



Value In Action



2019 Annual Report



FMPA provided engineering and other support services to Bushnell during its recent service expansion. Pictured are Angel Rivera-Lopez of FMPA (left) and Jay Fuller of Bushnell (right) in front of Lowery's True Value, a new electric customer. On the cover are Bushnell City Manager Jody Young and store owner Lance Lowery.

FMPA and its members are working toward the same goals. We are out in our communities working together to create value for our customers. This is what drives us every day.

FMPA has focused intensely the past three years on providing low-cost, reliable and clean power for our members and the customers they serve. We talk about this mission at every opportunity because delivering maximum value in these areas is the reason our Agency exists.

This concentrated focus has produced results the past few years. We are seeing positive results that are building one success on top of another, accomplishments that are opening the door to new opportunities. In fiscal 2019, we have a long list of highlights, firsts and new records for delivering value to our members.

Lowest Cost Power in 15 Years

It was another record year of low-cost power for our All-Requirements Project (ARP). At a cost of just over \$71 per megawatt hour for fiscal 2019, our power costs were \$4 below our goal, lower than last fiscal year and the lowest cost in 15 years.

FMPA's costs have decreased 32% since 2009. All of our member utilities now have residential costs in fiscal 2019 that are lower than they were in 2009, and some are lower than they were in 2005. The retail rates of Florida's municipal utilities are down 10% during a time when U.S. residential rates are up 12%.

For our Stanton and Tri-City projects, which have ownership interests in a coal-fired unit, we made the final debt service payment on Oct. 1, 2019. Paying off the bonds for this project will reduce power costs by an estimated 30% to 35%, assuming the generating unit continues to operate as it has historically.

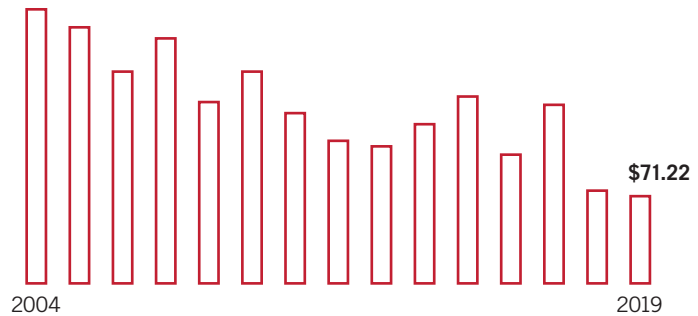
We undertook several efforts this year to reduce costs and enhance our position. A few notable accomplishments included refinancing bonds to reduce costs and strengthen our financial profile, four prepaid natural gas transactions saving \$566,000, and closing a transaction where the city of Vero Beach paid ARP more than \$100 million to assume the city's power project entitlements.

Record Reliability at Power Plants

Key to supplying low-cost power is keeping our generating units operating reliably and at high levels. For fiscal 2019, our baseload power plants outperformed industry averages for the eighth consecutive year and set new FMPA records in the process.

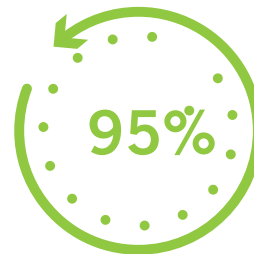
Lowest Power Costs Since 2004

All-Requirements Project power costs achieved a 15-year record low, enabling FMPA to be even more competitive with other power providers.



FMPA Power Plants Outperform Industry Average

FMPA's baseload power plants were available 95% of the time in fiscal 2019, or more than 346 days. This was the eighth consecutive year that the three power generators outperformed industry averages.



**FMPA
AVAILABILITY**



**INDUSTRY
AVERAGE**

FMPA's most efficient units, which account for more than 80% of our power, were available 95% of the time during fiscal 2019. This was 5% better than the previous year's excellent performance. The industry average for comparable units is 85%.

Our Cane Island Unit 3 completed an operating run that set a record for FMPA's generation fleet. The unit ran for 194 continuous days, surpassing the unit's previous record of 163 continuous days in 2005 and our Treasure Coast Energy Center's record of 175 days in 2013.

