Member Services Proposal Form consists of the following sections to be completed by the originator:

a. Contact Information (Section I):

The originator of the Proposal Form will provide the MSAC with the originator's name, member's name, or FMPA Department, and relevant information for contacting the originator.

b. Proposed New Service (Section II):

The originator of the Proposal Form provides a working name or title of the proposed service; a description of the proposed service; and a list of other members who have an interest in the proposed service (if known at time of proposal).

c. Funding for Proposed Service (Section III):

The funding of FMPA Member Services is set forth in section 5 of this document "Guidelines for Funding of Services." This method of funding has been approved by the FMPA Executive Committee. If any additional or more relevant types of funding exist for the proposed service, the originator should provide a description of that funding. Section III of the Proposal Form should be completed ONLY if the funding for the proposed new service is an EXCEPTION to Section 5.

d. Resources (Section IV):

If the originator is aware of any potential resources that may be utilized in the successful development and implementation of the proposed service, the information may be included in this section of the Proposal Form. This may include any vendors, professional organizations, agencies, utilities, or other resources that may be used for development and implementation of the proposed service.

e. Additional Comments and Suggestions (Section V):

The originator should provide any additional information that may be helpful in the development and implementation of the proposed service.

3. Review Phase

The completed form shall be submitted to a member of the MSAC. The MSAC will review and evaluate the proposal in a timely manner and provide a response to the originator.

The MSAC will take one of two actions at this point: 1) Recommend that the ~~Executive Committee~~Board of Directors approve development and implementation of the proposed service; 2) Deny development and implementation of the proposed service. In the event the MSAC denies the proposed service, the originator may submit the proposed service to the FMPA ~~Executive Committee~~Board of Directors for consideration.

The MSAC will approve or deny the proposed new service, based upon the information provided, certain assumptions, special provisions, ~~-~~funding, and staffing requirements.

4. Development Phase

Following approval of a proposed new service, the MSAC will provide direction to FMPA staff for the development and implementation of the service. Staff will maintain contact with the originator of the new service for communication and guidance during development.

Service development will typically have five stages:

a. Kickoff Meeting (Stage 1)

All members are invited to an initial “kickoff” meeting. At this meeting, FMPA staff, members, and other interested individuals will discuss the development of the new service.

b. Commitment by Interested Members (Stage 2)

Following the kickoff meeting, members will be contacted to determine if they are interested in participating in the new service. This contact is intended to identify members who are truly interested in participating in the development and implementation of the new service.

The funding of FMPA Member Services is discussed in detail in Section 5 of this document, “Guidelines for Funding of Services”. If there are any expenses required for the service that go beyond traditional funding for Standard Member Services, interested members will be required to sign a commitment form. (A copy of the Commitment Form is included as Attachment 2). Examples of non-traditional funding expenses will include charges for outside services or equipment, substantial staff time devoted directly to a member, or specific training and workshops. Each member who signs a commitment form will be expected to pay for the service. The member may be released from the commitment at any time and, thereafter, will no longer be considered a participant in the service.

c. Member Service Development Meetings (Stage 3)

Once members have committed to participating and funding the development of the service, member service development meetings will take place. These meetings are intended to provide the members an opportunity to discuss the service in detail and to make technical decisions regarding the specific nature of the service.

d. Implementation of Service (Stage 4)

Depending upon the complexity of the service, the actual implementation stage may be simple or may require several evolutions. It is recommended that all participating members continue to provide expertise and input during this stage.

e. Evaluation / Review of Service (Stage 5)

The MSAC, with the advice and counsel of FMPA staff, will periodically review FMPA services to ensure that the services are up-to-date, relevant, desirable, and valuable to members.

5. Guidelines for Funding of Services

The MSAC has established the following guidelines regarding for the funding of existing and new member services:

Standard Member Services are those services, which are provided to FMPA members as a general benefit of membership in FMPA. The costs of these services are covered by FMPA general agency funds, since the services are providing a benefit to FMPA members.

Exceptions to Standard Member Services shall be those occasions when one or more members may require services that deviate from the Standard Member Services as described above. The MSAC has provided the following guidelines for addressing funding for Exceptions to Standard Member Services. The ~~Executive Committee~~Board of Directors has the authority to deviate from these guidelines, and the MSAC reserves the right to amend these guidelines, with the approval of the ~~Executive Committee~~Board of Directors.

A. Extraordinary outside services, material or equipment. This includes consultants or contractors who are specifically hired to participate in the development or implementation of the service. It may also include specific services, materials, equipment or software required to meet the needs of the participating member(s). These expenses may be charged among the service participants.

B. Member Services. Member Services expenses may be charged equally among all service participants. The nature of some services, however, may require a weighted charge to participants, and the expense structure of those services will be determined by the MSAC.

C. ~~Excessive~~ Significant amount~~s~~ of ~~"in-office"~~ staff time for an individual member project. If an FMPA staff member other than a staff member in the Member Services Department is ~~dedicating~~ asked to dedicate a significant amount time to the resolution of a specific member issue, the time will be charged to the ~~agency~~specific member based on the following guidelines.

i. Significant is defined as any project the FMPA staff estimates will take more than 120 staff hours, such as:

1. Self Perform: FMPA staff self-performs the assignment with a clearly defined scope, deliverables and schedule.

2. Project Management: FMPA staff participates in a project management or support role alongside the member on a project that leverages FMPA's consulting services agreements.

ii. These billable guidelines are intended to apply to distinct projects that require significant FMPA staff time within a particular project period that, as a result, divert FMPA human resources from their primary function for the Agency.

iii. These guidelines are not intended to apply to a combination of smaller efforts for a member or a member request that results in a small, intermittent time commitment that is within or slightly exceeds 120 hours in a 12-month period. Those time commitments will be monitored by FMPA staff.

iv. Prior to the onset of any project, FMPA's member should provide specific expectations of the level of work or support required from FMPA staff.

v. If FMPA determines that the level of effort will be less than 120 hours, such a project will be provided to the member at no cost as a member benefit. If during a project it becomes clear that actual time is going to exceed 120 hours, staff will provide an estimate to complete the project and, if approved by the member, anything over 120 hours will become billable time.

~~i.~~vi. If FMPA determines the level of effort will exceed 120 hours, the hours in excess of 120 will be charged at a rate calculated as the average salary rate plus benefits for FMPA's subject-matter-expert pay grades.

vii. If a billable project requires travel to the member city or another location away from the FMPA office, the travel expenses will be charged to the member. This includes mileage, meals, hotels, airfare, etc. in accordance with FMPA's travel procedures.

viii. The billable time and expense requirements are intended to help mitigate costs spent on significant services for an individual member, but the intent is not to discourage FMPA members from requesting services. In that spirit, it is agreed that FMPA will not charge more than the original good-faith estimate, unless the scope of the project changes and the increase is approved by the member.

ix. If the project takes less time than estimated, the charge to the member will be reduced accordingly.

~~C. "Out-of-office" staff time. If an FMPA member requests assistance, for a specific issue related to the member, from staff that requires staff to visit the city or another location away from the FMPA main office, the direct cost and travel expense of the staff time will be charged *directly to the member*. This includes time to travel, as well as the time dedicated to the service provided.~~

~~D. Travel expenses. If an FMPA member requests assistance, for a specific issue related to the member, from staff that requires travel to the member city or another location away from the FMPA office, the travel expenses will be charged *directly to the member*. This includes mileage, air-fare, meals, hotels, etc.~~

~~E.~~D. Training and Workshops. If FMPA provides training and workshops as a member service, the direct costs of the function will be charged to the member(s) who participate.

~~F.~~E. Other Funding. If a service is conducive to funding other than what is described in these guidelines (grants, special projects, partnerships, etc), the members are encouraged to include this information in Section III of the Member Services Proposal Form.

AGENDA ITEM 8 – ACTION ITEMS

b. Approval of the External Audit Report and Audited Financial Statements

Board of Directors Meeting
January 16, 2020

Approval of External Audit Report and Audited Financial Statements

Board of Directors -8b

Executive Committee – 8d

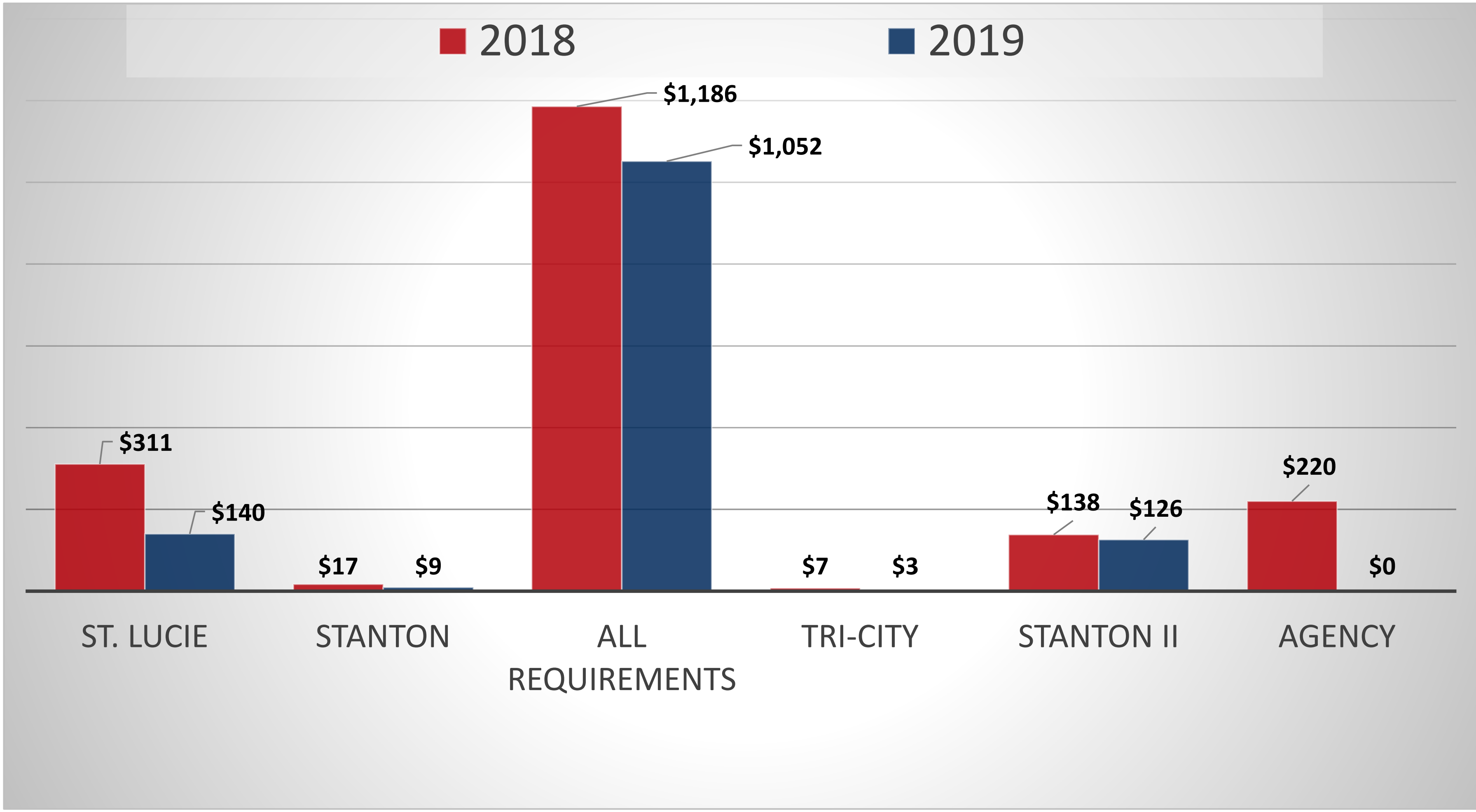
January 16, 2020

Financial Statement Highlights
FYE 2019

- **Long Term Debt**: Reduced by $329M
  Notably:
  - St. Lucie – Dec 2018 Paid Off 2000 & 2002 Bonds
  - All Requirements –Paid Off 2008B & 2008C Bonds Early Redemption of $69M; Swap Terminations of $5.9M Mar 2019
- **Expenses**: Expenses are Below Budget for All Projects
- **Due to Participants:** Total Net to Due $7.789M; FYE 2018 Net Due from Participants $7.688M
- **Vero Beach**: Proceeds of Sale are Being Utilized to Reduce Monthly ARP Billings to Participants
- **Rates:** Remain Low, ARP lowest since 2004

FMPA MUNICIPAL POWER

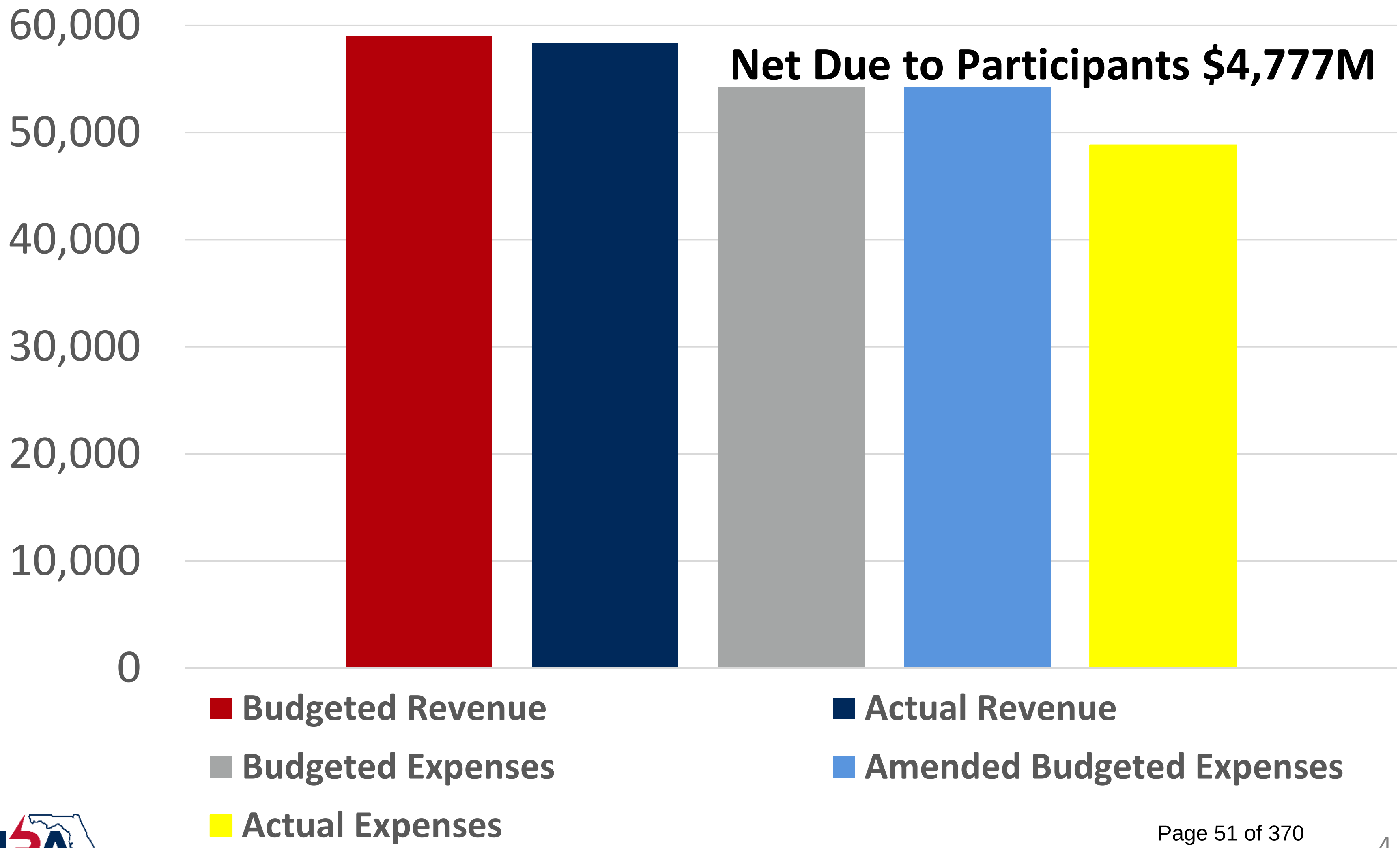
Long Term Debt by Project
Overall Reduction of $329M



FMPA MUNICIPAL POWER

Budget to Actual Comparison ($000s)

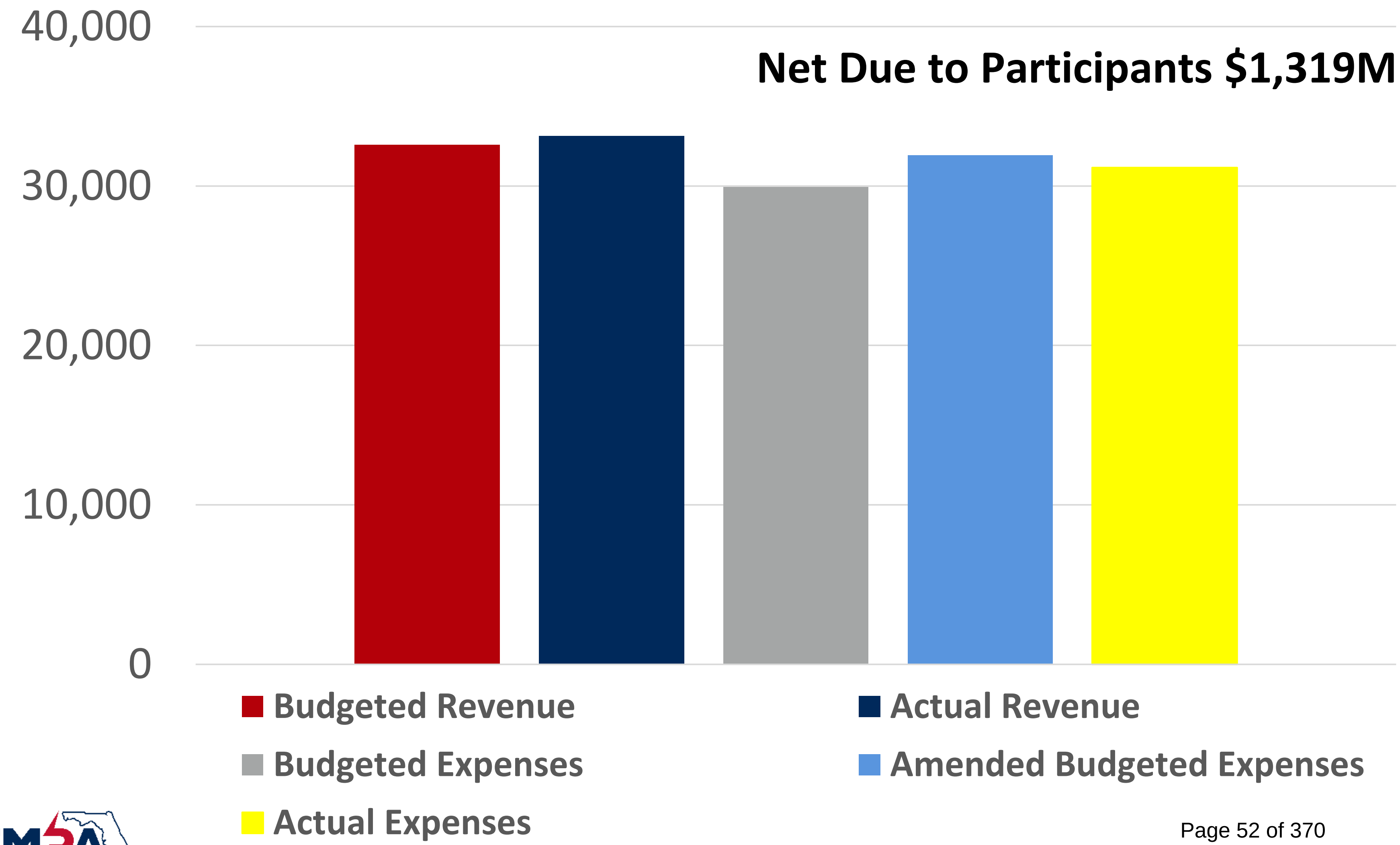
St. Lucie



FMPA MUNICIPAL POWER

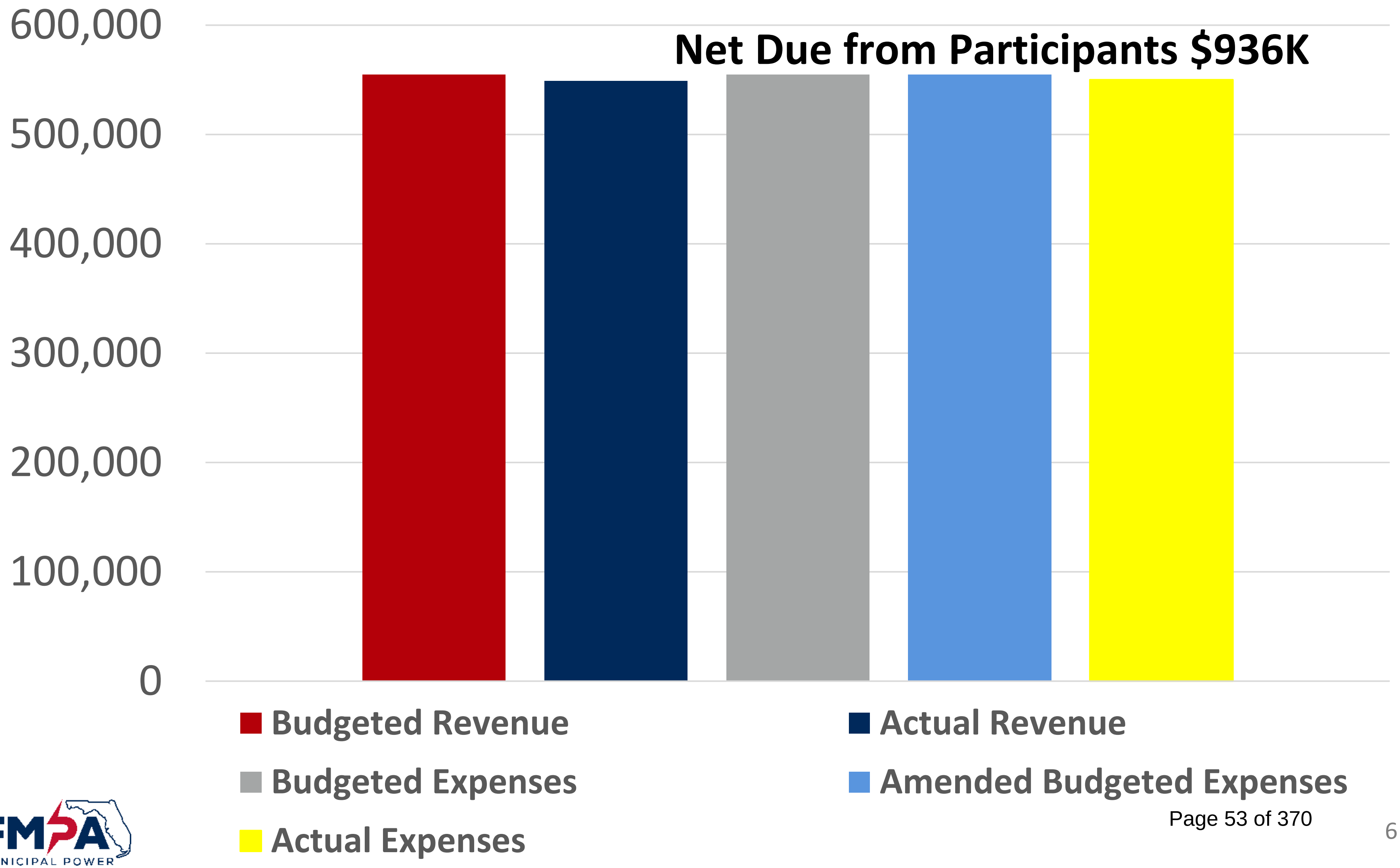
Budget to Actual Comparison ($000s)

Stanton



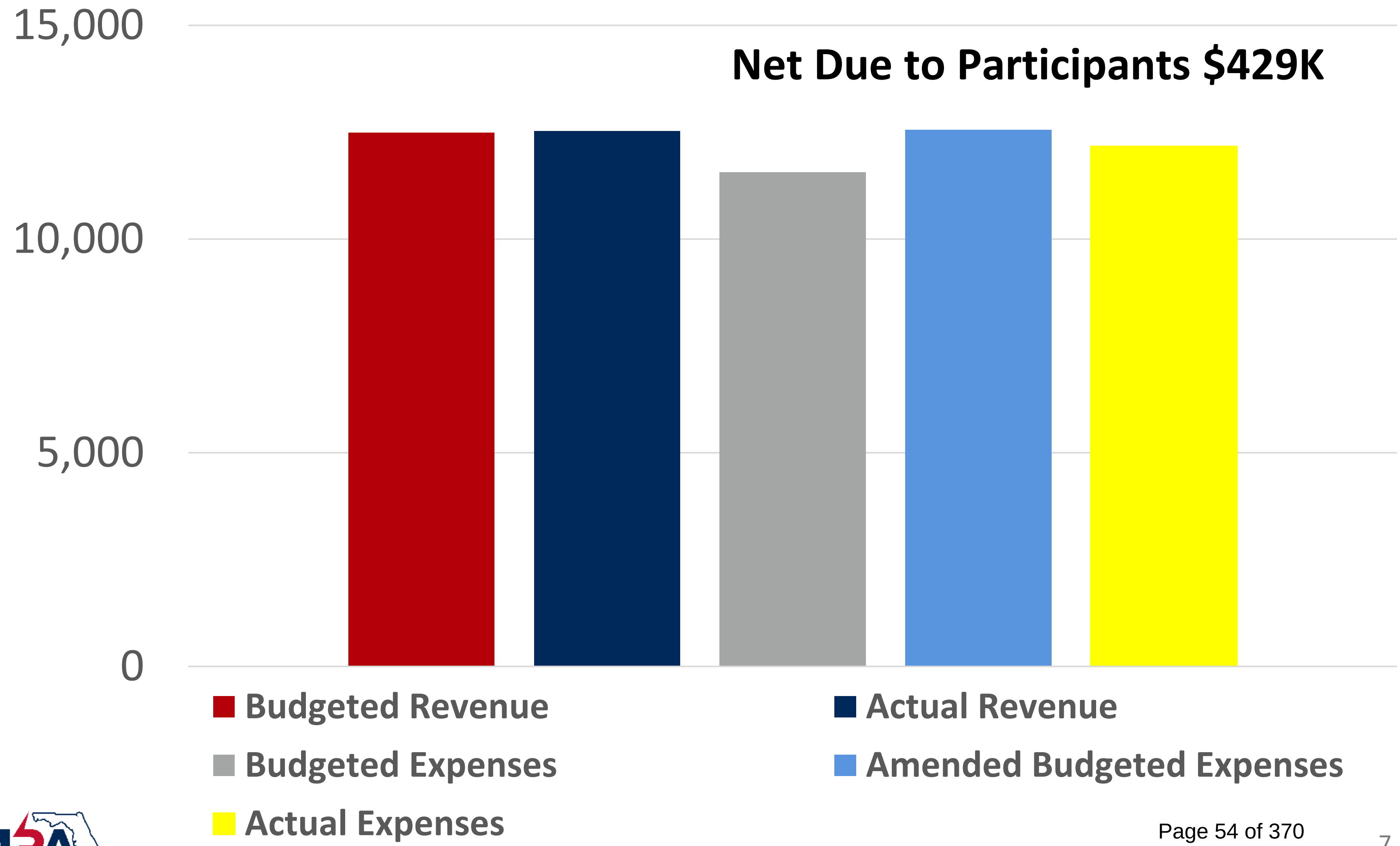
Budget to Actual Comparison ($000s)

All Requirements



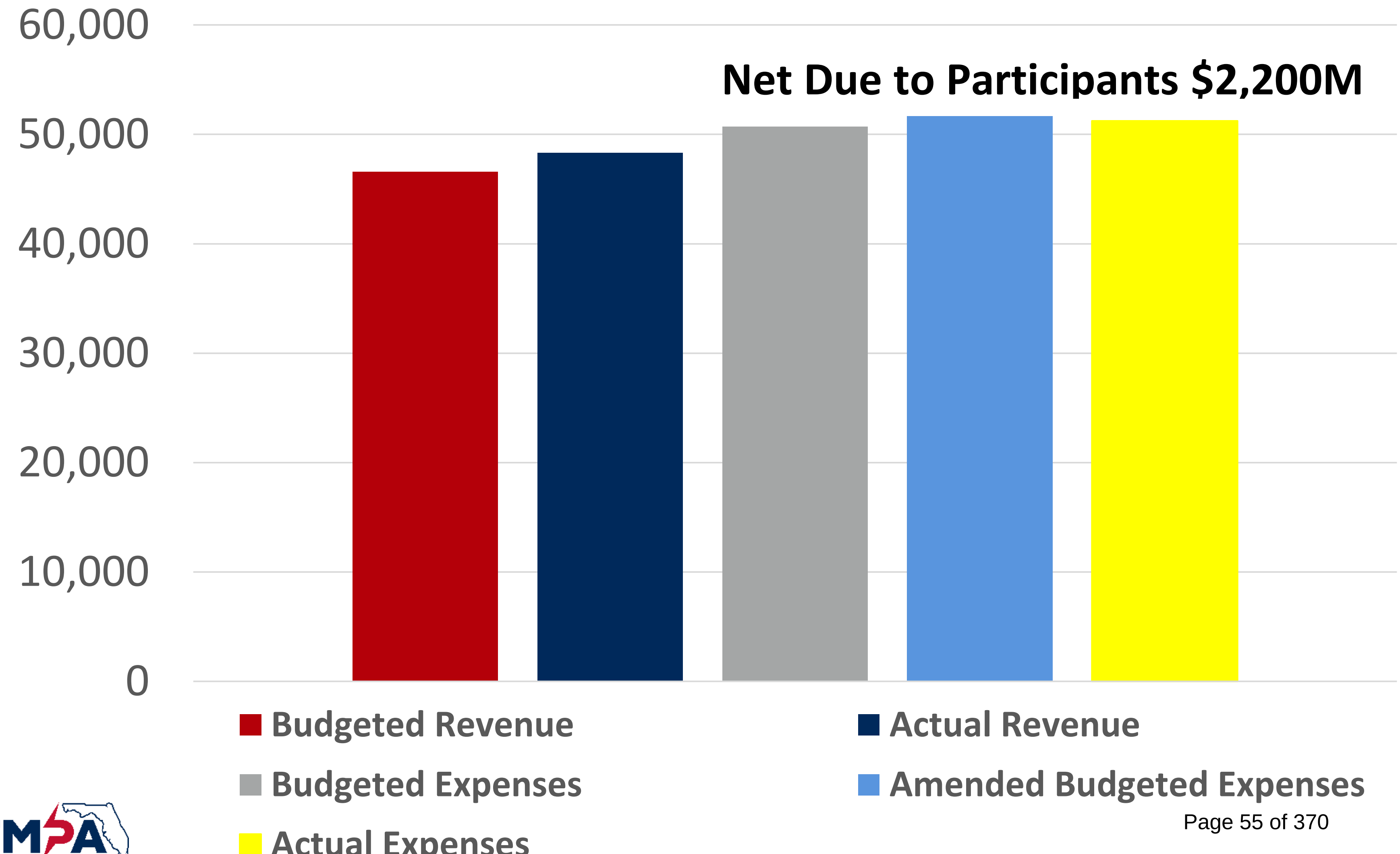
Budget to Actual Comparison ($000s)

Tri-City



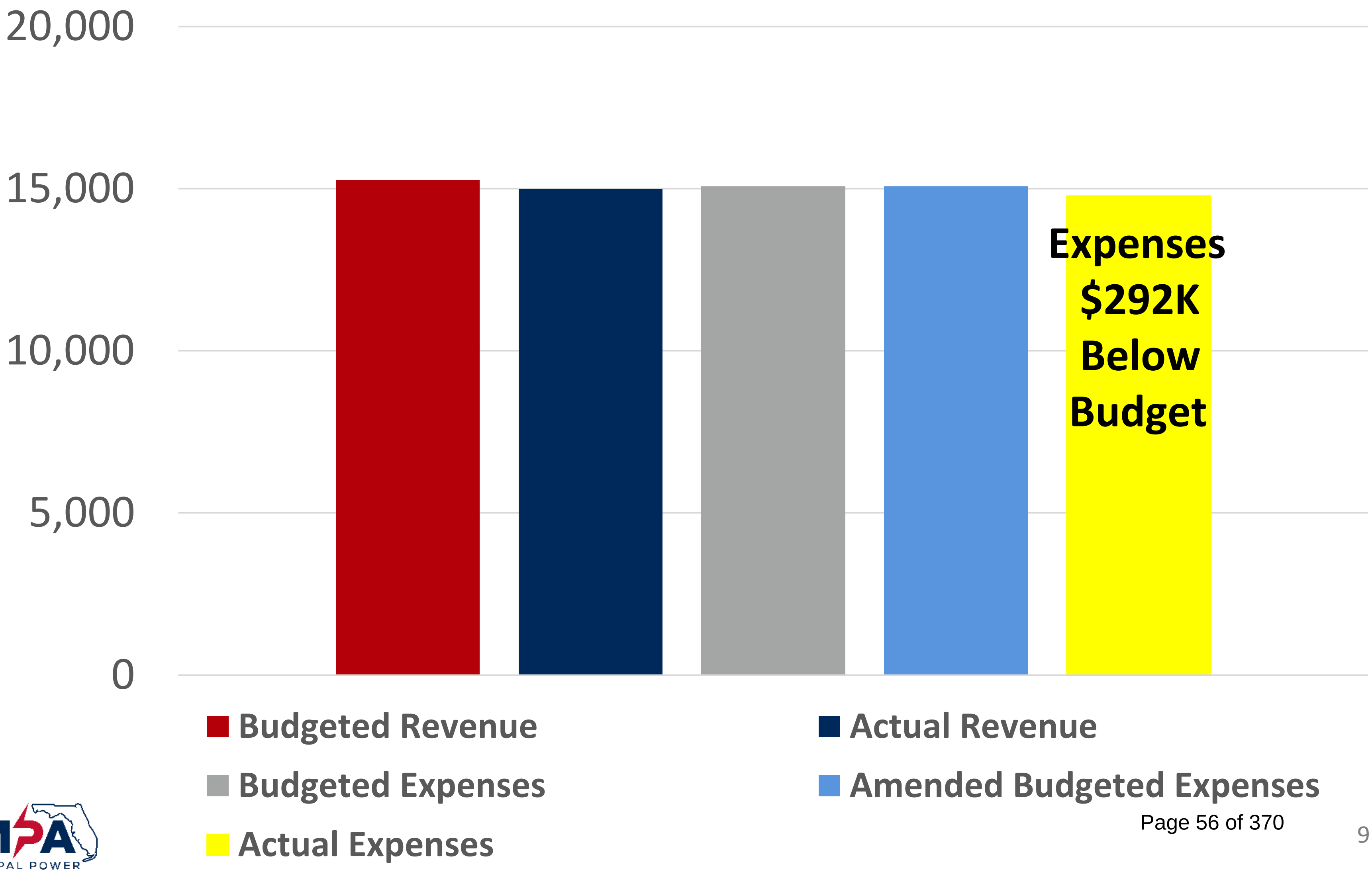
Budget to Actual Comparison ($000s)

Stanton II



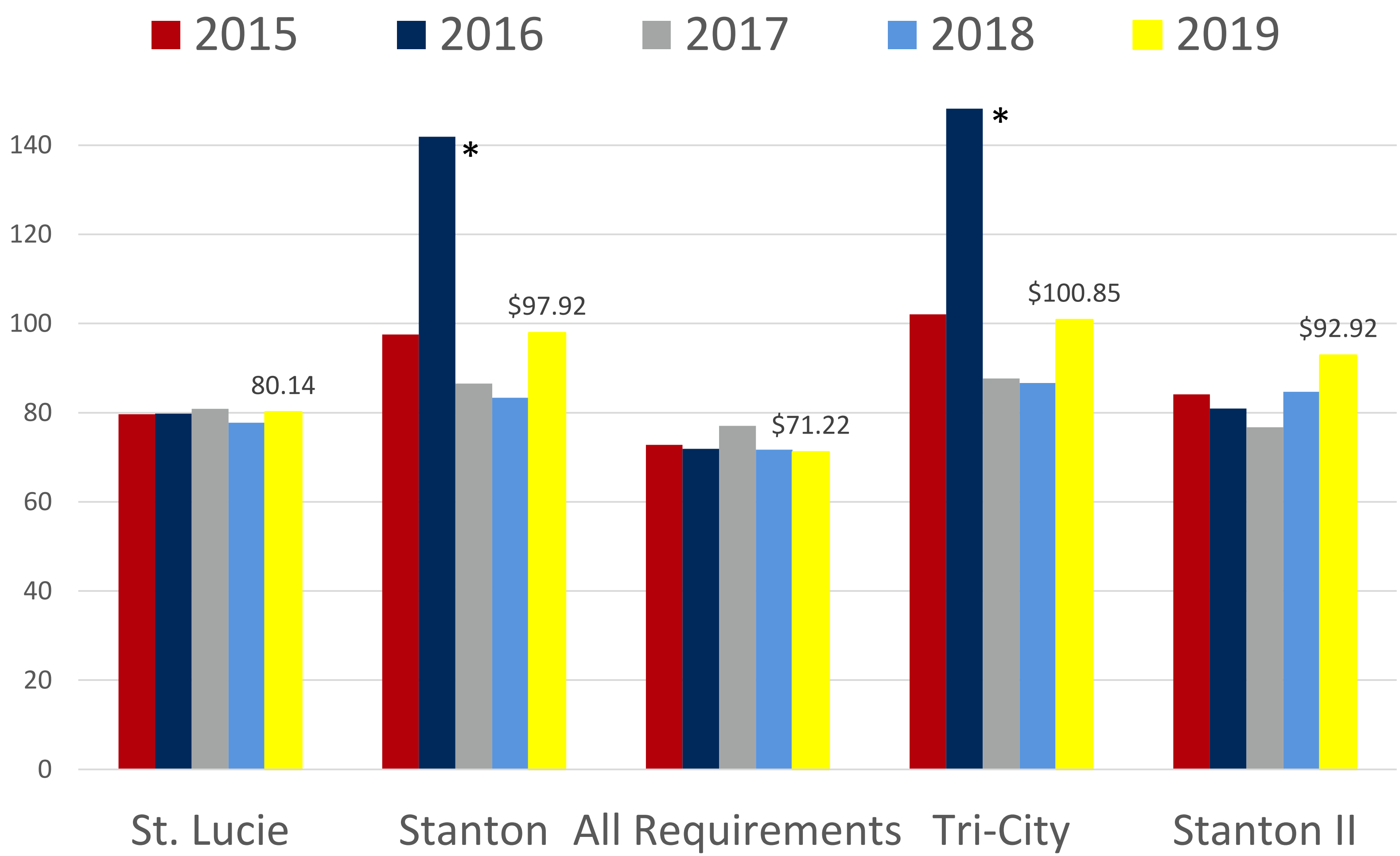
Budget to Actual Comparison ($000s)

Agency



Average $/MWh Billed

By Project   Years 2015 - 2019



*** Due to Extended Outage at Stanton**

Motion
FYE 2019 Audit

Move approval of the FYE 2019 External Audit Report and Audited Financial Statements

MUNICIPAL POWER

Financial Statements

For The Fiscal Year Ended September 30, 2019

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Member Cities

- Alachua
- Bartow
- Blountstown
- Bushnell
- Chattahoochee
- Clewiston
- Fort Meade
- Fort Pierce
- Gainesville
- Green Cove Springs
- Havana
- Homestead
- Jacksonville Beach
- Key West
- Kissimmee
- Lake Worth
- Lakeland
- Leesburg
- Moore Haven
- Mount Dora
- New Smyrna Beach
- Newberry
- Ocala
- Orlando
- Quincy
- St. Cloud
- Starke
- Tallahassee
- Wauchula
- Williston
- Winter Park

Table of Contents

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and each major fund of the Florida Municipal Power Agency (the Agency) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Certified Public Accountants
P.O. Box 141270 • 222 N.E 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144
5001 Lakewood Ranch Blvd., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350
1560 N. Orange Ave., Suite #450 • Winter Park, Florida 32789
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Agency, as of September 30, 2019, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note III to the financial statements, for the year ended September 30, 2019, the Agency adopted new accounting guidance Governmental Accounting Standards Board Statement No. 83, *Certain Asset Retirement Obligations.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

INDEPENDENT AUDITOR'S REPORT

opinion on the effectiveness of Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

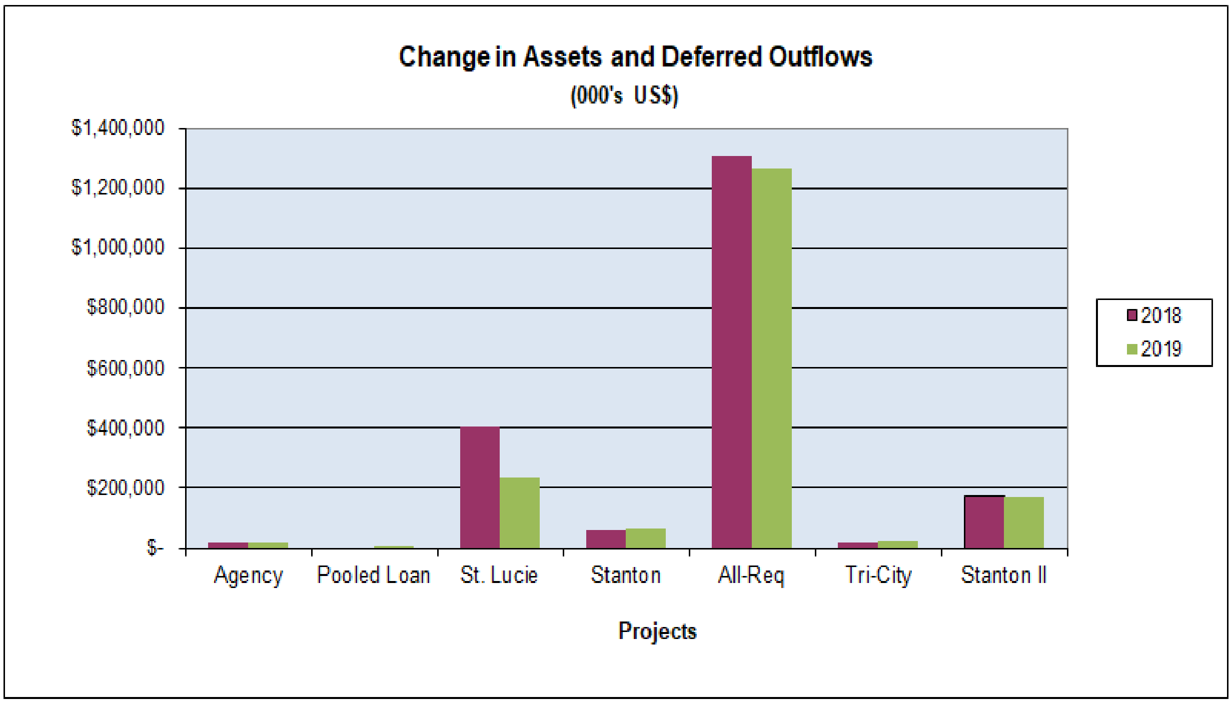
December 20, 2019
Ocala, Florida

This discussion and analysis is intended to serve as an introduction to Florida Municipal Power Agency's (FMPA's) basic financial statements, which are comprised of individual project or fund financial statements and the notes to those financial statements.

FMPA's financial statements are designed to provide readers with a broad overview of FMPA's financial condition in a manner similar to a private-sector business. It is important to note that, due to contractual arrangements which are the basis of each power project, no monies are shared among the projects, except that, as of the sale of the Vero Beach electric system to FPL, the ARP has taken a transfer and assignment of Vero Beach's interests , as a project participant, in the Stanton, Stanton II and St. Lucie Projects.

FINANCIAL HIGHLIGHTS

Total Assets and Deferred Outflows at September 30, 2019, of FMPA's Agency Fund and other projects decreased $205.7 million from the prior year. Decreases included $70.9 million of depreciation and amortization of Plant Assets. Increases in total plant included $36.5 million of new depreciable assets.



Change in Assets and Deferrred Outflows (000's US$)								
Year	Agency	Pooled Loan	St. Lucie	Stanton	All-Req	Tri-City	Stanton II	Total
2018	$ 16,807	$ -	$ 404,525	$ 59,299	$ 1,307,621	$ 20,172	$ 170,490	$1,978,914
2019	$ 17,646	$ 86	$ 235,863	$ 62,403	$ 1,265,991	$ 21,241	$ 170,021	$1,773,251
Variance	$839	$86	($168,662)	$3,104	($41,630)	$1,069	($469)	($205,663)

FINANCIAL HIGHLIGHTS (CONTINUED)

Total Liabilities and Deferred Inflows at September 30, 2019, for FMPA's Agency Fund and other projects decreased by $205.7 million during the current fiscal year. The decrease in total liabilities is mainly due to bond principal payments.

Long-Term Liability balance outstanding at September 30, 2019, for FMPA's Agency Fund and Projects was $1.3 billion, a decrease of $351.8 million during the current fiscal year.

Long-Term Bonds balance, less current portion, was $1,026 million, including All-Requirements balance of $789 million.

Total Revenue for Agency and all projects increased by $31.7 million for the current fiscal year, primarily due to increased sales to non-participants and increased billings to Participants due to higher loads.

Comparative years' Assets, Liabilities and Net Position, as well as Revenues, Expenses are summarized on the following pages.

FINANCIAL HIGHLIGHTS (CONTINUED)

Statement of Net Position
Proprietary funds
September 30, 2019
(000's US$)

2019	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
	Business-Type Activities- Proprietary Funds							
Assets:								
Capital Assets, Net	$ 3,092	$ -	$ 20,554	$ 27,079	$ 635,185	$ 10,460	$ 93,918	$ 790,288
Current Unrestricted Assets	13,926	106	60,848	30,339	276,394	7,748	56,225	445,586
Non-Current Restricted Assets	246	39	120,241	3,983	26,496	2,674	8,615	162,294
Other Non Current Assets	382	(59)	28,298	-	274,998	-	-	303,619
Deferred Outflows of Resources	-	-	5,922	1,002	52,918	359	11,263	71,464
Total Assets & Deferred Outflows	$ 17,646	$ 86	$ 235,863	$ 62,403	$ 1,265,991	$ 21,241	$ 170,021	$ 1,773,251
Liabilities:								
Long-Term Liabilities	$ 5,907	$ -	$ 218,342	$ 1,123	$ 1,007,611	$ 402	$ 117,323	$ 1,350,708
Current Liabilities	2,046	86	17,521	11,843	161,153	4,243	16,071	212,963
Deferred Inflows of Resources	-	-	-	49,437	97,227	16,596	36,627	199,887
Total Liabilities & Deferred Inflows	$ 7,953	$ 86	$ 235,863	$ 62,403	$ 1,265,991	$ 21,241	$ 170,021	$ 1,763,558
Net Position:								
Investment in capital assets	$ 3,092	$ -	$ (113,837)	$ 18,094	$ (371,485)	$ 7,170	$ (22,679)	$ (479,645)
Restricted	7	39	42,212	12,968	91,006	5,963	19,361	171,556
Unrestricted	6,594	(39)	71,625	(31,062)	280,479	(13,133)	3,318	317,782
Total Net Position	$ 9,693	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,693

Statement of Net Position
Proprietary funds
September 30, 2018
(000's US$)

2018	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
	Business-Type Activities- Proprietary Funds							
Assets:								
Capital Assets, Net	$ 3,234	$ -	$ 19,469	$ 28,797	$ 674,858	$ 11,157	$ 92,263	$ 829,778
Current Unrestricted Assets	12,944	-	123,303	27,648	256,426	7,326	54,247	481,894
Non-Current Restricted Assets	494	-	196,578	2,817	29,338	1,613	12,029	242,869
Other Non Current Assets	135	-	47,296	-	295,086	-	-	342,517
Deferred Outflows of Resources	-	-	17,879	37	51,913	76	11,951	81,856
Total Assets & Deferred Outflows	$ 16,807	$ -	$ 404,525	$ 59,299	$ 1,307,621	$ 20,172	$ 170,490	$ 1,978,914
Liabilities:								
Long-Term Liabilities	$ 5,719	$ -	$ 392,067	$ 9,091	$ 1,157,636	$ 3,325	$ 127,446	$ 1,695,284
Current Liabilities	1,814	-	12,458	9,806	149,985	3,670	13,893	191,626
Deferred Inflows of Resources	-	-	-	40,402	-	13,177	29,151	82,730
Total Liabilities & Deferred Inflows	$ 7,533	$ -	$ 404,525	$ 59,299	$ 1,307,621	$ 20,172	$ 170,490	$ 1,969,640
Net Position:								
Investment in capital assets	$ 3,150	$ -	$ (279,358)	$ 11,502	$ (452,090)	$ 4,726	$ (33,593)	$ (745,663)
Restricted	3	-	122,193	11,001	74,722	4,774	22,301	234,994
Unrestricted	6,121	-	157,165	(22,503)	377,368	(9,500)	11,292	519,943
Total Net Position	$ 9,274	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,274

FINANCIAL HIGHLIGHTS (CONTINUED)

Statements of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2019

2019	Business-Type Activities- Proprietary Funds							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Revenues:								
Billings to participants	$ 14,760	$ -	$ 54,748	$ 32,521	$ 419,721	$ 12,296	$ 47,171	$ 581,217
Sales to others			2,892	360	43,166	129	565	47,112
Amounts to be recovered from (refunded to) participants			(4,777)	(1,319)	889	(429)	(2,200)	(7,836)
Investment Income (loss)	343	-	10,676	549	6,650	138	2,637	20,993
Total Revenue	$ 15,103	$ -	$ 63,539	$ 32,111	$ 470,426	$ 12,134	$ 48,173	$ 641,486
Expenses:								
Operation, Maintenance & Nuclear Fuel Amortization	$ -	$ -	$ 12,932	$ 5,134	$ 79,383	$ 1,836	$ 8,634	$ 107,919
Purchased power, Transmission & Fuel Costs			3,466	12,302	254,330	4,538	18,731	293,367
Administrative & General	14,234	81	2,722	1,562	23,922	837	2,221	45,579
Depreciation & Decommissioning	445		6,743	3,569	58,599	1,359	5,556	76,271
Interest & Amortization	5		17,757	509	41,680	145	5,555	65,651
Gain/Loss on Ineffective Swaps			921					921
Write down of PGP to Net Future Cash Flow					41,733			41,733
Total Expense	$ 14,684	$ 81	$ 44,541	$ 23,076	$ 499,647	$ 8,715	$ 40,697	$ 631,441
Change in net position before regulatory asset adjustment	$ 419	$ (81)	$ 18,998	$ 9,035	$ (29,221)	$ 3,419	$ 7,476	$ 10,045
Net cost recoverable/future Participant billings	-	81	(18,998)	(9,035)	29,221	(3,419)	(7,476)	(9,626)
Change in Net Positon After Regulatory Adj	$ 419	$ -	$ -	$ -	$ -	$ -	$ -	$ 419
Net position at beginning of year	9,274							9,274
Net position at end of year	$ 9,693	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,693

Statements of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For Fiscal Year Ended September 30, 2018
(000's US$)

2018	Business-Type Activities- Proprietary Funds							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Revenues:								
Billings to participants	$ 13,764	$ -	$ 53,678	$ 28,027	$ 406,073	$ 10,794	$ 50,933	$ 563,269
Sales to others			2,470	352	29,883	126	552	33,383
Amounts to be recovered from (refunded to) participants			332	176	7,288	328	(436)	7,688
Investment Income (loss)	119		3,562	209	2,111	73	(669)	5,405
Total Revenue	$ 13,883	$ 0	$ 60,042	$ 28,764	$ 445,355	$ 11,321	$ 50,380	$ 609,745
Expenses:								
Operation, Maintenance & Nuclear Fuel Amortization	$ -	$ -	$ 15,752	$ 4,702	$ 61,398	$ 1,682	$ 6,860	$ 90,394
Purchased Power, Transmission & Fuel Costs			3,890	12,801	246,883	4,661	21,704	289,939
Administrative & General	12,972		3,278	1,382	22,029	774	1,941	42,376
Depreciation & Decommissioning	294		11,342	3,436	57,332	1,312	5,535	79,251
Interest & Amortization	12		15,724	969	46,974	236	5,761	69,676
Gain/Loss on Ineffective Swaps			976					976
Development Fund Distribution	5,000							5,000
Write-off Development Project	83							83
Total Expense	$ 18,361	$ 0	$ 50,962	$ 23,290	$ 434,616	$ 8,665	$ 41,801	$ 577,695
Change in net position before regulatory asset adjustment	$ (4,478)	$ -	$ 9,080	$ 5,474	$ 10,739	$ 2,656	$ 8,579	$ 32,050
Net cost recoverable/future Participant billings			(9,080)	(5,474)	(10,739)	(2,656)	(8,579)	(36,528)
Change in Net Positon After Regulatory Adj	$ (4,478)	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,478)
Net position at beginning of year	16,249							16,249
Prior Period Adjustment - GASB 75 (OPEB)	(2,497)							(2,497)
Net position at end of year	$ 9,274	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,274

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to FMPA's basic financial statements, which are comprised of two components: (1) individual project or fund financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

FMPA's **Entity-Wide Financial Statements** are designed to provide readers with a broad overview of FMPA's finances in a manner similar to a private-sector business. It is very important to note that, due to contractual arrangements that are the basis of each power project, no monies can be shared among projects, except that, as of the sale of the Vero Beach electric system to FPL, the ARP has taken a transfer and assignment of Vero Beach's interests , as a project participant, in the Stanton, Stanton II and St. Lucie Projects.

The cash flow of one power project, although presented with all others in the financial statement presentation as required by financial reporting requirements, cannot and should not be considered available for any other project. Management encourages readers of this report, when evaluating the financial condition of FMPA, to remember that each power project or fund is a financially independent entity.

The **Statements of Net Position** presents information on all of FMPA's assets and liabilities with the differences between the two reported as Net Position. As a result of a decision by the governing bodies of FMPA, billings and revenues in excess (deficient) of actual costs are returned to (collected from) the participants in the form of billing credits (charges). The assets within the Agency Fund represent those required for staff operations, which coordinate all of the power projects described herein.

The **Statements of Revenues, Expenses and Changes in Fund Net Position** present information regarding how FMPA's net position has changed during the fiscal year ended September 30, 2019. All changes in net position are reported as the underlying event giving rise to the change as it occurs, regardless of the timing of related cash flows. Therefore, some revenues and expenses that are reported in these statements for some items will only result in cash flows in future fiscal periods, such as unrealized gains or losses from investment activities, uncollected billings and earned but unused vacation.

The **Statements of Cash Flows** provide information about FMPA's Agency Fund and each project's cash receipts and disbursements during the fiscal year. These statements report cash receipts, cash payments and net changes in cash resulting from operating, investing and capital & related financing activities.

All of the activities of FMPA are of a business type, as compared to governmental activities. FMPA has no component units to report. The Financial Statements can be found on pages 12 through 14 of this report.

The **Fund Financial Statements** are comprised of a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. FMPA, like governments and other special agencies or districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of FMPA are reported on the proprietary basis.

FMPA maintains only one type of Proprietary Fund, the Enterprise Fund type. Enterprise Funds are used to report the same functions presented as business-type activities in the financial statements. FMPA uses enterprise funds to account for all of its power projects, as well as the Agency business operations. Each of the funds is considered a "major fund" according to specific accounting rules. A summary of FMPA's activities for years 2019 and 2018 is shown on pages 6 and 7. A more detailed version of the major fund proprietary financial statements can be found on pages 12 through 14 of this report.

The Notes to Financial Statements provide additional information that is essential to understanding the data provided in both the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 15 through 54 of this report.

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, when readers use the financial presentations to evaluate FMPA's financial position and results of operations, it is essential to remember the legal separation that exists among the projects. Nevertheless, broad patterns and trends may be observed at this level that should lead the reader to study carefully the financial statements of each fund and project. For example, total revenues increased $31.7 million primarily due to increased sales to participants and off system sales.

FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS

FMPA uses fund accounting, Federal Energy Regulatory Commission accounting and special utility industry terminology to ensure and demonstrate compliance with finance-related legal requirements. The projects and funds are presented below and in the financial statements in the order in which they were established.

The **Agency Fund** accounts for the administrative activities of FMPA. The expenses incurred while operating the projects and administrative activities are allocated to the power projects, net of any miscellaneous receipts. Total General and Administrative expenses increased $1.3 million from fiscal year 2018 to fiscal year 2019.

The **Pooled Loan Fund** was re-established during the current fiscal year and made one loan to a member during September 2019. As required by the Governmental Accounting Standards Board Statement 91 it is recognized as conduit debt and the corresponding receivable and payable are not included on the statement of Net Position.

The **St. Lucie Project** consists of an 8.806% undivided ownership interest in St. Lucie Unit 2. This unit is a nuclear power plant primarily owned and operated by Florida Power & Light (FPL). FPL requested and received a 20-year extension of the operating license from the Nuclear Regulatory Commission (NRC) for Units 1 and 2. The license will allow Unit 1 to operate until 2035 and Unit 2 to operate until 2043.

The Project billed 683,132 Megawatt-hours (MWh) in fiscal year 2019. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased 3% to $80.14 in fiscal year 2019, due to lower than expected generation output.

The **Stanton Project** derives its power from a 14.8193% ownership interest in Stanton Unit 1, a 441 Megawatt coal-fired power plant operated by its primary owner, Orlando Utilities Commission (OUC).

The Project billed 332,105 MWh in fiscal year 2019. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses increased 17.5% to $97.92 per MWh in fiscal year 2019 due to increased net operating revenues needed to build reserve funds.

The **All-Requirements Project** (ARP) consists of 13 active participants. The ARP energy resources are part of the Florida Municipal Power Pool (FMPP), a consortium of three municipal energy suppliers - ARP, Lakeland Electric and OUC - which have agreed to dispatch resources on an economic cost and availability basis in order to meet combined loads. The average all-inclusive billed rate to ARP member cities was $71.22 per MWh in fiscal year 2019, which is all-inclusive of Energy, Demand and Transmission expenses. The billed Megawatt hours for fiscal year 2019 were 5,893,412.

Billings to ARP participants in fiscal year 2019 were 3% higher, increasing from $406 million to $419 million primarily due to an increase in participant loads.

The All-Requirements participant net cost of power decreased to $71.37 per MWh in fiscal year 2019, a 2% decrease from fiscal year 2018. This decrease was primarily due to lower fuel and operation and maintenance expenses. The fuel supply mix was 82.2% for natural gas, 16.1% for coal, 1.3% nuclear and 0.4% for renewables.

FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS (CONTINUED)

After consideration of amounts to be refunded to or recovered from Project participants, the net position of the All-Requirements Project was zero (by design) again in fiscal year 2019. The All-Requirements project adjusts the Demand, Energy, and Transmission rates each month based on the current expenses, estimated future expenses, and over/under collections to meet its 60-day cash target. The over/under collection amounts are shown in the Statements of Revenues, Expenses and Changes in Fund Net Position as an addition or reduction to "Billings to Participants" and as "Due from Participants" or "Due to Participants" in the accompanying Statement of Net Position.

The **Tri-City Project** consists of a 5.3012% ownership interest in Stanton Unit 1. The Project billed 121,919 MWh in fiscal year 2019. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased 16% to $100.85 per MWh during fiscal year 2019 due to increased net operating revenues needed to build reserve funds

The **Stanton II Project** consists of a 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant operated by its primary owner; Orlando Utilities Commission (OUC). The Project billed 507,678 MWh in fiscal year 2019. The average all-inclusive billing rate, which includes budgeted Demand, Energy, and Transmission expenses, increased by 10% to $92.92 per MWh in fiscal year 2019. This was caused by a decrease in MWh Sales related to longer than normal outages.

BUDGETARY HIGHLIGHTS

The FMPA Board of Directors approves the non All-Requirements Project budgets, and the Executive Committee approves the Agency and All-Requirements Project budgets, establishing legal boundaries for expenditures. For fiscal year 2019, the Stanton, Tri-City and Stanton II budgets were amended at the end of the fiscal year to increase expenditures $2.0 million, $1.0 million, and $1.0 million, respectively. This was due to higher fuel expenses due to lower coal pricing contributing to higher utilization of those units.

CAPITAL ASSETS AND LONG-TERM DEBT

FMPA's investment in **Capital Assets,** as of September 30, 2019, was $790 million, net of accumulated depreciation and inclusive of work-in-process and development projects. This investment in capital assets includes operational and construction projects in progress of generation facilities, transmission systems, land, buildings, improvements, and machinery and equipment.

FMPA's investment in capital assets for fiscal year 2019 decreased by 4.7% or $39.7 million. This was caused primarily by depreciation of plant assets.

At September 30, 2019, FMPA had **Long-term debt** of $1.2 billion in notes, loans and bonds payable. The remaining principal payments on Long-term debt less current portion, net of unamortized premium and discount, and deferred outflows are as follows:

Project	Amount (000's US$)
Agency Fund	$ -
St. Lucie Project	130,798
Stanton Project	-
All-Requirements Project	971,772
Tri-City Project	-
Stanton II Project	115,541
Total	$ 1,218,111

See **Note VIII** to the Notes to Financial Statements for further information.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Multi-year operational and financial modeling was conducted to arrive at the fiscal year 2019 budget. Expenses were estimated using current market conditions for fuel and estimated member loads which take into consideration the member cities' economies that have shown varying impacts on loads in both demand and energy due to current economic conditions. Rates are set in order to cover all costs and based on the member loads. Additionally, All-Requirements rates are adjusted monthly to maintain cash at a 60 day target as approved by the Executive Committee.

SIGNIFICANT EVENTS

A. St. Lucie Debt Reduction

The Board of Directors approved a St. Lucie Project Debt Reduction Strategy on October 18, 2019 which was completed as follows:

November 21, 2018 –Forward Sales Agreement was terminated at a gain (payment to FMPA) of $3.1 million.

December 7, 2018 – St. Lucie Swaps were terminated at a cost of $6.8 million paid to Swap counterparties.

