



# Non-ARP Budgets – Fiscal Year 2021

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# **BOD 8c: Approval of Resolution 2020-B1- Approval of the FY 2021 Small Project Budgets and Agency Allocations**

Board of Directors  
June 9, 2020



## St. Lucie Project



# St. Lucie Project Summary

## *Targeting Continued Lower Rate for FY 2021*

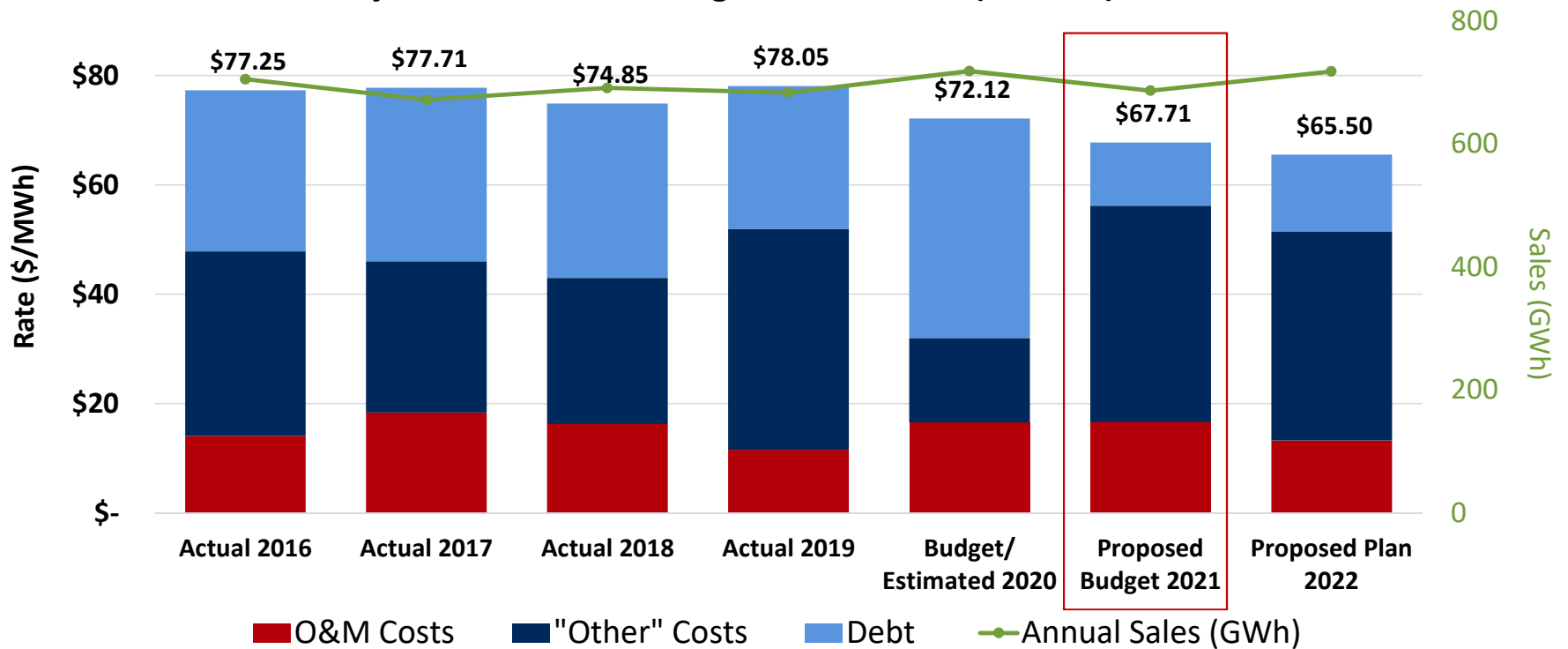
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- Total St. Lucie FY 2021 Participant cost of \$67.71/MWh, continuing the goal of incrementally reducing Participant costs
- Generation down from FY 2020 budget with both St. Lucie units scheduled for refueling outages during FY 2021
- FY 2021 budgets for FPL O&M and A&G costs again developed based on historical experience
- R&R funding reduced with condenser tube replacement project (\$69M total, ~\$6M FMPA share) removed from FPL capital plan
- Debt Service costs for FY 2021 lower than FY 2020, partially offset by higher funding of General Reserve Fund in 2021 to save for future debt service costs

# FY 2021 St. Lucie Project Rate is \$67.71/MWh

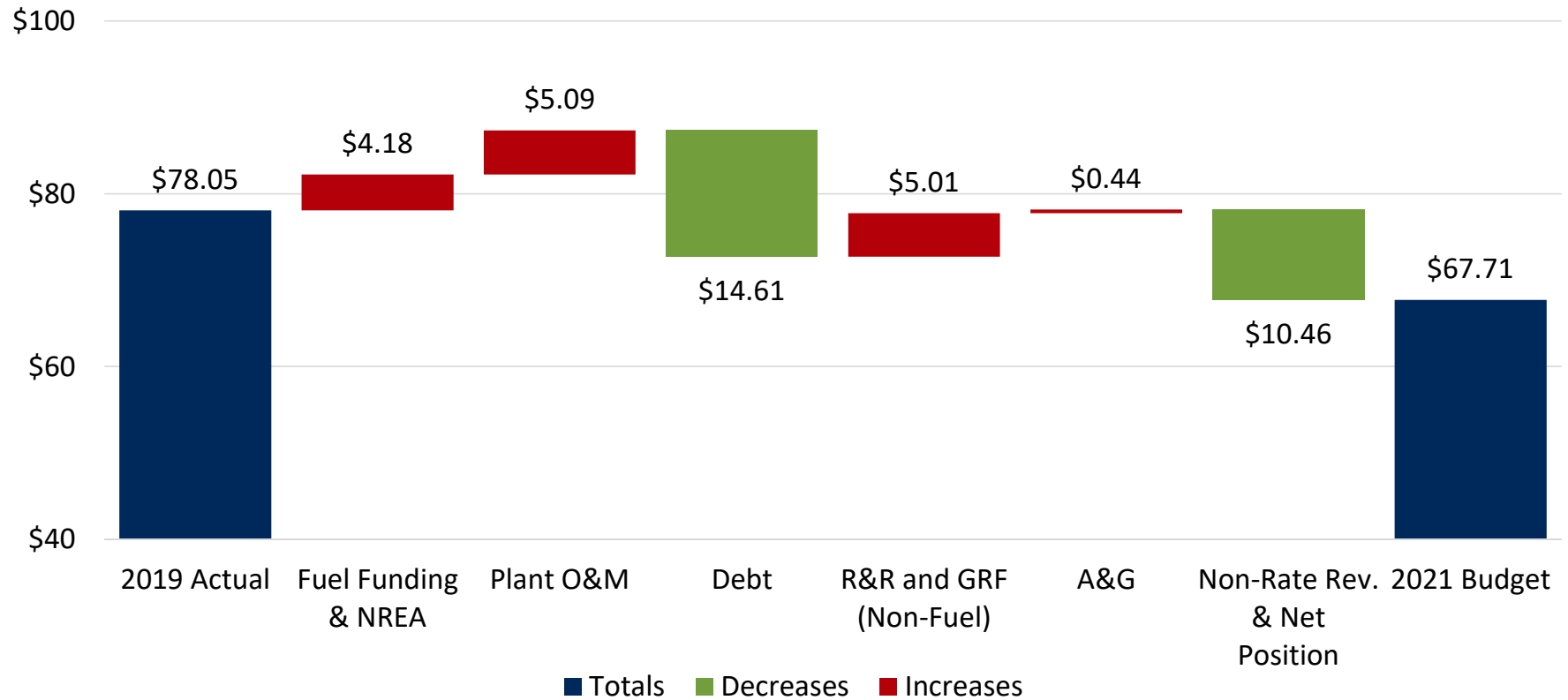
*Continuing to Target a Gradual Step Down in Rates over Next Several Years*

St. Lucie Project – Historical & Budgeted All-in Rate (\$/MWh)



# Lower Debt Service Costs in FY 2021 Offsets Other \$/MWh Cost Increases from FY 2019

St. Lucie Project – 2019 Actual to 2021 Budget All-in Rate (\$/MWh)





## **Stanton and Tri-City Projects**



# Stanton and Tri-City Projects Summary

## *Key Points to Note*

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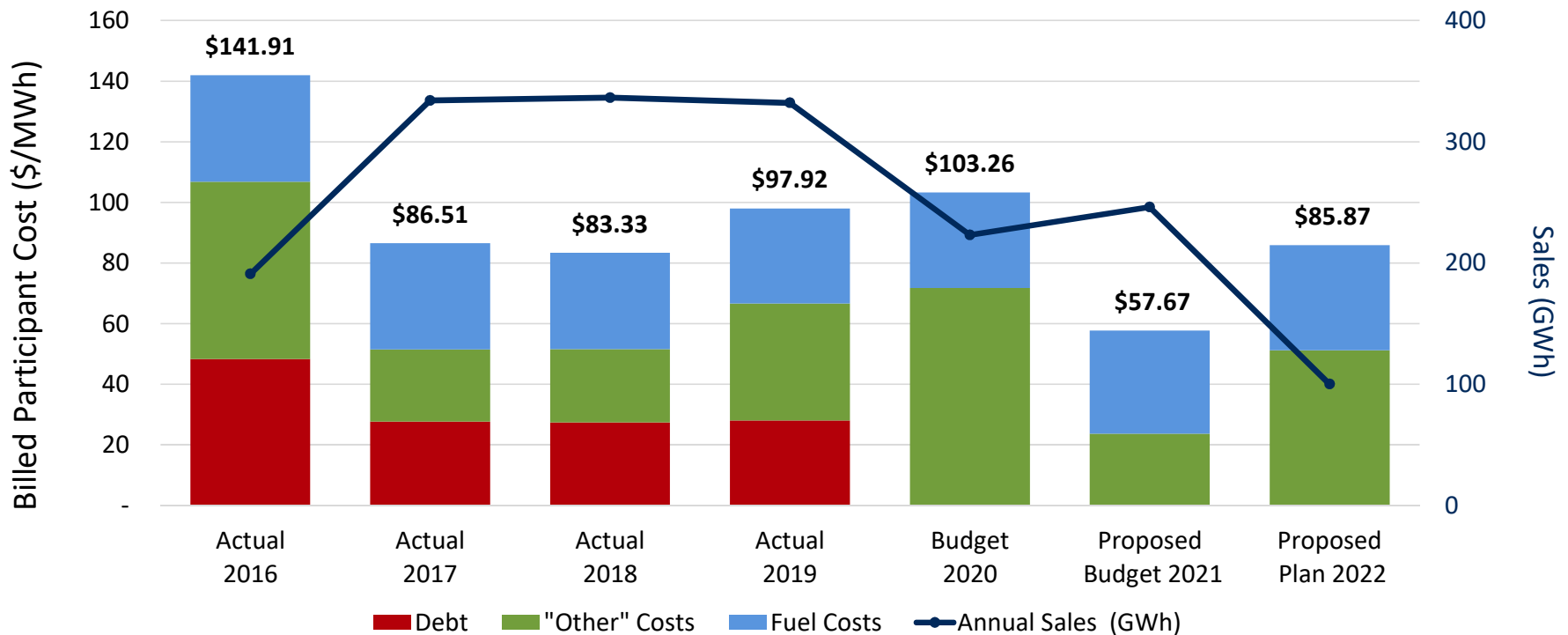
- Both Projects' 2021 total expenses and \$/MWh cost significantly lower than 2019 due to debt payoff, lower capital funding
- FY 2021 lower generation assumed in simulation runs due to assumed economics-based operation with the completion of pond expansion project
- Capital spending returning to lower levels after higher-cost years
- Both Projects' 2021 budgets assume some excess funds held for rate stabilization, returned in 2022 to help lower projected higher costs
- Low \$/MWh costs in FY 2021 due to non-operating cost savings; continuing to work with OUC for opportunities to lower operating costs and to understand plans for the future



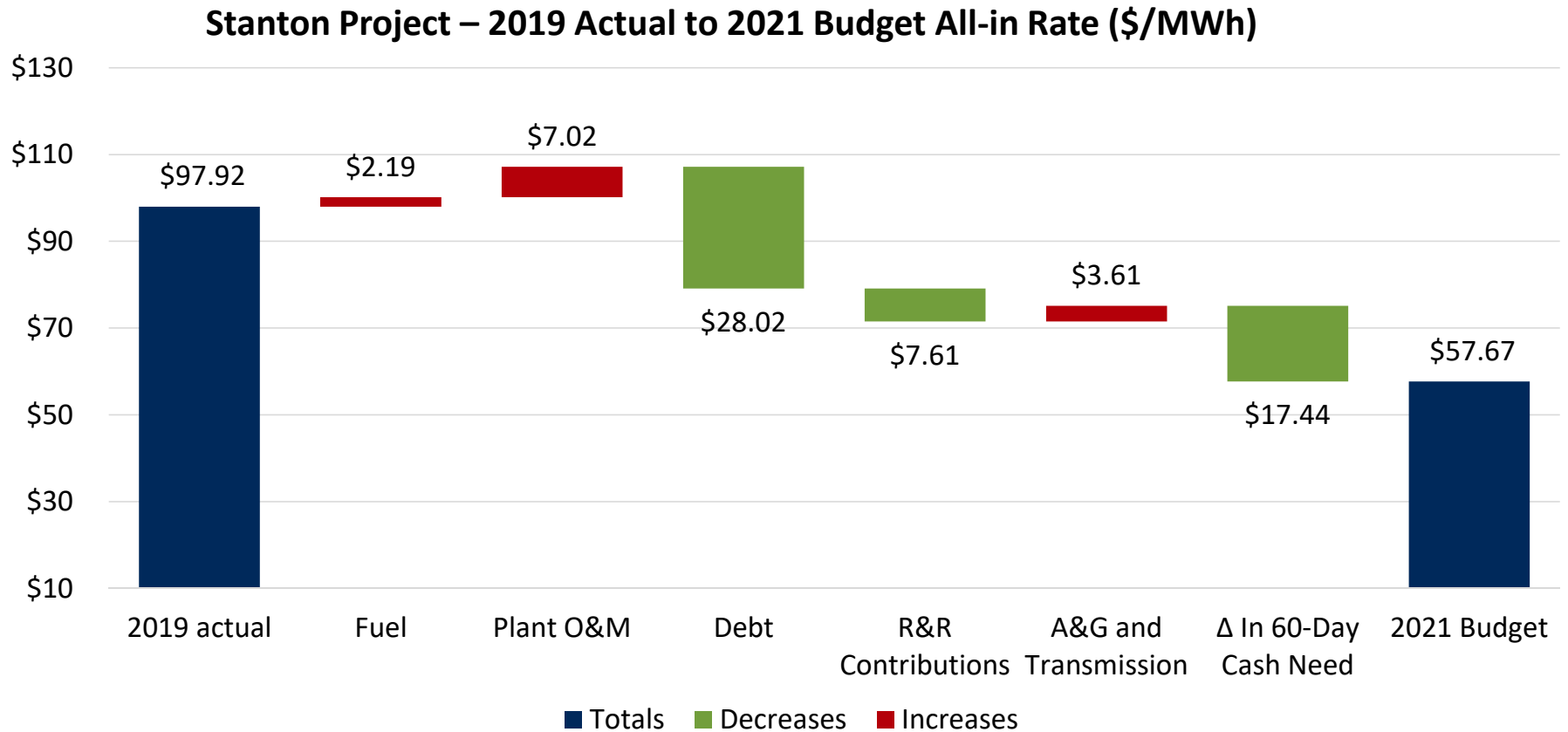
# Stanton FY 2021 \$/MWh Cost Down Significantly

*No Debt, Lower Capital Funding, & Excess Cash Position Drive Rate Much Lower;  
Operating Costs Still > \$70/MWh*

**Stanton Project – Historical & Budgeted All-in Rate (\$/MWh) and Sales (GWh)**

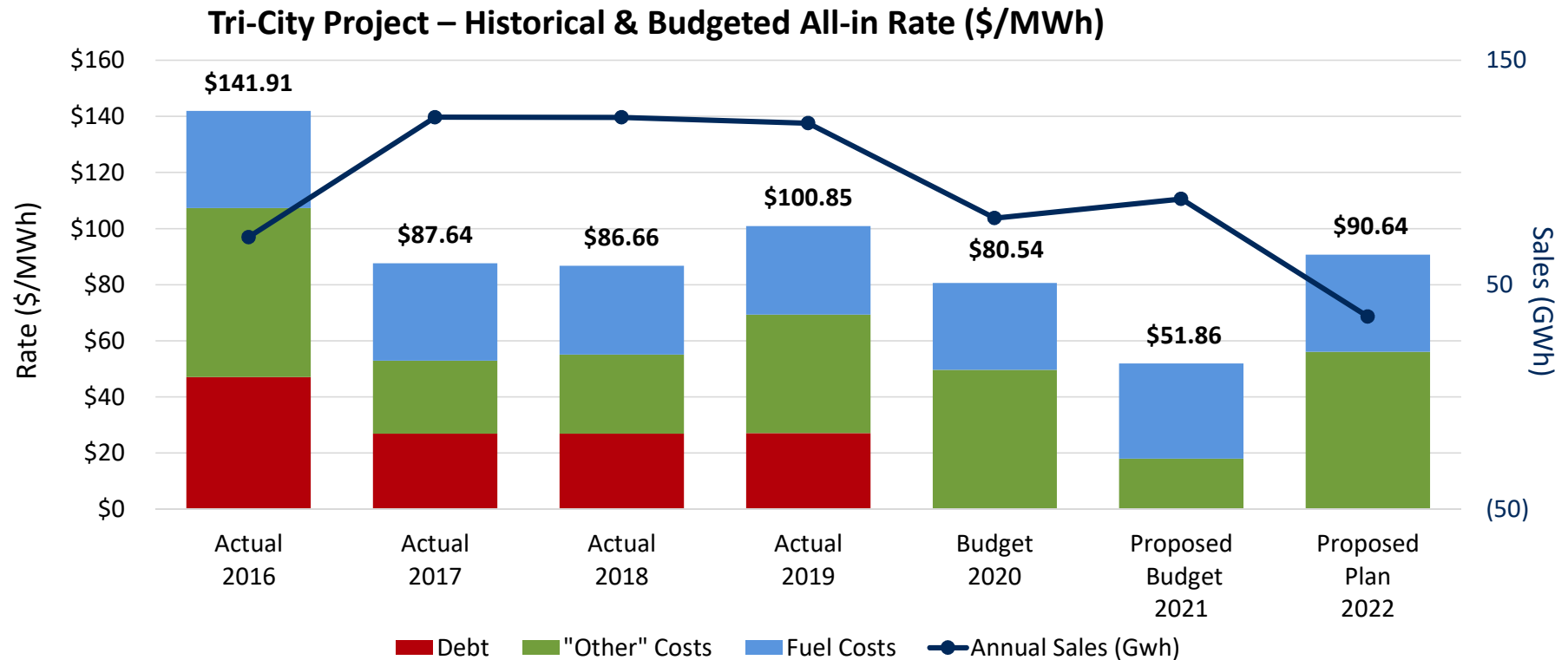


# Despite Lower Projected Generation, Payoff of Project Debt Drives \$/MWh Cost Decrease from 2019 Actuals



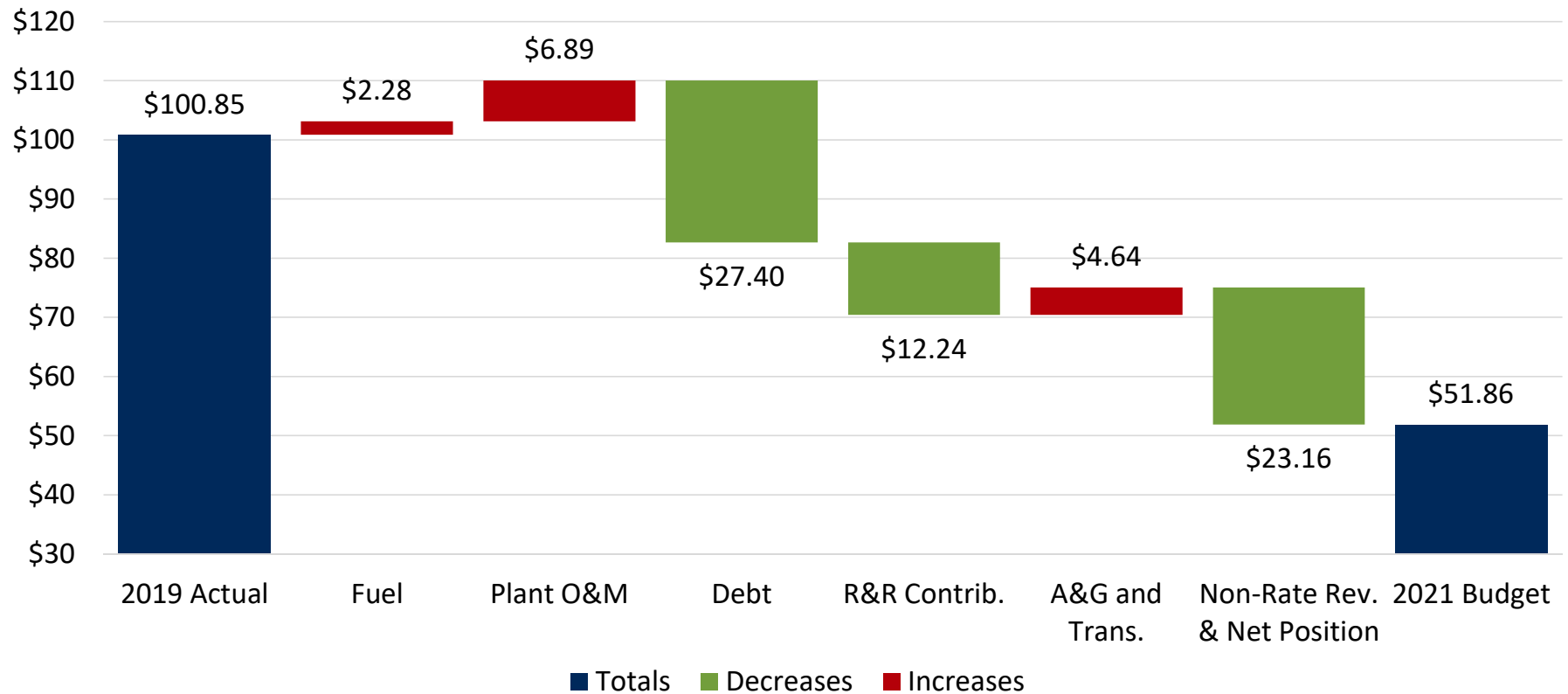
# FY 2021 Tri-City Project Rate is ~\$52/MWh

*No Debt, Lower Capital Funding, & Excess Cash Position Drive Rate Much Lower; Operating Costs Still > \$70/MWh*



# Despite Lower Projected Generation, Payoff of Project Debt Drives \$/MWh Cost Decrease from 2019 Actuals

Tri-City Project – 2019 Actual to 2021 Budget All-in Rate (\$/MWh)