Our ARP sales were 3% above budget and total generation increased 5% compared to fiscal 2018. Above average temperatures resulted in increased electricity sales and a record-high, summer peak demand of 1,295 MW set on June 25. We were active in the wholesale power market selling excess generating capacity. This increased our off-system sales by 67% compared to a year ago and reduced costs for ARP cities.

Installing 1.5 Million Solar Panels by End of 2023

FMPA worked throughout fiscal 2019 creating a second, utility-scale solar project that will increase our total solar generation to more than 373 MW, or 1.5 million solar panels, by the end of 2023. Each of the projects will provide power to 12 FMPA members, a few of which are purchasing power from FMPA for the first time.

Phase I of the Florida Municipal Solar Project, announced in 2018, consists of three 74.5 MW solar farms. Phase II will add two 74.9 MW farms. When solar is installed at this scale, the cost of power is one-third that of a typical private, rooftop solar system.

FMPA already has an exceptionally clean generation fleet, and we are pleased to expand that clean portfolio by providing renewable energy to our communities in a cost-effective way.

Value in Action

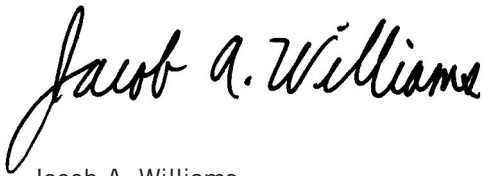
FMPA's team is focused on the basics of providing low-cost, reliable and clean power. But that's not all we're doing for our members. Now that we've had success delivering on our power supply mission, our members are turning to us for help with other value-added services.

We are helping our members in new and expanding ways, such as engineering services, strategic and financial planning, information technology, cybersecurity, financing, communications and more. In fiscal 2019 alone, we helped with more than two dozen significant projects.

FMPA's vision is to sustainably be the lowest cost, most reliable and cleanest wholesale power provider in Florida. Whether we're working to further reduce costs to keep rates low, helping members provide more reliable power through services, or working with members to provide clean energy at a reasonable cost, we will not rest while there are opportunities to add value to our members and the customers they serve.



Barbara Quiñones
Chair, Board of Directors



Jacob A. Williams
General Manager and CEO



“ We are seeing positive results that are building one success on top of another, accomplishments that are opening the door to new opportunities. ”

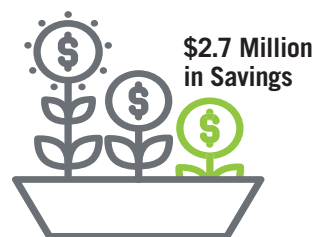
FMPA's power costs are the lowest in 15 years, but we are not satisfied. In fiscal 2019, we increased efforts to lower costs further and to assist our members in new ways that bring additional value in delivering affordable, reliable and clean power to our communities.

FMPA Power Supply Project Debt Reduced


**\$329
MILLION**

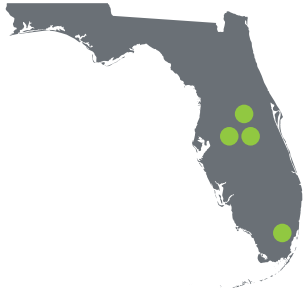
St. Lucie Project debt was reduced by 50% through the termination of interest rate swaps, and All-Requirements Project bonds were paid off using proceeds from the sale of Vero Beach's electric utility.

Pre-Pay Contracts Reduce Fuel Costs



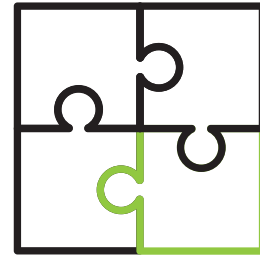
FMPA completed four pre-pay natural gas contracts that are expected to save approximately \$2.7 million annually in power plant fuel costs. The total volume for the deals amounts to 24% of FMPA's base-load gas generation needs.