By December 31, 2018 - all the auction rate debt, consisting of the St. Lucie Project Series 2000 and 2002 debt, was retired with a principal value of $161.5 million using available funds in the St. Lucie Project.

B. Vero Beach Sale

All of the necessary nineteen FMPA member cities approved the required consents and waivers and associated documents for the sale of the Vero Beach electric utility system to be achieved, and to permit the ARP to assume the Vero Beach Power Entitlement Shares in the St. Lucie, Stanton, and Stanton II Projects. In March 2019, the FMPA Executive Committee and Board of Directors approved the transfer and assignment documents to effect the transfer and assignment of the Vero Beach Power Entitlement Shares, upon the closing of the Vero Beach transaction. The closing of the transaction occurred on December 17, 2018.

REQUEST FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the *Chief Financial Officer, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819.*

FLORIDA MUNICIPAL POWER AGENCY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Business-Type Activities							
ASSETS & DEFERRED OUTFLOWS	**Agency Fund**	**Pooled Loan Fund**	**St. Lucie Project**	**Stanton Project**	**All-Requirements Project**	**Tri-City Project**	**Stanton II Project**	**Totals**
Current Assets:								
Cash and cash equivalents	$ 5,875	$ 106	$ 11,908	$ 11,249	$ 40,304	$ 2,601	$ 3,680	$ 75,723
Investments	5,027		33,499	5,512	69,800	200	33,981	148,019
Participant accounts receivable	2,219		2,399	2,985	33,761	1,133	3,327	45,824
Fuel stock and material inventory				1,366	42,177	489	2,137	46,169
Other current assets	805		368	2	4,043		202	5,420
Restricted assets available for current liabilities			12,674	9,225	86,309	3,325	12,898	124,431
Total Current Assets	$ 13,926	$ 106	$ 60,848	$ 30,339	$ 276,394	$ 7,748	$ 56,225	$ 445,586
Non-Current Assets:								
Restricted Assets:								
Cash and cash equivlents	$ 47	$ 39	$ 14,857	$ 7,349	$ 36,173	$ 4,049	$ 5,895	$ 68,409
Investments	199		117,981	5,855	76,474	1,950	15,597	218,056
Accrued Interest			77	4	158		21	260
Less: Portion Classified as Current	$ -	$ -	(12,674)	(9,225)	(86,309)	(3,325)	(12,898)	(124,431)
Total Restricted Assets	$ 246	$ 39	$ 120,241	$ 3,983	$ 26,496	$ 2,674	$ 8,615	$ 162,294
Utility Plant:								
Electric plant	$ -	$ -	$ 300,257	$ 91,275	$ 1,283,994	$ 36,427	$ 203,972	$ 1,915,925
General plant	9,247		23,597	13	4,492	37	91	37,477
Less accumulated depreciation and amortization	(6,195)		(304,178)	(64,209)	(653,301)	(26,004)	(110,145)	(1,164,032)
Net utility plant	$ 3,052	$ -	$ 19,676	$ 27,079	$ 635,185	$ 10,460	$ 93,918	$ 789,370
Construction work in progress	40		878					918
Total Utility Plant, net	$ 3,092	$ -	$ 20,554	$ 27,079	$ 635,185	$ 10,460	$ 93,918	$ 790,288
Other Assets:								
Net costs recoverable/future particpant billings	$ -	$ 81	$ 28,298	$ -	$ 258,465	$ -	$ -	$ 286,844
Prepaid natural Gas - PGP					16,521			16,521
Due from (to) other funds	140	(140)						
Other	242				12			254
Total Other Assets	$ 382	$ (59)	$ 28,298	$ -	$ 274,998	$ -	$ -	$ 303,619
Total Assets	$ 17,646	$ 86	$ 229,941	$ 61,401	$ 1,213,073	$ 20,882	$ 158,758	$ 1,701,787
Deferred Outflows of Resources								
Deferred Outflows from Asset Retirement Obligations	$ -	$ -	$ -	$ 1,002	$ 1,116	$ 359	$ 1,572	$ 4,049
Deferred Outflows from Derivatives					6,375			6,375
Unamortized Loss on Advanced Refunding			5,922	-	45,427	-	9,691	61,040
Total Deferred Outflows	$ -	$ -	$ 5,922	$ 1,002	$ 52,918	$ 359	$ 11,263	$ 71,464
Total Assets & Deferred Outflows	$ 17,646	$ 86	$ 235,863	$ 62,403	$ 1,265,991	$ 21,241	$ 170,021	$ 1,773,251
LIABILITIES, DEFERRED INFLOWS AND NET POSITION								
Current Liabilities:								
Payable from unrestricted assets:								
Accounts payable & Accrued Liabilities	$ 2,046	$ 47	$ 70	$ 1,299	$ 32,150	$ 489	$ 974	$ 37,075
Due to Participants		39	4,777	1,319	25,524	429	2,199	34,287
Line of Credit Payable					5,000			5,000
Capital Lease and other Obligations					13,970			13,970
Total Current Liabilities Payable from Unrestricted Assets	$ 2,046	$ 86	$ 4,847	$ 2,618	$ 76,644	$ 918	$ 3,173	$ 90,332
Payable from Restricted Assets:								
Current portion of long-term revenue bonds	$ -	$ -	$ 9,515	$ 8,985	$ 66,355	$ 3,290	$ 10,747	$ 98,892
Accrued interest on long-term debt			3,159	240	18,154	35	2,151	23,739
Total Current Liabilities Payable from Restricted Assets	$ -	$ -	$ 12,674	$ 9,225	$ 84,509	$ 3,325	$ 12,898	$ 122,631
Total Current Liabilities	$ 2,046	$ 86	$ 17,521	$ 11,843	$ 161,153	$ 4,243	$ 16,071	$ 212,963
Long-Term Liabilities Payable from Restricted Assets:								
Held in Trust for Rate Stabilization	$ 239	$ -	$ -	$ -	$ -	$ -	$ -	$ 239
Accrued Decommissioning Liability			87,544					87,544
Total Liabilities Payable from Restricted Assets	$ 239	$ -	$ 87,544	$ -	$ -	$ -	$ -	$ 87,783
Long-Term Liabilities Less Current Portion:								
Long-term debt	$ -	$ -	$ 130,798	$ -	$ 971,772	$ -	$ 115,541	$ 1,218,111
Other Post-employment Benefits	5,668							5,668
Landfill Closure & Asset Retirement Obligations				1,123	1,255	402	1,782	4,562
Advances from Participants					18,688			18,688
Derivative Instruments					15,896			15,896
Total Long-Term Liabilities	$ 5,668	$ -	$ 130,798	$ 1,123	$ 1,007,611	$ 402	$ 117,323	$ 1,262,925
Deferred Inflows of Resources								
Net cost refundable/future participant billings	$ -	$ -	$ -	$ 49,437	$ -	$ 16,596	$ 36,627	$ 102,660
Acquisition Adjustment - Vero Beach Entitlements					97,227			97,227
Total Deferred Inflows of Resources	$ -	$ -	$ -	$ 49,437	$ 97,227	$ 16,596	$ 36,627	$ 199,887
Total Long-Term Liabilities & Deferred Inflows	$ 5,907	$ -	$ 218,342	$ 50,560	$ 1,104,838	$ 16,998	$ 153,950	$ 1,550,595
Total Liabilities and Deferred Inflows	$ 7,953	$ 86	$ 235,863	$ 62,403	$ 1,265,991	$ 21,241	$ 170,021	$ 1,763,558
Net Position:								
Net Investment in Capital Assets	$ 3,092	$ -	$ (113,837)	$ 18,094	$ (371,485)	$ 7,170	$ (22,679)	$ (479,645)
Restricted	7	39	$ 42,212	$ 12,968	$ 91,006	$ 5,963	$ 19,361	171,556
Unresticted	6,594	(39)	$ 71,625	$ (31,062)	$ 280,479	$ (13,133)	$ 3,318	317,782
Total Net Position	$ 9,693	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,693
Total Liabilities and Net Position	$ 17,646	$ 86	$ 235,863	$ 62,403	$ 1,265,991	$ 21,241	$ 170,021	$ 1,773,251

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT REVENUE, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Business-Type Activities							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Operating Revenue:								
Billings to participants	$ 14,760	$ -	$ 54,748	$ 32,521	$ 419,721	$ 12,296	$ 47,171	$ 581,217
Interchange Sales	-	-			17,853			17,853
Sales to others			2,892	360	16,555	129	565	20,501
Amortization of Vero Beach Acquisition Adj.					8,758			8,758
Amounts to be recovered from (refunded to) participants			(4,777)	(1,319)	889	(429)	(2,200)	(7,836)
Total Operating Revenue	$ 14,760	$	$ 52,863	$ 31,562	$ 463,776	$ 11,996	$ 45,536	$ 620,493
Operating Expenses:								
Operation and maintenance	$ -	$ -	$ 7,594	$ 5,134	$ 79,383	$ 1,836	$ 8,634	$ 102,581
Fuel expense	-	-		11,132	196,638	4,123	16,836	228,729
Nuclear fuel amortization	-	-	5,338					5,338
Purchased power	-	-	3,116		28,034			31,150
Transmission services	-	-	350	1,170	29,658	415	1,895	33,488
General and administrative	14,234	81	2,722	1,562	23,922	837	2,221	45,579
Depreciation and amortization	445	-	1,408	3,569	58,599	1,359	5,556	70,936
Decommissioning			5,335					5,335
Total Operating Expense	$ 14,679	$ 81	$ 25,863	$ 22,567	$ 416,234	$ 8,570	$ 35,142	$ 523,136
Total Operating Income	$ 81	$ (81)	$ 27,000	$ 8,995	$ 47,542	$ 3,426	$ 10,394	$ 97,357
Non-Operating Income (Expense):								
Interest expense	$ (5)	$ -	$ (11,675)	$ (472)	$ (35,043)	$ (69)	$ (3,295)	$ (50,559)
Debt costs					(152)			(152)
Investment earnings (losses)	343		10,676	549	6,681	138	2,637	21,024
Loss on ineffective swaps			(921)					(921)
Amortization of swap terminations					(31)			(31)
Amortization of Loss on Advanced Termination			(6,082)	(37)	(6,485)	(76)	(2,260)	(14,940)
Write down of PGP to Net Future Cash Flow					(41,733)			(41,733)
Total Non-Operating Income (Expenses)	$ 338	$	$ (8,002)	$ 40	$ (76,763)	$ (7)	$ (2,918)	$ (87,312)
Change in net assets before regulatory asset adjustment	$ 419	$ (81)	$ 18,998	$ 9,035	$ (29,221)	$ 3,419	$ 7,476	$ 10,045
Net cost recoverable/future participant billings	$	$ 81	$ (18,998)	$ (9,035)	$ 29,221	$ (3,419)	$ (7,476)	$ (9,626)
Change in Net Position After Regulatory Adj	$ 419	$	$	$	$	$	$	$ 419
Net Postion at beginning of year	9,274							9,274
Net Position at end of year	$ 9,693	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,693

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
Statement of Cash Flows
Proprietary Funds
September 30,2019

	Business-Type Activities- Proprietary Funds							
	Agency Fund	Pooled Loan	St. Lucie Project	Stanton Project	All Requirements Project	Tri-City Project	Stanton II Project	Totals
Cash Flows From Operating Activities:								
Cash Received From Customers	$ 13,192	$ 39	$ 58,001	$ 32,534	$ 452,149	$ 12,570	$ 47,271	$ 615,756
Cash Paid to Suppliers	(6,178)	(34)	(14,476)	(18,321)	(346,984)	(6,977)	(28,664)	(421,634)
Cash Paid to Employees	(7,407)							(7,407)
Net Cash Provided by (Used in) Operating Activities	$ (393)	$ 5	$ 43,525	$ 14,213	$ 105,165	$ 5,593	$ 18,607	$ 186,715
Cash Flows From Investing Activities:								
Proceeds From Sales and Maturities Of Investments	$ 9,469	$ -	$ 1,229,928	$ 75,051	$ 615,113	$ 16,879	$ 52,327	$ 1,998,767
RSA Deposits and Interest Earnings	(251)							(251)
Purchases of Investments	(4,187)		(1,088,318)	(64,577)	(590,062)	(14,699)	(45,241)	(1,807,084)
Income received on Investments	267		16,563	461	4,404	140	1,296	23,131
Net Cash Provided by (Used in) Investment Activities	$ 5,298	$ -	$ 158,173	$ 10,935	$ 29,455	$ 2,320	$ 8,382	$ 214,563
Cash Flows From Capital & Related Financing Activities:								
Proceeds from Issuance of Bonds & Loans	$ -	$ -	$ -	$ -	$ 10,733	$ -	$ -	$ 10,733
Debt Issuance Costs					(151)			(151)
Vero Beach Withdrawl Payment					105,355			105,355
Capital Expenditures - Utility Plant	(303)		(7,831)	(1,851)	(18,926)	(662)	(7,212)	(36,785)
Long Term Gas Pre Pay - PGP					(1,311)			(1,311)
Principal Payments - Long Term Debt	(220)		(169,275)	(8,339)	(132,827)	(3,215)	(10,513)	(324,389)
Line of Credit Advances								
Line of Credit Payments								
Transferred (To) From Other Funds	(140)	140						
Interest paid on Debt	(7)		(10,635)	(1,699)	(54,287)	(465)	(6,065)	(73,158)
Swap Termination Payments			(4,617)					(4,617)
Deferred Charges - Solar Project	(107)							(107)
Net Cash Provided (Used in) Capital & Related Financing Activities	$ (777)	$ 140	$ (192,358)	$ (11,889)	$ (91,414)	$ (4,342)	$ (23,790)	$ (324,430)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 4,128	$ 145	$ 9,340	$ 13,259	$ 43,206	$ 3,571	$ 3,199	$ 76,848
Cash and Cash Equivalents - Beginning	1,794		17,425	5,339	33,271	3,079	6,376	67,284
Cash and Cash Equivalents - Ending	$ 5,922	$ 145	$ 26,765	$ 18,598	$ 76,477	$ 6,650	$ 9,575	$ 144,132
Consisting of:								
Unrestricted	$ 5,875	$ 106	$ 11,908	$ 11,249	$ 40,304	$ 2,601	$ 3,680	$ 75,723
Restricted	47	39	14,857	7,349	36,173	4,049	5,895	68,409
Total	$ 5,922	$ 145	$ 26,765	$ 18,598	$ 76,477	$ 6,650	$ 9,575	$ 144,132
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	$ 81	$ (81)	$ 27,000	$ 8,995	$ 47,542	$ 3,426	$ 10,394	$ 97,357
Adjustment to Reconcile Net Operating Income to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	445		1,408	3,569	58,599	1,359	5,556	70,936
Asset Retirement Costs								
Decommissioning			5,335					5,335
Amortization of Nuclear Fuel			5,338					5,338
Amortization of Pre Paid Gas - PGP					7,090			7,090
Amortization of Vero Exit Payment					(8,758)			(8,758)
Changes in Assests and Liabilities Which Provided (Used) Cash:								
Inventory				(790)	(580)	(282)	(1,238)	(2,890)
Receivables From (Payable to) Participants	(1,568)	39	5,137	972	(2,867)	573	1,735	4,021
Accounts Payable and Accrued Expense	740	47	(970)	1,313	1,822	469	2,002	5,423
Other Deferred Costs			2		149			151
Net Cash Provided By (Used In) Operating Activities	$ (393)	$ 5	$ 43,525	$ 14,213	$ 105,165	$ 5,593	$ 18,607	$ 186,715
Noncash Investing, capital and financing activities:								
Increase (Decrease) in mark to market values								
Non-Trust Investments	$ 76	$ -	$ (5,610)	$ 116	$ 2,471	$ 14	$ 1,357	$ (1,576)
Interest Rate Derivative Contracts			976					976
Change in Effective Swaps			5,875		(808)			5,067

The accompanying notes are an integral part of these financial statements

I. Summary of Significant Accounting Policies

A. Reporting Entity

Florida Municipal Power Agency (FMPA or Agency) was created on February 24, 1978, pursuant to the terms of an Interlocal Agreement signed by the governing bodies of 25 Florida municipal corporations or utility commissions chartered by the State of Florida.

The Florida Interlocal Cooperation Act of 1969 authorizes local government units to enter together into mutually advantageous agreements which create separate legal entities for certain specified purposes. FMPA, as one such entity, was authorized under the Florida Interlocal Cooperation Act and the Joint Power Act to finance, acquire, construct, manage, operate or own electric power projects or to accomplish these same purposes jointly with other public or private utilities. An amendment to the Florida Interlocal Cooperation Act in 1985 and an amendment to the Interlocal Agreement in 1986 authorized FMPA to implement a pooled financing or borrowing program for electric, water, wastewater, waste refuse disposal, gas or other utility projects for FMPA and its members. FMPA established itself as a project-oriented agency.

This structure allows each member the option of whether to participate in a project, to participate in more than one project, or not to participate in any project. Each of the projects are financially independent from the others and the project bond resolutions specify that no revenues or funds from one project can be used to pay the costs of any other project, except that, as of the sale of the Vero Beach electric system to FPL, the ARP has taken a transfer and assignment of Vero Beach's interests , as a project participant, in the Stanton, Stanton II and St. Lucie Projects. As of September 30, 2019, FMPA has 31 members.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Agency Fund and each of the projects are maintained using the Governmental Accounting Standards Board (GASB), the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC) and Generally Accepted Accounting Principles of the United States (GAAP) using the economic resources measurement focus and the accrual basis of accounting. Application of the accounting methods for regulatory operations is also included in these financial statements. This accounting guidance relates to the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process, which is governed by the Executive Committee and the Board of Directors.

The Agency's General Bond Resolution requires that its rate structure be designed to produce revenues sufficient to pay operating, debt service and other specified costs. The Agency's Board of Directors, which is comprised of one representative from each member city, and Executive Committee, which is comprised of one representative from each of the active All-Requirements Project members, are responsible for reviewing and approving the rate structure. The application of a given rate structure to a given period's electricity sales may produce revenues not intended to pay that period's costs and conversely, that period's costs may not be intended to be recovered in that period's revenues. The affected revenues and/or costs are, in such cases, deferred for future recognition. The recognition of deferred items is correlated with specific future events, primarily payment of debt principal.

FMPA considers electric revenues and costs that are directly related to generation, purchases, transmission and distribution of electricity to be operating revenues and expenses. Revenues are recorded when they are earned and expenses are recorded when a liability is incurred, following GAAP.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

1. Fund Accounting

FMPA maintains its accounts on a fund/project basis, in compliance with appropriate bond resolutions, and operates its various projects in a manner similar to private business. Operations of each project are accounted for as a proprietary fund and as such, inter-project transactions, revenues and expenses are not eliminated.

The Agency operates the following major funds:

- The Agency Fund, which accounts for general operations beneficial to all members and projects.
- The Pooled Loan Fund, was re-established during the current fiscal year and will loan funds to member utilities or FMPA projects.
- The St. Lucie Project, which accounts for ownership interest in the St. Lucie Unit 2 nuclear generating facility.
- The Stanton Project and the Tri-City Project, which account for respective ownership interests in the Stanton Energy Center (SEC) Unit 1, a coal-fired generation facility,
- The All-Requirements Project, which accounts for ownership interests in Stanton Energy Center Unit 1, Stanton Energy Center Unit 2, Stanton Unit A, and Indian River Combustion Turbine Units A, B, C and D. Also included in the All-Requirements Project is the purchase of power for resale to the participants and 100% ownership or ownership cost responsibility (for jointly owned and participant-owned units) of Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, FMPA's Key West Combustion Turbine Units 1, 2, 3 and 4 and Key West Stock Island MS Units 1 & 2. The project also assumed the participant interest of Vero Beach in the St. Lucie, Stanton, and Stanton II Projects.
- The Stanton II Project, which accounts for an ownership interest in SEC Unit 2.

Certain accounts within these funds are grouped and classified in the manner established by respective bond resolutions and/or debt instruments.

All funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary or business fund's principal on-going operations. The principal operating revenues of FMPA's proprietary or business funds are charges to participants for sales and services. Operating expenses for proprietary or business funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is FMPA's policy to use restricted funds for their intended purposes only, based on the bond resolutions. Unrestricted resources are used as they are needed in a hierarchical manner from the General Reserve accounts to the Operations and Maintenance accounts.

Certain direct and indirect expenses allocable to FMPA's fully owned and undivided ownership in the St. Lucie Project, the Stanton Project, the All-Requirements Project, the Tri-City Project and the Stanton II Project are capitalized as part of the cost of acquiring or constructing the respective utility plant. Direct and indirect expenses not associated with these projects are capitalized as part of the cost of Development Projects in Progress in the Agency Fund. Electric Plant in Service is depreciated using the straight-line method over the assets' respective estimated useful lives. Estimated useful lives for electric plant assets range from 23 years to 42 years.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Capital Assets

FMPA has adopted the policy of capitalizing net interest costs during the period of project construction (interest expense less interest earned on the investment of bond proceeds). Capitalized net interest cost on borrowed funds include amortization of bond discount and bond premium, interest expense and interest income. The cost of major replacements of assets in excess of $5,000 is capitalized to the utility plant accounts. The cost of maintenance, repairs and replacements of minor items are expensed as incurred.

3. Inventory

Coal, oil, and natural gas inventory is stated at weighted average cost. Parts inventory for the generating plants is also stated at weighted average cost. Nuclear fuel is carried at cost and is amortized on the units of production basis.

4. Cash & Cash Equivalents

FMPA considers the following highly liquid investments (including restricted assets) to be cash equivalents for the statement of cash flows:

- Demand deposits (not including certificates of deposits)
- Money market funds

5. Investments

Florida Statutes authorize FMPA to invest in the FL Local Government Surplus Funds Trust Fund, obligations of the U.S. Instrumentalities, Money Market Funds, U.S. Government and Agency Securities, Certificates of Deposit, commercial paper and repurchase agreements fully collateralized by all the items listed above. In addition to the above, FMPA's policy also authorizes the investment in certain corporate and municipal bonds, bankers' acceptances, prime commercial paper and repurchase agreements, guaranteed investment contracts and other investments with a rating confirmation issued by a rating agency.

Investments are stated at fair value based on quoted market prices and using third party pricing models for thinly traded investments that don't have readily available market values. Investment income includes changes in the fair value of these investments. Interest on investments is accrued at the Statement of Net Position date. All of FMPA's project and fund investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

6. Debt-Related Costs

Debt issuance costs are expensed as incurred. Gains and losses on the refunding of bonds are deferred and amortized over the life of the refunding bonds or the life of the refunded bonds, whichever is shorter, using the bonds outstanding method. This method is used for the St. Lucie Project, the Stanton Project, the All-Requirements Project, the Tri-City Project and the Stanton II Project.

7. Compensated Absences

Liabilities related to Compensated Absences are recognized as incurred in accordance with GASB Statement No. 16 and are included in accrued expenses. Regular, full-time employees in good standing, upon resignation or retirement, are eligible for vacation pay, and sick/personal pay. At September 30, 2019, the liability for unused vacation was $681,352 and $593,881 for unused sick/personal leave is accounted for in the Agency Fund.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

8. Allocation of Agency Fund Expenses
General and administrative operating expenses of the Agency Fund are allocated based on direct labor hours of specific positions and certain other minimum allocations to each of the projects. Any remaining expenses are allocated to the All-Requirements Project.

9. Billing to Participants
Participant billings are designed to systematically provide revenue sufficient to recover costs. Rates and budgets can be amended by the Board of Directors or the Executive Committee at any time.

For the All-Requirements Project, energy rate adjustments are driven by the Project's Operation and Maintenance (O & M) Fund month-end cash balance and the cash balance needed to meet the targeted balance of 60 days of cash within the O & M Fund. If it is determined that the O & M Fund balance is over the 60 days O & M Fund cash balance target amount, the energy rate adjustment will result in a lower billing rate relative to projected expenses and thereby reduce the future O & M Fund balance. Likewise, if the O & M Fund balance is below the 60 day cash target, the energy rate adjustment will result in a higher billing rate relative to projected expenses and thereby increase the future O & M Fund balance.

Amounts due from participants are deemed to be entirely collectible and as such, no allowance for uncollectible accounts has been recorded.

For the St. Lucie Project, the Stanton Project, the Tri-City Project and the Stanton II Project, variances in current fiscal year billings and actual project costs are computed and compared to the current year budget target under or over recovery and under the terms of the project contract, net excesses or deficiencies are credited or charged to future participant billings or may be paid from the General Reserve Fund, as approved by the Board of Directors, or Executive Committee as appropriate.

10. Income Taxes
FMPA is a local governmental entity and therefore is exempt from federal and state income taxes.

11. Use of Estimates
The management of FMPA has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Examples of major areas where estimates are used include the estimate for useful lives of property, plant and equipment and the estimate for the nuclear decommissioning liability. Other examples include using third party pricing models for pricing of thinly traded investments, amortization of Public Gas Partner gas based on estimated total reserves and use of estimates when computing the OPEB liability. Actual results could differ from those estimates.

12. Derivative Financial Investments
FMPA uses commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas purchases, as well as interest rate swap contracts to hedge the fluctuations in the interest rate of variable-rate debt. The Interest Rate Swap contracts require the Agency to pay a fixed interest rate and receive a variable interest rate, based upon the London Interbank Offered Rate (LIBOR), or the Consumer Price Index (CPI). GASB Statement No. 53 was adopted by FMPA beginning with the fiscal year ending September 30, 2010. All derivative financial instruments have been evaluated for effectiveness using criteria established in GASB Statement No. 53. Related gains or losses on the derivative

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

12. Derivative Financial Investments (continued)

instruments determined to be ineffective are recorded as either a reduction of, or an addition to, Net costs refundable/participant billings or interest expense. With the All-Requirements refinancing of the 2008C and 2013A bonds in November of 2019, all swaps will be terminated.

13. Deferred Inflows and Deferred Outflows

GASB Statement No. 65 was adopted by FMPA beginning with the fiscal year ending September 30, 2013. The impacts on accounting and reporting for FMPA are as follows:

All debt issuance costs previously recorded as an asset are now expensed as incurred and included as a Regulatory asset (Net costs recoverable from future participant billings) in the Other Assets section of the Statement of Net Position.

Unbilled Asset Retirement Obligation costs are included in Deferred Outflows or resources and will be collected from participants as determined by the Board and Executive Committee during the budget process.

Any Gain/Loss on Debt Refunding was previously accounted for in the Long-Term Liabilities section of the Statement of Net Position as an addition or offset to Long-term debt and amortized to expense over the term of the debt. These are now accounted for as Deferred Outflows of Resources in the Statement of Net Position and amortized to expense over the term of the new debt.

Proceeds from Vero Beach for assumption of their Project obligations are included in deferred inflows of resources. The deferred inflow is being amortized to income to offset the additional annual costs to the All-Requirements Project for assumption of this obligation.

Long-term Regulatory Liabilities (Due to Participants) previously accounted for in the Long-Term Liabilities section of the Statement of Net Position are now accounted for as a Deferred Inflows of Resources in the Statement of Net Position and recognized as a rate benefit over future periods.

14. Financial Reporting for Pension Plans

The Governmental Accounting Standards Board Statement No. 67 was adopted by FMPA beginning with the fiscal year ending September 30, 2014. FMPA has a Defined Contribution Pension Plan and therefore the impacts were minimal compared to entities that have a Defined Benefit Pension Plan. The impacts on accounting and reporting for FMPA were additional disclosures in footnote XII.A.

15. Financial Reporting for Postemployment Benefits Other Than Pensions

The Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) was adopted by FMPA beginning with the fiscal year ending September 30, 2018, for reporting the employer's OPEB Plan Liability. Previously, the OPEB Plan Liability was reported pursuant to Governmental Accounting Standards Board Statement No. 45. The impacts on accounting and reporting for FMPA and additional disclosures are provided in footnote XII.B and in the Required Supplementary Information section.

16. Landfill Closure and Post Closure Maintenance Cost

In accordance with Governmental Accounting Standards Board Statement No. 18, Accounting for Landfill Closure and Post Closure Maintenance Cost was implemented beginning with the fiscal year ending September 30, 2018, for reporting the Stanton, Stanton II, Tri-City and All Requirements Projects liability for the fly ash landfill at the Stanton Energy Center.

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

17. Fair Value Measurement and Application

During the year ending September 30, 2016, FMPA implemented GASB Statement No. 72 Fair Value Measurement and Application. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. This statement clarifies the definition of fair value as an exit price. Fair value measurements assume a transaction takes place in a government's principal market, or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 inputs**-are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
- **Level 2 inputs**-are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Agency Obligation securities are recorded at fair value based upon Bloomberg pricing models using observable inputs and as such are presented as level 2 in the GASB 72 hierarchy in footnote IV.
- **Level 3 inputs**-are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

II. Nuclear Decommissioning Liability

St. Lucie Project

The U.S. Nuclear Regulatory Commission (NRC) requires that each licensee of a commercial nuclear power reactor furnish to the NRC a certification of its financial capability to meet the costs of nuclear decommissioning at the end of the useful life of the licensee's facility. As a co-licensee of St. Lucie Unit 2, FMPA's St. Lucie Project is subject to these requirements and therefore has complied with the NRC regulations.

To comply with the NRC's financial capability regulations, FMPA established an external trust fund (Decommissioning Trust) pursuant to a trust agreement. Funds deposited, together with investment earnings in the Trust, are anticipated to result in sufficient funds in the Decommissioning Trust at the expiration of the license extension to meet the Project's share of the decommissioning costs. This is reflected in the St. Lucie Project's Statement of Net Position as Restricted Cash and Investments ($87.5 million) and Accrued Decommissioning Liability ($87.5 million) at September 30, 2019. These amounts are to be used for the sole purpose of paying the St. Lucie nuclear decommissioning costs. Based on a site-specific study approved by the Florida Public Service Commission in 2015, Unit 2's future net decommissioning costs are estimated to be $2.2 billion or $745 million in 2015 dollars, and FMPA's share of the future net decommissioning costs is estimated to be $197 million or $65 million in 2015 dollars. A new study will be completed and made available in 2020. The Decommissioning Trust is irrevocable and funds may be withdrawn from the Trust solely for the purpose of paying the St. Lucie Project's share of costs for nuclear decommissioning. Also, under NRC regulations, the Trust is required to be segregated from other FMPA assets and outside FMPA's administrative control. FMPA has complied with these regulations.

III. Landfill Closure and Post Closure Maintenance Liability and Asset Retirement Obligations

In accordance with Governmental Accounting Standard No. 18, the ownership share of the landfill closure and post closure maintenance costs the Stanton Energy Center Units 1 & 2, the proportionate closure and post closure maintenance costs of $513 thousand as of September 30, 2019, was recognized across FMPA's All Requirements, Stanton, Stanton II and Tri-City Projects. FMPA expects to recognize the remaining share of its estimated closure and post-closure costs of $438 thousand over the remaining useful life of the landfill. As of September 30, 2018 and 2019, 41.5% and 53.9%, respective of the total landfill capacity has been used. Three years remain on the landfill life.

In accordance with Governmental Accounting Standard No. 83, Asset Retirement Obligation have been calculated for each of the generating sites owned by FMPA. Significant assumptions used in the calculation of the Obligations are as follows:

There are no pollution events that need to be addressed. If a pollution event occurs it will be cleaned up as soon as practible and the expense will be recognized at the time of the event.

Scrap and salvage values for the natural gas plants exceed the cost to retire the units therefore, no obligation is accrued for these assets.

Coal plant retirement obligations are based on an EPRI study, removing costs for asbestos abatement. All ash disposal is included in the Landfill Closure Cost estimate.

The impact for each of FMPA Projects as of September 30, 2019 is:

(000's US$)	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	Total
Landfill Closure Costs								
Total Exposure	$ -	$ -	$ -	$ 235	$ 261	$ 84	$ 371	$ 951
Remaining Liability				(114)	(122)	(41)	(161)	(438)
Total Liability at September 30	$ -	$ -	$ -	$ 121	$ 139	$ 43	$ 210	$ 513
Closure Liability	$ -	$ -	$ -	$ 44	$ 51	$ 16	$ 77	$ 188
Post-Closure Liability				77	88	27	133	325
Asset Retirement Obligation				1,002	1,116	359	1,572	4,049
Total Landfill Closure and Asset Retirement Obligation	$ -	$ -	$ -	$ 1,123	$ 1,255	$ 402	$ 1,782	$ 4,562

IV. Capital Assets

A description and summary as of September 30, 2019, of Capital Assets by fund and project, is as follows:

The column labeled "Increases" reflects new capital undertakings and depreciation expense. The column labeled "Decreases" reflects retirements of those assets.

A. Agency Fund

The Agency Fund contains the general plant assets of the Agency that are not associated with specific projects. Depreciation of general plant assets is computed by using the straight-line method over the expected useful life of the asset. Expected lives of the different types of general plant assets are as follows:

IV. Capital Assets (continued)

A. Agency Fund (Continued)

- Structures & Improvements 25 years
- Furniture & Fixtures 8 years
- Office Equipment 5 years
- Automobiles and Computers 3 years

New capital undertakings are accounted for in the Development Projects in Progress account and included in the Other Assets section of the Statement of Net Position. Depending on whether these undertakings become a project, costs are either capitalized or expensed. The activity for the Agency's general plant assets for the year ended September 30, 2019 was as follows:

	September 30, 2019							
		Beginning Balance		Increases*		Decreases*		Ending Balance
				(000's US$)				
Land	$	653	$	-	$	-	$	653
General Plant		8,331		269		(6)		8,594
Construction work in process		-		40		-		40
General Plant in Service	$	8,984	$	309	$	(6)	$	9,287
Less Accumulated Depreciation		(5,750)		(445)		-		(6,195)
General Plant in Service, Net	$	3,234	$	(136)	$	(6)	$	3,092

* Includes Retirements Less Salvage

B. St. Lucie Project

The St. Lucie Project consists of an 8.806% undivided ownership interest in St. Lucie Unit 2, a nuclear power plant primarily owned and operated by Florida Power & Light (FPL).

Depreciation was originally computed using the straight-line method over the expected useful life of the asset, which was originally computed to be 34.6 years. In FYE 2018, management extended the useful life to 41.6 years based on the extended operating license for St. Lucie Unit 2. Nuclear fuel is amortized on a units of production basis. St. Lucie plant asset activity for the year ended September 30, 2019, was as follows:

	September 30, 2019							
		Beginning Balance		Increases		Decreases*		Ending Balance
				(000's US$)				
Land	$	75	$	-	$	-	$	75
Electric Plant		294,870		5,623		(311)		300,182
General Plant		1,209		-		-		1,209
Nuclear Fuel		20,055		2,333		-		22,388
Construction work in process		1,003		(125)		-		878
Electric Utility Plant in Service	$	317,212	$	7,831	$	(311)	$	324,732
Less Accumulated Depreciation		(297,743)		(6,746)		311		(304,178)
Utility Plant in Service, Net	$	19,469	$	1,085	$	-	$	20,554

* Includes Retirements Less Salvage

Construction work in process is recorded on an estimate basis and reversed 3 months later when actual amounts are determined.

IV. Capital Assets (continued)

C. Stanton Project

The Stanton Project consists of an undivided 14.8193% ownership in Stanton Energy Center Unit 1, a coal-fired power plant. Asset retirements and additions for the plant are decided by Orlando Utilities Commission (OUC), the primary owner and operator of the plant.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different plant assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

Stanton Unit 1 plant asset activity for the year ended September 30, 2019, was as follows:

	September 30, 2019			
	Beginning Balance	*Increases*	*Decreases**	*Ending Balance*
	(000's US$)			
Land	$ 125	$ -	$ -	$ 125
Electric Plant	89,300	1,850	-	91,150
General Plant	12	1	-	13
Electric Utility Plant in Service	$ 89,437	$ 1,851	$ -	$ 91,288
Less Accumulated Depreciation	(60,640)	(3,569)	-	(64,209)
Utility Plant in Service, Net	$ 28,797	$ (1,718)	$ -	$ 27,079

* Includes Retirements Less Salvage

D. All-Requirements Project

The All-Requirements Project's current utility plant assets include varying ownership interests in Stanton Energy Center Units 1 and 2; Indian River Combustion Turbines A, B, C and D; and Stanton A.The All-Requirements Project's current utility plant assets also consist of 100% ownership in the Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, Key West Units 1, 2, 3 and 4, and Stock Island MS Units 1 & 2, with the exception of the Key West and KUA – TARP Capital Lease Obligation. See footnote IX.A.4 for more detail on the Key West and KUA – TARP Capital Lease Obligations.

Retirements and additions for the All-Requirements Project assets are decided by the All-Requirements members.

Depreciation of plant assets and amortization of capital leases is computed using the straight-line method over the expected useful life of the asset. Expected lives of the different plant assets are as follows:

- Stanton Energy Center Units 1 and 2 40 years
- Stanton Energy Center Unit A 35 years
- Treasure Coast Energy Center 23 years
- Cane Island Unit 1 25 years
- Cane Island Units 2, 3 30 years
- Cane Island Unit 4 23 years
- Key West Units 1, 2 and 3 25 years
- Key West Stock Island Units 1 and 2 25 years
- Key West Stock Island Unit 4 23 years
- Indian River Units A, B, C and D 23 years *
- Computer Equipment 9 years

** Indian River Units A, B, C and D, reached the end of their useful lives. Management has extended the useful life by 5 years for new capital additions.*

IV. Capital Assets (continued)

D. All-Requirements Project (continued)

All-Requirements plant asset activity for the year ended September 30, 2019, was as follows:

	September 30, 2019							
		Beginning Balance		*Increases*		*Decreases**		*Ending Balance*
				(000's US$)				
Land	$	13,405	$	-	$	-	$	13,405
Electric Plant		1,252,109		18,480		-		1,270,589
General Plant		4,046		446		-		4,492
CWIP		-		-		-		-
Electric Utility Plant in Service	$	1,269,560	$	18,926	$	-	$	1,288,486
Less Accumulated Depreciation		(594,702)		(58,599)		-		(653,301)
Utility Plant in Service, Net	$	674,858	$	(39,673)	$	-	$	635,185

* Includes Retirements Less Salvage

E. Tri-City Project

The Tri-City Project consists of an undivided 5.3012% ownership interest in Stanton Unit 1, a coal-fired power plant. Retirements and additions for Stanton Unit 1 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

Tri-City Project plant asset activity for the year ended September 30, 2019, was as follows:

	September 30, 2019							
		Beginning Balance		*Increases*		*Decreases**		*Ending Balance*
				(000's US$)				
Land	$	48	$	-	$	-	$	48
Electric Plant		35,718		662		-		36,380
General Plant		36		-		-		36
Electric Utility Plant in Service	$	35,802	$	662	$	-	$	36,464
Less Accumulated Depreciation		(24,645)		(1,359)				(26,004)
Utility Plant in Service, Net	$	11,157	$	(697)	$	-	$	10,460

* Includes Retirements Less Salvage

F. Stanton II Project

The Stanton II Project consists of an undivided 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant. Retirements and additions for Stanton Unit 2 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

IV. Capital Assets (continued)

F. Stanton II Project (continued)

Stanton Unit 2 plant asset activity for the year ended September 30, 2019, was as follows:

	September 30, 2019			
	Beginning Balance	*Increases*	*Decreases**	*Ending Balance*
	(000's US$)			
Land	$ 217	$ -	$ -	$ 217
Electric Plant	196,543	7,212	-	203,755
General Plant	91	-	-	91
Electric Utility Plant in Service	$ 196,851	$ 7,212	$ -	$ 204,063
Less Accumulated Depreciation	(104,589)	(5,556)		(110,145)
Utility Plant in Service, Net	$ 92,262	$ 1,656	$ -	$ 93,918

* Includes Retirements Less Salvage

V. Cash, Cash Equivalents and Investments

A. Cash and Cash Equivalents

At September 30, 2019, FMPA's Cash and Cash Equivalents consisted of demand deposit accounts and money market accounts which are authorized under FMPA bond resolutions. Cash and cash equivalents are held at two financial institutions. All of FMPA's demand deposits at September 30, 2019, were insured by Federal Depository Insurance Corporation (FDIC) or collateralized pursuant to the Public Depository Security Act of the State of Florida. Current unrestricted cash and cash equivalents are used in FMPA's funds' and projects' day-to-day operations.

B. Investments

FMPA adheres to a Board and Executive Committee-adopted investment policy based on the requirements of the bond resolutions. The policy requires diversification based upon investment type, issuing institutions, and duration. All of the fund and project accounts have specified requirements with respect to investments selected and the length of allowable investment.

Investments at September 30, 2019, were insured or registered and held by its agent in FMPA's name. Changes in the fair value of investments are reported in current period revenues and expenses. All of FMPA's fund and project investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

Foreign Currency Risk
FMPA's investments are not exposed to foreign currency risk.

Interest-Rate Risk
FMPA's investment policy requires that funds generally be invested to match anticipated cash flow. All fund and project accounts have a specified maximum maturity for investments and, the majority of FMPA's funds are required to be invested for less than five years. All project funds and accounts are monitored using weighted average maturity analysis as well as maturity date restrictions.

Concentration of Credit Risk
Each project is separate from the others, and as such, each project is evaluated individually to determine the credit and interest rate risk. FMPA's investment policy prohibits investments in commercial paper that exceed 50% of any of the projects' or the Agency's assets. All commercial paper must be rated in the highest rating category by a nationally recognized bond rating agency at the time of purchase. These investments must not exceed 50% for any of FMPA's projects. As of September 30, 2019, fixed income commercial paper investments, held by FMPA from any one issuer (investments issued or explicitly guaranteed by the US Government, investments in mutual funds, external investment pools and other pooled investments are excluded) are limited to 10% of the projects' investment assets. No project exceeded that limit.

V. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

FMPA maintains all assets other than demand deposit accounts within a trust department of a bank. Under Florida Statutes, Chapter 280, public deposits in a bank or savings association by a trust department company are fully secured under trust business laws. All cash and investments, other than demand deposit accounts, are held in the name of a custodian or a trustee for the Agency and its projects.

1. Agency Fund

Cash, cash equivalents and investments on deposit for the Agency at September 30, 2019, are as follows:

	September 30, 2019		Weighted Average Maturity (Days)	Credit Rating
Restricted		*(000's US$)*		
Cash and Cash Equivalents	$	47		
US Gov't/Agency Securities		199	224	Aaa/AA+/AAA *
Commercial Paper		-		
Total Restricted	$	246		
Unrestricted				
Cash and Cash Equivalents	$	5,875		
US Gov't/Agency Securities		5,028	447	Aaa/AA+/AAA *
Corporate Notes		501	1	
Total Unrestricted	$	11,404		
Total	$	11,650		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of A3/A-/A.
** Moody's/S&P/Fitch

Investments and Derivative Instruments measured at Fair Value for the Agency at September 30, 2019, are as follows:

Investment Assets by Fair Value Level		Quoted Prices in Active Markets (Level 1) *(000's US$)*		Significant Other Observable Inputs (Level 2) *(000's US$)*		Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$	-	$	4,563	$	-
US Treasury Obligations		199				
Corporate Notes				503		
Total By Level	$	199	$	5,066	$	-
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure						
Cash Equivalents	$	5,759				
Morgan Stanley Institutional		163				
Total Money Market and Mutual Fund Instruments	$	5,922				
Total Market Value of Assets	$	11,187				
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(39)				
Market value (less) Accrued Interest	$	11,148				

V. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

2. Pooled Loan Fund Fund

Cash, cash equivalents and investments on deposit for Pooled Loans at September 30, 2019, are as follows:

	September 30, (000's US$)	Weighted Average Maturity (Days)	Credit Rating
Restricted	*(000's US$)*		
Cash and Cash Equivalents	$ 39		
Total Restricted	$ 39		
Unrestricted			
Cash and Cash Equivalents	$ 106		
Total Unrestricted	$ 106		
Total	$ 145		

Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure	
Cash Equivalents	$ 145
Total Money Market and Mutual Fund Instruments	$ 145
Total Market Value of Assets	$ 145
Accrued Interest(including portion within other current assets of Unrestricted Assets)	
Market value (less) Accrued Interest	$ 145

V. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

3. St. Lucie Project

In addition to normal operational cash needs for the project, investments are being accumulated in order to pay-off the balloon maturity of the Project's debt in 2026. The primary investments being used for this are zero coupon municipal bonds. Cash, cash equivalents and investments for the St. Lucie Project at September 30, 2019, are as follows:

		September 30, 2019	Weighted Average Maturity (Days)	Credit Rating
Restricted		*(000's US$)*		
Cash and Cash Equivalents	$	14,857		
US Gov't/Agency Securities		20,488	524	Aaa/AA+/AAA **
Municipal Bonds		3,143	575	*
Commercial Paper		94,100	3	P1/A1 **
Corporate Notes		250	15	
Total Restricted	$	132,838		
Unrestricted				
Cash and Cash Equivalents	$	11,908		
US Gov't/Agency Securities		20,693	686	aaa
Municipal Bonds		4,054	275	
Corporate Notes		8,752	826	
Total Unrestricted	$	45,407		
Total	$	178,245		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of A3/A-/A.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the St. Lucie Project at September 30, 2019, are as follows:

Investment Assets by Fair Value Level		Quoted Prices in Active Markets (Level 1) *(000's US$)*		Significant Other Observable Inputs (Level 2) *(000's US$)*		Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$	-	$	32,884	$	-
US Treasury Obligations		8,470				
Municipal Bonds				7,250		
Corporate Notes				9,110		
Total By Level	$	8,470	$	49,244	$	-
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure						
Cash Equivalents	$	26,759				
Commercial Paper		94,100				
Morgan Stanley Institutional		6				
Total Money Market and Mutual Fund Instruments	$	120,865				
Total Market Value of Assets	$	178,579				
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(334)				
Market value (less) Accrued Interest	$	178,245				

V. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

4. Stanton Project

Cash, cash equivalents and investments for the Stanton Project at September 30, 2019, are as follows:

	September 30, 2019	Weighted Average Maturity (Days)	Credit Rating
Restricted	*(000's US$)*		
Cash and Cash Equivalents	$ 7,349		
US Gov't/Agency Securities	-	-	Aaa/AA+/AAA **
Municipal Bonds	1,055	1,050	*
Commercial Paper	4,800	1	P1/A1 **
Total Restricted	$ 13,204		
Unrestricted			
Cash and Cash Equivalents	$ 11,249		
US Gov't/Agency Securities	3,012	356	Aaa/AA+/AAA **
Municipal Bonds	-		*
Commercial Paper	2,500	1	P1/A1 **
Total Unrestricted	$ 16,761		
Total	$ 29,965		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of A3+/A-/A.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the Stanton Project at September 30, 2019, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) *(000's US$)*	Significant Other Observable Inputs (Level 2) *(000's US$)*	Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$ -	$ 3,014	$ -
US Treasury Obligations			
Municipal Bonds		1,059	
Commercial Paper			
Total By Level	$ -	$ 4,073	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 18,556		
Commercial Paper	7,300		
Morgan Stanley Institutional	42		
Wells Fargo Funds	-		
Total Money Market and Mutual Fund Instruments	$ 25,898		
Total Market Value of Assets	$ 29,971		
Accrued Interest(including portion within other current assets of Unrestricted Assets)	(6)		
Market value (less) Accrued Interest	$ 29,965		

V. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

5. All-Requirements Project

Cash, cash equivalents and investments for the All-Requirements Project at September 30, 2019, are as follows:

		September 30, 2019	Weighted Average Maturity (Days)	Credit Rating
Restricted		*(000's US$)*		
Cash and Cash Equivalents	$	36,173		
US Gov't/Agency Securities		18,837	643	Aaa/AA+/AAA **
Municipal Bonds		12,765	4,095	*
Commercial Paper, CD's and Corporate Notes		44,872	2	P1/A1 **
Total Restricted	$	112,647		
Unrestricted				
Cash and Cash Equivalents	$	40,304		
US Gov't/Agency Securities		38,256	279	Aaa/AA+/AAA **
Municipal Bonds		3,944	267	*
Commercial Paper, CD's and Corporate Notes		27,600	45	P1/A1 **
Total Unrestricted	$	110,104		
Total	$	222,751		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of Aa3/AA+/A-.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the All-Requirements Project at September 30, 2019, are as follows:

Investment Assets by Fair Value Level		Quoted Prices in Active Markets (Level 1) *(000's US$)*		Significant Other Observable Inputs (Level 2) *(000's US$)*		Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$	-	$	33,046	$	-
US Treasury Obligations		24,272				
Municipal Bonds				16,852		
Brokered CD's				1,034		
Corporate Notes				24,459		
Total By Level	$	24,272	$	75,391	$	-
Investment Liabilities (Derivative Instruments)						
Interest Rate Swaps	$	-	$	(15,971)	$	-
Total	$	-	$	(15,971)	$	-
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure						
Cash Equivalents	$	76,471				
Commercial Paper		47,091				
Wells Fargo Funds		6				
Total Money Market and Mutual Fund Instruments	$	123,568				
Total Market Value of Assets	$	223,231				
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(480)				
Market value (less) Accrued Interest	$	222,751				
Total Investment Liabilities (Interest Rate Swaps)	$	(15,971)				

V. Cash, Cash Equivalents and Investments (continued)

B. Investments (continued)

6. Tri-City Project

Cash, cash equivalents and investments for the Tri-City Project at September 30, 2019, are as follows:

	September 30, 2019	Weighted Average Maturity (Days)	Credit Rating
Restricted	*(000's US$)*		
Cash and Cash Equivalents	$ 4,049		
US Gov't/Agency Securities	750	1	Aaa/AAA/AAA **
Commercial Paper and Corporate Notes	1,200	1	
Total Restricted	$ 5,999		
Unrestricted			
Cash and Cash Equivalents	$ 2,601		
Commercial Paper	200		P1/A1 **
Total Unrestricted	$ 2,801		
Total	$ 8,800		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of Aa3/AAA/AA.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the Tri-City Project at September 30, 2019, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) *(000's US$)*	Significant Other Observable Inputs (Level 2) *(000's US$)*	Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$ -	$ -	$ -
US Treasury Obligations	750		
Total By Level	$ 750	$ -	$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	$ 6,634		
Commercial Paper	1,400		
Morgan Stanley Institutional	16		
Wells Fargo Funds			
Total Money Market and Mutual Fund Instruments	$ 8,050		
Total Market Value of Assets	$ 8,800		
Accrued Interest(including portion within other current assets of Unrestricted Assets)			
Market value (less) Accrued Interest	$ 8,800		

V. Cash, Cash Equivalents and Investments (continued)
B. Investments (continued)

7. Stanton II Project

Cash, cash equivalents and investments for the Stanton II Project at September 30, 2019, are as follows:

		September 30, 2019	Weighted Average Maturity (Days)	Credit Rating
Restricted		*(000's US$)*		
Cash and Cash Equivalents	$	5,895		
US Gov't/Agency Securities		7,336	180	Aaa/AA+/AAA **
Commercial Paper, CD's and Corporate Notes		7,250	1	P1/A1 **
Total Restricted	$	20,481		
Unrestricted				
Cash and Cash Equivalents	$	3,680		
US Gov't/Agency Securities		16,239	439	Aaa/AA+/AAA **
Municipal Bonds		9,524	2,074	*
Commercial Paper, CD's and Corporate Notes		0		P1/A1 **
Total Unrestricted	$	29,443		
Total	$	49,924		

*The Municipal Bond ratings range from a best of Aa1/AAA/AAA to a worst of Aa1/AAA/AAA.
** Moody's/S&P/Fitch

Investments and Derivative Instruments Measured at Fair Value for the Stanton II Project at September 30, 2019, are as follows:

Investment Assets by Fair Value Level		Quoted Prices in Active Markets (Level 1) *(000's US$)*		Significant Other Observable Inputs (Level 2) *(000's US$)*		Significant Unobservable Inputs (Level 3) *(000's US$)*
Agency Obligations	$	-	$	14,558	$	-
US Treasury Obligations		9,106				
Municipal Bonds				9,595		
Brokered CD's				3,539		
Corporate Notes				5,753		-
Total By Level	$	9,106	$	33,445	$	-

Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure

Cash Equivalents	$	9,574
Commercial Paper		7,250
Wells Fargo Fund		-
Total Money Market and Mutual Fund Instruments	$	16,824
Total Market Value of Assets	$	59,375
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(222)
Market value (less) Accrued Interest	$	59,153

On October 26, 2018, all of the Stanton II Interest Rate Swaps were terminated.

VI. Derivative Financial Instruments

FMPA uses derivative instruments to hedge the effects of fluctuations in interest rates and the price of natural gas. In accordance with GASB Statement No. 53, market values of derivative instruments are included on the Statement of Net Position as either an asset or a liability depending on whether FMPA would receive or pay to terminate the instrument on the Statement of Net Position date. If the derivative instruments are determined under the Standard to be effective hedges a deferred cash outflow or a liability is recorded. If the derivative instrument is determined to be not effective under the Standard, then the market value adjustment flows through investment income. All swaps were deemed effective in fiscal year 2018, with the exception of two St. Lucie Project series. These two series were determined not to be effective pursuant to the guidelines in GASB Statement No. 53. These swaps were terminated when the 2000 and 2002 bonds were retired. One swap of the All-Requirements project was determined not to be effective in fiscal year 2019. The following table shows the classification of the various derivative instruments on the Statement of Net Position as of September 30, 2019:

	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All -Req Project	Tri-City Project	Stanton II Project	Total
Deferred Outflows								
Interest Rate Swaps	$ -	$	$ -	$ -	$ 6,375	$ -	$ -	$ 6,375
Total Deferred Outflows from Derivatives	$ -	$ -	$ -	$ -	$ 6,375	$ -	$ -	$ 6,375
Fair Market Value Derivative Instruments Liabilities								
Hybrid Swap Liability	$ -	$ -	$ -	$ -	$ 9,596	$ -	$ -	$ 9,596
Market Value Adjustment for Effective Swaps			-		6,375		-	6,375
Natural Gas Storage					(75)			(75)
Total Fair Value	$ -	$ -	$ -	$ -	$ 15,896	$ -	$ -	$ 15,896

A. Swap Agreements

Three of FMPA's projects were party to interest rate swap agreements. The objective for entering into these agreements is to convert variable interest rates to fixed rates thus reducing interest rate exposure. The 30-day London Interbank Offered Rate (LIBOR) and the US Consumer Price Index for All Urban Consumers (CPI-U) are used to determine the variable rates received. Interest requirements for variable rate debt are determined using the rate in effect at the financial statement date.

Credit Risk

The swap agreements are subject to credit risk. Counterparty credit ratings and the maximum loss due to credit risk as of September 30, 2019, is listed, by project, in the tables that follow. As part of the swap agreements, if the provider's credit rating drops below certain levels and a termination value indicates an amount that would be payable to the Agency, collateral (or cash in some circumstances) would need to be posted by the counterparty with a third-party custodian if the value of the termination payment exceeds certain threshold levels. Conversely, the Agency would have to post collateral for the same reason in some circumstances.

The Agency has an approved Debt Management Policy with regard to derivatives whereby approval is required of the appropriate project participants and our financial advisor, prior to entering into swaps or other derivative products. The policy sets minimum standards for all derivative transactions.

Interest Rate Risk

FMPA has entered into swap agreements to fix the interest rate on variable rate bonds for the entirety of the term of the bonds. As interest rates increase above the swap rates, the value of these swaps will increase. As rates decrease below the swap rates, the values will decrease. Depending on the terms of the swap agreement, collateral may have to be posted.

VI. Derivative Financial Instruments (continued)

A. Swap Agreements (continued)

Basis Risk

Basis risk exists on the swap agreements where the variable rate indices used on these swaps differ from the variable index on the bonds. If there were a mismatch between the indices, the budget process would allow FMPA to adjust rates for this difference.

Termination Risk

Termination values are listed in the following tables as of September 30, 2019. These amounts vary with changes in the market. The swaps may be terminated by the Agency if the counterparty's credit quality falls below certain levels. The Agency or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable rate bonds would continue to pay based on its variable index. If, at the time of the termination, the swap has a negative fair value to the Agency, the Agency would be liable to the counterparty for a payment equal to the swap's fair value.

Market Access Risk

Financial market access risk is the risk that the Agency or any of FMPA's Power Projects could not complete a financial transaction due to the lack of a counterparty at reasonable cost or terms or the inability to complete the transaction in a timely manner, for example, issuing new bonds, selling an investment to raise cash, obtaining or renewing a line or letter of credit. The inability to conduct business as needed could have significant effects on the ability of the Agency or any of its Power Projects to have needed cash balances or access to cash.

Rollover Risk

The Agency is exposed to rollover risk on swaps that may be terminated prior to the maturity of the associated debt. If these swaps are terminated prior to the maturity of the bonds, the Agency will not realize the synthetic fixed rate offered by the swaps on the underlying debt issues. New swaps entered into at the time of termination of the old swaps will likely carry different rates and terms.

GASB Statement No. 53 Effectiveness Testing

The Agency performed effectiveness tests using the Synthetic Instrument Method on all interest rate swaps for its three projects that have these agreements. In addition, in 2016 the swaps associated with ARP 2008C, 2008D and 2008E required recognition of hybrid loans in 2011 for the change in market value from the original bond date to the date of refundings. The hybrid loan total after amortizations at September 30, 2019 is $9.6 million.

. St. Lucie Project

Swaps Currently Effective
(000's US$)

Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value**	Counterparty	Counterparty Credit Rating
All Swaps were terminated in December 2018 when 2000 and 2002 Debt was paid off.							
Total Termination Value of Swaps					$ -		
Prior Year Termination Value of Swaps					$ (6,851)		
Prior Fair Market Value of Swaps Terminated					$ 6,851		

Derivative Financial Instruments (continued)

A. Swap Agreements (continued)

1. All-Requirements Project

Swaps Currently Effective
(000's US$)

Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value**	Counterparty	Counterparty Credit Rating
Series 2008C							
$ 22,953	10/1/2006	3.701%	72% LIBOR*	10/1/2027	$ (3,886)	Goldman Sachs Bank USA	A3/BBB+/A
-		Terminated April 2019				JP Morgan Chase & Co.	
-		Terminated April 2019				JP Morgan Chase & Co.	
-		Terminated April 2019				JP Morgan Chase & Co.	
22,953	10/1/2006	3.649%	72% LIBOR*	10/1/2027	(3,811)	Morgan Stanley	-
17,540	10/1/2006	3.697%	72% LIBOR*	10/1/2027	(3,157)	Merrill Lynch Capital Services, Inc.	-
-		Terminated April 2019				UBS AG	
15,657	10/1/2006	3.737%	72% LIBOR*	10/1/2035	(5,117)	Wells Fargo Bank, NA	Aa2/A+/AA-
$ 79,103					$ (15,971)		

Total Swap Terminaton Value	$ (15,971)
Effective Swaps	$ (6,375)
Hybrid Loans	(9,596)
	$ (15,971)
Prior Year Termination Value of Effective Swaps and Hybrid Loans	$ (15,163)
Change in Fair Market Value	$ (808)

*floating to fixed
** ( ) denotes that termination value payable to dealer if swap had been terminated 9/30/19

B. Natural Gas Futures, Contracts and Options

FMPA uses New York Mercantile Exchange (NYMEX) and over the counter, natural gas futures contracts, options on futures contracts and fixed-price firm physical purchases of natural gas as a tool to establish the cost of natural gas that will be needed by the All-Requirements Project in the future (next month or several years from now). NYMEX and over the counter futures contracts can be used to obtain physical natural gas supplies, however all futures contracts that FMPA enters into will be financially settled before physical settlement is required by the Exchange. Any gain or loss of value in these futures contracts are ultimately rolled into the price of natural gas burned in the Project's electric generators. As of September 30, 2019 FMPA has 38 sales contracts outstanding, valued at $75,430, which will expire in November 2019 and January 2020.

VII. Regulatory Assets (Net Costs Refundable/Future Participant Billings)

FMPA has elected to apply the accounting methods for regulatory operations of GASB No. 62. Billing rates are established by the Board of Directors or Executive Committee and are designed to fully recover each project's costs over the life of the project, but not necessarily in the same year that costs are recognized under generally accepted accounting principles (GAAP). Instead of GAAP costs, annual participant billing rates are structured to systematically recover current debt service requirements, operating costs and certain reserves that provide a level rate structure over the life of the project which is equal to the amortization period. Accordingly, certain project costs are classified as deferred on the accompanying Statement of Net Position as a regulatory asset, titled "Net costs recoverable/future participant billings," until such time as they are recovered in future rates. Types of deferred costs include depreciation and amortization in excess of bond principal payments, and prior capital construction interest costs.

In addition, certain billings recovering costs of future periods have been recorded as a regulatory liability, titled "Net costs refundable/future participant billings", or as a reduction of deferred assets on the accompanying Statement of Net Position. Types of deferred revenues include billings for certain reserve funds and related interest earnings in excess of expenditures from those funds, and billings for nuclear fuel purchases in advance of their use.

VIII. Restricted Net Position

Bond resolutions require that certain designated amounts from bond proceeds and project revenues be deposited into designated funds. These funds are to be used for specific purposes and certain restrictions define the order in which available funds may be used. Other restrictions require minimum balances or accumulation of balances for specific purposes. At September 30, 2019, all FMPA projects were in compliance with requirements of the bond resolution.

Segregated restricted net position at September 30, 2019, are as follows:

	(000's US$)							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	Total
Debt Service Funds	$ -	$ 39	$ 32,795	$ 9,239	$ 88,748	$ 3,332	$ 17,479	$ 151,632
Reserve & Contingency Funds			12,421	3,969	20,412	2,666	4,033	43,501
Decomissioning Fund			87,699					87,699
Rate Stabilization Accounts	246							246
Accrued Interest on Long-Term Debt	-		(3,159)	(240)	(18,154)	(35)	(2,151)	(23,739)
Accrued Decommissioning Expenses			(87,544)					(87,544)
Rate Stabilization Accounts	(239)							(239)
Total Restricted Net Assets	$ 7	$ 39	$ 42,212	$ 12,968	$ 91,006	$ 5,963	$ 19,361	$ 171,556

Restrictions of the various bank funds are as follows:

- Debt service funds include the Debt Service Account, which is restricted for payment of the current portion of the bond principal and interest and the Debt Service Reserve Account, which includes sufficient funds to cover one half of the maximum annual principal and interest requirement of the specific fixed rate issues or 10% of the original bond proceeds.
- Reserve and Contingency Funds are restricted for payment of major renewals, replacements, repairs, additions, betterments and improvements for capital assets.
- If, at any time, the Debt Service Fund is below the current debt requirement and there are not adequate funds in the General Reserve Fund to resolve the deficiency, funds will be transferred from the Reserve and Contingency Fund to the Debt Service Fund.
- Decommissioning Funds are restricted and are funded for the payment of costs related to the decommissioning, removal and disposal of FMPA's ownership on nuclear power plants.
- Project Funds are used for the acquisition, construction and capitalized interest, as specified by the participants.
- Revenue Funds are restricted under the terms of outstanding resolutions.