## Stanton II Project



# Stanton II Project FY 2021 Budget

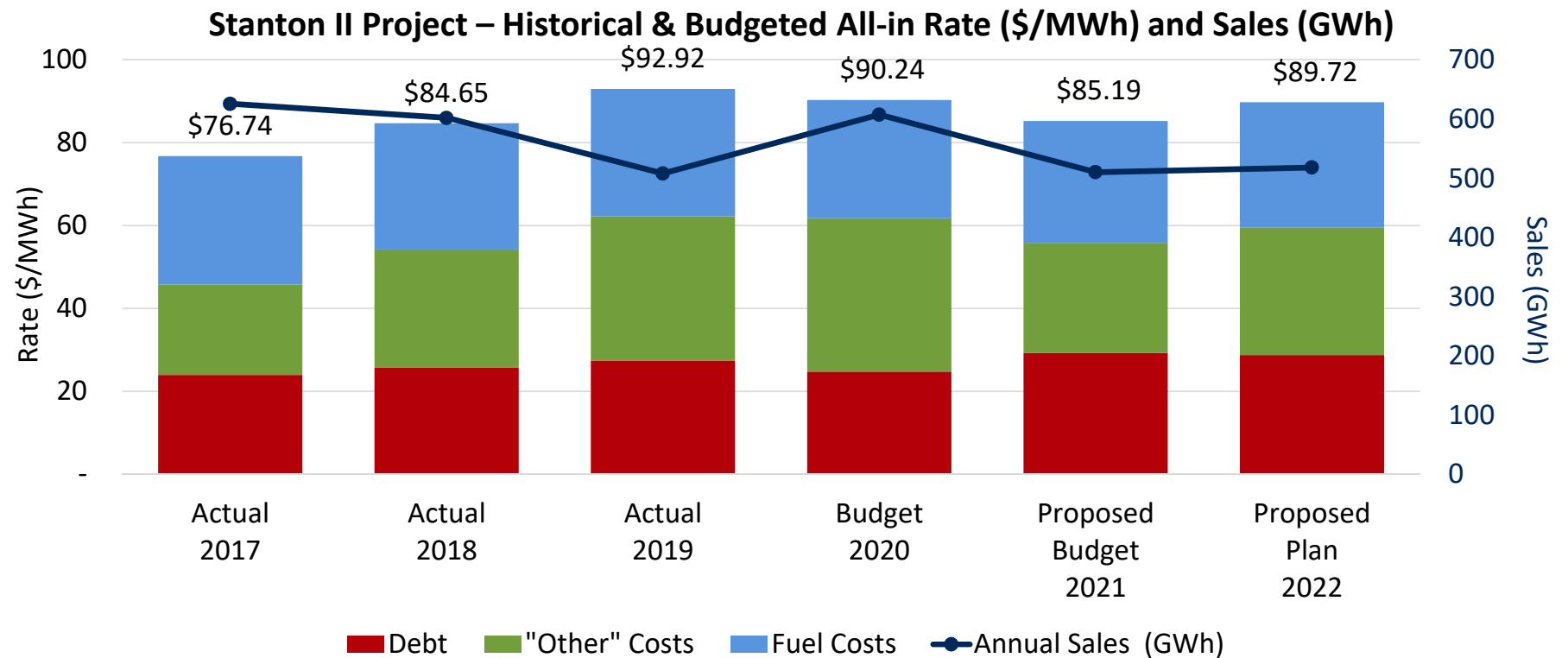
## *Key Points to Note*

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- FY 2021 Stanton II Project \$/MWh budgeted \$5/MWh lower than FY 2020 budget, \$7/MWh lower than FY 2019 actuals
- FY 2021 again assumes more economics-driven operation due to completion of pond expansion project, Unit 2 more efficient unit
- FY 2021 capital spending dropping to more typical levels
- Stanton II is highest cost FMPA Project for FY 2021; continuing to work with OUC for opportunities to lower operating costs and to understand plans for the future

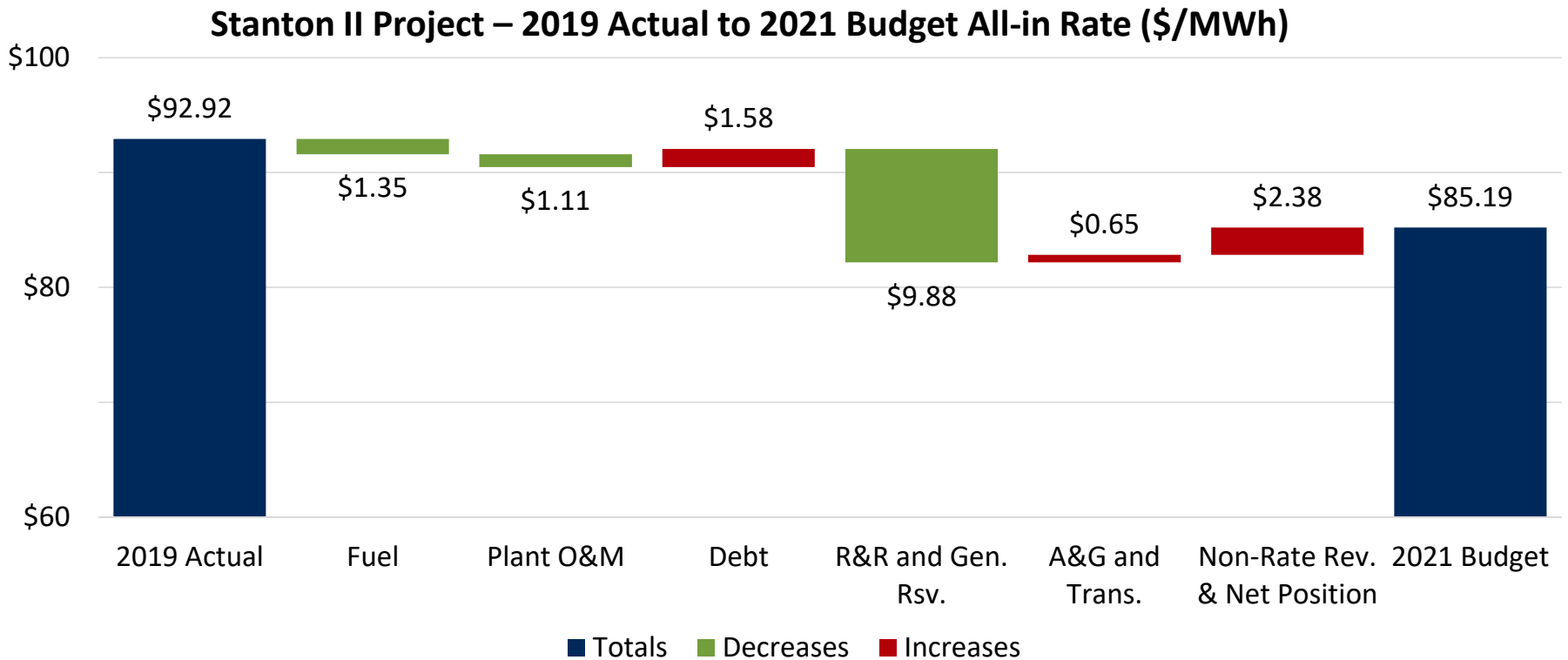
# FY 2021 Stanton 2 Participant Cost is ~ \$85/MWh

*Project Costs without Debt ~\$62/MWh*



# FY 2021 Budget ~ \$8/MWh < FY 2019 Actuals

*2021 R&R and General Reserve Funding \$5M < 2019 Levels*







## Solar Projects



# Solar Project Summary

## *Key Points to Note*

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- FY 2021 Budgets assumes the Solar Projects do not come online during FY 2021
- FY 2021 and FY 2022 developed based on currently known assumptions
- Will bring back to the Board of Directors for budget amendment if needed



## **Pooled Loan Project**



# Pooled Loan Project Summary

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- Bushnell closed on a loan
- Evaluating options on additional loans
- Approved for up to \$25,000,000 in loans
- Currently \$7,935,000 issued

# Spending Authority

## *Budget Amount*

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• Annual Allocation of Start-up Costs (Collected over 10 years)		\$ 8,107 <i>(c*d/10 years)</i>
▪ Start-up Costs (Legal Fees, Trustee, Bank)	\$81,070 <i>(a)</i>	
▪ Total Authorized Pool Loan	\$25,000,000 <i>(b)</i>	
▪ BPS per Pool Loan Dollar <i>(a/b)</i>	.00324 <i>(c)</i>	
▪ Pooled Loans Original Par Amount	\$25,000,000 <i>(d)</i>	
• A&G		\$ 12,188
• Trustee Fees		<u>\$ 17,500</u>
		\$ 37,795



## Agency Allocation



# Changes to Agency Cost Allocation to Projects

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- Existing methodology based on key positions' percent of time spent to manage the projects, last revised in FY 2006 budget
- Does not consider that some work benefits all projects and some work benefits coal projects as a group vs individually
- Also, does not take into account the increasing range of additional services/ support FMPPA provides
- Staff proposing revised methodology for FY 2021 budget

# Methodology

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- 2 positions removed from current methodology, but 9 positions added (17 total)
  - Includes additions of HR, IT, PR, and member services positions, among others
  - All of these positions are required to support management of the projects or assist members in those projects
- Staff then used best estimate of what % of an FTE for each position is required to support the projects
- Unless staff had knowledge that a different allocator was more appropriate, those FTE percentages were further allocated to the ownership-based generating projects using a goal seek calculation such that:
  - Stanton and Tri-City received equal allocations
  - The allocation to Stanton II was equal to the sum of Stanton and Tri-City
  - The allocation to St. Lucie was  $\frac{2}{3}$  of the amount allocated to the total of Stanton, Tri-City, and Stanton II
  - This approach recognizes that management of Stanton and Tri-City has some time savings due to ownership in the same unit, and both projects are now debt-free
  - Similarly, there are time savings associated with the three coal projects all having ownership in the same plant



## Methodology (continued)

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- For positions that were more member service-based, the % allocation to the projects was based on the respective number of members in each project
- Fully loaded costs then allocated based on an assumed percent of time spent on each project, similar to current methodology, except that:
- All ownership-based projects would be subject to a minimum annual allocation equal to 2.5% of total Agency budgeted revenues, and PPA-based projects would be subject to a minimum annual allocation equal to 1.0% of total Agency budgeted revenues
  - For FY 2021, minimum for ownership-based Project would be ~\$394k (10% reduction from amount charged in FY 2020 budget)
- Both solar projects included in calculation but ignored for FY 2021 budget since neither will be in service

# FY 2021 Proposed Agency Overhead Allocations

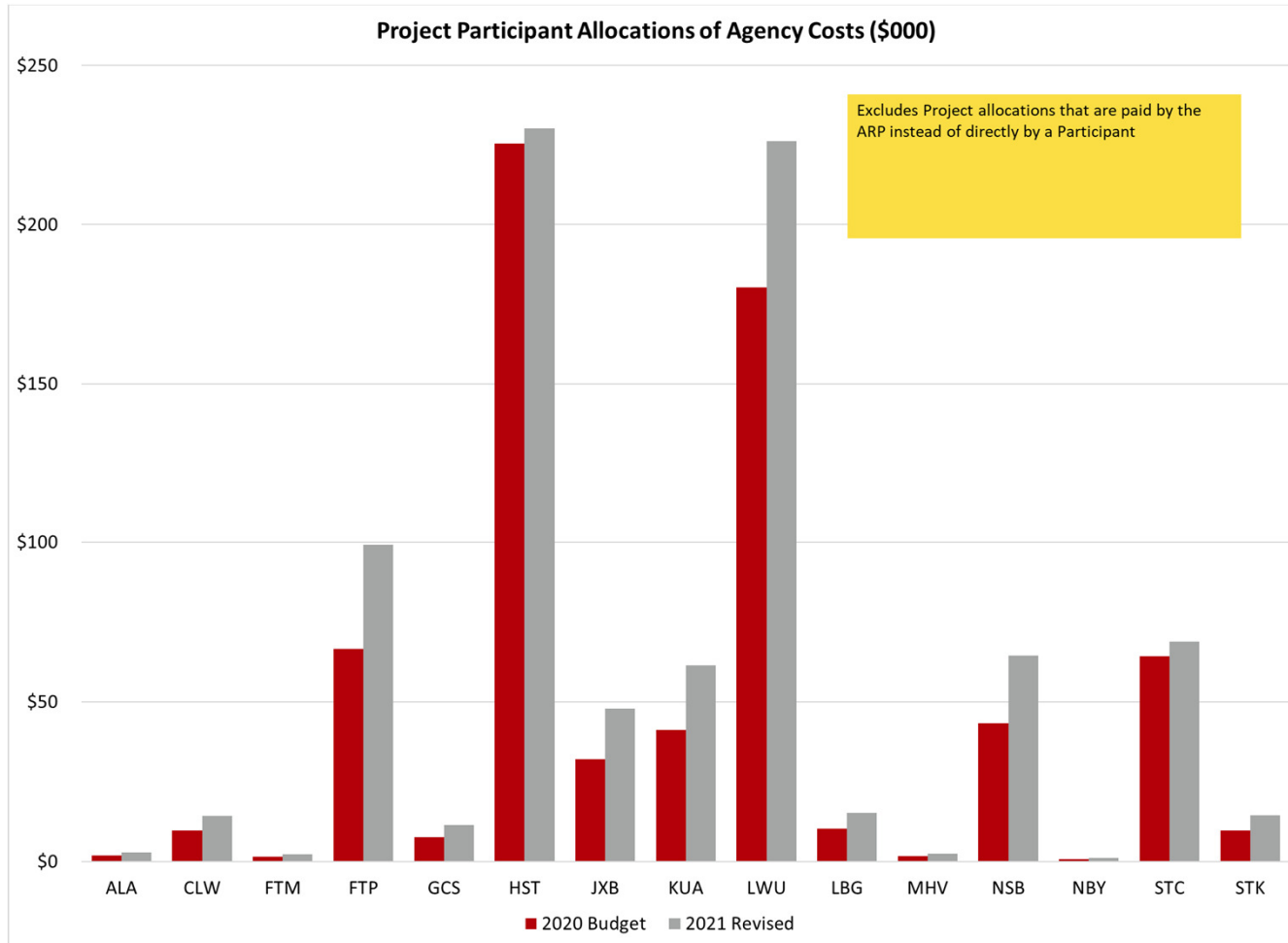
	FY 2020 Budget (\$)	FY 2021 Budget (\$) [2]	% Change from FY 2020
Member Assessments [1]	\$27,966	\$43,750	56.4% [3]
St. Lucie Project	438,276	651,963	48.8%
Stanton Project	438,276	393,859	-10.1%
Tri-City Project	438,276	393,859	-10.1%
Stanton II Project	438,276	469,517	7.1%
Pooled Loan Project	10,235	12,188	19.1%
Solar Project	--	--	--
Solar II Project	--	--	--
Joint Owner Contract Audits	112,400	118,000	5%
All-Requirements Project	13,510,832	13,671,220	1.2%
<b>Total</b>	<b>\$15,414,537</b>	<b>\$15,754,356</b>	

[1] Assessments to FMPA members that do not participate in an FMPA power supply project.

[2] FY 2021 Budget assumes neither solar project comes online during FY 2021.

[3] Based on proposed methodology change. Maximum \$2,000 increase in FY2021.

# Allocation by Participant



## Recommended Motion

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- Move adoption of the Budget Resolution 2020-B1, which will approve the Fiscal Year 2021 Stanton, Tri-City, Stanton II, St. Lucie, Solar, Solar II, and Pooled Loan Project Budgets and the Fiscal Year 2021 Agency Allocations

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) ESTABLISHING, APPROVING, AND ADOPTING THE ANNUAL BUDGETS FOR THE PROJECTS OF THE FLORIDA MUNICIPAL POWER AGENCY, OTHER THAN THE ALL-REQUIREMENTS POWER SUPPLY PROJECT, AS FOLLOWS:

FORTY-NINE MILLION TWO HUNDRED FIFTY-FOUR THOUSAND DOLLARS (\$49,254,000) FOR THE ST. LUCIE PROJECT,

SEVENTEEN MILLION FOUR HUNDRED SEVENTY-FOUR THOUSAND DOLLARS (\$17,474,000) FOR THE STANTON PROJECT,

FORTY-SIX MILLION THREE HUNDRED SIXTEEN THOUSAND DOLLARS (\$46,316,000) FOR THE STANTON II PROJECT,

SIX MILLION FIVE HUNDRED EIGHTEEN THOUSAND DOLLARS (\$6,518,000) FOR THE TRI-CITY PROJECT,

ZERO DOLLARS (\$0) FOR THE SOLAR PROJECT,

ZERO DOLLARS (\$0) FOR THE SOLAR II PROJECT, AND

THIRTY-SEVEN THOUSAND SEVEN HUNDRED NINETY-FIVE DOLLARS (\$37,795) FOR THE INITIAL POOLED LOAN PROJECT

FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, AND THE CORRESPONDING BUDGET DOCUMENTS; (II) DEFINING BUDGET AMENDMENTS; (III) ESTABLISHING LEVELS OF APPROVAL REQUIRED FOR BUDGET AMENDMENTS; (IV) PROVIDING FOR ACCOUNT ADJUSTMENTS; (V) PROVIDING FOR LAPSE

OF UNEXPENDED FUNDS; (VI) PROVIDING FOR ALLOCATIONS OF THE FLORIDA MUNICIPAL POWER AGENCY GENERAL BUDGET TO THE PROJECTS; (VII) PROVIDING FOR INTERIM FUNDING AND REIMBURSEMENT FROM DEBT FINANCING OF CAPITAL IMPROVEMENTS AND PROVIDING FOR THE RELATED DELEGATION TO AUTHORIZED OFFICERS; (VIII) MAKING A DETERMINATION OF A PUBLIC PURPOSE FOR BUDGETED EXPENDITURES; (IX) PROVIDING FOR A CAP ON FINANCIAL ADVISOR FEES; (X) PROVIDING FOR USE OF THE AGENCY DEVELOPMENT FUND; (XI) PROVIDING FOR SEVERABILITY; AND (XII) PROVIDING AN EFFECTIVE DATE.

Whereas, the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended (the “**Interlocal Agreement**”), requires the Board of Directors of the Florida Municipal Power Agency (the “**Agency**”) to annually approve and adopt a budget for the Agency’s projects, as defined in the Interlocal Agreement, other than the All-Requirements Power Supply Project, for the succeeding fiscal year; and

Whereas, pursuant to these requirements the annual budget documents for the budgets of the Agency’s projects, other than the All-Requirements Power Supply Project, for the fiscal year beginning October 1, 2020, and ending September 30, 2021, (“**Fiscal Year 2021**”) have been prepared and presented by Agency staff, reviewed and approved by the Finance Committee, and recommended for approval to the Board of Directors.

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

SECTION I. **Project Budgets.** (A) The budgets for the Agency’s projects, other than the All-Requirements Power Supply Project, for Fiscal Year 2020 are hereby established as follows:

- (i) \$49,254,000 for the St. Lucie Project,
- (ii) \$17,474,000 for the Stanton Project,
- (iii) \$46,316,000 for the Stanton II Project,
- (iv) \$6,518,000 for the Tri-City Project,
- (v) \$0 for the Solar Project,
- (vi) \$0 for the Solar II Project, and
- (vii) \$37,795 for the Initial Pooled Loan Project.

(collectively, the St. Lucie Project, Stanton Project, Stanton II Project, Tri-City Project, Solar Project, Solar II Project, and Initial Pooled Loan Project budgets established in this Section I(A) are the “**Fiscal Year 2021 Project Budgets**”). The Fiscal Year 2021 Project Budgets are established hereby as finally approved by the Finance Committee, and described in detail in the “**Fiscal Year 2021 Budget Book.**” The Fiscal Year 2021 Budget Book as it relates to the Fiscal Year 2021 Project Budgets is incorporated by this reference as a material part of this resolution.

(B) The Fiscal Year 2021 Project Budgets, as established in subsection (A) above and described in detail in the Fiscal Year 2021 Budget Book, are hereby approved and adopted. Approval is also hereby given to those documents in the Fiscal Year 2021 Budget Book related to the plan for the Agency’s projects, other than the All-Requirements Power Supply Project, for the fiscal year beginning October 1, 2021, and ending September 30, 2022 (“**Fiscal Year 2022**”), which are hereby approved as the plan to be used to prepare the Fiscal Year 2022 budgets for the Agency’s projects, other than the All-Requirements Power Supply Project (the “**Fiscal Year 2022 Projects Budget Plan**”).

SECTION II. **Definition of Budget Amendments.** For purposes of this Resolution, “**Budget Amendment**” means an increase or decrease in any expenditure within the Fiscal Year 2021 Project Budgets, the effect of which alters the total dollar amount of any of the Fiscal Year 2021 Project Budgets.

SECTION III. **Approval of Budget Amendments.** The Fiscal Year 2021 Project Budgets may only be amended by the Board of Directors at a duly called meeting of the Board of Directors by resolution and in accordance with Agency requirements and requirements of law.

SECTION IV. **Account Adjustment.** The General Manager may adjust the appropriate accounts for the Fiscal Year 2021 Project Budgets by a maximum amount of unexpended funds for approved and appropriated project expenditures (other than expenditures for the All-Requirements Power Supply Project) for undertakings remaining active as of September 30, 2020. However, any such adjustment must be reported to and approved by the Board of Directors, in accordance with Section III.

SECTION V. **Lapse of Unexpended Funds.** Any funds in the Fiscal Year 2020 Project Budgets appropriated but not expended, unless otherwise amended pursuant to Section III, automatically lapse upon FMPA’s close of business on September 30, 2021, unless otherwise approved by a resolution of the Board of Directors.

SECTION VI. **Project Allocations.** The Board of Directors hereby allocates financial responsibility for the Agency general budget for Fiscal Year 2020, as adopted by the Executive Committee, to the Agency’s projects in the following percentages:<sup>[NB]</sup>

- (i) All-Requirements Power Supply Project ..... 86.78%
- (ii) St. Lucie Project ..... 4.14%
- (iii) Stanton Project ..... 2.50%
- (iv) Stanton II Project ..... 2.98%
- (v) Tri-City Project ..... 2.50%
- (vi) Solar Project ..... 0%
- (vii) Solar II Project ..... 0%
- (viii) Initial Pooled Loan Project ..... 0.08%

<sup>[NB]</sup> The amounts shown in clauses (i) through (viii) of this Section VI do not add to 100% due to rounding and the inclusion of other revenue amounts, other than project allocations, for the coverage of certain costs, as described in the Fiscal Year 2021 Budget Book and the Agency and ARP Fiscal Year 2021 Budgets, as defined in Resolution 2020-EC2, adopted by the FMPA Executive Committee on an even date herewith.