Selling Power to More Cities in the State



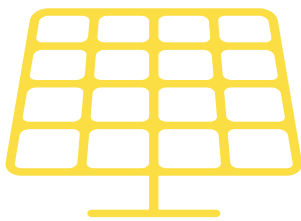
FMPA's All-Requirements Project increased its wholesale power sales to other utilities. Reedy Creek began a two-year agreement on July 1, 2019. Bartow approved a one-year extension through 2023. A wholesale power sale to Winter Park increased to 70 megawatts on Jan. 1, 2020, and Homestead began purchasing 15 megawatts for a seven-year term.

Helping Members Fund Utility Projects



FMPA created a Pooled Loan Project to help members fund utility projects in a cost-effective way. Bushnell was the first city to utilize the program for funding a system expansion. The expansion project increased the city's number of electric customers by 50% and will generate additional revenue for the city.

FMPA to Increase Solar 66% by End of 2023



FMPA broke ground on one of the largest municipal-backed solar projects in the nation. In December, a project expansion adding 149 megawatts was announced. When the Florida Municipal Solar Project is complete in late-2023, the 16 participating utilities will have nearly 375 megawatts of zero-emissions energy. That is enough to power 75,000 typical Florida homes.

Customers Go Green With Community Solar



FMPA helped several members develop community solar programs that will enable the utilities to provide renewable energy in the most cost-effective way. Kissimmee was the first city to sign up to have its facilities powered 100% by solar. FMPA is working with Fort Pierce, Key West, Mount Dora, New Smyrna Beach and Ocala to develop similar solar subscription programs for customers.

Board of Directors and Executive Committee
As of September 30, 2019



Barbara Quiñones
Board Chair
Homestead



Howard McKinnon
EC Chair
Havana



Lynne Tejeda
Board and EC Vice Chair
Key West



Allen Putnam
Board Treasurer
Jacksonville Beach



Larry Mattern
Board Secretary
Kissimmee



Bradley Hiers
Bartow



Jody Young
Bushnell



Robert Presnell
Chattahoochee



Lynne Mila
Clewiston



Fred Hilliard
Fort Meade



John Tompeck
Fort Pierce



Paul Jakubczak
Fort Pierce



Tom Brown
Gainesville



Robert C. Page
Green Cove Springs



Ed Liberty
Lake Worth Beach



Michael Beckham
Lakeland



Steve Langley
Mount Dora



Joe Bunch
New Smyrna Beach



Bill Conrad
Newberry



Sandra Wilson
Ocala



Mike Poucher
Ocala



Claston Sunanon
Orlando



Robert "Bob" Milner
Starke



Scott Lippmann
Williston



James Braddock
Wauchula



Dan D'Alessandro
Winter Park

Members Not Pictured

Rodolfo Valladares, Alachua

Bill Sturgeon, St. Cloud

Vacant: Blountstown, Leesburg, Moore Haven and Quincy

FMPA Leadership

Jacob A. Williams
General Manager and CEO

Jody L. Finklea
General Counsel and CLO

Ken Rutter
Chief Operating Officer

Carol Chinn
Chief Information Security Officer

Linda S. Howard
Chief Financial Officer

Mark T. McCain
Assistant General Manager
of Public Relations and Member Services

Sharon L. Adams
Human Resources Director

Sue Utley
Executive Assistant to the CEO and
Assist. Secretary to the Board of Directors

General Information

Financial Statements

Financial statements, past annual reports and more are available on the Investors section of www.fmpa.com.

Consultants

Bond Counsel: Nixon Peabody LLP

Disclosure Counsel: Bryant Miller Olive, P.A.*

Consulting Engineers: AECOM; Burns & McDonnell; Commonwealth Associates, Inc.; GDS Associates, Inc.; Leidos; nFront Consulting, LLC; Navigant Consulting, Inc.; Patterson & Dewar Engineers, Inc.; POWER Engineers, Inc.; Quanta Technology, LLC; RPA Engineering; Sargent & Lundy; Siemens; TRC; WorleyParsons

Certified Public Accountants: Purvis, Gray and Company

Financial Advisors: Dunlap & Associates, Inc.; PFM

Swap Advisor: Swap Financial Group, LLC

Caution Concerning Forward-Looking Statements

This document may include certain forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances that may have a material effect on actual results.

* Effective January 1, 2020



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