IX. Long-Term Debt

A. Debt

FMPA enters into Long-term debt to fund different projects. The type of Long-term debt differs among each of the projects. A description and summary of Long-term debt at September 30, 2019, is as follows:

1. Agency Fund

	2019 (000's US$)				
Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Wells Fargo Loan 2010	$ 220	$ -	$ (220)	$ -	$ -
	$ 220	$ -	$ (220)	$ -	$ -

Loan Payable to Wells Fargo Bank

The Agency Fund made to final payment on this loan of $220 thousand on July 1, 2019.

2. Pooled Loan Fund

	2019 (000's US$)				
Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Total Loan	$ -	$ 7,935	$ -	$ 7,935	$ 342
Less Conduit Loan Bushnell	-	(7,935)	-	(7,935)	(342)
Non-Conduit Pooled Loans	$ -	$ -	$ -	$ -	$ -

Loan Payable to Capital Bank

The Pooled Loan was re-established in FY 2019 under a credit facility from Capital Bank. The credit facility will allow FMPA to sponsor loans to FMPA members or FMPA projects up to a maximum of $25 million. In September 2019 the City of Bushnell drew $7.9 million at 2.56% for 10 years. Loans to member cities are conduit debt instruments.

IX. Long-Term Debt (continued)

A. Debt (continued)

3. St. Lucie Project

	2019 (000's US$)				
Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds					
Refunding 2000	$ 16,650	$ -	$ (16,650)	$ -	$ -
Refunding 2002	144,800		(144,800)	-	-
Bonds 2009A	15,640		(3,630)	12,010	3,810
Bonds 2010A	8,310		(1,980)	6,330	2,040
Bonds 2011A	23,345		(1,000)	22,345	2,415
Bonds 2011B	24,305			24,305	
Bonds 2012A	58,870			58,870	
Bonds 2013A	12,205		(1,215)	10,990	1,250
Total Principal	$ 304,125	$ -	$ (169,275)	$ 134,850	$ 9,515
Deferred Premiums And Discounts	6,707		(1,244)	5,463	
Total Revenue Bonds	$ 310,832	$ -	$ (170,519)	$ 140,313	$ 9,515
Unamortized loss on advanced refunding	$ (12,004)	$ -	$ 6,082	$ (5,922)	$ -

The 2000 and 2002 bonds were variable rate bonds and were retired in December 2018. The 2009A bonds have an interest rate of 5% through 2021. The 2010A bonds have a fixed interest rate of 2.72% through 2021. The 2011A and 2011B bonds are fixed, and have a series of maturity dates through 2026. The rates for the 2011A bonds are 5.0%, and the rate for the 2011B bonds range from 4.375% to 5.0%. The 2012A bonds have a fixed interest rate of 5.0%, and mature in 2026. The 2013A bonds have a fixed interest rate of 2.73%, and mature in 2026.

The Series 2012 bonds are subject to redemption prior to maturity at the election of FMPA on or after October 1, 2022, at a call rate of 100%.

4. Stanton Project

	2019 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Revenue Bonds					
Refunding 2008	$ 14,605	$ -	$ (7,010)	$ 7,595	$ 7,595
Bonds 2009A	2,565		(1,175)	1,390	1,390
Wells Fargo Bank Taxable	154		(154)	-	
Total Principal	$ 17,324	$ -	$ (8,339)	$ 8,985	$ 8,985
Deferred Premiums And Discounts	8		(6)	-	
Total Bonds and Loans	$ 17,332	$ -	$ (8,345)	$ 8,985	$ 8,985
Unamortized loss on advanced refunding	$ (37)	$ -	$ 37	$ -	$ -

The 2008 and 2009A revenue bonds are fixed at interest rates which range from 4.5% to 5.5%.

IX. Long-Term Debt (continued)

A. Debt (continued)

4. Stanton Project (continued)

Loan Payable to Wells Fargo Bank

In December 2003, the Stanton Project entered into a taxable loan with Wells Fargo Bank to finance a partial interest in the brine plant facility at the Stanton Energy Center. This loan was paid in full on October 1, 2018.

5. All-Requirements Project

Business-Type Activities	Beginning Balance (2019, 000's US$)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds					
Bonds 2008A	$ 64,490	$	$ (25,975)	$ 38,515	$ 38,515
Bonds 2008B	10,285		(10,285)	-	-
Bonds 2008C	149,573		(70,470)	79,103	-
Bonds 2009A	10,440		(5,295)	5,145	5,145
Bonds 2009B	15,235			15,235	15,235
Bonds 2013A	9,605		(1,470)	8,135	1,520
Bonds 2015B	110,385		(5,655)	104,730	5,940
Bonds 2016A	424,120			424,120	
Bonds 2017A	69,625			69,625	
Bonds 2017B	52,925			52,925	
Bonds 2018A	57,790			57,790	
Total Principal	$ 974,473	$ -	$ (119,150)	$ 855,323	$ 66,355
Capital Leases and Other					
KUA - TARP	$ 116,317	$ 10,733	$ (13,007)	$ 114,043	$ 13,271
Keys - TARP	1,262		(618)	644	644
St. Lucie County	429		(52)	377	55
Total Other Liabilities	$ 118,008	$ 10,733	$ (13,677)	$ 115,064	$ 13,970
Total Principal & Capital Lease	$ 1,092,481	$ 10,733	$ (132,827)	$ 970,387	$ 80,325
Deferred Premiums And Discounts	93,038		(11,328)	81,710	
Total Revenue Bonds & Capital Lease	$ 1,185,519	$ 10,733	$ (144,155)	$ 1,052,097	$ 80,325
Unamortized loss on advanced refunding	$ (51,912)	$ -	$ 6,485	$ (45,427)	$ -

The 2008C and 2013A bonds are the only variable rate bonds, and the variable interest rates ranged from .89% to 3.97913% for the year ended September 30, 2019.

Portions of the Series 2008A, 2008C, 2009A, 2013A, 2015B, 2016A, 2017B and 2018A bonds are subject to redemption prior to maturity at the election of FMPA at a call rate of 100%. The Series 2008B, 2009B and 2017A bonds are not subject to redemption prior to maturity.

On April 1, 2019 $68.8 million of The All Requirements Series 2008C debt was retired early using a portion of the proceeds from the payment received from Vero Beach for taking over their FMPA Project obligations.

KUA – TARP Capital Lease Obligation

Effective October 1, 2008, the Capacity and Energy Sales Contract with KUA was revised and on July 1, 2019 was amended to provide additional payments with a present value of $10.7 million. Under the revised and amended contract, KUA receives agreed upon-fixed payments over preset periods.

IX. Long-Term Debt (continued)

A. Debt (continued)

5. All-Requirements Project (continued)

Payments remaining under the agreement at September 30, 2019, amount to $139.7 million and the present value of these payments is $114.0 million. The capital assets at September 30, 2019 include Facilities and Equipment of $228.8 million less Accumulated Depreciation of $150.3 million resulting in a net book value of $78.5 million.

Keys – TARP Capital Lease Obligation
Effective January 1, 2011, the Capacity and Energy Sales Contract with Keys Energy Services was revised. Under the contract, Keys Energy Services receives agreed-upon fixed payments over preset periods relating to each of their generating units. FMPA assumed all cost liability and operational management of the generating units. FMPA is accounting for this transaction as a capital lease. Total minimum payments remaining under the agreement at September 30, 2019 amount to $670 thousand and the present value of these payments is $644 thousand. The capital assets at September 30, 2019 include Facilities and Equipment of $4.8 million less Accumulated Depreciation of $4.1 million resulting in a net book value of $.7 million.

St. Lucie County
As a condition of obtaining its conditional use permit for the construction and operation of the Treasure Coast Energy Center, the All-Requirements project agreed to pay St. Lucie County, Florida $75,000 a year for a period of 20 years. Upon commercial operation of the plant, the unpaid amounts were discounted at a rate of 5.3% and capitalized to plant. At September 30, 2019, six payments remain under this obligation with the final payment to be made September 30, 2025.

Line of Credit
The All-Requirements Project has two lines of credit - one from JPMorgan Chase in the amount of $75 million, and one from Wells Fargo Bank in the amount of $25 million. The JPMorgan Chase line expires in July 2020. The Wells Fargo line expires in November 2020. $5 million has been drawn on the JPMorgan line leaving $95 million available to draw.

Other Credit Facilities
The All-Requirements Project series 2008C bonds are Variable Rate Demand Obligations secured by an irrevocable letter of credit as follows:

2008C	Bank of America	$80.0 million

The letter of credit will expire on May 19, 2021.

6. Tri-City Project

Business-Type Activities	2019 (000's US$) Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds					
Bonds 2009A	$ 745	$ -	$ (335)	$ 410	$ 410
Bonds 2013A	5,705		(2,825)	2,880	2,880
Wells Fargo Taxable	55		(55)	-	
Total Principal	$ 6,505	$ -	$ (3,215)	$ 3,290	$ 3,290
Deferred Premiums And Discounts	-		-	-	
Total Bonds and Loans	$ 6,505	$ -	$ (3,215)	$ 3,290	$ 3,290
Unamortized loss on advanced refunding	$ (76)	$ -	$ 76	$ -	$ -

IX. Long-Term Debt (continued)

A. Debt (continued)

6. Tri-City Project (continued)

The 2009A and 2013A revenue bonds are fixed at interest rates which range from 1.88% to 4.0% and have a maturity date of October 1, 2019.

Loan Payable to Wells Fargo Bank
In December 2003, the Tri-City Project entered into a taxable loan with Wells Fargo Bank to finance a partial interest in the brine plant facility at the Stanton Energy Center. This loan was paid in full on October 1, 2018.

7. Stanton II Project

	2019 (000's US$)				
Business-Type Activities	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**	**Amounts Due Within One Year**
Revenue Bonds					
Bonds 2009A	$ 4,905	$ -	$ (200)	$ 4,705	$ 465
Refunding 2012A	56,260		(4,850)	51,410	5,080
Refunding 2017A	21,888		(387)	21,501	387
Refunding 2017B	50,019		(4,834)	45,185	4,815
Wells Fargo Taxable	242		(242)	-	
Total Principal	$ 133,314	$ -	$ (10,513)	$ 122,801	$ 10,747
Deferred Premiums And Discounts	4,492		(1,005)	3,487	
Total Bonds and Loans	$ 137,806	$ -	$ (11,518)	$ 126,288	$ 10,747
Unamortized loss on advanced refunding	$ (11,951)	$	$ 2,260	$ (9,691)	$ -

The 2009A, 2012A, 2018A and 2018B revenue bonds are fixed, and have a maturity date of 2027. The rates for the bonds range from 3.0% to 5.0%.

The Series 2012A bonds are subject to redemption prior to maturity at the election of FMPA at 100%, beginning October 1, 2022. The Series 2017A and 2017B subject to redemption in whole or part prior to maturity at the call rate of 100% and Cost of Prepayment.

Loan Payable to Wells Fargo Bank
In December 2003, the Stanton II Project entered into a taxable loan with Wells Fargo Bank to finance a partial interest in the brine plant facility at the Stanton Energy Center. The loan was paid in full on October 1, 2018.

B. Major Debt Provisions (All Projects)

Principal and accrue interest payments on bonds may be accelerated on certain events of default. Events of default include failure to pay scheduled principal or interest payments and certain events of bankruptcy or insolvency of FMPA. Bond holders must give written notice of default and FMPA has 90 days to cure the default. The acceleration requires approval of holders of at least 25% of the principal amount of the outstanding bonds.

IX. Long-Term Debt (continued)

B. Major Debt Provisions (All Projects) (continued)

Bonds, which are special obligations of FMPA, are payable solely from (1) revenues less operating expenses (both as defined by the respective bond resolutions) and (2) other monies and securities pledged for payment thereof by the respective bond resolutions. The respective resolutions require FMPA to deposit into special funds all proceeds of bonds issued and all revenues generated as a result of the projects' respective Power Sales and Power Support Contracts or the Power Supply Contract. The purpose of the individual funds is also specifically defined in the respective bond resolutions.

Investments are generally restricted to those types described in Note I. Additional restrictions that apply to maturity dates are defined in the respective bond resolutions and FMPA's investment policy.

C. Defeased Debt

The following bonds have been defeased. Since investments consisting of governmental obligations are held in escrow for payment of principal and interest, the bonds are not considered liabilities of FMPA for financial reporting purposes. The principal balances of the defeased bonds at September 30, 2019 are as follows:

Dated	Description	Defeased Portion Amount Originally Issued (000's US$)	Balance at September 30, 2019
April 2016	All-Requirements Revenue Bonds, 2008A & Revenue Bonds, 2009A	$452,880	$121,323

The April 2016 Defeasance of $121.323 million was called on October 1, 2019.

D. Annual Requirements

The annual cash flow debt service requirements to amortize the long term **bonded** debt outstanding as of September 30, 2019, are as follows:

(000's US$)

	St. Lucie Project		Stanton Project		All-Req Project		Tri-City Project		Stanton II Project		
Fiscal Year Ending September	Principal	Interest Including Swaps, Net	Principal	Interest Including Swaps, Net	Principal	Interest Including Swaps, Net	Principal	Interest	Principal	Interest Including Swaps, Net	Totals
2020	$ 9,515	$ 6,135	$ 8,985	$ 240	$ 66,355	$ 38,748	$ 3,290	$ 62	$ 10,747	$ 4,164	$ 148,241
2021	27,320	5,291			48,445	34,730			11,082	3,762	130,630
2022	7,695	4,494			55,255	32,351			11,432	3,345	114,572
2023	5,765	4,213			42,185	30,130			11,785	2,912	96,990
2024	6,020	3,950			44,005	28,156			12,155	2,461	96,747
2025 - 2029	78,535	8,754			350,433	102,545			65,600	5,137	611,004
2030 - 2034					239,795	18,965					258,760
2035 - 2039					8,850	630					9,480
Total Principal & Interest	$ 134,850	$ 32,837	$ 8,985	$ 240	$ 855,323	$ 286,255	$ 3,290	$ 62	$ 122,801	$ 21,781	$ 1,466,424
Less:											
Interest		(32,837)		(240)		(286,255)		(62)		(21,781)	(341,175)
Unamortized Loss on refunding	(5,922)		0		(45,427)		0		(9,691)		(61,040)
Add:											
Unamortized Premium (Discount), net	5,463		0		81,710		0		3,487		90,660
Total Net Debt Service Requirement at September 30, 2019	$ 134,391	$ -	$ 8,985	$ -	$ 891,606	$ -	$ 3,290	$ -	$ 116,597	$ -	$ 1,154,869

IX. Long-Term Debt (continued)

D. Annual Requirements (continued)

The annual cash flow debt service requirements to amortize **all** long term debt outstanding as of September 30, 2019, are as follows:

(000's US$)

Fiscal Year Ending September	Agency Fund Principal	Agency Fund Interest Including Swaps, Net	St. Lucie Project Principal	St. Lucie Project Interest Including Swaps, Net	Stanton Project Principal	Stanton Project Interest	All-Req Project Principal	All-Req Project Interest Including Swaps, Net	Tri-City Project Principal	Tri-City Project Interest	Stanton II Project Principal	Stanton II Project Interest Including Swaps, Net	Totals
2020			$ 9,515	6,135	$ 8,985	$ 240	$ 80,325	$ 44,516	$ 3,290	$ 62	$ 10,747	$ 4,164	$ 167,979
2021			27,320	5,291			60,727	39,777			11,082	3,762	147,959
2022			7,695	4,494			68,252	36,733			11,432	3,345	131,951
2023			5,765	4,213			55,937	33,807			11,785	2,912	114,419
2024			6,020	3,950			58,546	31,096			12,155	2,461	114,228
2025 - 2029			78,535	8,754			397,955	106,523			65,600	5,137	662,504
2030 - 2034							239,795	18,965					258,760
2035 - 2039							8,850	629					9,479
Total Principal & Interest	$ 0	$ 0	$ 134,850	$ 32,837	$ 8,985	$ 240	$ 970,387	$ 312,046	$ 3,290	$ 62	$ 122,801	$ 21,781	$ 1,607,279

X. Commitments and Contingencies

A. Participation Agreements

FMPA has entered into participation agreements, and acquired through capital leases, individual ownership of generating facilities as follows:

Project	Operating Utility	Joint Ownership Interest	Commercial Operation Date
St. Lucie	Florida Power & Light	8.806% of St. Lucie Unit 2 nuclear plant	August 1983
Stanton*	Orlando Utilities Commission (OUC)	14.8193% of Stanton Energy Center (SEC) Unit 1 coal-fired plant	July 1987
All-Requirements*	OUC	11.3253% of SEC Unit 1	July 1987
Tri-City*	OUC	5.3012% of SEC Unit 1	July 1987
All-Requirements	OUC	51.2% of Indian River Units A & B combustion turbines	A - June 1989 B - July 1989
All-Requirements	OUC	21% of Indian River Units C & D combustion turbines	C - August 1992 D - October 1992
All-Requirements	OUC	5.1724% of SEC Unit 2 coal-fired plant	June 1996
Stanton II	OUC	23.2367% of SEC Unit 2	June 1996
All-Requirements	Southern Company	7% of Stanton Unit A combined cycle	October 2003

*OUC has the contractual right to unilaterally make any retirement decision for SEC Unit 1 beginning in 2017

X. Commitments and Contingencies (continued)

A. Participation Agreements (continued)

Operational control of the electric generation plants rests with the operating utility and includes the authority to enter into long-term purchase obligations with suppliers. FMPA is liable under its participation agreements for its ownership interest of total construction and operating costs. Further contracts with Orlando Utilities Commission (OUC) include commitments for purchases of coal. According to information provided by OUC, such existing commitments are currently scheduled to terminate on December 31, 2022. Through participation with OUC, FMPA's estimated cost share of the existing purchases by project for the next five fiscal years is summarized below.

	000's US$				
Project	**2020**	**2021**	**2022**	**2023**	**2024**
Stanton Project	$ 4,123	$ 2,721	$ 1,615	None	None
All-Requirements Project	9,617	6,346	3,767	None	None
Tri-City Project	1,475	973	578	None	None
Stanton II Project	6,466	4,267	2,533	None	None

B. Public Gas Partners, Inc.

Public Gas Partners, Inc. (PGP) is a nonprofit corporation of the State of Georgia, duly created and existing under the Georgia Nonprofit Corporation Code, O.C.G.A Sections 14-3-101 through 14-3-1703, as amended. Pursuant to its Articles of Incorporation and by-laws, PGP's purpose is to acquire and manage reliable and economical natural gas supplies through the acquisition of interests in natural gas producing properties and other long-term sources of natural gas supplies for the benefit of participating joint action agencies and large public natural gas and power systems.

On November 16, 2004, FMPA signed an agreement with six other public gas and electric utilities in five different states to form PGP. The initial members of PGP, along with FMPA, included Municipal Gas Authority of Georgia, Florida Gas Utility, Lower Alabama Gas District, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. Florida Gas Utility has left the organization, and their interest was acquired by all members, except for FMPA and the Tennessee Energy Acquisition Corporation, as of May 2008. Lower Alabama Gas District has assigned its interest in each Pool to the Gas Authority effective October 2013.

FMPA has entered into two separate Production Sharing Agreements (PSAs) that obligate FMPA to pay as a component of gas operations expense its share of all costs incurred by the related PGP Pool until all related PGP or participant debt has been paid and the last volumes have been delivered. In addition, PGP has the option, with at least six month notice, to require FMPA to prepay for its share of pool costs, which may be financed by FMPA through the issuance of bonds or some other form of long-term financing. The PSAs include a step-up provision that could obligate FMPA to increase its participation share in the pool by up to 25% in the event of default by another member.

On November 1, 2004, FMPA entered into a PSA as a 22.04% participant of PGP Gas Supply Pool No. 1 (PGP Pool #1). PGP Pool #1 was formed by all of the participants. PGP Pool #1 had targeted an initial supply portfolio capable of producing 68,000 MMBtu per day of natural gas or 493 Bcf over a 20-year period. The acquisition period for PGP Pool #1 has closed after acquiring a supply currently estimated to be 140 Bcf. Current production from Pool #1 is approximately 10,428 MMBtu per day. FMPA's share of this amounts to 2,298 MMBtu per day.

On October 1, 2005, FMPA entered into a PSA as a 25.90% participant of PGP Gas Supply Pool No. 2 (PGP Pool #2). PGP Pool #2 was formed to participate in specific transactions that have different acquisition criteria than PGP Pool #1. PGP Pool #2 had a total expenditure limit of $200 million, with FMPA's share being $52 million as authorized by the Board (before step-up provisions which would increase ARP's commitment to a maximum of $65 million). The other members of PGP Pool #2, along with FMPA, include Municipal Gas Authority of Georgia, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. FMPA entered into a separate agreement with Fort Pierce Utilities Authority whereby FMPA agreed to sell to FPUA 3.474903% of

X. Commitments and Contingencies (continued)

B. Public Gas Partners, Inc. (continued)

the benefits that FMPA receives from its participation in PGP Pool #2. The acquisition period for PGP Pool #2 has closed after acquiring a supply currently estimated to be 42 Bcf. Current production for PGP Pool #2 is approximately 2,971 MMBtu per day. FMPA's share of this amounts to 742 MMBtu per day.

FMPA's share of the total investment costs amounts to approximately $103 million for PGP Pool #1, and $29 million for PGP Pool #2 as of September 30, 2019. During the current fiscal year the operating committees for Pool #1 and Pool #2 made the decision to sell the Pool 1 and 2 portfolios and close the Pools. Accordingly the project was written down to the estimated future cash flows of the assets totaling $16.5 million.

C. Contractual Service Agreements

The All-Requirements Project has signed, or accepted assignment of, Contractual Service Agreements (CSAs) with General Electric International, Inc. (GE) for the Treasure Coast Energy Center, Cane Island 3 and Cane Island 4 combustion turbines, steam turbines and generators. The CSAs cover specified monitoring and maintenance activities to be performed by GE over the contract term, which is the earlier of a specified contract end date, or a performance end date based on reaching certain operating milestones of either Factor Fired Hours or Factored Starts on the combustion turbines. GE or FMPA may terminate the agreements for the breach of the other party. The defaulting party pays the termination amount based on the performance metric specified in the contract.

On March 31, 2016 Cane Island Unit 2 CSA was transitioned to a Managed Maintenance Program (MMP). The MMP does not have a factored start or hours based payment, and maintenance is paid for at the time it's incurred at prenegotiated discounts.

The following is a summary of the contract status.

	Treasure Coast	Cane Island Unit 2	Cane Island Unit 3	Cane Island Unit 4
Original Effective Date	1/30/2007	3/31/2016	12/12/2003	12/22/2010
Last Amendment Effective Date	11/21/2017		11/21/2017	11/21/2017
Cumulative Factor Fired Hours	92,158	91,206	123,436	62,711
Term if hours based	~56,000		~78,000	~83,000
Cumulative Factored Starts				
Term if starts based				
Current Termination Amount (000's USD)	$1,791		$1,987	$1,899
Specified Contract End Date	11/21/2037	12/31/2019	11/21/2037	11/21/2037
Estimated Performance End Date	FYE 2026		FYE 2030	FYE 2029

In November 2017, FMPA and General Electric negotiated a revised CSA to combine Cane Island Units 3 & 4 and Treasure Coast under one service agreement.

D. Other Agreements

FMPA has entered into certain long-term contracts for transmission services for its projects. These amounts are recoverable from participants in the projects (except the All-Requirements Project) through the Power Sales and Project Support Contracts. FMPA has entered into Power Sales and Project Support Contracts with each of the project participants for entitlement shares aggregating 100% of FMPA's joint ownership interest. In the case of the All-Requirements Project, a Power Supply Contract was entered into providing for the participant's total power requirements (except for certain excluded resources). Revenues received under these individual project contracts are expected to be sufficient to pay all of the related project costs.

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

1. St. Lucie Project (continued)

- FMPA has entered into a Reliability Exchange Agreement and a Replacement Power Agreement with FPL. The Reliability Exchange agreement results in FMPA exchanging 50% of its share of the output from St. Lucie Unit 2 for a like amount from the St. Lucie Unit 1. This agreement's original expiration was on October 1, 2017. The Parties mutually agreed to extend the expiration date to October 1, 2022. The Replacement Power Agreement provides for replacement power and energy to be made available to FMPA if FPL voluntarily ceases to operate or reduces output from St. Lucie Unit 2 or St. Lucie Unit 1 for economic reasons or valley-load conditions, until each unit is retired from service or, in the case of St. Lucie Unit 1, if the Reliability Exchange Agreement terminates prior to the retirement date of that unit. Either party may terminate the agreement with 60 days written notice.

- The St. Lucie Project, a joint owner of St. Lucie Unit 2, is subject to the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, FPL maintains $450 million of private liability insurance for the St. Lucie Plant, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $12.6 billion of liability insurance coverage per incident at any nuclear reactor in the U.S. Under the secondary financial protection system, St. Lucie Unit 2 is subject to retrospective assessments of up to approximately $127.3 million, plus any applicable taxes, per incident at any nuclear reactor in the U.S., payable at a rate not to exceed approximately $19.0 million per incident per year. FMPA is contractually liable for its ownership interest of any assessment made against St. Lucie Unit 2 under this plan.

- FPL further participates in a nuclear insurance mutual company that provides $2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination and premature decommissioning risks at the St. Lucie plant and a sublimit of $1.5 billion for non-nuclear perils. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if St. Lucie Unit 2 is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, St. Lucie Unit 2 could be assessed up to approximately $27 million, plus any applicable taxes, in retrospective premiums in a policy year. FPL is contractually entitled to recover FMPA's ownership share of any such assessment made against St. Lucie 2.

- On December 16, 1999, FMPA and J.P. Morgan Chase (formerly Chase Manhattan Bank) entered into a Forward Delivery Agreement for a portion of the St. Lucie Decommissioning Trust. The agreement provides that J.P. Morgan Chase deliver securities initially with a value not to be less than $10,225,000 for an equivalent payment. Upon maturity, the securities and the yield earned along with any cash delivered by J.P. Morgan Chase will be equivalent to 7.03% of the face value of the Agreement.

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All-Requirements Project

- FMPA supplies all of the wholesale power needs, unless limited to a contract rate of delivery, of the All-Requirements Project participants (except for certain excluded resources). In addition to its ownership facilities, FMPA has entered into interchange and power purchase contracts with minimum future payments as detailed below.

Supplier	End of Contract		Minimum Contract Liability (000's US$)
Stanton Clean Energy LLP - Stanton A PPA	9/30/2023	$	35,055
Oleander Power Project LP, LLC - Unit 5 PPA	12/16/2027		71,635
Total Minimum Liability		$	106,690

- In October 2003, FMPA executed contracts for a $10 million investment in a brine water processing plant and other water facilities at the Stanton Energy Center in Orlando, Florida.

- The Stanton Unit A combined cycle generator receives cooling water treatment services from the brine plant and associated facilities. The owners of Stanton Unit A (Stanton Clean Energy LLC (formerly Southern Company Florida), FMPA, KUA and Orlando Utilities Commission) pay the owners of Stanton Energy Center Units 1 and 2 (including FMPA's Stanton, Stanton II, Tri-City and All-Requirements Projects) a fixed and a variable operation and maintenance charge for services received from this facility.

- The All-Requirements Project has several commitments/entitlements for natural gas transportation services to supply fuel to its owned and leased generation facilities. Below were the current commitments/entitlements during the past year.

Pipeline	Ave Daily Volume mmBtu/day)		Annual Cost (000's US$)	Expiration	Primary Delivery/Receiving Point
Fl Gas Transmission FTS-1	21,984	$	4,432	Various	Cane Island Treasure Coast
Fl Gas Transmission FTS-2	61,488		16,747	Various	Cane Island Treasure Coast
Fl Gas Transmission FTS-2 Stanton A	14,950		3,423	Various	Stanton A
Transco	50,000		1,811	4/30/2026	FGT
TECO-Peoples Gas	-		750	12/31/2033	Treasure Coast
TECO- Peoples Gas	-		750	12/31/2033	Cane Island/Oleander
		$	27,913		

- The All-Requirements Project has entered into a storage contract with SG Resources Mississippi LLC, for 1 million MMBtu of storage capacity in the Southern Pines Storage facility. The contract was effective August 1, 2008, for storage capacity of 500,000 MMBtu and revised April 1, 2011, to increase the storage capacity by 500,000 MMBtu. The contract expired July 31, 2018, for 500,000 MMBtu and will expire March 31, 2021, for the remaining 500,000 MMBtu.

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

- The All-Requirements Project is under a contractual arrangement to have generation facilities in Key West, Florida, at a minimum level of 60% of the island utility's weather normalized annual peak capacity requirements. With installed capacity of 112 MW located in the Key West service territory, the All-Requirements Project believes it has sufficient existing generating capacity to fulfill the 60% on-island generation requirement well beyond the next decade.

- FMPA has entered into the Florida Municipal Power Pool (FMPP) Agreement, as amended, with the FMPP members. Pursuant to Amendment 6 – the most recent Amendment, executed June of 2013 – the term of the agreement is three years, with automatically-renewed three-year term extensions. Any party wishing to withdraw from the agreement must provide at least three years notice to the other FMPP members. The FMPP Agreement documents, among other things, how FMPP operating costs are accounted for and allocated among the members, and liability between the FMPP members.

- In 2019 Florida Gas Utilities (FGU), on behalf of the All-Requirements Project (ARP), entered into thirty-year natural gas supply agreements with the Black Belt Energy Gas District (Black Belt Energy) and the Municipal Gas Authority of Georgia (MGAG) for the purchase of specified amounts of natural gas at discounted prices that FGU expects to supply to the ARP. The ARP's weighted average discount from the transactions involving MGAG is $0.32 per MMBtu on 13,250 MMBtu per Day. The ARP's weighted average discount from the transactions involving Black Belt Energy is $0.32 per MMBtu on 10,000 MMBtu per day.

- The All Requirements Project has signed contracts with Fort Pierce Utilities Authority (FPUA), Kissimmee Utility Authority (KUA) and Keys Energy Services (KES) to operate and maintain Treasure Coast Energy Center, Cane Island Power Park and Stock Island generation facilities, respectively. The contracts provide for reimbursement of direct and indirect costs incurred by FPUA, KUA and KES, for operating the plants. The All-Requirements Project, in consultation with FPUA, KUA and KES, sets staffing levels, operating and capital budgets, and operating parameters for the plants.

- In the amended and Restated Agreement Concerning Delivery and Use of treated Sewage Effluent with Toho Water Authority for the Cane Island Site dated September 24, 2008, in the event that peak demand requires the addition of some increased storage capacity for reclaimed water, FMPA will financially assist Toho Water Authority in the construction of reclaimed water storage to assist in providing the projected peak demand. Toho Water Authority and FMPA have separately agreed that the cost of such reclaimed water storage shall not exceed $2 million. In October 2019, TOHO called on the $2 million financial assistance.

- The City of Starke and the City of Green Cove Springs have each given FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Project Contract that the term of their respective contracts will stop renewing automatically each year. The terms of their respective contracts are now fixed; Starke's contract terminates on September 30, 2035, and Green Cove Springs' contract terminates on September 30, 2037.

- The City of Vero Beach sold their system to Florida Power and Light and for a payment of $105.4 million the All-Requirements Project assumed Vero Beach's Power Project Entitlement Shares and has transferred remaining liability for 32.521%, 16.489% and 15.202% of Vero's participant entitlement shares of the Stanton, Stanton II and St. Lucie Projects, respectively.

- The City of Lake Worth has limited its All-Requirements Service to a contract rate of delivery (CROD), as permitted in Section 3 of the All-Requirements Power Supply

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

Contract. The limitation commenced January 1, 2014. The amount of capacity and energy the City is obligated to purchase under this conversion of their contract was determined to be zero in December 2013. Additionally, effective January 1, 2014, the Capacity and Energy Sales Contract between the City and FMPA terminated.

- The City of Fort Meade has limited its All-Requirements Service to a (CROD), as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation commenced January 1, 2015. Based on the city's usage between December 2013 and November 2014, and Executive Committee action in December 2014, the maximum hourly obligation was established at 10.360 MW. Concurrently with its notice of limitation, the City gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract that the term of its contract will stop renewing automatically each year. The term of the City's contract is now fixed and will terminate on October 1, 2041. In March 2019, FMPA and Fort Meade entered into a Supplemental Power and Ancillary Services Agreement (Fort Meade Supplemental Agreement). Effective September 1, 2019, the ARP now serves Fort Meade with any additional power needed to serve its total requirements above its St. Lucie Project entitlement and CROD.

  The ARP also provides Fort Meade with transmission and ancillary services as if CROD had not been implemented. The effect of this arrangement is that Fort Meade is served and billed as if it was a full-requirements ARP Participant. The initial term of the Fort Meade Supplemental Agreement runs through September 30, 2027, and includes 5-year automatic renewals until the termination of Fort Meade's ARP contract. Concurrent with the approval of the Fort Meade Supplemental Agreement, the Executive Committee approved a reduction of Fort Meade's CROD amount from 10.360 MW to 9.009 MW. If the Fort Meade Supplemental Agreement is terminated prior to the termination of Fort Meade's ARP contract, Fort Meade will be served at the lower CROD amount.

- The All-Requirements Project has entered into power sales agreement with the following cities with the indicated capacity and time periods indicated:
  City of Bartow, 20 MW peaking power, expires 2020.
  City of Bartow, full power supply requirements of approximately 65 MWs from 2021 through 2022.
  City of Winter Park, 10MW base load power supply through 2019.
  City of Winter Park, partial requirements of about 70MW from 2020 through 2027.
  Other short term sales for which the Project does not receive a capacity payment.

- During 2008, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for KUA whereby the All-Requirements Project has assumed all cost liability and operational management of all KUA-owned generation assets and will pay to KUA agreed-upon fixed payments over preset periods relating to each asset. On July 1, 2019 the agreement was amended to extend payments on the assets due to anticipated extension of the operating life of the assets.

- Effective January 1, 2011, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for Key West whereby the All-Requirements Project has assumed all cost liability and operational management of all Key West owned generation assets and will pay to Key West fixed annual payments of $670,000 each January 1 from 2011 through 2020. The revised, amended, and restated contract provides the All-Requirements Project the right to retire Keys generation assets at any time during the term of the contract, subject to the 60% on-island capacity requirement, without shortening the fixed payment term.

- In December 2018, FMPA received notice pursuant to Section 768.28, Florida Statutes, of an intent to file suit against FMPA for unspecified personal injuries relating to FMPA's interest as a co-owner of the Stanton Energy Center. OUC and KUA also received similar notices. A lawsuit was filed against OUC on December 20, 2018 alleging certain property damages and takings claims for pollution contamination. No Suit has been filed against FMPA or KUA.

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

- In the normal course of its business, FMPA has had claims or assertions made against it. In the opinion of management, the ultimate disposition of these currently asserted claims are either not substantiated or will not have a material impact on FMPA's financial statements.

E. Solar Project

In March 2018, the FMPA Board of Directors approved the formation of the Solar Project, as a sixth FMPA power supply project, and for which FMPA approved a 20-year power purchase agreement for 57 MW-AC of solar energy on behalf of its participants as of the solar facilities' commercial operation date, which is expected to be in Summer of 2020. Also in March 2018, the FMPA Executive Committee approved a 20-year power purchase agreement (among other enabling agreements) for a total of 58 MW-AC of solar energy as an ARP resource, which is estimated to achieve commercial operation by mid-2020. In coordination with these new endeavors, the Board of Directors has authorized the creation of a Solar Project Committee, which will be advisory to the Board of Directors on matters involving the Solar Project, and the Executive Committee has authorized the creation of an ARP Solar Project Advisory Committee, which is an Executive Committee subcommittee that will address matters involving ARP participants who have committed to pay for the costs of the ARP solar power purchase.

XI. Mutual Aid Agreement

The All-Requirements Project has agreed to participate in a mutual aid agreement with six other utilities for extended generator outages of defined base-load generating units. The parties of this agreement are the city of Tallahassee, Gainesville Regional Utilities, JEA, Lakeland Electric, Orlando Utilities Commission, and Municipal Electric Authority of Georgia. The All-Requirements Project has designated 120 MWs of Cane Island Unit 3, 140 MWs of Cane Island 4, and 200 MWs of the Treasure Coast Energy Center, 60 MW of Stanton Unit 1, and 60 MW of Stanton Unit 2. In the case of a qualifying failure, the All-Requirements Project will have the option to receive either 50% or 100% of the replacement of the designated MWs of the failed unit. The cost of replacement energy will be based on an identified gas index or coal index and heat rate in the agreement. In the event of any extended outage from any other participant, the All-Requirements Project would provide between 10 MWs and 53 MWs (based on the designation of the participant) for a maximum of nine months. The agreement term automatically renewed on October 1, 2017, and now has a term lasting until October 1, 2022, unless FMPA (1) has not received energy under the agreement during the current term, and (2) provides at least 90 days' notice prior to the end of the current term that it does not elect to renew it participation.

XII. Employment Benefits

A. Retirement Benefits

A Deferred Compensation Plan (in accordance with the Internal Revenue Code Section 457) and a Defined Contribution (money purchase) Plan (under the Internal Revenue Code Section 401(a)) are offered to the Agency's employees who are scheduled to work more than 1700 hours per year. The plan was established by the Board of Director's in 1984 and the Board of Directors has the authority to amend the plan. FMPA's contribution is 10% of the employee's gross base salary for the 401(a) plan. Total payroll for the year ended September 30, 2019, was $7.97 million, which approximates covered payroll. The 401(a) defined contribution plan has 67 active members with a plan balance.

The Agency's contribution may be made to either plan at the discretion of the employee. Additionally, an employee generally may contribute to the Deferred Compensation Plan, so that the combined annual contribution does not exceed the IRS annual maximum. Assets of both plans are held by ICMA Retirement Corporation, the Plan Administrator and Trustee.

XII. Employment Benefits (continued)

A. Retirement Benefits (continued)

Agency contributions to the Defined Contribution Plan resulted in expenses for the fiscal year 2019 of $734,703. Funds from these plans are not available to employees until termination or retirement, however funds from either plan can be made available, allowing an employee to borrow up to the lower of $50,000 or one half of their balance in the form of a loan.

B. Post-Employment Benefits other than Retirement

The Agency's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the Agency. The Plan, which is administered by the Agency, allows employees who retire and meet retirement eligibility requirements to continue medical insurance coverage as a participant in the Agency's plan. As of September 30, 2018 and 2019, the plan membership consisted of the following participants:

	September 30, 2018	September 30, 2019
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0	0
Active Plan Members	17	17
	32	32

The Agency pays 100% of the cost of employee-only coverage for employees hired prior to October 1, 2004 who retire upon meeting the retirement eligibility requirement, which is that age combined with service must exceed 900 months. This subsidy applies to the healthcare plan premiums for Pre-65 retirees as well as any Medicare supplement plan purchased by Post-65 retirees.

The Agency also provides up to $3,000 in HRA funds to all eligible members for life. If those members elect to cover their spouse or have handicapped dependents, the HRA benefit limit is increased to $6,000. These funds are made available to cover retirees' out-of-pocket medical expenses, and therefore are included in the Agency's Pay-As-You-Go plan costs.

Employees hired after October 1, 2004 are ineligible for any Agency subsidies, nor are they allowed to continue to participate in the plan after retirement.

No implicit benefit was valued in this valuation.

The measurement date is September 30, 2019. The measurement period for the OPEB expense was October 1, 2018 to September 30, 2019. The reporting period is October 1, 2018 through September 30, 2019. The Sponsor's Total OPEB Liability was measured as of September 30, 2019.

The Sponsor's Total OPEB Liability for The Agency's ledger adjustment was measured as of September 30, 2019 using a discount rate of 3.58%.

Actuarial Assumptions:
Total OPEB Liability for The Agency’s ledger adjustment was measured as of September 30, 2019 using a discount rate of 3.58%.

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2019 (measurement date) using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.58%
Initial Trend Rate	8.00%

XII. Employment Benefits (continued)

B. Post-Employment Benefits other than Retirement (continued)

Ultimate Trend Rate	4.00%
Years to Ultimate	54

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

Discount Rate:
Given the Agency's decision not to establish a trust for the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.58 %. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

OPEB Expense:
For the year ended September 30, 2019, the Agency will recognize OPEB Cost of $674 thousand.

(000's US$)		
Fiscal Year Ending		9/30/2019
Service Cost	$	47
Interest		215
Recognition of Changes in Total OPEB Liability		410
Administrative Expenses		2
Total OPEB Expense/(Revenue)	$	674

Total OPEB Liability as of the Measurement Date is:

Description	(000's US$) Amount
Reporting Period Ending September 30, 2018	$ 5,229
Service Cost	47
Interest	215
Difference Between Expected and Actual Experience	-
Changes in Assumptions	410
Changes of Benefit Terms	-
Contributions - Employer	-
Benefits Payments	(233)
Other Changes	-
Reporting Period Ending September 30, 2019	$ 5,668

Changes of assumptions reflect a change in the discount rate from 4.18% for the reporting period ended September 30, 2018 to 3.58% for the reporting period ended September 30, 2019.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:
The following presents the Total OPEB Liability of the Agency, as well as what the Agency's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	2.58%	3.58%	4.58%
Total OPEB Liability (000's US$)	$ 6,467	$ 5,668	$ 5,010

XII. Employment Benefits (continued)

B. Post-Employment Benefits other than Retirement (continued)

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates:
The following presents the Total OPEB Liability of the Agency, as well as what the Agency's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	3.00% - 7.00%	4.00% - 8.00%	5.00% - 9.00%
Total OPEB Liability (000's US$)	$5,162	$ 5,668	$ 6,279

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

As of September 30, 2019, the most recent valuation date, the Total OPEB Plan Liability was $5.6 million, and assets held in trust were $0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $2.3 million, and the ratio of the Total OPEB Plan Liability to the covered payroll was 244 percent.

The OPEB Plan contribution requirements of Florida Municipal Power Agency are established and may be amended through action of its Board of Directors.

XIII. Risk Management

The Agency is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees and the public and damage to property of others. In addition, FMPA enters into contracts with third parties, some of whom are empowered to act as its agents in order to carry out the purpose of the contracts.

These contracts subject FMPA to varying degrees and types of risk. The Agency has purchased commercial insurance that management believes is adequate to cover these various risks. FMPA has elected to self-insure the Agency's risk for general liability. It is the opinion of general counsel that FMPA may enjoy sovereign immunity in the same manner as a municipality, as allowed by Florida Common Law. Under such Florida Law, the limit of liability for judgments by one person for tort is $200,000 or a maximum of $300,000 for the same incident or occurrence. At no point have settlements exceeded coverage in the past two fiscal years.

The Agency has established a Finance Committee (FC) made up of some of FMPA's Board of Directors and member's representatives, and has assigned corporate risk management to its Treasurer and Risk Director. The Treasurer and Risk Director is designated the Agency's Risk Manager, and oversees the Risk Management Department, which reports to the Chief Financial Officer. The objective of the Agency's Enterprise Risk Management program is to identify measure, monitor and report risks in order to minimize unfavorable financial and strategic impacts.

FMPA's Risk Management Policy addresses key risk areas including, but not limited to, fuel, generation, debt, investment, insurance, credit and contracts.

XIV. Related Party Transactions

A. Governing Members and Committees

Each of the members of FMPA appoints a director and one or more alternatives to serve on FMPA's Board of Directors. Tallahassee joined the Agency effective October 19th, 2018 and Vero Beach left the Agency on December 17, 2018 leaving 31 members of the Agency. The Board has responsibility for developing and approving FMPA's non All-Requirements Project budgets, hiring of the General Manager and General Counsel and establishing the Agency's bylaws, which govern how FMPA operates and the policies which implement such bylaws. The Board also authorizes all non-All-Requirements Project debt issued by FMPA and allocates the Agency Fund burden to each of the Projects. The Board elects an Agency Chairman, Vice-Chairman, Secretary and Treasurer.

The Executive Committee consists of representatives from the 13 active members of the All-Requirements Project. The Executive Committee elects a Chairman and Vice-Chairman. The Board's Secretary and Treasurer serve in the same capacity on the Executive Committee. The Executive committee has sole responsibility for developing and approving FMPA's Agency Fund and All-Requirements Project budgets, and authorizes all debt issued by the All-Requirements Project.

In order to facilitate the project decision-making process, there are project committees for the St. Lucie, Stanton, Stanton II, and Tri-City Projects which are comprised of one representative from each participant in a project. The project committees serve in an advisory capacity, and all decisions concerning the project are decided by the Board of Directors, except for the All-Requirements Project, in which all decisions are made by the Executive Committee.

The Board of Directors has authorized the creation of a Solar Project Committee, which will be advisory to the Board of Directors on matters involving the Solar Project. The Executive Committee has authorized the creation of an ARP Solar Project Advisory Committee, which is an Executive Committee subcommittee that will address matters involving ARP participants.

B. Florida Gas Utility (FGU)

The All-Requirements Project has a contractual agreement to purchase natural gas from Florida Gas Utility (FGU), which accounts for approximately 80-85% of FGU's total throughput of natural gas. FMPA and the following member cities have representatives on the FGU Board of Directors: Ft. Pierce, KUA, Leesburg and Starke.

XV. Subsequent Events

Refinancing of the 2008C and 2013A All-Requirements Project Bonds

On November 07, 2019, the All-Requirements project issued the 2019A and 2019B bonds with a face amount of $81.9 million at a premium and used the $102 million of cash to retire the 2008C and the 2013A bonds with a total face value of $85.7 million, terminate associated swaps at a cost of $15.5 million and pay closing costs. This transaction eliminates all variable rate debt and all associated swaps of the Project.

Required Supplementary Information
(unaudited)

Schedule of Changes in Agency's Net OPEB Liability and Related Ratios
Last Ten Years
(000's US$)

Reporting Period Ending	9/30/2019	9/30/2018
Measurement Date	9/30/2019	9/30/2018
Total OPEB Liability		
Service Cost	$ 47	$ 53
Interest	215	201
Changes in Assumptions	410	(374)
Benefit Payments	(233)	(214)
Net Change in Total OPEB Liability	$ 439	$ (334)
Total OPEB Liability - Beginnning of Year	5,229	5,563
Total OPEB Liabilty - End of Year	$ 5,668	$ 5,229
Trust Net Position		
Contirbutions - Employer	$ -	$ -
Contributions - Member	-	-
Net Investment Income	-	-
Administrative Expenses	-	-
Benefit Payments, Including Refunds	-	-
Other	-	-
Net Change in Net Position Held in Trust	$ -	$ -
Trust Fiduciary Net Position - Beginning of Year	-	-
Trust Fiduciary Net Position - End of Year	$ -	$ -
Agency Net OPEB Liability - Ending	$ 5,668	$ 5,229
Trust Fiduciary Net Position as a % of Total OPEB Liability	0%	0%
Covered Employee Payroll	2,321	2,167
Agency's Net OPEB Liability as a % of Covered Employee Payroll	244%	241%

* GASB Statement 75 was implemented as of September 30, 2018.
Information from 2009 - 2017 is not available and this schedule will be presented on a prospective basis.

Notes to Schedule:

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2019: 3.58%
Fiscal Year Ending September 30, 2018: 4.18%

See footnote XII.B for further information.

Supplementary Information

(unaudited)

SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS

RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2019
(000's US$)

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Agency Fund			
Received from projects	$ 15,046	$ 14,704	$ (342)
Received from member assessments	23	-	(23)
Interest income	202	241	39
Other income		54	54
	$ 15,271	$ 14,999	$ (272)
General and administrative	$ 14,601	$ 14,234	$ 367
Invested in Capital Assets	168	238	(70)
Principal on Debt	220	220	-
Other Adjustments	80	85	(5)
	$ 15,069	$ 14,777	$ 292
Net Revenue	$ 202	$ 222	$ 20
St. Lucie Project			
Participant billing	$ 53,669	$ 53,669	$ -
Reliability exchange contract sales	4,994	3,971	(1,023)
Interest income	317	698	381
	$ 58,980	$ 58,338	$ (642)
Operation and maintenance	$ 11,078	$ 8,367	$ 2,711
Purchased power	4,994	3,116	1,878
Transmission service	357	349	8
General and administrative	2,903	2,430	473
Deposit to renewal and replacement fund	5,500	2,000	3,500
Deposit to general reserve fund & FSA	6,600	11,194	(4,594)
Deposit to Nuclear Fuel Fund	-	3,500	(3,500)
Deposit to debt service fund	22,801	17,858	4,943
	$ 54,233	$ 48,814	$ 5,419
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ 4,747	$ 9,524	$ 4,777

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2019
(000's US$)

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Stanton Project			
Participant billing & sales to others	$ 32,527	$ 32,881	$ 354
Interest income	66	260	194
	$ 32,593	$ 33,141	$ 548
Operation and maintenance, fuel	$ 16,757	$ 16,128	$ 629
Transmission service	1,185	1,170	15
General and administrative	1,529	1,562	(33)
Deposits to debt service and other funds	12,466	12,306	160
	$ 31,937	$ 31,166	$ 771
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ 656	$ 1,975	$ 1,319
All-Requirements Project			
Participant billing & sales to others	$ 455,247	$ 454,128	$ (1,119)
Transfer from Rate Protection	97,954	90,753	(7,201)
Interest Income	1,490	4,211	2,721
	$ 554,691	$ 549,092	$ (5,599)
Member Capacity	$ 56,808	$ 51,228	$ 5,580
Contract Capacity	18,010	18,064	(54)
ARP Owned Capacity	42,814	38,044	4,770
Debt & Capital Leases	197,857	193,773	4,084
Direct Charges & Other	21,824	20,942	882
Gas Transportation	31,003	31,136	(133)
Fuels	153,320	156,928	(3,608)
Purchased Power	4,877	10,000	(5,123)
Transmission	28,178	29,866	(1,688)
	$ 554,691	$ 549,981	$ 4,710
Net Due to (from) Participants Resulting from Budget/Actual Variances	$ -	$ (889)	$ (889)

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

Schedule of Amounts Due to (from) Participants

Resulting from Budget/Actual Variances
Year Ended September 30, 2019
(000's US$)

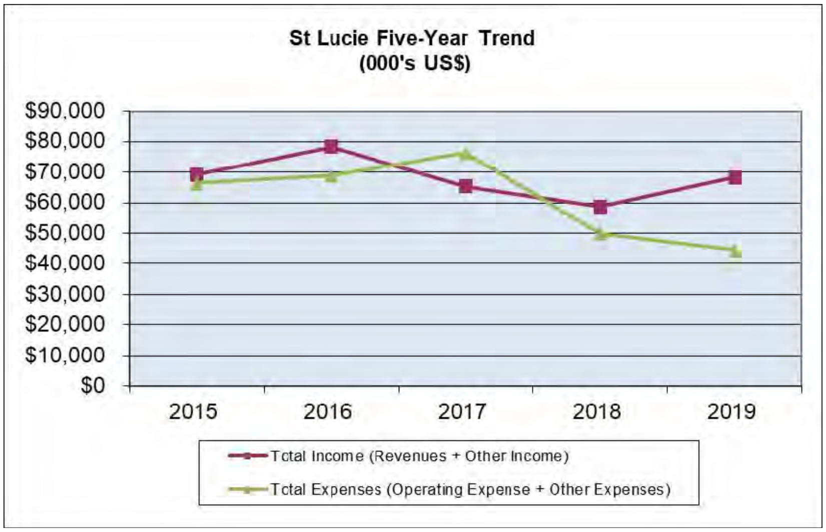
		Amended Budget		Actual		Variance Favorable (Unfavorable)
Tri-City Project						
Participant billing & sales to others	$	12,441	$	12,425	$	(16)
Interest income		54		105		51
	$	12,495	$	12,530	$	35
Operation and maintenance, fuel	$	6,251	$	5,910	$	341
Transmission service		419		415		4
General and administrative		828		836		(8)
Deposits to debt service and other funds		5,060		5,003		57
	$	12,558	$	12,164	$	394
Net Due to (from) Participants Resulting from Budget/Actual Variances	$	(63)	$	366	$	429
Stanton II Project						
Participant billing & sales to others	$	46,308	$	47,736	$	1,428
Interest income		252		566		314
	$	46,560	$	48,302	$	1,742
Operation and maintenance, fuel	$	24,622	$	25,235	$	(613)
Transmission service		1,915		1,895		20
General and administrative		2,107		2,221		(114)
Deposits to debt service and other funds		23,048		21,883		1,165
	$	51,692	$	51,234	$	458
Net Due to (from) Participants Resulting from Budget/Actual Variances	$	(5,132)	$	(2,932)	$	2,200

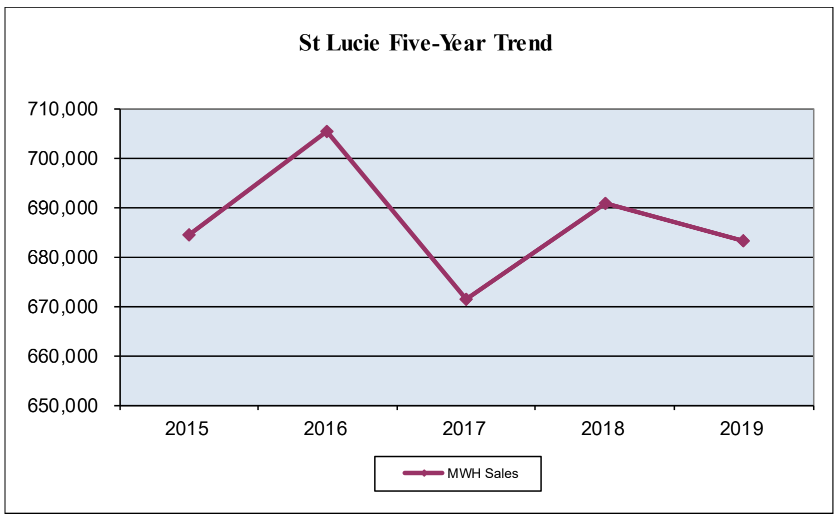
Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

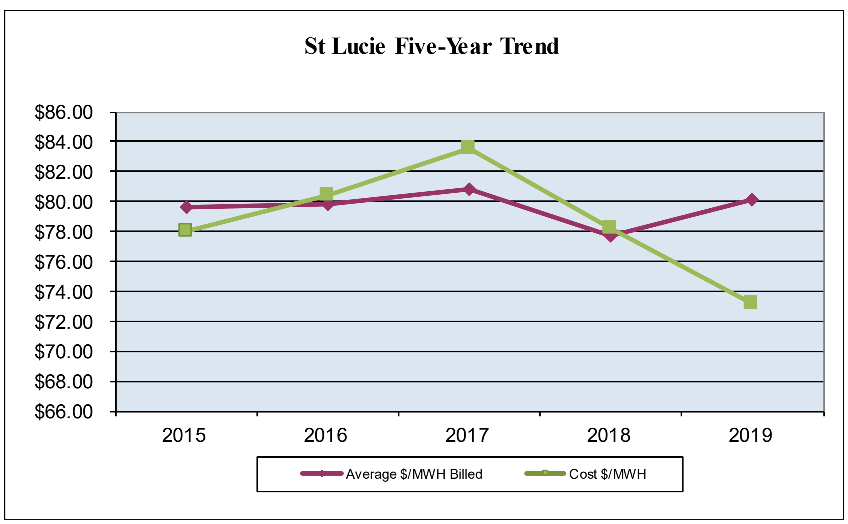
FIVE-YEAR TREND ANALYSIS

	2015	2016	2017	2018	2019
(000's US$ except for MWH Sales and Average $/MWH)					
St. Lucie Project					
Capital Assets	$ 74,133	$ 50,196	$ 23,656	$ 19,469	$ 20,554
Total Assets & Deferred Outflows	$441,333	$ 431,817	$ 418,281	$ 404,525	$ 235,863
Long-Term Liabilities	$424,539	$ 418,789	$ 403,457	$ 392,067	$ 130,798
Total Liabilities & Deferred Inflows	$441,333	$ 431,817	$ 418,281	$ 404,525	$ 235,863
Billings to Participants	$ 54,511	$ 56,287	$ 54,296	$ 53,678	$ 54,748
Sales to Others	2,302	2,561	2,439	2,470	2,892
Total Operating Revenues	$ 56,813	$ 58,848	$ 56,735	$ 56,148	$ 57,640
Purchased Power	$ 4,072	$ 3,874	$ 4,431	$ 3,540	$ 3,116
Production-Nuclear O&M	11,265	9,727	12,087	10,953	7,594
Nuclear Fuel Amortization	4,599	5,963	5,270	4,799	5,338
Transmission	470	380	321	350	350
General & Administrative	2,998	2,486	3,248	3,278	2,722
Depreciation & Decommissioning	28,211	31,417	35,624	11,342	6,743
Total Operating Expenses	$ 51,615	$ 53,847	$ 60,981	$ 34,262	$ 25,863
Net Operating Revenues	$ 5,198	$ 5,001	$ (4,246)	$ 21,886	$ 31,777
Investment Income	$ 12,362	$ 19,430	$ 8,553	$ 2,586	$ 10,676
Total Other Income	$ 12,362	$ 19,430	$ 8,553	$ 2,586	$ 10,676
Interest Expense	$ 14,855	$ 13,454	$ 13,759	$ 14,111	$ 11,675
Amortization & Other Expense	(117)	1,544	1,579	1,613	7,003
Total Other Expenses	$ 14,738	$ 14,998	$ 15,338	$ 15,724	$ 18,678
Net Income (Loss)	$ 2,822	$ 9,433	$ (11,031)	$ 8,748	$ 23,775
Net Cost Recovered (Credited) in the Future	(1,688)	(9,862)	9,235	(9,080)	(18,998)
Due from (to) Participants	(1,134)	429	1,796	332	(4,777)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	684,526	705,233	671,510	690,698	683,132
Average $/MWH Billed	$ 79.63	$ 79.81	$ 80.86	$ 77.72	$ 80.14
Cost $/MWH	$ 77.98	$ 80.42	$ 83.53	$ 78.20	$ 73.15

FIVE-YEAR TREND ANALYSIS



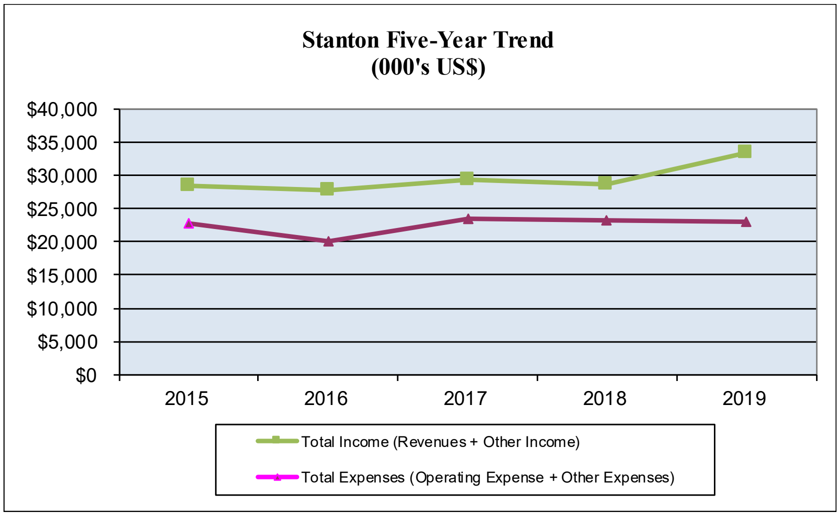


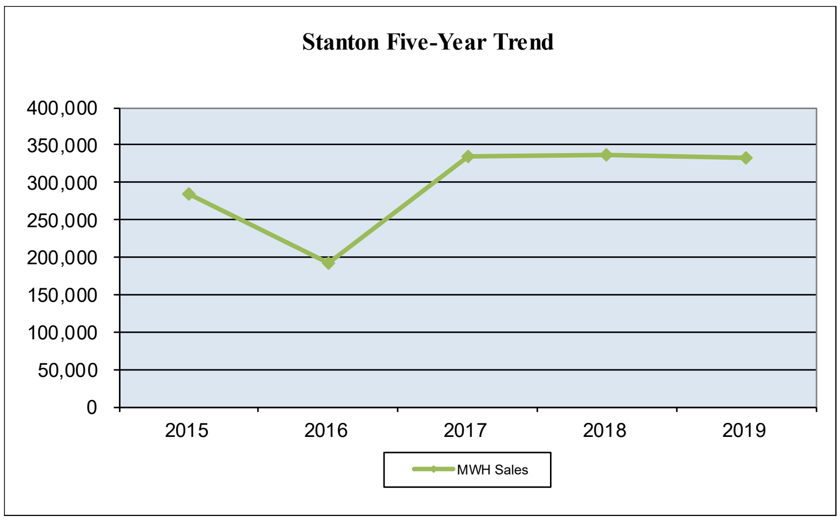


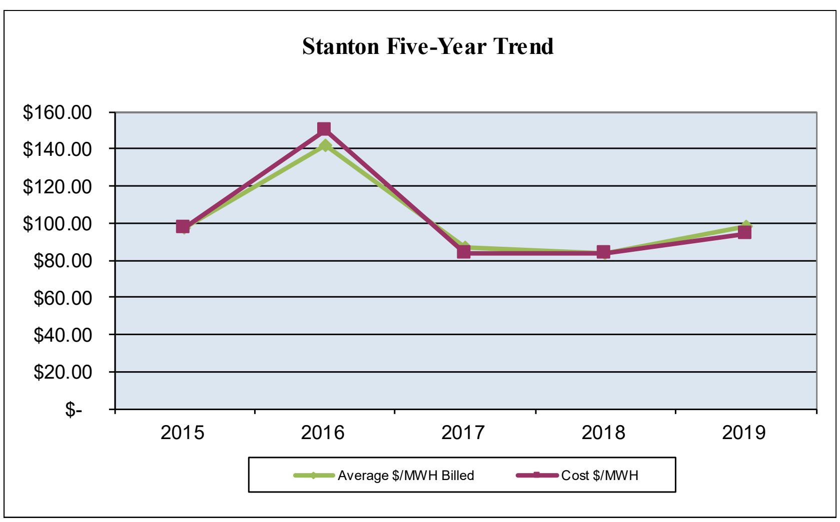
FIVE-YEAR TREND ANALYSIS

	2015	2016	2017	2018	2019
(000's US$ except for MWH Sales and Average $/MWH)					
Stanton Project					
Capital Assets	$ 31,623	$ 30,536	$ 30,977	$ 28,797	$ 27,079
Total Assets & Deferred Outflows	$ 61,778	$ 63,579	$ 62,445	$ 59,299	$ 62,403
Long-Term Debt	$ 32,875	$ 25,299	$ 17,347	$ 9,091	$ 1,123
Total Liabilities & Deferred Inflows	$ 61,778	$ 63,579	$ 62,445	$ 59,299	$ 62,403
Billings to Participants	$ 27,716	$ 27,103	$ 28,909	$ 28,027	$ 32,521
Sales to Others	322	327	356	352	360
Total Operating Revenues	$ 28,038	$ 27,430	$ 29,265	$ 28,379	$ 32,881
Production-Steam O&M	$ 4,225	$ 5,520	$ 4,293	$ 4,702	$ 5,134
Fuel Expense	11,315	7,400	12,392	11,625	11,132
Transmission	1,222	1,132	1,062	1,176	1,170
General & Administrative	1,235	1,287	1,304	1,382	1,562
Depreciation & Decommissioning	2,759	2,937	3,029	3,436	3,569
Total Operating Expenses	$ 20,756	$ 18,276	$ 22,080	$ 22,321	$ 22,567
Net Operating Revenues	$ 7,282	$ 9,154	$ 7,185	$ 6,058	$ 10,314
Investment Income	$ 450	$ 251	$ 122	$ 209	$ 549
Total Other Income	$ 450	$ 251	$ 122	$ 209	$ 549
Interest Expense	$ 1,843	$ 1,680	$ 1,310	$ 911	$ 472
Amortization & Other Expense	137	112	86	58	37
Total Other Expenses	$ 1,980	$ 1,792	$ 1,396	$ 969	$ 509
Net Income (Loss)	$ 5,752	$ 7,613	$ 5,911	$ 5,298	$ 10,354
Net Cost Recovered (Credited) in the Future	(5,762)	(9,121)	(5,042)	(5,474)	(9,035)
Due from (to) Participants	10	1,508	(869)	176	(1,319)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	284,081	190,985	334,166	336,361	332,105
Average $/MWH Billed	$ 97.56	$ 141.91	$ 86.51	$ 83.32	$ 97.92
Cost $/MWH	$ 97.60	$ 149.81	$ 83.91	$ 83.85	$ 93.95