SECTION VII. **Interim Funding of Total Capital Financed.** Capital improvements described in the Fiscal Year 2021 Project Budgets under the heading of “Capital Funded from Financing” or otherwise described as expected to be financed with loans or other debt obligations may initially be paid with other temporarily available funds of the Agency, pending issuance of such loans or other debt; it is the expectation of the Agency that such expended amounts will be reimbursed when the proceeds of such debt become available, that the maximum principal amount of debt issued for such purposes will also include the amount necessary to fund associated issuance costs, debt reserve funds, capitalized interest and similar items customarily included in a debt financing of such capital expenditures (as grossed up, for purposes of this Section VII, the “**Maximum Principal Amount**”), and it is the Agency’s intention that this Section VII be treated as a statement of the Agency’s “official intent” within the meaning of IRS regulations section 1.150-2. While this is the current intention of the Agency, it does not in any way obligate the Agency to proceed with tax-exempt financing for any such expenditures, or to reimburse itself from the proceeds of any such loan or debt financing or financings which may be undertaken, in the event that the Agency later determines that such action is not in its best interest. In addition, in the event that it becomes apparent during Fiscal Year 2021 that the actual costs of capital improvements for Fiscal Year 2021 may or will exceed the amount set forth in the Fiscal Year 2021 Project Budgets as adopted, or the Agency determines that the amount expected to be financed with loans or other debt obligations will exceed the Maximum Principal Amount, a further statement of “official intent” under applicable federal income tax regulations may be subsequently



adopted by the Authorized Officers (as set forth further in this Section VII) in a timely manner in order to preserve the ability to reimburse such excess from the proceeds of additional loans or debt obligations. For purposes of this Section VII, “**Authorized Officers**” means (i) the Chairman of the Board of Directors or the Vice Chairman of the Board of Directors or the elected Treasurer of the Board of Directors and (ii) the General Manager and CEO of FMPA or the Chief Financial Officer of FMPA.

**SECTION VIII. Determination of a Public Purpose.** The Board of Directors hereby determines that all budgeted expenditures described in the Fiscal Year 2021 Project Budgets, and those otherwise permitted and within the limits established in the Fiscal Year 2021 Project Budgets, have and do serve a public purpose and further the purposes of the Agency and each of the Agency’s projects (other than the All-Requirements Power Supply Project), as provided for in the Interlocal Agreement, the Power Sales Contracts and Project Support Contracts between FMPA and each of the Project Participants (as defined therein) and other applicable project agreements, and applicable law.

**SECTION IX Cap on Financial Advisor Fees.** In March 2018 the FMPA Board of Directors and FMPA Executive Committee approved engaging Dunlap & Associates, Inc. (“**Dunlap**”) and PFM Financial Advisors LLC (“**PFM**”) as the Managing Financial Advisor and Co-Financial Advisor, respectively, with the understanding that the total fees paid for both firms would not exceed the total fees paid for financial advisor services in the previous year. The Board of Directors hereby caps the budgetary authority for financial advisor fees paid to both Dunlap and PFM, together, at no more than a total of \$219,000 for Fiscal Year 2021, regardless of whether those financial advisor fees are provided for in the Agency and ARP Fiscal Year 2021 Budgets, or elsewhere.

**SECTION X. Use of the Agency Development Fund.** For any use of the Agency Development Fund authorized during Fiscal Year 2021 by the Board of Directors, consideration must be given to whether moneys to be repaid to the Development Fund should be repaid with interest, or not. In making such consideration, the Board of Directors hereby directs the staff to make a recommendation, including a recommended interest rate or methodology, for the term of repayment, considering then-current interest rate and other financial market conditions.

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

SECTION XI. **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2020-B1 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on June 18, 2020.

Barbara Quiñones  
Chairman, Board of Directors

I HEREBY CERTIFY that on June 18, 2020, the above Resolution 2020-B1 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2020-B1.

ATTEST:

Sue Utley  
Secretary or Assistant Secretary

SEAL



**MEMORANDUM**

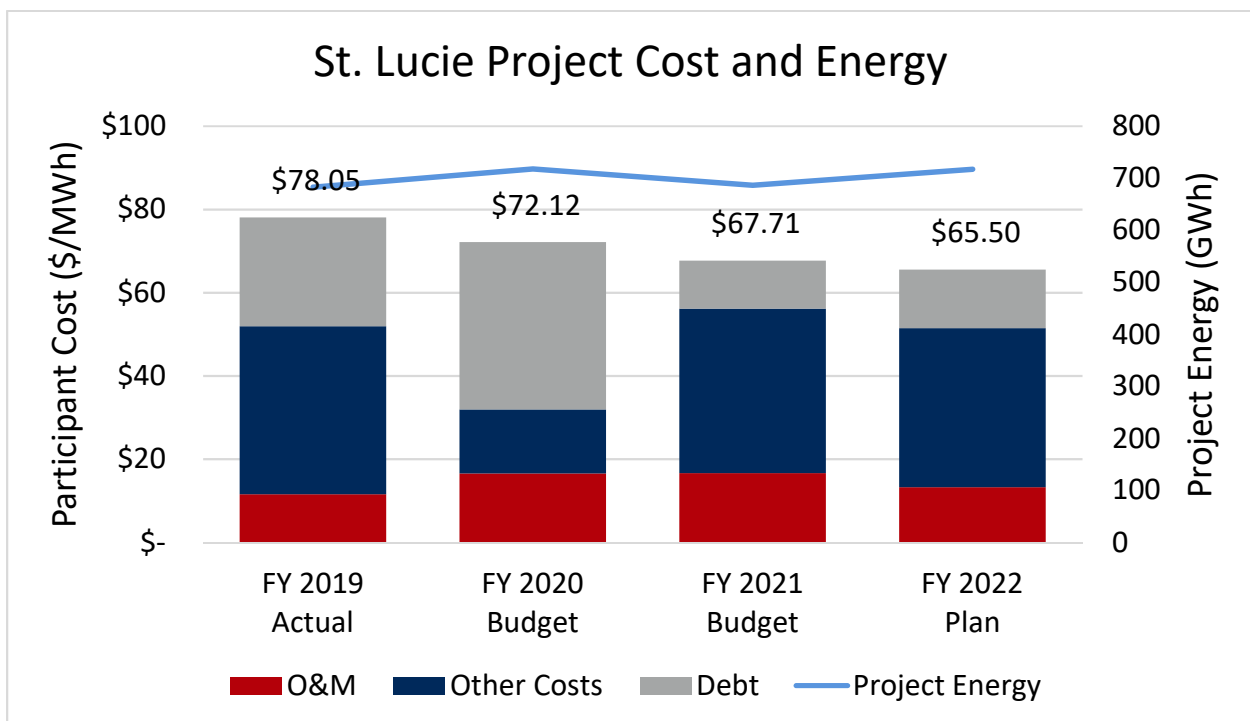
TO: Board of Directors  
 FROM: Jason Wolfe  
 DATE: June 9, 2020  
 SUBJECT: St. Lucie Project FY 2021 Budget / FY 2022 Plan Overview

**Project Costs and Energy**

The proposed St. Lucie Project budget for FY 2021 would result in an average cost to Participants of \$67.71 per MWh billed (excluding transmission costs). This represents a 6% decrease from the budgeted per-unit Participant cost for FY 2020, as well as a 13% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of \$65.50 per MWh billed. This represents a 3% decrease from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project \$/MWh costs and energy.



The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

	Total Project Costs [1] (\$/MWh)	Billed Costs to Participants [1] (\$/MWh)	Delivered Energy (GWh)	Capacity Factor (%)
FY 2021 Budget	\$71.06	\$67.71	686	92.7%
FY 2022 Plan	\$71.05	\$65.50	718	96.9%

[1] Excludes transmission costs for the St. Lucie Project, which are only paid by Alachua and KUA.

The 6% billing rate decrease for FY 2021 is primarily driven by the continuation of the long-term cost reduction strategy FMPA has implemented for the St. Lucie Project. With final payoff of project debt currently scheduled for October 1, 2026, as well as healthy levels of project reserves, FMPA is targeting an incremental annual reduction in project \$/MWh billed costs over the next several years. With St. Lucie 2 currently licensed to operate until 2043 and interest rates at very low levels, FMPA is investigating opportunities to refinance project debt to effectuate additional rate reductions to the St. Lucie Project.

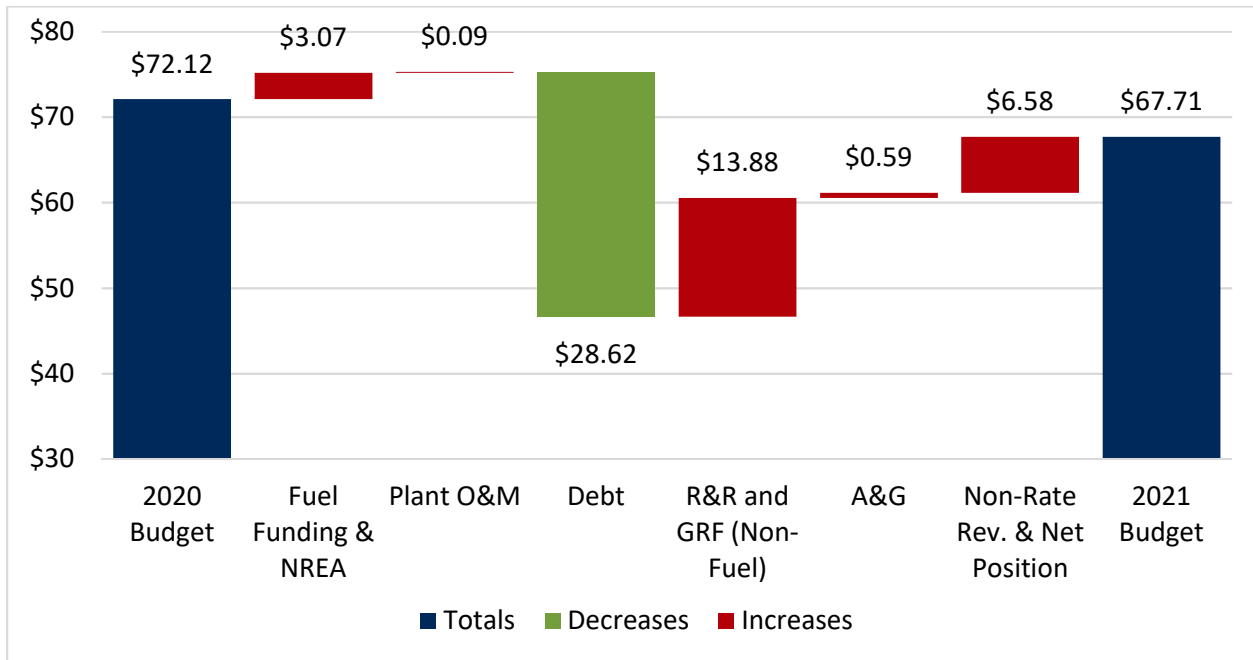
The largest decrease in costs for FY 2021 compared to the FY 2020 budget is due to a \$21 million reduction in debt service costs, primarily due to the final payoff of the Series 2011A Bonds. This decrease is somewhat offset by an increase in funding of the General Reserve Fund to provide funding for future debt service costs (see the “General Reserve Fund” section for details).

St. Lucie Project O&M costs are somewhat cyclical (i.e., higher in fiscal years in which refueling outages occur, and lower in fiscal years without refueling outages), but Project O&M costs have overall been trending downward over the past decade as FPL has implemented cost reduction strategies. The FY 2021 budget reflects a 3.9% decrease in O&M costs from the FY 2020 budget, while the plan for FY 2022 assumes O&M costs 17% below the FY 2021 budget with no refueling outage anticipated.

Project MWh billed energy is budgeted to be 4% lower in FY 2021 (92.7% capacity factor) than the FY 2020 budget (97.0% capacity factor) due to scheduled refueling outages for both St. Lucie 1 and St. Lucie 2 in FY 2021. Under the Nuclear Reliability Exchange Agreement (NREA) with FPL, the St. Lucie Project exchanges 50% of its entitlement to capacity and energy from St. Lucie 2 for a like entitlement to capacity and energy from St. Lucie 1. For FY 2022, which is currently the final year for the NREA, the projected capacity factor is 96.9%, as only St. Lucie 1 is scheduled to have a refueling outage.

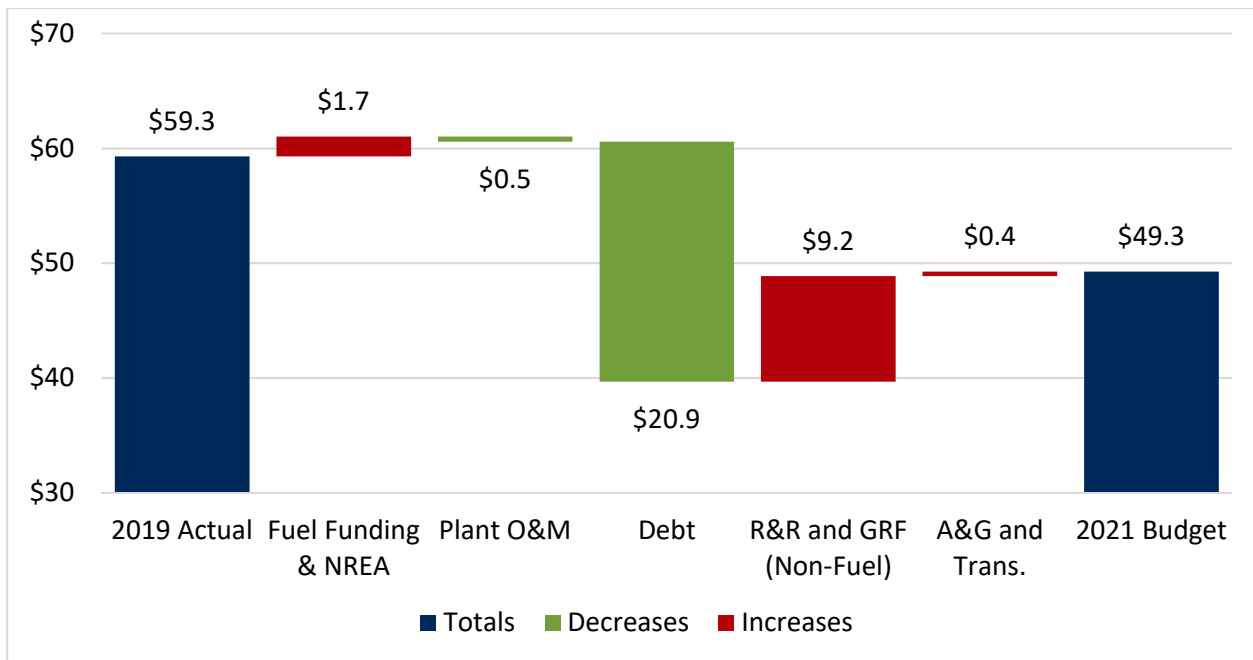
The following charts compare the budgeted Participant costs (\$/MWh) and total Project expenses for Fiscal Years 2020 and 2021.

### St. Lucie Project FY 2021 Budgeted Participant Costs Compared to FY 2020 (\$/MWh) [1]



[1] Excludes transmission costs for the St. Lucie Project, which are only paid by Alachua and KUA.

### St. Lucie Project FY 2021 Budgeted Expenses Compared to FY 2020 (\$Millions)



Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

### **Capital Plan and Renewal and Replacement Account**

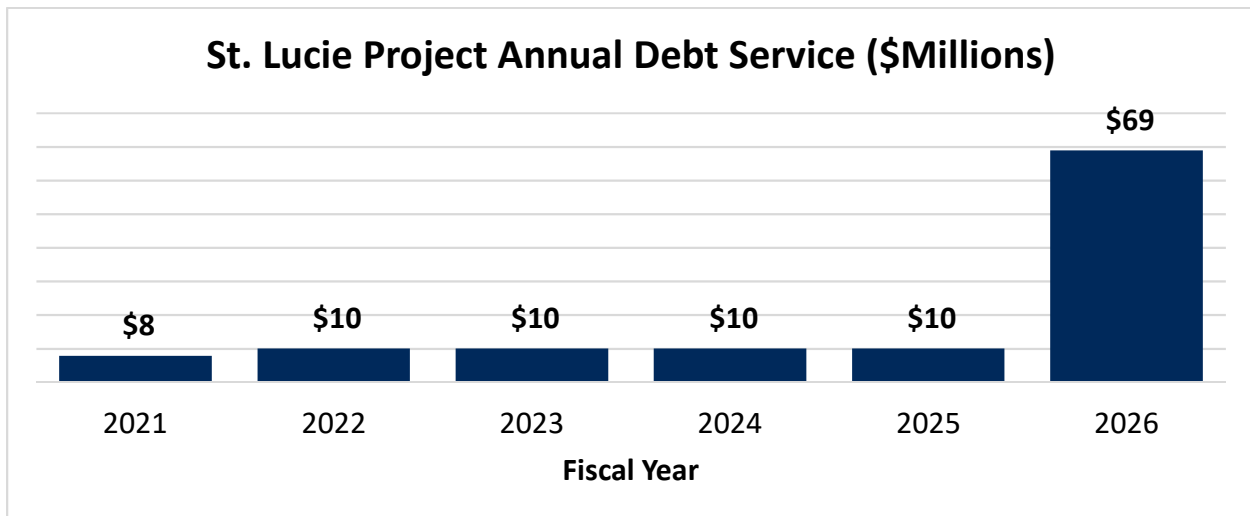
A summary of the Four-Year Capital Plan and funding of the Renewal and Replacement (R&R) Account is shown in Exhibit 4. No significant capital projects are forecasted over the four-year horizon. The most significant capital project included in last year's capital plan was the condenser tube replacement project that was planned for the FY 2022-2023 timeframe (\$69 million total cost, or approximately \$6 million St. Lucie Project share) but is no longer planned over the four-year horizon. Total budgeted capital expenditures for the Project for FY 2021 are approximately \$5 million.

FMPA targets an \$8 million balance for the R&R Account for the Project to fund for future capital needs and unanticipated capital expenditures. R&R Account funding for FY 2021 is budgeted at \$6.5 million, with a step-down to \$4 million per year targeted by FY 2023 based on the current capital forecast.

### **Debt and Debt Service**

The St. Lucie Project currently has five remaining series of Bonds – Series 2010A, Series 2011A (final payoff of October 1, 2020), Series 2011B, Series 2012A, and Series 2013A, with a total of approximately \$93.8 million principal outstanding after October 1, 2020. The final payoff date for the Project debt is October 1, 2026. At present, no additional debt is anticipated to be issued for the St. Lucie Project, although staff is investigating whether the combination of low interest rates and St. Lucie 2 being licensed to operate until 2043 – with no indication of an earlier planned retirement – would provide an opportunity to refinance existing debt to provide additional cost savings to the Project.

The following chart illustrates the annual debt service accruals for the Project. As discussed under the “General Reserve Fund” section, staff currently plans that a significant portion of the debt service requirement for FY 2026 will be funded by monies held in the General Reserve Fund and not through rates.



### O&M Fund and Working Capital

The St. Lucie Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year.

### General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required.

As part of the debt payment strategy for the Project, FMPA is accumulating money in the General Reserve Fund to pay a portion of the final debt service payments due October 1, 2026. For FY 2021, \$10.2 million is budgeted from rates for deposits to the General Reserve Fund, and annual deposits over the period 2021 through 2025 are forecasted to average approximately \$11 million. Staff projects that this level of annual funding of the General Reserve Fund can be accomplished while continuing to steadily lower overall Project rates over the same period.

The General Reserve Fund also includes the Nuclear Fuel Stabilization Account. Similar to the R&R Account, this account was established in recent years to attempt to provide more leveled funding of nuclear fuel purchases, which are treated as capital expenditures for the Project. FMPA targets a \$5 million balance for the Nuclear Fuel Stabilization Account to fund for both budgeted and unanticipated nuclear fuel purchase expenses. Nuclear Fuel Stabilization Account funding for FY 2021 is budgeted at \$6 million, with a step-down to \$4 million per year targeted by FY 2023 based on the current nuclear fuel budget provided by FPL.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project’s various funds and accounts are shown in Exhibit 3.

**Project Participants**

Participant	Power Entitlement Share (%)	Participant	Power Entitlement Share (%)
Alachua	0.4310%	Lake Worth Beach	24.8700%
Clewiston	2.2020%	Leesburg	2.3260%
Fort Meade	0.3360%	Moore Haven	0.3840%
Fort Pierce	15.2060%	New Smyrna Beach	9.8840%
Green Cove Springs	1.7570%	Newberry	0.1840%
Homestead	8.2690%	Starke	2.2150%
Jacksonville Beach	7.3290%	All-Requirements Project [1]	15.2020%
Kissimmee	9.4050%		

[1] Effective December 17, 2018, the All-Requirements Project took an assignment and transfer of Vero Beach’s entitlement share in the St. Lucie Project.



