



## **ARP EXECUTIVE COMMITTEE AGENDA PACKAGE**

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**April 16, 2020**

**9:15 a.m. [NOTE TIME] (or immediately  
following the Board of Directors Meeting)**

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

**Meeting Number 732 532 012#**

**Meeting Password: 8553**

### **Committee Members**

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell

Lynne Mila, Clewiston

Fred Hilliard, Fort Meade

Paul Jakubczak, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Brad Chase, Leesburg

Bill Conrad, Newberry

Mike Poucher, Ocala

Robert Milner, Starke

### **Meeting Location**

**Florida Municipal Power Agency**

**8553 Commodity Circle**

**Orlando, FL 32819**

**(407) 355-7767**



## MEMORANDUM

TO: FMPA Executive Committee  
FROM: Jacob A. Williams, General Manager and CEO  
DATE: April 6, 2020  
RE: FMPA Telephonic Executive Committee Meeting  
**Thursday, April 16, 2020 at 9:15 a.m. [NOTE TIME]**  
(or immediately following the Board of Directors meeting)  
PLACE: Florida Municipal Power Agency  
8553 Commodity Circle, Orlando, FL 32819  
Fredrick M. Bryant Board Room

**DIAL-IN: (877) 668-4493 or 650-479-3208, Meeting Number 732 532 012#**  
**PASSWORD 8553#**

**(If you have trouble connecting via phone or internet, call 407-355-7767)**

Chairman Howard McKinnon, Presiding

### AGENDA

1. Call to Order, Roll Call, Declaration of Quorum .....4
2. Set Agenda (by vote) .....5
3. Recognition of Guests .....6
4. Public Comments (Individual public comments limited to 3 minutes) .....7
5. Comments from the Chairman (Howard McKinnon) .....8
6. Report from the General Manager (Jacob Williams) .....9
7. Consent Agenda
  - a. Approval of Meeting Minutes – Meetings Held February 13, 2020 and March 19, 2020 (meeting not held) and ARP Telephonic Rate Workshops Held February 11, 2020 and March 11, 2020 ..... 11
  - b. Approval of Treasury Reports – As of January 31, 2020 and February 29, 2020 ..21
  - c. Approval of the Agency and All-Requirements Project Financials as of January 31, 2020 and February 29, 2020 .....28

**8. Action Items**

- a. Approval of Extension of FGT Gas Transportation Capacity Serving Cane Island (Ken Rutter).....31

**9. Information Items**

- a. Development Fund Interest for Solar Project \* (Linda S. Howard) ..... 38  
b. TEA Resource Management Agreement (Chris Gowder)..... 44  
c. 2020 Emissions Projections \* (Jacob Williams/Susan Schumann)..... 54  
d. ARP 2020 Ten Year Site Plan (Navid Nowakhtar)..... 64  
e. Summary of Finance Committee Items (Linda S. Howard)..... 70  
f. Discuss Budget Increase for nFront Assistance with FPL Transmission Rate Case (Jason Wolfe) ..... 74

**10. Member Comments..... 82**

**11. Adjournment..... 83**

**\*Item also on the Board of Directors Agenda.**

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

The participants in the above referenced public meeting will conduct the public meeting by telephone, via a telephone conference hookup. There will be a speaker telephone made available for any interested person to attend this public meeting and be fully informed of the discussions taking place by telephone conference hookup at FMPA's headquarters, located at 8553 Commodity Circle, Orlando, Florida 32819-9002. 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 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements. Any interested person may contact FMPA for more information on this public meeting by calling (850) 297-2011 or (877) 297-2012 or writing to: Open Government Law Compliance Coordinator, Florida Municipal Power Agency, 2061-2 Delta Way, Post Office Box 3209, Tallahassee, Florida 32315-3209.

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

**Executive Committee  
April 16, 2020**

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

**Executive Committee  
April 16, 2020**

**AGENDA ITEM 3 – RECOGNITION OF  
GUESTS**

**Executive Committee  
April 16, 2020**

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

**Executive Committee  
April 16, 2020**

# **VERBAL REPORT**

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

**Executive Committee  
April 16, 2020**



# **VERBAL REPORT**

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

**Executive Committee  
April 16, 2020**

**AGENDA ITEM 7 – CONSENT AGENDA**

- a) Approval of Meeting Minutes – Meeting  
Held February 13, 2020 and March 19, 2020  
and ARP Telephonic Rate Workshops Help  
February 11, 2020 and March 11, 2020**

**Executive Committee  
April 16, 2020**

CLERKS DULY NOTIFIED ..... FEBRUARY 4, 2020  
AGENDA PACKAGES POSTED ..... FEBRUARY 4, 2020

**MINUTES  
EXECUTIVE COMMITTEE  
THURSDAY, FEBRUARY 13, 2020  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FL 32819**

**PARTICIPANTS**

**PRESENT:**

Lynne Mila, Clewiston (via telephone)  
Jan Bagnall, Fort Meade  
Paul Jakubczak, Fort Pierce  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana (via telephone)  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West  
Larry Mattern, Kissimmee  
Brad Chase, Leesburg  
Bill Conrad, Newberry  
Eric Weaver, Ocala \*  
John Holman, Starke

\*arrived after roll call

**OTHERS**

**PRESENT**

John Tompeck, Fort Pierce  
Barbara Quiñones, Homestead  
Claston Sunanon, Orlando  
Craig Dunlap, Dunlap & Associates, Inc.  
Lynn Sand, Leidos  
Rafael Couret, Power Engineers

**STAFF**

**PRESENT**

Jacob Williams, General Manager and CEO  
Jody Finklea, Deputy General Counsel  
Ken Rutter, Chief Operating Officer  
Linda Howard, Chief Financial Officer  
Carol Chinn, Chief Information and Compliance Officer  
Cairo Vanegas, Manager of Member Services Development  
Chris Gowder, Business Development and System Operations  
Director  
Dan O'Hagan, Assistant General Counsel  
Rich Popp, Treasurer and Risk Director  
Mark McCain, Assistant General Manager, Member Services  
and Public Relations  
Sharon Adams, Human Resources Director  
Sue Utley, Executive Asst. /Asst. Secy. to the Board

Susan Schumann, Manager of External Affairs and Solar Projects  
Mike McCleary, Manager of Member Services Development  
David Schumann, Power Generation Fleet Director  
Luis Cruz, IT Manager  
Isabel Montoya, IT Specialist

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

Vice Chair Lynne Tejeda, Key West, called the FMPA Executive Committee Meeting to order at 10:46 a.m. Thursday February 13, 2020 in the Frederick M. Bryant Board Room at Florida Municipal Power Agency 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 12 members present out of a possible 13.

#### **ITEM 2 – SET AGENDA (BY VOTE)**

**MOTION:** Paul Jakubczak, Fort Pierce, moved approval of the agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

#### **ITEM 3 – RECOGNITION OF GUESTS**

None

#### **ITEM 4 – PUBLIC COMMENTS**

None

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

Vice Chair Tejeda reminded everyone of the upcoming APPA Legislative Rally in Washington, DC February 24 through 26, 2020.

#### **ITEM 6 – REPORT FROM GENERAL MANAGER**

Jacob Williams reminded the Executive Committee of the upcoming ARP New Resource and Decision Process workshop Wednesday, March 18, 2020.

#### **ITEM 7 –CONSENT AGENDA**

**Item 7a – Approval of Meeting Minutes – Held January 16, 2020 and ARP Telephonic Rate Workshops Held January 14, 2020**

**Item 7b – Approval of Treasury Reports – As of December 31, 2019**

**Item 7c – Approval of the Agency and All-Requirements Project Financials as of December 31, 2019**

**MOTION:** Larry Mattern, Kissimmee, moved approval of the Consent Agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

**ITEM 8 – ACTION ITEMS**

**a. Approval of Solar II Energy Exchange Agreement Between the ARP and Lake Worth Beach**

Susan Schumann reported on the Solar Phase II Energy Exchange Agreement between the ARP and Lake Worth Beach.

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of the Energy Exchange Agreement between Lake Worth Beach and the ARP. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 12 – 0.

**b. Approval of Solar Phase I Harmony Substation Cost Sharing**

Chris Gowder discussed the Solar Phase I Harmony Substation Cost Sharing.

**MOTION:** Paul Jakubczak, Fort Pierce, moved approval of the Harmony Substation Cost Sharing Letter Agreement between OUC and FMPA (All-Requirements Power Supply Project) and authorize the COO to execute the agreement. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 12 – 0.

**c. Approval of Solar Phase I Poinsett PPA Revisions**

Chris Gowder pointed out the ARP portion of the revisions to the Solar Phase I Poinsett PPA Revisions.

**MOTION:** Allen Putnam, Jacksonville Beach, moved 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. Larry Mattern seconded the motion. Motion carried 12 – 0.

**ITEM 9 – INFORMATION ITEMS:**

**Item 9a – Annual Debt Report**

This item was discussed in the Board of Directors meeting. No further discussion.

#### **ITEM 10 – MEMBER COMMENTS**

None.

#### **ITEM 11 – Adjournment**

There being no further business, the meeting was adjourned at 10:53 a.m.