FIVE-YEAR TREND ANALYSIS





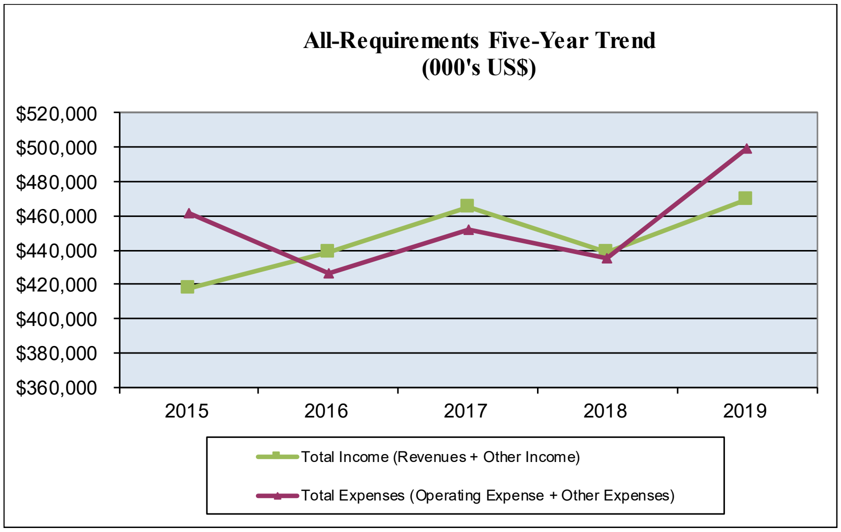


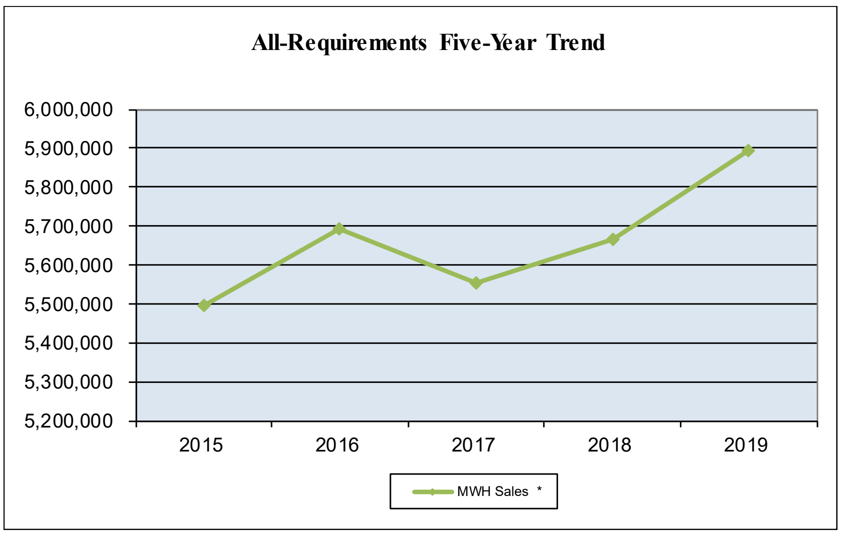
FIVE-YEAR TREND ANALYSIS

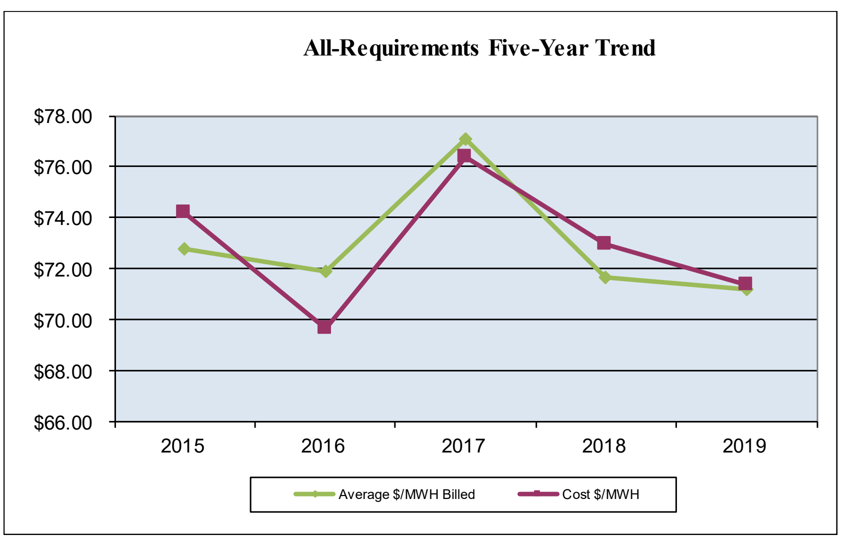
	2015	2016	2017	2018	2019
(000's US$ except for MWH Sales and Average $/MWH)					
All-Requirements Project					
Capital Assets	$ 814,271	$ 777,532	$ 727,100	$ 674,858	$ 635,185
Total Assets & Deferred Outflows	$ 1,456,404	$ 1,471,708	$ 1,397,705	$ 1,307,621	$ 1,265,991
Long-Term Liabilities	$ 1,334,149	$ 1,331,563	$ 1,241,223	$ 1,157,636	$ 1,007,611
Total Liabilities & Deferred Inflows	$ 1,456,404	$ 1,471,708	$ 1,397,705	$ 1,307,621	$ 1,265,991
Billings to Participants **	$ 399,979	$ 409,104	$ 428,034	$ 406,073	$ 419,721
Sales to Others	45,656	26,146	33,480	29,883	43,166
Total Operating Revenues	$ 445,635	$ 435,250	$ 461,514	$ 435,956	$ 462,887
Purchased Power	$ 31,755	$ 25,546	$ 21,814	$ 23,561	$ 28,034
O&M Production-Steam	60,693	67,270	65,550	61,398	79,383
Fuel Expense	204,743	170,762	205,925	194,661	196,638
Transmission	26,862	26,256	28,187	28,661	29,658
General & Administrative	21,729	22,349	21,841	22,029	23,922
Depreciation & Decommissioning	54,464	55,101	56,412	57,332	58,599
Total Operating Expenses	$ 400,246	$ 367,284	$ 399,729	$ 387,642	$ 416,234
Net Operating Revenues	$ 45,389	$ 67,966	$ 61,785	$ 48,314	$ 46,653
Investment Income	$ (27,859)	$ 3,805	$ 3,307	$ 2,657	$ 6,681
Total Other Income	$ (27,859)	$ 3,805	$ 3,307	$ 2,657	$ 6,681
Interest Expense	$ 59,185	$ 56,843	$ 55,371	$ 51,785	$ 35,043
Amortization & Other Expense	1,921	2,150	(3,203)	(4,265)	48,401
Total Other Expenses	$ 61,106	$ 58,993	$ 52,168	$ 47,520	$ 83,444
Net Income (Loss)	$ (43,576)	$ 12,778	$ 12,924	$ 3,451	$ (30,110)
Net Cost Recovered (Credited) in the Future	35,778	(359)	(9,008)	(10,739)	29,221
Due from (to) Participants	7,798	(12,419)	(3,916)	7,288	889
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales *	5,495,169	5,691,752	5,553,937	5,664,825	5,893,412
Average $/MWH Billed	$ 72.79	$ 71.88	$ 77.07	$ 71.68	$ 71.22
Cost $/MWH	$ 74.21	$ 69.69	$ 76.36	$ 72.97	$ 71.37

* Restated to include Ft. Meade's MWhs for fiscal year 2015.

FIVE-YEAR TREND ANALYSIS



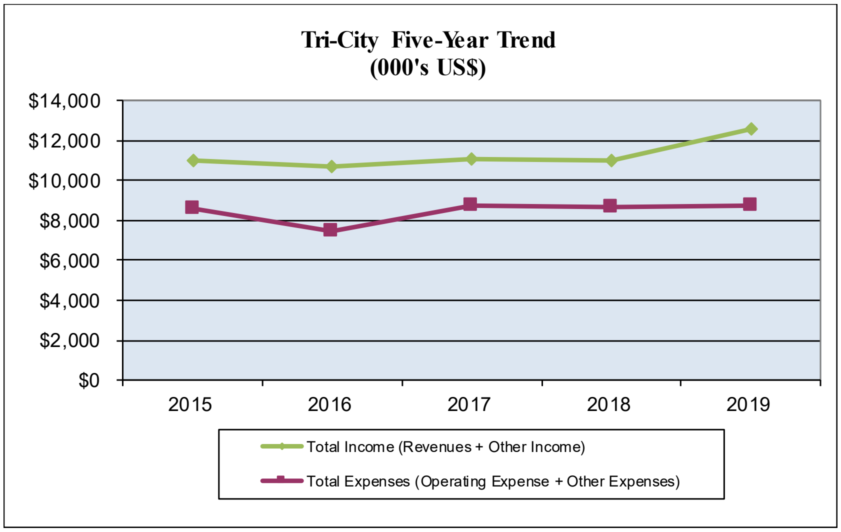


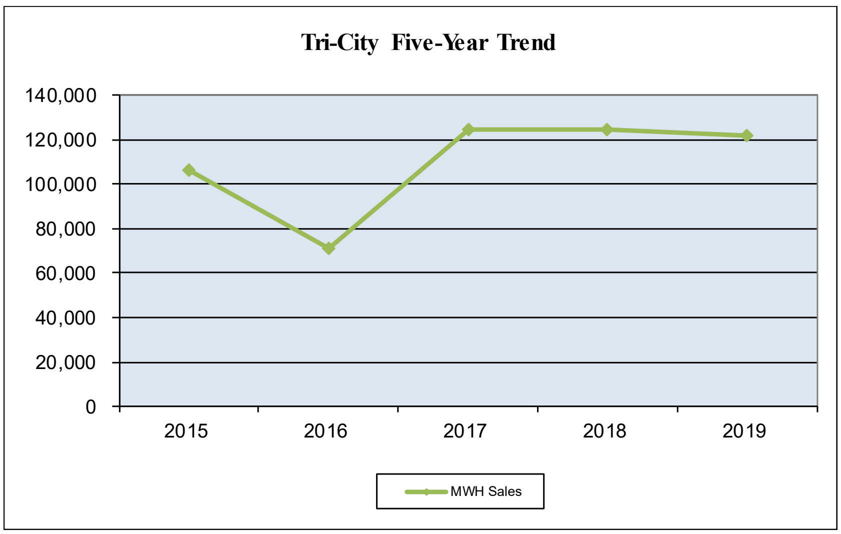


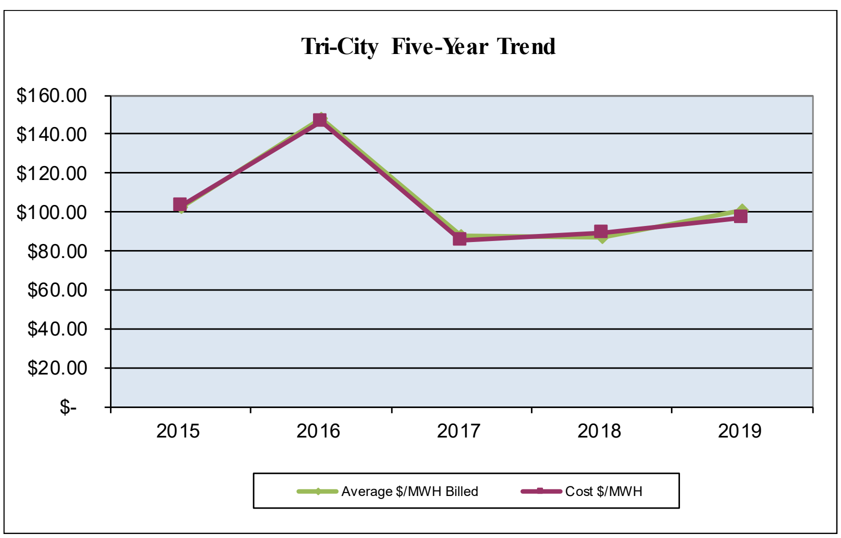
FIVE-YEAR TREND ANALYSIS

	2015	2016	2017	2018	2019
(000's US$ except for MWH Sales and Average $/MWH)					
Tri-City Project					
Capital Assets	$ 12,436	$ 11,947	$ 12,019	$ 11,157	$ 10,460
Total Assets & Deferred Outflows	$ 21,620	$ 21,520	$ 20,864	$ 20,172	$ 21,241
Long-Term Debt	$ 12,748	$ 9,659	$ 6,508	$ 3,325	$ 402
Total Liabilities & Deferred Inflows	$ 21,620	$ 21,520	$ 20,864	$ 20,172	$ 21,241
Billings to Participants	$ 10,873	$ 10,548	$ 10,919	$ 10,794	$ 12,296
Sales to Others	115	116	127	126	129
Total Operating Revenues	$ 10,988	$ 10,664	$ 11,046	$ 10,920	$ 12,425
Production-Steam O&M	$ 1,511	$ 1,991	$ 1,536	$ 1,682	$ 1,836
Fuel Expense	4,287	2,715	4,579	4,246	4,123
Transmission	489	427	382	415	415
General & Administrative	696	735	743	774	837
Depreciation & Decommissioning	1,078	1,134	1,168	1,312	1,359
Total Operating Expenses	$ 8,061	$ 7,002	$ 8,408	$ 8,429	$ 8,570
Net Operating Revenues	$ 2,927	$ 3,662	$ 2,638	$ 2,491	$ 3,855
Investment Income	$ 27	$ 44	$ 34	$ 73	$ 138
Total Other Income	$ 27	$ 44	$ 34	$ 73	$ 138
Interest Expense	$ 327	$ 266	$ 203	$ 139	$ 69
Amortization & Other Expense	235	190	144	97	76
Total Other Expenses	$ 562	$ 456	$ 347	$ 236	$ 145
Net Income (Loss)	$ 2,392	$ 3,250	$ 2,325	$ 2,328	$ 3,848
Net Cost Recovered (Credited) in the Future	(2,493)	(3,129)	(2,019)	(2,656)	(3,419)
Due from (to) Participants	101	(121)	(306)	328	(429)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	106,538	71,172	124,588	124,558	121,919
Average $/MWH Billed	$ 102.06	$ 148.20	$ 87.64	$ 86.66	$ 100.85
Cost $/MWH	$ 103.01	$ 146.50	$ 85.18	$ 89.29	$ 97.34

FIVE-YEAR TREND ANALYSIS



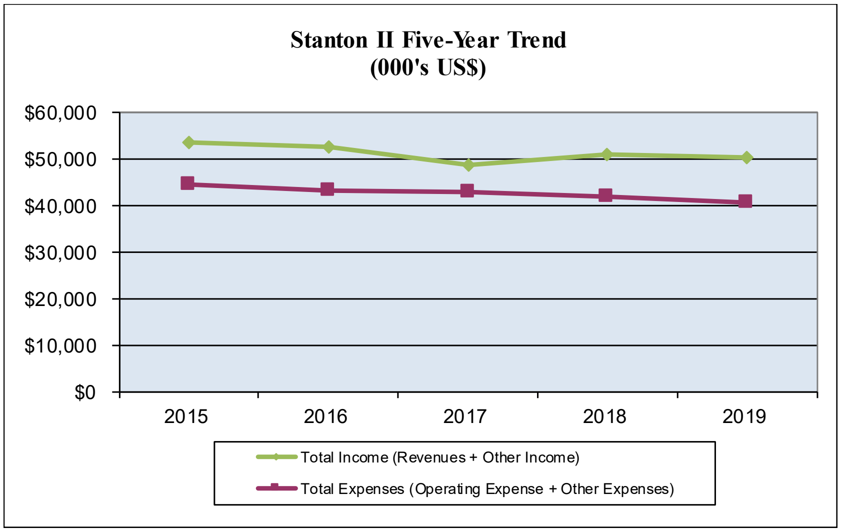


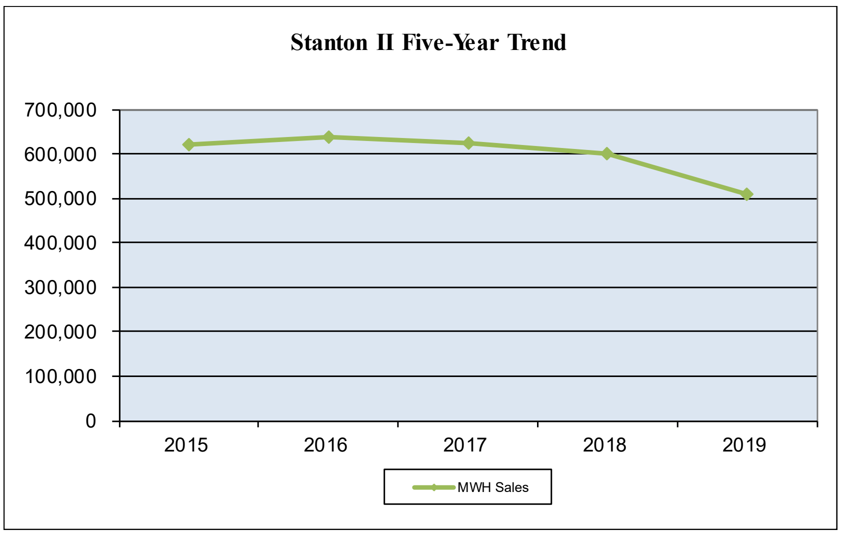


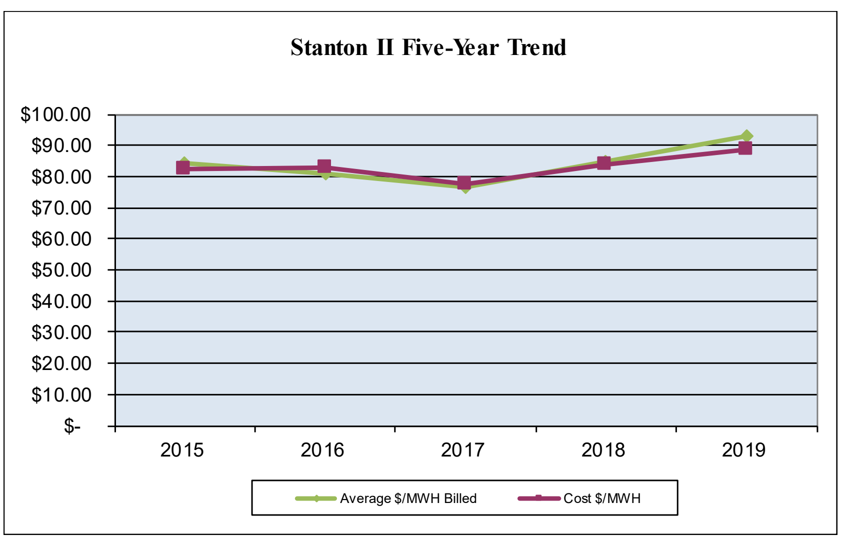
FIVE-YEAR TREND ANALYSIS

	2015	2016	2017	2018	2019
(000's US$ except for MWH Sales and Average $/MWH)					
Stanton II Project					
Capital Assets	$ 102,865	$ 100,258	$ 96,589	$ 92,263	$ 93,918
Total Assets & Deferred Outflows	$ 178,143	$ 176,182	$ 166,748	$ 170,490	$ 170,021
Long-Term Debt	$ 148,656	$ 139,040	$ 138,885	$ 127,446	$ 117,323
Total Liabilities & Deferred Inflows	$ 178,143	$ 176,182	$ 166,748	$ 170,490	$ 170,021
Billings to Participants	$ 52,204	$ 51,463	$ 48,001	$ 50,933	$ 47,171
Sales to Others	505	511	558	552	565
Total Operating Revenues	$ 52,709	$ 51,974	$ 48,559	$ 51,485	$ 47,736
Production-Steam O&M	$ 6,495	$ 6,688	$ 7,363	$ 6,860	$ 8,634
Fuel Expense	23,417	21,650	20,773	19,809	16,836
Transmission	1,846	1,750	1,677	1,895	1,895
General & Administrative	1,831	1,889	1,897	1,941	2,221
Depreciation & Decommissioning	5,194	5,336	5,392	5,535	5,556
Total Operating Expenses	$ 38,783	$ 37,313	$ 37,102	$ 36,040	$ 35,142
Net Operating Revenues	$ 13,926	$ 14,661	$ 11,457	$ 15,445	$ 12,594
Investment Income	$ 778	$ 738	$ 113	$ (475)	$ 2,637
Total Other Income	$ 778	$ 738	$ 113	$ (475)	$ 2,637
Interest Expense	$ 6,453	$ 6,359	$ 6,295	$ 4,695	$ 3,295
Amortization & Other Expense	(619)	(545)	(463)	1,260	2,260
Total Other Expenses	$ 5,834	$ 5,814	$ 5,832	$ 5,955	$ 5,555
Net Income (Loss)	$ 8,870	$ 9,585	$ 5,738	$ 9,015	$ 9,676
Net Cost Recovered (Credited) in the Future	(7,718)	(10,698)	(6,284)	(8,579)	(7,476)
Due from (to) Participants	(1,152)	1,113	546	(436)	(2,200)
Total Income	$ -	$ -	$ -	$ -	$ -
MWH Sales	620,796	635,926	625,514	601,691	507,678
Average $/MWH Billed	$ 84.09	$ 80.93	$ 76.74	$ 84.65	$ 92.92
Cost $/MWH	$ 82.24	$ 82.68	$ 77.61	$ 83.93	$ 88.58

FIVE-YEAR TREND ANALYSIS







Compliance Report

Purvis Gray & Company

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the Florida Municipal Power Agency (the Agency), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected, and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis, Gray and Company, LLP

December 20, 2019
Ocala, Florida

Purvis Gray & Company

MANAGEMENT LETTER

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

Report on the Financial Statements
We have audited the financial statements of the Florida Municipal Power Agency (the Agency), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated December 20, 2019.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 20, 2019, should be considered in conjunction with this Management Letter.

Prior Audit Findings
Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, all prior year recommendations have been addressed by the Agency.

Official Title and Legal Authority
Section 10.554(1)(i)4, *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information has been disclosed in Note I of the Agency's September 30, 2019, financial statements. There are no component units related to the Agency.

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Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

MANAGEMENT LETTER

Financial Condition
Sections 10.554(1)(i)5.a. and 10.556(7) *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our audit noted no findings of deteriorating financial condition, required to be reported.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. No recommendations were noted.

Additional Matters
Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter
Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other applicable agencies, the Agency's Executive Committee, the Board of Directors and the Finance Committee and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

December 20, 2019
Ocala, Florida

Purvis Gray & Company

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

We have examined Florida Municipal Power Agency's (the Agency) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2019. The Agency's management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extend of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Florida Auditor General, the Agency's Executive Committee, the Board of Directors, and the Finance Committee, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

December 20, 2019
Ocala, Florida

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Purvis Gray & Company

GOVERNANCE LETTER

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

We have audited the financial statements of the business-type activity and each major fund of Florida Municipal Power Agency (the Agency) for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our Audit Engagement Letter to you dated June 27, 2019. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note I to the financial statements. Except as noted below, no other new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The following *new* accounting policy was adopted in the current year:

- Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations.* This statement establishes criteria for determining the timing and pattern of the recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. During 2019, the Agency, with the implementation of GASB Statement No. 83, recorded additional AROs totaling $4 million combined in the All Requirements (ARP), Stanton I, Stanton II, and Tricity projects. The ARO liability is recorded with a related Deferred Outflow of Resources which will be amortized over the remaining life of the plant. ARO costs are anticipated to be re-captured through rates over the period of amortization of the Deferred Outflow of Resources. Prior to implementation of the new standard, the Agency had been recording a nuclear decommissioning liability (an ARO) for its minority interest in the St. Lucie nuclear power plant from information provided by the majority owner, which totals $87 million as of September 30, 2019.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions

Certified Public Accountants
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about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements are:

- **Nuclear Decommissioning Costs, Asset Retirement Obligations, and Landfill**
  As discussed in the notes to the financial statements, the Agency is a partial owner in the St. Lucie nuclear power plant and, accordingly, has recorded its share of the future decommissioning of the plant as a liability in its financial statements. Additionally, the Agency has recorded certain asset retirement obligations in the ARP, Stanton I, Stanton II, and Tricity projects. The liabilities are based upon engineering estimates and contains significant estimates concerning the future cost as well as the future date of the decommissioning or retirement. We believe that the Agency's calculation of its share of these costs is reasonable based upon current engineering estimates. Also, the Agency has recorded landfill closure costs related to fly ash at the Stanton Energy Center. The liabilities contain significant estimates concerning the future cost as well as the future date of the closure provided by the owner/operator. We believe that the Agency's calculation of its share of these costs is reasonable based upon these estimate.

- **Capital Assets, Accumulated Depreciation, and Depreciation Expense**
  As discussed in the notes to the financial statements, capital assets are stated at costs at the time of purchase or construction. Management estimates accumulated depreciation and depreciation expense for such assets by utilizing the straight-line method of depreciation and by determining estimated useful lives based on the classes of depreciable property described in Note I to the financial statements. We evaluated the key factors and assumptions used to develop the capital asset and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

- **Fair Market Value of Financial and Derivative Instruments**
  As discussed in the notes to the financial statements, the Agency uses third-party valuations for determining the fair value of its financial and derivative instruments. We evaluated the key assumptions embodied in these valuations and determined that they are reasonable. Certain thinly traded municipal bonds and interest rate swaps can have varying values depending upon the pricing model used.

- **Prepaid Natural Gas—Public Gas Partners, Inc. (PGP)**
  As discussed in the notes to the financial statements, the Agency is amortizing its investment in PGP (which is titled Prepaid Natural Gas - PGP, in the Statement of Net Position) using the units of production method based upon estimated reserve levels as determined by PGP and its consultants.

  During 2019, the ARP recorded an impairment write down of $42 million in its prepaid natural gas investment in PGP pools 1 and 2. The remaining prepaid gas balance of $16.5 million, after the write down, represents the estimated future cash flows projected by PGP that FMPA anticipates to receive from the natural gas and oil well operations

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

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- **Other Postemployment Benefits**
  As described in the notes to the financial statements, the actuarially calculated net OPEB Obligation is based upon the alternative measurement method permitted by GASB Statement No. 75 for employers in plans with fewer than one hundred plan participants. We evaluated the key assumptions used in the calculation and determined them to be reasonable.

- **Net Costs to be Recovered/Refunded**
  As discussed in the notes to the financial statements, the Agency utilizes the provisions of GASB Statement No. 62, paragraphs 476-500 Regulated Operations. The effect of this method allows for the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process. These deferrals are recorded as Net Costs Recoverable From or Refundable to Future Participant Billings in the financial statements. We believe that the Agency's use of this method is appropriate and reasonable. Certain Projects have now matured to the point where the effects of Regulatory Operations now result in amounts owed to rather than from the members.

Certain financial statement disclosures and transactions are particularly sensitive because of their significance to financial statement users. In addition to the matters discussed above, the most sensitive disclosures and transactions affecting the financial statements were:

- **Vero Beach Transaction**
  The Vero Beach transaction closed in December of 2018, providing funding that the ARP used to pay off certain variable rate debt and related interest rate swaps (a portion of the series 2008C's) totaling $74 million, with the remaining $32 million deposited to a member rate protection account to buffer future costs associated with the transaction. The accounting treatment defers the entire $105 million of proceeds from the transaction which will be recognized over future years. As of September 30, 2019, approximately $8 million of the initial deferral has been recognized in revenue, leaving a remaining balance of $97 million to be recognized over future years.

- **St. Lucie Bond Redemptions and SWAP Terminations**
  During December of 2018, the St. Lucie Project terminated its Forward Sales Agreement (FSA) for the acquisition of securities and liquidated its Capital Appreciation Bond portfolio which had been acquired through the FSA. The proceeds, along with other available funds, were used to redeem the remaining balance of certain variable rate bonds (series 2002 and 2000) and terminate the related interest rate swaps associated with these bonds. The total bonds redeemed as a part of this initiative total $161 million and interest rate swap terminations totaled $6.7 million.

- **Pooled Loan Program**
  During the 2019 year, the Agency reestablished its Pooled Loan Program to provide members with access to low cost financing by using the credit rating and borrowing power of the Agency. The program calls for the issuance of Conduit Debt on behalf of a member, which FMPA legal counsel has indicated is not a liability of the Agency and therefore does not appear as such in the Agency's financial statements.

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- **Natural Gas Prepay and Physical Delivery Agreements**
  During the 2019 year the ARP entered into a cancellable gas prepay agreement that will allow the project to receive a discount to the market rate of natural gas purchases and also entered into certain physical delivery agreements for natural gas from various vendors over several months in late 2019.

- **KUA TARP Agreement Amendment**
  During 2019 the Agency and KUA amended Schedule D to the KUA TARP agreement which extended the capacity credits payments from FMPA to KUA for Cane Island units 1 and 2 from 2021 through 2024 in a total amount of $13.4 million. The present value of these payments is $10.7 million, which was added to the Capital Lease Payable and the Acquisition Adjustment accounts of the Agency.

- **Member Services Billing and Agency Cost Allocations**
  The Agency has made significant efforts over the last couple of years to improve and increase the level of non-purchased power services ("member services") that are provided to the members. Our review of this area indicates that official policies dealing with how these services will be billed to a member have not been updated in many years and may not address the current level of services provided. Additionally, the Agency fund has a process for the allocation of payroll costs across the various projects that benefit from staff time, which has also not been updated in several years and may not be accomplishing the goals it was originally designed to achieve. Because of the interrelationship of these two processes, the Agency may want to review and update the processes for each of these areas in concert with one another in conjunction with the upcoming budget.

- **Florida Municipal Power Pool (FMPP)**
  The Agency has identified the FMPP as a high-risk operational area due to the high dollar significance of Agency purchases and sales to the pool and the complexity involved with pricing and the dispatching. Accordingly, the Agency has become more involved with and monitors pool activities very closely, with an emphasis on critical review of the dispatch decisions and auditing of pool transactions by the Agency's contract audit group. We also believe that the pool represents a critical operational area and concur with the special emphasis that the Agency is placing on monitoring and auditing this area.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Board of Directors and Executive Committee
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Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated December 20, 2019.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters
We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Schedule of Amounts Due To (From) Participants and Five-Year Trend Analysis, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use
This information is intended solely for the information and use of the Board of Directors, Executive Committee, Finance Committee, and management of the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

December 20, 2019
Ocala, Florida

AGENDA ITEM 8 – ACTION ITEMS

c. Approval Solar Phase I Poinsett PPA Revisions

Board of Directors Meeting
January 16, 2020

BOD 8c / EC 8f
Solar Phase I Poinsett PPA Revisions

FMPA Board of Directors and Executive Committee

January 2020

Florida Municipal Solar Project

Facility Allocations for Phase I Participants

Solar Phase I Facilities (Interconnection)	Total Capacity (MW)	OUC Share (MW)	ARP Share (MW)	Solar Project (MW)	OUC Share (%)	ARP Share (%)	Solar Project (%)
Taylor Creek (OUC)	**74.5**	74.5	-	-	100%	-	-
Harmony (OUC)	**74.5**	34.0	40.5	-	45.64%	54.36%	-
Poinsett (DEF)	**74.5**	-	17.5	57.0	-	23.49%	76.51%

FMPA MUNICIPAL POWER

Revised PPAs the Solution to Poinsett Solar Delay

Poinsett Site is fully permitted; waiting for Duke Interconnection study

- FMPA Solar Committees met several times to discuss options.
- Proposed solution to change sites considered in August was rejected.
- Staff continued discussions with Florida Renewable Partners (FRP).
- In October, FRP presented options for PPA revisions that allow additional time in exchange for reduced pricing, while staying at the original facility site.
  - FRP avoids financial damages unless new timeframe is not met.

Revised PPAs the Solution to Poinsett Solar Delay

Lowest Contract Price offered without Renewal Terms

- Solar Project Committee and ARP Solar Participants Advisory Committee meeting in early January for final approval of PPA revisions.
  - Maintain original site, delivery point, and production profile.
  - Milestone dates pushed out approximately 3 years.
  - Accept lowest price adjustment offer, which results in net present value savings of approximately $12 million* over 20 years.
  - Drop the two 5-year renewal term options.
- Revisions to the two PPAs will be identical.

*Does not include offset from any financial damages that would have otherwise been received.

Approval of PPA Revisions Requested

- Move approval of the Amended and Restated Renewable Energy Power Purchase Agreement between Florida Municipal Power Agency and Poinsett Solar, LLC and authorize the CEO & General Manager to execute the agreement.

Note – A markup of the Amended and Restated Agreement (using the ARP PPA as a template) is attached. The same changes will be made for the Amended and Restated Solar Project PPA.

AMENDED AND RESTATED RENEWABLE ENERGY POWER PURCHASE AGREEMENT

between

FLORIDA MUNICIPAL POWER AGENCY

as Buyer

and

POINSETT SOLAR, LLC

as Seller

dated as of

~~May 16, 2018~~ _______________, 2019

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[1] Seller NTD: The Table of Contents may need to be renumbered again once the A&R REPPA is finalized.

AMENDED AND RESTATED RENEWABLE ENERGY POWER PURCHASE AGREEMENT

This AMENDED AND RESTATED RENEWABLE ENERGY POWER PURCHASE AGREEMENT (this "Agreement") is made this ~~16th~~__ day of ~~May, 2018~~______, 2019 (the "Effective Date"), by and between **FLORIDA MUNICIPAL POWER AGENCY**, a governmental joint action agency organized and existing under Florida law ("**Buyer**") and **POINSETT SOLAR, LLC**, a Delaware limited liability company ("**Seller**"). Buyer and Seller are each individually referred to herein as a "Party" and collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, Seller intends to develop a photovoltaic solar energy generation facility of approximately 74.5 MW alternating current ("**AC**") aggregate nameplate capacity on a site located in Osceola County, Florida **("Site")**;

WHEREAS, Seller, or an Affiliate of Seller, also intends to develop two additional photovoltaic solar energy generation facilities, each of approximately 74.5 MWAC aggregate nameplate capacity, one on a site located in Orange County, Florida, and another on a site located in Osceola County, Florida (such projects, together with the Project, the "**Solar Project Portfolio**"); ~~and~~

WHEREAS, Seller desires to sell and deliver to Buyer and Buyer desires to purchase and receive all of Buyer's Share (as defined hereinafter) of the nameplate capacity, electric energy and environmental credits from the Project (as defined hereinafter), on the terms and conditions set forth herein~~.~~; and

WHEREAS, Buyer and Seller entered into that certain Renewable Energy Power Purchase Agreement, as of May 16, 2018 (as to such date, the "Original Effective Date", and as to such agreement, the "Original Agreement"); and

WHEREAS, Buyer and Seller have each determined that the Original Agreement ought to be amended and restated as set forth in this Agreement.

NOW, THEREFORE, the Parties hereto, for good and sufficient consideration, the receipt of which is hereby acknowledged, intending to be legally bound, do hereby ~~agree~~amend and restate the Original Agreement to read in its entirety as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 *Definitions.*

The capitalized terms listed in this ARTICLE 1 shall have the meanings set forth herein. Other terms used in this Agreement but not listed in this Article shall have the meanings as commonly used in the English language and, where applicable, in Prudent Operating Practice.

*"**Abandon**"* means after having commenced construction of the Project, Seller stops construction of the Project for more than ninety (90) consecutive days excluding cessation of construction work caused by the occurrence of a Force Majeure Event, Permitting Delay, or Transmission Delay.

"AC" has the meaning set forth in the Recitals.

"Adjustment Period" has the meaning set forth in Section 5.2(b).

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the power, directly or indirectly, to direct or cause the direction of the management, policies or operations of such Person, whether through the ownership of voting securities or by contract or otherwise.

"After-Tax Basis" means, with respect to Sections 12.2 and 12.3, any payment received or deemed to have been received by any Person, the amount of such payment (the "Base Payment") supplemented by a further payment (the "Additional Payment") to such Person so that the sum of the Base Payment plus the Additional Payment shall, after deduction of the amount of all taxes required to be paid by such Person in respect of the receipt or accrual of the Base Payment and the Additional Payment (taking into account any current or previous credits or deductions arising from the underlying event giving rise to the payment, the Base Payment and the Additional Payment), be equal to the amount required to be received. Such calculations shall be made on the assumption that the recipient is subject to federal income taxation at the highest applicable statutory rate applicable to corporations for the relevant period or periods, is subject to state and local income taxation at the highest applicable statutory rates applicable to corporations doing business in the State of Florida and shall take into account the deductibility (for federal income tax purposes) of any state and local income taxes.

"Agreement" has the meaning set forth in the first paragraph hereof.

"Applicable Law" means, with respect to any Person, the Site, or the Project, all laws, statutes, codes, acts, treaties, ordinances, orders, judgments, writs, decrees, injunctions, rules, regulations, Governmental Approvals, directives and requirements of all regulatory and other Governmental Authorities, in each case applicable to or binding upon such Person, the Site or the Project (as the case may be).

"ARP Contract" is defined in Section 11.4(d).

"Bankrupt" means, with respect to a Party, such Party (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, (b) makes an assignment or any general arrangement for the benefit of creditors, (c) otherwise becomes bankrupt or insolvent (however evidenced), (d) is generally unable to pay its debts as they fall due, (e) has been adjudicated bankrupt or has filed a petition or an answer seeking an arrangement with creditors, (f) has taken advantage of any insolvency law or shall have submitted an answer admitting the material allegations of a petition in bankruptcy or insolvency proceedings, (g) becomes subject to an order, judgment or decree for relief, entered in an involuntary case, by any court of competent jurisdiction appointing a receiver, trustee, assignee, custodian or liquidator, for a substantial part of any of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of one hundred eighty (180) consecutive Days, (h) fails to remove an involuntary petition in bankruptcy filed against it within one hundred eighty (180) Days of the filing thereof, or (i) becomes subject to an order for relief under the provisions of the United States Bankruptcy Act, 11 U.S.C. § 301.

"Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day opens at 8:00 a.m. and closes at 5:00 p.m. Eastern Prevailing Time.

"Buyer" has the meaning set forth in the first paragraph of this Agreement.

"Buyer Excuses" has the meaning set forth in Section 3.5(b).

"Buyer Purchase Damages" means:

(a) the discounted value (discounted at the Interest Rate) of the positive difference, if any, of: (i) all Dollar amounts that Buyer would, in the manner set forth below, be expected to pay at then prevailing market conditions to buy from a third party a product comparable to the Buyer's Product being purchased under this Agreement through the remaining Delivery Term; *plus* (ii) all incremental costs over and above those that Buyer would otherwise incur; *provided*, that such costs are quantifiable and directly related to the termination of this Agreement, and *provided further* that the incremental costs explicitly excludes costs related to any retail electric customer program; *less* (iii) all Dollar amounts Buyer would have been expected to pay to Seller for Buyer's Product under this Agreement through the remainder of the Term.

(b) Buyer shall calculate the Buyer Purchase Damages in a Commercially Reasonable manner by using the average of market quotations provided by three (3) or more bona fide unaffiliated market participants, if available. The average of the quotes that were obtained shall be deemed to be the market price. The quotes obtained shall be: (i) for a like amount, (ii) of products comparable to Buyer's Product, (iii) at the same or reasonably similar Delivery Point, (iv) for the remaining Term, and (v) determined in any other Commercially Reasonable manner. In no event shall Buyer Purchase Damages include any penalties or ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller's liability. For the purposes of this definition, Buyer shall not be required to actually have purchased any replacement of Buyer's Product to calculate Buyer Purchase Damages as set forth herein. If Buyer Purchase Damages are owed as a result of an Event of Default and the Buyer Purchase Damages are a negative number then the Buyer Purchase Damages shall be deemed to equal Zero Dollars ($0.00).

"Buyer's Delivered Energy" means Buyer's Share of the Delivered Energy.

"Buyer's Facility Attributes" means Buyer's Share of the Facility Attributes.

"Buyer's Performance Assurance" means the Performance Assurance provided by Buyer in the event of a Buyer Downgrade Event, in the amount of Buyer's Share of [redacted] as security for Buyer's obligation to pay for Buyer's Product pursuant to this Agreement.

"Buyer's Product" means Buyer's Share of the Product.

"Buyer's Renewable Attributes" means Buyer's Share of the Renewable Attributes.

"Buyer's Share" means, with respect to the Product (including the Energy, Renewable Attributes and Facility Attributes) and certain other rights and obligations set forth in this Agreement, Buyer's undivided pro rata entitlement share, expressed as the percentage set forth in Part I of Exhibit O, as such Exhibit may be amended pursuant to Section 3.1(b). For the avoidance of doubt, the sum of Buyer's Share and each Other Buyer's Share(s) (if any) shall equal one hundred percent (100%) of the Product.

"Change of Law" means any change in or addition to any Applicable Law on or after the Original Effective Date.

"Claims" has the meaning set forth in Section 12.2.

"Collateral Agent" has the meaning set forth in in Exhibit N-1.

"Commercially Reasonable" or ***"Commercially Reasonable Efforts"*** means, with respect to any purchase, sale, decision, or other action made, attempted or taken by a Party, such efforts as a reasonably prudent business would undertake consistent with its required performance under this Agreement while protecting its own interest under the conditions affecting such purchase, sale, decision or other action, consistent with Prudent Operating Practices, including electric system reliability and stability, state or other regulatory mandates relating to renewable energy portfolio requirements, the cost of such action (including whether such cost is reasonable), the amount of notice of the need to take a particular action, the duration and type of purchase or sale or other action, and the commercial environment in which such purchase, sale, decision or other action occurs. "Commercially Reasonable" or "Commercially Reasonable Efforts" shall be reviewed and determined based upon the facts and circumstances known, or which could have been known with the exercise of reasonable efforts, at the time that a sale, purchase, decision or other action is taken and shall not be based upon a retroactive review of what would have been optimal at such time.

"Commercial Operation" means the Project is fully operable and capable of continuous operation at the Project Capacity and able to produce and deliver the Product to Buyer in accordance with the terms of this Agreement.

"Commercial Operation Date" means the date following the Initial Energy Delivery Date, on which (a) Commercial Operation has occurred with respect to the full Project Capacity; (b) Seller has delivered to Buyer the Seller's Delivery Term Security required under Section 10.4(a)(ii); (c) Seller has delivered to Buyer a report with the results of start-up and operational and performance testing conducted by Seller to demonstrate the attainment of Commercial Operation of the Project; (d) Seller has received all local, state and federal Governmental Approvals and other approvals, consents and authorizations as may be required by Applicable Law for the construction, operation and maintenance of the Project and generation, delivery and sale of Product hereunder ,and (e) Seller has executed and delivered to Buyer a certificate certifying to Buyer the fulfillment of all conditions precedent to Commercial Operation of the Project substantially in the form of Exhibit L.

"Confidential Information" has the meaning set forth in Section 14.1.

"Contract Price" means (i) from and including the Initial Energy Delivery Date until the Commercial Operation Date, seventy-five percent (75%) of the Dollar-per-MWh Rate, and (ii) from the Commercial Operation Date through the remainder of the Term the Dollar-per-MWh Rate.

"Contract Quantity" has the meaning set forth in Section 3.19(a).

"Contract Year" means each one year period during the Term, with the first Contract Year commencing on the Commercial Operation Date and ending on the day before the anniversary of the Commercial Operation Date, and subsequent Contract Years commencing on the anniversary of the Commercial Operation Date.

"Credit Rating" means, (a) with respect to Seller or any other Person, the rating then assigned to Seller's or such Person's unsecured, senior long-term debt obligations (not supported by third-party credit enhancements); and (b) with respect to Buyer, the rating then assigned to Buyer's long-term bonds secured by revenues of the ARP Project.

"Cure Payment Period" has the meaning set forth in Section 3.19(c).

"Curtailment Period" means the period of time during which any of the following occur: (a) Transmission Provider orders, directs, alerts, or provides notice to a Party to curtail Energy deliveries for the following reasons: (i) any System Emergency; (ii) any warning of an anticipated System Emergency, or warning of an imminent condition or situation, which jeopardizes Transmission Provider's electric system integrity; (b) a curtailment ordered by the Transmission Provider for reasons including, (i) any situation that affects normal function of the electric system, including any abnormal condition that requires action to prevent circumstances such as equipment damage, loss of load, or abnormal voltage conditions, (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Transmission Provider's Transmission System integrity or the integrity of other systems to which the Transmission Provider is connected; (c) scheduled or unscheduled maintenance on the Transmission Provider's Transmission System that prevents (i) Buyer from receiving Energy at or (ii) Seller from delivering Energy to the Delivery Point; or (d) a curtailment in accordance with Seller's obligations under the Large Generator Interconnection Agreement.

"Daily Delay Damages" means Buyer's Share of [redacted] per day.

"Daily Delay Damages Cap" has the meaning set forth in Section 4.4(a).

"Day" or "day" means a period of twenty-four (24) consecutive hours beginning at 00:00 hours Eastern Prevailing Time on any calendar day and ending at 24:00 hours Eastern Prevailing Time on the same calendar day.

"Defaulting Party" has the meaning set forth in Section 7.1.

"Delivered Energy" means the Energy delivered to the Delivery Point net of all electrical losses associated with the transmission or transformation (from direct current to AC) of the Energy to the Delivery Point, including, if applicable, any losses between the Metering System and the Delivery Point.

"Delivery Point" means the point, more specifically described as the ring bus in Exhibit C, where Seller's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

"Delivery Term" means the period of time commencing upon the Initial Energy Delivery Date and terminating at the end of the Term.

"Disclosing Party" has the meaning set forth in Section 14.1.

"Dispute" has the meaning set forth in Section 18.1.

"Dollar"* or *"$" means dollars of the United States of America.

"Dollar-per-MWh Rate" means [redacted] per MWh of Delivered Energy.

***"Downgrade Event*"** means any point in time during the Term when: (a) with respect to Seller, two of three of Seller's Guarantor's Credit Ratings fall below Investment Grade; and (b) with respect to Buyer, any Credit Rating of Buyer's long-term bonds secured by the revenues of the ARP Project falls below Investment Grade.

"Early Termination Date" has the meaning set forth in Section 7.2(a).

"Effective Date" has the meaning set forth in the Preamble to the Agreement.

"Electric Interconnection Upgrade" means to complete or to cause to be completed all work, services, installations, equipment and facilities, and to obtain or to cause to be obtained all required Governmental Approvals necessary to interconnect the Project with the Transmission Provider's Transmission System.

"Energy" means net electric energy generated by the Project and available for delivery to the Delivery Point, which shall be in the form of three (3)-phase, sixty (60) Hertz, alternating current (AC).

"Energy Not Received" means, in any hour where Energy is not delivered to the Delivery Point, (a) the positive difference between (i) the most recently available forecast of Energy deliveries as defined in Section 3.16, and (ii) the actual amount of Delivered Energy delivered during such hour, if any; or, if such forecast is unavailable, (b) the positive difference between (i) the estimate of Energy production for such hour derived from a P50 (probability of exceedance is fifty percent (50%)) simulation using actual meteorological data for such hour and PVSyst solar forecasting tool, or its successor, or other peer industry standard solar energy forecasting tool, reflective of the same degradation rate as was assumed in the preparation of Exhibit D per year relative to the Project Capacity (prorated over a partial year as applicable) and (ii) the actual amount of Delivered Energy during such hour, if any.

"Equitable Defenses" means any bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and, with regard to equitable remedies, the discretion of the court before which proceedings may be pending to grant same.

"Event of Default" has the meaning set forth in Section 7.1.

"Excess Energy Credit" has the meaning set forth in Section 3.19(d).

"Excess Energy Delivery" has the meaning set forth in Section 3.19(d).

"Excess Energy Rate" means [redacted] of the Dollar-per-MWh Rate.

"Executives" has the meaning set forth in Section 18.2(a).

"Facility Attributes" means all ancillary products, services, capabilities or attributes which are or can be produced by or associated with the Project at any time during the Term.

"Fair Market Value" means the price that, as of the applicable Notice Date, would be paid in an arm's length, free market transaction, in cash, between an informed, willing seller and informed willing buyer neither of whom is under compulsion to complete the transaction, taking into account, among other things, the age and performance of the Project and advances in solar technology and the commercial benefits that Seller may be able to derive from the Project, *provided* that installed equipment will be valued on an installed basis and costs of removal from current location will not be a deduction from the value.

"Fitch" means Fitch Ratings Ltd. or any successor thereto, or if there is no such successor, a nationally recognized credit rating agency.

"FMPA All-Requirements Power Supply Project" means the joint-action power supply project created by the FMPA Board of Directors pursuant to FMPA Resolution 1985-B2, dated March 22, 1985.

"FMPA All-Requirements Power Supply Project Contracts" means the Power Supply Project Contracts between Buyer and each member of the FMPA All-Requirements Power Supply Project for the sale of the electric capacity and energy and dispatching and transmission services by FMPA to such member.

"FMPA Solar Project" means the joint-action solar project created by the FMPA Board of Directors pursuant to FMPA Resolution 2018-B5, dated March 21, 2018.

"***Forced Outage***" means a reduction or suspension of Energy from the Project or an unavailability of the Project, in each case, in an amount greater than five percent (5%) of the Project Capacity and in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip or unavailability that is not a Planned Outage or Maintenance Outage, due to a Curtailment Period, or the result of a Force Majeure Event.

"Force Majeure Event" means any event or circumstance after the Original Effective Date that wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, other than the obligation to pay amounts due, but only to the extent (1) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (2) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event and thereafter to mitigate the effect of such event on such Party's ability to perform its obligations under this Agreement, (3) such Party could not reasonably have been expected to prevent or avoid such event and could not overcome such event by the exercise of due diligence, and (4) such event is not the direct or indirect result of the fault or negligence of the Party seeking to have its performance obligations excused thereby.

(a) Subject to the foregoing, events that could qualify as a Force Majeure Event include the following:

(i) acts of God, flooding, landslide, earthquake, fire, explosion, epidemic, quarantine, hurricane, tornado, volcano, other natural disaster or unusual or extreme adverse weather-related events;

(ii) war (declared or undeclared), riot or similar civil disturbance, acts of the public enemy (including acts of terrorism), sabotage, blockade, insurrection, revolution, expropriation or confiscation which directly impact operations;

(iii) except as set forth in subpart (b)(vi) below, strikes, work stoppage or other labor disputes (in which case the affected Party shall have no obligation to settle the strike or labor dispute on terms it deems unreasonable);

(iv) environmental and other contamination at or affecting the Project prior to the Original Effective Date which was not reasonably discoverable during Site due diligence using Prudent Operating Practices;

(v) accidents of navigation or breakdown or injury of vessels, accidents to harbors, docks, canals or other assistances to or adjuncts of shipping or navigation, or quarantine, air crash, shipwreck, train wrecks or other failures or delays of transportation;

(vi) vandalism beyond that which could not be reasonably prevented by Seller using Prudent Operating Practices;

(vii) the discovery of Native American burial grounds not evidenced in Seller's Phase I environmental assessment of the Site and not reasonably discoverable during Site due diligence using Prudent Operating Practices;

(viii) the discovery of endangered species at the Site, as defined by Applicable Law, not reasonably discoverable during Site due diligence using Prudent Operating Practices;

(ix) damage to or destruction of the Project generator step-up transformer that requires installation of a replacement unit; and

(x) damage to or destruction of the Transmission Provider's Transmission System which prevents Buyer from accepting delivery of Energy to the Delivery Point.

(b) A Force Majeure Event shall not be based on:

(i) Buyer's inability to economically use or resell Buyer's Product purchased hereunder;

(ii) Seller's ability to sell the Product at a price greater than the price set forth in this Agreement;

(iii) Seller's inability to obtain Governmental Approvals or other consents, approvals or authorizations of any type for the ownership, construction, operation, or maintenance of the Project or the production, transmission, delivery and sale of Product;

(iv) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to install, equip, build, operate, maintain or repair the Project, except to the extent Seller's inability to obtain sufficient labor, equipment, materials, or other resources is caused by a Force Majeure Event of the specific type described in any of subsections (a)(i) through (a)(vi) above;

(v) Seller's failure to obtain Performance Assurance, financing or other funds, including funds authorized by a state or the federal government or agencies thereof, to supplement the payments made by Buyer pursuant to this Agreement; or

(vi) a strike, work stoppage or labor dispute limited only to any one or more of Seller or Seller's Affiliates.

"Force Majeure Extension" has the meaning set forth in Section 4.3(c)(iii).

"GEP Damages" has the meaning set forth in Section 3.19(c).

"GEP Failure" has the meaning set forth in Section 3.19(c).

"Governmental Approvals" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, notices, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority and shall include those siting, construction and operating permits and licenses, and any of the foregoing under any Applicable Law that are required to construct, interconnect, operate, maintain and repair the Project and deliver Delivered Energy to the Delivery Point.

"Governmental Authority" means any federal, state, local or municipal government body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; any court or governmental tribunal; or any independent operator, regional transmission organization or other regulatory body; in each case having jurisdiction over either Party, the Project, the Site, the generation, delivery and sale of Product, Seller's Interconnection Facilities, the Transmission Provider's Interconnection Facilities, or the Transmission Provider's Transmission System.

"Governmental Charges" has the meaning set forth in Section 13.2.

"Guaranteed Commercial Operation Date" means June 30, ~~2020~~2023, as such date may be extended in accordance with Section 4.3(c).

"Guaranteed Energy Production" or ***"GEP"*** has the meaning set forth in Section 3.19(b).

"Guarantor" means an entity providing payment security on behalf of a Party. The Guarantor must be incorporated or organized in a jurisdiction of the United States and be in good standing in such jurisdiction.

"Guaranty" means a guaranty substantially in the form of Exhibit F issued by a Guarantor with an Investment Grade Credit Rating.

"Initial Energy Delivery Date" means the first date that Seller delivers Buyer's Delivered Energy to Buyer at the Delivery Point and that Buyer is able to receive and transmit such Buyer's Delivered Energy from the Delivery Point.

"Initial Negotiation End Date" has the meaning set forth in Section 18.2(a).

~~***"Initial Term"*** has the meaning set forth in Section 2.1.~~

"Interest Payment Date" means the last Business Day of each calendar month.

"Interest Rate" means the lower of (a) annual rate equal to the U.S. 10-year Treasury Note then in effect plus four percent (4%) and (b) the maximum interest permitted by Applicable Law.

"Interim Milestones" has the meaning set forth in Section 4.1(i).

"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.

"Investment Grade" means a Credit Rating of at least: (a) BBB- when the Credit Rating is issued by S&P, (b) Baa3 when the Credit Rating is issued by Moody's, or (c) BBB- when the Credit Rating is issued by Fitch; *provided*, that if the applicable Person is rated by each of Moody's, S&P and Fitch, the two (2) highest ratings will be the applicable standard in determining such Person's Credit Rating.

"Large Generator Interconnection Agreement" means the mutually agreed interconnection agreement between the Transmission Provider and Seller pursuant to which Seller's Interconnection Facilities and the Transmission Provider's Interconnection Facilities will be constructed and operated and maintained, in accordance with the Transmission Provider's Open Access Transmission Tariff.

"Letter(s) of Credit" means one or more irrevocable, transferable standby letters of credit, substantially in the form of Exhibit G, issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody's, without a "negative credit watch", "negative outlook" or other rating decline alert by either S&P or Moody's and having net tangible assets of at least $10 Billion, in a form acceptable to the Party in whose favor the letter of credit is issued.

"Lien" means any lien, charge, claim, mortgage, security agreement or other encumbrance.

"Maintenance Outage" means removal of a portion of the Project from service availability, excluding Planned Outages and Forced Outages.

"Manager" has the meaning set forth in Section 18.2(a).

"Measurement Period Performance Percentage" has the meaning set forth in Section 3.19(a).

"Metering System" means all meters, metering devices and related instruments used to measure and record Energy and to determine the amount of Delivered Energy.

"Milestone Daily Delay Damages" means Buyer's Share of [redacted] for each day of delay in achieving the milestones set out in the first two rows of Exhibit K.

"Milestone Daily Delay Damages Cap" has the meaning set forth in Section 4.1(j).

"Moody's" means Moody's Investor Service, Inc. or any successor thereto, or in the event that there is no such successor, a nationally recognized credit rating agency.

"MW" means a megawatt (or 1,000 kilowatts) of AC electric generating capacity.

"MWh" means a megawatt hour.

"NERC" means the North American Electric Reliability Corporation.

"Network Upgrades" means additions, modifications and upgrades to the Transmission Provider's Transmission System, or any other electric delivery system beyond the Delivery Point to which Transmission Provider's Transmission System is directly or indirectly interconnected or which is affected, to accommodate the interconnection of the Project to the Transmission Provider's Transmission System.

"Network Upgrade Cost" means the costs to make any Network Upgrades required by the Transmission Provider for the Project.

"Newly Available Product" means any Product available to Seller following a default or termination by (a) any Other Buyer under a power purchase agreement with Seller relating to the Project, or (b) any Other Solar Project Buyer under a power purchase agreement with Seller relating to a project in the Solar Project Portfolio other than the Project.

"Non-Defaulting Party" has the meaning set forth in Section 7.2.

"Notice" has the meaning set forth in Section 19.1.

"Notice Date" has the meaning set forth in Section 9.1.

"Operating Procedures" has the meaning set forth in Section 3.11.

"Option Price" has the meaning set forth in Section 9.1.

"Original Agreement" has the meaning set forth in the Preamble to the Agreement.

"Original Effective Date" has the meaning set forth in the Preamble to the Agreement.

"Other Buyer" means each Person (if any) other than Buyer identified in Part I of Exhibit O that will purchase Product from the Project.

"Other Buyer's Share" means, with respect to the Product (including the Energy, Renewable Attributes and Facility Attributes) and certain other rights and obligations set forth in this Agreement, an Other Buyer's undivided pro rata entitlement share, expressed as the percentage set forth in Part I of Exhibit O, as such Exhibit may be amended pursuant to Section 3.1(b). For the avoidance of doubt, the sum of Buyer's Share and all Other Buyer's Shares) shall equal one hundred percent (100%).

"Other Solar Project Buyers" means each of the "Other Solar Project Buyers" identified in Part I of Exhibit O with respect to the Taylor Creek project and the Holopaw project.

"OUC" means the Orlando Utilities Commission.

"Parties" has the meaning set forth in the first paragraph of this Agreement.

"Party" has the meaning set forth in the first paragraph of this Agreement.

"***Performance Assurance***" means security in the form of cash, Letters of Credit, or Guaranty (unless specified otherwise in this Agreement) in the form and substance set out in this Agreement provided by a Party to the other Party to secure a Party's obligations hereunder.

"Performance Measurement Period" has the meaning set forth in Section 3.19(a).

"Permitted Extensions" means extensions to the Guaranteed Commercial Operation Date due to Transmission Delay, Permitting Delay, or Force Majeure Extension.

"Permitting Delay" has the meaning set forth in Section 4.3(c)(ii).

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority, governmental entity, limited liability company or any other entity of whatever nature.

"Plan" means a plan delivered by one Party to the other Party or by Collateral Agent or Tax Equity Investor(s) to Buyer, as applicable, in connection with an outage or an Event of Default (as applicable) pursuant to Section 7.1(a)(iii) (Events of Default), Section 16.1 (Force Majeure), section 3(c) of a consent to assignment delivered pursuant to Section 15.2(d), or section 6(c) of an estoppel certificate delivered pursuant to Section 15.2(d), as such plan may be updated by written Notice (including by e-mail) from the Person delivering such plan to the applicable Party.

"Planned Outage" means the scheduled removal of all or a portion of the Project from service availability. To qualify as a Planned Outage, the maintenance (a) must actually be conducted during the Planned Outage period, and in Seller's sole discretion must be of the type that is necessary to reliably maintain the Project consistent with recommendations of equipment manufacturers and Prudent Operating Practice, (b) cannot be reasonably conducted during the Project's operations, and (c) is reasonably expected to cause the amount of Energy delivered to the Delivery Point to be reduced by at least five percent (5%) of the Project Capacity.