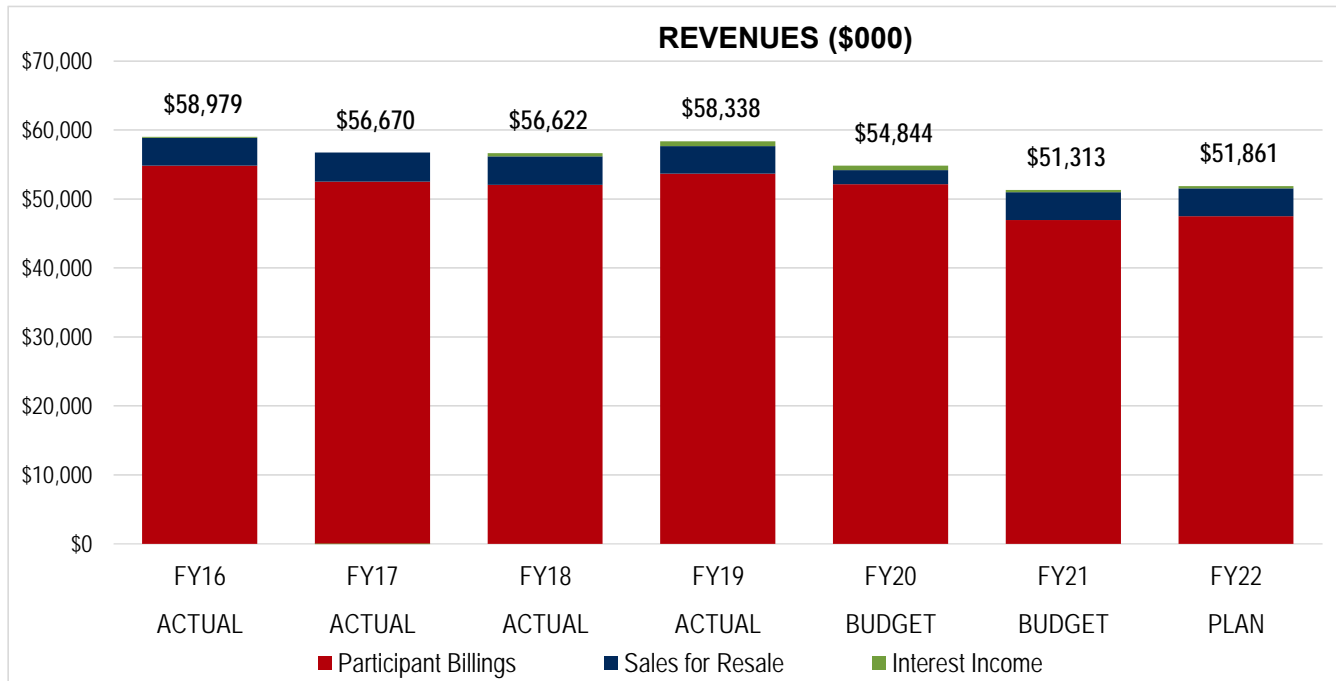
**FLORIDA MUNICIPAL POWER AGENCY  
ST. LUCIE PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Operating Budget (\$000)**

Line No.	Description	ACTUAL FY 2019	BUDGET FY 2020	6 Months ACTUAL FY 2020	Proposed BUDGET FY 2021	Proposed PLAN FY 2022	20 Bdgt / 21 Bdgt Increase / Decrease%	21 Bdgt / 22 Plan Increase Decrease%
<b>REVENUES</b>								
1	Participant Billings	\$ 53,669	\$ 52,151	\$ 26,076	\$ 46,950	\$ 47,512	(10.0%)	1.2%
2	Sales for Resale	3,971	2,031	2,282	4,000	4,000	96.9%	0.0%
3	Interest Income	698	662	304	363	349	(45.2%)	(3.9%)
4	<b>TOTAL REVENUES</b>	<b>\$ 58,338</b>	<b>\$ 54,844</b>	<b>\$ 28,662</b>	<b>\$ 51,313</b>	<b>\$ 51,861</b>	<b>(6.4%)</b>	<b>1.1%</b>
<b>EXPENSES</b>								
5	Fixed Operating & Maintenance	\$ 7,887	\$ 11,881	\$ 6,772	\$ 11,423	\$ 9,509	(3.9%)	(16.8%)
6	Fuel Payments	480	-	-	-	-	NA	NA
7	Reliab. Exchg. Agrmt. Purch.	3,116	\$ 2,255	\$ 1,417	\$ 4,000	\$ 4,000	77.4%	0.0%
8	Transmission - FPL [1]	205	\$ 211	\$ 100	\$ 303	318	43.6%	5.0%
9	- OUC [2]	144	\$ 159	\$ 79	\$ 167	184	5.0%	10.2%
10	Gen'l & Admin - FPL	1,585	1,865	1,509	1,865	1,912	0.0%	2.5%
11	FMPA G&A - Agency Allocation	428	438	219	737	835	68.3%	13.3%
12	- Trustee Fees	15	1	8	8	8	700.0%	0.0%
13	- Bond Remarketing	142	10	-	-	-	(100.0%)	NA
14	- Dues	75	76	39	79	81	3.9%	2.5%
15	- Other	185	61	20	58	59	(4.9%)	1.7%
16	<b>TOTAL EXPENSES</b>	<b>\$ 14,262</b>	<b>\$ 16,957</b>	<b>\$ 10,163</b>	<b>\$ 18,640</b>	<b>\$ 16,906</b>	<b>9.9%</b>	<b>(9.3%)</b>
<b>FUND CONTRIBUTIONS</b>								
17	Renewal & Replacement	2,000	7,500	3,750	6,500	5,500	(13.3%)	(15.4%)
18	Debt Service Deposits	17,858	28,829	14,664	7,914	10,088	(72.5%)	27.5%
19	General Reserve Fund & FSA [3]	11,194	-	-	10,200	14,000	NA	37.3%
20	Nuclear Fuel Fund	3,500	6,000	3,000	6,000	5,000		
21	<b>TOTAL EXPENSES &amp; CONTRIBUTIONS</b>	<b>\$ 48,814</b>	<b>\$ 59,286</b>	<b>\$ 31,577</b>	<b>\$ 49,254</b>	<b>\$ 51,494</b>	<b>(16.9%)</b>	<b>4.5%</b>
22	<b>NET INCOME BEFORE REGULATORY ADJ</b>	<b>\$ 9,524</b>	<b>\$ (4,442)</b>	<b>\$ (2,915)</b>	<b>\$ 2,059</b>	<b>\$ 367</b>		
23	MWhs Delivered (In thousands)	683	718	314	686	718		
24	Capacity Factor	92.2%	97.0%	84.7%	92.7%	96.9%		
25	\$ / MWh Billed (Excluding Transmission)	\$ 78.05	\$ 72.12	\$ 82.54	\$ 67.71	\$ 65.50	(6.1%)	-3.3%
26	\$ / MWh Generated (Excluding Transmission)	\$ 70.95	\$ 82.06	\$ 100.07	\$ 71.06	\$ 71.05		
27	% Change in Rates		-7.6%		-6.1%	-3.3%		
28	Outages Scheduled	Unit 1	Unit 2		Unit 1&2	Unit 1		
	[1] Applies to KUA and Alachua only							
	[2] Applies to KUA only							
	[3] FSA was terminated during FY 2019							

**FLORIDA MUNICIPAL POWER AGENCY  
ST. LUCIE PROJECT**

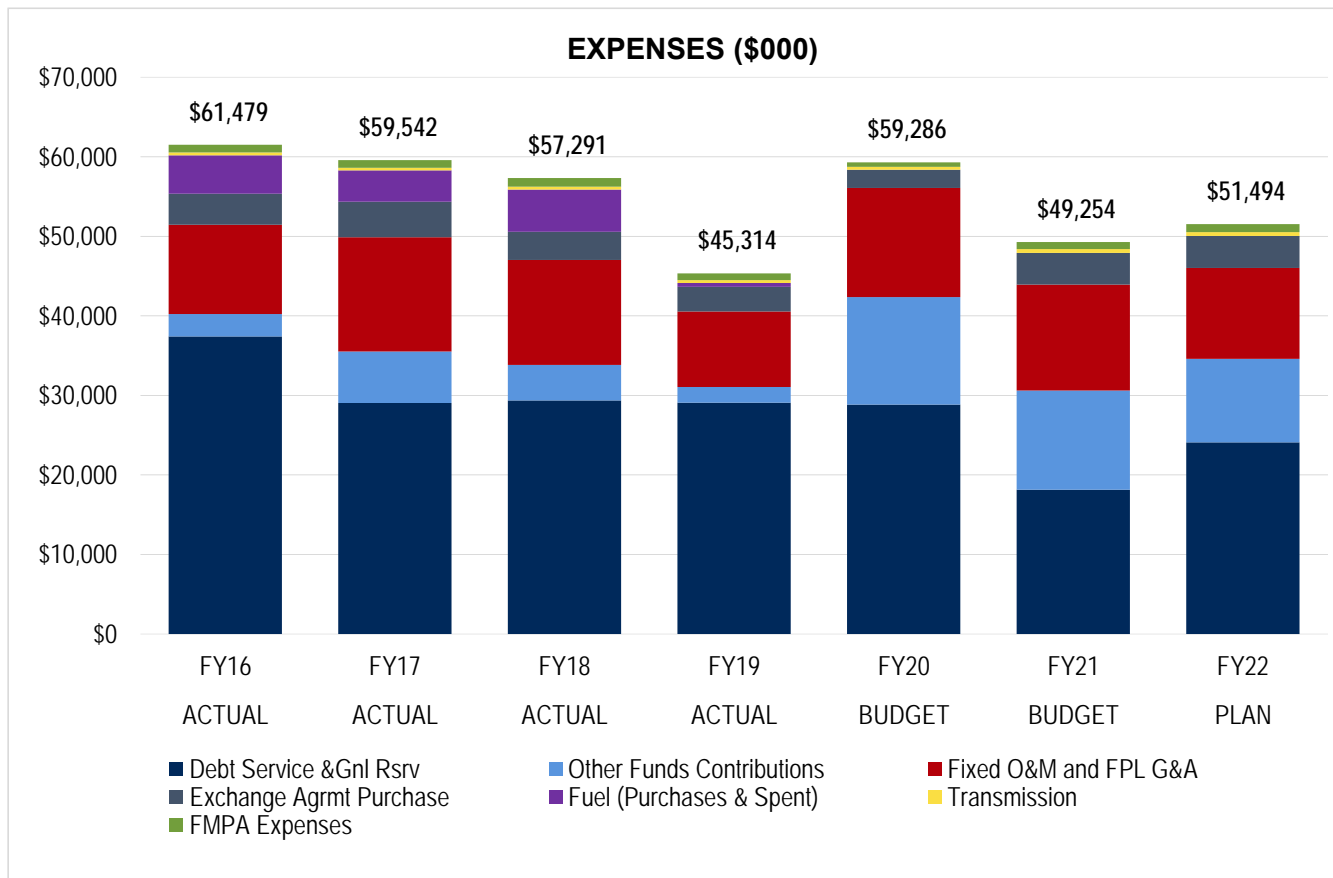
**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Comparison of Budget to Historical Revenues and Expenses**



REVENUES	(\$000)						
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Participant Billings	\$ 54,842	\$ 52,505	\$ 52,049	\$ 53,669	\$ 52,151	\$ 46,950	\$ 47,512
Sales for Resale	4,004	4,229	4,099	3,971	2,031	4,000	4,000
Interest Income	133	(64)	474	698	662	363	349
<b>Total Revenues</b>	<b>\$ 58,979</b>	<b>\$ 56,670</b>	<b>\$ 56,622</b>	<b>\$ 58,338</b>	<b>\$ 54,844</b>	<b>\$ 51,313</b>	<b>\$ 51,861</b>

**FLORIDA MUNICIPAL POWER AGENCY  
ST. LUCIE PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Comparison of Budget to Historical Revenues and Expenses**



EXPENSES	(\$000)						
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	PLAN
	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Debt Service & Gnl Rsrv	\$ 37,390	\$ 29,009	\$ 29,331	\$ 29,052	\$ 28,829	\$ 18,114	\$ 24,088
Other Funds Contributions	2,800	6,500	4,500	2,000	13,500	12,500	10,500
Fixed O&M and FPL G&A	11,257	14,371	13,166	9,472	13,746	13,288	11,421
Exchange Agrmt Purchase	3,874	4,431	3,540	3,116	2,255	4,000	4,000
Fuel (Purchases & Spent)	4,820	3,947	5,338	480	0	0	0
Transmission	380	321	350	349	370	470	502
FMPA Expenses	958	963	1,066	845	586	882	983
<b>Total Expenses</b>	<b>\$ 61,479</b>	<b>\$ 59,542</b>	<b>\$ 57,291</b>	<b>\$ 45,314</b>	<b>\$ 59,286</b>	<b>\$ 49,254</b>	<b>\$ 51,494</b>
Delivered MWhs (In 000)	705	672	691	683	718	686	718
Unit Cost of Power - \$/MWh*	\$ 87.20	\$ 88.67	\$ 82.91	\$ 66.33	\$ 82.57	\$ 71.80	\$ 71.72

\* Includes Transmission

**FLORIDA MUNICIPAL POWER AGENCY  
ST. LUCIE PROJECT  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2021 BUDGET**

**OPERATION AND MAINTENANCE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Operation & Maintenance (O&M) Account	\$ 4,118	\$ 2,059	\$ -	\$ 6,177	\$ 6,177
Working Capital Account	1,150	-	-	1,150	1,150
Rate Stabilization Account	770	-	-	770	770
<b>Total Operating and Maintenance Fund</b>	<b>\$ 6,038</b>	<b>\$ 2,059</b>	<b>\$ -</b>	<b>\$ 8,097</b>	<b>\$ 8,097 *</b>

\*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recmd Bal.
*Debt Service Accounts					
(Series '10, '11A, '13A) Principal	\$ 23,895	\$ 3,495	\$ 23,320	\$ 4,070	
(Series '10, '11A, '11B, 12A, '13A) Interest	2,754	4,419	4,963	2,210	
<b>Total Debt Service Accounts</b>	<b>\$ 26,649</b>	<b>\$ 7,914</b>	<b>\$ 28,283</b>	<b>\$ 6,280</b>	
Debt Service Reserve Account	\$ 9,371	\$ -	\$ -	\$ 9,371	\$ 9,371 ***

\*Account minimums will be in compliance with Bond Resolution. Setting an annual minimum is not practical with variable rates.

\*\*\*Account minimum balance set by Bond Resolution (1/2 Maximum Aggregate Annual Debt Service)

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Renewal & Replacement Account	\$ 4,121	\$ 6,500	\$ 4,986	\$ 5,635	
Contingency Account	\$ 2,391	\$ -	\$ -	\$ 2,391	

**FLORIDA MUNICIPAL POWER AGENCY  
ST. LUCIE PROJECT  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2021 BUDGET**

**DECOMMISSIONING FUND**

	Beginning Bal. 10/1/2020	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2021
Decommissioning Fund Account *	\$ 93,344	\$ 5,601	\$ -	\$ 98,945

\* Deposits are interest earnings

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
General Reserve Fund [1]	\$ 31,081	\$ 10,717	\$ -	\$ 41,798	
Collateral Account	\$ -	\$ -	\$ -	\$ -	
Nuclear Fuel Stabilization	\$ 4,648	\$ 6,000	\$ 5,365	\$ 5,283	
Total General Reserve Fund	\$ 35,729	\$ 16,717	\$ 5,365	\$ 47,081	5,000

[1] Deposits shown include accrued and retained interest earnings.

**CAPITAL PLAN**

	Fiscal Year 2021
<b>Capital Funded from Renewal &amp; Replacement</b>	
Per FPL Capital Plan	\$ 4,986
Total Withdrawals - Renewal & Replacement Payments	\$ 4,986

**FLORIDA MUNICIPAL POWER AGENCY  
ST. LUCIE PROJECT  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2022 PLAN**

**OPERATION AND MAINTENANCE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Operation & Maintenance (O&M) Account	\$ 6,177	\$ 367	\$ -	\$ 6,544	\$ 6,544
Working Capital Account	1,150	-	-	1,150	1,150
Rate Stabilization Account	770	-	-	770	770
<b>Total Operating and Maintenance Fund</b>	<b>\$ 8,097</b>	<b>\$ 367</b>	<b>\$ -</b>	<b>\$ 8,464</b>	<b>\$ 8,464 *</b>

\*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recmd Bal.
*Debt Service Accounts (Series '10, '11A, '13A) Principal	\$ 4,070	\$ 3,495	\$ 5,765	\$ 1,800	
(Series '10, '11B, 12A, '13A) Interest	2,210	4,323	4,371	2,162	
<b>Total Debt Service Accounts</b>	<b>\$ 6,280</b>	<b>\$ 7,818</b>	<b>\$ 10,136</b>	<b>\$ 3,962</b>	

\*Account minimums will be in compliance with Bond Resolution. Setting an annual minimum is not practical with variable rates.

Debt Service Reserve Account	\$ 9,371	\$ -	\$ -	\$ 9,371	\$ 9,371 ***
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\*\*\*Account minimum balance set by Bond Resolution (1/2 Maximum Aggregate Annual Debt Service)

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Renewal & Replacement Account	\$ 5,635	\$ 5,500	\$ 4,906	\$ 6,229	
Contingency Account	\$ 2,391	\$ -	\$ -	\$ 2,391	

**FLORIDA MUNICIPAL POWER AGENCY  
ST. LUCIE PROJECT  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2022 PLAN**

**DECOMMISSIONING FUND**

	Beginning Bal. 10/1/2021	Deposits	Withdrawal/ Payments	Ending Bal. 9/30/2022
Decommissioning Fund Account *	\$ 98,945	\$ 5,937	\$ -	\$ 104,882

\* Deposits are interest earnings

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
General Reserve Fund [1]	\$ 41,798	\$ 14,695	\$ -	\$ 56,493	
Collateral Account	\$ -	\$ -	\$ -	\$ -	
Nuclear Fuel Stabilization	\$ 5,283	\$ 5,000	\$ 5,314	\$ 4,969	
Total General Reserve Fund	\$ 47,081	\$ 19,695	\$ 5,314	\$ 61,462	5,000

[1] Deposits shown include accrued and retained interest earnings.

**CAPITAL PLAN**

	Fiscal Year 2022
Per FPL Capital Plan	\$ 4,906
Total Capital - Renewal & Replacement Payments	\$ 4,906

**FLORIDA MUNICIPAL POWER AGENCY**  
**ST. LUCIE PROJECT**  
**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan**  
**Four-Year Capital and Fuel Purchase Plans (\$000)**

4-Year Capital Plan

Activity	FY 2021	FY 2022	FY 2023	FY 2024
Renewal & Replacement Account Beginning Balance	\$ 6,124	\$ 7,638	\$ 8,232	\$ 7,671
Capital Expenses:				
St. Lucie Common Facilities [1]	(3,144)	(3,158)	(2,644)	(1,960)
St. Lucie Unit 2 - Capital Improvements [1]	(1,842)	(1,748)	(1,917)	(1,484)
Total Capital Expenses	(4,986)	(4,906)	(4,561)	(3,444)
Renewal and Replacement Contributions	6,500	5,500	4,000	4,000
Renewal & Replacement Account Ending Balance	\$ 7,638	\$ 8,232	\$ 7,671	\$ 8,227

4-Year Nuclear Fuel Purchase Plan

Activity	FY 2021	FY 2022	FY 2023	FY 2024
Nuclear Fuel Stabilization Account Beginning Balance	\$ 4,648	\$ 5,283	\$ 4,969	\$ 7,358
Nuclear Fuel Purchases [1]	(5,365)	(5,314)	(1,611)	(3,065)
Nuclear Fuel Stabilization Contributions	6,000	5,000	4,000	4,000
Nuclear Fuel Stabilization Account Ending Balance	\$ 5,283	\$ 4,969	\$ 7,358	\$ 8,293

[1] Amounts per FPL



**MEMORANDUM**

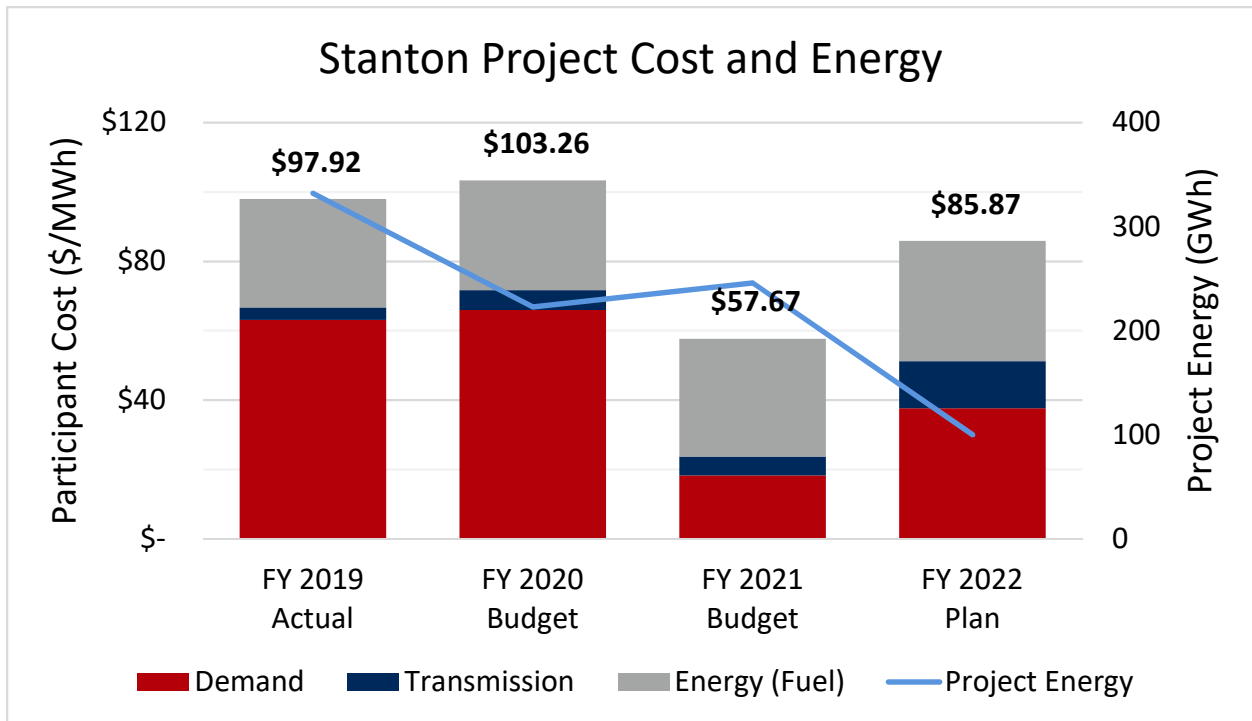
TO: Board of Directors  
 FROM: Jason Wolfe  
 DATE: June 9, 2020  
 SUBJECT: Stanton Project FY 2021 Budget / FY 2022 Plan Overview

**Project Costs and Energy**

The proposed Stanton Project budget for FY 2021 would result in an average cost to Participants of \$57.67 per MWh billed. This represents a 44% decrease from the budgeted per-unit Participant cost for FY 2020, as well as a 41% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of \$85.87 per MWh billed. This represents a 49% increase from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project \$/MWh costs and energy.



The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

	Total Project Costs (\$/MWh)	Billed Costs to Participants (\$/MWh)	Delivered Energy (GWh)	Capacity Factor (%)
FY 2021 Budget	\$71.03	\$57.67	246	41%
FY 2022 Plan	\$107.66	\$85.87	100	17%

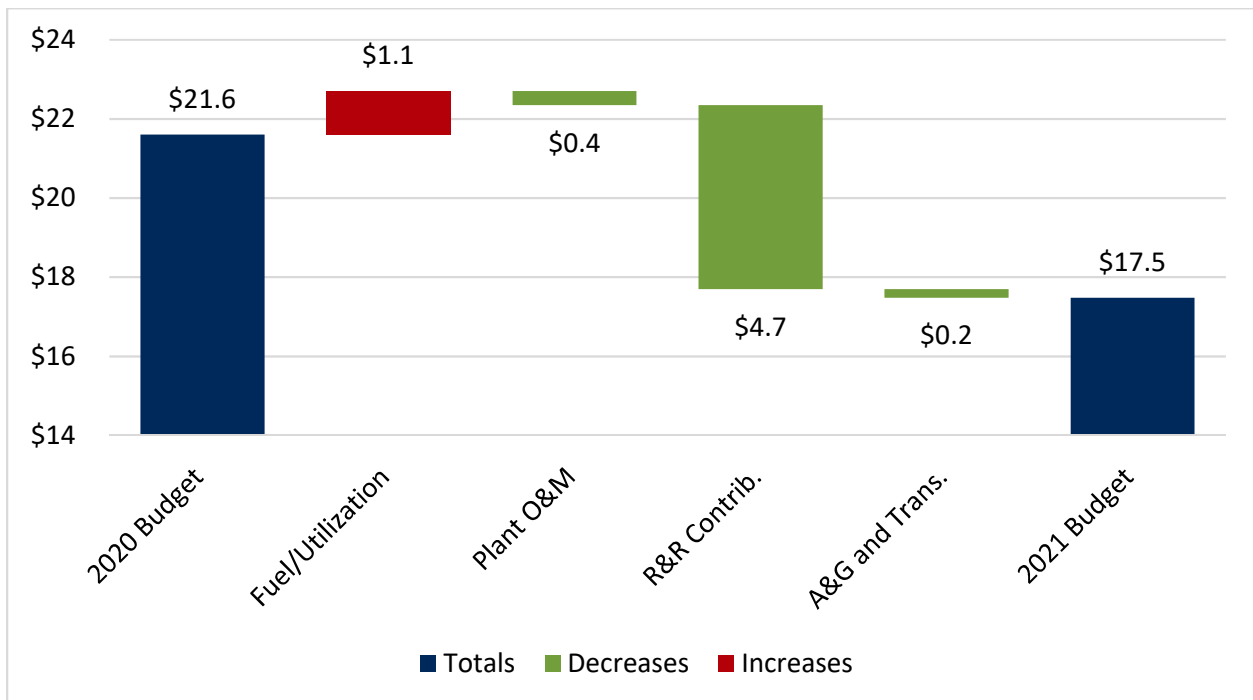
The 44% billing rate decrease in FY 2021 from the FY 2020 budget is primarily driven by significantly lower budgeted contributions to the Renewal and Replacement Account (see the “Capital Plan and Renewal and Replacement Account” section below), along with lower O&M costs and a 10% increase in forecasted billed energy (fixed costs spread over additional MWhs). These decreases are partially offset by higher budgeted fuel costs due to the expiration of the coal contract (and uncertainty over the renewal price), as well as a 5% increase assumed for OUC transmission costs.