\_\_\_\_\_  
Lynne Tejeda  
Vice Chairperson, Executive Committee

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

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

Seal

CLERKS DULY NOTIFIED .....MARCH 10, 2020  
AGENDA PACKAGES POSTED.....MARCH 10, 2020

**MINUTES  
EXECUTIVE COMMITTEE  
THURSDAY, MARCH 19, 2020  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FL 32819**

**PARTICIPANTS**      None  
**PRESENT:**

**OTHERS**              None  
**PRESENT**

**STAFF**                None  
**PRESENT**

**NO MEETING HELD**

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

Chairman Howard McKinnon took action during the Board of Directors meeting (immediately prior to the scheduled start of the Executive Committee meeting) to move three information items from the Executive Committee agenda, as the Executive Committee agenda had no action items. These items are as follows:

**EC 9d – Holloway Solar Project in the City of Leesburg**  
**EC 9f – Update on ARP Prepaid Gas Transactions**  
**EC 9g – Extension of FGT Gas Transportation Capacity Serving Cane Island**

These items were added to the end of the information items on the Board of Directors agenda and discussed during the Board meeting.

/su

PUBLIC NOTICE SENT TO CLERKS ..... FEBRUARY 4, 2020  
AGENDA PACKAGES SENT TO MEMBERS ..... FEBRUARY 4, 2020

**MINUTES  
EXECUTIVE COMMITTEE  
ALL-REQUIREMENTS POWER SUPPLY PROJECT  
TELEPHONIC RATE WORKSHOP  
TUESDAY, FEBRUARY 11, 2020  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FLORIDA 32819**

**COMMITTEE MEMBERS PRESENT VIA TELEPHONE**

Jack Wetzler, Key West  
Larry Mattern, Kissimmee  
Brad Chase, Leesburg  
Maria Brooke, Ocala

\*arrived after roll call.

**COMMITTEE MEMBERS ABSENT**

Christina Simmons, Bushnell  
Lynne Mila, Clewiston  
Fred Hilliard, Fort Meade  
John Tompeck, Fort Pierce  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana  
Allen Putnam, Jacksonville Beach  
Barbara Gonzalez, Kissimmee  
Bill Conrad, Newberry  
Bob Milner, Starke

**OTHERS PRESENT**

David Siegel, Kissimmee  
Sabrina Hubbel, Leesburg

**STAFF PRESENT**

Jacob Williams, General Manager and CEO  
Sue Utley, Executive Assistant to General Manager and CEO / Asst.  
Secy. to the Board  
Jason Wolfe, Financial Planning, Rates and Budget Director  
Steve Ruppel, Financial Planning, Senior Financial Analyst  
Bianca Scott, Human Resources, Administrative Specialist



### **Item 1 – Call to Order**

Larry Mattern called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, February 11, 2020, via telephone. A speaker telephone for public attendance and participation was located in the Library Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

### **Item 2 – Information Items**

Steve Ruppel gave a verbal update on the natural gas markets; provided an overview of the January loads and reviewed the January ARP rate calculation.

### **Item 3 – Member Comments**

It was mentioned that a lot of our members are in Tallahassee at the rally and are having legislative appointments today, which is likely why they aren't on the call.

There being no further business, the meeting was adjourned at 2:07 p.m.

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Approved

AP/su

PUBLIC NOTICE SENT TO CLERKS ..... MARCH 10, 2020  
AGENDA PACKAGES SENT TO MEMBERS ..... MARCH 10, 2020

**MINUTES  
EXECUTIVE COMMITTEE  
ALL-REQUIREMENTS POWER SUPPLY PROJECT  
TELEPHONIC RATE WORKSHOP  
TUESDAY, MARCH 11, 2020  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FLORIDA 32819**

**COMMITTEE MEMBERS PRESENT VIA TELEPHONE**

John Tompeck, Fort Pierce  
Howard McKinnon, Havana  
Larry Mattern, Kissimmee  
Brad Chase, Leesburg  
Bill Conrad, Newberry

\*arrived after roll call.

**COMMITTEE MEMBERS ABSENT**

Christina Simmons, Bushnell  
Lynne Mila, Clewiston  
Fred Hilliard, Fort Meade  
Bob Page, Green Cove Springs  
Allen Putnam, Jacksonville Beach  
Jack Wetzler, Key West  
Barbara Gonzalez, Kissimmee  
Maria Brooke, Ocala  
Bob Milner, Starke

**STAFF PRESENT**

Ken Rutter, Chief Operating Officer  
Linda S. Howard, Chief Financial Officer  
Sue Utley, Executive Assistant to General Manager and CEO / Asst.  
Secy. to the Board  
Jason Wolfe, Financial Planning, Rates and Budget Director  
Steve Ruppel, Financial Planning, Senior Financial Analyst  
Bianca Scott, Human Resources, Administrative Specialist

**Item 1 – Call to Order**

Howard McKinnon called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, March 11, 2020, via telephone. A speaker

telephone for public attendance and participation was located in the Library Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

**Item 2 – Information Items**

Steve Ruppel gave a verbal update on the natural gas markets; provided an overview of the February loads and reviewed the February ARP rate calculation.

**Item 3 – Member Comments**

There being no further business, the meeting was adjourned at 2:06 p.m.

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Approved

AP/su

**AGENDA ITEM 7 – CONSENT AGENDA**

- b) Approval of Treasury Reports as of  
January 31, 2020 and February 20, 2020**

**Executive Committee  
April 16, 2020**



## AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee  
FROM: Sena Mitchell  
DATE: March 10, 2020  
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of January 31, 2020

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

Debt Discussion

The All-Requirements Project has fixed and variable rate debt. The variable rate debt is a line of credit and equals 0.63% of total debt. The fixed rate percentage of total debt is 99.37%. The estimated debt interest funding for fiscal year 2020 as of January 31, 2020 is \$38,747,561.28. The total amount of debt outstanding is \$790,140,000.<sup>1</sup>

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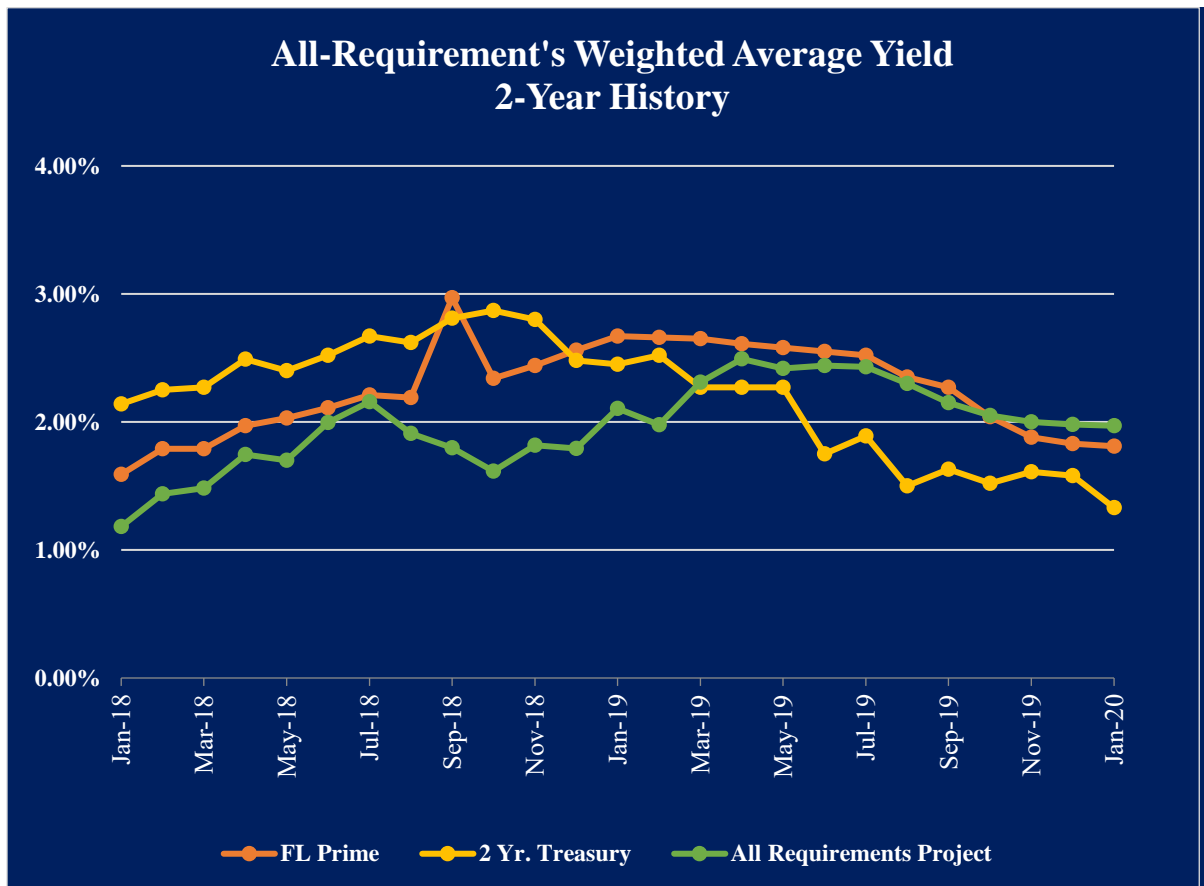
Investment Discussion