"Point of Interconnection" has the meaning set forth in Exhibit C.

"Product" means the Energy, Renewable Attributes and Facility Attributes generated by the Project, net of Station Service.

"Project" means Seller's electrical plant and equipment used to generate electricity utilizing photovoltaic solar energy generator equipment and facilities located at the Site, Seller's Interconnection Facilities and any and all additions, replacements or modifications. The Project is more particularly described in Exhibit B.

"Project Capacity" has the meaning set forth in Section 3.4.

"Project Cure Period" has the meaning set forth in Section 4.4(a).

"Project Development Security" has the meaning set forth in Section 10.4(a)(i).

"Project Investor" or ***"Project Investors"*** means any and all Persons or successors in interest thereof (a) lending money, extending credit or providing loan guarantees (whether directly to Seller or to an Affiliate of Seller) as follows: (i) for the construction, interim or permanent financing or refinancing of the Project; (ii) for working capital or other ordinary business requirements of the Project (including the maintenance, repair, replacement or improvement of the Project); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Project; (iv) for any capital improvement or replacement related to the Project; or (v) for the purchase of the Project and the related rights from Seller; or (b) participating (directly or indirectly) as an equity investor (including a Tax Equity Investor) in the Project; or (c) any lessor under a lease finance arrangement relating to the Project.

"Project Quantity" means the total estimated Energy production of the Project for a Contract Year as set forth in Exhibit D, as such Exhibit may be amended in accordance with Section 3.19(g).

"Prudent Operating Practices" means the practices, methods and standards of professional care, skill and diligence engaged in or approved by a significant portion of the electric generation industry for solar facilities of similar size, type, and design as the Project, that, in the exercise of reasonable judgment, in light of the facts known at the time, would have been expected to accomplish results consistent with Applicable Law, reliability, safety, environmental protection and standards of economy and expedition. Prudent Operating Practices is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practice, methods, or acts generally accepted in the industry.

"***Purchase Option***" has the meaning set forth in Section 9.1.

"Qualified Institution" means a U.S. commercial bank or a licensed U.S. branch of a foreign bank, or other Person having an unsecured bond rating equivalent to A- or better (by S&P and/or Fitch) or A3 or better (by Moody's) as determined by at least two (2) Ratings Agencies, one of which must be either Standard & Poor's or Moody's, and net tangible assets of at least Thirty Billion Dollars ($30,000,000,000).

"Ratings Agency" means either of Fitch, S&P or Moody's.

"Receiving Party" has the meaning set forth in Section 14.1.

"Referral Date" has the meaning set forth in Section 18.2(a).

"Renewable Attributes" means any and all existing and future renewable resource attributes, emissions credits and other environmentally related attributes that arise from, result from, are created by or are attributable to the generation, production, purchase or sale of Energy from the Project. Renewable Attributes do not include (a) any Energy, capacity, reliability or other power attributes from the Project, (b) Tax Attributes or (c) emission reduction credits encumbered or used by the Project for compliance with local, state or federal operating and/or air quality permits.

~~"*Renewal Term*" has the meaning set forth in Section 2.1.~~

"S&P" means Standard & Poor's or any successor thereto, or in the event that there is no such successor, a nationally recognized credit rating agency.

"Scheduling Coordinator" means the Persons designated by Buyer and Other Buyers by Notice to Seller as the Persons who are authorized and responsible for (a) scheduling the amount of Energy expected to be delivered to the Delivery Point by the Project, consistent with the Operating Procedures, during any hour during the Delivery Term and (b) acting as the designated account manager for the Green-E Tracking System, or other body for the registration, certification, or transfer of Renewable Attributes, for the purposes of allocating and distributing Renewable Attributes among the Buyer and the Other Buyers (if any), based on Buyer's Share and each Other Buyer's Share, as applicable.

"SEC" means the U.S. Securities and Exchange Commission.

"Seller" has the meaning set forth in the first paragraph of this Agreement.

"Seller Excuses" has the meaning set forth in Section 3.5(a).

"Seller Excuse Hours" means the hours Seller is unable to generate or deliver Energy due to Seller Excuses.

"Seller Sales Damages" means:

(a) the discounted value (discounted at the Interest Rate) of the positive difference, if any, of: (i) all Dollar amounts that Seller would, in the manner set forth below, be expected to receive from the sale of the Buyer's Product under this Agreement through the remainder of the Term; *plus* (ii) all incremental costs over and above those that Seller would otherwise incur when delivering the Buyer's Product to the Delivery Point; *less* (iii) all Dollar amounts Seller reasonably would, in the manner set forth below, be expected to receive at then-prevailing market conditions from the sale to a third party of the Buyer's Product that it would have provided to Buyer through the remainder of the Term.

(b) Seller shall calculate the Seller Sales Damages in a Commercially Reasonable manner by using the average of market bids or quotations provided by three (3) or more bona fide unaffiliated market participants, if available. The average of the bids/quotes that were obtained shall be deemed to be the market price. The quotes obtained shall be: (i) for a like amount, (ii) of Product from the Project equivalent to Buyer's Product, (iii) at the same or reasonably similar Delivery Point, (iv) for the remainder of the Term, and (v) determined in any other Commercially Reasonable manner. In no event shall Seller Sales Damages include any penalties, or ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Buyer's liability. For the purposes of this definition, Seller shall not be required to actually resell the Buyer's Product to calculate the Seller Sales Damages as set forth herein. If Seller Sales Damages are owed as a result of an Event of Default and the Seller Sales Damages, as calculated pursuant to this definition, are a negative number then the Seller Sales Damages shall be deemed to equal Zero Dollars ($0.00).

"***Seller's Delivery Term Security***" has the meaning set forth in Section 10.4(a)(ii).

"Seller's Interconnection Facilities" means the interconnection facilities, control and protective devices and metering and supervisory control and data acquisition (SCADA) facilities required to connect the Project with the Transmission Provider's Transmission System up to, and on Seller's side of, the Delivery Point.

"Seller's Ultimate Parent Company" means the ultimate parent of Seller, which as of the Original Effective Date is NextEra Energy, Inc.

"Settlement Amount" means (a) with respect to a Termination Payment owed to Buyer, the Buyer Purchase Damages; or (b) with respect to a Termination Payment owed to Seller, the Seller Sales Damages, as applicable.

"Site" has the meaning set forth in the Recitals as further described in Exhibit I.

"Solar Project Portfolio" has the meaning set forth in the Recitals.

"Station Service" means the electric energy required by the Project to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for operation of the Project.

"System Emergency" means a condition on the Transmission Provider's Transmission System, at the Project, or on transmission facilities used to deliver Energy from the Project to the Delivery Point which condition is likely to result in imminent significant disruption of service to the Transmission Provider's Transmission System customers or is imminently likely to endanger life or property.

"Tax Attributes" means (a) investment tax credits (including any grants or payments in lieu thereof) and any other tax deductions or tax benefits under federal, state or other Applicable Law available as a result of the ownership and operation of the Project or the output generated by the Project (including tax credits, payments in lieu thereof and accelerated and/or bonus depreciation); and (b) present or future (whether known or unknown) cash payments, grants under Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 or outright grants of money relating in any way to the Project.

"Tax Equity Investor" means one or more Project Investor(s) seeking a return that is enhanced by tax credits and/or tax depreciation and generally (a) described in Revenue Procedures 2001-28 (sale-leaseback (with or without "leverage")), 2007-65 (flip partnership) or 2014-12 (flip partnership and master tenant partnership) as those revenue procedures are reasonably applied or analogized to a solar project transaction (as opposed to a wind farm or rehabilitated real estate) or (b) contemplated by Section 50(d)(5) of the Code, as amended (a pass-through lease).

"Term" has the meaning set forth in Section 2.1.

"Termination Payment" has the meaning set forth in Section 7.3(a).

"Transmission Delay" has the meaning set forth in Section 4.3(c)(i).

"Transmission Provider" means Duke Energy Florida or any successor to the Transmission Provider's Transmission System.

"Transmission Provider's Interconnection Facilities" means the interconnection facilities, control and protective devices and metering facilities required to connect the Transmission Provider's Transmission System with the Project up to, and on the Transmission Provider's side of, the Delivery Point.

"Transmission Provider's Transmission System" means the facilities for the transmission of Buyer's Delivered Energy from the Delivery Point to Buyer's electric delivery system.

1.2 *Interpretation.*

The following rules of construction shall be followed when interpreting this Agreement:

(a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine, and neuter;

(b) words used or defined in the singular include the plural and vice versa;

(c) references to Articles and Sections refer to Articles and Sections of this Agreement;

(d) references to Annexes, Exhibits and Schedules refer to the Annexes, Exhibits and Schedules attached to this Agreement, each of which is made a part hereof for all purposes;

(e) references to Applicable Laws refer to such Applicable Laws as they may be amended from time to time, and references to particular provisions of an Applicable Law include any corresponding provisions of any succeeding Applicable Law and any rules and regulations promulgated thereunder;

(f) terms defined in this Agreement are used throughout this Agreement and in any Annexes, Exhibits and Schedules hereto as so defined;

(g) references to money refer to legal currency of the United States of America;

(h) the words "includes" or "including" shall mean "including without limitation;"

(i) the words "hereof," "hereby," "herein," "hereunder" and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular Article or Section in which such words appear, unless otherwise specified;

(j) all references to a particular entity shall include a reference to such entity's successors and permitted assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;

(k) references to any agreement, document or instrument shall mean a reference to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time;

(l) the word "or" will have the inclusive meaning represented by the phrase "and/or;"

(m) the words "shall" and "will" mean "must", and shall and will have equal force and effect and express an obligation; and

(n) the words "writing," "written" and comparable terms refer to printing, typing, and other means of reproducing in a visible form.

ARTICLE 2
TERM

2.1 ***Term.***

This Agreement shall commence on the Original Effective Date and, unless sooner terminated in accordance with the terms hereof, continue until the date that is twenty (20) years following the Commercial Operation Date (the "~~**Initial Term**"). The Initial Term may be extended at the option of Buyer for two (2) extension terms of five (5) years each or by one ten (10) year extension term (the "**Renewal Term(s)**"), with no change to the Contract Price, by Notice from Buyer to Seller at least one hundred twenty (120) days prior to the expiration of the Initial Term or the initial Renewal Term, as applicable. The Initial Term and any Renewal Term(s) are collectively (the "**Term**").~~ **Term**").

ARTICLE 3
OBLIGATIONS AND DELIVERIES

3.1 ***Product.***

(a) Seller shall produce, deliver and sell to Buyer Buyer's Product which is or can be produced by or associated with the Project now and in the future (whether known or unknown) in accordance with the terms hereof. Seller and Buyer acknowledge that except in the case in which Buyer's Share is or becomes equal to one hundred percent (100%), the Buyer's Product under this Agreement is not intended to be the entire Product produced by or relating to the Project and that Seller has or will contract to sell the remaining shares of the Product to Other Buyers. Seller acknowledges that Buyer does not and shall not incur obligations to the Other Buyers through this Agreement and the rights and obligations of this Agreement shall be separate and independent of any agreements entered into by Seller with Other Buyers and Other Solar Project Buyers, including with regard to Seller's ability or inability so resell Newly Available Product to third parties, except as expressly, specifically set forth herein.

(b) In the event of availability of Newly Available Product in connection with the Project, Seller shall proceed to dispose of such Other Buyer's Share of the Product as follows:

(i) Seller shall first offer to transfer to Buyer and to each non-defaulting Other Buyer(s) a pro rata portion of the Newly Available Product, in accordance with each such Person's share of the Project as set forth in Part I of Exhibit O. Any part of such Newly Available Product that is declined by Buyer or any Other Buyer(s), shall be reoffered pro rata to Buyer and/or such Other Buyer(s) which have accepted in full the first such offer; such reoffering shall be repeated until such Newly Available Product has been reallocated in full or until Buyer and/or all such

Other Buyers have declined to take any portion or additional portion of such Newly Available Product.

(ii) If less than all of the Newly Available Product shall be accepted by Buyer and/or such Other Buyers, Seller shall offer the remaining Newly Available Product to Other Solar Project Buyers on a pro rata basis in accordance with such Other Solar Project Buyers' share of the Solar Project Portfolio as set forth in Part II of Exhibit O.

(c) If less than all of the Newly Available Product shall be accepted by Buyer and/or such Other Buyers and/or such Other Solar Project Buyers pursuant to Section 3.1(b), Seller may sell to a third party the remaining portion of Newly Available Product for the remainder of the Term. Upon the conclusion of such reoffering, Seller shall provide Buyer with an amended Exhibit O reflecting the revised percentages constituting Buyer's Share and each Other Buyer's Share, as well as the share of each such Person in the Solar Project Portfolio. Such amended Exhibit O will be deemed to replace the exhibit attached to this Agreement as Exhibit O prior to such amendment.

3.2 *Purchase and Sale.*

(a) Unless specifically excused by the terms of this Agreement, during the Delivery Term Seller shall produce at the Project, sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, Buyer's Product, and Buyer shall pay Seller for Buyer's Product in accordance with the terms hereof.

(b) For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Buyer's Product on the terms and conditions set forth herein, Seller will transfer to Buyer, and Buyer will receive from Seller, all right, title, and interest in and to all Buyer's Renewable Attributes and Buyer's Facility Attributes, whether now existing or acquired by Seller or that hereafter come into existence or are acquired by Seller during the Term, for all Buyer's Delivered Energy. Seller agrees to transfer and make such Buyer's Renewable Attributes and Buyer's Facility Attributes available to Buyer immediately to the fullest extent allowed by Applicable Law upon Seller's production or acquisition of the Buyer's Renewable Attributes and Buyer's Facility Attributes. Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of such Buyer's Renewable Attributes and Buyer's Facility Attributes to any Person other than Buyer.

3.3 *Contract Price.*

Buyer shall pay Seller the Contract Price for each MWh of Buyer's Delivered Energy. Buyer and Seller acknowledge and agree that the consideration for the transfer of Buyer's Renewable Attributes and Buyer's Facility Attributes is contained within Contract Price paid for the Buyer's Product. In the event that during any Contract Year Seller produces and makes an Excess Energy Delivery to the Delivery Point, within thirty (30) days after the end of such Contract Year, Seller shall credit Buyer by an amount such that in respect of all such Excess Energy Delivery, Buyer effectively paid the Excess Energy Rate for such Excess Energy Delivery pursuant to the settlement process described in Section 3.19.

3.4 *Project Capacity.*

The "**Project Capacity**" is the full generation capacity of the Project net of all Station Service and net of losses, including transformation or transmission losses, to the Delivery Point, which shall be 74.5 MW AC as of the Commercial Operation Date. Throughout the Delivery Term, Seller shall sell and deliver Buyer's Share of the Project Capacity solely to Buyer, except as may be permitted under this Agreement in the case of an Event of Default of Buyer or during a Curtailment Period, Planned Outage or Maintenance Outage, Forced Outage or Force Majeure Event where Buyer is prevented from accepting delivery of Buyer's Share of the Energy.

3.5 *Performance Excuses.*

(a) The obligation of Seller to deliver Buyer's Delivered Energy to the Delivery Point shall be excused only (i) during periods of a Force Majeure Event, (ii) by Buyer's unexcused failure to perform its obligation to receive Buyer's Delivered Energy at the Delivery Point, (iii) during Curtailment Periods and (iv) during Planned Outages and Maintenance Outages ("**Seller Excuses**").

(b) The obligation of Buyer to receive and pay for Buyer's Share of the Energy shall be excused only (i) during periods of a Force Majeure Event, (ii) by Seller's failure to perform its obligations to generate and deliver Energy to the Delivery Point, or (iii) during Curtailment Periods ("**Buyer Excuses**").

(c) Except for a failure resulting from a Force Majeure Event or during a Curtailment Period, the failure of electric transmission service shall not excuse performance with respect to either Party.

3.6 *Buyer's Right to Curtail.*

(a) The Scheduling Coordinator may curtail, or require Seller to curtail, all or part of the Energy from the Project at any time for any reason, including Buyer Excuses. In the event that the curtailment does not arise out of Buyer Excuses, for any such period and to the full extent the Project is otherwise available (taking into account any partial or full outage), Buyer shall be responsible for and shall pay Seller for Buyer's Share of the Energy Not Received at the Delivery Point as a result of the curtailment directed by Scheduling Coordinator at the Contract Price for the amount of Buyer's Share of Energy Not Received as determined and calculated by Seller and agreed to by Buyer in a Commercially Reasonable manner. In the event that Buyer requests Seller to curtail all or part of the Energy the Project is capable of generating, Seller shall curtail the generation of such Energy as soon as reasonably possible after receiving, and otherwise in accordance with, Notice from Buyer.

(b) Seller shall include in a monthly invoice delivered to Buyer pursuant to Section 8.1 the amounts, if any, owed by Buyer pursuant to Section 3.6(a) and a description, in reasonable detail, of the calculation of Buyer's Share of Energy Not Received.

3.7 *Replacement Energy.*

(a) Subject to clauses (b) and (c) of this Section 3.7, in the event of a Planned Outage, Maintenance Outage, Forced Outage, or an outage in connection with a Force Majeure Event or any other Seller Excuse, during the period of such outage, Buyer (i) has the right to purchase replacement energy as necessary and (ii) shall be relieved from the obligation to receive and purchase, or cause to be received and purchased, Buyer's Share of the Energy at the Delivery Point; *provided*, that Seller shall have no obligation to reimburse Buyer for any such replacement energy.

(b) In connection with any outage for which Seller delivers written Notice (including by e-mail) to Buyer stating that Seller anticipates such outage will continue for forty-eight (48) hours or more, and Seller has delivered a Plan to Buyer:

(i) Buyer may, upon written Notice to Seller, Collateral Agent or Tax Equity Investor(s) (as applicable), purchase replacement energy for a period of time equal to the lesser of (A) the remaining period of time outlined in such Plan, or (B) seven (7) days; *provided*, for the avoidance of doubt, that if the Plan provides a timeline greater than seven (7) days to resume the delivery of Energy to the Delivery Point, Buyer may continue to purchase replacement energy upon written Notice to Seller, Collateral Agent or Tax Equity Investor (as applicable) on a rolling basis until the date on which delivery of Energy to the Delivery Point is anticipated to resume, as specified in the Plan;

(ii) Buyer shall not be obligated to purchase or receive Delivered Energy during such period; and

(iii) Seller, Collateral Agent or Tax Equity Investor(s) (as applicable) shall provide regular Plan updates to Buyer.

(c) In connection with any outage that is not a Planned Outage or a Maintenance Outage and for which Seller fails to deliver written Notice (including by e-mail) to Buyer within twenty-four (24) hours after the occurrence of such outage.

(i) Buyer may, upon written Notice to Seller, Collateral Agent or Tax Equity Investor(s) (as applicable), purchase replacement energy for a period of time equal to seven (7) days, and Buyer may continue to purchase replacement energy upon written Notice to Seller or Collateral Agent (as applicable) on a rolling basis until the date on which delivery of Energy to the Delivery Point is anticipated to resume, as specified in a Plan;

(ii) Buyer shall not be obligated to purchase or receive Delivered Energy during such period; and

(iii) Seller, Collateral Agent or Tax Equity Investor(s) (as applicable) shall provide regular Plan updates to Buyer.

3.8 *Offsets, Allowances and Renewable Attributes.*

(a) Buyer shall be entitled to Buyer's Renewable Attributes and Buyer's Facility Attributes. Buyer shall not be entitled to any Renewable Attributes or Facility Attributes resulting from Delivered Energy which Buyer does not purchase under this Agreement.

(b) Seller shall transfer and assign to Buyer all Buyer's Renewable Attributes. On or before the tenth (10th) day following the end of each Month, Seller shall complete and provide to Buyer the bill of sale for Buyer's Renewable Attributes in the form attached hereto as Exhibit M, together with Seller's monthly invoice to Buyer for Buyer's Product issued in accordance with Section 8.1.

(c) Seller shall be entitled to all (i) Tax Attributes, and (ii) any Renewable Attributes that the Buyer is not entitled to pursuant to the provisions of Section 3.8(a). Buyer acknowledges that Seller has the right to sell any Renewable Attributes to which Seller is entitled pursuant to this Section 3.8(c) to any Person other than Buyer at any rate and upon any terms and conditions that Seller may determine in its sole discretion without liability to Buyer hereunder. Buyer shall have no claim, right or interest in such Renewable Attributes that Seller has the right to sell under this Section 3.8(c) or in any amount that Seller realized from the sale of such Renewable Attributes.

(d) Seller shall bear all risks, financial and otherwise throughout the Term, associated with Seller's or the Project's eligibility to receive any Tax Attributes, or to qualify for accelerated or bonus depreciation for Seller's accounting, reporting or tax purposes. The obligations of the Parties hereunder, including those obligations set forth herein regarding the sale, purchase and price for and Seller's obligation to generate and deliver Buyer's Delivered Energy, Buyer's Renewable Attributes, and Buyer's Facility Attributes, shall be effective regardless of whether the generation of Product or sale and delivery of any Delivered Energy from the Project is eligible for, or receives Tax Attributes or to qualify for accelerated or bonus depreciation during the Term.

3.9 *Transmission.*

(a) Seller shall be responsible for presenting to and receiving Transmission Provider approval of the Project interconnection requirements and transmission facilities so that Seller can perform its Product deliveries hereunder in accordance with applicable Transmission Provider requirements. Seller shall be responsible for all costs to design, equip, construct and maintain the interconnection facilities necessary to deliver Energy from the Project to the Point of Interconnection. Seller shall be responsible for receiving Network Resource Interconnection Service from the Transmission Provider in accordance with the Transmission Provider's Large Generator Interconnection Procedures. Subject to Section 4.2, Buyer shall be responsible for arranging for all transmission services required to effectuate Buyer's purchase of Buyer's Product, including obtaining firm transmission service or delivery to the wholesale and retail power customers of Buyer, in an amount of capacity equal to the Buyer's Share of the Project Capacity, and shall be responsible for the payment of any charges related to such transmission services hereunder, including charges for transmission or wheeling services, ancillary services, control area services, congestion charges, transaction charges and line losses. The Parties acknowledge that the Contract Price does not include charges for such transmission services, all of which shall be paid by Buyer.

(b) In the event that the Transmission Provider or any other properly authorized Person exercising control over the Transmission Provider's Interconnection Facilities or the Transmission Provider's Transmission System takes any action or orders Seller or Buyer to take any action that affects Buyer's ability to take delivery of Energy hereunder not caused by or resulting from Seller's act or omission, a Curtailment Period or a Force Majeure Event, Buyer shall use its Commercially Reasonable Efforts to attempt to mitigate the adverse effects of such action(s) on Buyer's ability to take delivery of Energy hereunder; including redispatching its generation resources other than the Project.

3.10 ***Scheduling.***

Scheduling Coordinator shall be responsible for the scheduling of all Delivered Energy during the Delivery Term, including arranging any Open Access Same Time Information Systems (OASIS), tagging, transmission scheduling or similar protocols with the Transmission Provider or any other Persons.

3.11 ***Operating Procedures.***

Seller and Buyer will endeavor to develop written operating procedures ("**Operating Procedures**") not less than sixty (60) days before the scheduled Initial Energy Delivery Date, which Operating Procedures shall only be effective if made by mutual written agreement of Seller and Buyer. The Parties agree that the Operating Procedures they will endeavor to establish will cover the protocol under which the Parties will perform their respective obligations under this Agreement and will include procedures concerning the following: (1) the method of day-to-day communications; (2) key personnel lists for Seller and Buyer; and (3) reporting of scheduled maintenance, Maintenance Outages, Planned Outages and Forced Outages of the Project.

3.12 ***Regulatory Approvals.***

(a) Buyer shall apply for and shall diligently pursue a reservation of network transmission service that secures a firm delivery path for the Buyer's Delivered Energy from the Delivery Point to and over the Transmission Provider's Transmission System, in an amount of capacity equal to Buyer's Share of the Project Capacity, with such application being submitted not later than ten (10) Business Days following the Original Effective Date.

(b) Following execution of this Agreement by both Parties, each Party shall promptly seek to obtain all Governmental Approvals and other licenses, permits and approvals necessary to perform its obligations hereunder.

3.13 ***Standards of Care.***

(a) Seller shall comply with all requirements of Applicable Law, Governmental Approvals and NERC relating to the Project (including those related to construction, ownership, interconnection and/or operation of the Project and production and delivery of Buyer's Product).

(b) As applicable, each Party shall perform all generation, scheduling and transmission services in compliance with all applicable operating policies, criteria, rules, guidelines, tariffs and protocols of Prudent Operating Practices.

(c) Seller agrees to comply with all (i) NERC reliability requirements, including all such reliability requirements for generator owners and generator operators, and (ii) all applicable requirements regarding interconnection of the Project, including the requirements of the interconnected Transmission Provider.

3.14 ***Outage Notification.***

(a) Seller shall schedule Planned Outages for the Project in accordance with Prudent Operating Practices and with the prior written consent of Buyer, which consent may not be unreasonably withheld, conditioned or delayed. The Parties acknowledge that in all circumstances, Prudent Operating Practices shall dictate when Planned Outages should occur. Seller shall Notify Buyer of its proposed Planned Outage schedule for the Project for the following calendar year by submitting a written Planned Outage schedule no later than August 1st of each year during the Delivery Term. The Planned Outage schedule is subject to Buyer's approval, which approval may not be unreasonably withheld, conditioned or delayed. Buyer shall promptly respond within five (5) Business Days with its approval or with reasonable modifications to the proposed Planned Outage schedule and Seller shall use its best efforts in accordance with Prudent Operating Practices to accommodate Buyer's requested modifications and deliver the final schedule to Buyer. Seller shall contact and confirm by Notice to Buyer with any requested changes to the Planned Outage schedule if Seller believes the Project must be shut down to conduct maintenance that cannot be delayed until the next scheduled Planned Outage consistent with Prudent Operating Practices. Seller shall not change its Planned Outage schedule without Buyer's approval, not to be unreasonably withheld, conditioned or delayed. Seller shall use its best efforts in accordance with Prudent Operating Practices not to schedule Planned Outages during the period of April 1st through October 31st of the Delivery Term. Seller shall not substitute Energy from any other source for the output of the Project during a Planned Outage or at any other time.

(b) In addition to Planned Outages, Seller shall promptly inform Buyer of any Forced Outage lasting for more than sixty (60) consecutive minutes. Such information shall be communicated by electronic mail to Buyer's designated personnel and describe the nature of the Forced Outage, the beginning date and time of such Forced Outage, the expected end date and time of such Forced Outage, the amount of Energy that Seller expects will be delivered at the Delivery Point during such Forced Outage, and any other information reasonably requested by Buyer. With respect to any such Forced Outage, Seller shall communicate and inform Buyer and thereafter provide Buyer with such Notice by any reasonable means requested by Buyer, including by telephone or electronic mail.

(c) If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller shall Notify Buyer of the proposed Maintenance Outage as soon as practicable but in any event at least five (5) days before the outage begins (or such shorter period to which Buyer may reasonably consent), in order to optimize the Delivered Energy from the Project. Upon such Notice, the Parties shall plan the Maintenance Outage to mutually accommodate the reasonable requirements of Seller and the service obligations of Buyer; *provided*, *however*, that Seller shall take all reasonable measures consistent with Prudent Operating Practices to not schedule any Maintenance Outage during the weekday day light hours during the period of April 1st through October 31st of the Delivery Term. Notice of a proposed Maintenance Outage shall include the expected start date and time of the outage, the amount of generation capacity of the Project that will not be available, and the expected completion date and time of the outage. Seller shall give Buyer Notice of the Maintenance Outage as soon as practicable after Seller determines that the Maintenance Outage is necessary. Buyer shall promptly respond to such Notice and may request reasonable modifications in the schedule for the outage. Seller shall use all reasonable efforts to comply with any request to modify the schedule for a Maintenance Outage, *provided* that such change has no substantial impact on Seller. Seller shall Notify Buyer of any subsequent changes in generation capacity available to Buyer as a result of such Maintenance Outage or any changes in the Maintenance Outage completion date and time. As soon as practicable, any notifications given orally shall be confirmed in Notices. Seller shall take all reasonable measures consistent with Prudent Operating Practices to minimize the frequency and duration of Maintenance Outages. Seller may schedule a Maintenance Outage at any time and without the requirement to Notify Buyer in advance during conditions of low solar insolation, but Seller shall Notify Buyer of the commencement of the Maintenance Outage if such Maintenance Outage is expected to exist for more than four (4) hours.

(d) The Parties acknowledge and agree that the estimated Project Quantities set forth on Exhibit D (as such Exhibit may be amended in accordance with Section 3.19(g)) does not take into account Planned Outages, Maintenance Outages, and Forced Outages.

3.15 *Operations Logs and Access Rights.*

(a) Seller shall maintain a complete and accurate log of all material operations and maintenance information on a daily basis. Such log shall include information on power production, solar insolation, efficiency, availability, maintenance performed, Maintenance Outages, Planned Outages, Forced Outages, results of inspections, manufacturer recommended services, replacements, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices. Seller shall maintain this information for at least two (2) years and shall provide this information electronically in an agreed format to Buyer within five (5) days of Buyer's request.

(b) Buyer, its authorized agents, and employees shall have the right of ingress to and egress from the Site and Project during normal business hours upon reasonable advance Notice and for any purposes reasonably connected with this Agreement; *provided*, that Buyer shall observe all applicable Project safety rules that Seller has communicated to Buyer; and *provided further* that Buyer, subject to and without waiving its rights to sovereign immunity under Florida Statutes, indemnify Seller for damage to property or injury to persons to the extent caused by the negligent or wrongful act or omission of Buyer's authorized agents or employees while such authorized individuals are at the Site or the Project.

3.16 ***Availability; Energy Production Forecasting.***

(a) Seller shall provide Buyer with forecasts of the delivery of Energy under this Agreement as described below. Such forecasts shall include the updated status of all Project equipment that may impact availability and production of Product, and other information reasonably requested by Buyer. Seller shall use Commercially Reasonable Efforts to forecast daily by 5:00 a.m. the hourly delivery of Energy under this Agreement accurately and to transmit such information in the format agreed by the Parties consistent with the Operating Procedures. Buyer and Seller shall agree upon reasonable changes to the requirements and procedures set forth below from time-to-time, as necessary to accommodate changes to operating and scheduling procedures of Buyer.

(b) No later than: (i) the earlier of January 15th preceding the first Contract Year or forty-five (45) Days prior to the commencement of the first Contract Year; and (ii) January 15th of each calendar year for every subsequent Contract Year, Seller shall provide to Buyer a non-binding forecast of the hourly delivery of Energy at the Delivery Point under this Agreement for an average day in each month of the following calendar year in a form agreed by the Parties.

(c) Ten (10) Business Days before the commencement of the first Contract Year, and thereafter ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer a non-binding forecast of the hourly energy deliveries of Energy to the Delivery Point under this Agreement for each day of the following month in a form agreed by the Parties.

(d) No later than 5:00 a.m. of each day of each Contract Year, Seller shall provide Buyer a non-binding forecast of hourly Energy deliveries at the Delivery Point under this Agreement for the remainder of such day and the following seven (7) days in a form reasonably acceptable to Buyer. Each such Notice shall clearly identify, for each hour, Seller’s forecast of all deliveries of Energy pursuant to this Agreement. In the event that Seller foresees that actual deliveries of Energy under this Agreement for any hour will be materially different than a forecast previously provided for such day, Seller shall, as soon as reasonably possible, provide Notice to Buyer of such change and an updated forecast.

3.17 ***Weather Station.***

(a) No later than sixty (60) Days prior to the Commercial Operation Date, Seller, at its own expense, shall install and maintain at least one stand-alone meteorological station at the Site to monitor, measure, communicate and report the meteorological data required under <u>Section 3.17(b)</u>. Seller shall maintain and replace the meteorological station as necessary to provide accurate data with respect to the location of the Project.

(b) Upon Commercial Operation, and continuing through the end of the Delivery

Term, Seller shall record and maintain the following data:

(i) real and reactive power production by the Project for each hour;

(ii) changes in operating status, outages and maintenance events;

(iii) any unusual conditions found during inspections;

(iv) any significant events related to the operation of the Project; and

(v) one (1) minute and hourly time-averaged measurements from data samples at ten (10) seconds or greater frequency for the following parameters at the Project: total global horizontal irradiance, total global radiation within the plane of the array, air temperature, relative humidity, wind direction and speed, precipitation, barometric pressure, back of module surface temperature, and other pertinent meteorological conditions.

(c) Buyer shall have real-time access to the required meteorological data at a frequency not to exceed every five (5) minutes. Seller shall provide Buyer a report within thirty (30) days after the end of each month that provides the foregoing information for such month as well as any other additional information that Buyer reasonably requests regarding conditions at the Site and the operation of the Project that is collected and maintained by Seller in the ordinary course of Project operations.

(d) Seller shall make available to Buyer all data from any weather monitoring portals Seller elects to install at the Site.

(e) Subject to procedures agreed upon in the Operating Procedures, Buyer shall have the right to install equipment and associated communication infrastructure to enable Buyer to monitor, measure and communicate pertinent operation and weather data.

3.18 ***Change of Law.***

Buyer shall be responsible for Changes of Law which impact Buyer, and Seller shall be responsible for Changes of Law which impact Seller.

3.19 ***Contract Quantity, Guaranteed Energy Production and Excess Energy.***

(a) The quantity of Buyer's Delivered Energy that Seller expects to be able to deliver to Buyer during any Contract Year (without consideration for Planned Outages, Maintenance Outages, Curtailment Periods or other Seller Excuses) is the Contract Quantity, where "**Contract Quantity**" means Buyer's Share of the Project Quantity in Exhibit D, as such Exhibit may be amended in accordance with this Section 3.19(g). Throughout the Delivery Term, Seller shall be required to deliver to Buyer no less than Guaranteed Energy Production (as defined below) in the two (2) prior consecutive Contract Years during the Delivery Term ("**Performance Measurement Period**") in accordance with the following formula, expressed as a percentage:

Measurement Period Performance Percentage = (Buyer's Delivered Energy during Performance Measurement Period / (Contract Quantity during Performance Measurement Period x (Hours in Performance Measurement Period – Seller Excuse Hours in Performance Measurement Period) / Hours in Performance Measurement Period,

A sample calculation of Measurement Period Performance Percentage is set forth in Exhibit A.

(b) Guaranteed Energy Production ("**GEP**") means a Measurement Period Performance Percentage of [redacted]

(c) If Seller has a Measurement Period Performance Percentage below [redacted] ("**GEP Failure**"), then within forty-five (45) days after the last day of the Performance Measurement Period, Seller shall Notify Buyer of such failure. If the Measurement Period Performance Percentage is equal to or greater than [redacted], Seller may cure the GEP Failure by paying Buyer within ten (10) Business Days after such Notice (the "**Cure Payment Period**") GEP Damages as described by the following formula:

GEP Damages = Dollar-per-MWh Rate x ([redacted] x (Contract Quantity during Performance Measurement Period x (Hours in Performance Measurement Period – Seller Excuse Hours in Performance Measurement Period) / Hours in Performance Measurement Period)) – Buyer's Delivered Energy during Performance Measurement Period.

A sample calculation of the GEP Damages is set forth in Exhibit A.

(d) If Seller has a Measurement Period Performance Percentage greater than [redacted] ("**Excess Energy Delivery**"), then within forty-five (45) days after the last day of the Performance Measurement Period, Seller shall Notify Buyer of such Excess Energy Delivery. The Seller shall credit the Buyer within ten (10) Business Days after such Notice an Excess Energy Credit as described by the following formula:

Excess Energy Credit = [redacted] x Dollar-per-MWh Rate x Buyer's Delivered Energy during Performance Measurement Period – ([redacted] x Contract Quantity during Performance Measurement Period x (Hours in Performance Measurement Period – Seller Excuse Hours in Performance Measurement Period)) / Hours in Performance Measurement Period

A sample calculation of the Excess Energy Credit is set forth in Exhibit A.

(e) The Parties agree that the damages sustained by Buyer associated with Seller's failure to achieve the Guaranteed Energy Production requirement would be difficult or impossible to determine, or that obtaining an adequate remedy would be unreasonably time consuming or expensive and the GEP Damages are a reasonable approximation of damages sustained by Buyer and therefore agree that Seller shall pay the GEP Damages to Buyer as liquidated damages. In no event shall Buyer be obligated to pay GEP Damages.

(f) If Seller has a Measurement Period Performance Percentage below [redacted] or does meet such threshold but does not pay the GEP Damages within the Cure Payment Period, then Buyer may, at its option, declare an Event of Default within ninety (90) days following the Cure Payment Period.

(g) Within thirty (30) days after the Commercial Operation Date, Seller shall provide Buyer with an amended Exhibit D reflecting the revised Product Quantities reflecting the as-built Site layout. Such revised Product Quantities shall not exceed +/- 5% of the Product Quantities set forth in Exhibit D as of the Effective Date of this Agreement unless by mutual agreement of the Parties. Such amended Exhibit D will be deemed to replace the exhibit attached to this Agreement as Exhibit D prior to such amendment. If the Parties are unable to agree on the revised Exhibit D, then either Party may submit the disagreement for dispute resolution as provided in this Agreement.

3.20 ***Signage.***

Seller shall install, at its own expense but subject to Buyer's approval, signage at the Site that informs the public of Buyer's involvement with the Project as a purchaser of Product. The Parties shall work in good faith to determine the appropriate location and specifications of such signage, but in no event shall such signage be less visible or informative than that which Seller provides for itself at the Site. The Parties shall also work in good faith to jointly plan and execute all public communications and events related to the Project including any press release, groundbreaking or other ceremony, and ongoing media or other public announcements during the Term. All Persons attending events at the Site shall sign Seller's waiver of liability or shall not be allowed access to the Site and the Project. Buyer may provide or install, at its own expense and in a manner that does not interfere with the normal operation of the Project, displays or other materials that support public education regarding the Project. Seller shall use Commercially Reasonable Efforts to cooperate with Buyer to ensure the timely installation and display and maintenance of such materials.

ARTICLE 4
PROJECT DESIGN AND CONSTRUCTION

4.1 ***Project Development.***

Seller, at no cost to Buyer, shall:

(a) Design and construct, permit, finance, commission, start-up and test the Project, including directly assigned interconnection facility cost but excluding Network Upgrades except as provided in Section 4.2.

(b) Acquire all rights, title, entitlements and/or interests in the Site sufficient for

Seller to be able to construct, operate and maintain the Project on the Site.

(c) Perform or cause to be performed all due diligence inspection, evaluation, testing and investigation activities relating to the viability of the Project.

(d) Perform or cause to be performed all studies and pay all fees, obtain all necessary approvals and execute all necessary agreements with the Transmission Provider.

(e) Acquire all Governmental Approvals and other approvals, consents and authorizations necessary for the construction, operation, and maintenance of the Project and production, delivery and sale of Buyer's Product.

(f) Complete all environmental impact studies necessary for the construction, operation, and maintenance of the Project and production, delivery and sale of Buyer's Product.

(g) At Buyer's request, provide to Buyer Seller's electrical specifications and design and construction drawings pertaining to the Project.

(h) Within fifteen (15) days after the last day of each month until the Commercial Operation Date, provide to Buyer a monthly progress report and agree to regularly scheduled meetings between representatives of Buyer and Seller to review such reports and discuss Seller's development and construction progress. Seller shall provide access to Buyer, its authorized agents, employees and inspectors for purpose of inspecting the Project's construction site or on-site Seller data and information pertaining to the Project during normal business hours upon reasonable advance Notice.

(i) Seller will make all Commercially Reasonable Efforts to achieve timely the interim milestones for Project construction as set forth in Exhibit J ("**Interim Milestones**"). The Interim Milestones are Seller's best estimate of the schedule for construction and installation of the Project and, except as expressly set forth herein, the failure of Seller to meet any such Interim Milestone will not itself be a breach of this Agreement. Seller shall provide monthly status reports on development activity relative to the Interim Milestones, including any actual or anticipated delays and efforts to mitigate any such delay.

(j) In addition to the Daily Delay Damages referred to in Sections 4.4 and 6.1, Seller shall: (i) pay to Buyer the Milestone Daily Delay Damages for each day or portion of a day that Seller does not achieve a milestone set forth in the first two (2) rows of Exhibit K by the date corresponding to such milestone in Exhibit K; *provided*, that Seller's liability to Buyer in connection with delays in achieving each such milestone shall in no event exceed Buyer's Share of [redacted]) ("**Milestone Daily Delay Damages Cap**"), and (ii) develop a remedial plan to complete development and construction of the Project by the Guaranteed Commercial Operation Date.

(k) Each Party agrees and acknowledges that (i) the damages that Buyer would incur due to Seller's delay in achieving a milestone set forth in the first two (2) rows of

Exhibit K would be difficult or impossible to predict with certainty and (ii) the Milestone Daily Delay Damages are an appropriate approximation of such damages for the Project.

4.2 ***Network Upgrades.***

(a) Seller shall be responsible for submitting the necessary generator interconnection requests and causing the necessary transmission studies to be performed to determine whether Network Upgrades are required to interconnect the Project with the Transmission Provider's Transmission System in accordance with the Large Generator Interconnection Agreement and Transmission Provider's Large Generator Interconnection Procedures. To the extent Network Upgrades are necessary, Seller shall coordinate with Transmission Provider to cause the Network Upgrades to be constructed. Buyer may incur or reimburse Seller for costs incurred by Seller for the Network Upgrade Costs pursuant to Section 4.2(b), and if Buyer elects to reimburse Seller, Seller shall invoice Buyer for Buyer's Share of all incurred Network Upgrade Costs. If Buyer elects to incur directly the Network Upgrade Costs or to cause a third party to incur such Network Upgrade Costs, then Seller shall assign and transfer to Buyer any rights or interests of Seller in and to a refund of such Network Upgrade Costs which Seller may have under the Large Generator Interconnection Agreement, and Buyer may thereafter reassign such rights and interests in and to a refund to any person, in Buyer's sole discretion.

(b) After Seller receives the facilities studies and estimate of Network Upgrade Costs from the Transmission Provider and from owners of any affected systems, and prior to initiating Network Upgrade construction, Seller shall provide to Buyer the studies, the estimated Network Upgrades Costs, and a copy of the Large Generator Interconnection Agreement, including any description of the reimbursement or crediting process for Network Upgrade Costs to review and approve prior to Buyer incurring the Network Upgrade Costs or reimbursing Seller for Seller's funding of the Network Upgrade Costs. If the Network Upgrade Costs exceed Ten Million Dollars ($10,000,000) or Buyer is not satisfied with the reimbursement or crediting process for the Network Upgrade Costs and Buyer decides not to pay the Network Upgrades Costs, then Buyer shall Notify Seller within three (3) Business Days of its decision and Seller shall have the right exercisable by Notice to Buyer sent within five (5) Business Days after receipt of Buyer's Notice to assume responsibility to pay the Network Upgrade Costs for the Project and obtain the credit from the Transmission Provider. In such event, Buyer shall not be required to incur or reimburse Seller for any costs of the Network Upgrades. If Seller does not give Notice to Buyer of Seller's intention to assume responsibility to pay the Network Upgrade Costs, either Party may terminate this Agreement by Notice to the other Party without further liability. If Buyer incurs or pays for all or part of the Network Upgrade Costs for the Project and Seller terminates this Agreement, then Seller shall reimburse Buyer for such Network Upgrades Costs incurred by Buyer, as described in Section 6.1(c).

4.3 ***Guaranteed Commercial Operation.***

(a) Seller shall cause the Project to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date, as such date may be extended in accordance with Section 4.3(c).

(b) If Seller believes that the requirements for Commercial Operation have been satisfied and fulfilled, Seller shall present to Buyer, an independent engineer's report, the form of which is attached as Exhibit L, verifying that each of the conditions set forth therein has been satisfied or waived in writing by both Parties. The date identified in such report as the day Commercial Operation was achieved shall be the Commercial Operation Date in the absence of manifest error.

(c) Permitted Extensions to the Guaranteed Commercial Operation Date are as follows, *provided* that the Permitted Extensions shall not exceed one hundred eighty (180) days:

(i) The Guaranteed Commercial Operation Date may be extended on a day for day basis for a cumulative period equal to no more than one hundred eighty (180) days if from the Effective Date Seller has used Commercially Reasonable Efforts to have the Project physically interconnected to the Transmission Provider's Transmission System and to complete all Electric Interconnection Upgrades, if any, but such Electric Interconnection Upgrades cannot be completed thirty (30) days prior to the Guaranteed Commercial Operation Date. Seller shall provide Buyer Notice of such occurrence promptly upon the determination that such physical interconnection or upgrades cannot be completed timely in accordance with the Interim Milestones schedule set forth in Exhibit J, and Seller shall work diligently to resolve the delay ("**Transmission Delay**");

(ii) The Guaranteed Commercial Operation Date may be extended on a day for day basis for a cumulative period equal to no more than one hundred eighty (180) days if from the Effective Date Seller has used Commercially Reasonable Efforts to obtain the Governmental Approvals necessary for the construction and operation of the Project, but is unable to obtain such Governmental Approvals by the deadline date therefor in the Interim Milestones schedule set forth in Exhibit J, and Seller has worked diligently to resolve the delay ("**Permitting Delay**"); and

(iii)The Guaranteed Commercial Operation Date may be extended on a day for day basis for a cumulative period equal to no more than one hundred eighty (180) days for Force Majeure Events ("**Force Majeure Extension**"); *provided*, that Seller works diligently to resolve the effect of the Force Majeure Event and provides evidence of its efforts promptly to Buyer upon Buyer's written request.

(d) Notwithstanding the foregoing, if Seller claims more than one Permitted Extension under Section 4.3(c), such extensions cannot cumulatively exceed one hundred eighty (180) days and all Permitted Extensions taken shall be concurrent, rather than cumulative, during any overlapping days.

(e) If Seller claims a Permitted Extension, Seller shall provide prompt Notice to Buyer of the occurrence of the event causing delay and the anticipated delay impact, which Notice must clearly identify the Permitted Extension being claimed and include information necessary for Buyer to verify the length and qualification of the extension.

4.4 *Project Cure Period and Delay Damages.*

(a) Seller shall cause the Project to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date. If the Commercial Operation Date has not been achieved prior to the Guaranteed Commercial Operation Date after giving effect to Permitted Extensions (up to one hundred eighty (180) days), then if Seller does not pay Buyer the Daily Delay Damages within thirty (30) days after receipt of Buyer's invoice therefor, Buyer shall be entitled to draw upon the Project Development Security for liquidated damages equal to Daily Delay Damages for each day or portion of a day that the Commercial Operation Date occurs after the Guaranteed Commercial Operation Date (after giving effect to Permitted Extensions) for up to an additional two hundred forty (240) days ("**Project Cure Period**"). The Daily Delay Damages payable to Buyer for the Project shall not exceed Buyer's Share of [redacted] ("**Daily Delay Damages Cap**"). For the avoidance of doubt the Permitted Extensions and the Project Cure Period are sequential.

(b) Each Party agrees and acknowledges that (A) the damages that Buyer would incur due to Seller's delay in achieving the Guaranteed Commercial Operation Date would be difficult or impossible to predict with certainty and (B) the Daily Delay Damages are an appropriate approximation of such damages.

(c) If the Project has not achieved Commercial Operation by the date upon which Seller has paid to Buyer the Delay Damages Cap, such failure shall be a Seller Event of Default and Buyer shall have the right to terminate this Agreement within sixty (60) days of such date upon ten (10) days' prior Notice to Seller.

ARTICLE 5
METERING AND MEASUREMENT

5.1 *Metering System.*

Seller shall ensure the Metering System is designed, located, constructed, installed, owned, operated, tested, calibrated and maintained in accordance with the Large Generator Interconnection Agreement and Prudent Operating Practices in order to measure and record the amount of Delivered Energy. The meters shall be revenue meters of a mutually acceptable accuracy range and type and measure Delivered Energy in kilowatt hours. Seller shall be responsible for the cost of all metering that will be installed, owned, operated and maintained by Seller for the purpose of determining the amount of Delivered Energy. None of Buyer, Buyer's Affiliates or the employees, subcontractors or contractors of any of them shall make adjustments to the Metering System without the written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. Buyer, may, at its own cost, install additional meters or other such facilities, equipment or devices on Buyer's side of the Delivery Point as Buyer deems necessary or appropriate to monitor the measurements of the Metering System; *provided*, *however*, that in all cases Seller will be entitled to base its invoiced amounts for Buyer's Product solely by reference to the Metering System.

5.2 *Inspection and Adjustment.*

(a) Seller shall inspect and test all meters at such times as will conform to Prudent Operating Practices, but not less often than every two (2) Contract Years. Seller shall be responsible for all costs and expenses incurred by Seller for such inspection and testing. Upon reasonable written request to Seller, Buyer may request, at its own expense, inspection or testing of any such meters more frequently than once every two (2) Contract Years.

(b) If any seal securing the meters is found broken, if the Metering System fails to register, or if the measurement made by a metering device is found upon testing to vary by more than one percent (1.0%) from the measurement made by the standard meter used in the test, an adjustment shall be made correcting all measurements of Delivered Energy made by the Metering System during: (i) the actual period when inaccurate measurements were made by the Metering System, if that period can be determined to the mutual satisfaction of the Parties; or (ii) if such actual period cannot be determined to the mutual satisfaction of the Parties, the last three (3) months of the second half of the period from the date of the last test of the Metering System to the date such failure is discovered or such test is made ("**Adjustment Period**"). If the Parties are unable to agree on the amount of the adjustment to be applied to the Adjustment Period, the amount of the adjustment shall be determined: (A) by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or (B) if not so ascertainable, by estimating on the basis of deliveries made under similar conditions during the period since the last test. Within thirty (30) Days after the determination of the amount of any adjustment, Buyer shall pay Seller any additional amounts then due for Buyer's Delivered Energy during the Adjustment Period or Buyer shall be entitled to a credit against any subsequent payments for Buyer's Delivered Energy, as the case may be.

(c) Buyer and its representatives shall be entitled to be present at any test, inspection, maintenance, adjustments and replacement of any part of the Metering System relating to obligations under this Agreement.

ARTICLE 6
EARLY TERMINATION

6.1 *Early Termination.*

(a) In addition to applicable termination rights under Sections 7.2 and 16.1, this Agreement may be terminated prior to the expiration of the Term as follows:

(i) By Seller if a Large Generator Interconnection Agreement in form and substance satisfactory to Seller, in its sole discretion, is not executed on or before January 2, ~~2020~~2023, *provided* that in each case Seller shall give Buyer Notice of such termination within fifteen (15) Days after such date;

(ii) By Seller if Buyer has not, on or before May 1, ~~2020~~2023, and at its sole cost and expense, secured adequate transmission access and firm transmission service in accordance with the requirements of this Agreement and as required for

Buyer to accept all Buyer's Delivered Energy in accordance with this Agreement on terms and conditions satisfactory to Buyer in its sole discretion, *provided* that in each case Seller shall give Buyer Notice of such termination within fifteen (15) Days after such date;

(iii)By Seller in the event that Seller has not obtained the necessary fee, leasehold or other title to or interest in the Site on or before November 20, ~~2018~~2020, *provided* that Seller shall give Buyer Notice of such termination within fifteen (15) Days after such date;

(iv)By Seller in the event that Seller has not obtained all Governmental Approvals necessary to construct and operate the Project in the manner contemplated by this Agreement, on or before October 20, ~~2019~~2020, *provided* that Seller shall give Buyer Notice of such termination within fifteen (15) Days after such date;

(v) By Seller if all approvals of its management and board of directors (or equivalent governing body) required for the execution, delivery and performance of this Agreement have not been granted by May 30, ~~2018~~2021; *provided* that Seller shall give Buyer Notice of such termination within fifteen (15) Days after such date;

(vi)By Buyer, if after giving effect to Permitted Extensions and the payment of Daily Delay Damages payments up to the Daily Delay Damages Cap, the Guaranteed Commercial Operation Date has not been obtained on or before August ~~24th, 2021~~23rd, 2024; *provided* that Buyer shall give Seller Notice of such termination within fifteen (15) Days after such date;

(b) Notwithstanding any provision of this Agreement to the contrary, in the event of termination pursuant to this Section 6.1, the Parties shall be released and discharged from any obligations arising or accruing hereunder from and after the date of such termination and shall not incur any additional liability to each other as a result of such termination, *provided, however,* that such termination shall not discharge or relieve either Party from any obligation that has accrued prior to such termination or any indemnity obligations under ARTICLE 12 or the provisions of ARTICLE 14, which provisions shall survive any termination of this Agreement.

(c) In the event that Buyer has incurred, or caused a third party to incur, unreimbursed Network Upgrade Costs, upon any Seller's termination of this Agreement or termination by Buyer, Seller shall reimburse Buyer for such Network Upgrades Costs incurred by Buyer, or a third party on behalf of Buyer, within thirty (30) days of receipt of Buyer's invoice therefor, with interest accrued at the Interest Rate.

ARTICLE 7
EVENTS OF DEFAULT

7.1 *Events of Default.*

An "**Event of Default**" shall mean,

(a) with respect to a Party that is subject to the Event of Default the occurrence of any of the following:

(i) the failure by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within ten (10) Business Days after Notice thereof;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(iii)the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) and such failure is not remedied within thirty (30) days after Notice thereof; *provided*, *however*, that if such failure is not reasonably capable of being remedied within the thirty (30) day cure period, such Party shall have such additional time (not exceeding an additional ninety (90) days) as is reasonably necessary to remedy such failure, so long as such Party promptly commences and diligently pursues such remedy and provides a Plan to the other Party which outlines the actions that will be taken to cure the default and the proposed cure timeline.

(iv)such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights or obligations hereunder other than in compliance with Section 15.1;

(vi)such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume in writing acceptable to Buyer all the obligations of such Party under this Agreement (including posting applicable Performance Assurances) to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party; or

(b) with respect to Seller as the Party causing an Event of Default (the "**Defaulting Party**"), the occurrence of any of the following:

(i) Seller fails to satisfy the Performance Assurance requirements set forth in Section 10.4, as applicable, in each case within five (5) Business Days after receipt of Notice of such failure;

(ii) if at any time, Seller delivers or attempts to deliver to Buyer hereunder any energy, renewable attributes, or facility attributes that were not generated by or are not associated with the Project;

(iii)the failure by Seller to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date, after giving effect to Permitted

Extensions, if any, and payment of Daily Delay Damages up to the Daily Delay Damages Cap.

(iv) Seller Abandons the Project.

(v) Buyer is unable to acquire the Project and occupy, possess and use the Site and the Project free and clear of all Liens through exercise of Buyer's Purchase Option.

(vi) the failure by Seller to pay GEP Damages due to Buyer pursuant to Section 3.19 within the Cure Payment Period set forth in Section 3.19(f), if GEP Damages are applicable.

(vii) the failure by Seller to achieve the Guaranteed Energy Production requirement as set forth in Section 3.19(f), in any Contract Year.

(viii) if Seller sells or delivers or attempts to sell or deliver Buyer's Delivered Energy and/or Buyer's Renewable Attributes and Buyer's Facility Attributes to any Person other than Buyer except as expressly, specifically permitted under this Agreement.

7.2 *Remedies; Declaration of Early Termination Date.*

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party ("**Non-Defaulting Party**") shall, as it sole and exclusive remedy, have the right to one or more of the following:

(a) send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement ("**Early Termination Date**") on which the following shall apply:

(i) if Seller is the Non-Defaulting Party, (A) collect damages if any Event of Default arose at any time prior to the commencement of the Delivery Term, or (B) collect the Termination Payment if any Event of Default arose during the Delivery Term; and

(ii) if Buyer is the Non-Defaulting Party, (A) exercise its right pursuant to Section 10.4 to draw upon and retain Performance Assurance and any Milestone Daily Delay Damages, if applicable, prior to commencement of the Delivery Term, or (B) collect GEP Damages and the Termination Payment if any Event of Default arose during the Delivery Term.

(b) As to either Party as the Non-Defaulting Party:

(i) accelerate all amounts owing between the Parties and end the Delivery Term effective as of the Early Termination Date;

(ii) withhold any payments due to the Defaulting Party under this Agreement;

(iii) suspend performance; and

(iv) without duplication of Section 7.2(a)(ii)(A), exercise its rights pursuant to Section 10.4 to draw upon and retain Performance Assurance (if any) that is in place at that time.

7.3 *Termination Payment.*

(a) The "**Termination Payment**" shall be the Settlement Amounts plus any or all other amounts due to the Non-Defaulting Party as of the Early Termination Date netted into a single amount. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages (excluding replacement costs); *provided*, *however*, that any lost Renewable Attributes, Buyer's Facility Attributes or Buyer's Renewable Attributes (as applicable) shall be deemed direct damages covered by this Agreement. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (i) the actual damages that the Non-Defaulting Party would incur in connection with the termination of this Agreement would be difficult or impossible to predict with certainty, (ii) Termination Payment described in this Section 7.3 is a reasonable and appropriate approximation of such damages, and (iii) the Termination Payment is the exclusive remedy of the Non-Defaulting Party in connection with a termination of this Agreement occurring during the Delivery Term but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies in respect of obligations and liabilities that are incurred prior to the Early Termination Date and such obligations and liabilities are not included in the calculation of the Termination Payment.

(b) With respect to the calculation of the Buyer Purchase Damages for purposes of determining the Termination Payment owed to Buyer:

(i) Buyer shall provide Seller Notice containing the Buyer Purchase Damages calculations, including the supporting data such as associated charges and other relevant assumptions used to calculate the Buyer Purchase Damages, to the degree Buyer deems pertinent within sixty (60) days after the Early Termination Date.

(ii) Upon receipt of Buyer's calculation of the Buyer Purchase Damages, if Seller disputes such calculation, in whole or in part, Seller shall, within fifteen (15) Business Days following its receipt of such Notice, provide to Buyer a detailed written explanation of the basis for such dispute; *provided*, *however*, Seller can only dispute the calculation based on a failure as to the material assumptions used in preparation of the Buyer Purchase Damages. Buyer shall nevertheless be entitled during the pendency of any dispute to draw the entire amount due from the Seller's Performance Assurance.

(iii)Any dispute with regard to Buyer Purchase Damage calculation shall be pursued through the dispute resolution process of ARTICLE 18. Upon resolution of the dispute (A) any amount owed by Seller to Buyer in addition to the amount drawn on Seller's Performance Security shall be paid by Seller to Buyer within thirty (30) Business Days following such resolution with interest accrued at the Interest Rate, or (B) any amount required to be returned to Seller by Buyer shall be paid within thirty (30) Business Days following such resolution along with interest accrued at the Interest Rate.

(c) With respect to the calculation of the Seller Sales Damages for purposes of determining the Termination Payment owed to Seller:

(i) Seller shall provide Buyer Notice containing the Seller Sales Damages calculations, including the supporting data such as associated charges and other relevant assumptions used to calculate the Seller Sales Damages to the degree Seller deems pertinent within sixty (60) days after the Early Termination Date.

(ii) Upon receipt of Seller's calculation of the Seller Sales Damages, if Buyer disputes such calculation, in whole or in part, Buyer shall, within fifteen (15) Business Days following its receipt of such Notice, provide to Seller a detailed written explanation of the basis for such dispute; *provided*, *however*, Buyer can only dispute the calculation based on a failure as to the material assumptions and the sufficiency of the data used in preparation of the Seller Sales Damages.

(iii)Any dispute with regard to the Seller Sales Damages calculation shall be pursued through the dispute resolution process set forth in ARTICLE 18. Upon resolution of the dispute, any payment required from one Party to the other shall be made by the owing Party within thirty (30) Business Days following such resolution.

7.4 *Notice of Payment of Termination Payment.*

Subject to Sections 7.3(b) and 7.3(c), as soon as practicable after a designation of the Early Termination Date, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment shall be made to the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

7.5 *Disputes with Respect to Termination Payment.*

If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment shall be determined in accordance with ARTICLE 18.

7.6 *Rights and Remedies Are Cumulative.*

Except where liquidated damages are provided as the exclusive remedy for a specific failure, breach or default, the rights and remedies of a Party pursuant to this ARTICLE 7 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

7.7 *Mitigation.*

Any Non-Defaulting Party shall be obligated to mitigate its damages resulting from any Event of Default of the other Party under this Agreement.

ARTICLE 8
PAYMENT

8.1 *Billing and Payment.*

(a) On or about the tenth (10^{th}) day of each month beginning with the month following the Initial Energy Delivery Date and every month thereafter, and continuing through and including the first month following the end of the Delivery Term, Seller shall provide to Buyer an invoice covering the Buyer's Product provided in the preceding month determined in accordance with ARTICLE 5 (which may include preceding months), with all component charges and unit prices identified and all calculations used to arrive at invoiced amounts described in reasonable detail. Buyer shall pay the undisputed amount of such invoices on or before thirty (30) days after date of the invoice to the account designated by Seller. If either the invoice date or payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any undisputed amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full. Invoices may be sent by electronic mail.

(b) On or before the tenth (10th) day following the end of each month during the Delivery Term, Seller will document the production of Buyer's Renewable Attributes by delivering with each invoice to Buyer a bill of sale and attestation for Buyer's Renewable Attributes produced by the Project. The form of bill of sale and attestation is set forth as Exhibit M.

8.2 *Disputes and Adjustments of Invoices.*

A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months after the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the original due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived if the other Party is not Notified in accordance with this Section 8.2 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from a third party which is not an Affiliate of any Party and such third party corrects its information after the twelve-month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

ARTICLE 9
PURCHASE OPTION

9.1 *Buyer Purchase Option.*

So long as an Event of Default by Buyer has not occurred and is continuing at the end of the ~~Initial Term or the first Renewal~~ Term, Seller grants to Buyer an option to purchase the Project in accordance with this Section 9.1 (the "**Purchase Option,**" subject to the last paragraph of this Section 9.1) for a purchase price equal to the greater of (a) the Fair Market Value of the Project or (b) the applicable "Minimum Purchase Price" set forth in Exhibit E (such greater amount, the "**Option Price**"), as follows:

(a) To exercise the Purchase Option, Buyer shall, not less than one hundred eighty (180) days prior to the end of the ~~then current~~ Term of the Agreement, provide written Notice to Seller of Buyer's intent to exercise the Purchase Option (the date on which Seller receives such Notice, the "**Notice Date**").