The following charts compare the budgeted Participant costs (\$/MWh) and total Project expenses for Fiscal Years 2020 and 2021.

### Stanton Project FY 2021 Budgeted Participant Costs Compared to FY 2020 (\$/MWh)



### Stanton Project FY 2021 Budgeted Expenses Compared to FY 2020 (\$Millions)



Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

### **Capital Plan and Renewal and Replacement Account**

A summary of the Five-Year Capital Plan and funding of the Renewal and Replacement (R&R) Account is shown in Exhibit 4. Major capital activity for FY 2021 includes completion of the landfill expansion project (common facilities), closure costs for the previous landfill cell, and a roof replacement project for Stanton 1. Total Stanton Project capital expenditures budgeted for FY 2021 are \$1.9 million, which is down from \$3.4 million budgeted for FY 2020. Beyond FY 2021, no significant new capital projects are forecasted over the 5-year horizon.

FMPA targets a \$3 million balance for the R&R Account for the Project to fund for future capital needs and unanticipated capital expenditures. Due to refunds of amounts previously contributed by the Stanton Project for a turbine upgrade project that was subsequently moved to Stanton 2, the Stanton Project is anticipated to have a beginning balance in the R&R Account of approximately \$5 million at October 1, 2020. For Fiscal Years 2021 through 2025, annual contributions to the R&R Account are projected at \$350,000 per year, which should allow the Project to maintain at or near a \$3 million balance over the 5-year horizon.

### **Debt and Debt Service**

The final payoff date for the Stanton Project debt was October 1, 2019. No additional debt is currently anticipated to be issued for the Stanton Project.

### **O&M Fund and Working Capital**

The Stanton Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year. Due to the significant increase in forecasted \$/MWh Project costs from FY 2021 to FY 2022 (primarily due to the lower utilization projected for Fiscal Year 2022), the FY 2021 budget assumes that \$1 million of anticipated excess O&M Fund balance will be retained in FY 2021 for rate stabilization purposes and returned to Participants in FY 2022.

## General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required. Aside from interest earnings on existing balances, no deposits or withdrawals are forecasted for the General Reserve Fund for either FY 2021 or FY 2022.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project's various funds and accounts are shown in Exhibit 3.

## Project Participants

Participant	Power Entitlement Share (%)
Fort Pierce [1]	24.390%
Homestead	12.195%
Kissimmee [1]	12.195%
Lake Worth Beach	16.260%
Starke [1]	2.439%
All-Requirements Project [2]	32.521%

[1] Participant in the All-Requirements Project. Participant's entitlement share of Stanton Project generation is purchased and paid for by the All-Requirements Project.

[2] Effective December 17, 2018, the All-Requirements Project took an assignment and transfer of Vero Beach's entitlement share in the Stanton Project.

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON PROJECT**

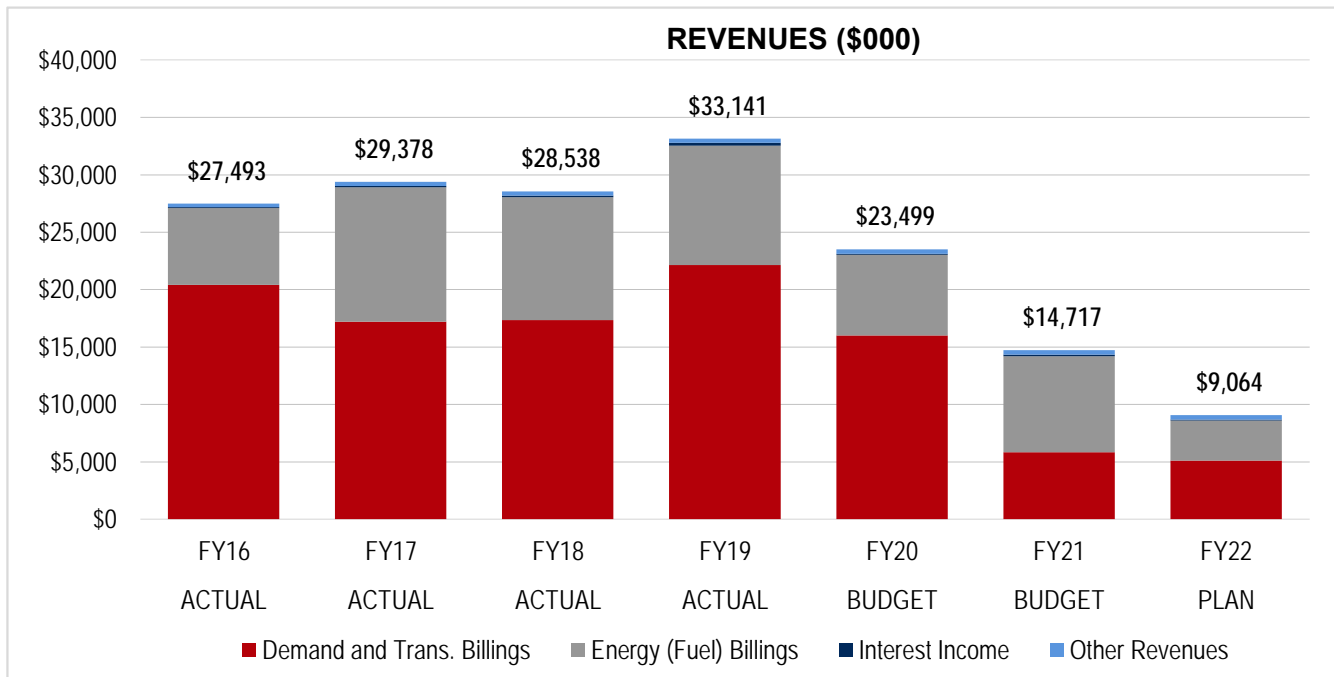
**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Operating Budget (\$000)**

Line No.	Description	ACTUAL FY 2019	BUDGET FY 2020	6 Months ACTUAL FY 2020	Proposed BUDGET FY 2021	Proposed PLAN FY 2022	20 Bdgt / 21 Bdgt Increase / Decrease%	21 Bdgt / 22 Plan Increase Decrease%
<b>REVENUES</b>								
	Participant Billings:							
1	Demand	\$ 20,953	\$ 14,698	\$ 7,349	\$ 4,478	\$ 3,761	(69.5%)	(16.0%)
2	Transmission	1,185	1,291	645	1,353	1,353		
3	Fuel - Variable	10,383	7,039	2,802	8,356	3,473	18.7%	(58.4%)
4	Total Billing	\$ 32,521	\$ 23,028	\$ 10,796	\$ 14,187	\$ 8,587	(38.4%)	(39.5%)
5	Brine Plant	360	380	195	380	390	0.0%	2.6%
6	Interest Income	260	91	106	150	87	64.8%	(42.0%)
7	TOTAL REVENUES	\$ 33,141	\$ 23,499	\$ 11,097	\$ 14,717	\$ 9,064	(37.4%)	(38.4%)
<b>EXPENSES</b>								
8	Fixed O&M	\$ 5,574	\$ 6,213	\$ 2,500	\$ 5,666	\$ 3,787	(8.8%)	(33.2%)
9	Fuel Burned - Variable	10,383	7,039	2,773	8,356	3,473	18.7%	(58.4%)
10	User Fee	172	217	75	190	195	(12.4%)	2.6%
11	Transmission -OUC	1,170	1,291	644	1,353	1,353	4.8%	0.0%
12	Gen'l & Admin -OUC	1,032	1,330	514	1,126	1,153	(15.3%)	2.4%
13	-FMFA	428	498	219	416	438	(16.5%)	5.3%
14	Debt Management Costs	103	14	13	17	17	21.4%	0.0%
15	TOTAL EXPENSES	\$ 18,862	\$ 16,602	\$ 6,738	\$ 17,124	\$ 10,416	3.1%	(39.2%)
<b>FUND CONTRIBUTIONS</b>								
16	Renewal & Replacement [1]	3,000	5,000	2,500	350	350	(93.0%)	0.0%
17	General Reserve Funding / (Transfer to R&R)	-	-	-	-	-	NA	NA
18	Debt Service Deposit	9,305	-	-	-	-	NA	NA
19	Loan Principal	-	-	-	-	-	NA	NA
20	Loan Interest	-	-	-	-	-	NA	NA
21	TOTAL EXPENSES & CONTRIBUTIONS	\$ 31,167	\$ 21,602	\$ 9,238	\$ 17,474	\$ 10,766	(19.1%)	(38.4%)
22	NET INCOME BEFORE REGULATORY ADJ	\$ 1,974	\$ 1,897	\$ 1,859	\$ (2,757)	\$ (1,702)		
23	MWhs Generated (In thousands)	332	223	93	246	100		
24	Capacity Factor	60%	37%	31%	41%	17%		
25	\$'s/MWh Billed	\$97.92	\$ 103.26	\$116.39	\$ 57.67	\$ 85.87		
26	\$'s/MWh Generated	\$93.85	\$ 96.87	\$99.59	\$ 71.03	\$ 107.66		
27	% Change in Rates		10%		(44%)	49%		

[1] The FY 2019 Budget assumed that, in order to minimize the impact on Participant billings, \$3 million of the \$6 million total planned contribution to the R&R Account for FY 2019 would be made using a short-term borrowing from the General Reserve Fund (reflected as a negative value on the General Reserve Funding line). Based on changes to OUC's planned capital spending on Stanton 1, such borrowing ultimately may not be necessary.

## FLORIDA MUNICIPAL POWER AGENCY STANTON PROJECT

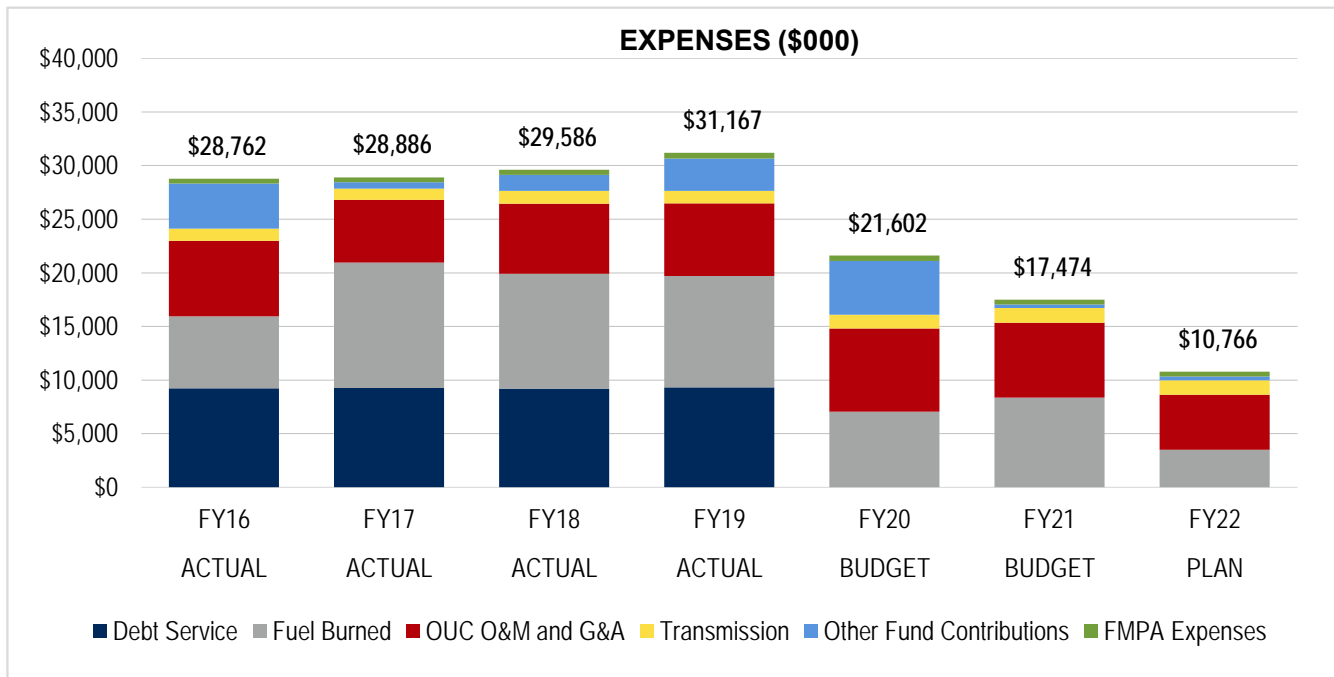
### Fiscal Year 2021 Budget and Fiscal Year 2022 Plan Comparison of Budget to Historical Revenues and Expenses



REVENUES	(\$000)						
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Demand and Trans. Billings	\$ 20,399	\$ 17,192	\$ 17,328	\$ 22,138	\$ 15,989	\$ 5,831	\$ 5,114
Energy (Fuel) Billings	6,703	11,716	10,700	10,383	7,039	8,356	3,473
Interest Income	64	114	158	260	91	150	87
Other Revenues	327	356	352	360	380	380	390
<b>Total Revenues</b>	<b>\$ 27,493</b>	<b>\$ 29,378</b>	<b>\$ 28,538</b>	<b>\$ 33,141</b>	<b>\$ 23,499</b>	<b>\$ 14,717</b>	<b>\$ 9,064</b>

## FLORIDA MUNICIPAL POWER AGENCY STANTON PROJECT

### Fiscal Year 2021 Budget and Fiscal Year 2022 Plan Comparison of Budget to Historical Revenues and Expenses



EXPENSES	(\$000)						
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Debt Service	\$ 9,223	\$ 9,235	\$ 9,200	\$ 9,305	\$ -	\$ -	\$ -
Fuel Burned	6,703	11,716	10,700	10,383	7,039	8,356	3,473
OUC O&M and G&A	7,052	5,827	6,536	6,778	7,760	6,982	5,135
Transmission	1,132	1,062	1,176	1,170	1,291	1,353	1,353
Other Fund Contributions	4,200	600	1,500	3,000	5,000	350	350
FMPA Expenses	452	446	474	531	512	433	455
<b>Total Expenses</b>	<b>\$ 28,762</b>	<b>\$ 28,886</b>	<b>\$ 29,586</b>	<b>\$ 31,167</b>	<b>\$ 21,602</b>	<b>\$ 17,474</b>	<b>\$ 10,766</b>
Delivered MWhs (In Thousands)	191.0	334.2	336.4	332.1	223.0	246.0	100.0
Unit Cost of Power - \$/MWh	\$ 150.60	\$ 86.44	\$ 87.96	\$ 93.85	\$ 96.87	\$ 71.03	\$ 107.66



**FLORIDA MUNICIPAL POWER AGENCY  
STANTON PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2021 BUDGET**

**OPERATION AND MAINTENANCE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Operation & Maintenance (O&M) Account	\$ 5,670	\$ -	\$ 2,757	\$ 2,913	\$ 2,913
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	1,000	-	1,400	1,400
<b>Total Operating and Maintenance Fund</b>	<b>\$ 6,670</b>	<b>\$ 1,000</b>	<b>\$ 2,757</b>	<b>\$ 4,913</b>	<b>\$ 4,913 [1]</b>

[1] Minimum recommended balance is amount required to meet operating expenses for the next 60 days.  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
*Debt Service Accounts				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Debt Service Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Account minimums will be in compliance with Bond Resolution.

**SUBORDINATED DEBT SERVICE**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
*Loans				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Loans</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Subordinated Debt paid from O&M account

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2021 BUDGET**

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance	
Renewal & Replacement (R&R) Account	\$ 4,969	\$ 350	\$ 1,945	\$ 3,374	\$ 3,000	[2]
Contingency Account	1,086	\$ -	\$ -	\$ 1,086	\$ 1,000	

[2] The Stanton Project's goal is to achieve a minimum balance of \$3 million over the next 3 fiscal years.

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2020	Deposits **	Withdraw- als/ Payments	Ending Balance 9/30/2021
General Reserve Fund	\$ 11,240	\$ 132	\$ -	\$ 11,372

\*\* Deposits are Retained Interest Earnings

**CAPITAL FUNDING PLAN**

**Fiscal Year  
FY 2021**

**Capital Funded from Renewal & Replacement**

Per OUC Capital Plan	\$ 1,945
Total Capital	<u>\$ 1,945</u>

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2022 PLAN**

**OPERATION AND MAINTENANCE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	\$ 2,913	\$ -	\$ 1,702	\$ 1,211	\$ 1,211
Working Capital Account	600	-	-	\$600	\$600
Rate Stabilization Account	1,400	-	1,000	\$400	\$400
<b>Total Operating and Maintenance Fund</b>	<b>\$ 4,913</b>	<b>\$ -</b>	<b>\$ 2,702</b>	<b>\$ 2,211</b>	<b>\$ 2,211</b> [1]

[1] Minimum recommended balance is amount required to meet operating expenses for the next 60 days.  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
*Debt Service Accounts				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Debt Service Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Account minimums will be in compliance with Bond Resolution.

**SUBORDINATED DEBT SERVICE**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
*Loans				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Loans</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Subordinated Debt paid from O&M account

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2022 PLAN**

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Renewal & Replacement (R&R) Account	\$ 3,374	\$ 350	\$ 761	\$ 2,963	3,000 [2]
Contingency Account	\$ 1,086	\$ -	\$ -	\$ 1,086	1,000

[2] The Stanton Project's goal is to achieve a minimum balance of \$3 million over the next 3 fiscal years.

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2021	Deposits **	Withdraw- als/ Payments	Ending Balance 9/30/2022
General Reserve Fund	\$ 11,372	\$ 133	\$ -	\$ 11,505

\*\* Deposits are Retained Interest Earnings

**CAPITAL FUNDING PLAN**

	Fiscal Year FY 2022
<b><u>Capital Funded from Renewal &amp; Replacement</u></b>	
Per OUC Capital Plan	\$ 761
Total Capital	<u>\$ 761</u>

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Five-Year Capital Plan (\$000)**

Activity	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Renewal and Replacement Beginning Balance	\$ 4,969	\$ 3,374	\$ 2,963	\$ 2,994	\$ 3,177
Capital Expenses	(1,945)	(761)	(319)	(167)	(148)
Transfer (to)/from General Reserve Fund	0	0	0	0	0
Renewal and Replacement Contributions	350	350	350	350	350
Renewal and Replacement Ending Balance [1]	\$ 3,374	\$ 2,963	\$ 2,994	\$ 3,177	\$ 3,379

[1] Plan is to fund to and maintain a \$3 million balance for future capital needs and unanticipated capital changes made by the operator owner.

**MEMORANDUM**

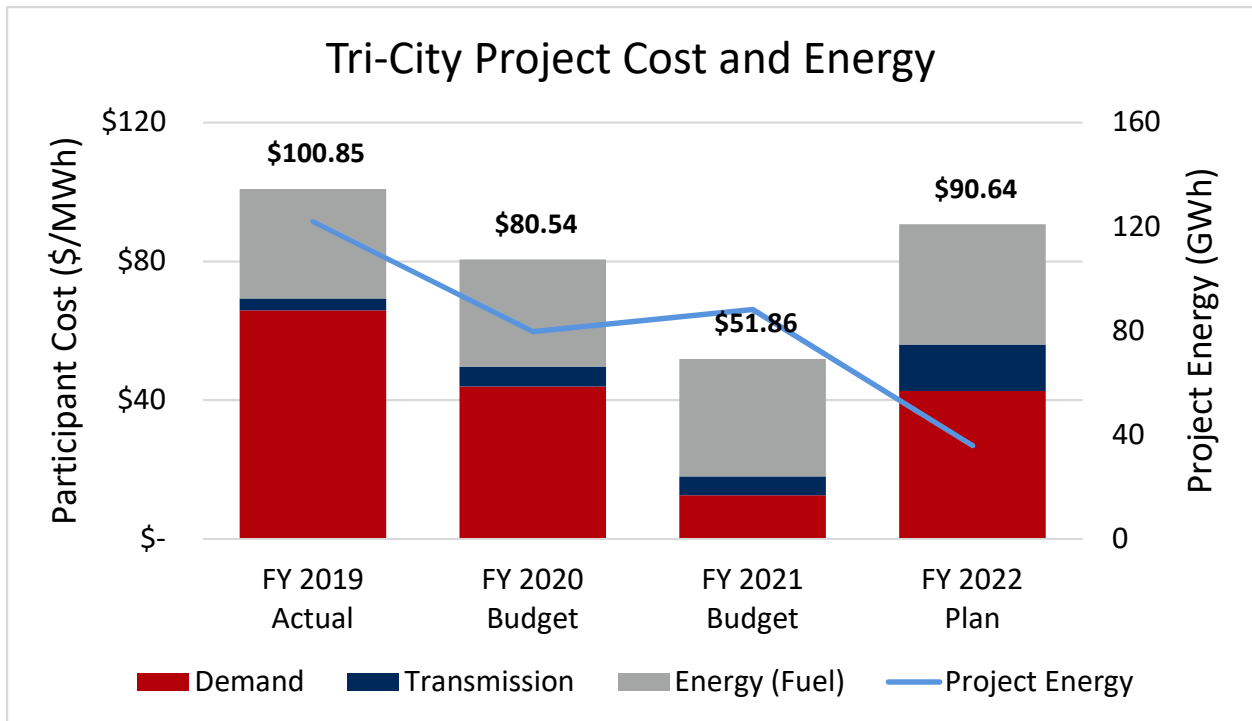
TO: Board of Directors  
 FROM: Jason Wolfe  
 DATE: June 9, 2020  
 SUBJECT: Tri-City Project FY 2021 Budget / FY 2022 Plan Overview

**Project Costs and Energy**

The proposed Tri-City Project budget for FY 2021 would result in an average cost to Participants of \$51.86 per MWh billed. This represents a 36% decrease from the budgeted per-unit Participant cost for FY 2020, as well as a 49% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of \$90.64 per MWh billed. This represents a 75% increase from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project \$/MWh costs and energy.