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

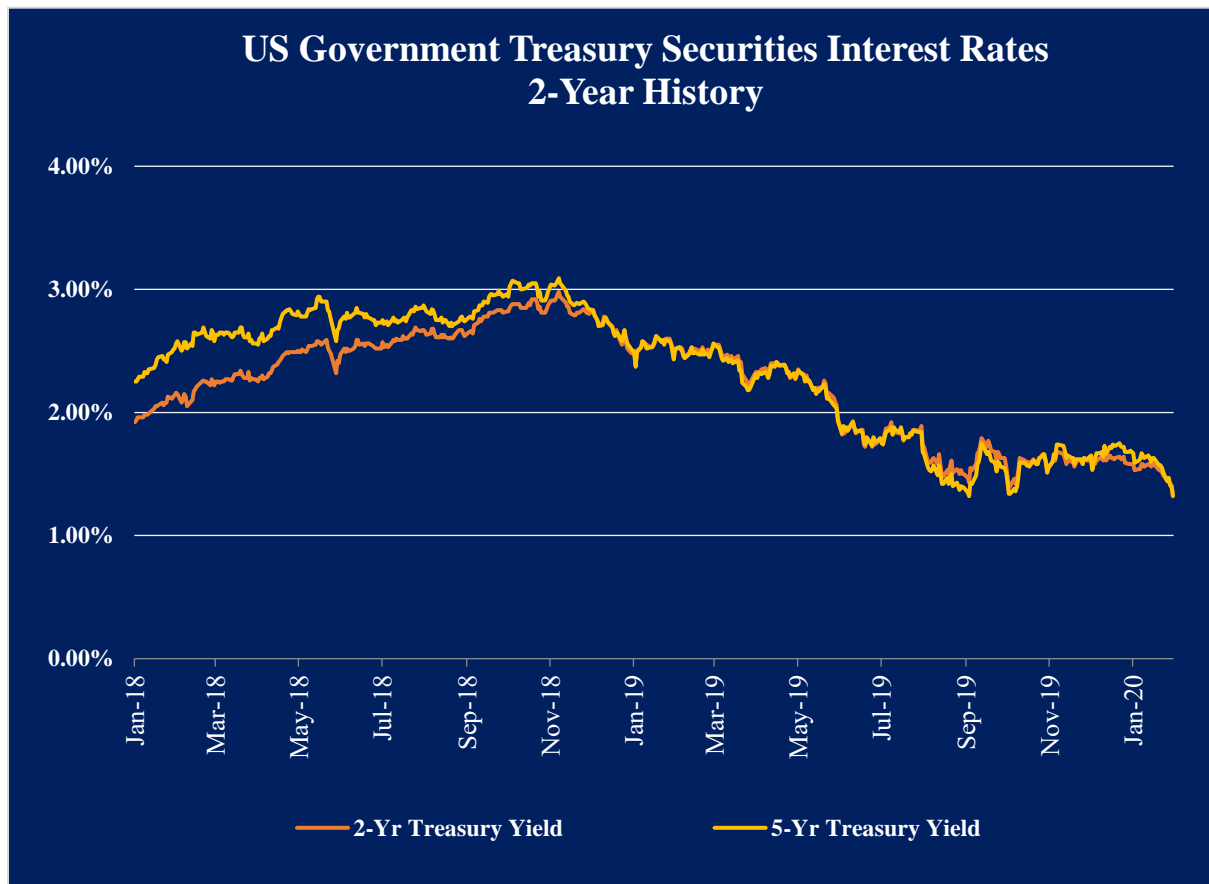
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<sup>1</sup> Although still on deposit, the line of credit draw amount of \$5,000,000 is included in the total amount of debt outstanding.

As of January 31, 2020, the All-Requirements Project investment portfolio earned a weighted average yield of 1.97%, reflecting the All-Requirements Project need for liquidity given its 60-day cash position. The benchmarks (SBA's Florida Prime Fund and the 2-year US Treasury Note) and the Project's yields are graphed below:



Below is a graph of US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of January at 1.33%. The yellow line is the 5-year Treasury which was 1.32%.



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

Recommended  
Motion

Move for approval of the Treasury Reports for January 31, 2020



## AGENDA PACKAGE MEMORANDUM

TO: FMIPA Executive Committee  
FROM: Gloria Reyes  
DATE: April 7, 2020  
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of February 29, 2020

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

Debt Discussion

The All-Requirements Project has fixed and variable rate debt. The variable rate debt is a line of credit and equals 0.63% of total debt. The fixed rate percentage of total debt is 99.37%. The estimated debt interest funding for fiscal year 2020 as of February 29, 2020 is \$38,747,561.28. The total amount of debt outstanding is \$790,140,000.<sup>1</sup>

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Investment Discussion

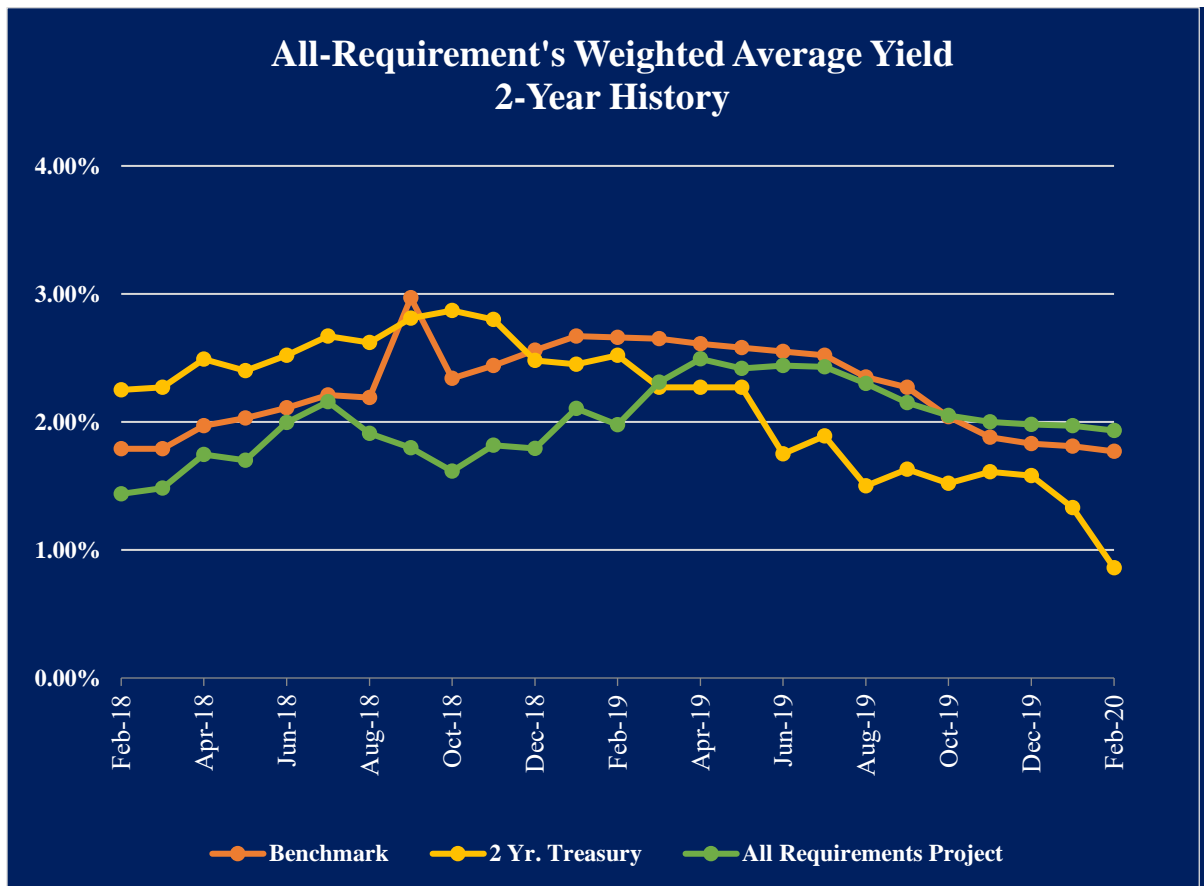
The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries,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

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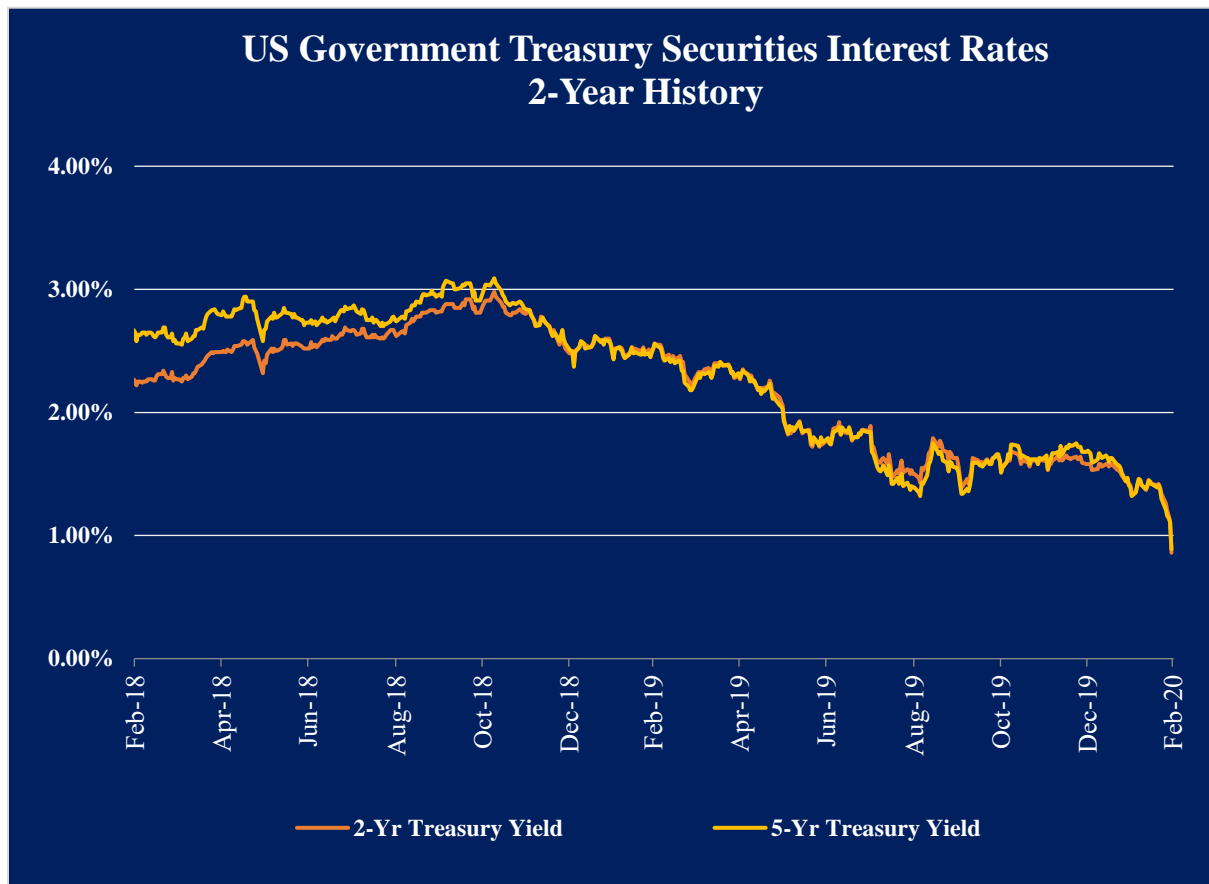
<sup>1</sup> Although still on deposit, the line of credit draw amount of \$5,000,000 is included in the total amount of debt outstanding.