(b) Within thirty (30) days after the Notice Date, Seller shall specify the Option Price by written Notice to Buyer, and Buyer shall then have a period of thirty (30) days after receipt of such Notice either (i) to confirm or retract its decision to exercise the Purchase Option, or (ii) if the Option Price specified by Seller is equal to the Fair Market Value of the Project, to disagree with Seller's determination of such Fair Market Value, in each case, by written Notice to Seller.

(c) If Buyer disagrees with Seller's determination of such Fair Market Value (to the extent in excess of the applicable "Minimum Purchase Price" set forth in Exhibit E), it shall so Notify Seller in writing, and the Parties shall determine the Fair Market Value of the Project in accordance with Section 9.2.

(d) Upon final determination of the Option Price (including any determination of the Fair Market Value pursuant to Section 9.2), and before the applicable "Purchase Date" set forth in Exhibit E (or such other date as the Parties may mutually agree in writing): (i) the Parties shall promptly execute all definitive agreements necessary to cause title to the Project to pass to Buyer, free and clear of any Liens, subject only to the Liens of Project Investors which Buyer elects to assume; and (ii) Buyer shall pay the Option Price to Seller in immediately available funds and in accordance with any previous written instructions delivered to Buyer by Seller or any Project Investors, as applicable, for payments under this Agreement. Buyer shall also execute such documents reasonably necessary for Buyer to accept, assume and perform all then-existing agreements relating to the Project.

(e) Each Party shall bear its respective fees, costs and expenses incurred in connection with such Purchase Option transaction. In the event that the Purchase Option transaction closes prior to the applicable "Purchase Date" set forth in Exhibit E, this Agreement shall terminate automatically. In the event Buyer retracts its intent to exercise the Purchase Option, or does not timely confirm the Purchase Option in accordance with this ARTICLE 9, in each case, prior to the end of the Term, the provisions of the Agreement shall continue in full force and effect as if Buyer had not Notified Seller of its intent to exercise the Purchase Option.

Irrespective of Buyer's Share, Buyer's Purchase Option is limited to an option to purchase 100% of the Project, which option may be exercised solely by Buyer or in conjunction with Other Buyers or any other Person(s).

9.2 *Determination of Fair Market Value.*

If the Option Price indicated by Seller in accordance with Section 9.1 is equal to the Fair Market Value of the Project and Buyer disagrees with such stated Fair Market Value in accordance with Section 9.1, then the Parties shall mutually select an independent appraiser with relevant experience and expertise; *provided*, that if the Parties cannot agree on the selection of such independent appraiser within thirty (30) days of Seller's receipt of Buyer's written Notice that Buyer disagrees with Seller's determination of the Fair Market Value, then each Party shall select an appraiser, and the two (2) appraisers so selected shall appoint a third appraiser, which appraiser shall perform the appraisal described in this Section 9.2. The Parties shall cooperate to cause the appraiser to act reasonably and in good faith to determine the Fair Market Value and to support such determination in a written opinion delivered to the Parties within thirty (30) days of the initial request for appraisal. The valuation made by the appraiser shall be binding upon the Parties in the absence of fraud or manifest error. Upon Buyer's receipt of such written opinion, Buyer shall then have a period of thirty (30) days to confirm or retract its decision to exercise the Purchase Option. The costs of the appraisal shall be borne equally by the Parties.

ARTICLE 10
INSURANCE, CREDIT AND COLLATERAL REQUIREMENTS

10.1 *Insurance.*

In connection with Seller's performance of its duties and obligations under this Agreement, during the Delivery Term, Seller shall maintain insurance in accordance with Exhibit H.

10.2 *Grant of Security Interest.*

To secure its obligations under this Agreement and to the extent Seller delivers Performance Assurance hereunder, Seller hereby grants to Buyer a present and continuing first priority security interest in, and lien on (and right of setoff against), and assignment of, such Performance Assurance and all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, Buyer, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Buyer's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence and during the continuation of an Event of Default by Seller or an Early Termination Date as a result thereof, in addition to its other rights and remedies hereunder, Buyer may do any one or more of the following: (a) exercise any of the rights and remedies of a secured party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (b) exercise its rights of setoff against such collateral and any and all proceeds resulting therefrom or from the liquidation thereof; (c) draw on any outstanding Letter of Credit issued for its benefit; and (d) liquidate all or any portion of any Performance Assurance then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever of Seller or other Person, including any equity or right of purchase or redemption by Seller. Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Seller's obligations under the Agreement (Seller remaining liable for any amounts owing to Buyer after such application), subject to Buyer's obligation to return any surplus proceeds remaining after such obligations are satisfied in full, if applicable.

10.3 *Seller Financial Statements.*

If requested by Buyer the Seller shall deliver within one hundred twenty (120) days following the end of each fiscal year of Seller's Ultimate Parent Company: (i) a copy of Seller's Ultimate Parent Company's annual report or 10K report, and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Seller's Ultimate Parent Company's quarterly report containing unaudited consolidated financial statements for such fiscal quarter, in each case unless otherwise publicly available. If any such statements shall not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the Seller diligently pursues the preparation, certification and delivery of the statements.

10.4 *Seller's Performance Assurance.*

(a) Seller agrees to deliver to Buyer collateral to secure its obligations under this Agreement, which Seller shall maintain in full force and effect for the period posted with Buyer, as follows:

(i) Performance Assurance in the amount of Buyer's Share of [redacted] ("**Project Development Security**") without replenishment within five (5) Business Days following the Original Effective Date of this Agreement until Seller posts Seller's Delivery Term Security; *provided*, *however*, that (A) Seller's maximum aggregate obligation to Buyer with respect to the Project Development Security under this Agreement shall in no event exceed Buyer's Share of [redacted], and (B) Seller's maximum aggregate obligation to Buyer with respect to the Project Development Security under this Agreement and to the Other Buyer(s) with respect to the "Project Development Security" under and as defined in the applicable power purchase agreements between Seller and the Other Buyers in connection with this Project shall in no event exceed [redacted];

(ii) Performance Assurance in the amount of Buyer's Share of [redacted] ("**Seller's Delivery Term Security**") from the Commercial Operation Date until the end of the Term; *provided*, that Seller may elect to apply the Project Development Security toward Seller's Delivery Term Security. Seller's Delivery Term Security shall be subject to replenishment; *provided*, *however*, that (A) Seller's maximum aggregate obligation to Buyer under this Agreement with respect to the Performance Assurance shall in no event exceed Buyer's Share of [redacted], and (B) Seller's maximum aggregate obligation to Buyer with respect to the Performance Assurance under this Agreement and to the Other Buyer(s) with respect to "the Performance Assurance" under and as defined in the applicable power purchase agreements between Seller and the Other Buyers in connection with this Project shall in no event exceed [redacted].

(b) If, after the Commercial Operation Date, no amounts are due and owing to Buyer under this Agreement, then Seller shall no longer be required to maintain the Project Development Security, and Buyer shall return to Seller the Project Development Security, less the amounts drawn from a cash deposit or Letter of Credit, if applicable, in accordance with Section 10.4(c). The Project Development Security (or portion thereof) due to Seller shall be returned to Seller within five (5) Business Days after Seller's provision of Seller's Delivery Term Security unless, with respect to cash held as Project Development Security, Seller elects by Notice to Buyer to apply the Project Development Security toward Seller's Delivery Term Security.

(c) Any amounts owed by Seller to Buyer under this Agreement (other than disputed amounts) and not satisfied within thirty (30) Days of becoming due and owing may be satisfied by Buyer on a draw on Seller's Performance Assurance. In addition, upon termination, Buyer shall have the right to draw upon Seller's Performance Assurance for any undisputed amounts owed to Buyer under this Agreement if not paid when due pursuant to Section 8.1. Subject to the maximum aggregate obligation set forth in Section 10.4(a)(ii), Seller's Delivery Term Security shall be subject to replenishment within five (5) days after any draw thereon by Buyer.

(d) Buyer shall deposit Seller's Performance Assurance in a Qualified Institution; *provided* that, interest on cash held as Project Development Security shall be retained by Buyer until Seller posts Seller's Delivery Term Security. Upon Seller's posting of Seller's Delivery Term Security, all accrued interest on the Project Development Security shall be transferred to Seller in the form of cash by wire transfer to the bank account specified by Seller. After Seller posts Seller's Delivery Term Security, Buyer shall transfer (as described in the preceding sentence) on or before each Interest Payment Date the amount of interest due to Seller for Seller's Delivery Term Security. Buyer does not guaranty any particular rate of interest.

(e) If, during the Term, there shall occur a Downgrade Event in respect of Seller's Guarantor, then Seller shall deliver to Buyer replacement Performance Assurance in the form of a Letter of Credit, cash or a replacement Guaranty from a different Guarantor (meeting the requirements set forth in the definition thereof and acceptable to Buyer, such acceptance not to be unreasonably withheld) in lieu thereof in an amount equal to the then applicable amount of Performance Assurance; *provided*, *however*, that Seller shall only be required to maintain such replacement Performance Assurance for so long as (1) the Credit Rating of Seller's original Guarantor remains below Investment Grade, or (2) no Ratings Agency rates Seller's original Guarantor.

(f) Seller's obligation to maintain the applicable Performance Assurance shall terminate upon the occurrence of the following: (i) the Term of the Agreement has ended, or the Agreement has been terminated pursuant to Section 7.2, as applicable; and (ii) all payment obligations of each Party arising under this Agreement, the Termination Payment, indemnification payments or other damages are paid in full. Upon the occurrence of the foregoing, Buyer shall promptly return to Seller the unused portion of the applicable Performance Assurance, if any, including the payment of any interest due thereon.

(g) Any Letter of Credit provided by Seller pursuant to this Agreement must provide, among other things, that the Buyer is entitled to draw the full amount of such Letter of Credit if: (i) the Letter of Credit has not been renewed or replaced within thirty (30) days prior to the expiration date of the Letter of Credit; or (ii) the issuer of the Letter of Credit fails to maintain a credit rating of at least A- from S&P or a credit rating of at least A3 from Moody's and the Party required to provide the Letter of Credit and Seller has failed, within ten (10) Business Days after receipt of Notice thereof by Buyer to replace such Letter of Credit with another Letter of Credit, in a form reasonably acceptable to the issuer of the Letter of Credit and Buyer. Costs of a Letter of Credit provided by Seller shall be borne by Seller.

10.5 *Buyer's Performance Assurance*

Buyer agrees to deliver to Seller collateral to secure its obligations under this Agreement under the following circumstances:

(a) If, during the Term, there shall occur a Buyer Downgrade Event in respect of Buyer, then Buyer shall deliver to Seller Performance Assurance in the form of a Letter of Credit or cash in an amount equal to the then applicable amount of Buyer's Performance Assurance; *provided*, *however*, that Buyer shall only be required to maintain its Performance Assurance in the form of a Letter of Credit or cash for so long as Buyer's Credit Ratings remain below the lower of (i) Investment Grade, or (ii) that of the Seller or, if applicable the Seller's Guarantor. Buyer's Performance Assurance shall be subject to replenishment within five (5) days after any draw thereon by Seller after the failure of Buyer to pay the undisputed amount of any amount invoiced by Seller to Buyer.

(b) Buyer's obligation to maintain the applicable Performance Assurance shall terminate upon the occurrence of the following: (i) the Term of the Agreement has ended, or the Agreement has been terminated pursuant to Section 7.2, as applicable; (ii) Buyer has achieved the requisite Credit Rating, and (iii) all payment obligations of each Party arising under this Agreement, Termination Payment, indemnification payments or other damages are paid in full. Upon the occurrence of the foregoing, Seller shall promptly return to Buyer the unused portion of the applicable Performance Assurance, including the payment of any interest due thereon.

(c) Any Letter of Credit provided by Buyer pursuant to this Agreement must provide, among other things, that the Seller is entitled to draw the full amount of such Letter of Credit if: (i) the Letter of Credit has not been renewed or replaced within thirty (30) days prior to the expiration date of the Letter of Credit; or (ii) the issuer of the Letter of Credit fails or ceases to maintain a credit rating of at least A- from S&P or a credit rating of at least A3 from Moody's and Buyer has failed, within ten (10) Business Days after receipt of Notice thereof by Seller to replace such Letter of Credit with another Letter of Credit, in a form reasonably acceptable to the issuer of the Letter of Credit and Seller. Costs of a Letter of Credit provided by Buyer as Buyer's Performance Assurance shall be borne by Buyer.

ARTICLE 11
REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 *Representations and Warranties.*

(a) On the Original Effective Date, each Party represents and warrants to the other Party that:

(i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(ii) it has or will obtain in accordance herewith (i) all Governmental Approvals necessary for it to perform its obligations under this Agreement, and (ii) all Governmental Approvals and rights, title and interest in and to the Site and as otherwise necessary to construct, operate and maintain the Project and related interconnection facilities in the case of Seller;

(iii) the execution, delivery and performance of and consummation of the transactions contemplated by this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any Governmental Approvals, any contracts to which it is a party or any Applicable Law;

(iv) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

(v) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

(vi) except as may be set forth in its reports filed with the SEC, there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could reasonably be expected to materially adversely affect its ability to perform its obligations under and consummation of the transactions contemplated by this Agreement;

(vii) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under and the transactions contemplated by this Agreement;

(viii) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement; and

(ix) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or the ability to make or deliver or take delivery of the Buyer's Product as provided in this Agreement.

(b) On the Original Effective Date, Seller represents and warrants that it is an Affiliate of NextEra Florida Renewables, LLC.

11.2 *General Covenants.*

Each Party covenants that throughout the Term:

(a) it shall continue to be duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its formation;

(b) it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

(c) it shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Applicable Law or Governmental Approval; and

(d) it shall not dispute its status as a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

11.3 ***Seller Covenants.***

(a) Seller covenants as follows:

(i) from the date hereof through the expiration or termination of this Agreement, Seller shall comply with this Agreement and Applicable Laws;

(ii) from the Initial Energy Delivery Date through the expiration or termination of this Agreement, the Project shall be operated and maintained in accordance with this Agreement, Applicable Laws, and Prudent Operating Practices;

(iii)throughout the Term that it, or its permitted successors or assigns, shall maintain ownership of a fee, easement, long-term leasehold interest, or other similar asset ownership interest in the Project; and

(iv)except as expressly provided for in this Agreement, Seller will not grant, create, confer, assign, transfer or convey any right, title or interest in or to the Project in favor of any third party which is not terminable without cost or expense to Buyer upon exercise by Buyer of the Buyer's Purchase Option.

(b) Seller represents and covenants that it has not sold and will not in the future sell or attempt to sell, convey, transfer or encumber any of Buyer's Renewable Attributes or Buyer's Facility Attributes or any right, title or interest in or to Buyer's Renewable Attributes or Buyer's Facility Attributes to any Person other than Buyer. Seller shall not report to any Person that any of Buyer's Renewable Attributes or Buyer's Facility Attributes are owned by or belong to any Person other than Buyer. Buyer may, at its own risk and expense, report to any Person that Buyer's Renewable Attributes and Buyer's Facility Attributes are owned by and belong to it. At Buyer's request, the Parties shall execute and deliver such documents and instruments as may be reasonably required to effect recognition and transfer of Buyer's Renewable Attributes and Buyer's Facility Attributes to Buyer. Except with regard to the execution and delivery of bills of sales and attestations similar to <u>Exhibit M</u>, Buyer shall bear the costs, fees and expenses associated with preparing and executing any such documents and instruments. Seller shall reasonably cooperate in any registration by Buyer of the Project (at Buyer's cost) in the renewable portfolio standard or equivalent program in any state and program in which Buyer may wish to register or maintained registered the Project by providing copies of all such information as Buyer reasonably requires for such registration

(c) Seller represents that, as of the Commercial Operation Date and continuing through the end of the Term of this Agreement, the Project shall satisfy the criteria for qualifying small power production facilities under the Public Utility Regulatory Policies Act of 1978 and 18 C.F.R. § 292.204.

11.4 *Buyer's Covenants.*

Buyer covenants or affirms as follows:

(a) Buyer covenants that from the date hereof through the expiration or termination of this Agreement, Buyer shall comply with this Agreement and Applicable Laws.

(b) Buyer covenants that Buyer's obligations under this Agreement shall qualify as operating expenses which enjoy first priority payment at all times under any and all bond or other ordinances or indentures to which Buyer is a party relating to electric utility operations and shall be included as part of the rate calculations required by any rate-related debt covenants to which Buyer is bound.

(c) Buyer affirms that it elected to commence negotiations with Seller for the generation, sale and delivery of solar energy, renewable attributes and facility attributes from the Project pursuant to a competitive solicitation after determining that Seller's proposal was the most favorable alternative meeting Buyer's procurement criteria and requirements for solar energy and capacity.

(d) FMPA shall set its rates payable pursuant to the FMPA All-Requirements Power Supply Project Contract ("**ARP Contract**"), as it may be amended by FMPA from time to time, in a manner sufficient to meet it Revenue Requirements, as such term is defined in the ARP Contract. FMPA represents that the term Revenue Requirement, as used in the ARP Contract, includes all of its costs and liabilities lawfully owed under this Agreement.

ARTICLE 12
TITLE, RISK OF LOSS, INDEMNITIES

12.1 *Title and Risk of Loss.*

Title to and risk of loss related to Buyer's Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer Buyer's Product free and clear of all Liens therein or thereto by any Person arising prior to or at the Delivery Point.

12.2 *Indemnities by Seller.*

Seller shall release, indemnify, defend, and hold harmless, on an After-Tax Basis, Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives against and from any and all actions, suits, losses, costs, damages, injuries, liabilities, claims, demands, penalties and interest, including reasonable costs and attorneys' fees ("**Claims**") resulting from, or arising out of or in any way connected with (a) any event, circumstance, act, or incident relating to the Buyer's Product delivered under this Agreement up to and at the Delivery Point, (b) Seller's development, permitting, construction, ownership, operation and/or maintenance of the Project, (c) the failure by Seller or the failure of the Project to comply with Applicable Laws, (d) any Governmental Charges for which Seller is responsible hereunder, or (e) any Liens against the Buyer's Product delivered hereunder made by, under, or through Seller, in all cases including any Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or third parties, caused by the negligence of Seller excepting only such Claim to the extent caused by the willful misconduct or gross negligence of Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

12.3 *Indemnities by Buyer.*

To the fullest extent permitted under Florida law, subject to and without waiving its rights to sovereign immunity under Florida Statutes, Buyer shall release, indemnify and hold harmless, on an After-Tax Basis, Seller and its directors, officers, employees, agents, and representatives against and from any and all Claims resulting from, or arising out of or in any way connected with (a) any event, circumstance, act, or incident relating to the Buyer's Product received by Buyer under this Agreement after the Delivery Point, (b) the failure by Buyer to comply with Applicable Laws, or (c) any Governmental Charges for which Buyer is responsible hereunder, in all cases including any Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller or third parties caused by the negligence of Buyer, excepting only such Claims to the extent caused by the willful misconduct or gross negligence of Seller, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

ARTICLE 13
GOVERNMENTAL CHARGES

13.1 *Cooperation.*

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party incurs any cost, expense, risk, obligation or liability or is otherwise materially adversely affected by such efforts.

13.2 *Governmental Charges.*

Seller shall pay or cause to be paid all taxes imposed by any Governmental Authority ("**Governmental Charges**") on or with respect to the Buyer's Product or the transaction under this Agreement arising prior to the Delivery Point, including ad valorem taxes and other taxes attributable to the Project, land, land rights or interests in land for the Project. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Buyer's Product or the transaction under this Agreement at and after the Delivery Point. If Seller is required by Law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by Applicable Law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller with respect to payments under the Agreement; if Buyer elects not to deduct such amounts from Seller's payments, Seller shall promptly reimburse Buyer for such amounts upon request. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under law.

ARTICLE 14
CONFIDENTIAL INFORMATION

14.1 *Confidential Information.*

(a) The Parties acknowledge that Seller asserts that this Agreement contains trade secret information. The Parties have and will develop certain information, processes, know-how, techniques and procedures concerning the Project that they consider confidential and proprietary (together with the terms and conditions of this Agreement, the "**Confidential Information**"). Notwithstanding the confidential and proprietary nature of such Confidential Information, the Parties (each, the "**Disclosing Party**") may make such Confidential Information available to the other (each, a "**Receiving Party**") subject to the provisions of this Section 14.1.

(b) Upon receiving or learning of Confidential Information, the Receiving Party shall:

(i) Treat such Confidential Information as confidential and use reasonable care not to divulge such Confidential Information to any third party except as required by law, subject to the restrictions set forth below;

(ii) Restrict access to such Confidential Information to only those employees, subcontractors, suppliers, vendors, and advisors whose access is reasonably necessary for the development, construction, operation or maintenance of the Project and for the purposes of this Agreement who shall be bound by the terms of this Section 14.1;

(iii) Use such Confidential Information solely for the purpose of developing the Project and for purposes of implementing, performing, administering and enforcing this Agreement; and

(iv) Upon the termination of this Agreement, destroy or return any such Confidential Information in written or other tangible form and any copies thereof;

provided, *however*, the Buyer shall be entitled to keep on record copy of such information as required by Florida law.

(c) The restrictions of this Section 14.1 do not apply to:

(i) Release of this Agreement to any Governmental Authority required for obtaining any approval or making any filing pursuant to Sections 3.12 or 4.2, *provided* that each Party agrees to cooperate in good faith with the other to maintain the confidentiality of the provisions of this Agreement by redacting and/or requesting confidential treatment with all filings to the extent appropriate and permitted by Applicable Law;

(ii) Information which is, or becomes, publicly known or available other than through the action of the Receiving Party in violation of this Agreement;

(iii)Information which is in the possession of the Receiving Party prior to receipt from the Disclosing Party or which is independently developed by the Receiving Party, *provided* that the Person or Persons developing such information have not had access to any Confidential Information;

(iv)Information which is received from a third party which is not known (after due inquiry) by Receiving Party to be prohibited from disclosing such information pursuant to a contractual, fiduciary or legal obligation; and

(v) Information which is, in the reasonable written opinion of counsel of the Receiving Party, required to be disclosed pursuant to Applicable Law (including any Florida Public Records Law (Chapter 119, Florida Statutes) request); *provided, however,* that the Receiving Party, prior to such disclosure, shall provide reasonable advance Notice to the Disclosing Party of the time and scope of the intended disclosure in order to provide the Disclosing Party an opportunity to obtain a protective order or otherwise seek to prevent, limit the scope of, or impose conditions upon such disclosure.

(d) Notwithstanding the foregoing, Seller may disclose Confidential Information to the Project Investors and any other financial institutions expressing an interest in providing equity or debt financing or refinancing and/or credit support to Seller, and the agent or trustee of any of them, *provided* that they agree to comply with the requirements and limitations on disclosure and use of Confidential Information.

(e) Neither Party shall issue any press or publicity release or otherwise release, distribute or disseminate any information, with the intent that such information will be published (other than information that is, in the reasonable written opinion of counsel to the Disclosing Party, required to be distributed or disseminated pursuant to Applicable Law, *provided* that the Disclosing Party has given Notice to, and an opportunity to prevent disclosure by, the other Party as provided in Section 14.1(c)(v)), concerning this Agreement or the participation of the other Party in the transactions contemplated hereby without the prior written approval of the other Party, which approval will not be unreasonably withheld or delayed. This provision shall not prevent the Parties from releasing information which is required to be disclosed in order to obtain permits, licenses, releases and other approvals relating to the Project or as are necessary in order to fulfill such Party's obligations under this Agreement.

(f) The obligations of the Parties under this Section 14.1 shall remain in full force and effect for three (3) years following the expiration or termination of this Agreement.

ARTICLE 15
ASSIGNMENT

15.1 ***Successors and Assigns; Assignment.***

(a) This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns. This Agreement and a Party's rights, obligations and interests shall not be assigned or transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Notwithstanding the foregoing, no consent shall be required for the following assignment if the assignee has demonstrated experience and ability and a level of creditworthiness to perform and assume obligations under other agreements similar to this Agreement with the other Persons:

(i) Any collateral assignment of this Agreement by Seller to any senior lien Project Investors as collateral security for Seller's obligations under the financing documents entered into with such Project Investors;

(ii) Any assignment by the Project Investors to a third party in connection with a foreclosure of the Project Investor's mortgage and lien on the Project;

(iii)Any assignment or transfer of this Agreement by Seller to an Affiliate of Seller and the Guarantor;

(iv)Any assignment or transfer of this Agreement by Seller to a Person succeeding to all or substantially all of the assets of Seller, *provided* that such Person's creditworthiness and the creditworthiness of any provider of Performance Assurance is equal to or better than that of Seller, there is an assignment and assumption agreement among all Parties and the assignee and the Performance Assurance in place at such time is replaced by equal or better security by assignee; and

(v) Any assignment or transfer of this Agreement by Buyer to any Other Buyer or to any Other Solar Project Buyer.

(c) An assignee shall be afforded no additional rights, interests or remedies beyond those specifically granted to the assignor in this Agreement. The Party seeking to assign or transfer this Agreement shall be solely responsible for paying all costs and expenses, including attorney's and advisor fees of any such assignment.

(d) Buyer acknowledges that upon an event of default under any financing documents relating to the Project, subject to receipt by Buyer of Notice, and further subject to rights of Other Buyers, any of the Project Investors may (but shall not be obligated to) assume, or cause its designee or a new lessee or buyer of the Project with demonstrated experience and ability and a level of creditworthiness to perform and assume obligations under other renewable energy power purchase agreements similar to this Agreement, to assume, all of the interests, rights and obligations of Seller thereafter arising under this Agreement; *provided*, that, regardless of whether any such Project Investor or its designee assumes all of the interests, rights and obligations of Seller thereafter arising under this Agreement, the Performance Assurance and security required to be posted by Seller is replaced by the assignee and Buyer's interests, rights, remedies, benefits, privileges, and obligations under this Agreement will remain in full force and effect, including the right to terminate this Agreement.

(e) If the rights and interests of Seller in this Agreement shall be assumed, sold or transferred as herein provided, and the assuming party shall agree in writing to be bound by and to assume, the terms and conditions hereof and any and all obligations to Buyer arising or accruing hereunder from and after the date of such assumption, then Seller shall be released and discharged from the terms and conditions hereof except with respect to obligations arising prior to the assignment, and each such obligation hereunder from and after such date except with respect to obligations and covenants which survive expiration or early termination, but not any obligation or liability owned, accrued, incurred, or relating to the period prior to the date of such assumption, and Buyer shall continue this Agreement with the assuming party as if such Person had been named as Seller under this Agreement; *provided, however,* that if any such Person assumes this Agreement as provided herein, Buyer acknowledges and agrees that such Persons shall not be personally liable for the performance of such obligations hereunder except to the extent of the required Performance Assurance and the total interest of the Project Investors in the Project. Notwithstanding any such assumption by any of the Project Investors or a designee thereof, Seller shall not be released and discharged from and shall remain liable for any and all obligations to Buyer arising or accruing hereunder prior to such assumption.

15.2 *Collateral Assignment.*

(a) Seller, without approval of Buyer, may, by security, charge or otherwise encumber its entire interest under this Agreement in favor of a Project Investor for the purposes of financing the development, construction and/or operation of the Project and the Seller's Interconnection Facilities.

(b) Promptly after making such encumbrance, Seller shall deliver Notice to Buyer in writing of the name, address, and telephone and facsimile numbers of each Project Investor to which Seller's interest under this Agreement has been encumbered. Such Notice shall also include the name of the single representative of (i) the Tax Equity Investors (if any) and/or (ii) the other Project Investors, if any, which may be the Collateral Agent or another representative or both, to whom all written and telephonic communications may be addressed by Buyer.

(c) After giving Buyer such initial Notice, Seller shall promptly give Buyer Notice of any change in the information provided in the initial Notice or any revised Notice.

(d) If Seller intends to encumber its interest under this Agreement as permitted by this Section 15.2, the Parties shall use Commercially Reasonable Efforts to enter into a mutually acceptable consent agreement substantially in the form of Exhibit N-1. Buyer shall, upon a commercially reasonable request by Seller or a Project Investor and at Seller's sole expense, cooperate reasonably to execute, or arrange for the delivery of, those normal, reasonable and customary certificates, opinions and other documents (including estoppel certificates related to a tax equity financing substantially in the form of Exhibit N-2) and to provide such other normal and customary representations and warranties, as may be necessary in connection with a financing of the Project that Buyer reasonably determines do not affect any of Buyer's rights, benefits, risks, burdens, liabilities or obligations under this Agreement.

ARTICLE 16
FORCE MAJEURE

16.1 *Force Majeure Events.*

To the extent either Party is prevented by a Force Majeure Event from carrying out, in whole or part, its obligations under this Agreement and such Party gives Notice and details of the Force Majeure Event to the other Party as detailed below, then, the Party impacted by the Force Majeure Event shall be excused from the performance of its obligations for the period during which its performance is impacted. As soon as practicable after commencement of a Force Majeure Event, the non-performing Party shall provide the other Party with oral notice of the Force Majeure Event, and within two (2) weeks of the commencement of a Force Majeure Event, the non-performing Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure Event claim and the anticipated impact on the non-performing Party's ability to perform its obligations and the non-performing Party's Plan to resume full performance of the obligations impacted by the Force Majeure Event. Seller shall not without the prior written consent of Buyer substitute Buyer's Product from any other source for the output of the Project during an outage resulting from a Force Majeure Event. The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event. Buyer shall not be required to make any payments for any Buyer's Product that Seller fails to schedule, deliver or provide as a result of a Force Majeure Event during the term of such Force Majeure Event. This Agreement may be terminated by either Party with no further obligation to the other Party if such Force Majeure Event prevents the performance of a material portion of the obligations hereunder and such Force Majeure Event is not resolved and full performance resumed within one hundred eighty (180) days after the commencement of such Force Majeure Event; *provided*, *however*, if the Force Majeure Event occurs after the Commercial Operation Date and Seller is the non-performing Party, Seller shall have up to ninety (90) days following such Force Majeure Event to obtain a report from an independent, third party engineer stating whether the Project is capable of being repaired or replaced within fifteen (15) additional months or less from the date of the report and provide Buyer a copy of the engineer's report, at no cost to Buyer. If such engineer's report concludes that the Project is capable of being repaired or replaced within such fifteen (15) month period and Seller undertakes and continues such repair or replacement with due diligence, then Buyer shall not have the right to terminate this Agreement pursuant to this Section 16.1 until the expiration of the period deemed necessary by the engineer's report (not to exceed fifteen (15) months), after which time, Buyer may terminate this Agreement by Notice to Seller unless the Project has been repaired or replaced, as applicable, and the Seller has resumed and is satisfying its performance obligations under this Agreement.

ARTICLE 17
LIMITATIONS ON LIABILITY

17.1 ***Disclaimer of Warranties.***

EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

17.2 ***Limitations on Liability.***

THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY IS PROVIDED, SUCH EXPRESS REMEDY SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. A PARTY'S REMEDY OR MEASURE OF DAMAGES WILL BE ACTUAL DAMAGES. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE 18
DISPUTE RESOLUTION

18.1 ***Intent of the Parties***

Except as provided in the next sentence, the sole procedure to resolve any claim arising out of or relating to this Agreement (a "**Dispute**") is the dispute resolution procedure set forth in this ARTICLE 18. Either Party may seek a preliminary injunction or other provisional judicial remedy at any time if such action is necessary to prevent irreparable harm or preserve the status quo, in which case both Parties nonetheless will continue to pursue resolution of the Dispute by means of the dispute resolution procedure set forth in this ARTICLE 18.

18.2 *Management Negotiations*

(a) The Parties will attempt in good faith to resolve any Dispute by prompt negotiations between each Party's authorized representative designated in writing as a representative of the Party (each a "**Manager**"). Either Manager may, by Notice to the other Party, request a meeting to initiate settlement negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place (either in person or telephonically). If the matter is not resolved within fifteen (15) Business Days of their first meeting ("**Initial Negotiation End Date**"), the Managers shall refer the matter to the designated senior officers of their respective companies that have authority to settle the Dispute ("**Executives**"). Within five (5) Business Days of the Initial Negotiation End Date ("**Referral Date**"), each Party shall provide one another Notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(b) Within five (5) Business Days of the Referral Date, the Executives shall establish a mutually acceptable location and date, which date shall not be greater than thirty (30) days from the Referral Date, to meet. After the initial meeting date, the Executives shall meet, as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the Dispute.

(c) All communication and writing exchanged between the Parties in connection with these settlement negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties. The Parties shall bear their respective costs, expenses and fees relating to the activities under this Section 18.2.

(d) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the Notice to meet, pursuant to Section 18.2(a) above, refuses or does not meet within the ten (10) Business Day period specified in Section 18.2(a) above, and subject to Sections 17.2, 20.7 and 20.8 of this Agreement, either Party may pursue all remedies available to it at law or in equity. Venue for any action or proceeding shall be state and federal courts in Orange County, Florida.

18.3 *Specific Performance and Injunctive Relief.*

Each Party shall be entitled to seek a decree compelling specific performance with respect to, and shall be entitled, without the necessity of filing any bond, to seek the restraint by injunction of, any actual or threatened breach of any non-monetary material obligation of the other Party under this Agreement, including with respect to disclosure or misuse of Confidential Information, audit rights, access to facilities, access to information, data and documents, emergencies, imminent harm to persons or property of impermissible transactions; *provided*, that, the right to specific performance explicitly excludes Seller's obligation to construct the Project. The Parties in any action for specific performance or restraint by injunction agree that they shall each request that all expenses incurred in such proceeding, including reasonable counsel fees, be apportioned in the final decision based upon the respective merits of the positions of the Parties.

ARTICLE 19
NOTICES

19.1 *Notices.*

Whenever this Agreement requires or permits delivery of a "**Notice**" (or requires a Party to "**Notify**"), the Party with such right or obligation shall provide a written communication in the manner specified in herein and to the addresses set forth below; *provided*, *however*, that Notices of outages or other scheduling or dispatch information or requests, shall be provided in accordance with the terms set forth in the relevant section of this Agreement or procedure developed by the Parties. Invoices may be sent by facsimile or e-mail. 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. Each Party shall provide Notice to the other Party of the persons authorized to nominate and/or agree to a schedule or dispatch order for the delivery or acceptance of Buyer's Product or make other Notices on behalf of such Party and specify the scope of their individual authority and responsibilities, and may change its designation of such persons from time to time in its sole discretion by providing Notice. The Parties acknowledge and agree that in the event that Buyer receives conflicting Notices from the Collateral Agent and the Tax Equity Investor(s)'s representative named under Section 15.2 (if and as applicable), the Notice from the Collateral Agent shall supersede that from the Tax Equity Investor(s)' representative.

If to Seller: **POINSETT SOLAR, LLC**
c/o NextEra Florida Renewables, LLC
700 Universe Boulevard
Juno Beach, FL 33408
Attn: Director, Business Management (South Region)
Telephone: 561-304-5912
Email: Charles.Lande@nee.com

With a copy to: NextEra Florida Renewables, LLC
700 Universe Boulevard
Juno Beach, FL 33408
Attn: Mitchell Ross, Vice President & General Counsel
Telephone: 561-691-7126
Email: Mitch.ross@nee.com

If to Buyer: Florida Municipal Power Agency
Chief Operating Officer
8553 Commodity Circle
Orlando, FL 32819
Telephone: 407-355-7767
Email: ~~frank.gaffney~~ken.rutter@fmpa.com

With a copy to: Florida Municipal Power Agency
Office of General Counsel
P.O. Box 3209,
Tallahassee, FL 32315-3209
2061 Delta Way, Ste 2,
Tallahassee, Florida 32303-4240
Telephone: 850-297-2011
Facsimile: 850-297-2014
Email: jody.finklea@fmpa.com
Dan.ohagan@fmpa.com

ARTICLE 20
MISCELLANEOUS

20.1 *Effectiveness of Agreement; Survival.*

This Agreement shall be in full force and effect, enforceable and binding in all respects as of the Original Effective Date until the conclusion of the Term or earlier termination pursuant to the terms of this Agreement; *provided*, *however*, that this Agreement shall remain in effect until (a) the Parties have fulfilled all obligations under this Agreement, including payment in full of amounts due for the Buyer's Product delivered or not delivered prior to the end of the Term, the Termination Payment, indemnification payments or other damages (whether directly or indirectly such as through set-off or netting) and (b) the undrawn portion of the Project Development Security or Delivery Term Security, as applicable, is released and/or returned as applicable (if any is due). All indemnity rights shall survive the termination or expiration of this Agreement for the longer of twelve (12) months or the expiration of the statute of limitations period of the claim underlying the indemnity obligation. Notwithstanding any provisions herein to the contrary, the obligations set forth in the following articles and sections shall survive (in full force) the expiration of termination of this Agreement: Sections 12.2 and 12.3 until the applicable statute of limitation lapses, 14.1 regarding confidentiality, for a period of two (2) years, 20.2 (*Audits*), 20.7 (*Governing Law*), 20.8 (*Waiver of Trial by Jury*), 20.9 (*Attorney's Fees*) and 20.11 (*Project Members*); ARTICLE 1 (*Definitions and Interpretation*), and ARTICLE 17 (*Limitations on Liability*).

20.2 *Audits.*

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; *provided*, *however*, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived except to the extent any misinformation was from a third party not affiliated with any Party and such third party corrects its information after such twelve (12)-month period.

20.3 *Amendments.*

Except as provided in Sections 3.1(b) and 3.19(g), this Agreement shall not be modified nor amended unless such modification or amendment shall be in writing and signed by authorized representatives of both Parties.

20.4 *Waivers.*

Failure to enforce any right or obligation by any Party with respect to any matter arising in connection with this Agreement shall not constitute a waiver as to that matter nor to any other matter. Any waiver by any Party of its rights with respect to a breach or default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing. Such waiver shall not be deemed a waiver with respect to any subsequent breach or default or other matter.

20.5 *Severability.*

If any of the terms of this Agreement are finally held or determined to be invalid, illegal or void, all other terms of the Agreement shall remain in effect; *provided* that the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any Applicable Law and the intent of the Parties.

20.6 ***Standard of Review.***

Absent the agreement of the Parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a Person or the Federal Energy Regulatory Commission acting sua sponte shall be the "public interest" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956), as clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008) (the "Mobile-Sierra" doctrine).

20.7 ***Governing Law.***

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE SOLE AND EXCLUSIVE VENUE FOR ANY DISPUTE, CLAIM OR CONTROVERSY RELATING TO THIS AGREEMENT SHALL BE THE STATE AND FEDERAL COURTS IN ORANGE COUNTY, FLORIDA.

20.8 ***Waiver of Trial by Jury.***

EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT.

20.9 ***Attorneys' Fees.***

In any proceeding brought to enforce this Agreement or because of the breach by any Party of any covenant or condition herein contained, the prevailing Party shall be entitled to reasonable attorneys' fees (including reasonably allocated fees of in-house counsel) in addition to court costs and any and all other costs of the proceeding recoverable in said action.

20.10 ***No Third-Party Beneficiaries.***

Except indemnitees, a Project Investor party to a consent to assignment among the Parties, and Other Buyers and Other Solar Project Buyers with respect to their priority right to purchase Newly Available Product, this Agreement is intended solely for the benefit of the Parties hereto and nothing contained herein shall be construed to create any duty to, or standard of care with reference to, or any liability to, or any benefit for, any Person not a Party to this Agreement.

20.11 *Project Members.*

This Agreement is an obligation of Buyer only, and all costs and liabilities of Buyer hereunder are payable solely from the revenues and funds of the FMPA All-Requirements Power Supply Project. No liability or obligation under this Agreement shall inure to or bind any of the funds, accounts, monies, property, instruments, or rights of Buyer generally, of any individual member of Buyer, or of any other "project" of Buyer as contemplated in the Interlocal Agreement. Buyer shall enforce the provisions of the All-Requirements Power Supply Project Contracts and duly perform its covenants and agreements thereunder.

20.12 *No Agency.*

This Agreement is not intended, and shall not be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act as or be an agent or representative of, or otherwise bind, the other Party.

20.13 *Cooperation.*

The Parties acknowledge that they are entering into a long-term arrangement in which the cooperation of both of them will be required. If, during the Term, changes in the operations, facilities or methods of either Party will materially benefit a Party without detriment to the other Party, the Parties commit to each other to make Commercially Reasonable Efforts to cooperate and assist each other in making such change on terms and conditions mutually agreed by the Parties.

20.14 *Further Assurances.*

Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary and desirable to carry out the terms and intent hereof. Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this Section 20.14. No Party shall be required to take any action or execute any document under this Section 20.14 that would negatively change that Party's risk or benefit under this Agreement.

20.15 *Captions; Construction.*

All indexes, titles, subject headings, section titles, and similar items are provided for the purpose of reference and convenience and are not intended to affect the meaning of the content or scope of this Agreement. Any term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Party.

20.16 *Entire Agreement.*

This Agreement shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter of this Agreement.

20.17 *Forward Contract.*

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

20.18 *Counterparts.*

This Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF the Parties have executed this Agreement in the manner appropriate to each on the date set forth above.

POINSETT SOLAR, LLC	**FLORIDA MUNICIPAL POWER AGENCY**
By:_______________________________	By:___________________________________
Name:_____________________________	Name:_________________________________
Title:______________________________	Title:_________________________________

EXHIBIT A

SAMPLE CALCULATIONS

I. Summary of Terms and Sample Values:

(Note: The results of the formulas contained in this Exhibit A are derived from precise values without regard to rounding which is used to show interim results for ease of presentation.)

Project Quantity (E_{1y}) means the total estimated Energy production of the Project for a Contract Year.

For this example E_{1y} is [redacted] *MWh for each Contract Year*

Delivered Energy (DE) means the Energy delivered to the Delivery Point net of all electrical losses associated with the transmission or transformation (from direct current to AC) of the Energy to the Delivery Point, including, if applicable, any losses between the Metering System and the Delivery Point.

For this example DE is [redacted] *MWh for each Contract Year in a shortfall scenario*
For this example DE is [redacted] *MWh for each Contract Year in an excess energy scenario*

Buyer's Share; *for this example* [redacted] *%*

Contract Quantity ($CE_{b,1y}$) means Buyer's Share of the Project Quantity.

For this example $E_{b,1y}$ is [redacted] *% x* [redacted] *=* [redacted] *MWh in each Contract Year*

Buyer's Delivered Energy (DE_b) means Buyer's Share of the Delivered Energy.

For this example DE_b is [redacted] *% x* [redacted] *=* [redacted] *MWh in each Contract Year in a shortfall scenario*
For this example DE_b is [redacted] *% x* [redacted] *=* [redacted] *MWh in each Contract Year in an excess energy scenario*

Performance Measurement Period (2y) means the two prior consecutive Contract Years during the Delivery Term.

Contract Quantity during Performance Measurement Period ($CE_{b,2y}$)

For this example $CE_{b,2y}$ is 2 x [redacted] *MWh =* [redacted] *MWh*

Buyer's Delivered Energy during Performance Measurement Period ($DE_{b,2y}$)

For this example $DE_{b,2y}$ is 2 x [redacted] *MWh =* [redacted] *MWh in a shortfall scenario*

For this example $DE_{b,2y}$ is 2 x [redacted] *MWh =* [redacted] *MWh in an excess energy scenario*

Dollar-per-MWh Rate (R) means [redacted] per MWh of Delivered Energy.

Hours in Performance Measurement Period (h)

For this example h is 2 x 8,760 = 17,520

Seller Excuse Hours in Performance Measurement Period (h_e) means the hours Seller is unable to generate or deliver Energy due to Seller Excuses.

For this example h_e is [redacted]

II. <u>Sample Calculation of Measurement Period Performance Percentage:</u>

Measurement Period Performance Percentage = Buyer's Delivered Energy during Performance Measurement Period / (Contract Quantity during Performance Measurement Period x (Hours in Performance Measurement Period – Seller Excuse Hours in Performance Measurement Period) / Hours in Performance Measurement Period), expressed as a percentage.

$$\frac{DE_{b,2y}}{CE_{b,2y} \times \frac{(h - h_e)}{h}}$$

$$\frac{\text{[redacted]}\ MWh}{\text{[redacted]}\ MWh \times \frac{\text{[redacted]})}{\text{[redacted]}}}$$

$$\frac{\text{[redacted]}\ MWh}{\text{[redacted]}\ MWh \times \text{[redacted]}}$$

$$\frac{\text{[redacted]}\ MWh}{\text{[redacted]}\ MWh}$$

[redacted]

Expressed as a percentage

[redacted]

III. Sample Calculation of GEP Damages:

GEP Damages = Dollar-per-MWh Rate x (0.8 x (Contract Quantity during Performance Measurement Period x (Hours in Performance Measurement Period – Seller Excuse Hours in Performance Measurement Period) / Hours in Performance Measurement Period) – Buyer's Delivered Energy during Performance Measurement Period)

$$R \times [redacted] \times CE_{b,2y} \times \frac{(h - h_e)}{h} - DE_{b,2y}\Big)$$

$$[redacted]/MWh \times \left([redacted] \times [redacted] MWh \times \frac{([redacted])}{[redacted]} - [redacted] MWh\right)$$

$$[redacted]/MWh \times ([redacted] \times [redacted] MWh \times [redacted] - [redacted] MWh)$$

$$[redacted]/MWh \times ([redacted] MWh - [redacted] MWh)$$

$$[redacted]/MWh \times ([redacted] MWh)$$

[redacted]

IV. Sample Calculation of Excess Energy Credit:

Excess Energy Credit = [redacted] x Dollar-per-MWh Rate x (Buyer's Delivered Energy during Performance Measurement Period – [redacted] x Contract Quantity during Performance Measurement Period x (Hours in Performance Measurement Period – Seller Excuse Hours in Performance Measurement Period) / Hours in Performance Measurement Period)

$$[redacted] \times R \times \left(DE_{b,2y} - [redacted] \times CE_{b,2y} \times \frac{(h - h_e)}{h}\right)$$

$$[redacted] \times [redacted]/MWh \times \left([redacted] MWh - [redacted] \times [redacted] \times \frac{([redacted])}{[redacted]}\right)$$

$$[redacted]/MWh \times ([redacted] MWh - [redacted] \times [redacted] \times [redacted])$$

$$[redacted]/MWh \times ([redacted] MWh - [redacted] \times [redacted] \times [redacted])$$

$$[redacted]/MWh \times ([redacted] MWh - [redacted] MWh)$$

$$[redacted]/MWh \times [redacted] MWh$$

[redacted]

EXHIBIT B

DESCRIPTION OF PROJECT

Seller intends to build, own and operate Project with a nameplate capacity rating of the Project Capacity. The Project will be located in Osceola County. The Project will generate electrical power that will be sold wholesale.

As presently planned, the Project will consist of:

- Photovoltaic solar modules and power inverters
- Electrical transformation equipment located at the Project
- An underground and/or aboveground electric cable collection system to carry electricity to the substation
- An underground and/or aboveground fiber-optic data collection system
- Permanent meteorological ("MET") tower(s)
- A temporary construction lay down area
- Maintenance/field office(s)

Nothing in this Agreement or Exhibit B is intended to either (i) limit the right of Seller to make any changes to the Project consistent with the terms and conditions of this Agreement it determines to undertake consistent with Applicable Law, Governmental Approvals and Prudent Operating Practices, or (ii) grant any rights to Buyer regarding the description, nature or components of the Project.

EXHIBIT C

DESCRIPTION OF DELIVERY POINT AND ONE-LINE DIAGRAM

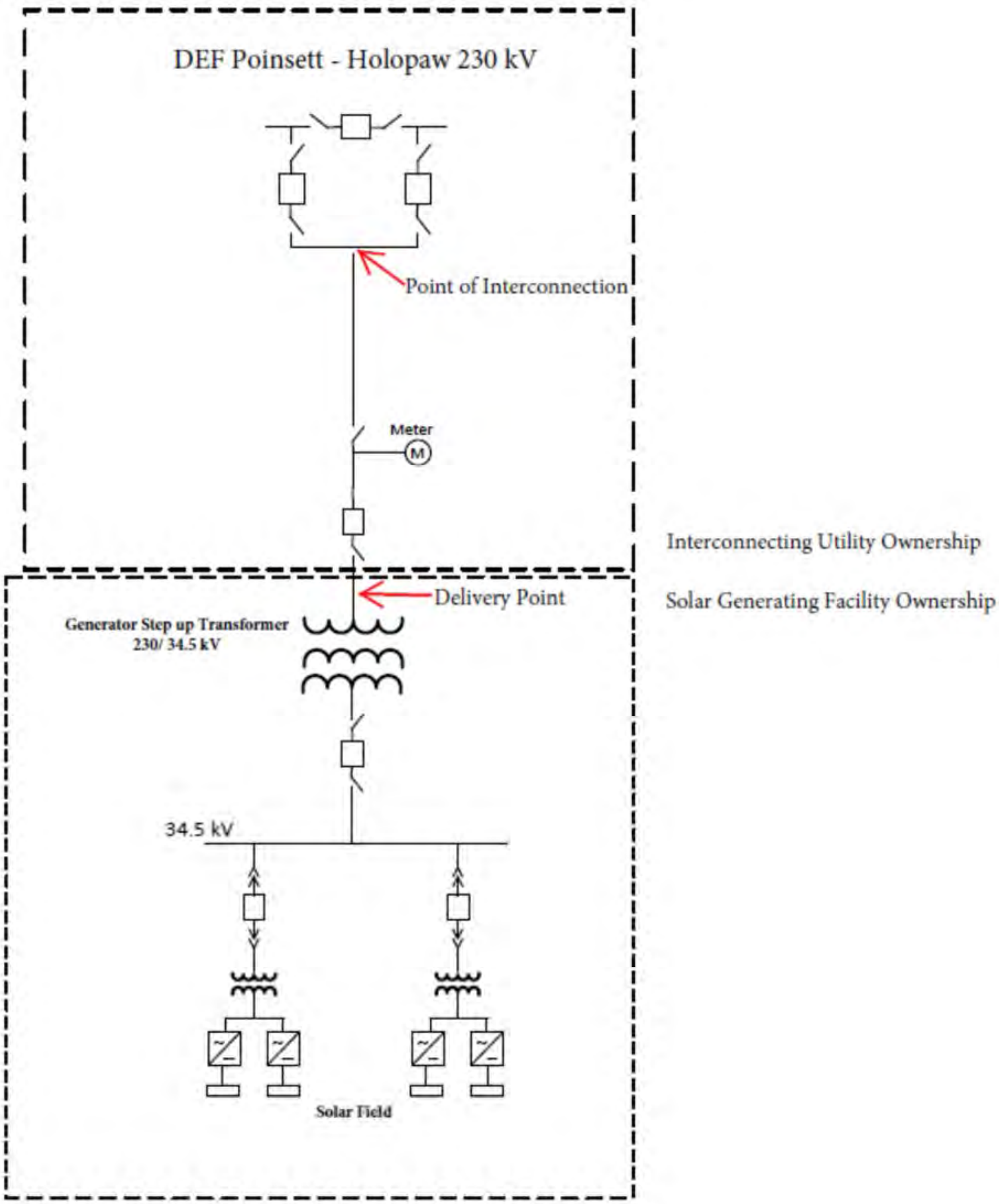


EXHIBIT D

PROJECT QUANTITY

Period	Project Quantity (MWh)
Jul-Dec ~~2020~~2023	[redacted]
~~2021~~2024	[redacted]
2025~~2022~~	[redacted]
2026~~2023~~	[redacted]
2027~~2024~~	[redacted]
2028~~2025~~	[redacted]
2029~~2026~~	[redacted]
2030~~2027~~	[redacted]
2031~~2028~~	[redacted]
2032~~2029~~	[redacted]
2033~~2030~~	[redacted]
2034~~2031~~	[redacted]
2035~~2032~~	[redacted]
2036~~2033~~	[redacted]
2037~~2034~~	[redacted]
2038~~2035~~	[redacted]
2039~~2036~~	[redacted]
2040~~2037~~	[redacted]
2041~~2038~~	[redacted]
2042~~2039~~	[redacted]
~~2040~~	[redacted]
~~2041~~	[redacted]
~~2042~~	[redacted]
~~2043~~	[redacted]
~~2044~~	[redacted]
~~2045~~	[redacted]
~~2046~~	[redacted]
~~2047~~	[redacted]
~~2048~~	[redacted]
~~2049~~	[redacted]
Jan-Jun ~~2050~~2043	[redacted]

EXHIBIT E

PURCHASE OPTION

Purchase Date	Minimum Purchase Price
Last day of the ~~Initial~~ Term	[redacted]
~~Last day of first Renewal Term~~	[redacted]

EXHIBIT F
FORM OF GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of _____, ____ (the "**Effective Date**"), is made by [NEXTERA ENERGY CAPITAL HOLDINGS, INC.] ("**Guarantor**"), in favor of [_____________________________] ("**Counterparty**").

RECITALS:

A. WHEREAS, Counterparty and Guarantor's indirect, wholly-owned subsidiary [INSERT NEXTERA ENERGY PROJECT COMPANY**]** ("**Obligor**"), have entered into, or concurrently herewith are entering into, that certain Renewable Energy Power Purchase Agreement dated as of ______________ __, 2018 (together, the "**Agreement**"); and

B. WHEREAS, Guarantor will directly or indirectly benefit from the transaction to be entered into between Obligor and Counterparty pursuant to the Agreement.

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for Counterparty's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of Counterparty as follows:

1. **GUARANTY**. Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to Counterparty arising pursuant to the Agreement on or after the Effective Date (the "**Obligations**"). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:

(a) Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed [spell out the dollar amount] U.S. Dollars (U.S. $ __________) (the "**Maximum Recovery Amount**").

(b) The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the Counterparty (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in Section 1(a) above).

2. **DEMANDS AND PAYMENT**.

(a) If Obligor fails to pay any Obligation to Counterparty when such Obligation is due and owing under the Agreement (an "**Overdue Obligation**"), Counterparty may present a written demand to Guarantor calling for Guarantor's payment of such Overdue Obligation pursuant to this Guaranty (a "**Payment Demand**").

(b) Guarantor's obligation hereunder to pay any particular Overdue Obligation(s) to Counterparty is conditioned upon Guarantor's receipt of a Payment Demand from Counterparty satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with Section 9 below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.

(c) After issuing a Payment Demand in accordance with the requirements specified in Section 2(b) above, Counterparty shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term "**Business Day**" shall mean all weekdays (i.e., Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of Florida or the State of New York.

3. REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

(a) it is a corporation duly organized and validly existing under the laws of the State of Florida and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

(b) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and

(c) this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

4. RESERVATION OF CERTAIN DEFENSES. Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.

5. AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Counterparty; *provided*, *however*, that an amendment to this Guaranty increasing the Maximum

Recovery Amount and/or extending the termination date of this Guaranty may be executed solely by Guarantor.

6. WAIVERS AND CONSENTS. Subject to and in accordance with the terms and provisions of this Guaranty:

(a) Except as required in Section 2 above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that Counterparty seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof.

(b) No delay by Counterparty in the exercise of (or failure by Counterparty to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Obligor may have under the Agreement.

(c) Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, Counterparty may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals, extensions or other alterations of the Obligations); (ii) release Obligor or any person (other than Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.

7. REINSTATEMENT. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by Counterparty as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.

8. TERMINATION. This Guaranty and the Guarantor's obligations hereunder will terminate automatically and immediately upon the earlier of (i) the termination or expiration of the Agreement and (ii) [need fixed termination date – term of Agreement plus six months]; *provided*, *however*, that no such termination shall affect Guarantor's liability with respect to any Obligations arising under any Transactions entered into prior to the time the termination is effective, which Obligations shall remain subject to this Guaranty.

9. NOTICE. Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "Notice") by Counterparty to Guarantor, or by Guarantor to Counterparty, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or Counterparty, as applicable, to the other in accordance with the requirements of this Section 9):

TO GUARANTOR: *	TO COUNTERPARTY:
NextEra Energy Capital Holdings, Inc. 700 Universe Blvd. Juno Beach, Florida 33408 Attn: Treasurer	___________________ ___________________ ___________________ Attn: _________
[Tel: (561) 694-6204 -- for use in connection with courier deliveries]	[Tel: (___) ___-___ -- for use in connection with courier deliveries]

* *(NOTE: Copies of any Notices to Guarantor under this Guaranty shall also be sent via facsimile to ATTN: Contracts Group, Legal, Fax No. (561) 625-7504 and ATTN: Credit Department, Fax No. (561) 625-7642. However, such facsimile transmissions shall not be deemed effective for delivery purposes under this Guaranty.)*

Any Notice given in accordance with this Section 9 will (i) if delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery.

10. MISCELLANEOUS.

(a) This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of Florida, without regard to principles of conflicts of laws thereunder.

(b) This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by Counterparty and its successors and permitted assigns and shall be binding regardless of whether Counterparty and Obligor enter into amendments to the Agreement. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of Counterparty. Counterparty may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.

(c) This Guaranty embodies the entire agreement and understanding between Guarantor and Counterparty and supersedes all prior agreements and understandings relating to the subject matter hereof.

(d) The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).

(e) Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) Counterparty (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably: (i) consents and submits to the exclusive jurisdiction of the United States District Court for the Middle District of Florida, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the Circuit Court in and for Orange County, Florida (without prejudice to the right of any party to remove to the United States District Court for the Middle District of Florida) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by Counterparty, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.

(g) COUNTERPARTY (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____________, 20__, but it is effective as of the Effective Date

NEXTERA ENERGY CAPITAL HOLDINGS, INC.

By:___________________________________
Name:_________________________________
Title:__________________________________

EXHIBIT G
FORM OF LETTER OF CREDIT

[*ISSUING BANK]* IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUANCE:
[Date of issuance]

[*BENEFICIARY*] ("**Beneficiary**")
[*Address]*
Attention: [*Contact Person*]

Re: [ISSUING BANK] Irrevocable Standby Letter of Credit No. _______

Messrs/Mesdames:

We hereby establish in favor of Beneficiary (sometimes alternatively referred to herein as "**you**") this Irrevocable Standby Letter of Credit No. _______ (the "**Letter of Credit**") for the account of [*Entity]* [--- Address ---] and [*Entity*] [--- Address ---] ("**Account Parties**"), effective immediately and expiring on the date determined as specified in numbered paragraphs 5 and 6 below.

We have been informed that this Letter of Credit is issued pursuant to the terms of that certain [*describe the underlying agreement which requires this LC*].

1. Stated Amount. The maximum amount available for drawing by you under this Letter of Credit shall be [*written dollar amount]* United States Dollars (US$[*dollar amount*]) (such maximum amount referred to as the "**Stated Amount**").

2. Drawings. A drawing hereunder may be made by you on any Business Day on or prior to the date this Letter of Credit expires by delivering to *[ISSUING BANK]*, at any time during its business hours on such Business Day, at *[bank address]* (or at such other address as may be designated by written notice delivered to you as contemplated by numbered *paragraph 9* hereof), a copy of this Letter of Credit together with (i) a Draw Certificate executed by an authorized person substantially in the form of *Attachment A* hereto (the "**Draw Certificate**"), appropriately completed and signed by your authorized officer (signing as such) and (ii) your draft substantially in the form of *Attachment B* hereto (the "**Draft**"), appropriately completed and signed by your authorized officer (signed as such). Partial drawings and multiple presentations may be made under this Letter of Credit. Draw Certificates and Drafts under this Letter of Credit may be presented by Beneficiary by means of facsimile or original documents sent by overnight delivery or courier to *[ISSUING BANK]* at our address set forth above, *Attention*: ___________ (or at such other address as may be designated by written notice delivered to you as contemplated by numbered *paragraph 9* below). In the event of a presentation by facsimile transmission, the original of such documents need not be sent to us.

3. Time and Method for Payment. We hereby agree to honor a drawing hereunder made in compliance with this Letter of Credit by transferring in immediately available funds the amount specified in the Draft delivered to us in connection with such drawing to such account at such bank in the United States as you may specify in your Draw Certificate. If the Draw Certificate is presented to us at such address by 12:00 noon, [_______] time on any Business Day, payment will be made not later than our close of business on third succeeding business day and if such Draw Certificate is so presented to us after 12:00 noon, [_______] time on any Business Day, payment will be made on the fourth succeeding Business Day.

In clarification, we agree to honor the Draw Certificate as specified in the preceding sentences, without regard to the truth or falsity of the assertions made therein.

4. Non-Conforming Demands. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the demand for payment was not effectuated in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effectuated in conformity with this Letter of Credit, you may correct any such non-conforming demand.

5. Expiration. This Letter of Credit shall automatically expire at the close of business on the date on which we receive a Cancellation Certificate in the form of *Attachment C* hereto executed by your authorized officer and sent along with the original of this Letter of Credit and all amendments (if any).

6. Initial Period and Automatic Rollover. The initial period of this Letter of Credit shall terminate on [*one year from the issuance date*] (the "**Initial Expiration Date**"). The Letter of Credit shall be automatically extended without amendment for one (1) year periods from the Initial Expiration Date or any future expiration date, unless at least sixty (60) days prior to any such expiration date we send you notice by registered mail or courier at your address first shown (or such other address as may be designated by you as contemplated by numbered *paragraph 9*) that we elect not to consider this Letter of Credit extended for any such additional one year period.

7. Business Day. As used herein, "**Business Day**" shall mean any day on which commercial banks are not authorized or required to close in the State of New York, and inter-bank payments can be effected on the Fedwire system.

8. Governing Law. THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF FLORIDA WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

9. Notices. All communications to you in respect of this Letter of Credit shall be in writing and shall be delivered to the address first shown for you above or such other address as may from time to time be designated by you in a written notice to us. All documents to be presented to us hereunder and all other communications to us in respect of this Letter of Credit, which other communications shall be in writing, shall be delivered to the address for us indicated above, or such other address as may from time to time be designated by us in a written notice to you.