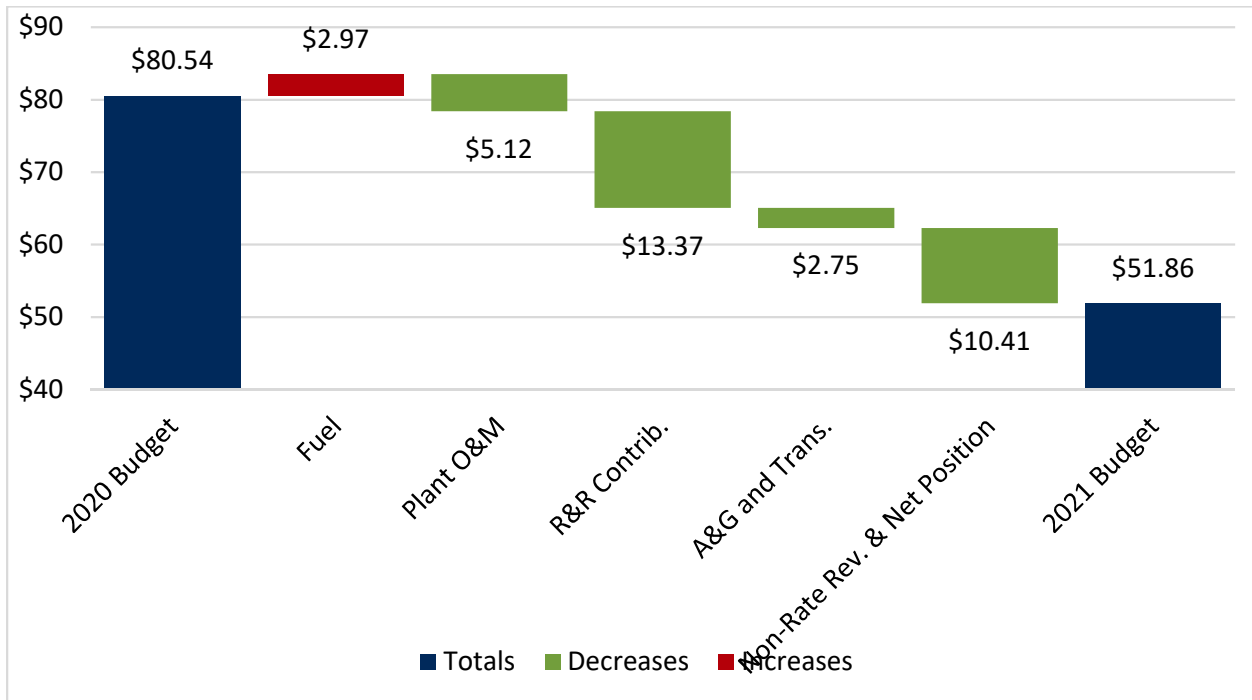
The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

	<b>Total Project Costs (\$/MWh)</b>	<b>Billed Costs to Participants (\$/MWh)</b>	<b>Delivered Energy (GWh)</b>	<b>Capacity Factor (%)</b>
FY 2021 Budget	\$73.94	\$51.86	88	45%
FY 2022 Plan	\$114.23	\$90.64	36	18%

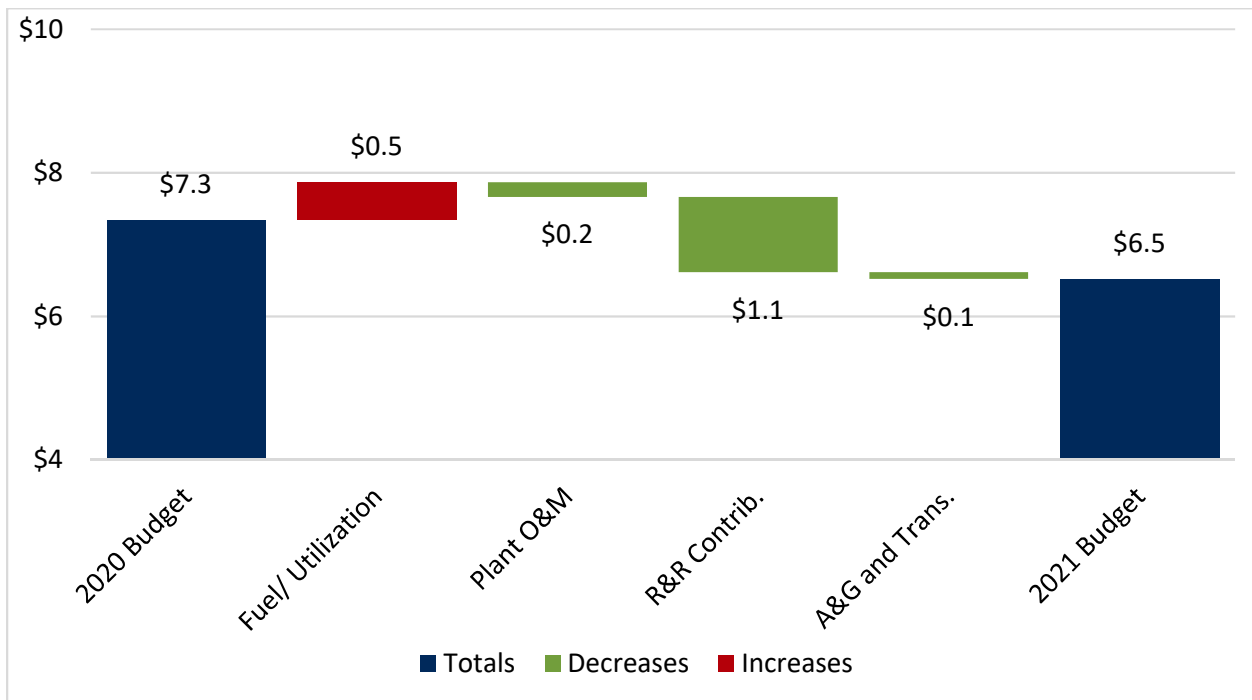
The 36% billing rate decrease in FY 2021 from the FY 2020 budget is primarily driven by significantly lower budgeted contributions to the Renewal and Replacement Account (see the “Capital Plan and Renewal and Replacement Account” section below), along with lower O&M costs and an 11% increase in forecasted billed energy (fixed costs spread over additional MWhs). These decreases are partially offset by higher budgeted fuel costs due to the expiration of the coal contract and uncertainty over the renewal price, as well as a 5% increase assumed for OUC transmission costs.

The following charts compare the budgeted Participant costs (\$/MWh) and total Project expenses for Fiscal Years 2020 and 2021.

### Tri-City Project FY 2021 Budgeted Participant Costs Compared to FY 2020 (\$/MWh)



### Tri-City Project FY 2021 Budgeted Expenses Compared to FY 2020 (\$Millions)





Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

### **Capital Plan and Renewal and Replacement Account**

A summary of the Five-Year Capital Plan and funding of the Renewal and Replacement (R&R) Account is shown in Exhibit 4. Major capital activity for FY 2021 includes completion of the landfill expansion project (common facilities) and a roof replacement project for Stanton 1. Total Tri-City Project capital expenditures budgeted for FY 2021 are \$0.7 million, which is down from \$1.2 million budgeted for FY 2020. Beyond FY 2021, no significant new capital projects are forecasted over the 5-year horizon.

FMPA targets a \$1 million balance for the R&R Account for the Project to fund for future capital needs and unanticipated capital expenditures. Due to refunds of amounts previously contributed by the Tri-City Project for a turbine upgrade project that was subsequently moved to Stanton 2, the Tri-City Project is anticipated to have a beginning balance in the R&R Account of approximately \$1.7 million at October 1, 2020. For Fiscal Years 2021 through 2025, annual contributions to the R&R Account are projected at \$150,000 per year, which should allow the Project to maintain at least a \$1 million balance over the 5-year horizon.

### **Debt and Debt Service**

The final payoff date for the Tri-City Project debt was October 1, 2019. No additional debt is currently anticipated to be issued for the Tri-City Project.

### **O&M Fund and Working Capital**

The Tri-City Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year. Due to the significant increase in forecasted \$/MWh Project costs from FY 2021 to FY 2022 (primarily due to the lower utilization projected for Fiscal Year 2022), the FY 2021 budget assumes that \$400,000 of anticipated excess O&M Fund balance will be retained in FY 2021 for rate stabilization purposes and returned to Participants in FY 2022.

## General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required. Aside from interest earnings on existing balances, no deposits or withdrawals are forecasted for the General Reserve Fund for either FY 2021 or FY 2022.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project's various funds and accounts are shown in Exhibit 3.

## Project Participants

Participant	Power Entitlement Share (%)
Fort Pierce [1]	22.727%
Homestead	22.727%
Key West	54.546%

[1] Participant in the All-Requirements Project. Participant's entitlement share of Tri-City Project generation is purchased and paid for by the All-Requirements Project.

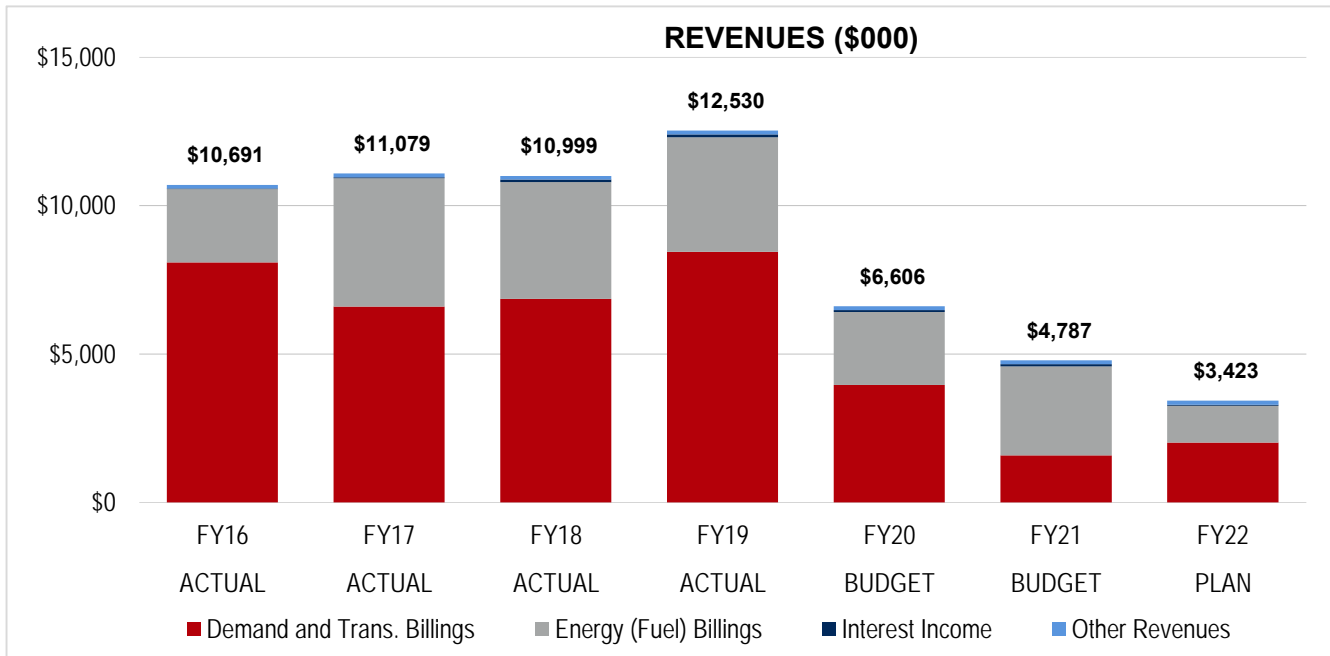
**FLORIDA MUNICIPAL POWER AGENCY**  
**TRI-CITY PROJECT**  
**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan**  
**Operating Budget (\$000)**

Line No.	Description	ACTUAL FY2019	BUDGET FY2020	6 Months ACTUAL FY2020	Proposed FY 2021 BUDGET	Proposed FY 2022 PLAN	19 Bdgt / 20 Bdgt Increase / Decrease%	20 Bdgt / 21 Bdgt Increase / Decrease%
<b>REVENUES</b>								
Participant Billings:								
1	Demand	\$ 8,024	\$ 3,494	\$ 1,747	\$ 1,105	\$ 1,527	(68.4%)	38.2%
2	Transmission	419	457	228	479	479	4.8%	0.0%
3	Fuel - Variable	3,853	2,463	1,062	2,988	1,241	21.3%	(58.5%)
4	Total Billing	\$ 12,296	\$ 6,414	\$ 3,037	\$ 4,572	\$ 3,247	(28.7%)	(29.0%)
5	Brine Plant	129	136	70	136	139	0.0%	2.2%
6	Interest Income	105	56	48	79	37	41.1%	(53.2%)
7	TOTAL REVENUES	\$ 12,530	\$ 6,606	\$ 3,155	\$ 4,787	\$ 3,423	(27.5%)	(28.5%)
<b>EXPENSES</b>								
8	Fixed O&M	\$ 1,995	\$ 2,221	\$ 906	\$ 2,027	\$ 1,329	(8.7%)	(34.4%)
9	Fuel Burned - Variable	3,853	2,463	1,092	2,988	1,241	21.3%	(58.5%)
10	User Fee	62	79	26	68	70	(13.9%)	2.9%
11	Transmission -OUC	415	457	228	479	479	4.8%	0.0%
12	Gen'l & Admin -OUC	369	476	184	404	413	(15.1%)	2.2%
13	-FMPA	428	438	219	394	403	(10.0%)	2.3%
14	Debt Management Costs	39	9	7	8	7	(11.1%)	(12.5%)
15	TOTAL EXPENSES	\$ 7,161	\$ 6,143	\$ 2,662	\$ 6,368	\$ 3,942	3.7%	(38.1%)
<b>FUND CONTRIBUTIONS</b>								
16	Renewal & Replacement [1]	1,700	1,500	600	150	150	(90.0%)	0.0%
17	General Reserve Funding / (Transfer to R&R)		(300)		-	-	(100.0%)	NA
18	Debt Service Deposit	3,302	-	-	-	-	NA	NA
19	Loan Principal	-	-	-	-	-	NA	NA
20	Loan Interest	-	-	-	-	-	NA	NA
21	TOTAL EXPENSES & CONTRIBUTIONS	\$ 12,163	\$ 7,343	\$ 3,262	\$ 6,518	\$ 4,092	(11.2%)	(37.2%)
22	NET INCOME BEFORE REGULATORY ADJ	\$ 367	\$ (737)	\$ (107)	\$ (1,731)	\$ (669)		
23	MWhs Generated (In thousands)	122	80	35	88	36		
24	Capacity Factor	62%	40%	36%	45%	18%		
25	\$'s/MWh Billed	\$100.85	\$ 80.54	\$89.65	\$ 51.86	\$ 90.64		
26	\$'s/MWh Generated	\$99.76	\$ 92.20	\$92.69	\$ 73.94	\$ 114.23		
27	% Change in Rates		(20%)		(36%)	75%		

[1] The FY 2019 Budget assumed that, in order to reduce the impact on Participant Billings, \$300k of the \$2 million total planned contribution to the R&R Account for FY 2019 would be made using a short-term borrowing from the General Reserve Fund (reflected as a negative value on the General Reserve Funding line). Based on changes to OUC's planned capital spending on Stanton 1, such borrowing ultimately may not be necessary.

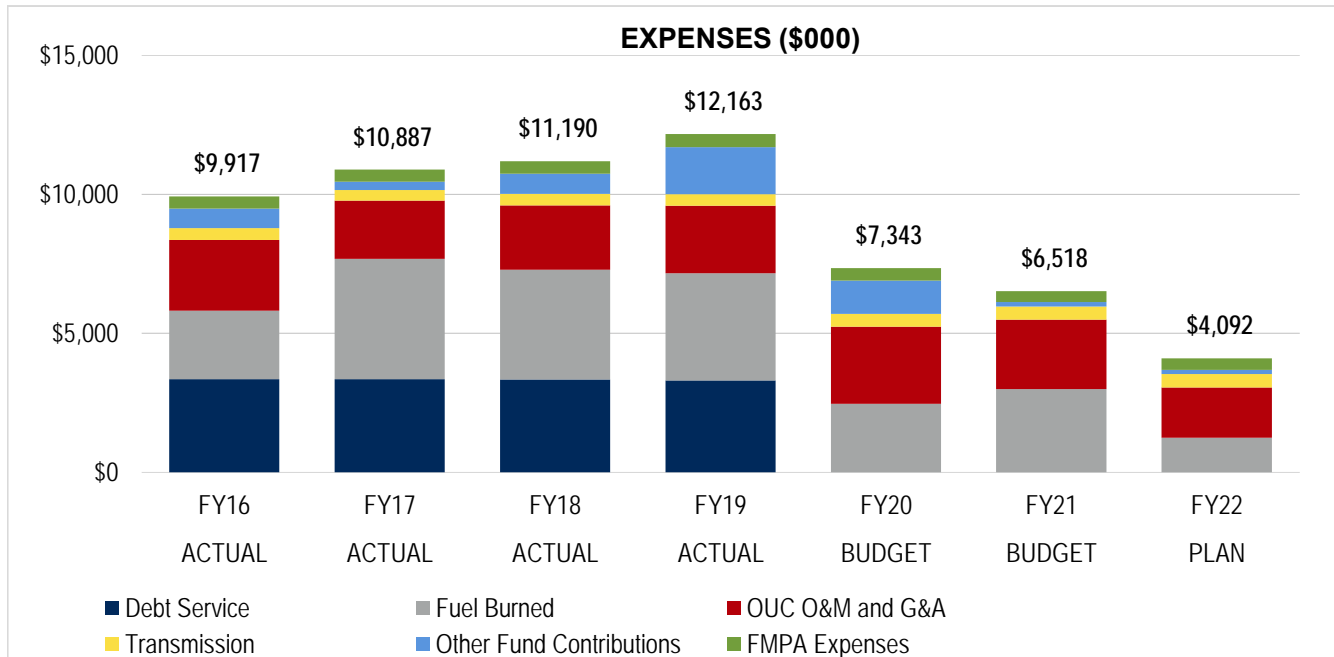
**FLORIDA MUNICIPAL POWER AGENCY  
TRI-CITY PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Comparison of Budget to Historical Revenues and Expenses**



REVENUES	(\$000)						
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Demand and Trans. Billings	\$ 8,082	\$ 6,594	\$ 6,858	\$ 8,443	\$ 3,951	\$ 1,584	\$ 2,006
Energy (Fuel) Billings	2,466	4,325	3,936	3,853	2,463	2,988	1,241
Interest Income	27	33	79	105	56	79	37
Other Revenues	116	127	126	129	136	136	139
<b>Total</b>	<b>\$ 10,691</b>	<b>\$ 11,079</b>	<b>\$ 10,999</b>	<b>\$ 12,530</b>	<b>\$ 6,606</b>	<b>\$ 4,787</b>	<b>\$ 3,423</b>

**FLORIDA MUNICIPAL POWER AGENCY  
TRI-CITY PROJECT**  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Comparison of Budget to Historical Revenues and Expenses



EXPENSES	(\$000)						
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Debt Service	\$ 3,349	\$ 3,348	\$ 3,342	\$ 3,302	\$ -	\$ -	\$ -
Fuel Burned	2,466	4,325	3,936	3,853	2,463	2,988	1,241
OUC O&M and G&A	2,540	2,096	2,317	2,426	2,776	2,499	1,812
Transmission	427	382	415	415	457	479	479
Other Fund Contributions	700	300	731	1,700	1,200	150	150
FMPA Expenses	435	436	449	467	447	402	410
<b>Total Expenses</b>	<b>\$ 9,917</b>	<b>\$ 10,887</b>	<b>\$ 11,190</b>	<b>\$ 12,163</b>	<b>\$ 7,343</b>	<b>\$ 6,518</b>	<b>\$ 4,092</b>
Delivered MWWhs (In Thousands)	71.2	124.6	124.6	121.9	79.6	88.2	35.8
Unit Cost of Power - \$/MWh	\$ 139.34	\$ 87.38	\$ 89.84	\$ 99.76	\$ 92.20	\$ 73.94	\$ 114.23

**FLORIDA MUNICIPAL POWER AGENCY  
TRI-CITY PROJECT**  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances

**FISCAL YEAR 2021 BUDGET**

**OPERATING AND MAINTENANCE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	\$ 3,178	\$ -	\$ 1,731	\$ 1,447	\$ 1,447
Working Capital Account	225	-	-	225	225
Rate Stabilization Account	150	400	-	550	550
<b>Total Operating and Maintenance Fund</b>	<b>\$ 3,553</b>	<b>\$ 400</b>	<b>\$ 1,731</b>	<b>\$ 2,222</b>	<b>\$ 2,222</b> [1]

[1] Minimum recommended balance is amount required to meet operating expenses for the next 60 days  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
*Debt Service Accounts				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Debt Service Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Account minimums will be in compliance with Bond Resolution.

**SUBORDINATED DEBT SERVICE**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
*Loans				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Loans</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Subordinated Debt paid from O&M account

**FLORIDA MUNICIPAL POWER AGENCY  
TRI-CITY PROJECT**  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances

**FISCAL YEAR 2021 BUDGET**

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Renewal & Replacement (R&R) Account	\$ 1,716	\$ 150	\$ 696	\$ 1,170	\$ 1,000 [2]
Contingency Account	\$ 1,121	\$ -	\$ -	\$ 1,121	\$ 1,000

[2] The Tri-City Project's goal is to achieve a minimum balance of \$1 million over the next 3 fiscal years.

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2020	Deposits **	Withdraw- als/ Payments	Ending Balance 9/30/2021
General Reserve Fund	\$ 670,000	\$ -	\$ -	\$ 670,000

\* Deposits include Retained Interest Earnings

\*\*Transfer to R&R Account

**CAPITAL PLAN**

	Fiscal Year FY 2021
<b><u>Capital Funded from Renewal &amp; Replacement</u></b>	
Per OUC Capital Plan	\$ 696
Total Capital	<u>\$ 696</u>

**FLORIDA MUNICIPAL POWER AGENCY  
TRI-CITY PROJECT  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2022 PLAN**

**OPERATING AND MAINTENANCE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	\$ 1,447	\$ -	\$ 669	\$ 778	\$ 778
Working Capital Account	225	-	-	225	225
Rate Stabilization Account	550	-	400	150	150
<b>Total Operating and Maintenance Fund</b>	<b>\$ 2,222</b>	<b>\$ -</b>	<b>\$ 1,069</b>	<b>\$ 1,153</b>	<b>\$ 1,153 [1]</b>

[1] Minimum recommended balance is amount required to meet operating expenses for the next 60 days  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
*Debt Service Accounts				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Debt Service Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Account minimums will be in compliance with Bond Resolution.

**SUBORDINATED DEBT SERVICE**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
*Loans				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Loans</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Subordinated Debt paid from O&M account



**FLORIDA MUNICIPAL POWER AGENCY  
TRI-CITY PROJECT**  
Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances

**FISCAL YEAR 2022 PLAN**

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Renewal & Replacement (R&R) Account	\$ 1,170	\$ 150	\$ 272	\$ 1,048	\$ 1,000 [2]
Contingency Account	\$ 1,121	\$ -	\$ -	\$ 1,121	\$ 1,000

[2] The Tri-City Project's goal is to achieve a minimum balance of \$1 million over the next 3 fiscal years.