As of February 29, 2020, the All-Requirements Project investment portfolio earned a weighted average yield of 1.93%, reflecting the All-Requirements Project need for liquidity given its 60-day cash position. The benchmarks (SBA's Florida Prime Fund and the 2-year US Treasury Note) and the Project's yields are graphed below:



Below is a graph of US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of February at .86%. The yellow line is the 5-year Treasury which was .89%.



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

Recommended  
Motion

Move for approval of the Treasury Reports for February 29, 2020

**AGENDA ITEM 7 – CONSENT AGENDA**

- c) Approval of the Agency and All-Requirements Project Financials as of January 31, 2020 and February 29, 2020**

**Executive Committee  
April 16, 2020**



Linda S. Howard, CPA, CTP  
Chief Financial Officer

## MEMORANDUM

**TO:** FMPA Executive Committee  
**FROM:** Linda Howard  
**DATE:** March 3, 2020  
**SUBJECT:** EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended January 31, 2020

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**Discussion:** The summary and detailed financial statements of the Agency and All- Requirements Project for the period ended January 31, 2020 are posted on the Document Portal section of FMPA’s website.

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**Recommended Motion:** Move approval of the Agency and All-Requirements Project Financial reports for the month of January 31, 2020.

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LH/GF



Linda S. Howard, CPA, CTP  
Chief Financial Officer

## MEMORANDUM

**TO:** FMPA Executive Committee  
**FROM:** Linda Howard  
**DATE:** April 7, 2020  
**SUBJECT:** EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended February 29, 2020

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**Discussion:** The summary and detailed financial statements of the Agency and All- Requirements Project for the period ended February 29, 2020 are posted on the Document Portal section of FMPA’s website.

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**Recommended Motion:** Move approval of the Agency and All-Requirements Project Financial reports for the month of February 29, 2020.

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LH/GF

## **AGENDA ITEM 8 – ACTION ITEMS**

- a) Approval of Extension of FGT Gas  
Transportation Capacity Serving Cane  
Island**

**Executive Committee  
April 16, 2020**



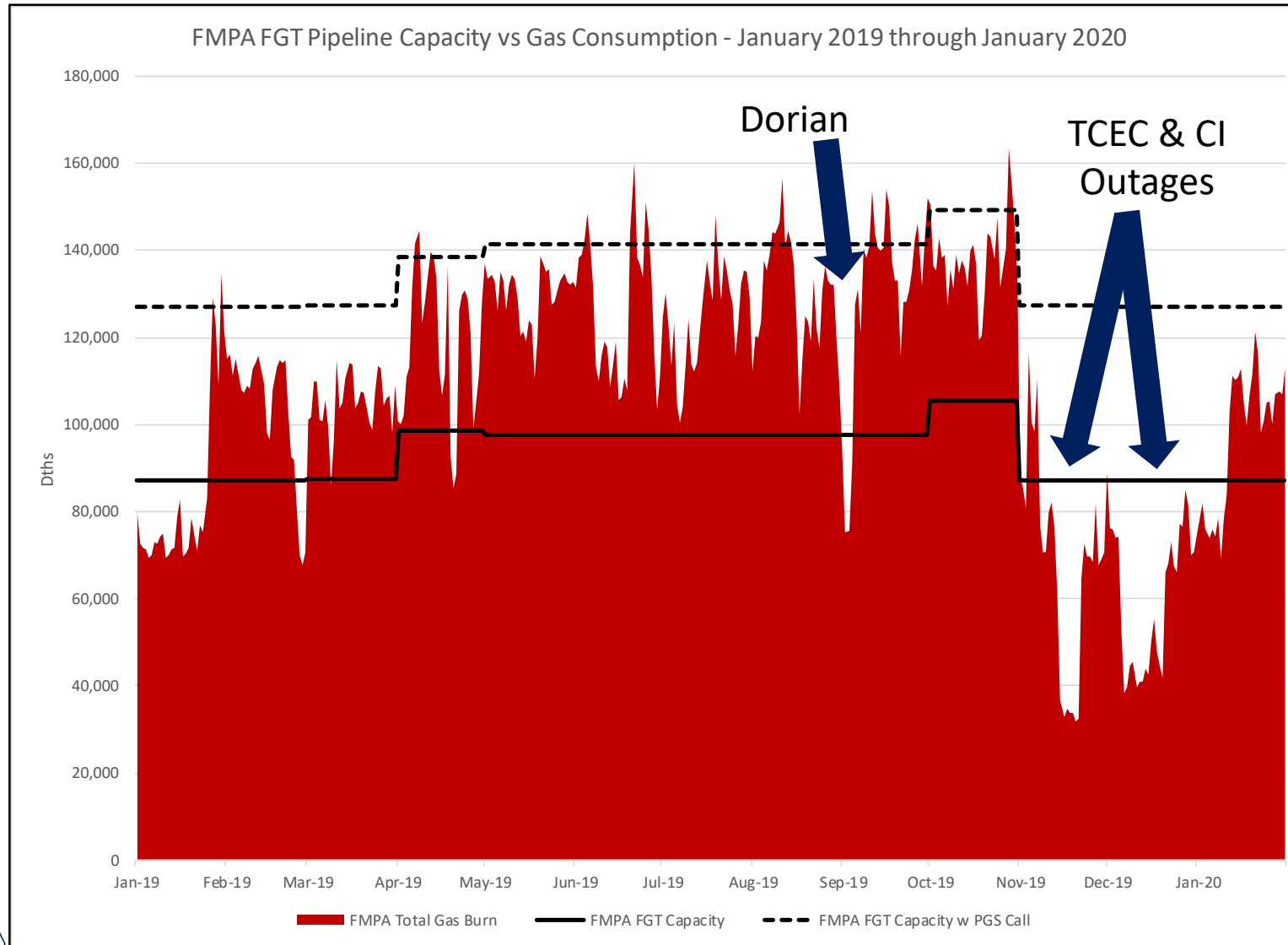
# **Extension of FGT Gas Transportation Agreement**

## **Action Item – 8a**

FMIPA Executive Committee

April 16, 2020

# ARP Natural Gas Fuel Requirements



**FMPA via FGU secures sufficient natural gas transportation capacity to meet daily burn at TCEC, Cane Island, Oleander and Indian River**



# Existing Contracts Background

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- FMPA obtained pipeline transportation capacity as a result of FGT pipeline expansion project that supports Cane Island operation

## K# 3618 –

- First executed on Dec 12, 1991
- Term of 20 years
- 12,500 MMBtu/d of capacity
- Pursuant to FGT's Rate Schedule FTS-2
- Receipt points are FGT's Supply Zones 2 and 3

## K# 5394 –

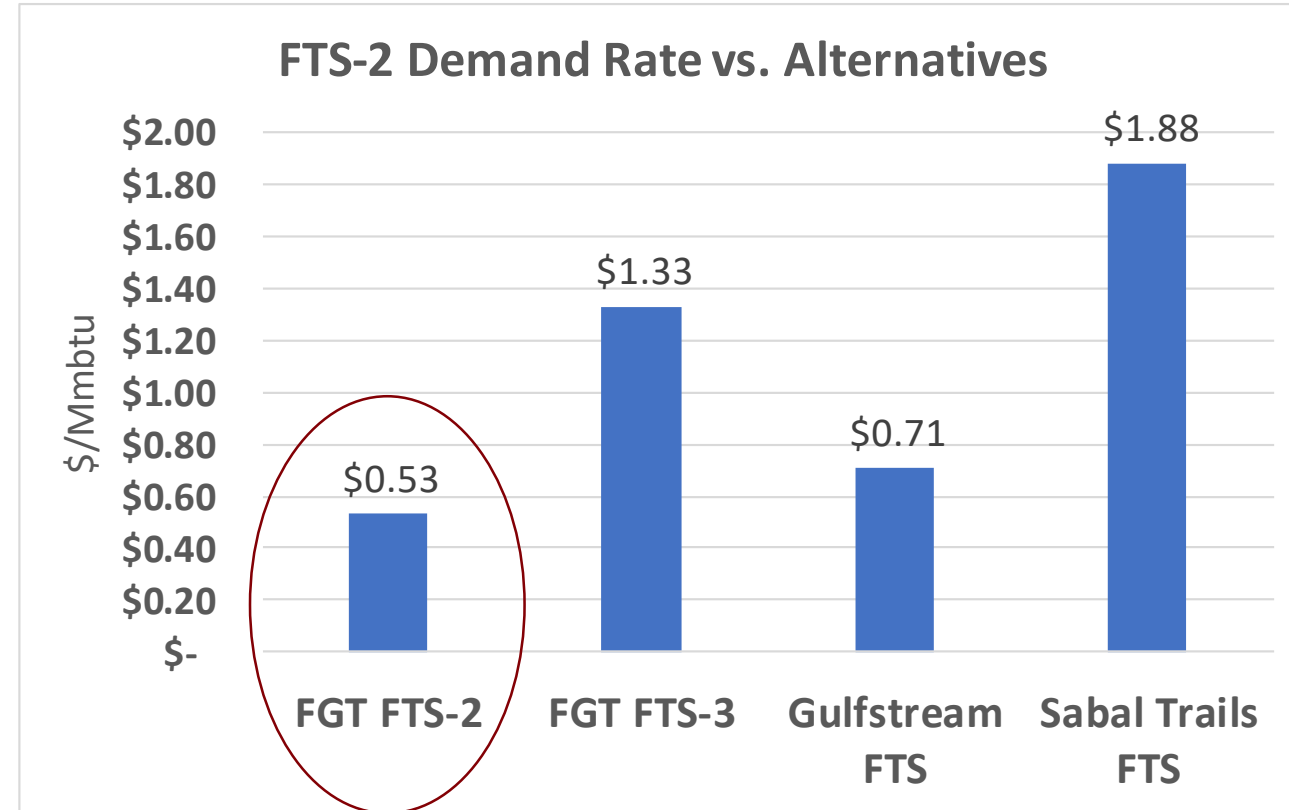
- First executed on Nov 17, 1998
- Term of 10 years
- 12,500 MMBtu/d of capacity
- Pursuant to FGT's Rate Schedule FTS-2
- Receipt points are FGT's Supply Zones 1, 2 and 3