10. Irrevocability. This Letter of Credit is irrevocable.

11. Complete Agreement. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for the ISP98 and *Attachment A*, *Attachment B* and *Attachment C* hereto and the notices referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

* * *

SINCERELY,
[ISSUING BANK]

____

By: ________________________

Title: ________________________

Address:

EXHIBIT H
SELLER INSURANCE REQUIREMENTS

Before the Commercial Operation Date, Seller shall procure and maintain the following minimum insurance, with insurers rated "A-" VII or higher by A.M. Best's Key Rating Guide, that are licensed to do business in Florida:

(a) Workers' Compensation Insurance for statutory obligations imposed by applicable laws, including, where applicable, the Alternate Employer Endorsement, the United States Longshoremen's and Harbor Workers' Act, the Maritime Coverage and the Jones Act;

(b) Employers' Liability Insurance, including Occupational Disease, shall be provided with a limit of (i) One Million Dollars ($1,000,000) for bodily injury per accident, (ii) One Million Dollars ($1,000,000) for bodily injury by disease per policy, and (iii) One Million Dollars ($1,000,000) for bodily injury by disease per employee;

(c) Business Automobile Liability Insurance which shall apply to all owned, non-owned, leased, and hired automobiles with a limit of One Million Dollars ($1,000,000) combined single limit per accident for bodily injury and property damage;

(d) Commercial General Liability Insurance which shall apply to liability arising out of premises, operations, bodily injury, property damage, products and completed operations and liability insured under and insured contract (contractual liability), with a limit of One Million Dollars ($1,000,000) per occurrence, Two Million Dollars ($2,000,000) aggregate. The products and completed operations coverage insurance shall be provided for the duration of any applicable warranty period;

(e) Excess Liability Insurance which shall apply to Employers Liability, Commercial General Liability and Business Automobile Liability Insurance, required in (b), (c), and (d) above, with a limit of Five Million Dollars ($5,000,000) per occurrence and Five Million Dollars ($5,000,000) aggregate;

(f) Upon commencement of construction of the Project, Builder's Risk Insurance with limits of insurance written on a probable maximum loss basis, including sublimits for wind, earthquakes and flood exposure;

(g) Following the Commercial Operation Date, All-Risk Property Insurance with limits of insurance written on a probable maximum loss basis, including sublimits for wind, earthquake, and flood exposures.

Except for Workers' Compensation Insurance, Buyer shall be endorsed as an additional insured on Seller's insurance policies required to be maintained under the Agreement and such policies shall provide for a waiver of subrogation in favor of Buyer. All policies of insurance required to be maintained by Seller hereunder shall provide for a severability of interests clause and include a provision that Sellers's insurance policies are to be primary and non-contributory to any insurance that may be maintained by or on behalf of Buyer.

In the event that any policy furnished by Seller provides for coverage on a "claims made" basis, the retroactive date of the policy shall be the same as the effective date of the Agreement, or such other date, as to protect the interest of Buyer. Furthermore, for all policies furnished on a "claims made" basis, Seller's providing of such coverage shall survive the termination of the Agreement and the expiration of any applicable warranty period, until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. If coverage is on "occurrence" basis, Seller shall maintain such insurance during the entire term of the Agreement.

Following execution of this Agreement and annually thereafter, Seller shall promptly provide evidence of the minimum insurance coverage required under the Agreement in the form of an ACORD certificate or other certificate of insurance. If any of the required insurance is cancelled or non-renewed, Seller shall within thirty (30) days provide written notice to Buyer and file a new certificate of insurance with Buyer, demonstrating that the required insurance coverage to be maintained hereunder has been extended or replaced. Neither Seller's failure to provide evidence of minimum coverage of insurance following Buyer's request, nor Buyer's decision to not make such request, shall release Seller from its obligation to maintain the minimum coverage provided for in this Schedule 11.

Seller shall be responsible for covering all deductibles associated with the foregoing insurance coverage.

EXHIBIT I
SITE DESCRIPTION; MAP

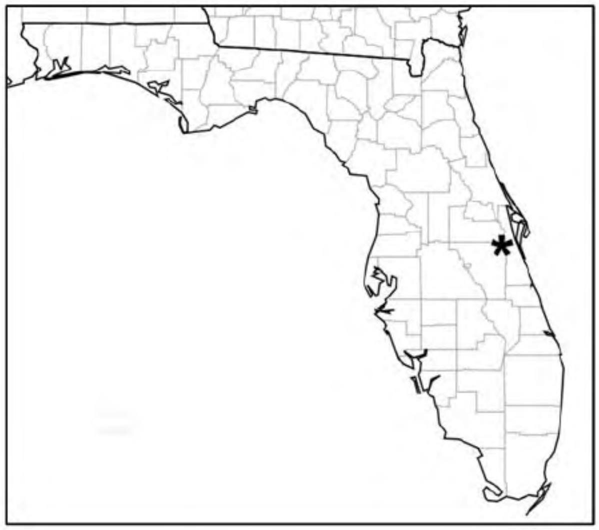


EXHIBIT J
INTERIM MILESTONE SCHEDULE

Anticipated Date (as of the Effective Date and subject to extensions as permitted in the Agreement)	Milestone	Section
May 30, ~~2018~~2021	Seller Management Approval	6.1(a)(v)
November 20, ~~2018~~2020	Site Control	6.1(a)(iii)
October 20, ~~2019~~2020	Receipt of all Governmental Approvals	6.1(a)(iv)
January 2, ~~2020~~2023	Large Generator Interconnection Agreement execution	6.1(a)(i)
February 15, ~~2020~~2023	Initial Energy Delivery Date	3.3
May 30, ~~2020~~2023 (but in any event not later than thirty (30) days prior to the Guaranteed Commercial Operation Date)	Electric Interconnection Upgrades Complete	4.3(c)(i)
June 30, ~~2020,~~ 2023	Guaranteed Commercial Operation Date	4.3, 6.1(a)(vi)
December 27, ~~2020~~2023	Guaranteed Commercial Operation Date with 180 days Permitted Extensions	4.3, 4.4, 6.1(a)(vi)
August ~~24, 2021~~23, 2024	Outside guaranteed commercial operation date (which accounts for 180 days Permitted Extensions, *plus* the 240-day Project Cure Period	4.3, 4.4, 6.1(a)(vi)

EXHIBIT K

MILESTONES WITH DELAY DAMAGES

Date	Milestone	Section
May 30, ~~2019~~2022	Florida Department of Environmental Protection - Environmental Resource Permit Received	4.1(j)
January 1, ~~2020~~2023	Start of Construction	4.1(j)
June 30, ~~2020~~2023, as such date may be extended in accordance with Section 4.3(c).	Guaranteed Commercial Operation Date	4.3, 4.4, 6.1(a)(vi)

EXHIBIT L
CERTIFICATE – COMMERCIAL OPERATIONS

This certification ("Certification") is delivered by ________________________________ ("Seller") to ________________________ ("Buyer") in accordance with the terms of that certain Amended and Restated Renewable Energy Power Purchase Agreement dated _____________ ("Agreement"), as amended from time to time, by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement. Seller hereby certifies and represents to Buyer the following:

a) The Project and all equipment and systems comprising the Project have been fully commissioned.

b) The Plant has demonstrated that it can safely and continuously produce and deliver the "***Project Capacity***" of 74.5MW_{ac} to the Delivery Point. [Refer to **Attachment A]**

c) Seller has delivered to Buyer the Delivery Term Security required under Section 10.4(a)(ii). [Refer to **Attachment B]**

d) Seller has installed all equipment needed to enable telemetering of the Energy from the Project to the Delivery Point, as may be necessary pursuant to the Large Generator Interconnection Agreement, and such equipment, if needed, is fully operational.

e) Seller has delivered to Buyer a report with the results of start-up and performance testing conducted by Seller to demonstrate the attainment of commercial operation status of the Project. [Refer to **Attachment A]**

f) Seller has received all local, state and federal Governmental Approvals and other approvals, consents and authorizations as may be required by Applicable Law for the construction, interconnection, operation and maintenance of the Project and generation, delivery and sale of Buyer's Product hereunder. [Refer to **Attachment C]**

g) Seller has obtained and submitted to Buyer Certificates of insurance evidencing the coverage required by **Exhibit H.** [Refer to **Attachment D]**

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate on behalf of the Company as of the ___ day of ___________, ~~201~~20__.

___________ PROJECT, LLC

____

__________, Vice President

EXHIBIT M
REC BILL OF SALE

BUYER'S RENEWABLE ATTRIBUTES ATTESTATION AND BILL OF SALE

In accordance with the terms and conditions of that certain Amended and Restated Renewable Energy Power Purchase Agreement (the "Agreement") made the ______ day of __________, ~~2018,~~20 , by and between FLORIDA MUNICIPAL POWER AGENCY, a governmental joint action agency organized and existing under Florida law ("Buyer") and POINSETT SOLAR, LLC, a Delaware limited liability company ("Seller"), Seller hereby sells, transfers and delivers to Buyer all Buyer's Renewable Attributes produced by or associated with the Buyer's Delivered Energy, including but not limited to all renewable energy credits, green tags, environmental attributes and reporting rights, in the amount of one __________ for each megawatt hour of Buyer's Delivered Energy during the Operation Period set forth below. Capitalized terms used in this Buyer's Renewable Attributes Attestation and Bill of Sale and not otherwise defined shall have the meaning set forth in the Agreement.

Project name and location: ____________

Fuel Type: Photovoltaic - Solar

Capacity (MWAC): __________

Operational Date: _____________

Energy Admin. ID no.: ________

Operation Period:

Dates: From __ to ____ ________

MWh: ______

Buyer's Share of Project Quantity (%): _______________

Renewable Attributes Sold to Buyer: _______________

Seller further attests, warrants and represents as follows:

i) to the best of its knowledge, the information provided herein is true and correct;

ii) the sale, transfer and delivery by Seller to Buyer of Buyer's Renewable Attributes which are the subject hereof is the one and only sale, transfer and delivery of Buyer's Renewable Attributes referenced herein;

iii) the Buyer's Delivered Energy during the period indicated above was in the amount indicated above;

iv) Seller has at all times complied with the requirements of Applicable Law with respect to the operation of the Project and the generation of Buyer's Renewable Attributes; and

v) to the best of Seller's knowledge, the Buyer's Renewable Attributes have been generated by the Project and sold by Seller.

IN WITNESS WHEREOF this Buyer's Renewable Attributes Attestation and Bill of Sale confirms, in accordance with the Agreement, the transfer from Seller to Buyer of Buyer's Renewable Attributes as set forth above, and has been executed on the date set forth below.

Seller's Contact Person: [________________________________]

SELLER

By ______________________

Name ______________________

Its ______________________

Date: ______________________

EXHIBIT N-1
CONSENT TO ASSIGNMENT

FORM OF CONSENT AND AGREEMENT
([NAME OF CONTRACTING PARTY])
([NAME OF ASSIGNED AGREEMENT])

This CONSENT AND AGREEMENT (this "Consent"), dated as of ___________, 20[ ], is executed by and among [NAME OF CONTRACTING PARTY], a [legal form of Contracting Party] organized under the laws of the State of [________] (the "Contracting Party"), [__________], a [___________] (the "Project Owner"), and [_____________], as collateral agent (in such capacity, together with its successors and permitted assigns, the "Collateral Agent") for various financial institutions named from time to time as Lenders under the Credit Agreement (as defined below) and any other parties (or any of their agents) who hold any other secured indebtedness permitted to be incurred under the Credit Agreement (the Collateral Agent and all such parties collectively, the "Secured Parties"). Capitalized terms used in this Consent and not otherwise defined shall have the meaning set forth in the Assigned Agreement.

A. The Project Owner owns, operates and maintains [_________________] (the "Project").

B. The Contracting Party and the Project Owner have entered into the agreement specified in Schedule I hereto (as further amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "Assigned Agreement").

C. [_________________] (the "Borrower"), the Project Owner, the other affiliates of the Borrower as Guarantors, various financial institutions named therein from time to time as Lenders,[__________________] , as the Administrative Agent and Collateral Agent, have entered into a Credit Agreement, dated as of [________________](as amended, modified or supplemented from time to time, the "Credit Agreement"), providing for the extension of the credit facilities described therein.

D. As security for the payment and performance by the Project Owner of its obligations under the Credit Agreement and the other Financing Documents (as defined below) and for other obligations owing to the Secured Parties, the Project Owner has assigned as collateral all of its right, title and interest in, to and under, and granted a security interest in, the Assigned Agreement to the Collateral Agent pursuant to the Assignment and Security Agreement, dated as of [_____________________] between the Project Owner and the Collateral Agent (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "Security Agreement", and, together with the Credit Agreement and any other financing documents relating to the issuance of promissory notes under the Credit Agreement (the "Notes"), the "Financing Documents").

E. It is a requirement under the Credit Agreement that the Project Owner cause the Contracting Party to execute and deliver this Consent.

NOW, THEREFORE as an inducement for Lenders to make the Loans, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree as follows:

1. Consent to Assignment. The Contracting Party hereby acknowledges and consents to the pledge and collateral assignment of all right, title and interest of the Project Owner in, to and under (but not its obligations, liabilities or duties with respect to) the Assigned Agreement by the Project Owner to the Collateral Agent pursuant to the Security Agreement.

2. Representations and Warranties. The Contracting Party represents and warrants as follows as of the date of this Consent:

(a) No Amendments. [Except as described in Schedule I hereto,] there are no amendments, modifications or supplements (whether by waiver, consent or otherwise) to the Assigned Agreement, either oral or written.

(b) No Previous Assignments. The Contracting Party affirms that it has received no notice of any assignment relating to the right, title and interest of the Project Owner in, to and under the Assigned Agreement other than the pledge and collateral assignment to the Collateral Agent referred to in Section 1 above.

(c) No Termination Event; No Disputes. After giving effect to the pledge and collateral assignment referred to in Section 1, and after giving effect to the consent to such pledge and collateral assignment by the Contracting Party herein, there exists no event or condition (a "**Termination Event**") that would, either immediately or with the passage of time or giving of notice, or both, entitle either the Project Owner or the Contracting Party to terminate the Assigned Agreement or suspend the performance of its obligations under the Assigned Agreement. [Except as set forth on Schedule III hereto,] there are no unresolved disputes between the parties under the Assigned Agreement. All amounts due under the Assigned Agreement as of the date hereof have been paid in full [, except as set forth on Schedule III hereto].

3. Right to Cure.

(a) From and after the date hereof and unless and until the Contracting Party shall have received written notice from the Collateral Agent that the lien of the Security Agreement has been released in full, the Collateral Agent shall have the right, but not the obligation, following an "event of default" or "default" (or any other similar event however defined) by the Project Owner under the Assigned Agreement, in the manner and within the times prescribed therein, to pay all sums due under the Assigned Agreement by the Project Owner and to perform any other act, duty or obligation required of the Project Owner thereunder as described in Section 3(c) below; provided, that no such payment or performance shall be construed as an assumption by the Collateral Agent or any other Secured Party of any covenants, agreements or obligations of the Project Owner under or in respect of the Assigned Agreement.

(b) The Contracting Party agrees that it will not (i) terminate the Assigned Agreement [(other than pursuant to Section __ of the Assigned Agreement)][2] or (ii) suspend the performance of any of its obligations under the Assigned Agreement which can be performed notwithstanding the event of default or default without copying the Collateral Agent on any notice to the Project Owner required under the Assigned Agreement for Contracting Party to terminate the Assigned Agreement or suspend performance thereunder [(other than a termination pursuant

[2] Insert applicable provision, if any, of the Assigned Agreement giving the Contracting Party a right to terminate the Assigned Agreement other than upon a default or other event or condition curable by the Project Owner.

to Section __ of the Assigned Agreement)] [3] and providing the Collateral Agent the opportunity to cure as provided below. The Contracting Party further agrees that it will not assign the Assigned Agreement without copying the Collateral Agent as set forth in in Section [ ] of the Assigned Agreement.

(c) If a Termination Event shall occur [(other than a termination pursuant to Section __ of the Assigned Agreement)][4] , and the Contracting Party shall then be entitled to and shall desire to terminate the Assigned Agreement or suspend the performance of any of its obligations under the Assigned Agreement, the Contracting Party shall, prior to exercising such remedies or taking any other action with respect to such Termination Event, give written notice to the Collateral Agent of such Termination Event. If the Collateral Agent elects to exercise its right to cure as herein provided, it shall (i) give written notice to the Contracting Party that Collateral Agent intends to cure the Termination Event and (ii) have a period of thirty (30) days after receipt by it of notice from the Contracting Party referred to in the preceding sentence in which to cure the Termination Event specified in such notice if such Termination Event consists of a payment default, or if such Termination Event is an event other than a failure to pay amounts due and owing by the Project Owner (a "Non-monetary Event") the Collateral Agent shall have one hundred twenty (120) days to cure such Termination Event so long as the Collateral Agent has commenced and is diligently pursuing appropriate action to cure such Termination Event and Collateral Agent has provided a Plan to the Contracting Party which outlines the actions that will be taken to cure the Non-monetary Event and includes the proposed timeline to cure the Non-monetary Event; provided, however, that (i) if possession of the Project is necessary to cure such Non-monetary Event and the Collateral Agent has commenced foreclosure proceedings, the Collateral Agent will be allowed a reasonable time to complete such proceedings, and (ii) if the Collateral Agent is prohibited from curing any such Non-monetary Event by any process, stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving the Project Owner, then the time periods specified herein for curing a Termination Event shall be extended for the period of such prohibition. The Contracting Party shall be entitled to rely, and shall be fully protected in relying, upon any notice by Collateral Agent of its intent to cure a Termination Event in good faith believed by Contracting Party to be genuine and correct and to have been signed.

(d) Any curing of or attempt to cure any Termination Event shall not be construed as an assumption by the Collateral Agent or the other Secured Parties of any covenants, agreements or obligations of the Project Owner under or in respect of the Assigned Agreement or a relinquishment by Contract Party of any right or remedy in respect of the Assigned Agreement.

(e) In connection with any outage for which (i) the Collateral Agent delivers written Notice (which such Notice may consist of an e-mail) to Buyer stating that the Collateral Agent anticipates such outage will continue for forty-eight (48) hours or more, and (ii) the Collateral Agent has delivered a Plan to Buyer:

(i) Buyer may, upon written Notice to Collateral Agent, purchase replacement energy for a period of time equal to the lesser of (A) the remaining period of time outlined

[3] Insert applicable provision, if any, of the Assigned Agreement giving the Contracting Party a right to terminate the Assigned Agreement other than upon a default or other event or condition curable by the Project Owner.

[4] Insert applicable provision, if any, of the Assigned Agreement giving the Contracting Party a right to terminate the Assigned Agreement other than upon a default or other event or condition curable by the Project Owner.

in such Plan, or (B) seven (7) days; *provided*, for the avoidance of doubt, that if the Plan provides a timeline greater than seven (7) days to resume the delivery of Energy to the Delivery Point, Buyer may continue to purchase replacement energy upon written Notice to Collateral Agent on a rolling basis until the date on which delivery of Energy to the Delivery Point will resume, as specified in the Plan;

(ii) Buyer shall not be obligated to purchase or receive Delivered Energy during such period; and

(iii) the Collateral Agent shall provide regular Plan updates to Buyer.

(f) In connection with any outage that is not a Planned Outage or a Maintenance Outage and for which Seller fails to deliver written Notice (including by e-mail) to Buyer within twenty-four (24) hours after the occurrence of such outage

(i) Buyer may, upon written Notice to Seller or Collateral Agent (as applicable), purchase replacement energy for a period of time equal to seven (7) days, and Buyer may continue to purchase replacement energy upon written Notice to Seller or Collateral Agent (as applicable) on a rolling basis until the date on which delivery of Energy to the Delivery Point is anticipated to resume, as specified in a Plan;

(ii) Buyer shall not be obligated to purchase or receive Energy during such period; and

(iii) Seller or Collateral Agent (as applicable) shall provide regular Plan updates to Buyer.

4. Replacement Agreements. Notwithstanding any provision in the Assigned Agreement to the contrary, in the event the Assigned Agreement is rejected or otherwise terminated as a result of any bankruptcy, insolvency, reorganization or similar proceedings affecting the Project Owner, at the Collateral Agent's request, the Contracting Party will, within sixty (60) days after presentation by Collateral Agent of the proposed designee and agreement, enter into a new agreement with the Collateral Agent or the Collateral Agent's qualified designee for the remainder of the originally scheduled term of the Assigned Agreement, effective as of the date of such rejection, with the same Project Owner Performance Assurance, covenants, agreements, terms, provisions and limitations as are contained in the Assigned Agreement.

5. Substitute Owner. The Contracting Party acknowledges that in connection with the exercise of remedies following a default under the Financing Documents, the Collateral Agent may (but shall not be obligated to) assume, or cause any qualified purchaser at any foreclosure sale or any qualified assignee or transferee under any instrument of assignment or transfer in lieu of foreclosure to assume, all of the interests, rights, duties and obligations of the Project Owner thereafter arising under the Assigned Agreement. If the interest of the Project Owner in the Assigned Agreement shall be assumed, sold or transferred as provided above, the assuming party shall agree in writing with Contracting Party and Collateral Agent to be bound by and to assume the terms and conditions of the Assigned Agreement and any and all obligations to the Contracting Party arising or accruing thereunder from and after the date of such assumption, shall provide Performance Assurance consistent with the terms of the Assigned Agreement, and the Contracting Party shall continue to perform its obligations under the Assigned Agreement in favor of the

assuming party as if such party had thereafter been named as the "Seller" under the Assigned Agreement; provided that if the Collateral Agent or its designee (or any entity acting on behalf of the Collateral Agent, the Collateral Agent's designee or any of the other Secured Parties) assumes the Assigned Agreement as provided above, it shall not be personally liable for the performance of the obligations thereunder except to the extent of all of its right, title and interest in and to the Project and the amount of Performance Assurance. For purposes of this ARTICLE 5, a "qualified" purchaser or assignee or transferee shall be one which Contracting Party and Collateral Agent agree has the technical skill and financial wherewithal to operate and maintain the Project in the same manner as the Project Owner.

6. Payments. The Contracting Party shall make all payments due to the Project Owner under the Assigned Agreement directly into the account specified on Schedule II hereto, or to such other person or account as shall be specified from time to time by the Collateral Agent to the Contracting Party in writing. All parties hereto agree that each payment by the Contracting Party as specified in the preceding sentence of amounts due to the Project Owner from the Contracting Party under the Assigned Agreement shall satisfy the Contracting Party's corresponding payment obligation under the Assigned Agreement.

7. No Amendments. The Contracting Party acknowledges that the Project Owner and Collateral Agent have informed Contracting Party that the Financing Documents restrict the right of the Project Owner to amend or modify the Assigned Agreement, or to waive or provide consents with respect to certain provisions of the Assigned Agreement, unless certain conditions specified in the Financing Documents are met. The Contracting Party shall not without the prior written consent of the Collateral Agent, materially amend or modify the Assigned Agreement, or accept any waiver or consent with respect to certain provisions of the Assigned Agreement, unless the Contracting Party has received from the Project Owner a copy of a certificate delivered by the Project Owner to the Collateral Agent to the effect that such amendment, modification, waiver or consent has been made in accordance with the terms and conditions of the Financing Documents, which may in certain circumstances require the prior written consent of the Collateral Agent thereto.

8. Additional Provisions. [To be specified if necessary to clarify the Assigned Agreement.]

9. Notices. Notice to any party hereto shall be in writing and shall be deemed to be delivered on the earlier of: (a) the date of personal delivery, (b) postage prepaid, registered or certified mail, return receipt requested, or sent by express courier, in each case addressed to such party at the address indicated below (or at such other address as such party may have theretofore specified by written notice delivered in accordance herewith), upon delivery or refusal to accept delivery, or (c) if transmitted by facsimile, the date when sent and facsimile confirmation is received; provided that any facsimile communication shall be followed promptly by a hard copy original thereof by express courier:

The Collateral Agent: [________________________]
[ ]
Attn: [ ]
Telephone No.: [ ]
Facsimile No.: [ ]

The Project Owner: ______________________________
____
____
____

The Contracting Party: ______________________________
____
____

10. Successors and Assigns. This Consent shall be binding upon and shall inure to the benefit of the successors and assigns of the Contracting Party, and shall inure to the benefit of the Collateral Agent, the other Secured Parties, the Project Owner and their respective successors, transferees and assigns. No assignment of this Consent by a party hereto shall be effective without the prior consent of the other parties hereto, which consent shall not be unreasonably withheld.

11. Counterparts. This Consent may be executed in one or more counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

12. Governing Law. This Consent shall be governed by and construed in accordance with the laws of the State of Florida, without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Consent as of the date first written above.

[NAME OF CONTRACTING PARTY]
By:
Name:
Title:
[___________________________]
as Collateral Agent
By:
Name:
Title:

Acknowledged and Agreed:
[NAME OF PROJECT OWNER]

By:
Name:
Title:

Schedule I

Assigned Agreement

Schedule II

Payment Instructions
(Section 6)

All payments due to the Project Owner pursuant to the Assigned Agreement shall be made to [INSERT REVENUE ACCOUNT INFORMATION].

[Schedule III]

[Amounts Due and Unpaid under the Assigned Agreement
(Section 2(c))]

EXHIBIT N-2
ESTOPPEL CERTIFICATE

FLORIDA MUNICIPAL POWER AGENCY
(Effective Date: _________ [20__])

POINSETT SOLAR, LLC, a Delaware limited liability company ("Seller"), and FLORIDA MUNICIPAL POWER AGENCY, a governmental joint action agency organized and existing under Florida law ("Buyer"), are parties to that certain Amended and Restated Renewable Energy Power Purchase Agreement, dated as of _________________ as it may have been amended and modified (the "Agreement"). Capitalized terms used but not otherwise defined herein have the same meaning given such terms in the Agreement. Buyer acknowledges that [name of tax equity Investor(s)] (the "Investor(s)") has requested an estoppel certificate in connection with the close of the purchase by the Investor(s) of [one hundred] percent ([100]%) of the non-managing Class B equity interest in the Seller effective the date hereof.

The undersigned, a duly authorized representative of Buyer, does hereby certify and with respect to Section 5 hereof, covenant to Investor(s) as of the date of this Estoppel Certificate set forth above the following with respect to the Agreement:

1. No Event of Default with respect to Buyer, nor, to the knowledge of Buyer, Seller has occurred and is continuing under the Agreement, and there are no defaults or unsatisfied conditions presently existing (or which would exist after the passage of time and/or giving of notice) that would allow the Seller or, to the knowledge of Buyer, Buyer to terminate the Agreement.

2. There exists no event or condition that would, either immediately or with the passage of time and/or giving of notice, allow the Seller or, to the knowledge of Buyer, Buyer to suspend the performance of its obligations under the Agreement.

3. Each representation or warranty made or given by Buyer in Section 11.1 of the Agreement is complete, true and correct.

4. As of the date hereof, (i) with respect to Buyer, the Agreement is in full force and effect and has not been assigned, amended, supplemented or modified by Buyer, (ii) with respect to Seller, to the knowledge of Buyer, the Agreement is in full force and effect and has not been assigned, amended, supplemented or modified by Seller, (iii) there are no pending or to the knowledge of Buyer, threatened disputes or legal proceedings between Buyer and the Seller, (iv) there is no pending or, to the knowledge of Buyer, threatened action or proceeding involving or relating to Buyer before any court, tribunal, governmental authority or arbitrator the adverse outcome of which would materially affect the legality, validity or enforceability of the Agreement, (v) Buyer does not have knowledge of any event, act, circumstance or condition constituting a

Force Majeure Event under the Agreement that would relieve Buyer from the performance of its obligations under the Agreement, and (vi) all undisputed amounts due from Seller under the Agreement as of the date hereof have been paid in full and to the knowledge of Buyer the Seller owes no indemnity payments or other amounts to Buyer under the Agreement.

5. The execution, delivery and performance by Buyer of this Estoppel Certificate have been duly authorized by all necessary action on the part of Buyer and do not require any approval or consent of any other person or entity and do not violate any provision of any law, regulation, order, judgment, injunction or similar matters or breach any agreement presently in effect with respect to or binding on Buyer.

(a) Buyer agrees to send copies of all Notices of all Events of Default of Seller sent to Seller (and copies of any notices sent by Buyer to Seller related to Buyer's exercise of its termination rights) to the Investor designated by the Investors to receive notice at the address set forth on Exhibit A hereto by overnight carrier, mail, fax or email.

(b) Buyer agrees that it will not terminate the Agreement without first sending the Investor notice and opportunity to cure as provided in this Section 5.

(c) If an Investor elects to exercise its right to cure an Event of Default by Seller under the Agreement as provided in this Section 5, it shall (i) give written notice to the Buyer and Other Buyers that Investor intends to cure the Event of Default and (ii) have a period beginning on the date the cure period for such Event of Default for the Seller expires and ending on the later of (A) thirty (30) days if such Event of Default consists of a payment default or (B) if such Event of Default is an event other than a failure to pay amounts due and owing by the Seller (a "Non-monetary Event"), one hundred twenty (120) days so long as the Investor has commenced and is diligently pursuing appropriate action to cure such Event of Default and Investor has provided a Plan to the Buyer which outlines the actions that will be taken to cure the Non-monetary Event and includes the proposed timeline to cure the Non-monetary Event; provided, however, that (x) if possession of the Project is necessary to cure such Non-monetary Event and the Investor has commenced foreclosure proceedings, the Investor will be allowed a reasonable time to complete such proceedings, and (y) if the Investor is prohibited from curing any such Non-monetary Event by any process, stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving the Seller, then the time periods specified herein for curing an Event of Default shall be extended for the period of such prohibition. The Buyer shall be entitled to rely, and shall be fully protected in relying, upon any notice by Investor, including with respect to its intent to cure an Event of Default in good faith believed by Buyer to be genuine and correct.

(d) In connection with any outage of the Project for which (i) the Investor(s) delivers written Notice (which such Notice may consist of an e-mail provided that it is confirmed by overnight delivery of a copy of such Notice to Buyer) to Buyer stating that the Investor(s) anticipates such outage will continue for forty-eight (48) hours or more, and (ii) the Investor(s) has delivered a Plan to Buyer:

A. Buyer may, upon written Notice to Investor(s), purchase replacement energy for a period of time equal to the lesser of (A) the remaining period of time outlined in such Plan, or (B) seven (7) days; provided, for the avoidance of doubt, that if the Plan provides a timeline greater than seven (7) days to resume the delivery of Energy to the Delivery Point, Buyer may continue to purchase replacement energy upon written Notice to Investor(s) on a rolling basis until the date on which delivery of Energy to the Delivery Point will resume, as specified in the Plan.

B. Buyer shall not be obligated to purchase or receive Delivered Energy during such period; and

C. the Investor(s) shall provide regular Plan updates to Buyer.

(e) In connection with any outage that is not a Planned Outage or a Maintenance Outage and for which Seller or Investor fails to deliver written Notice to Buyer within twenty-four (24) hours after the occurrence of such outage:

(iv) Buyer may, upon written Notice to Seller or Investor (as applicable), purchase replacement energy for a period of time equal to seven (7) days, and Buyer may continue to purchase replacement energy upon written Notice to Seller or Investor (as applicable) on a rolling basis until the date on which delivery of Energy to the Delivery Point is anticipated to resume, as specified in a Plan;

(v) Buyer shall not be obligated to purchase or receive Delivered Energy during such period; and

(vi) Investor shall provide regular Plan updates to Buyer.

(f) Any curing of or attempt to cure any Event of Default shall not be construed as an assumption by any Investor of any covenants, agreements or obligations of the Seller under or in respect of the Agreement.

6. Buyer confirms that the Commercial Operation Date has occurred.

7. Buyer acknowledges that as of the date hereof, Buyer has not provided a Notice

to Seller of Buyer's intent to exercise the Purchase Option to Seller that is pending.

8. As of the date hereof, the Performance Assurance provided by Seller has not been drawn upon by Buyer.

9. Buyer acknowledges and agrees that solely on the basis of the truth, accuracy and completeness of written certification provided by Seller and delivered to Buyer, each of the Investor(s) (i) is a "Project Investor" as defined in the Agreement, (ii) has all rights of a "Project Investor" as defined in the Agreement and (iii) Buyer's consent is not required for a direct or indirect transfer of the non-managing Class B equity interest in the Seller to the Investor(s).

[Signature page follows]

IN WITNESS WHEREOF, Buyer has caused this Estoppel Certificate to be executed by its undersigned authorized officer as of the date first set forth above.

FLORIDA MUNICIPAL POWER AGENCY

By: ______________________________
Name:
Title:

Exhibit A

INVESTOR ADDRESS FOR NOTICES

Buyer shall send notices under this Estoppel Certificate to the address of the single Investor identified below.

[Investor Name]
[Address]
[Attention: ________, Position]
[Email Address]

With a copy to the other Investor identified below:

[Investor Name]

[Address]

[Attention: ________, Position]

[Email Address]

EXHIBIT O
OTHER BUYERS; OTHER SOLAR PROJECT BUYERS

Part I. Buyer's Share; Other Buyers; Other Buyer's Share

Buyer and **Other Buyers** (as applicable)	**Buyer's Share** and **Other Buyer's Share** (as applicable)
FMPA All-Requirements Power Supply Project	23.49 %
FMPA Solar Project	76.51 %

Part II. Other Solar Project Buyers; Each Other Solar Project Buyer's Share

Project	**Buyer** or **Other Solar Project Buyer** (as applicable)	**Buyer** or **Other Solar Project Buyer** (as applicable) **Share of Project**	**Buyer or Other Solar Project Buyer** (as applicable) **Share** of the **Solar Project Portfolio**
"Poinsett" Project in Osceola County	FMPA Solar Project	76.51%	25.51%
	FMPA All-Requirements Power Supply Project	23.49%	7.83%
"Holopaw Project" in Osceola County	OUC	45.64%	15.21%
	FMPA All-Requirements Power Supply Project	54.36%	18.12%
"Taylor Creek" Project in Orange County	OUC	100.00%	33.33%

AGENDA ITEM 8 – ACTION ITEMS

d. Approval of Parliamentary Procedure to Suspend the Rules for Reading Resolution Titles

Board of Directors Meeting
January 16, 2020

Approval of Parliamentary Procedure to Suspend the Rules for Reading Resolution Titles

FMPA Board of Directors – 8d
FMPA Executive Committee – 8f

January 16, 2020

Reading Resolution Titles: Why?

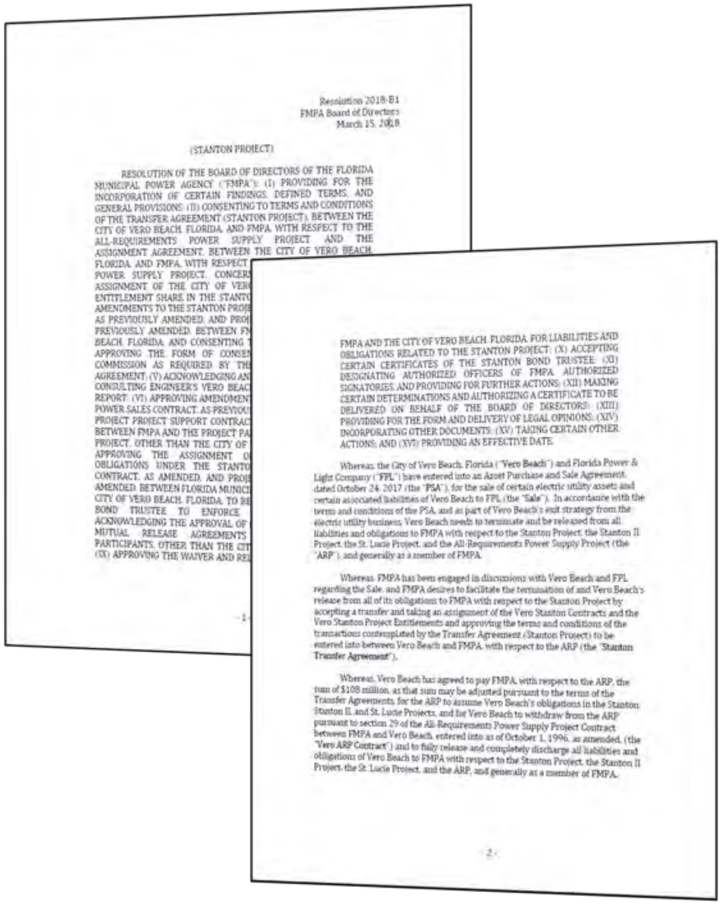
- Resolutions are the most formal manner of taking action – usually reserved for important business issues and matters the governing body wants to memorialize. Examples:
  - Issuance of debt (bonds)
  - Setting budgets
  - Recognition
- Traditional parliamentary procedure would have the entire resolution read so the voting body approves it in every detail.

Reading Resolution Titles: Why?

- Robert's Rules of Order Newly Revised (RONR)—adopted by the Board and Executive Committee as the official rules of procedure—allow formal action on resolutions to be taken by reading the title only.
  - This requires the title to be sufficiently detailed to summarize the main points of the resolution.
  - A level of formality is preserved.
  - Provides a record that the governing body was aware, in summary form, of all of the substantive provisions of the resolution.

FMPA MUNICIPAL POWER

Reading Resolution Titles: What happens?



Resolution 2018-B1
FMPA Board of Directors
March 15, 2018

(STANTON PROJECT)

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY ("FMPA"): (I) PROVIDING FOR THE INCORPORATION OF CERTAIN FINDINGS, DEFINED TERMS, AND GENERAL PROVISIONS; (II) CONSENTING TO TERMS AND CONDITIONS OF THE TRANSFER AGREEMENT (STANTON PROJECT), BETWEEN THE CITY OF VERO BEACH, FLORIDA, AND FMPA, WITH RESPECT TO THE ALL-REQUIREMENTS POWER SUPPLY PROJECT AND THE ASSIGNMENT AGREEMENT, BETWEEN THE CITY OF VERO BEACH,
FLORIDA, AND FMPA, WITH RESPECT
POWER SUPPLY PROJECT, CONCER
ASSIGNMENT OF THE CITY OF VER
ENTITLEMENT SHARE IN THE STANT
AMENDMENTS TO THE STANTON PRO
AS PREVIOUSLY AMENDED, AND PRO
PREVIOUSLY AMENDED, BETWEEN FM
BEACH, FLORIDA, AND CONSENTING T
APPROVING THE FORM OF CONSE
COMMISSION AS REQUIRED BY TH
AGREEMENT; (V) ACKNOWLEDGING AN
CONSULTING ENGINEER'S VERO BEAC
REPORT; (VI) APPROVING AMENDMENT
POWER SALES CONTRACT, AS PREVIOU
PROJECT PROJECT SUPPORT CONTRAC
BETWEEN FMPA AND THE PROJECT PA
PROJECT, OTHER THAN THE CITY OF
APPROVING THE ASSIGNMENT O
OBLIGATIONS UNDER THE STANTO
CONTRACT, AS AMENDED, AND PROJ
AMENDED, BETWEEN FLORIDA MUNICI
CITY OF VERO BEACH, FLORIDA, TO BE
BOND TRUSTEE TO ENFORCE
ACKNOWLEDGING THE APPROVAL OF
MUTUAL RELEASE AGREEMENTS
PARTICIPANTS, OTHER THAN THE CIT
(IX) APPROVING THE WAIVER AND RE

- 1 -

FMPA AND THE CITY OF VERO BEACH, FLORIDA, FOR LIABILITIES AND OBLIGATIONS RELATED TO THE STANTON PROJECT; (X) ACCEPTING CERTAIN CERTIFICATES OF THE STANTON BOND TRUSTEE; (XI) DESIGNATING AUTHORIZED OFFICERS OF FMPA, AUTHORIZED SIGNATORIES, AND PROVIDING FOR FURTHER ACTIONS; (XII) MAKING CERTAIN DETERMINATIONS AND AUTHORIZING A CERTIFICATE TO BE DELIVERED ON BEHALF OF THE BOARD OF DIRECTORS; (XIII) PROVIDING FOR THE FORM AND DELIVERY OF LEGAL OPINIONS; (XIV) INCORPORATING OTHER DOCUMENTS; (XV) TAKING CERTAIN OTHER ACTIONS; AND (XVI) PROVIDING AN EFFECTIVE DATE.

Whereas, the City of Vero Beach, Florida ("**Vero Beach**") and Florida Power & Light Company ("**FPL**") have entered into an Asset Purchase and Sale Agreement, dated October 24, 2017 (the "**PSA**"), for the sale of certain electric utility assets and certain associated liabilities of Vero Beach to FPL (the "**Sale**"). In accordance with the terms and conditions of the PSA, and as part of Vero Beach's exit strategy from the electric utility business, Vero Beach needs to terminate and be released from all liabilities and obligations to FMPA with respect to the Stanton Project, the Stanton II Project, the St. Lucie Project, and the All-Requirements Power Supply Project (the "**ARP**"), and generally as a member of FMPA.

Whereas, FMPA has been engaged in discussions with Vero Beach and FPL regarding the Sale, and FMPA desires to facilitate the termination of and Vero Beach's release from all of its obligations to FMPA with respect to the Stanton Project by accepting a transfer and taking an assignment of the Vero Stanton Contracts and the Vero Stanton Project Entitlements and approving the terms and conditions of the transactions contemplated by the Transfer Agreement (Stanton Project) to be entered into between Vero Beach and FMPA, with respect to the ARP (the "**Stanton Transfer Agreement**").

Whereas, Vero Beach has agreed to pay FMPA, with respect to the ARP, the sum of $108 million, as that sum may be adjusted pursuant to the terms of the Transfer Agreements, for the ARP to assume Vero Beach's obligations in the Stanton, Stanton II, and St. Lucie Projects, and for Vero Beach to withdraw from the ARP pursuant to section 29 of the All-Requirements Power Supply Project Contract between FMPA and Vero Beach, entered into as of October 1, 1996, as amended, (the "**Vero ARP Contract**") and to fully release and completely discharge all liabilities and obligations of Vero Beach to FMPA with respect to the Stanton Project, the Stanton II Project, the St. Lucie Project, and the ARP, and generally as a member of FMPA.

- 2 -

RONR to the Rescue!

- § 25 Motion to Suspend the Rules
  - **Description:** Suspend a rule of order. CANNOT suspend requirements in the by-laws, governing documents, or state, federal or local law.
  - **When can be made?** Any time.
  - **Must be Seconded?** Yes.
  - **Debatable?** No.
  - **Amendable?** No.
  - **Vote:** Two-thirds.
  - **Reconsiderable?** No.

RONR to the Rescue!

- Form of the Motion:

  I move that the rules be suspended as to the reading of Resolution 2019-B6 by title, and that the title of Resolution 2019-B6 be inserted in the minutes of the meeting as though read aloud here.

- Including the title in the minutes preserves the formality and record of the governing body's decision.

Recommended Motion

Motion: M*ove approval that the rules be suspended as to the reading of Resolutions by title, and that the title of Resolutions be inserted in the minutes of the meeting as though read aloud.*

FMPA MUNICIPAL POWER

AGENDA ITEM 8 – ACTION ITEMS

e. Approval of Audit Adjustment Policy

Board of Directors Meeting
January 16, 2020

Approval of Audit Adjustment Policy

Board of Directors – 8e

Executive Committee – 8c

January 16, 2020

Participation Agreements

- St. Lucie Unit 2 Participation and Nuclear Reliability Exchange Agreements
- Stanton Energy Center Unit 1 & 2, Indian River Combustion Turbines A&B & C&D Participation Agreements

Audit Periods Covered

Audit from FY 2008 to FY 2017 → OUC

Audit from FY 2009 to FY 2018 → St. Lucie

Audit Adjustments Summary

4 of 10 Audit Adjustments Above $350,000

Audit Year	OUC	Audit Year	St. Lucie
2008-2009	$ 160,982.00	2009-2010	$ 307,336.00
2010-2011	$ 598,870.46	2011-2012	$ 97,908.00
2012-2013	$ 330,370.93	2013-2014	$ 472,341.00
2014-2015	$ 621,804.00	2015-2016	$ 21,935.00
2016-2017	$ 41,747.00	2017-2018	$ 910,125.00
Total	$ 1,753,774.39	Total	$ 1,809,645.00

Recommended Policy

- This policy is intended to provide guidance for the treatment of the participation audit adjustments, given the historical refund for the past five audits that covers a ten year period.
- We recommend any refund or charges
  - Exceeding $350K be presented to the Board for further determination of whether the adjustments should be returned to the members in a lump sum or spread over the year.
  - Below $350K be managed by the FMPA staff using current best business practices.

Discussion

Motion

- Move approval of recommended audit adjustment policy

Supplemental Info

Breakdown of Annual Project True-ups

	Power Entitlement Share	Amounts Collected from / (Returned to) Participants in Fiscal Year Ending September 30, ($)									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Stanton Project											
Ft. Pierce	24.3900%	$ 253,747	$ (653,266)	$ (48,814)	$ (223,289)	$ (245,045)	$ 3,321	$ 367,703	$ (211,907)	$ 42,939	$ (321,697)
Homestead	12.1950%	$ 126,873	$ (326,633)	$ (24,407)	$ (111,644)	$ (122,522)	$ 2,491	$ 183,851	$ (105,953)	$ 21,470	$ (160,848)
KUA	12.1950%	$ 126,873	$ (326,633)	$ (24,407)	$ (111,644)	$ (122,522)	$ 1,245	$ 183,851	$ (105,953)	$ 21,470	$ (160,848)
Lake Worth	16.2600%	$ 169,164	$ (435,511)	$ (32,542)	$ (148,859)	$ (163,363)	$ 1,661	$ 245,135	$ (141,271)	$ 28,623	$ (214,464)
Starke	2.4390%	$ 25,375	$ (65,327)	$ (4,881)	$ (22,329)	$ (24,505)	$ 249	$ 36,770	$ (21,191)	$ 4,295	$ (32,170)
Vero Beach/ARP	32.5210%	$ 262,797	$ (871,049)	$ (65,087)	$ (297,728)	$ (326,737)	$ 1,245	$ 490,285	$ (282,551)	$ 57,584	$ (428,942)
Total Stanton Project	100.0000%	$ 964,829	$ (2,678,419)	$ (200,137)	$ (915,494)	$ (1,004,694)	$ 10,212	$ 1,507,596	$ (868,826)	$ 176,380	$ (1,318,970)
Tri-City Project											
Ft. Pierce	22.7270%	$ 52,141	$ (77,416)	$ (29,096)	$ (155,179)	$ (58,556)	$ 22,990	$ (27,591)	$ (69,483)	$ 74,535	$ (97,565)
Homestead	22.7270%	$ 52,141	$ (77,416)	$ (29,096)	$ (155,179)	$ (58,556)	$ 22,990	$ (27,591)	$ (69,483)	$ 74,535	$ (97,565)
Key West	54.5460%	$ 125,142	$ (185,802)	$ (69,833)	$ (372,437)	$ (140,537)	$ 55,178	$ (66,220)	$ (166,763)	$ 178,887	$ (234,161)
Total Tri-City Project	100.0000%	$ 229,424	$ (340,634)	$ (128,026)	$ (682,795)	$ (257,649)	$ 101,158	$ (121,401)	$ (305,729)	$ 327,957	$ (429,291)
Stanton II Project											
Ft. Pierce	16.4887%	$ (84,753)	$ (111,378)	$ 67,378	$ 40,333	$ (173,879)	$ (189,942)	$ 183,560	$ 90,174	$ (71,991)	$ (362,629)
Homestead	8.2444%	$ (42,376)	$ (55,689)	$ 33,689	$ 20,165	$ (86,934)	$ (94,965)	$ 91,774	$ 45,084	$ (35,993)	$ (181,315)
Key West	9.8932%	$ (50,852)	$ (66,827)	$ 40,427	$ 24,199	$ (104,323)	$ (113,961)	$ 110,131	$ 54,102	$ (43,193)	$ (217,577)
KUA	32.9774%	$ (169,507)	$ (222,756)	$ 134,756	$ 80,664	$ (347,747)	$ (379,873)	$ 367,108	$ 180,343	$ (143,978)	$ (725,257)
St. Cloud	14.6711%	$ (75,411)	$ (99,100)	$ 59,951	$ 35,886	$ (154,708)	$ (169,000)	$ 163,321	$ 80,232	$ (64,054)	$ (322,655)
Starke	1.2366%	$ (6,356)	$ (8,353)	$ 5,053	$ 3,026	$ (13,044)	$ (14,249)	$ 13,771	$ 6,765	$ (5,401)	$ (27,196)
Vero Beach/ARP	16.4887%	$ (65,830)	$ (111,378)	$ 67,378	$ 40,333	$ (173,879)	$ (189,942)	$ 183,560	$ 90,174	$ (71,991)	$ (362,629)
Total Stanton II Project	100.0000%	$ (495,086)	$ (675,480)	$ 408,631	$ 244,608	$ (1,054,512)	$ (1,151,932)	$ 1,113,226	$ 546,874	$ (436,601)	$ (2,199,258)

Breakdown of Annual Project True-ups (Cont'd)

	Power Entitlement Share	Amounts Collected from / (Returned to) Participants in Fiscal Year Ending September 30, ($)									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
St. Lucie Project											
Alachua	0.4310%	$ (36,728.04)	$ 10,088.78	$ (8,063.32)	$ (16,307.72)	$ 2,039.56	$ (4,887.96)	$ 1,522.02	$ 8,067.48	$ 1,432.24	$ (20,590.30)
Clewiston	2.2020%	$ (187,645.20)	$ 51,544.02	$ (41,196.07)	$ (83,316.95)	$ 10,420.20	$ (24,972.81)	$ 7,776.09	$ 41,217.09	$ 7,317.15	$ (105,196.86)
Ft. Meade	0.3360%	$ (28,632.48)	$ 7,864.98	$ (6,286.07)	$ (12,713.21)	$ 1,590.00	$ (3,810.57)	$ 1,186.54	$ 6,289.26	$ 1,116.47	$ (16,051.84)
Ft. Pierce	15.2060%	$ (1,295,791.56)	$ 355,939.44	$ (284,481.30)	$ (575,348.53)	$ 71,957.13	$ (172,450.75)	$ 53,698.13	$ 284,626.14	$ 50,528.93	$ (726,441.20)
Green Cove Springs	1.7570%	$ (149,724.12)	$ 41,127.58	$ (32,870.77)	$ (66,479.51)	$ 8,314.39	$ (19,926.08)	$ 6,204.63	$ 32,887.56	$ 5,838.39	$ (83,937.73)
Homestead	8.2690%	$ (704,649.48)	$ 193,559.31	$ (154,700.55)	$ (312,873.67)	$ 39,130.18	$ (93,778.46)	$ 29,200.96	$ 154,779.21	$ 27,477.62	$ (395,037.63)
Jacksonville Beach	7.3290%	$ (624,546.72)	$ 171,555.96	$ (137,114.55)	$ (277,306.94)	$ 34,681.95	$ (83,117.95)	$ 25,881.47	$ 137,184.33	$ 24,353.99	$ (350,130.71)
KUA	9.4050%	$ (801,454.68)	$ 220,150.63	$ (175,953.39)	$ (355,856.43)	$ 44,505.90	$ (106,661.80)	$ 33,212.61	$ 176,042.88	$ 31,252.47	$ (449,308.13)
Lake Worth	24.8700%	$ (2,119,317.12)	$ 582,152.71	$ (465,280.32)	$ (941,004.74)	$ 117,688.66	$ (282,049.87)	$ 87,825.36	$ 465,516.99	$ 82,642.07	$ (1,188,122.62)
Leesburg	2.3260%	$ (198,211.92)	$ 54,446.59	$ (43,516.00)	$ (88,008.73)	$ 11,006.99	$ (26,379.09)	$ 8,213.98	$ 43,538.07	$ 7,729.22	$ (111,120.76)
Moore Haven	0.3840%	$ (32,722.92)	$ 8,988.55	$ (7,184.04)	$ (14,529.39)	$ 1,817.15	$ (4,354.93)	$ 1,356.05	$ 7,187.70	$ 1,276.00	$ (18,344.96)
Newberry	0.1840%	$ (15,679.80)	$ 4,307.25	$ (3,442.38)	$ (6,962.00)	$ 870.72	$ (2,086.74)	$ 649.77	$ 3,444.12	$ 611.44	$ (8,790.29)
New Smyrna Beach	9.8840%	$ (842,273.04)	$ 231,362.98	$ (184,914.79)	$ (373,980.33)	$ 46,772.61	$ (112,094.12)	$ 34,904.14	$ 185,008.86	$ 32,844.12	$ (472,191.55)
Starke	2.2150%	$ (188,753.08)	$ 51,848.34	$ (41,439.35)	$ (83,808.83)	$ 10,481.72	$ (25,120.24)	$ 7,822.00	$ 41,460.39	$ 7,360.39	$ (105,817.92)
Vero Beach/ARP	15.2020%	$ (1,295,450.76)	$ 355,845.85	$ (284,406.48)	$ (575,197.17)	$ 71,938.19	$ (172,405.40)	$ 53,684.00	$ 284,551.26	$ 50,515.61	$ (726,250.10)
Total St. Lucie Project	100.0000%	$ (8,521,580.92)	$ 2,340,782.97	$ (1,870,849.38)	$ (3,783,694.15)	$ 473,215.35	$ (1,134,096.77)	$ 353,137.75	$ 1,871,801.34	$ 332,296.11	$ (4,777,332.60)

AGENDA ITEM 8 – ACTION ITEMS

f. Approval of Risk Management Policies

Board of Directors Meeting
January 16, 2020

8f – Approval of Risk Management Policies and Compliance Reports

Board of Directors

January 16, 2020

Board Responsibility
Risk Management Policies

- Board approves all changes and exceptions to Risk policies. The initial review is conducted by the Finance Committee:
  - The mission of the Finance Committee (FC) is to oversee the administration of the Risk Management Policy including all appendices (each appendix covers a specific risk area at FMPA)
  - To fulfill this mission , the FC shall regularly hear reports form staff on the risk management activities including detailed reports from staff
- Internal Audit staggers the policy reviews such that each area is reviewed once a year
- See list of policies/appendices on next page

FMPA MUNICIPAL POWER

Risk Areas Identified

Appendices in the Risk Management Policy

Risk Area	Appendix
Fuel Management	Appendix A
Debt Management	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

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

- **Accounting Policy**: Establishes the minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's assets.
- **Asset Management and Operations Policy** : Establishes minimum standards to support an Agency-wide atmosphere of proper control level to ensure the effective and efficient generation of electric Power.

Policy Review

Major Areas Covered

Accounting Areas	Asset Management Areas
Deviations from the Policy	Deviations from the Policy
Accounting Procedures	Asset management and operations Procedures
Administrative update for personnel title changes	Administrative update for personnel title changes
External audit	Ensure applicable laws and regulations are followed related to the operation and maintenance of electric power generating units
Internal controls	Internal controls
Reporting	Reporting

Accounting Policy Review

New Section Added to Address $ Threshold for Capitalization

4.6 Capitalization Threshold:

Capital purchases are approved as part of the annual budgets approved by the governing bodies. The following thresholds will be used for capitalizing assets:

- Building, structures, facilities and other improvements exceeding $25,000 in costs. Capitalization should include all costs related directly to the acquisition or construction (materials, labor, overhead during construction, attorney and engineering fees, permits).
- Equipment includes vehicles, office equipment, computer equipment and other equipment having a value of $5,000 (each) or more and a useful life expectancy of two or more years. Capitalization should include all set-up and labor costs related to preparing the equipment for operations such as the initial installation cost.
- The purchase and/or development of new computer software or major modifications/upgrades to existing software which costs less than $25,000 shall be expensed. Software over $25,000 shall be capitalized.
- All capital lease arrangements for land, buildings, structures and equipment shall be capitalized in accordance with GASB 87.
- As of 10/1/2020, interest shall not be capitalized on any construction project in compliance with GASB 89.

Asset Management & Operations Policy Review

Lead Time Changed to Match Operational Need

4.2.2 Reliability Centered Maintenance ("RCM"):

FMPA will maintain the balance of plant and auxiliary equipment in accordance with RCM. RCM establishes safe minimum levels of maintenance, changes to operating procedures and strategies, and the establishment of capital maintenance regimes and plans based on historic operational data and maintenance history.

FMPA shall strive to ensure that long-lead critical items for base load gas and steam turbine units can be obtained within a ~~six~~ 12 month time frame from within the ARP fleet, provided through the OEM, or through a partnership fleet arrangement. The following items are excluded from this ~~six~~12 month requirement: Iso-phase bus, disconnect switches, switchgear, and CTPT metering units.

Discussion/Questions

Motion on Policy Changes

- Move approval of recommended policy changes .

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY - APPENDIX B

DEBT RISK MANAGEMENT POLICY

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(Continued)

DEBT RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Debt 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 issuance and management of all FMPA debt financing. This Policy is Appendix B 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 governing bodies. FMPA staff is hereby authorized to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert adverse effects on FMPA's ability to access capital markets at reasonable rates and with reasonable credit terms.

This Policy covers the planning and management of debt financing. The appropriate governing body may approve exceptions to this Policy for specific debt transactions.

The following summarizes the Policy of the EC and BOD:

- ❖ The debt management program shall conform to all applicable federal, state and local legal requirements regarding the issuance and management of debt (Section 2.0).
- ❖ The EC and BOD must approve all forms of FMPA debt issuance (Section 2.0).
- ❖ Authority is delegated to the Chief Financial Officer ("CFO") to create procedures to facilitate the management of debt and administer this Policy (Section 3.0).
- ❖ FMPA's Debt Financing Team (the "DFT" as defined by this Policy) shall be active participants in all contemplated debt transactions (Section 4.1).
- ❖ FMPA's Financial Advisor shall provide a written recommendation to the appropriate governing body prior to approval of any debt issuance (Section 2.0).

- FMPA's DFT shall fully explain the risks associated with any given structure and the financial instruments to be used to the ~~General Manager~~CEO as required in Section 4.3
- FMPA shall manage its debt portfolios to contribute to the goal of maintaining credit ratings of no less than "A-" or "A3" as required in Section 4.0.
- Interest rate hedging strategies may only be employed as detailed in Section 5.0 of this Policy. No new interest rate hedging will be considered by the All Requirements Project ("ARP") after May~~,~~ 2015 unless specifically approved by the EC.
- The Treasurer and Risk Director shall report on the debt portfolio as required in Section 7.1 of this Policy.
- The Agency Risk ~~Manager~~ Director shall report deviations from this Policy to the Finance Committee ("FC") as required in Section 7.3.

2.0 Scope and Authority

FMPA has the authority to undertake and finance projects including, among other things, to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend, or otherwise participate jointly in those projects and issue debt obligations for the purpose of financing or refinancing the costs of such projects. The debt management program shall further conform to all federal, state, and local legal requirements governing the issuance and management of debt.

The EC and BOD, respectively, is responsible for the approval of all forms of FMPA debt issuance and the details associated therewith. The ~~General Manager~~CEO has ultimate responsibility for administration of FMPA's financial policies. The CFO or designee coordinates the administration and issuance of debt, and is responsible for the attestation of financial disclosures and other bond related documents. The CFO or designee, in consultation with the DFT, must also recommend to the ~~General Manager~~CEO and appropriate governing body the following:

1. the selection of any external agents,
2. review proposed annual capital expenditures which require a debt issuance,
3. identify specific projects for such debt financing or re~~-~~financing,
4. a written recommendation provided by the Financial Advisor.

3.0 Types of Debt Issuance Risk

This Policy is intended to provide guidance for the types of debt issued, given FMPA's risk tolerance and awareness of recent market fluctuations, capital market outlooks, future capital needs, tax implications, rating agency considerations, and industry competition. The CFO will cause Debt Management Procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. The FMPA Risk Management Policy identifies ten risks that compose FMPA's common risk framework. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected risks in the framework are those risks presented by typical debt management and interest rate hedging activity.

3.1 Market Risk

The risk of potential change in the value of a portfolio caused by adverse changes in market factors. When considering debt management including interest rate hedging, the types of market risk that FMPA is most exposed are interest rate risk and basis risk. An example of interest rate risk occurs when a change in interest rates inversely affects a bond's value, such as when higher interest rates cause bond value to fall. This risk can be reduced by diversifying (issuing fixed rate debt with different durations) or hedging (such as interest rate swaps). An example of basis risk can occur in a floating-to-fixed rate swap when there is a difference between the interest rate paid on variable rate demand obligations and the rate received from the swap counterparty. This mismatch in rates could result in higher than expected interest rate costs.

3.2 Credit Risk

The potential of financial loss due to the failure of a counterparty to fulfill the terms of a contract. When considering debt management including interest rate hedging, the types of credit risk that FMPA is most exposed to are counterparty risk and concentration risk. An example of counterparty risk would be if FMPA depends on the performance of a counterparty to provide interest payments under a swap agreement. The failure of that counterparty to make interest payments as required under the swap agreement might expose FMPA to current market conditions, which may or may not be favorable at the time of non-performance. An example of counterparty concentration risk might occur if a counterparty with several swap agreements fails to make the required payments. This failure might cause FMPA to terminate several swap agreements and expose FMPA to market conditions on a greater scale.

3.3 Regulatory Risk

The potential adverse impact of an action or direction from an administrative body such as, but not limited to, FERC, DOE, or the Treasury Department. An example of regulatory risk might occur if tax laws are changed, and the Agency becomes ineligible to issue tax-exempt debt. This change would expose the Agency to the market rate for taxable debt and increase the cost of debt issuance.

4.0 Debt Issuance

Effective debt management includes an analysis of what level of debt is acceptable given a particular set of circumstances and assumptions. FMPA's debt portfolios shall contribute to the goal of maintaining at least "A-" or "A3" credit ratings, in coordination with strategic plans and member needs. Management of the Agency's credit ratings is addressed in the FMPA Risk Management Policy.

FMPA may consider issuing bonds, short term debt, and other debt instruments as allowed by law, each subject to the approval of the appropriate governing body. Debt may only be issued for capital projects with an asset life of five years or more. Short term capital needs should be provided for in the budget process.

4.1 Debt Financing Team

A team of FMPA staff and advisors shall determine the details of all debt transactions to be proposed to and approved by any governing body. The DFT shall, at a minimum, consist of the personnel listed below. Others may be assigned as needed.

- CFO (Chairperson)
- Treasurer and Risk Director

Chief Legal Officer

-

~~Risk Management Department Representative~~
FMPA's Financial Advisor

- Resource and Strategic Planning Manager ~~System Planning Manager~~ (as necessary)
- FMPA's Swap Advisor (as necessary)
- Bond Counsel (as necessary)

The DFT shall ensure that any proposed debt issuance complies with the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all DFT recommendations to the ~~General Manager~~CEO.