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2021	Deposits **	Withdraw- als/ Payments	Ending Balance 9/30/2022
General Reserve Fund	\$ 670,000	\$ -	\$ -	\$ 670,000

\* Deposits include Retained Interest Earnings & Fund Contributions

**CAPITAL PLAN**

	Fiscal Year FY 2022
<b><u>Capital Funded from Renewal &amp; Replacement</u></b>	
Per OUC Capital Plan	\$ 272
Total Capital	<u>\$ 272</u>

**FLORIDA MUNICIPAL POWER AGENCY  
TRI-CITY PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Five-Year Capital Plan (\$000)**

Activity	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Renewal and Replacement Beginning Balance	\$ 1,716	\$ 1,170	\$ 1,048	\$ 1,084	\$ 1,174
Capital Expenses	(696)	(272)	(114)	(60)	(53)
Renewal and Replacement Contributions	150	150	150	150	150
Renewal and Replacement Ending Balance [1]	1,170	1,048	1,084	1,174	1,271

[1] Plan is to fund and maintain a \$1 million balance for future capital needs and unanticipated capital changes made by the operator owner.

**MEMORANDUM**

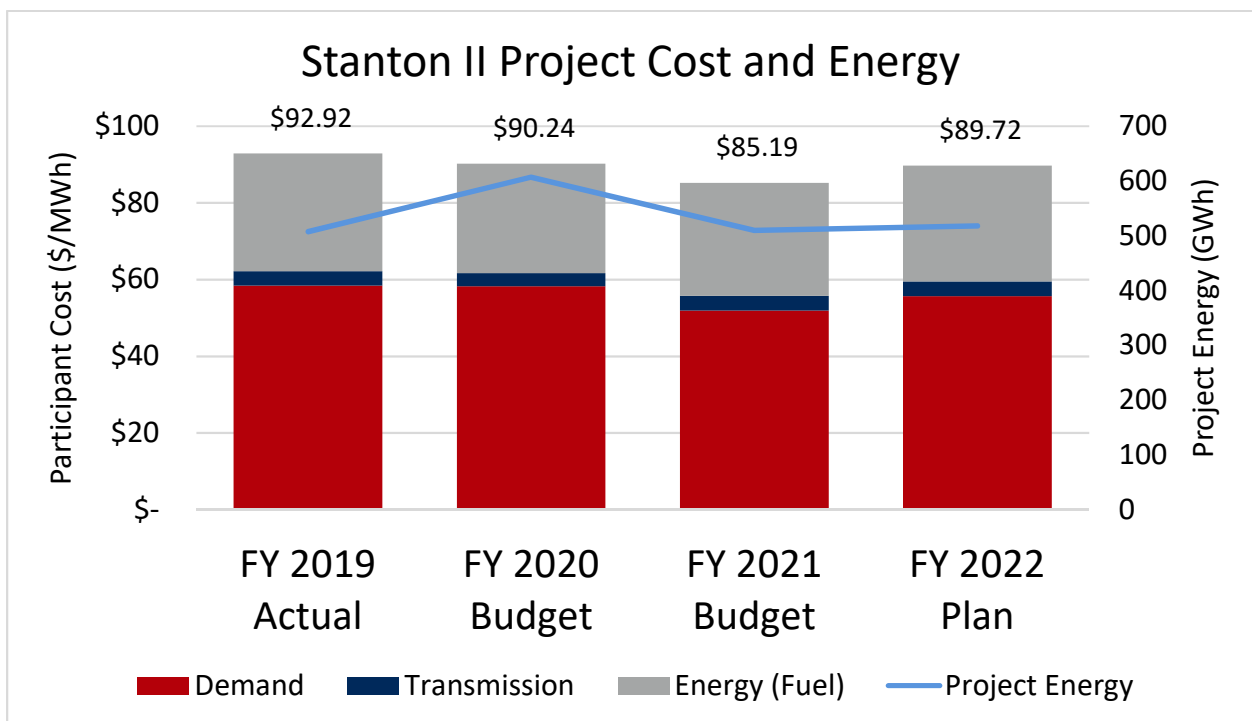
TO: Board of Directors  
 FROM: Jason Wolfe  
 DATE: June 9, 2020  
 SUBJECT: Stanton II Project FY 2021 Budget / FY 2022 Plan Overview

**Project Costs and Energy**

The proposed Stanton II Project budget for FY 2021 would result in an average cost to Participants of \$85.19 per MWh billed. This represents a 6% decrease from the budgeted per-unit Participant cost for FY 2020, as well as an 8% decrease from the actual per-unit billed Participant cost for FY 2019.

The proposed plan for FY 2022 would result in an average cost to Participants of \$89.72 per MWh billed. This represents a 5% increase from the proposed budgeted per-unit Participant cost for FY 2021.

The following chart summarizes recent historical and budgeted Project \$/MWh costs and energy.



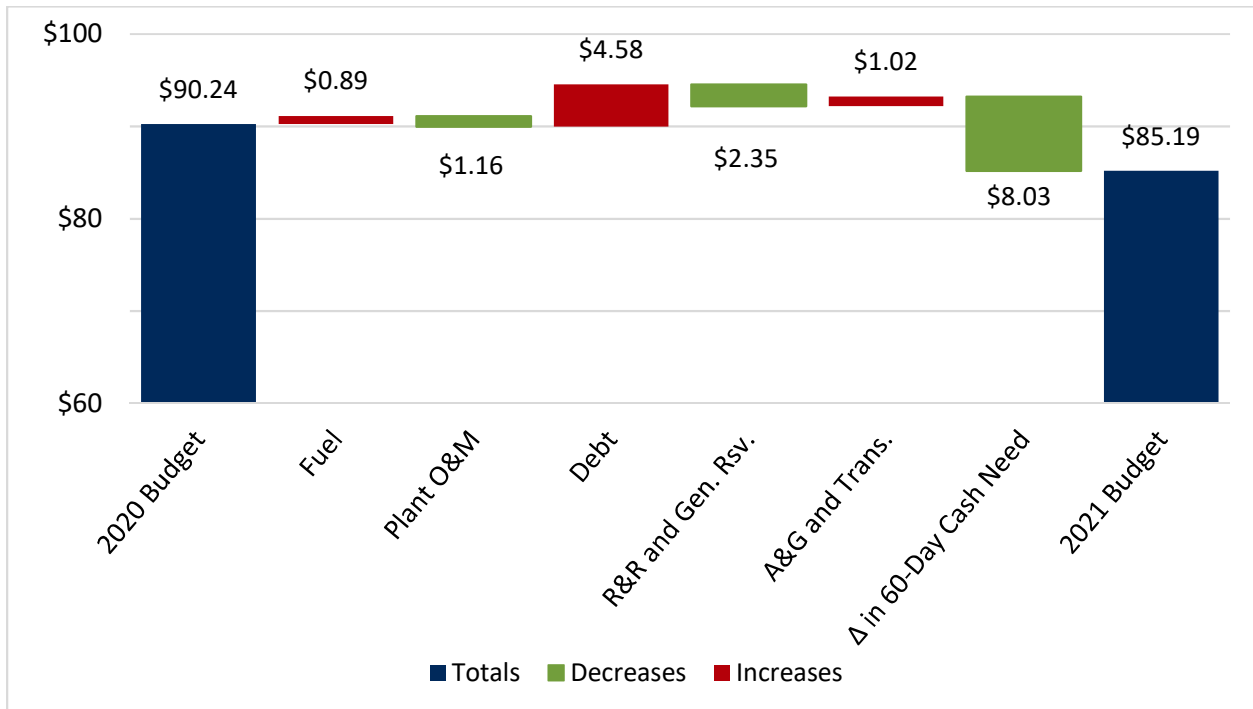
The expected per unit costs and operating data for the proposed budget and budget plan years are as follows:

	Total Project Costs (\$/MWh)	Billed Costs to Participants (\$/MWh)	Delivered Energy (GWh)	Capacity Factor (%)
FY 2021 Budget	\$90.82	\$85.19	510	54%
FY 2022 Plan	\$91.09	\$89.72	518	55%

The 6% billing rate decrease in FY 2021 from the FY 2020 budget is primarily driven by lower capital funding requirements in 2021, as well as an anticipated cash position for the Project in 2021 that would be in excess of the 60-day funding target (i.e., the surplus cash would be returned to Participants). This decrease is somewhat offset by an increase in \$/MWh debt service, A&G, transmission, and fuel costs for the Project, which are driven by lower budgeted billed energy. Project generation for FY 2021 (54% capacity factor) is projected to be approximately 16% below the FY 2020 budget but approximately equal to actual generation for FY 2019.

The following charts compare the budgeted Participant costs (\$/MWh) and total Project expenses for Fiscal Years 2020 and 2021.

### Stanton II Project FY 2021 Budgeted Participant Costs Compared to FY 2020 (\$/MWh)



### Stanton II Project FY 2021 Budgeted Expenses Compared to FY 2020 (\$Millions)



Detailed operating budget information can be found in Exhibit 1. A summary of budgeted revenues and expenses to historical actuals is presented in Exhibit 2.

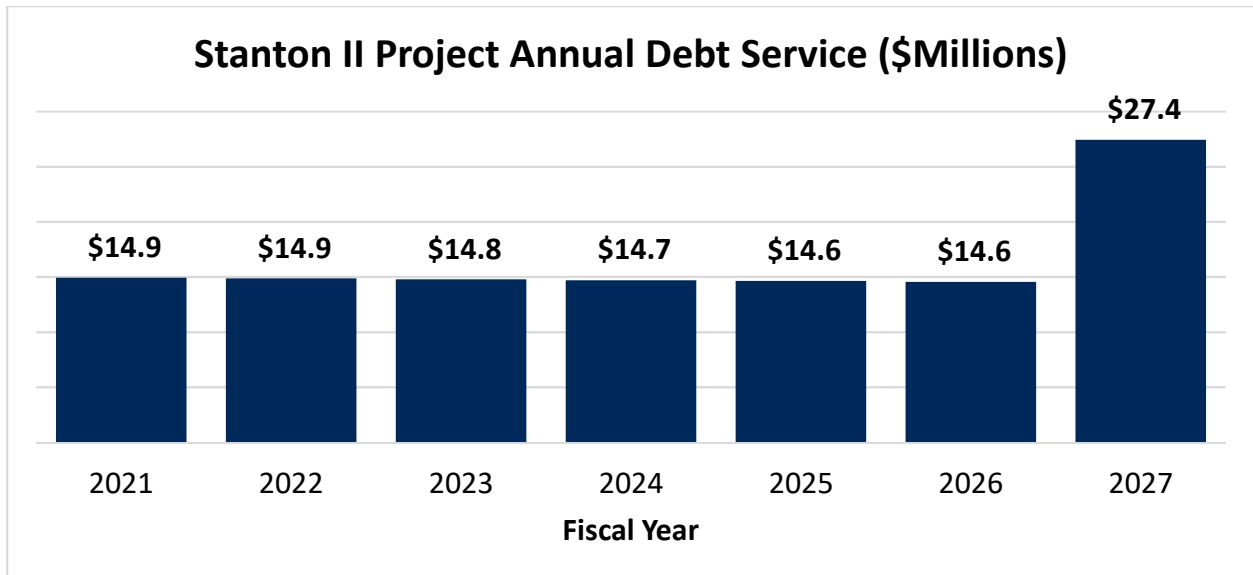
### Capital Plan and Renewal and Replacement Account

A summary of the Five-Year Capital Plan and funding of the Renewal and Replacement Account is shown in Exhibit 4. Major capital activity for FY 2021 includes the completion of the landfill expansion project (common facilities), closure costs for the previous landfill cell (common facilities), and completion of the turbine upgrade project. Total capital expenditures budgeted for FY 2021 are \$2.8 million.

### Debt and Debt Service

The Stanton II Project currently has four remaining series of Bonds – Series 2009A, Series 2012A, Series 2017A, and Series 2017B, with a total of approximately \$101.0 million principal outstanding after October 1, 2020. The final payoff date for the Project debt is October 1, 2027. No additional new money debt is currently anticipated to be issued for the Stanton II Project.

The following chart illustrates the annual debt service accruals for the Project. As discussed under the “General Reserve Fund” section, staff currently plans that a significant portion of the debt service requirement for FY 2027 will be funded by monies held in the General Reserve Fund and not through rates.



## O&M Fund and Working Capital

The Stanton II Project's Operation and Maintenance Fund (O&M Fund) consists of three accounts: i) the Operation and Maintenance Account, ii) the Working Capital Account and iii) the Rate Stabilization Account. The total O&M Fund balance is typically budgeted at an amount projected to support a 60-day average balance of operating expenses, with any over or under funding requirement returned or billed, respectively, the following fiscal year.

## General Reserve Fund

All of the Project's excess funds will reside in the General Reserve Fund until required. The Project currently has approximately \$28 million in the General Reserve Fund. It is currently anticipated that a portion of these funds will be utilized to pay a portion of the final debt service payment due October 1, 2027. Aside from interest earnings on existing balances, no deposits or withdrawals are forecasted for the General Reserve Fund for either FY 2021 or FY 2022.

Projected fund activity and balances for Fiscal Years 2021 and 2022 for the Project's various funds and accounts are shown in Exhibit 3.

## Project Participants

Participant	Power Entitlement Share (%)
Fort Pierce [1]	16.4887%
Homestead	8.2444%
Key West [1]	9.8932%
Kissimmee [1]	32.9774%
St. Cloud	14.6711%
Starke [1]	1.2366%
All-Requirements Project [2]	16.4887%

[1] Participant in the All-Requirements Project. Participant's entitlement share of Stanton II Project generation is purchased and paid for by the All-Requirements Project.

[2] Effective December 17, 2018, the All-Requirements Project took an assignment and transfer of Vero Beach's entitlement share in the Stanton II Project.

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON II PROJECT**

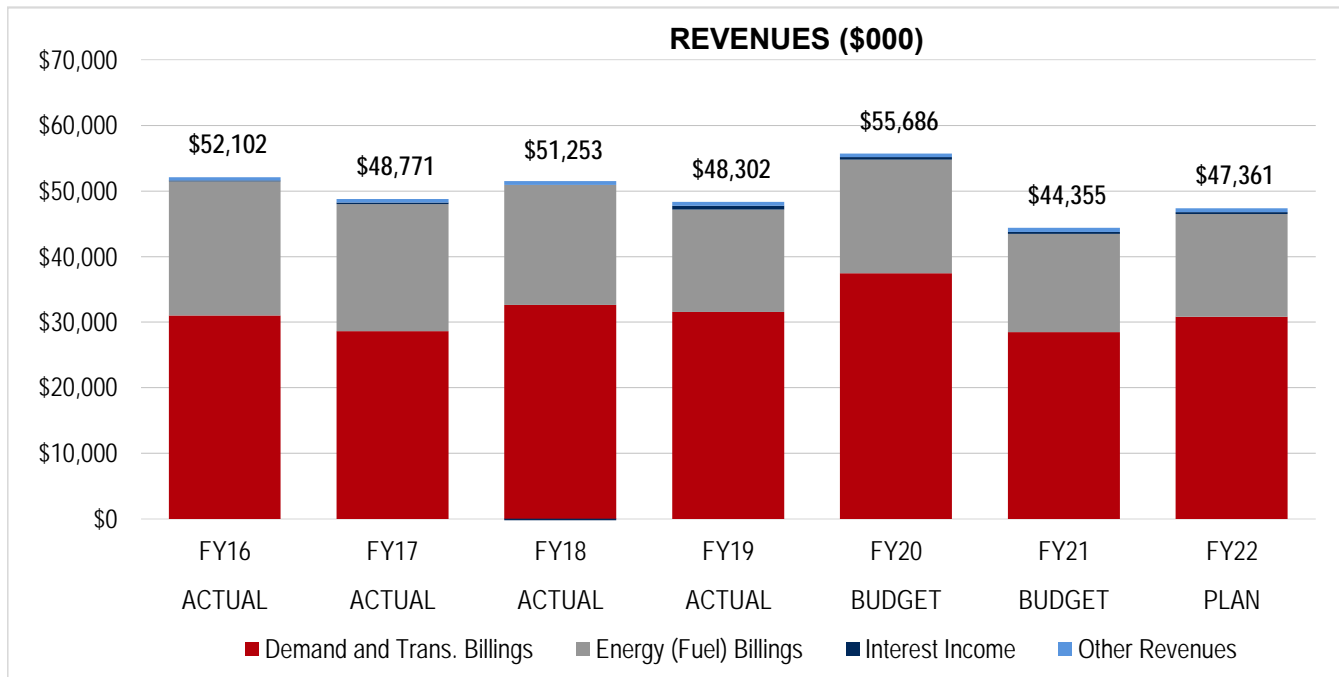
**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Operating Budget (\$000)**

Line No.	Description	ACTUAL FY2019	BUDGET FY2020	6 Months ACTUAL FY2020	Proposed BUDGET FY 2021	Proposed PLAN FY 2022	20 Bdgt / 21 Bdgt Increase / Decrease%	21 Bdgt / 22 Bdgt Increase / Decrease%
<b>REVENUES</b>								
Participant Billings:								
1	Demand	\$ 29,636	\$ 35,371	\$ 17,686	\$ 26,452	\$ 28,824	(25.2%)	9.0%
2	Transmission	1,915	2,085	1,043	1,990	1,990		
3	Fuel - Variable	15,620	17,317	8,678	15,004	15,660	(13.4%)	4.4%
4	Total Billing	\$ 47,171	\$ 54,773	\$ 27,407	\$ 43,446	\$ 46,474	(20.7%)	7.0%
5	Brine Plant	565	525	306	600	615	14.3%	2.5%
6	Interest Income	566	388	219	309	272	(20.4%)	(12.0%)
7	TOTAL REVENUES	\$ 48,302	\$ 55,686	\$ 27,932	\$ 44,355	\$ 47,361	(20.3%)	6.8%
<b>EXPENSES</b>								
8	Fixed O&M	\$ 9,386	\$ 11,261	\$ 4,603	\$ 8,850	\$ 9,073	(21.4%)	2.5%
9	Fuel Burned - Variable	15,620	17,317	8,678	15,004	15,660	(13.4%)	4.4%
10	User Fee	229	265	98	245	251	(7.5%)	2.4%
11	Transmission -OUC	1,895	2,085	1,041	1,990	1,990	(4.6%)	0.0%
12	-FPL	-	-	-	-	-	NA	NA
13	Gen'l & Admin -OUC	1,617	1,921	806	1,785	1,829	(7.1%)	2.5%
14	-FMPA	428	438	219	470	482	7.3%	2.6%
15	Debt Management Costs	\$ 176	\$ 41	\$ 34	\$ 45	\$ 46	9.8%	2.2%
16	TOTAL EXPENSES	\$ 29,351	\$ 33,328	\$ 15,479	\$ 28,389	\$ 29,331	(14.8%)	3.3%
<b>FUND CONTRIBUTIONS</b>								
17	Renewal & Replacement & General Reserve	8,000	5,000	2,500	3,000	3,000	(40.0%)	0.0%
18	Debt Service Deposit	13,883	14,987	7,493	14,927	14,855	(0.4%)	(0.5%)
19	Loan Principal	-	-	-	-	-	NA	NA
20	Loan Interest	-	-	-	-	-	NA	NA
21	TOTAL EXPENSES & CONTRIBUTIONS	\$ 51,234	\$ 53,315	\$ 25,472	\$ 46,316	\$ 47,186	(13.1%)	1.9%
22	NET INCOME BEFORE REGULATORY ADJ	\$ (2,932)	\$ 2,371	\$ 2,460	\$ (1,961)	\$ 175		
23	MWhs Generated (In thousands)	508	607	327	510	518		
24	Capacity Factor	58%	66%	75%	54%	55%		
25	\$'s/MWh Billed	\$92.92	\$ 90.24	\$85.37	\$ 85.19	\$ 89.72		
26	\$'s/MWh Generated	\$100.92	\$ 87.83	\$77.85	\$ 90.82	\$ 91.09		
27	% Change in Rates		(3%)		(6%)	5%		



**FLORIDA MUNICIPAL POWER AGENCY  
STANTON II PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Comparison of Budget to Historical Revenues and Expenses**

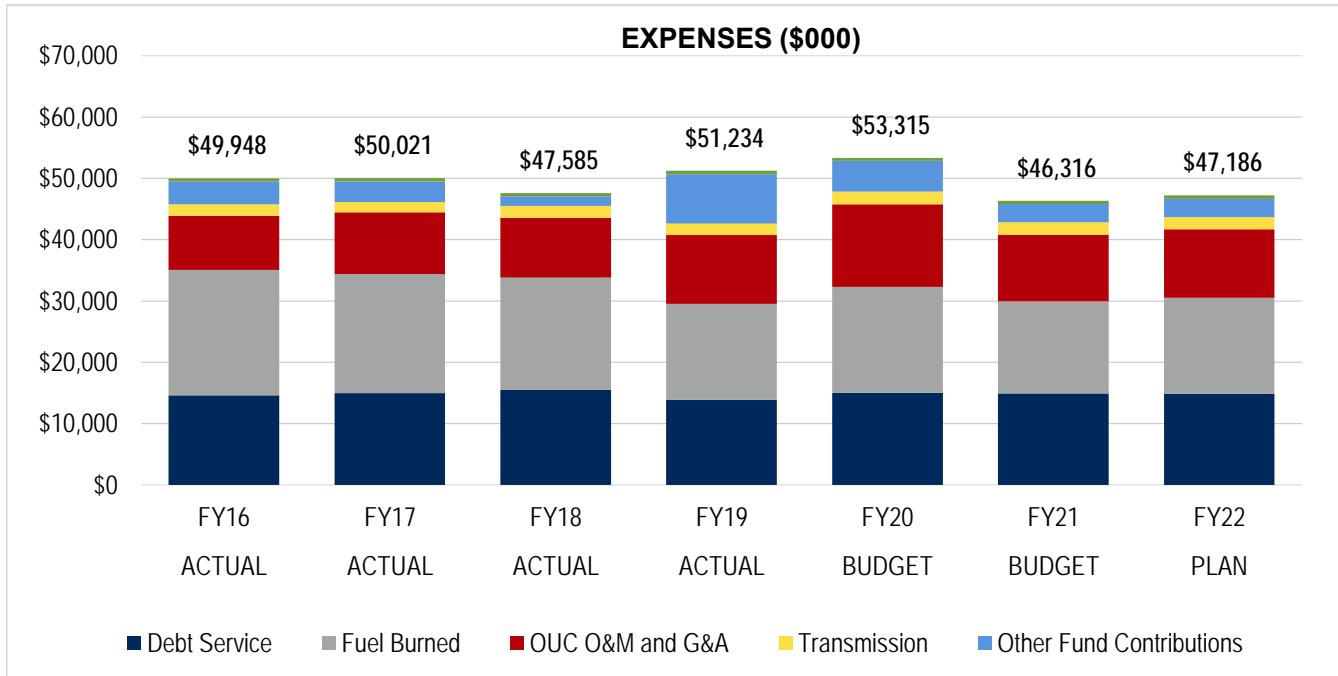


REVENUES	(\$000)						
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Demand and Trans. Billings	\$ 30,977	\$ 28,599	\$ 32,609	\$ 31,551	\$ 37,456	\$ 28,442	\$ 30,814
Energy (Fuel) Billings	20,486	19,402	18,324	15,620	17,317	15,004	15,660
Interest Income	128	212	(232)	566	388	309	272
Other Revenues	511	558	552	565	525	600	615
<b>Total</b>	<b>\$ 52,102</b>	<b>\$ 48,771</b>	<b>\$ 51,253</b>	<b>\$ 48,302</b>	<b>\$ 55,686</b>	<b>\$ 44,355</b>	<b>\$ 47,361</b>

## FLORIDA MUNICIPAL POWER AGENCY STANTON II PROJECT

Fiscal Year 2021 Budget and Fiscal Year 2022 Plan

### Comparison of Budget to Historical Revenues and Expenses



EXPENSES	(\$000)						
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	BUDGET FY20	BUDGET FY21	PLAN FY22
Debt Service	\$ 14,569	\$ 14,965	\$ 15,479	\$ 13,883	\$ 14,987	\$ 14,927	\$ 14,855
Fuel Burned	20,486	19,402	18,324	15,620	17,317	15,004	15,660
OUC O&M and G&A	8,832	10,081	9,770	11,232	13,447	10,880	11,153
Transmission	1,844	1,677	1,895	1,895	2,085	1,990	1,990
Other Fund Contributions	3,710	3,345	1,600	8,000	5,000	3,000	3,000
FMPA Expenses	507	551	517	604	479	515	528
<b>Total</b>	<b>\$ 49,948</b>	<b>\$ 50,021</b>	<b>\$ 47,585</b>	<b>\$ 51,234</b>	<b>\$ 53,315</b>	<b>\$ 46,316</b>	<b>\$ 47,186</b>
Delivered MWhs (In Thousands)	635.9	625.0	601.7	507.7	607.0	510.0	518.0
Unit Cost of Power - \$/MWh	\$ 78.54	\$ 80.03	\$ 79.09	\$ 100.92	\$ 87.83	\$ 90.82	\$ 91.09

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON II PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2021 BUDGET**

**OPERATING AND MAINTENANCE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	\$ 8,517	\$ -	\$ 1,961	\$ 6,556	\$ 6,556
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	-	-	400	400
<b>Total Operating and Maintenance Fund</b>	<b>\$ 9,517</b>	<b>\$ -</b>	<b>\$ 1,961</b>	<b>\$ 7,556</b>	<b>\$ 7,556 *</b>

\*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
*Debt Service Accounts (Series '09A, 12A, 17A, 17E Principal	\$ 11,082	\$ 11,432	\$ 11,082	\$ 11,432
Interest	1,204	3,496	3,700	1,000
<b>Total Debt Service Accounts</b>	<b>\$ 12,286</b>	<b>\$ 14,928</b>	<b>\$ 14,782</b>	<b>\$ 12,432</b>

\*Account minimums will be in compliance with Bond Resolution.