- Using current rate schedule FMPA is invoiced \$6.6k/day for each contract or a combined annual total of \$4.9 mm
- Florida Gas Utility ("FGU") has been assigned these contracts for day-to-day utilization and management.

# Two Contracts Up for Renewal

## *Favorable Firm Transport Pricing to Serve Cane Island*

- Two FGT firm trans agreements expire on April 30, 2020.
- FGT has provided an Amendment for each agreement:
  - Modifies the term of these contracts to commence on May 1, 2020 for a period of ten (10) years, ending on April 30, 2031.
  - Volume consistent with existing agreements
  - Extends current FTS-2 Rate Schedule
    - Demand Charge: \$0.5318/Mmbtu/day
    - Usage Charge: \$0.0520/Mmbtu sched gas
    - Fuel Charge: 2.44\$/Mmbtu of sched gas



# Motion

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Move approval for renewing for a ten year term two FGT gas transportation capacity contracts serving the Cane Island Power Park and authorize the General Manager & CEO to execute agreements K#3618 and K#5934

## **AGENDA ITEM 8 – ACTION ITEMS**

- b) Approval of Budget Increase for nFront Assistance with FPL Transmission Rate Case**

**Executive Committee  
April 16, 2020**

## **AGENDA ITEM 9 – INFORMATION ITEMS**

### **a) Development Fund Interest for Solar Project**

**Executive Committee  
April 16, 2020**



# **BOD 9b / EC 9a**

## **Development Fund Interest for Solar Project**

FMIPA Board of Directors and Executive Committee

April 15, 2020

# Development Fund

## *Built Up Through Project Participant Contributions*

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- All power supply project participants have paid into the Development Fund over the years
- When those members participate in new projects that used the Development Fund as seed money, they are obtaining the benefit of savings
- Not all members that paid into the Development Fund however, are participating in the Solar Project

# History

## *Revisit Past Discussion*

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- Historically, no interest has been charged when the development was used
- Usage of the funds to date have been very short term in nature – repaid within a year or two



# Solar Project Usage

## *20 Year Payback*

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- The 20 year horizon contemplated by the Solar Project is something new
- It would be unusual, generally, to see no interest on a loan or use of funds for this long of a period
- If the amount used is \$1.2M as anticipated, it would result in about
  - \$270k in interest, based on an interest rate of 2% for 20 years
  - Each participant amount based on appropriate % allocation
- The 2%\* rate is based on the yields of the current portfolio mix between Fannie Mae (1.448%) and AA Corp debt (2.6%) with an 80/20 split and level debt service payments



# Discussion



**AGENDA ITEM 9 – INFORMATION ITEMS**

**b) TEA Resource Management Agreement**

**Executive Committee  
April 16, 2020**



# **EC 9d**

## **TEA Resource Management Agreement**

FMIPA Executive Committee

April 7, 2020

# TEA Services Will Add Value to ARP Resources

## *These Services Are Beyond the Scope of FMPP*

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- The Energy Authority (TEA) Resource Management Agreement (RMA) to provide assistance to FMPPA in optimizing ARP's mid-term capacity/energy.
- The Scope of Services currently includes:
  - Mid-term Load Forecasting – Updated for near term weather
  - Mid-term Portfolio Modeling and Risk Analysis
  - Mid-term Marketing Support
- The agreement is setup so these services can be augmented as needs arise.
- FMPPA always has final decision authority on any transaction

# Who is The Energy Authority?

*Public Power-Owned, Nonprofit Portfolio Management Company*

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**“The Energy Authority (TEA) provides public power utilities with access to advanced resources and technology systems so they can respond competitively in the changing energy markets. Through partnership with TEA, utilities benefit from an experienced organization that is singularly focused on deriving the maximum value of their assets from the market.”**

source: “[www3.teainc.org/about-tea](http://www3.teainc.org/about-tea)”

# TEA Has Broad Qualifications

## *Valuable Relationships Across the Energy Industry*

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- Over 50 public power clients across the nation.
- Affiliations with many of the large public power organizations, such as APPA and FMEA.
- Expertise in many relevant areas like energy trading, market analytics, risk management, portfolio optimization, etc.
- FMPPA has past experience with TEA through an RMA that was in place in the 2002-2010 timeframe.

# Resource Management Agreement Details

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- Executed on March 31<sup>st</sup>, 2020; effective now through an initial term of 3 years.
- Automatic 1-year renewal terms thereafter.
- Termination available, without limitation, upon 180 days' notice.
- Fees of approximately \$125,000 per year for currently identified services, plus:
  - Energy trading activity compensated on per transaction basis.
  - Additional requested services billed at stated hourly rates.



# RMA Task Order – Scope of Services

## *Load Forecasting Services*

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- TEA will produce mid-term ARP load forecasts
  - Mid-term is the 7 – 45 day timeframe ahead of the current day
    - FMPP 7-day forecast will continue for unit commitment and dispatch
    - Annual retail forecasts will continue for long-term planning and budgeting
  - Mid-term Load Forecast Model will look at ARP load zones separately (i.e. – FPL network load, Duke network load, & KUA)
  - TEA will provide metrics on the accuracy of their forecasts

# RMA Task Order – Scope of Services

## *Portfolio Management Services*

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### Portfolio Management Plan

- Derived as needed from interactive discussions with FMPA staff to define risk tolerance and goals.

### Monthly Operations Report

- Monthly assessment of market conditions and potential to optimize capacity and energy positions.

### Portfolio Strategy Plan

- Biannual, seasonal review of actual results, projections, and strategies.

- These activities will look at the timeframe from 1 month to the next 12 months.

# RMA Task Order – Scope of Services

## *Marketing Services*

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# Information Only

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- Questions?

## **AGENDA ITEM 9 – INFORMATION ITEMS**

### **c) 2020 Emissions Projections**

**Executive Committee  
April 16, 2020**



# **PMLC 4c, BOD 9c, EC 9c Update on Emissions**

Policy Makers Liaisons Committee,  
Board of Directors, Executive Committee

April 15 & 16, 2020

# U.S. House Issued CLEAN Future Act (CFA) in 2020

## *Bill Not Expected to Pass in 2020 But Sets Policy Proposals*

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- CFA a draft bill released by House Energy and Commerce Committee
- Bill would reduce economywide GHG emissions from 2005 base by 50% in 2030 and to net-zero by 2050
- Committee leaders see this as year for developing policy proposals
- No expectation bill will become law this year, but see which proposals garner support and which garner resistance
- Democratic objective to be prepared for potentially more favorable political climate after November elections
- Some have proposed fracking ban by 2025, which would completely upend energy prices in the U.S. and challenge grid reliability

# FMPA's Low-Cost Plan Can Achieve Goal for 2030

## *Reduce GHG Emissions by 50% and Maintain Affordability*

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- FMPA's low-cost plan can achieve 50% GHG emission reduction by 2030
  - Need to increase natural gas generation and add solar at the expense of coal
- Cost for such a plan very affordable assuming affordable natural gas
- Plan through 2030 appears very manageable and limited challenges to reliability
- Effort to head toward net zero GHG creates significant cost and reliability concerns with current- and near-term technology gains
- Require significant overbuild of solar and massive battery deployment for power 16+ hours a day and at times run for 5-7 days straight
- Could easily mean doubling or tripling electricity prices or more