4.2 Selection of Bond Professionals

The issuance of bonds or debt in any form is a significant event and should be managed in a way to protect FMPA from any number of risks. Engaging competent professionals is a key step in mitigating such risks. Underwriters, bond counsel, financial and swap advisors, trustees, and arbitrage/rebate consultants are key advisors in a successful issuance process. FMPA staff will pursue a competitive selection process to occur for all professionals associated with FMPA's debt using a Request for Proposal (RFP), a Request for Qualification (RFQ) or some other competitive selection process. The competitive selection process document should describe the scope of services desired, the length of the engagement, evaluation criteria, and the selection process. Best practices recommendations of relevant professional bodies should be considered in the development of the competitive selection document as well as in the selection process.

4.2.1 Qualifications

The selected individual(s) or firm(s) shall have a well-established practice at a level of sophistication and standing in their respective field of practice commensurate with FMPA's needs, the Bond Resolution and any other relevant legal document(s) or requirements imposed by external entities such as the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and the Commodity Futures Trading Commission (CFTC) as examples. Sufficient depth of staff should be present in order to ensure timely and consistent professional service when such services are required.

4.2.2 Selection

Qualified individuals or firms will be invited to submit a proposal for professional services to be considered for selection. The proposal response must document the individual's or firm's qualifications, registrations, applicable experience, knowledge of FMPA and its issues or practices, any sanctions or warnings from any relevant professional bodies, insurances in force, and fee structures. The proposals will be evaluated by the DFT and rank in order of preference, providing the resulting ranking and associated rationale to staff for presentation to the FC. The FC shall either approve or reject the DFT top ranked proposal. If the top ranked proposal is rejected, the FC will consider the next highest ranked proposal for approval. If none are found acceptable by the FC, the DFT will evaluate the FC's feedback and begin the process over. Once the FC has approved a recommended proposal, the selected individual(s) or firm(s) will be presented to the EC/BOD, as appropriate, for final approval.

4.2.3 Terms of Service

The selected individual(s) or firm(s) shall provide services for no more than one five year base term per each single contract period. The selected individual(s) or firm(s) may provide services beyond the base term for no more than two individual one-year extensions. At the end of any contract term (either base or extension), the incumbent individual(s) or firm(s) will not be excluded from submitting a new proposal for the subsequent competitive selection process. The selected individual(s) or firm(s) may perform the services requested on a negotiated fee basis.

4.3 Types of Debt

FMPA's capital structure may consist of fixed rate and variable rate debt in traditional as well as synthetic form, along with hedging instruments such as interest rate swaps, caps, collars, and other non-speculative derivative products. The DFT shall fully explain the risks associated with any given structure and the financial instruments used to those who must decide and approve any such structure. No debt will be issued without written evidence of absolute authority, including all required regulatory approvals, for FMPA to proceed with the capital expenditures relating to the proposed debt issuance.

The debt mix for each of FMPA's projects shall be measured at the time of each debt issuance and comply with the limits defined in Appendix B of this Policy. The governing body issuing debt may approve exceeding such limits when a particular type of debt issue would be prudent given market conditions.

4.4 Structure

The following structuring guidelines shall govern the issuance of new money financing:

- The maturity of debt shall be less than or equal to the useful economic life of the item financed, not to exceed the remaining length of relevant FMPA Project. The table below shows the assumed useful economic life for different types of financed generation assets to be used at the time of debt issuance:

Financed Generation Assets	Useful Economic Life
Combined-Cycle	30
Combustion Turbine	25
Coal Plant	30
Nuclear	30
Photovoltaic	25

  Exceptions may be approved by the appropriate governing body. The Power Resources Division shall determine the useful economic life of financed generation assets not contained in the table above.
- The use of a cash funded debt service reserve shall always be evaluated against the use of a surety or other debt service reserve product.
- The DFT shall evaluate the costs and benefits of call provisions for each debt issue.

- Non-rated securities may be issued if obtaining a credit rating on the issue does not perform any economic benefit or add any value to capital market participants; for example bank loans.

4.5 Tax Status

FMPA may issue either taxable or tax-exempt debt. The DFT shall consider the economic value of tax status and on the advice of legal counsel (bond and/or tax counsel as appropriate) recommend a taxable or tax-exempt debt issuance, unless a taxable debt issuance is required by law.

4.6 Credit Enhancement

The use of credit enhancement (including bond insurance, letter of credit, and other securitization products) shall be evaluated on a maturity-by-maturity basis. The DFT shall analyze the benefits and costs of issuing debt without credit enhancements, with consideration of the risks and restrictions of using credit enhancement. Credit enhancement shall only be used when the benefits exceed the costs. Post-issuance, the Treasurer and Risk Director shall monitor any credit enhancement associated with variable-rate debt for possible effects on credit or basis risk.

4.7 Methods of Sale

FMPA's policy is to sell public debt using the method of sale expected to achieve the best result, taking into consideration short-term and long-term implications. Decisions on selecting either a competitive or negotiated sale are the responsibility of the DFT. The DFT shall evaluate whether to seek funding by way of a private placement or bank loan where the size of the borrowing does not justify the incurrence of typical bond issuance expenses or market conditions favor such funding. The CFO and FMPA's Financial Advisor, if used, shall compare the overall costs of a private placement with those of a public offering and recommend the most cost effective approach.

4.8 Debt Service Coverage

Debt service coverage shall conform to any respective bond resolutions and remain at or above those levels to ensure that FMPA's credit rating is not adversely impacted.

4.9 Refunding Bonds

Refunding bonds may be issued to achieve debt service savings on outstanding bonds by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no current similar limitation for taxable bonds.

4.9.1 Structure

The life of the refunding bonds shall not exceed the remaining life of the assets financed. Refunding bonds should generally be structured to achieve the desired objectives of the authorizing governing body.

4.9.2 Present Value

Refunding bonds issued to achieve debt service savings should have a minimum savings level measured on a present value basis equal to 3% of the par amount of the bonds being refunded. The 3% minimum target savings level for refunding should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of refunding bonds, the 3% target shall not prohibit exercising refunding when the circumstances justify a deviation from the guideline.

4.10 Defeasance

Defeasance is a provision that allows the exchange of one type of collateral, such as pledged revenues for another type of collateral (normally US Treasury securities), where the borrower sets aside cash or bonds sufficient to service the borrowers' debt. FMPA may use this tool when financially beneficial and as allowed by bond covenants. Allowable securities would be purchased by FMPA and held by an Escrow Agent, with the principal and interest earned on the securities sufficient to meet all payments of principal and interest on the outstanding bonds when they become due.

4.11 Disclosure Policy and Procedures Relating Thereto

FMPA is committed to ensuring that disclosures made in connection with its municipal finance offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and all other applicable laws. Further, it is the policy of FMPA to satisfy, in a timely manner, its contractual obligations undertaken pursuant to continuing disclosure agreements entered into in connection with municipal finance offerings. In furtherance of these objectives and policies, the ~~General Manager~~CEO and FMPA's Chief Legal Officer shall cause municipal finance disclosure procedures to be drafted and presented to the EC and BOD for review and adoption in order to establish a framework for compliance by FMPA, with its disclosure and/or contractual obligations regarding the securities it issues or that are issued on its behalf, pursuant to the requirements of the disclosure undertakings made by FMPA in accordance with the provisions of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended, and other applicable rules, regulations, and orders ("Disclosure Procedures"), which shall be disseminated to FMPA staff. These Disclosure Procedures are intended to formally confirm and enhance FMPA's existing practices regarding compliance with federal securities laws relating to its disclosure responsibilities in order to:

a. **Educate:** To ensure that staff sufficiently understands FMPA's disclosure policy and FMPA's obligations under the federal securities laws and other applicable laws, and
b. **Reduce Borrowing Costs:** To reduce borrowing costs by promoting good investor relations, and
c. **Protect the Public:** To avoid damage to third parties from misstatements or omissions in, or failure to timely file, its disclosure documents, and
d. **Comply with Law and Contract:** To facilitate compliance with applicable law and existing contracts when preparing and distributing disclosure documents in connection with municipal finance offerings and continuing disclosure documents, and
e. **Reduce Liability:** To reduce exposure (of FMPA and its officials and employees) to liability for damages and enforcement actions based on misstatements and omissions in, or failure to timely file, its disclosure documents.

5.0 Interest Rate Hedging

As of May~~,~~ 2015, no new interest rate hedging may be employed for the ARP unless specifically approved beforehand by the EC. The remainder of this Section is only applicable to other FMPA Projects or ARP interest rate hedges put in place prior to May, 2015. Upon any specific EC approval for the hedging of interest rates in the future, this Section would then apply.

FMPA and its Projects are exposed to volatility in interest rates both during the period between a known capital project and its associated debt issuance and with the issuance of any variable interest rate debt. Management defines interest rate hedging as balancing gains and losses to an asset by taking offsetting positions in a derivative product. FMPA's business purpose for the interest rate hedging program is to balance interest rate volatility risk with obtaining the lowest reasonable cost of capital. FMPA will not enter into interest rate hedging transactions that have no authorized business purpose, as determined by the DFT and affirmed by the appropriate governing body.

The use of interest rate swaps and any other derivative instruments such as interest rate caps or collars shall only be upon the express approval of the appropriate governing body, and pursuant to the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all interest rate hedging recommendations to the ~~General Manager~~CEO before such recommendations are made to any governing body.

The CFO, in consultation with the DFT, shall ensure active oversight of the interest rate hedging program according to these standards. See Section 7.0 for reporting requirements.

5.1 Hedging Objectives

FMPA's objective for interest rate hedging is to manage interest rate risk for each Project's debt portfolio. The benefits and risks of a specific interest rate hedge should be compared to fixed rate bonds or future interest rate projections, with consideration that an expected lower interest cost should be obtained if the derivative product contains an element of basis risk or if the product is long-dated (greater than 10 years in duration).

5.2 Transaction Management

The DFT shall review any interest rate hedging transaction before it is presented to the appropriate governing body for consideration. The DFT shall specifically review:

- Existence of associated debt
- Existence of all necessary project approvals, including all required regulatory approvals, prior to issuance or interest rate hedging authorization.
- Purpose of proposed interest rate hedge
- Type of interest rate hedge instrument and counterparty(s) to be used
- Duration of interest rate hedge
- Expected results and probabilities of achieving those results
- Risks of the interest rate hedge strategy or transaction

As Chairperson of the DFT, the CFO or designee shall notify rating agencies, applicable insurers, and other interested parties before entering into an interest rate swap agreement.

5.3 Counterparty Risk

Interest rate swap counterparties must have long-term bond ratings of A1/A+ or higher when the interest rate swap transaction is entered into. Where possible, counterparties shall be required to collateralize their obligations if their ratings are down-graded below the counterparty's rating at the time the interest rate swap is entered into, dependent upon the specific terms of the approved ISDA agreement. Interest rate hedging counterparties must be specifically approved by the appropriate governing body.

The Treasurer and Risk Director shall notify the DFT of any collateral calls and/or collateral returns within 1 business day of such call/return.

The CFO shall report any default of an interest rate swap transaction by or with a counterparty to the DFT, ~~General Manager~~CEO and FC, EC, and BOD chairs within 1 business day of such default.

5.4 Hedging Criteria

Products shall be favored which have well-established and liquid markets to facilitate liquidity of the hedging contract. Interest rate hedging products can be transacted on a negotiated or competitive basis, as determined by the DFT. Interest rate swap agreement documentation shall include a standard ISDA Master Agreement, a Schedule to the Agreement, a Credit Support Agreement or Guarantee (if required) and trade confirmations as the primary documents for terms and conditions.

5.5 Provider Diversification

No more than 35% of any single debt provider of a Project's total debt shall be hedged with interest rate swaps, caps or other hedging instruments, in the aggregate to be measured at the time of purchase and annually thereafter. In the event that a single debt provider exceeds the 35% maximum, the CFO shall cause such condition to be reported to the FC and submit for approval a strategy for addressing that condition, including an appropriate timeline for implementation.

5.6 Termination

The appropriate governing body must approve the initiation of optional termination by FMPA. In general, FMPA shall not agree to terms that permit a counterparty to terminate a swap at its unconditioned option unless giving the counterparty such right is in the best interest of FMPA, taking into consideration the purposes for and circumstances under which the Agency is entering into the swap. Criteria for termination/default events are found in each respective ISDA Schedule and/or agreement.

5.7 Collateral at Risk

The CFO shall cause any amounts posted for interest rate hedging collateral to be reported to the FC at each regular meeting along with a strategy for handling the collateral at risk level. Such strategy shall consider liquidity requirements, termination costs, rating downgrade posting thresholds, and the resulting impact on rates. Amounts posted for collateral shall also be included in the monthly swap report detailed in Section 7.1 below.

5.8 Dodd-Frank ISDA Compliance

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the implementing U.S. Commodity Futures Trading Commission (CFTC) regulations, including external business conduct standards applicable to FMPA, impose a number of new compliance obligations on FMPA in regards to providing information about its swap agreements. This Section 5.8 of the Debt Risk Management Policy is specifically focused on the Dodd-Frank Act compliance responsibilities of FMPA staff.

5.8.1 Recorded Communication

Each person at FMPA who has discussions with a swap counterparty regarding an existing swap transaction or a proposed swap transaction or the master agreement (including the related schedule and credit support annex, if applicable) that governs or will govern such swap transaction acknowledges and agrees that the discussions will be recorded by the swap counterparty and consents to the recording and agrees to sign an annual acknowledgement form stating that they acknowledge that they have read and understand the policies and procedures regarding discussions of swap documentation.

5.8.2 Dodd-Frank Supplement

FMPA will take the necessary steps to comply with its representations, agreements and notice requirements in the ISDA August 2012 DF Supplement, published on August 13, 2012 by the International Swaps and Derivatives Association, Inc., and in any other ISDA protocol documentation entered into by FMPA (directly or through incorporation by reference into existing ISDA master agreements) from time to time.

5.8.3 Qualified Independent Representative

FMPA will enter into a contract with a firm or firms that will have the qualifications to act as a qualified independent representative to FMPA in accordance with the requirements of CFTC Regulation §23.450 and its related safe harbor provisions. Each such contract will require the firm(s) to make representations and provide agreements to satisfy the requirements and safe harbor provisions of CFTC Regulation §23.450 in a manner satisfactory to FMPA.

5.8.3.1 FMPA shall utilize the services of such qualified independent representative when entering into, modifying or terminating (in whole or in part) any swap transaction.

5.8.3.2 FMPA shall monitor the continued performance of each qualified independent representative by requesting certifications annually, as a minimum, from each qualified independent representative restating that the representations and agreements in the contract described above (in Section 5.8.3) are true and correct and that no breach of the contract has occurred. Such certification shall include reference that any notice of failure of a representation or agreement provided by the qualified independent representative was true and correct and promptly provided.

6.0 Internal Controls

The CFO shall cause to be established a system of written internal controls to manage debt issuance and related activities, consistent with this Policy, established Debt Management Procedures and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. FMPA will continue to commit the resources necessary to debt management activities to be viewed by investors in the most favorable light, doing so with highest ethical principles, and consistent with all applicable rules and laws.

The Agency Risk ~~Manager~~ Director 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~~ Director identifies areas of concern, the documented internal controls weakness(s) will be communicated to the CFO and FC as appropriate.

The CFO or designee is responsible for issuance of debt. Accounting staff shall maintain accounting records for debt transactions, but shall not have any responsibility for the process of financing assets.

6.1 Policy and Procedure Compliance

The Agency Risk ~~Manager~~ Director shall cause compliance with this Policy and associated Procedures to be monitored on an ongoing basis. This shall include a review of policy compliance following *each* debt issuance. Any unresolved compliance issues will be presented to the FC by the Agency Risk ~~Manager~~Director.

6.2 Post Issuance

Following the issuance of bonds for any project, the Treasurer and Risk Director shall cause the following requirements to be met:

- Primary Disclosure: As required by the Florida Division of Bond Finance.
- Continuing Disclosure: MSRB/EMMA as required, in compliance with SEC rule 15c2-12 concerning primary and secondary market disclosure.
- Arbitrage Rebate Reports: To be completed annually by a qualified third party. Amounts calculated as liabilities will be reported in the annual audited financial statements. Rebate payments, if required, will be paid for each bond issue as required by regulatory requirements.
- Investor Relations: See the Accounting, Internal Controls & Audit Policy; Appendix J of the FMPA Risk Management Policy, for financial reporting requirements.
- Economic Life Evaluation: Treasurer and Risk Director shall provide outstanding debt information in a timely manner to the System Planning Manager for any required evaluations of outstanding term to remaining economic life per the Power

Supply & Resource Planning Policy, Appendix H of the FMPA Risk Management Policy.

7.0 Reporting

Required reports shall be obtained from information maintained in the Agency's treasury database software (such as Integrity) which is subject to -mid-office oversight. Reports not obtained from such software shall be subject to additional oversight as deemed appropriate by the Agency Risk ~~Manager~~Director.

7.1 Debt Portfolio Reports

The Treasurer and Risk Director is responsible for completion of the following reporting requirements:

A. Monthly swap report to be posted on FMPA's member website and will include, at a minimum, the following:
   1) Description of each interest rate swap agreement, including the effective date, notional amount, pay and receive coupon rates, counterparty, and any other relevant information as appropriate.
   2) Market value as of report date from an independent third party source (such as Bloomberg or FMPA's swap advisor). Value per counterparty may be used when independent market value is not widely obtainable.
   3) Collateral posting thresholds per counterparty.
   4) Collateral posted with/by counterparties.
   5) Interest earned on collateral postings.

B. Annual debt report presented to the EC and BOD at their first regularly scheduled meeting following approval of audited financial statements. Such annual debt report shall include, at a minimum, the following:
   1) Percentage of portfolio that is fixed rate, variable rate, and synthetic fixed rate at fiscal year-end.
   2) Total cost of debt (effective interest rate) per Project for the previous fiscal year.
   3) Interest rate swap counterparty diversification report.
   4) Debt outstanding for each Project by respective participants.

C. The Treasurer and Risk Director shall report on the current risk environment affecting FMPA's debt outstanding to the DFT, as needed. The DFT shall engage in any necessary discussion before recommending action to the appropriate governing body.

7.2 Post-closing Report

The CFO, as chairperson of the DFT, is responsible for completion of a post-closing debt report. Such report shall be made to the appropriate governing body at their next regular meeting following the closing of a debt financing transaction. The report shall include, at a minimum, the total cost of debt financing, type of debt issued and effect on the portfolio mix, any associated interest rate swaps, any credit enhancement, method of sale, and underwriter diversification for the Project.

7.3 Oversight Structure

The Agency Risk ~~Manager~~ 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 FC as described in Section 7.0 of the FMPA Risk Management Policy.

Appendix A

Florida Municipal Power Agency Risk Management Reporting Calendar Debt Management Policy Reporting Requirements				
Reporting Item	**Frequency of Report**	**Responsible Party**	**Policy Section Reference**	**Policy Category Reference**
Collateral Call or Return	As Needed	Treasurer and Risk Director	Section 5.2	Transaction Management
Swap Transaction Defaults	As Needed	CFO	Section 5.3	Counterparty Risk
Swap Diversity Exceptions	As Needed	CFO	Section 5.5	Provider Diversification
Collateral Posted	As Needed	CFO	Section 5.7	Collateral at Risk
Policy and Procedure Compliance	As Needed	Treasurer and Risk Director~~Agency Risk Manager~~	Section 6.1	Policy and Procedure Compliance
Primary and Continuing Disclosure	As Needed	Treasurer and Risk Director	Section 6.2	Post Issuance
Interest Rate Swap Report	Monthly	Treasurer and Risk Director	Section 7.1	Debt Portfolio Reports
Recorded Communication Consent Form	Annually (As Needed)	Treasurer and Risk Director	Section 5.8.1	Recorded Communication
QIR qualification attestation	Annually	Treasurer and Risk Director	Section 5.8.3	Qualified Independent Representative
Annual Debt Report	Annually	Treasurer and Risk Director	Section 7.1	Debt Portfolio Reports
Post-Closing Report	Upon Debt Issuance	CFO	Section 7.2	Post-closing Report
Deviations from Policy	As Needed	Treasurer and Risk Director~~Agency Risk Manager~~	Section 7.3	Oversight Structure

Policy Operating and Effectiveness	Annually	Finance Committee	Section 7.3	Oversight Structure

Appendix B

The table below shows the approved debt portfolio mix as described in Section 4.3 of this Debt Risk Management Policy.

LIMITS OF EXECUTIVE COMMITTEE DEBT PORTFOLIO MIX			
	Minimum Fixed Rate	**Maximum Fixed Rate**	**Maximum % of Debt w/ Interest Rate Swaps**
All-Requirements Project	60%	100%	25%

LIMITS OF BOARD OF DIRECTORS DEBT PORTFOLIO MIX			
Stanton Project	60%	100%	25%
Stanton II Project	60%	100%	25%
St. Lucie Project	60%	100%	25%
Tri-City Project	60%	100%	25%

RISK MANAGEMENT POLICY
APPENDIX L

FLORIDA MUNICIPAL POWER AGENCY

RECORDS MANAGEMENT RISK MANAGEMENT POLICY

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Records Management Policy
Version 1 approved January 24, 2008
Edited committees May 15, 2009
Edited FMPA Risk Policy section number references 6.7.11
Approved February 2019

RECORDS MANAGEMENT
RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Records Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and controls under which Florida Municipal Power Agency ("FMPA") may engage in activities to identify, measure and minimize future business risk resulting from the potential loss of records. Records in this context include written documents, electronic versions of documents, and email. This Policy is Appendix L 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 into place, such as those more fully described in Section 5.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse impact on the financial or legal position of the Agency.

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

- The records of the Agency be stored, managed, and retained according to applicable laws.
- The ~~General Manager~~CEO exercises overall responsibility for FMPA's records management system.
- The ~~General Manager~~CEO shall cause procedures to be created to implement this Policy.
- Deviations from this Policy shall be reported to the ~~Audit and Risk Oversight~~Finance Committee.

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2.0 Scope

This Policy applies to all business records of the Agency including contracts, correspondence (including emails and other electronic communications), and any other corporate records.

The ~~General Manager~~CEO exercises overall responsibility for FMPA's records management system. Each employee of the Agency is responsible for complying with records retention regulations. The Records Management staff in the Information Systems Department is responsible for managing all centrally stored physical and electronic records of the Agency. The Agency has adopted an electronic records management system to reduce legally required records to an electronic format which are stored in the system for easy retrieval. Presently, the Agency follows two Records Retention Schedules established by the State of Florida – GS1-L and GS14.

Records are destroyed only after the retention period established by either GS1-L or GS14 has been satisfied. Records may be retained longer than the state mandated retention period if beneficial to FMPA.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's assets. The ~~General Manager~~CEO shall cause procedures to be created 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 risk encountered by FMPA related to Records Management, the following provides insight into the major areas of records management risk exposure for FMPA.

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3.1 Operational Risk: The risk that the Agency will not be able to conduct business as needed. An example of operational risk would be if the executed original of a power supply contract was lost and the Agency was unable to enforce a clause in the contract. Operational risk is mitigated if the documents are protected and copied electronically with off-site back-up of the copy.

3.2 Regulatory Risk: The risk of potential adverse impact of an action or direction from an administrative body such as FERC, DOE, or Treasury Department. The State of Florida, FRCC, and the IRS require that certain documents be retained and available on demand. Should those documents not be available the Agency could suffer negative financial or other consequences.

3.3 Legal Risk: The risk of financial or economic losses incurred by an organization through an unauthorized deviation from any legal obligations imposed by laws, rules, regulations, ordinances, or contracts. As a public agency, FMPA is required to retain certain documents for specific periods of time. Failure to do so is a violation of state or other laws.

4.0 Records Management

The ~~General Manager~~CEO is designated as the First Assistant Secretary to the Board of Directors and Executive Committee in the Agency's By-Laws. As First Assistant Secretary, the ~~General Manager~~CEO has the responsibility to ensure that all books, documents, and papers of the Agency are kept in accordance with standard record keeping practice for utilities, and as may also be required by law, rule or regulation.

Employees shall use the Florida Records Retention Schedules GS1-L and GS14 as a reference for the minimum maintenance requirements and disposal guidelines for records. The Schedules are available on FMPA's Intranet. The Agency's legal

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counsel shall provide a final opinion in cases where an employee requests clarification of the Records Retention Schedules.

The Agency utilizes an electronic records management system. The ~~Manager of Information Systems~~IT Manager shall ensure that all employees are assigned access rights to the electronic records management system appropriate to their position and department. In addition to electronic records, physical copies of some vital business records are kept at the Agency's headquarters in the vault, a secure fire-resistant location. Access to the vault shall be restricted to appropriate staff members.

Each employee is responsible for ensuring documents under their control are properly retained either electronically or physically. Managers and supervisors are responsible for their subordinates' adherence to this Policy. When a subordinate is no longer employed by the Agency, the immediate supervisor is responsible for safeguarding in accordance with this Policy all records that were in the former employee's control, until such time as responsibility for those records is transferred to another employee.

5.0 Internal Controls

The ~~General Manager~~CEO shall cause to be established a system of written internal controls to safeguard the Agency's business records, consistent with this Policy and Records Management 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 of all applicable laws, including all applicable Florida records retention schedules. FMPA shall use a cost-benefits analysis when making decisions regarding the implementation of internal controls.

5.1 System of Controls: The system of internal controls includes the Employee Manual issued by the Agency to all employees. The FMPA Employee Manual

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includes guidelines for the Public Records Law Policy. Further internal controls shall be established to govern the input of documents into the records management system and the destruction of documents that have fulfilled the state mandated retention period.

5.2 Ongoing Training: The ~~Manager of Information Systems~~IT Manager shall ensure that technical training on the proper use of the electronic records management system is conducted at least biennially for all employees. The Human Resources Department shall ensure that all new employees receive records retention training during orientation, ~~-~~and shall arrange for FMPA's legal counsel to present formal records retention training annually to all employees. Sufficient records shall be maintained in personnel files to show compliance with these training requirements.

5.3 Policy Compliance: Risk Management ~~staff~~team shall cause ~~monitor~~ compliance with this Policy to be monitored, which at a minimum shall include performing an annual review ~~of staff usage of the electronic records management system~~. Results of such annual reviews shall be reported to the ~~Risk Oversight Committee~~Finance Committee.

6.0 Reporting

The ~~General Manager~~CEO shall cause any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The ~~Audit and Risk Oversight~~Finance Committee shall cause to be completed an annual report on the operation and effectiveness of this Policy as described in the FMPA Risk Management Policy, Section 7.0. Managers shall report as needed on the current risk environment affecting records management to the Risk Management ~~Department~~team, and engage any necessary discussion before moving related items to ~~Advisory or Board~~Finance Committee~~s~~.

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Appendix A

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

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Policy Reference
Records Management Training	Every two years	IT Manager	Section 5.2	Ongoing Training
Records Retention Training	Annually	FMPA's legal counsel	Section 5.2	Ongoing Training
Policy Compliance	Annually	Risk Manager/Internal Audit Department	Section 5.3	Policy Compliance
Deviations from Policy	As Needed	CEO	Section 6.0	Reporting
Policy Operation & Effectiveness	Annually	**Finance Committee**	Section 6.0	Reporting

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RISK MANAGEMENT POLICY
APPENDIX N

FLORIDA MUNICIPAL POWER AGENCY

HUMAN RESOURCES RISK MANAGEMENT POLICY

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HUMAN RESOURCES RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Human Resources 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 employment practices. This Policy is Appendix N 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 into place, such as those more fully described in Section 5.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse impact on FMPA's legal or financial standing.

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

- Functions of the Human Resources (HR) Department shall comply with all applicable laws and regulations, and Board or Executive Committee approved policies.
- The HR Department shall oversee employee benefits and compensation and strive to maintain a competitive and cost-effective program.
- The HR Department shall coordinate with management to oversee and guide the recruitment, hiring, and termination of personnel.
- Authority is delegated to the Human Resource Director to create procedures to implement this Policy.
- Deviations from this Policy shall be reported to the Finance Committee.

This Policy serves to create a framework that enables the Human Resource Director to document controls that will minimize FMPA's exposure to risk and enable compliance with established employment and payroll laws and regulations, as well as all Board or Executive Committee approved policies.

2.0 Scope

This Policy applies to all personnel management practices of the Agency, regardless of the normal office location of the employee. As used in this Policy, references to "employee" shall mean any full-time, part-time, casual part-time, or intern staff member employed directly by the Agency. This Policy does not apply to consultants or other professionals engaged by the Agency.

Authority for day-to-day actions is hereby granted to the Human Resource Director, under the direction of the ~~Assistant General Manager of Public Relations & Human Resources~~CEO. The Human Resource Director is responsible for ensuring that all minimum standards and procedures regarding personnel management are in compliance with federal and state laws, rules, and regulations. The HR Policy that was approved by the BOD is being followed.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's personnel and assets. The Human Resource Director will cause procedures to be created 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 risk encountered by FMPA during the normal course of the business cycle, the following provides insight into the major areas of personnel management risk exposure for FMPA.

3.1 Operational Risk: The risk that internal practices, policies, procedures or systems will not perform as intended. An example of operational risk would be if a failure in internal control processes in the HR Department resulted in the processing of inaccurate or fraudulent payroll. This type of failure in the payroll process could cause financial and reputation loss to the Agency.

3.2 Legal Risk: The risk of financial or economic losses incurred by an organization through an unauthorized deviation from any legal obligations imposed by law, rules, regulations, ordinances, or contracts. An example of legal risk would be violating federal or state regulations concerning discrimination in the workplace. Such a violation could cause financial and reputation loss to the Agency.

3.3 Strategic Risk: The risk that the actions of management or the governing body do not promote the successful attainment of organization objectives. An example of strategic risk might occur if FMPA's Compensation Policy is not applied consistently across the Agency. Such a failure could lead to employee dissatisfaction, increased turnover, or an inability to attract qualified personnel which could impede the Agency in meeting its goals.

4.0 Personnel Management

FMPA's HR Department is responsible for maintaining all personnel records, coordinating the hiring, orientation, and termination processes, administering benefits and compensation programs, and coordinating personnel related activities such as performance evaluations, wellness programs, and professional development opportunities. The Employee Manual addresses many of these responsibilities. The following provides further risk-related detail for significant areas within the HR Department.

4.1 Payroll: The Agency's payroll function is completed by the HR Department. Sufficient segregation of duties shall be in place to ensure that payroll entries are approved at appropriate levels and verified for accuracy. The Agency currently uses a professional third-party vendor to process payroll, which mitigates risk of noncompliance with tax laws and federal filing requirements.

The HR Department must maintain adequate backup documentation to support time worked by employees, to record employee absences due to vacation, sick leave or other leave, and to document payments for overtime worked or other pay types (such as retroactive pay or bonuses). The HR Department shall cooperate with reviews of these controls conducted by internal or external auditors.

Additional guidelines regarding employee payroll and leave during specific Events are located in the Contingency Planning Policy, Appendix M of this FMPA Risk Management Policy.

4.2 Benefits Administration: All employee health and wellness records shall be maintained per Health Insurance Portability and Accountability Act ("HIPAA") regulations. The HR Department is responsible for securing all employee information regarding personal health and wellness as required by HIPAA. The Human Resource Director shall cause to be completed employee enrollment in eligible benefits. The HR Department shall also ensure that benefit eligibility records are properly maintained for all employees.

The Human Resource Director shall cause an annual review of FMPA's health and wellness plans to be conducted to assess competitiveness and cost effectiveness of the benefits program.

4.3 Compensation: FMPA's Compensation Policy is contained within the Employee Manual. The Compensation Policy can only be modified by approval of the Board of Directors. The HR Department is responsible for enforcing consistent application of the Compensation Policy across the Agency.

Salary ranges are reviewed and may be adjusted to market during the annual budget process. As required in the Compensation Policy in the Employee Manual, the Human Resources ~~Manager~~ Director shall cause to be completed on a biennial basis a professional third-party review of salary ranges. Such a review shall be conducted ~~by a national firm who shall~~to determine maximum and minimum salary range points based on a statistically validated range. In the alternating year, any proposed salary range adjustment shall be based on the Consumer Price Index year change announced in the ~~month of March~~prior year.

The HR Department is also responsible for ensuring that all personnel are classified correctly and that all payroll laws and regulations are followed, as required in the Fair Labor Standards Act ("FLSA"). The HR Department shall also strive to ensure that the Agency's compensation structure remains competitive with industry standards.

4.4 Employment: The HR Department shall ensure that all employment laws and regulations are followed consistently and fairly. This includes, but is not limited to, FLSA, Americans with Disabilities Act ("ADA"), Family Medical Leave Act ("FMLA"), HIPAA, Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and Equal Opportunity Employment ("EEO") requirements. The Human Resource Director and FMPA's labor law attorney, in consultation with General Counsel, shall cause to be implemented legal requirements and advise management to ensure compliance with applicable employment laws.

4.5 Succession Planning: The HR Department shall provide support to management in the recruitment and development of employees, so that employees are prepared for advancement within the organization. The HR Department shall assist management in identifying and preparing suitable employees for succession opportunities. Succession planning shall ensure that existing employees are prepared for new leadership opportunities and the Agency's operations are not adversely impacted by the departure of key personnel. If a key management position will be vacated through a planned retirement, a placement in advance of the expected departure date is desirable to minimize the risks of an ineffective succession.

5.0 Internal Controls

The Human Resources ~~Manager~~ Director shall cause to be established a system of written internal controls to safeguard the Agency's personnel and financial assets, consistent with this Policy and Human Resources 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 of applicable legal regulations. FMPA shall use a cost-benefits analysis when making decisions regarding the implementation of internal controls.

5.1 System of Controls: The system of internal controls includes the Employee Manual issued by the Agency to all employees. The FMPA Employee Manual includes guidelines for complying with legal requirements, recruitment and employment practices, compensation, employee conduct, benefits, and a variety of Agency procedures. Further internal controls are established in the HR Department governing the separation of payroll duties.

5.2 Ongoing Training: The Human Resource Director shall ensure that all employees receive any training as required by law or regulation. Records must be maintained by the Human Resource Director sufficient to show compliance with training requirements.

The Human Resource Director and other appropriate human resource staff shall be required to complete annually (each fiscal year) 4 hours of continuing professional education in subject courses of study related to personnel management.

5.3 Policy Compliance: Risk Management ~~staff~~ Team shall monitor compliance with this Policy, to include recommendations to the Finance Committee (FC) for external legal compliance reviews when determined necessary. Results of such reviews shall be reported to the Risk Management ~~Department~~ Team and FC.

6.0 Reporting

The Human Resource Director shall cause any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The Finance Committee shall cause to be completed an annual report on the operation and effectiveness of this Human Resources Policy as described in the FMPA Risk Management Policy, Section 7.0. Managers shall report as needed on the current risk environment affecting human resource management to the Risk Management Team, and engage any necessary discussion before moving related items to Advisory or Board Committees.

Appendix A

Florida Municipal Power Agency
Risk Management Reporting Calendar
Human Resource Management Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Link to Policy Reference
Review of Health and Wellness Plans	Annually	Human Resources ~~Manager~~ Director	Section 4.2	Benefits Administration
Review of Salary Ranges	Biennially	Human Resources ~~Manager~~ Director	Section 4.3	Compensation
Policy Compliance	As Needed	Risk Management Team	Section 5.3	Policy Compliance
Deviations from Policy	As Needed	Human Resources ~~Manager~~ Director	Section 6.0	Reporting
Policy Operation & Effectiveness	Annually	Finance Committee	Section 6.0	Reporting

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY
APPENDIX O

INFORMATION TECHNOLOGY RISK MANAGEMENT POLICY

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INFORMATION TECHNOLOGY RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY

This Information Technology 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 use of information technology ("IT") assets and resources. This Policy is Appendix O 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 governing bodies. FMPA staff is hereby authorized to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse effect on FMPA's ability to utilize its IT assets and resources.

The following summarizes the Policy of the Board of Directors and Executive Committee:

- ❖ Information technology management shall conform to applicable regulatory and legal requirements.
- ❖ Authority is delegated to the Information Technology Manager ("ITSC") to create procedures to facilitate the management of IT and administer this Policy.
- ❖ The ITSC shall recommend procedures and operational policies for specific IT activities as specified in Section 4.2.
- ❖ FMPA's ITSC shall present all recommendations to the General Manager for approval as required in Section 4.2.

- The Information Technology Manager shall report on ITSC activities as required in Section 6.0 of this Policy.
- The Agency Risk Manager shall report deviations from this Policy to the ~~Audit and Risk Oversight~~Finance Committee ("~~AROC~~FC").

2.0 Scope

This Policy applies to all IT assets utilized by FMPA whether at office or generation asset locations, except those Operational Technology ~~IT~~ assets ~~defined as Critical Cyber Assets under~~subject to NERC CIP standards which shall be governed by policies or procedures established by the CIP Senior Manager~~Regulatory Compliance Officer~~. For this Policy "information technology assets and resources" are defined as the staff, software, hardware, phone systems and facilities that are used to electronically store, retrieve and/or manipulate business information at FMPA.

The Records Management Risk Management Policy (Appendix L of the FMPA Risk Management Policy) addresses management of the Agency's business records, except where superseded by NERC/FERC regulations.

All users of FMPA's IT assets and resources are responsible for the proper care and use of IT assets and resources under their direct control as defined in this Policy, the Employee Manual and all associated policies and procedures.

3.0 Types of Information Technology Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to ensure effective and efficient operation of information technology assets and resources. The IT Manager will cause procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. The FMPA Risk Management Policy identifies ten risks composing FMPA's common risk framework. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected framework risks are those risks presented by typical information technology activities.

3.1 Regulatory Risk: The potential adverse impact of an action or direction from a regulatory body. An example of regulatory risk impacting IT assets might occur if regulatory standards are issued which require a higher level of IT security than currently in place. Non-compliance to such standards could expose FMPA to fines or other regulatory action.

3.2 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. An example of administrative risk for IT assets would be if unauthorized system changes were made to a financial information system. Such changes could allow fraud or financial misstatement to occur, resulting in financial loss to FMPA. Not being able to detect such unauthorized changes would make this risk more pronounced.

3.3 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. An example of strategic risk related to IT assets would be if decisions regarding implementation of new software were not tied to FMPA's strategic goals. This lack of coordination could result in separate business decisions which do not support the achievement of FMPA's goals, resulting in financial and/or reputation loss.

4.0 Information Technology Management

This Policy establishes broad measures to secure FMPA's IT assets and resources against theft, fraud, malicious or accidental damage, and/or breach of integrity.

4.1 Information Technology Ownership: A custodian is responsible for IT assets or resources under their control as described below.

The IT Manager is custodian of the infrastructure of all Agency-wide systems, including all hardware, software, and voice and data networks associated with such systems. This includes items such as, but not limited to, email and network servers, internet connections, firewalls and virus protection.

Managers are custodians of all applications and systems under each manager's direct control. The ITSC shall maintain a list of current application and system owners, in accordance with procedures established as prescribed in Section 4.2.

All Staff are custodians of computing systems or telecommunication devices issued for their exclusive use, regardless of length of time of use. This includes, but is not limited to, desktop and laptop computers, cell phones, and storage media. The Employee Manual further addresses staff responsibilities and disciplinary actions resulting from misconduct.

4.1.1 Security Breaches: All custodians are responsible for notifying the IT Manager of security breaches that require actions beyond the custodian's ability or authority. A security breach is defined for this Policy as data or actions which intentionally or unintentionally violate this Policy. The IT Manager shall log all such reported breaches and provide a monthly summary report (if breaches occur) to the Agency Risk Manager.

4.1.2 Software Licenses: All staff are responsible for complying with applicable copyright laws and with the terms and conditions of any contract or software licenses for purchased, leased, or acquired software. ITSC procedures regarding software approval and installation shall be followed by all staff prior to installing, distributing or copying software.

4.2 Information Technology Steering Committee (ITSC): The ITSC is an FMPA staff group that shall review and collaborate on strategic issues related to the IT assets and resources of the Agency. The ITSC shall review and make recommendations regarding software initiatives, IT policies and procedures, IT budget development, standards and overall IT performance, and coordination of priorities between IT and Agency departments.

The ITSC Charter maintained by the IT Manager further details the duties, voting structure and meeting organization of the group.

At a minimum, the ITSC should recommend policies and/or procedures supportive of this Policy to include:

- User access approval process
- Software patching
- System, application and network logging
- Application and network security standards
- Change management processes
- Database administration and management
- Software approval and installation

The IT Manager, as Chairperson of the ITSC, shall present all ITSC recommendations to the General Manager for approval prior to implementation.

The ITSC shall at a minimum consist of the following members:

- IT Manager (Chairperson)
- ~~Assistant General Manager Power Resources~~Chief Operating Officer

- ~~Assistant General Manager, Finance and Information Technology and~~ CFO
- Assistant General Manager, Member Services, Human Resources, and Public Relations
- ~~Regulatory Compliance Officer~~
- Chief Information Security Officer
- Other members as deemed necessary by Chairperson or General Manager
- Risk ~~Department~~Team representative as a non-voting member

4.3 System Availability and Integrity: The Continuity Planning Policy (Appendix M of the FMPA Risk Management Policy) contains the current minimum restoration times for key applications. The IT Manager shall comply with those Policy requirements along with applicable results from biennial disaster recovery tests in determining the maximum allowable downtime for Agency-wide systems.

At a minimum, FMPA shall utilize a co-location facility for off-site data storage and back-up that is sufficient to meet the timeframes established by the standards above. Preference shall be given to locations with SAS 70 audit compliance.

~~The IT Manager shall coordinate with the Regulatory Compliance Officer to ensure compliance with applicable NERC standards (see Statutory and Regulatory Policy, Appendix G of the FMPA Risk Management Policy). The IT Manager and/or other designated staff should participate in the FRCC Critical Infrastructure Protection Committee or its subcommittees, working groups or task forces, as permitted by regulations.~~

4.4 Security and Privacy Standards: Protective measures shall be taken by all custodians to ensure compliance to any applicable regulations and to maintain the integrity of FMPA's IT assets and resources. Satisfactory controls shall be directed at reducing probable high impact risk events, such as preventing access of unauthorized users.

The ITSC may recommend to the General Manager operating policies and procedures which expand on the following minimum privacy and security standards:

4.4.1 Physical security: Server rooms or other sensitive IT asset and resource locations shall maintain the following minimum safeguards against unauthorized access:

- Doors shall remain locked when not occupied by authorized personnel.
- Non-IT Department persons shall not be granted access without IT Dept staff present.
- Sites without IT Department staff on-site shall have a staff person designated as the IT asset custodian. Only authorized personnel may access and/or modify IT assets and resources. Access to IT assets and resources shall be monitored as determined by guidelines to be established by the ITSC.

4.4.2 User Access:

- Requirements for passwords shall be determined by the risk level of each system or application, as shown in the table below:

Risk Level	**Password Complexity**
High	64-bit information entropy
Low	32-bit information entropy

- Risk levels shall be assigned to each application or system as prescribed in applicable ITSC procedures.

- It is recommended that unique user names be utilized.
- Inactivity periods must be enforced on all FMPA computing assets. The system must automatically suspend the session after a maximum of 15 minutes of inactivity, and re-establishment of the session shall only be allowed upon resubmission of the password.
- The Human Resources Director is responsible for notifying IT of access changes required prior to cease of employment of any staff.
- Managers must follow the "Access Control Procedures" (as recommended by ITSC and approved by General Manager) to request staff access changes to systems or applications, including new hires.
- Manager owners shall perform annual user access reviews for systems under their control, as defined in "Access Control Procedures". The IT Manager shall annually provide each owner with applicable user access reports to facilitate such a review.

4.4.3 Virus Protection:

- The IT Manager shall maintain anti-virus software on all vulnerable systems. The IT Manager shall maintain documentation for any systems that are not current with anti-virus software with rationale for such status.
- At a minimum such anti-virus software should attempt to check all software, data and attachments for viruses, provide software tools to detect and remove viruses, and isolate infected items quickly to allow for removal.
- The IT Manager shall cause to be conducted a market review of anti-virus software no less than every three years to verify that existing software meets then current industry standards. Results shall be reported to the ITSC for consideration in the budget development process.

4.4.4 Firewalls:

- The IT Manager shall coordinate and document an annual internal review of the firewall ruleset to ensure it is reasonably restrictive, limiting access to only necessary ports and protocols.
- The IT Manager is responsible for documenting the business need for each rule within the firewall configuration
- FMPA shall maintain a system which documents changes to firewall rulesets.

4.4.5 Change Management:

- FMPA shall maintain a representative test environment which allows appropriate testing for compatibility before additions to or updates of systems or applications.
- The ~~Assistant General Managers (AGMs)~~Senior Leadership Team have discretion to approve modifications in applications/systems for which their respective division managers are custodians. The AGMs must comply with the ITSC Charter.

4.4.6 System, Application and Network Logging:

- The IT Manager shall ensure that logging is taking place for all critical Windows, border router, and application events by maintaining a centralized application and network log aggregation, monitoring, and alerting solution.
- Logs should be aggregated from key business applications, servers and network devices including firewalls and routers.
- The IT Manager shall maintain such logs in accordance with the Records Management Policy.

5.0 Internal Controls

The IT Manager shall cause to be established a system of written internal controls to manage IT assets and resources, consistent with this Policy and associated Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy.

5.1 Policy and Procedure Compliance: The Agency Risk Manager shall cause compliance with this Policy and associated procedures to be monitored on an annual basis. Any unresolved compliance issues will be presented to the ~~AROC~~FC by the Agency Risk Manager. Violations involving personnel issues shall be handled through FMPA's standard disciplinary process.

5.2 Internal Controls: Establishment of internal controls within the IT Department will be addressed by the policies identified in Section 4.4 and any associated procedures. The acceptable level of internal controls may change with the Agency's IT assets and resources. The IT Department will strive to maintain a segregation of duties between system administrators and programmers. To the extent such segregation of duties is not possible, compensating controls shall be established and documented by the IT Manager.

5.3 Staff Training: New employees shall be notified of this Policy during orientation. The IT Manager shall develop an ongoing user training program to address common security topics. These topics may include:

- Viruses, worms, Trojan horses
- Social engineering attacks
- Mobile device security
- Strong password construction
- Safe computing habits

Staff training may be conducted through formal training, written communications, or web-hosted training materials.

5.4 Continuing Education: The IT Manager and other appropriate IT Department staff are recommended to complete at least 8 hours of continuing education annually in subject courses of study related to IT assets, system management, and/or security as it pertains to job duties.

6.0 Reporting

The IT Manager is responsible for completion of the following reporting requirements:

6.1 Report to ITSC: An annual report to the ITSC on the activities of the IT Department during the past year. The ITSC shall review the report and provide an analysis of any problems and solutions for inclusion in the annual ~~AROC~~FC report described below. The ITSC annual report shall at a minimum include the following:

1. Summary of system downtimes (planned and unplanned outages)
2. Support tickets resolved and outstanding
3. Rationale for non-current anti-virus software (4.4.3)
4. Summary of firewall ruleset changes (4.4.4)
5. Unresolved ITSC agenda items

6.2 Report to ~~AROC~~FC: An annual report ~~at the September~~will be presented to the ~~AROC~~FC ~~meeting~~ on the activities of the ITSC during the previous year. Such report shall at a minimum include the following:

1. Security breaches
2. ITSC approved exceptions as allowed by Policy
3. List of General Manager approved IT policies and procedures

4. Significant changes to IT risks since last report
5. ITSC analysis of problems and solutions, as applicable

The Agency Risk Manager 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 presented to the ~~AROC~~FC as described in Section 7.0 of the FMPA Risk Management Policy. The IT Manager shall report on the current risk environment affecting FMPA's information technology to the Risk Management Department as needed and engage any necessary discussion before recommending action to the appropriate governing body.

Florida Municipal Power Agency
Risk Management Reporting Calendar
Information Technology Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Policy Reference
Security Breaches to Risk Manager	Monthly	IT Manager	Section 4.1.1	Security Breaches
User access reports to Managers	Annually	IT Manager	Section 4.4.2	User Access
~~AROC~~ **FC** annual report	Annually	IT Manager	Section 6.0	Reporting
ITSC annual report	Annually	IT Manager	Section 6.0	Reporting
Policy Operation & Effectiveness	Annually	~~The AROC~~ The FC	Section 6.0	Reporting

RISK MANAGEMENT POLICY
APPENDIX D

FLORIDA MUNICIPAL POWER AGENCY

INSURANCE PROGRAM RISK MANAGEMENT POLICY

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INSURANCE PROGRAM RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Insurance Program 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 insurance operations.

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 protect its employees and material assets from damage or loss.

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 and administer this Policy.
- Potential exposures to loss shall be systematically and continuously identified.
- An analysis of the balance of probability of frequency and severity of loss shall guide the selection of an optimal level of insurance coverage.
- Risk exposures shall be reduced, eliminated, or transferred to other parties where appropriate.
- The Treasurer and Risk Director shall report deviations and other reports as required in this Policy to the Finance Committee (FC).

This Policy serves as a framework that enables the Treasurer and Risk Director to direct insurance activities by establishing minimum standards to systematically identify potential exposure to risk, measure the possible impact of those risks, and implement strategies to mitigate those risks.

2.0 Scope and Authority

This Policy applies to all aspects of the Agency's business and its Projects.

2.1 Delegation of Authority: The Board of Directors and Executive Committee delegate authority to the Treasurer and Risk Director to administer this Policy and oversee the day-to-day operation of this Policy. The Treasurer and Risk Director may deviate from this Policy with approval of the ~~General Manager~~CEO but must report all deviations to the FC within 5 business days.

2.2 Reporting Claims: All claims except workers' compensation shall be reported to and handled by the Treasurer and Risk Director. Claims related to workers' compensation shall be reported to and handled by the Human Resources Department.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's ability to limit exposure to financial loss events related to employees and material assets. The Treasurer and Risk Director shall cause procedures to be written that identify the 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 insurance related risk encountered by FMPA during the normal course of the business cycle, the following provides insight into FMPA's risk exposure.

3.1 Operational Risk: The risk that internal practices, policies, procedures or systems will not perform as intended. An example of operation risk involving insurance might occur if a hurricane damaged the FMPA offices, but there was insufficient insurance to cover losses. This lack of adequate insurance could cause financial loss to FMPA.

3.2 Reputational Risk: The risk that customers or the public will negatively perceive the Agency. An example of reputational risk might occur if an employee is hurt while on the job and the Agency did not have appropriate worker's compensation insurance, resulting in negative public reaction. This negative perception could cause financial or reputation loss to FMPA.

4.0 Potential Exposures to Loss

The Treasurer and Risk Director is responsible for overseeing Agency and FMPA Projects' liability and property insurance activities through the Insurance Program. This shall include a systematic and continuous identification of potential exposure to loss. Insurance needs other than liability and property are the responsibility of the Human Resources Manager.

4.1 Annual Review: The Treasurer and Risk Director shall cause areas of potential exposure to be reviewed not less than annually. This review shall include, at a minimum, FMPA operations, services and service delivery methods, real and personal property and other exposures. The review shall also include an analysis of losses and loss history trends. An annual review of health and wellness plans is required by the Human Resources Risk Policy, Appendix N of this FMPA Risk Management Policy

4.2 Exposure Awareness: The Treasurer and Risk Director shall cause activities to be conducted that will increase the level of awareness of division and department heads as to risk impact of new programs, projects, procurements, and activities.

4.3 Reduce or Eliminate Exposure: The Treasurer and Risk Director shall cause systematic reviews of identified exposures to be completed and make recommendations to the appropriate manager or governing body as to the reduction or elimination of those exposures where feasible.

4.4 Transfer Exposures: All contracts entered into by FMPA that exceed $10,000,000, or other contracts at the discretion of the ~~General Manager~~CEO, shall be reviewed by the TRD to identify and reduce any contractual liability being assumed by FMPA. When determined appropriate by the Treasurer and Risk Director, FMPA shall transfer risk to persons operating FMPA facilities or performing any operations for or on behalf of FMPA whenever possible.

All contracts for services shall clarify the status of the contractor as an independent contractor, where appropriate. All contracts and agreements are to be "Reviewed as to Form" and approved by the General Counsel's office.

4.5 Analysis: The Treasurer and Risk Director shall cause to be completed an analysis on remaining risk exposures for the probability of frequency and severity of loss, as well as the variety and types of claims and their probable financial impact. This analysis should contribute to the selection of an optimal level of insurance coverage. For risks that cannot be eliminated or transferred, FMPA shall either purchase insurance or self-insure~~self insure~~ and handle claims as an operating cost.

5.0 Internal Controls

The Treasurer and Risk Director shall cause to be established a system of written internal controls to regulate insurance activities, consistent with this Policy, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. The Treasurer and Risk Director is responsible for the day-to-day transactions undertaken, pursuant to this Policy, and for regulating the activities related to risk management.

5.1 Competitive Selection of Insurance Services: The Treasurer and Risk Director shall cause to be conducted a market review of brokerage and other needed services no less than every ~~five~~ seven (7~~5~~) years. The Treasurer and Risk Director shall review and update the insurance specifications for required coverage, desired forms, deductible options and limits prior to submission to the insurance market. The selection process shall follow the guidelines of the Procurement Policy, Appendix O of this FMPA Risk Management Policy.

5.2 Claims Procedures: The Treasurer and Risk Director shall develop and implement procedures for the reporting and handling of accidents and losses related to property and liability claims. The Human Resources Manager shall notify FMPA's General Counsel, ~~General Manager~~CEO, and Treasurer and Risk Director when a workers' compensation claim has been made.

5.3 Continuing Education: The Treasurer and Risk Director and other appropriate risk management staff are recommended to complete 8 hours of continuing professional education (CPE's), or as required by State Regulations, in subject courses of study related to risk management products and techniques.

6.0 Reporting

The Treasurer and Risk Director shall make recommendations for levels of insurance and limiting exposures to the FC as necessary, but no less than once a year. The Treasurer and Risk Director shall also provide an ~~annual~~ report to the FC ~~no later than January 31 each year~~ annually. This annual report shall include, but is not limited to, the following:

- Prior year actuals for premiums, claims, and losses.
- Cost of insurance coverage.
- Change of coverage limits, amounts, or other material aspects of the policy within the current policy period year.
- Recommend changes to coverage limits, amounts, or other material aspects of the policy within a future policy period.
- Any additional coverage purchases within the current or future policy periods.

The Treasurer and Risk Director shall cause any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The FC shall cause to be completed an annual report on the operation and effectiveness of this Policy as described in the FMPA Risk Management Policy, Section 7.0. Treasurer and Risk Director shall report as needed on the current risk environment affecting the insurance program to the ~~General Manager~~CEO as needed, and engage any necessary discussion before moving items to the FC or governing bodies.

APPENDIX A

Insurance Program Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Policy Reference
Deviations from Policy	As needed	Treasurer and Risk Director	Section 2.1	Scope and Authority
Review of Potential Exposure	Annually	Treasurer and Risk Director	Section 4.1	Potential Exposure to Loss
Market Review of Brokerage	Every 7 Years	Treasurer and Risk Director	Section 5.1	Competitive Selection of Insurance Services
Worker's Compensation claims	As needed	HR Director	Section 5.2	Claims Procedures
Annual Report	Annually by Jan 31	Treasurer and Risk Director	Section 6.0	Reporting
Deviations from Policy	As Needed	Treasurer and Risk Director	Section 6.0	Reporting
Policy Operation & Effectiveness	Annually	Finance Committee	Section 6.0	Reporting

Presentation at the Meeting by Ken Morgan, Associate Dean & Director TCU Energy Institute

AGENDA ITEM 9 – INFORMATION ITEMS

a. **Energy and the Environment: Historical View**

Board of Directors Meeting
January 16, 2020

AGENDA ITEM 9 – INFORMATION ITEMS

b. HR Quarterly Report

Board of Directors Meeting
January 16, 2020

9b – Board of Directors HR Quarterly Report

January 16, 2020

January 2019 – January 2020
All Recommendations Addressed or Completed

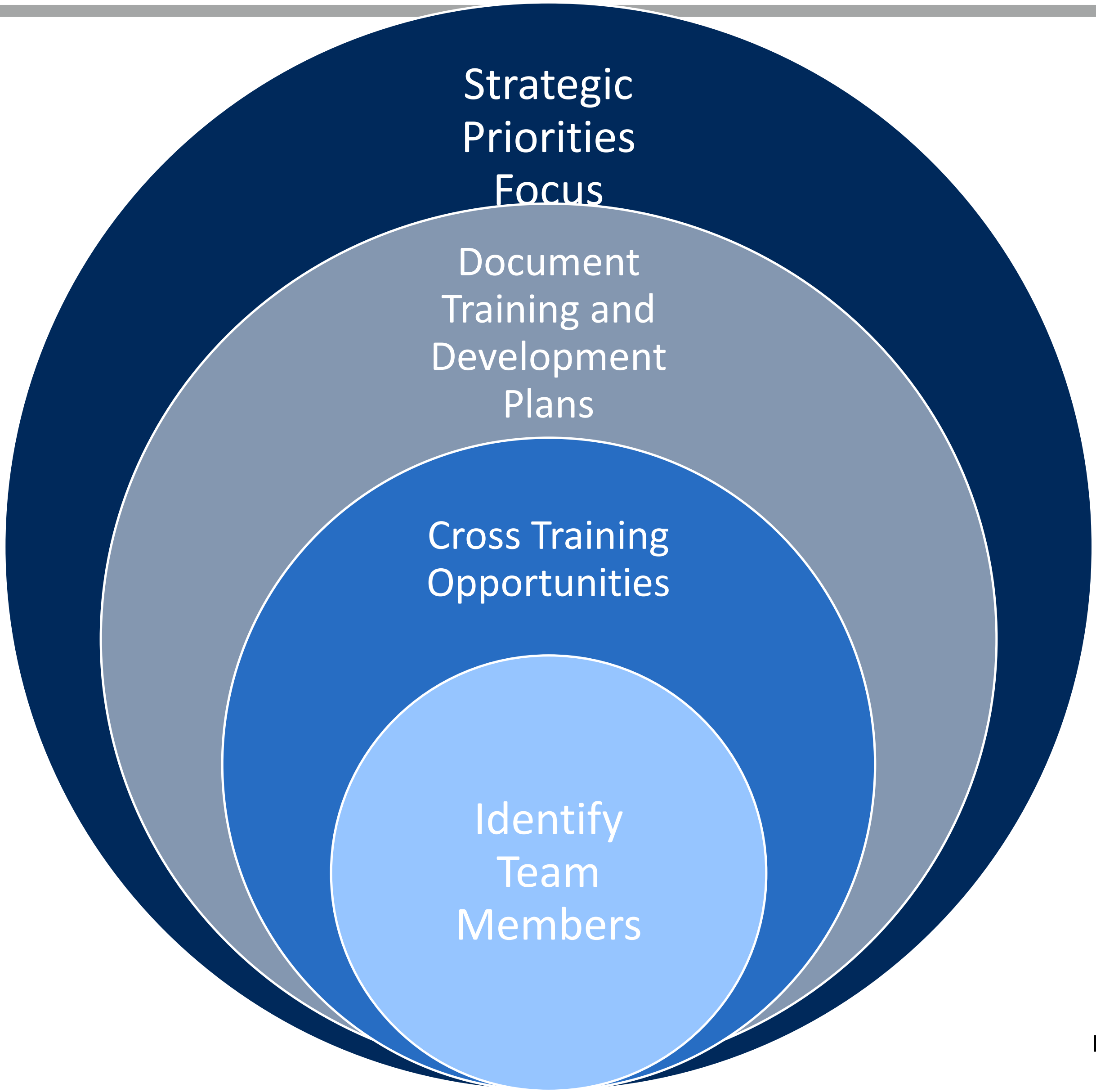
1. Address perceived gender and age bias
2. Include HR as a strategic partner
3. BOD should add a “people” component to the strategic goals
4. Improve performance appraisals and feedback
5. Hire external Coach
6. Enhance EEO training
7. Add Ethics training
8. More consistency for flexible time for staff
9. Increase and Improve communications
10. Ensure no retaliation
11. Provide updates to the BOD on implementation of recommendations

FMPA MUNICIPAL POWER

2020 Ongoing Efforts

- Strategic Priorities and Continued Development for Team Members
- Succession Planning
- Professional Development Coach for Leadership team
- Follow up Employee Engagement Survey
- Continue to Focus on Strengths
- Process Team Prioritizing Projects

Staffing For Strategic Priorities



Succession Planning

- Formal succession planning meeting January
- Identify team members
  - eligible for retirement in next five years
  - high potential team members
  - ready for promotion
  - at risk of leaving
- Place in talent pools for development plans

Leadership Coach

360/DISC Assessment

- Peers, Director Reports, Leadership Team

Individual Leadership Goals

- Action Plan and Accountability

Leadership Team Goals

- Trust and Loyalty

FMPA MUNICIPAL POWER

Engagement Survey Follow Up

Four Focus Areas

The leaders at FMPA demonstrate that people are important to the company's success.

Most of the systems and processes here support us getting our work done effectively.

I believe there are good career opportunities for me at FMPA.

When it is clear that someone is not delivering in their role we do something about it.

Strengths

Important for retention and attraction

- Day-to-day decisions here demonstrate that meeting Member needs are top priorities
- I know how my work contributes to the goals of Florida Municipal Power Agency
- Other departments at Florida Municipal Power Agency collaborate well with us to get the job done
- I believe my total compensation (base salary + benefits + equity) is fair, relative to similar roles at other companies
- Florida Municipal Power Agency's commitment to social responsibility (e.g. community support, charitable giving, sustainability, etc.) is genuine

Process Improvement Team

Working with IT to develop project plans

- Enhance Board Agenda Process
- Develop formal documentation retention and management process
- Data Management that allows quicker access to generation, member, pool and financial data.
- Tool for tracking Member projects and tasks

FMPA MUNICIPAL POWER

Questions?

AGENDA ITEM 9 – INFORMATION ITEMS

c. Summary of Finance Committee Items

Board of Directors Meeting
January 16, 2020

BOD 9c – EC 9b – Summary of Finance Committee Items

Board of Directors and Executive Committee

January 16, 2020

Finance Committee Items

Possible Action Items Next Month

- Internal Audit items/Review and approval of the
  - Proposed changes to Risk Management policies
    - Debt
    - Records Management
    - Human Resources
    - Information Technology

Recommended Action

- Information only. No action required

AGENDA ITEM 10 – MEMBER COMMENTS

Board of Directors Meeting
January 16, 2020

AGENDA ITEM 11 – ADJOURNMENT

Board of Directors Meeting
January 16, 2020