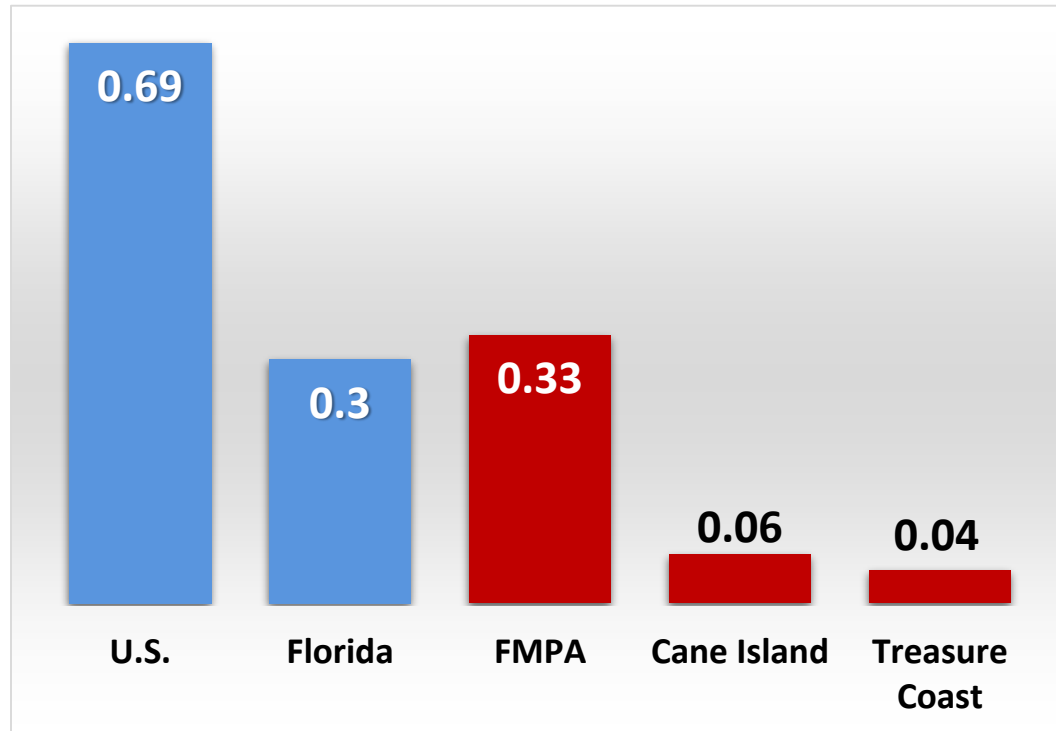


# FMPA Has a Clean Generation Fleet

*Emissions Below U.S. Averages by 50% and ~80%*

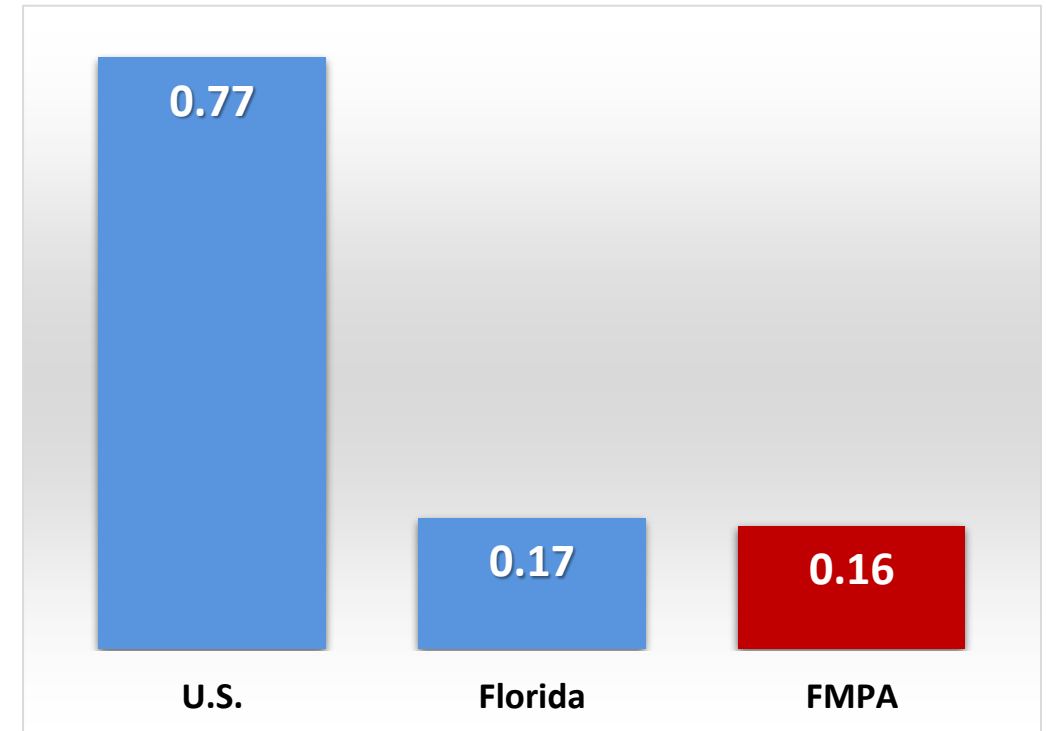
## NO<sub>x</sub> 50% Below U.S. Average

Lbs./MWh, all generation, 2019 data



## SO<sub>2</sub> Nearly 80% Below U.S. Average

Lbs./MWh, all generation, 2019 data



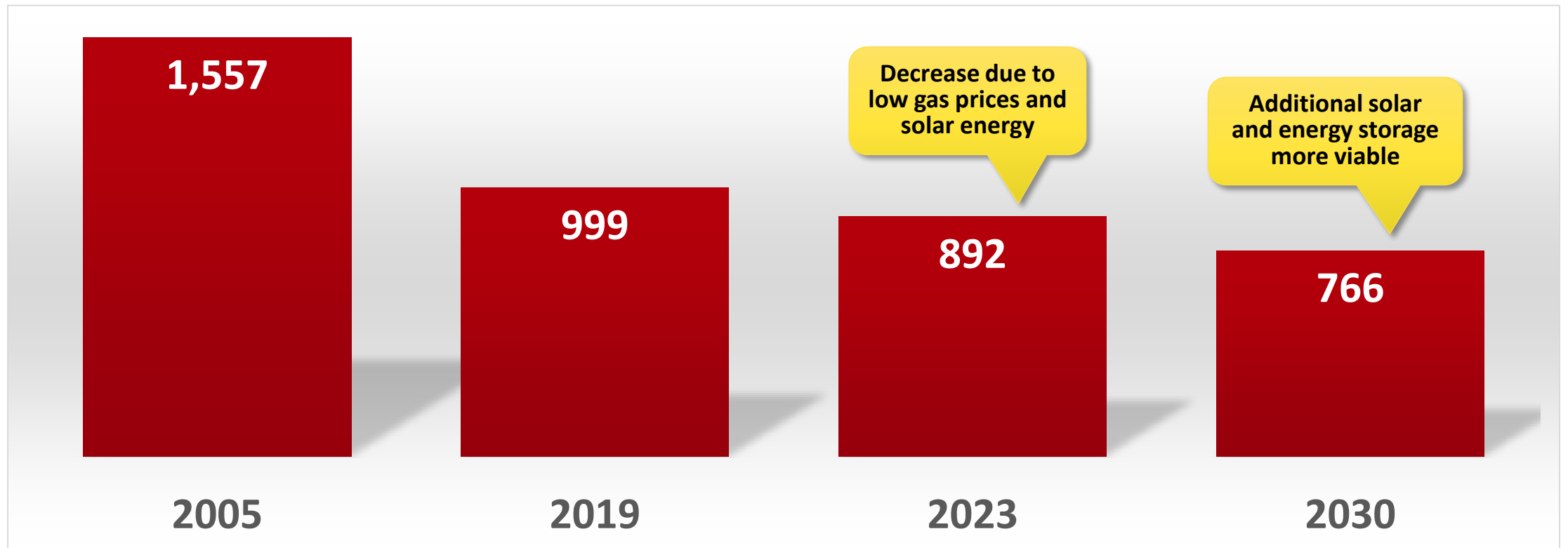
SOURCE: 2019 Annual Acid Rain Program

# FMPA CO<sub>2</sub> Projected to Decline Significantly by 2030

*Gas Switch and Solar Drive Improvement of ~51% from 2005*

## CO<sub>2</sub> Emissions (lbs./MWh)

Projected Reductions Derived from EPA's Acid Rain Program Database



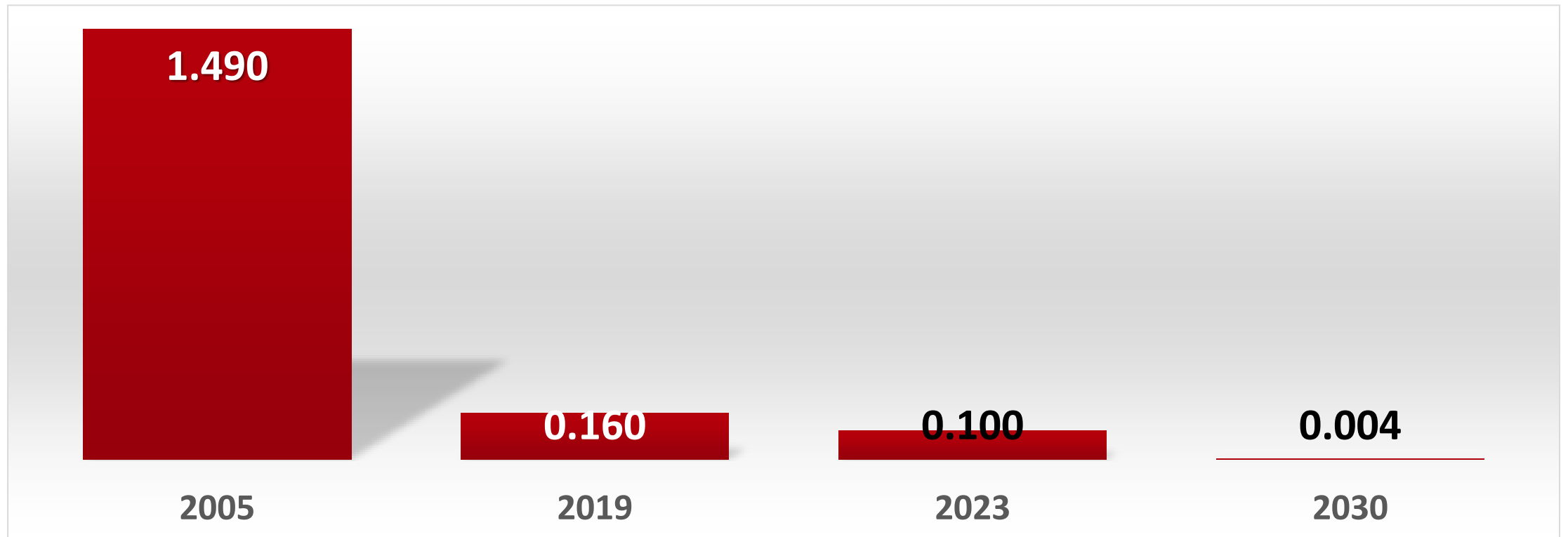
# FMPA SO<sub>2</sub> Projected to Decline Significantly by 2030

*Gas Switch and Solar Drive Improvement of ~99% from 2005*

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## SO<sub>2</sub> Emissions (lbs./MWh)

Projected Reductions Derived from EPA's Acid Rain Program Database



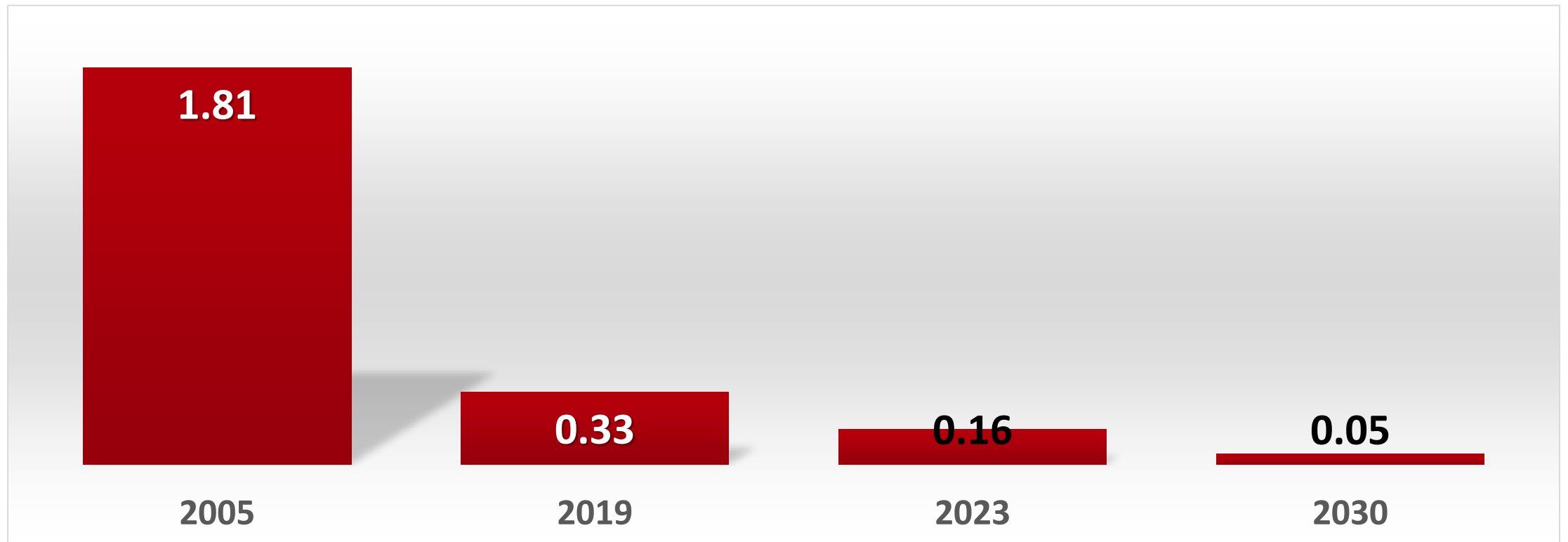
# FMPA NO<sub>x</sub> Projected to Decline Significantly by 2030

*Gas Switch and Solar Drive Improvement of ~97% from 2005*

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## NO<sub>x</sub> Emissions (lbs./MWh)

Projected Reductions Derived from EPA's Acid Rain Program Database



# Some Utilities Have Sustainability/Net-Zero Goals

## *Tallahassee and OUC Are Two in Florida*

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### Orlando Utilities Commission<sup>1</sup>

- New strategic plan released 2/20
- Net-Zero carbon emission by 2050
- 50% by 2030 from 2005 levels
- Path to Net Zero:
  - Investments in renewables
  - Investments in energy efficiency
  - \$45 million investment in electrification of transportation
  - \$90 million in hydrogen, storage

### City of Tallahassee<sup>2</sup>

- Clean energy resolution passed 2/19
- 100% renewables by 2050
- Any unavoidable use of non-renewable energy will be balanced by export of renewables to others
- City facilities 100% renewable 2035
- City vehicles, buses to electric as technology, reliability are viable

# Cost, Reliability Challenges of Deep Decarbonization

## *Conclusions of a Pacific Northwest Study by E3 Consulting Firm*

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- Low-cost option: replace coal with efficiency, renewables, natural gas
- New gas capacity not inconsistent with deep reductions in carbon emissions; gas needed to maintain firm capacity for reliability
- Renewables and short-duration storage have limitations
- Other potential low-carbon, firm capacity include: 1) new nuclear, 2) gas or coal with carbon capture, 3) ultra-long duration storage, 4) replace conventional natural gas with carbon-neutral gas
- Extremely costly and impractical to replace all carbon-emitting firm generation capacity with renewables and storage

**AGENDA ITEM 9 – INFORMATION ITEMS**

**d) ARP 2020 Ten Year Site Plan**

**Executive Committee  
April 16, 2020**



# **EC 9d – ARP 2020 Ten-Year Site Plan**

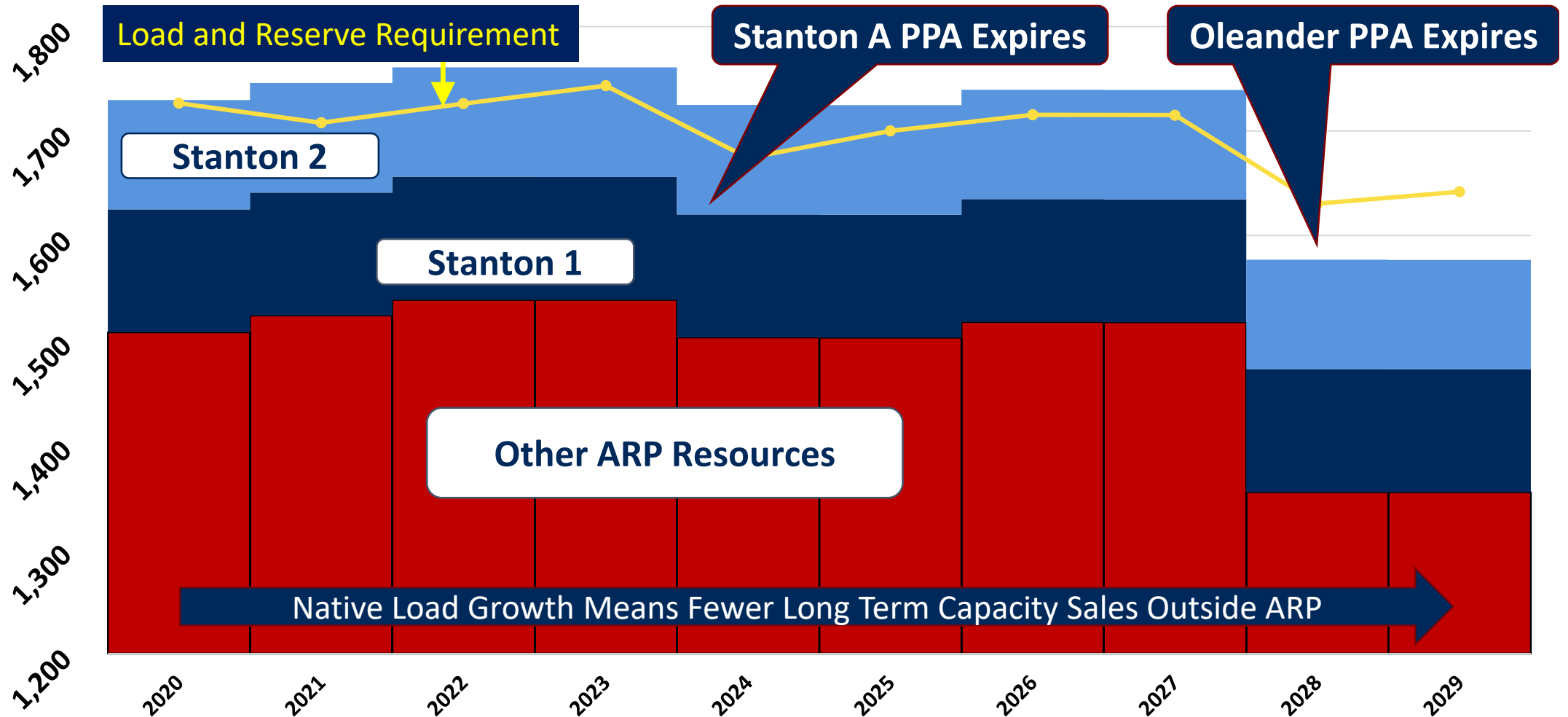
FMIPA Executive Committee

April 16, 2020



# ARP Load and Resources Balanced Through 2027

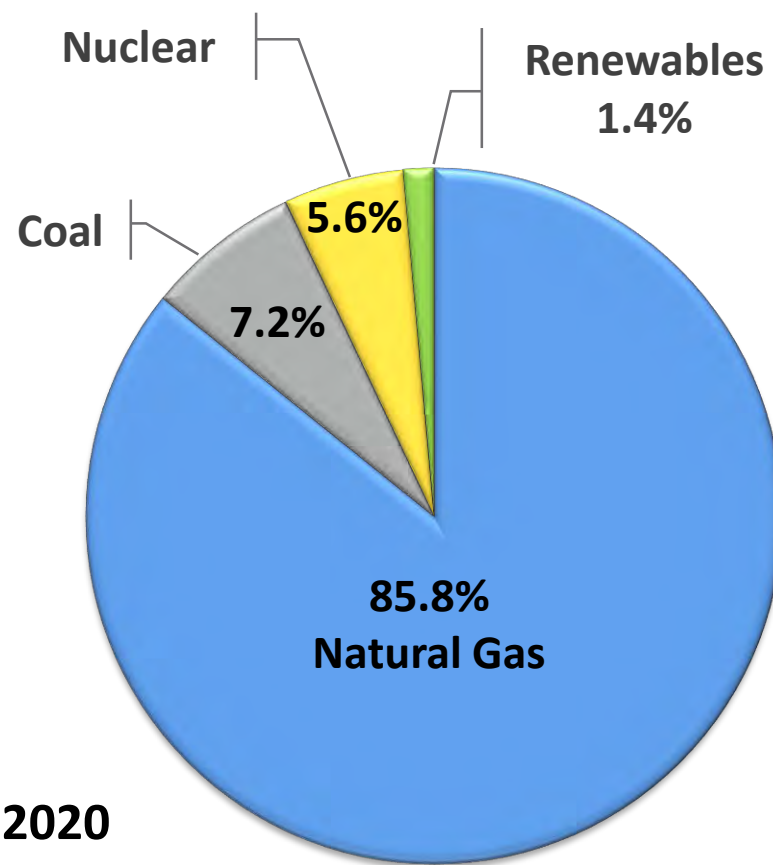
*Without Renewal of Stanton A or Oleander, ARP Needs ~50 - 60 MW in 2028*



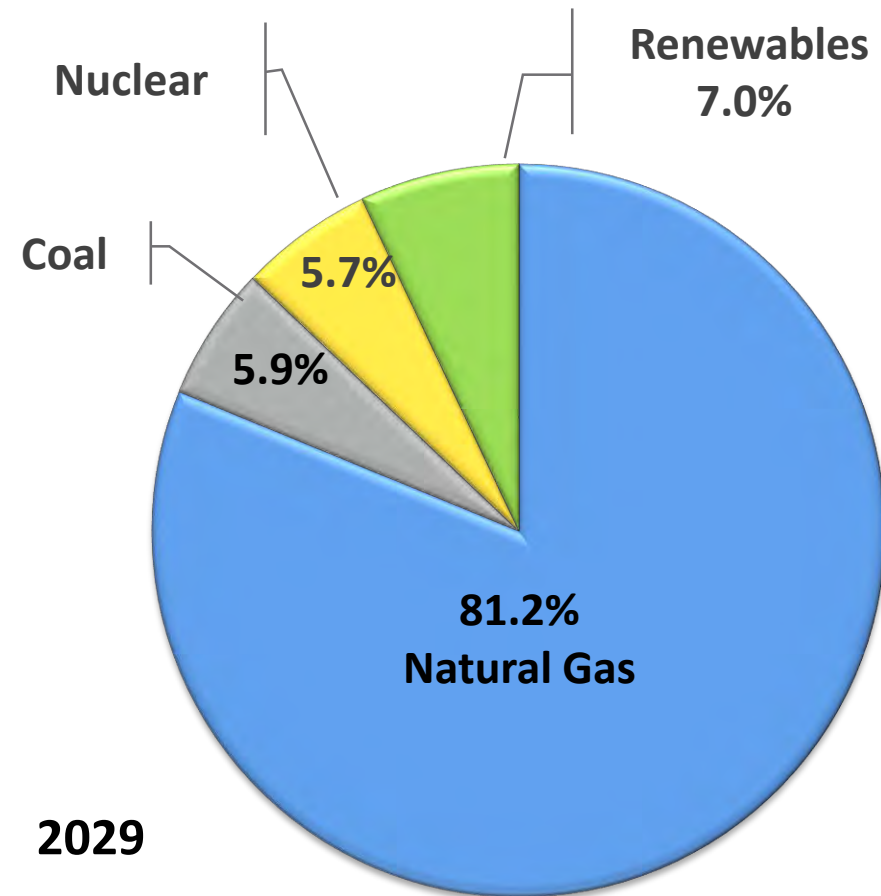
# Generation Fuel Mix Increases Towards Renewables

## *Degree of Reduction of Coal Depends on OUC Decisions*

Generation Fuel Mix (GWh)



2020



2029

# Planning Activities Continue Year-Round

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- Financial Benchmarking of ARP operated assets
- Capital project evaluations
- Resource opportunities for the future (e.g. battery storage value)
- Life of Asset evaluations
- Pre-planning for future Integrated Resource Plan
- Load Forecast closeout activities
- Production cost modeling platform updates
- Public Service Commission supplemental data requests
- FRCC obligations (e.g. gas infrastructure study)

# Information Only

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- Questions?

## **AGENDA ITEM 9 – INFORMATION ITEMS**

### **e) Summary of Finance Committee Items**

**Executive Committee  
April 16, 2020**



# **EC 9e**

## **Summary of Finance Committee Items**

FMIPA Board of Directors and Executive Committee

April 7, 2020

# Finance Committee Items

## *Possible Action Items for Next Meeting*

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- Approval of Finance Committee Charter Amendment
- Approval of the Stanton II and St. Lucie Pooled Loan Request
- Approval of the JPMorgan Line of Credit Extension

# Recommended Action

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- Information only. No action required



## **AGENDA ITEM 9 – INFORMATION ITEMS**

- f) Discuss Budget Increase for nFront Assistance with FPL Transmission Rate Case**

**Executive Committee  
April 16, 2020**



# **EC 9f – Discuss Budget Increase for nFront Assistance with FPL Transmission Rate Case**

FMIPA Executive Committee

April 6, 2020

# Budget Increase Requested for nFront Assistance with FPL Transmission Formula Rate Case

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- nFront has notified us that they need a budget increase for continued support with the FPL transmission formula rate case
- Current spending limit of \$200k reached in March
- Any increase beyond the current budget must be approved by the EC
- Staff is requesting a budget increase of \$125k
- Depending on the time and effort to resolve the case, additional increases may be necessary in the future

# Reasons for Additional Funds Needed

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- Discovery process has been extensive, resulting in over 300 data request questions amongst the intervenors and time needed to review responses
- Participation in extensive technical conferences with intervenors, FERC staff, and FPL
- Extensive technical analyses needed to develop settlement positions
- Some issues included in settlement process that were not originally contemplated as part of this proceeding
  - FPL loss factor
  - NextEra acquisition of Gulf Power and potential integration
- Initial budget was set at GM spending limit, but expectation was additional funds may eventually be needed

# FPL Transmission Formula Rate Case - Outside Support Spending to Date

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Company	Category	Amount (\$000)
Spiegel & McDiarmid	Legal	\$108
GDS Associates	Consulting (ROE)	8*
nFront	Consulting (Other Issues)	200
<b>Total</b>		<b>\$316</b>

\* This represents FMPA's share of the GDS cost. FMPA, Seminole, Lee County Electric Cooperative, and FKEC have jointly retained GDS to provide support on the ROE portion of the case, and each party pays 25% of the total cost.

# Significant Issues in Case

## *Estimated Annual Value to FMPPA Based on Litigation Positions*

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- Requested 10.7% ROE is excessive (>\$1M/yr)
- 62% equity ratio is too high (>\$1M/yr)
- 1.85% transmission loss factor ~10 years old, actual losses are lower (~\$300k/yr)
- Other Cost of Service Issues (>\$600k/yr)
  - Inclusion of the costs of certain transmission facilities that should be excluded
  - Inappropriate ADIT Allocator
  - Exclusion of certain revenue credits
- Credits for FPUA transmission facilities comparable to those FPL acquired from Vero

# Recent Activity and Current Schedule

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- Technical conference held January 28
- Initial settlement conference at FERC held February 25
- Parties wrapping up final data requests and responses
- Initial settlement proposal from customers due April 17
- FPL response to settlement proposal due May 1
- Next settlement conference at FERC scheduled for May 12
- Uncertain how COVID-19 will impact the process and schedule over the coming months

# FPL Rate Increase Now in Effect

## *Rate Impact to ARP Will Be Gradual*

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- FERC-ordered 5-month suspension of rate increase ended 3/31
- 5-month suspension saved ARP ~\$1.1M
- Rate increase effective 4/1, subject to refund based on outcome of case
  - 46% in transmission rate from \$1.59/kW-mo. to \$2.32/kW-mo., or over \$3.5M/yr. (\$0.65/MWh) increase to the ARP
- Full rate impact to ARP will not be immediate; ARP transmission rate will gradually increase over the next few months



# Recommended Action

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- Information item only. Staff will bring forward a recommended increase next month.

**AGENDA ITEM 10 – MEMBER COMMENTS**

**Executive Committee  
April 16, 2020**

**AGENDA ITEM 11 – ADJOURNMENT**

**Executive Committee  
April 16, 2020**