**SUBORDINATED DEBT SERVICE**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
*Loans				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Loans</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Subordinated Debt paid from O&M account

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON II PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2021 BUDGET**

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
Renewal & Replacement (R&R) Account	\$ 2,170	\$ 3,000	\$ 2,752	\$ 2,418
Contingency Account	\$ 1,125	\$ -	\$ -	\$ 1,125

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2020	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2021
General Reserve Fund	\$ 28,714	\$ -	\$ -	\$ 28,714
Interest Retained	-	407	-	407
Total General Reserve	\$ 28,714	\$ 407	\$ -	\$ 29,121

**CAPITAL PLAN**

**Fiscal Year  
FY2021**

**Capital Funded from Proceeds and Renewal & Replacement**

Per OUC Capital Plan	\$ 2,752
Total Capital	<u>\$ 2,752</u>

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON II PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2022 PLAN**

**OPERATING AND MAINTENANCE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022	Minimum Recomm. Balance
Operating & Maintenance (O&M) Account	\$ 6,556	\$ 175	\$ -	\$ 6,731	\$ 6,731
Working Capital Account	600	-	-	600	600
Rate Stabilization Account	400	-	-	400	400
<b>Total Operating and Maintenance Fund</b>	<b>\$ 7,556</b>	<b>\$ 175</b>	<b>\$ -</b>	<b>\$ 7,731</b>	<b>\$ 7,731 *</b>

\*Minimum recommended balance is amount required to meet operating expenses for the next 60 days.  
Minimum per bond resolution is half the recommended amount.

**DEBT SERVICE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
*Debt Service Accounts (Series '09A, 12A, 17A, 17E Principal	\$ 11,432	\$ 11,785	\$ 11,432	\$ 11,785
Interest	1,000	3,070	3,283	787
<b>Total Debt Service Accounts</b>	<b>\$ 12,432</b>	<b>\$ 14,855</b>	<b>\$ 14,715</b>	<b>\$ 12,572</b>

\*Account minimums will be in compliance with Bond Resolution.

**SUBORDINATED DEBT SERVICE**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
*Loans				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total Loans</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Subordinated Debt paid from O&M account

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON II PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Project Fund Balances**

**FISCAL YEAR 2022 PLAN**

**RESERVE AND CONTINGENCY FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
Renewal & Replacement (R&R) Account	\$ 2,418	\$ 3,000	\$ 2,017	\$ 3,401
Contingency Account	\$ 1,125	\$ -	\$ -	\$ 1,125

**GENERAL RESERVE FUND**

	Beginning Balance 10/1/2021	Deposits	Withdraw- als/ Payments	Ending Balance 9/30/2022
General Reserve Fund	\$ 28,714	\$ -	\$ -	\$ 28,714
Interest Retained	407	413	-	820
Total General Reserve	\$ 29,121	\$ 413	\$ -	\$ 29,534

**CAPITAL PLAN**

	Fiscal Year FY2022
<b><u>Capital Funded from Renewal &amp; Replacement</u></b>	
Per OUC Capital Plan	\$ 2,017
Total Capital	<u>\$ 2,017</u>

**FLORIDA MUNICIPAL POWER AGENCY  
STANTON II PROJECT**

**Fiscal Year 2021 Budget and Fiscal Year 2022 Plan  
Five-Year Capital Plan (\$000)**

Activity	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Renewal and Replacement Beginning Balance	\$ 2,170	\$ 2,418	\$ 3,401	\$ 4,372	\$ 5,309
Capital Expenses	2,752	2,017	529	563	511
Renewal and Replacement Contributions	3,000	3,000	1,500	1,500	1,500
Renewal and Replacement Ending Balance [1]	2,418	3,401	4,372	5,309	6,297

[1] Plan is to maintain a \$5 million balance for future capital needs and unanticipated capital changes made by the operator owner.



## MEMORANDUM

TO: Board of Directors  
FROM: Jason Wolfe  
DATE: June 9, 2020  
SUBJECT: Solar Project FY 2021 Budget / FY 2022 Plan Overview

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### Project Costs and Energy

The Solar Project is not anticipated to come online until FY 2023; therefore, the FY 2021 budget is currently set at \$0. If it becomes evident that expenses will be incurred during FY 2021, a revised budget will be developed based on then-current expectations and presented for approval. The plan for FY 2022 is also \$0.

The Solar Project is set up as a power purchase Agreement; therefore, the budget will include fewer line item expenses than FMPA's generation-based projects. Anticipated expenses of the Project include, but ultimately may not be limited to:

- Purchased power expenses
- Dispatch fees
- Bank and other account fees
- Development Fund repayment
- Allocated Agency expenses

### Project Participants

Participant	Power Entitlement Share (%)
Alachua	15.7890%
Bartow	22.8070%
Homestead	17.5440%
Lake Worth Beach	17.5440%
Wauchula	8.7720%
Winter Park	17.5440%





## MEMORANDUM

TO: Finance Committee  
FROM: Jason Wolfe  
DATE: June 9, 2020  
SUBJECT: Solar II Project FY 2021 Budget / FY 2022 Plan Overview

---

### Project Costs and Energy

The Solar II Project is not anticipated to come online until FY 2024; therefore, the FY 2021 budget is currently set at \$0. If it becomes evident that expenses will be incurred during FY 2021, a revised budget will be developed based on then-current expectations and presented for approval. The plan for FY 2022 is also \$0.

The Solar II Project is set up as a power purchase Agreement; therefore, the budget will include fewer line item expenses than FMPA's generation-based projects. Anticipated expenses of the Project include, but ultimately may not be limited to:

- Purchased power expenses
- Dispatch fees
- Bank and other account fees
- Development Fund repayment
- Allocated Agency expenses

### Project Participants

Participant	Power Entitlement Share (%)
Homestead	9.3370%
Lake Worth Beach	49.5800%
Mount Dora	3.7350%
New Smyrna Beach	18.6740%
Winter Park	18.6740%



**MEMORANDUM**

TO: Board of Directors  
FROM: Jason Wolfe  
DATE: June 9, 2020  
SUBJECT: Pooled Loan Project FY 2021 Budget / FY 2022 Plan Overview

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**Project Costs and Energy**

The Pooled Loan Project has one active participant. Bushnell closed on its loan through the Project in FY2020. FMPA is currently evaluating options on additional loans.

The project is approved for up to \$25 million in loans and to-date only \$7.935 million has been issued.

The FY 2021 budget is currently set at \$37,795. The plan for FY 2022 is \$38,161. These budgets represent the 10-year amortization of the Project’s start-up costs, allocated administrative and general expenses from the Agency and the Project’s trustee fees.

**Project Participants**

Participant
Bushnell



**FLORIDA MUNICIPAL POWER AGENCY  
FY 2021 Agency Budget**

Calculation of Agency Revenues

**METHODOLOGY**

***Allocated Power Supply Project Revenues***

The methodology used to allocate Agency expenses to be billed to the St. Lucie, Stanton, Tri-City, ~~and Stanton II, Solar, Solar II, and Pooled Loan~~ Projects (Projects) has been revised for Fiscal Year 2021. ~~was created in response to comments from FMPA's external auditor that a defined and rational approach to allocating such costs to these projects needed to be established. The process was further refined with the establishment of the Solar Project and re-establishment of the Pooled Loan Program.~~ The process is as follows:

- 1) Staff determines the FMPA positions ~~that would be essential to effective management of the Projects and providing member services to members of the Projects.~~<sup>1</sup> In instances in which departments have more than one person involved in Project administration, the positions utilized reflect a representative FTE for that department.
- 2) Staff determines the percent time each position spends serving the needs of each of the Projects and the participating members, recognizing that the level of effort required for Projects that involve ownership in the same unit and/or plant may be lower.
- 3) ~~With certain exceptions,~~ the allocable cost of each position to each of the Projects is the percent of time this position spends serving the needs of each of the Projects determined in step 2) above multiplied by the current mid-point<sup>2</sup> of the salary range of the position as maintained by FMPA's Human Resources Department and approved by the Board.
- ~~4) For positions that pertain more to member services than Project administration, the allocable cost of the position to each of the Projects is based on the relative number of participants in each Project.~~
- ~~5) The amounts developed in 3) and 4) above are adjusted to include FMPA's current overhead adder percentage.~~
- ~~6) The sum of these annual salaries and overhead adders is the annual allocable amount to be charged to each Project, which amount is divided by 12 to arrive at the monthly allocable A&G Costs, except that:~~

~~a. Unless the Power Sales Contract for a Project contains provisions that would conflict with this requirement, the minimum annual allocable A&G cost (in dollars) to be assigned to each ownership-based generation Project (i.e., the Stanton, Tri-City, Stanton II, and St. Lucie Projects) shall not be less than 2.5% of the total Agency budget.~~

~~b. Unless the Power Sales Contract for a Project contains provisions that would conflict with this requirement, the minimum annual allocable A&G cost (in dollars) to be~~

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<sup>1</sup> Staff will review these positions annually to ensure that ~~For Fiscal Year 2021, staff has revised and expanded the positions included in the calculation~~ is to be more representative of the services currently provided.

<sup>2</sup> If the Human Resources department determines that the mid-point is not an appropriate representation of the current salary levels, a more appropriate level may be recommended.

**FLORIDA MUNICIPAL POWER AGENCY  
FY 2021 Agency Budget**

Calculation of Agency Revenues

assigned to each PPA-based generation Project (i.e., the Solar and Solar II Projects) shall not be less than 1.0% of the total Agency budget.<sup>3</sup>

- ~~a.~~ The total A&G allocated to the Solar Project will not exceed 100% of the cost associated with the single highest cost non-executive level FMPA position essential to the effective management of the Projects, and annual increases in total A&G allocated shall be commensurate with annual salary increases of such highest costs non-executive level FMPA position;
- ~~b-c.~~ Additional charges, such as joint owner contract compliance costs, may be directly assignable to a Project; and,
- ~~e-d.~~ Additional Agency costs are allocated to the ARP as outlined below

**Member Cash Assessments**

Cash assessments are charged to FMPA members that neither participate in nor receive power from any FMPA power supply project. The current methodology for computing member assessments is set forth in the Interlocal Agreement and is based on the member's most recent reported annual kWh retail sales multiplied by the following rates:

- a) \$6.75 per million kWh for the first 300 million kWh
- b) \$4.05 per million kWh for the next 500 million kWh
- c) \$0.39 per million kWh for all sales over 800 million kWh

The minimum assessment is \$500, and the maximum assessment is \$15,000.

This methodology was established in 1984, and the rates and minimum and maximum assessment levels have not changed since.

For the Fiscal Year 2021 Budget, in recognition that (1) the current member assessments capture neither the value provided to members by the Agency nor the Agency's cost incurred to support members, and (2) the current methodology of basing the assessments charged to members on their kWh retail sales does not appropriately capture the cost to support individual members, staff is recommending that the member cash assessments be changed to a flat charge of \$5,000 per year per member. This change would require an amendment to the Interlocal Agreement.

**Joint Owner Contract Compliance Revenues**

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<sup>3</sup> The Power Sales Contract for the Solar Project states that the total A&G allocated to the Solar Project will not exceed 100% of the cost associated with the single highest cost non-executive level FMPA position essential to the effective management of the Projects, and annual increases in total A&G allocated shall be commensurate with annual salary increases of such highest costs non-executive level FMPA position

**FLORIDA MUNICIPAL POWER AGENCY  
FY 2021 Agency Budget**

**Calculation of Agency Revenues**

The budgeted revenues are based on the actual cost estimated to be incurred to perform such services, based on historical efforts and any expected changes. Such costs are direct-billed to the parties for whom the service is provided.

***Additional ARP Revenues***

The ARP is allocated all remaining expenses of the Agency not recoverable through the above mechanisms or direct billings to Member cities.

***Interest Income***

Interest Income is calculated by the Treasury department using expected fund balances and applying the expected overall interest earned on investments.

**AGENCY REVENUE ALLOCATION CALCULATION FOR FY 2021 BUDGET**

Tables 1 and 2 show the development of the A&G Allocation used for the FY 2021 Budget. For development of the FY 2021 Budget, it was assumed that neither the FMPA Solar Project nor the FMPA Solar II Project becomes operational during FY 2021.

**Table 1 (Revised Methodology)**  
**Agency A&G Allocation for FY 2021 (Without Solar Projects)**

Position	FY 2021 Salary Used	ARP/General Membership	Stanton	Tri-City Project	Stanton II Project	St. Lucie Project	Pooled Loan Project	Solar Project	Solar II Project
General Manager	\$440,000	80.00%	2.96%	2.96%	5.92%	7.91%	0.25%	0.00%	0.00%
Administrative Specialist	\$65,300	50.00%	7.42%	7.42%	14.84%	19.82%	0.50%	0.00%	0.00%
Chief Operating Officer	\$222,291	75.00%	3.75%	3.75%	7.50%	10.00%	0.00%	0.00%	0.00%
Accountant III (New)	\$104,218	45.00%	8.25%	8.25%	16.50%	22.00%	0.00%	0.00%	0.00%
Chief Financial Officer	\$209,708	80.00%	2.93%	2.93%	5.86%	7.78%	0.50%	0.00%	0.00%
Auditor III	\$117,100	50.00%	7.31%	7.31%	14.62%	19.51%	1.25%	0.00%	0.00%
Senior Financial Analyst	\$131,574	40.00%	8.81%	8.81%	17.62%	23.51%	1.25%	0.00%	0.00%
Accounts Payable Coordinator	\$48,862	45.00%	8.06%	8.06%	16.12%	21.51%	1.25%	0.00%	0.00%
Human Resources Specialist	\$87,504	80.00%	2.95%	2.95%	5.90%	7.95%	0.25%	0.00%	0.00%
Energy Data Analyst	\$104,218	50.00%	7.50%	7.50%	15.00%	20.00%	0.00%	0.00%	0.00%
PR Specialist	\$77,879	45.00%	10.65%	5.32%	12.42%	26.61%	0.00%	0.00%	0.00%
Operations Planning Engineer III/ Senior Power Generation Electrical Engineer	\$124,126	50.00%	7.50%	7.50%	15.00%	20.00%	0.00%	0.00%	0.00%
Network Administrator	\$81,935	80.00%	3.11%	3.11%	6.22%	7.56%	0.00%	0.00%	0.00%
Assistant Treasurer-Debt/Investments	\$104,218	30.00%	12.50%	12.50%	20.00%	25.00%	0.00%	0.00%	0.00%
Treasury Analyst and Cash Manager III	\$104,218	40.00%	15.00%	15.00%	15.00%	15.00%	0.00%	0.00%	0.00%
Associate General Counsel & Regulatory Compliance Counsel	\$166,109	80.00%	3.00%	3.00%	6.00%	8.00%	0.00%	0.00%	0.00%
Manager of Member Services Development	\$131,574	45.00%	10.65%	5.32%	12.42%	26.61%	0.00%	0.00%	0.00%
Remove	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>\$2,320,834</b>	<b>\$1,449,017</b>	<b>\$143,243</b>	<b>\$132,079</b>	<b>\$247,043</b>	<b>\$343,039</b>	<b>\$6,413</b>	<b>\$0</b>	<b>\$0</b>
Overhead Adder	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%
Annual Allocable A&G [1]	\$4,410,858	\$2,753,927	\$393,859	\$393,859	\$469,517	\$651,963	\$12,188	\$0	\$0
Monthly Allocable A&G	\$367,571	\$229,494	\$32,822	\$32,822	\$39,126	\$54,330	\$1,016	\$0	\$0

[1] Reflects adjustments as necessary to bring the Project to its minimum annual allocable A&G cost.

**Table 2 (Revised Methodology)**  
**Agency A&G Allocation for FY 2021 (With Solar Projects) [1]**

Position	FY 2021 Salary Used	ARP/General Membership	Stanton	Tri-City Project	Stanton II Project	St. Lucie Project	Pooled Loan Project	Solar Project	Solar II Project
General Manager	\$440,000	76.00%	2.96%	2.96%	5.92%	7.91%	0.25%	2.00%	2.00%
Administrative Specialist	\$65,300	46.00%	7.42%	7.42%	14.84%	19.82%	0.50%	2.00%	2.00%
Chief Operating Officer	\$222,291	71.00%	3.75%	3.75%	7.50%	10.00%	0.00%	2.00%	2.00%
Chief Financial Officer	\$209,708	74.00%	2.93%	2.93%	5.86%	7.78%	0.50%	3.00%	3.00%
Auditor III	\$117,100	44.00%	7.31%	7.31%	14.62%	19.51%	1.25%	3.00%	3.00%
Senior Financial Analyst	\$131,574	34.00%	8.81%	8.81%	17.62%	23.51%	1.25%	3.00%	3.00%
Accounts Payable Coordinator	\$48,862	39.00%	8.06%	8.06%	16.12%	21.51%	1.25%	3.00%	3.00%
Human Resources Specialist	\$87,504	76.00%	2.95%	2.95%	5.90%	7.95%	0.25%	2.00%	2.00%
Energy Data Analyst	\$104,218	45.00%	7.50%	7.50%	15.00%	20.00%	0.00%	3.00%	2.00%
PR Specialist	\$77,879	35.00%	9.29%	4.64%	10.83%	23.21%	0.00%	9.29%	7.74%
Operations Planning Engineer III/ Senior Power Generation Electrical Engineer	\$124,126	44.00%	7.50%	7.50%	15.00%	20.00%	0.00%	3.00%	3.00%
Network Administrator	\$81,935	77.25%	2.80%	2.80%	5.60%	7.55%	0.00%	2.00%	2.00%
Assistant Treasurer-Debt/Investments	\$104,218	28.00%	12.50%	12.50%	20.00%	25.00%	0.00%	1.00%	1.00%
Treasury Analyst and Cash Manager III	\$104,218	36.00%	15.00%	15.00%	15.00%	15.00%	0.00%	2.00%	2.00%
Associate General Counsel & Regulatory Compliance Counsel	\$166,109	76.00%	3.00%	3.00%	6.00%	8.00%	0.00%	2.00%	2.00%
Manager of Member Services Development	\$131,574	35.00%	9.29%	4.64%	10.83%	23.21%	0.00%	9.29%	7.74%
Remove	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>\$2,320,834</b>	<b>\$1,330,971</b>	<b>\$140,140</b>	<b>\$130,401</b>	<b>\$243,204</b>	<b>\$335,910</b>	<b>\$6,413</b>	<b>\$69,042</b>	<b>\$64,753</b>
Overhead Adder	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%	90.05%
Annual Allocable A&G [2]	\$4,410,858	\$2,529,575	\$393,859	\$393,859	\$462,222	\$638,413	\$12,188	\$157,544	\$157,544
Monthly Allocable A&G	\$367,571	\$210,798	\$32,822	\$32,822	\$38,518	\$53,201	\$1,016	\$13,129	\$13,129

[1] Provided for illustration purposes only. Neither solar project is projected to begin operation during FY 2021.

[2] Reflects adjustments as necessary to bring the Project to its minimum annual allocable A&G cost.



**Florida Municipal Power Agency**  
**Agency Operating Budget - Fiscal Year 2021**  
**Revenue Summary**

REVENUES	FYE 2019 ACTUAL	FYE 2020 BUDGET	FYE 2021 BUDGET	FYE2021 BUDGET INCLUDING SOLAR	FYE 21 Budget/ FYE 20 Budget Increase / (Decrease)	
					\$'s	%
<u>PROJECT REVENUES</u>						
Member Assessments	\$ 27,842	\$ 27,966	\$60,000	\$60,000	32,034	114.5%
St. Lucie Project	428,171	438,276	651,963	638,413	213,687	48.8%
Stanton Project	428,171	438,276	393,859	393,859	(44,417)	-10.1%
All-Requirements Project	12,865,266	13,510,832	13,654,970	13,360,728	144,138	1.1%
Tri-City Project	428,171	438,276	393,859	393,859	(44,417)	-10.1%
Stanton II Project	428,171	438,276	469,517	462,222	31,241	7.1%
Pooled Loan Project	0	10,235	12,188	12,188	1,953	19.1%
Solar Project	0	0	0	157,544	0	100.0%
Solar Project II	0	0	0	157,544	0	100.0%
Joint Owner Contract Compliance	126,105	112,400	118,000	118,000	5,600	5.0%
	\$ 14,731,896	\$ 15,414,537	\$ 15,754,356	\$ 15,754,356	339,819	2.2%
Interest Income	219,097	240,000	120,000	120,000	(120,000)	-50.0%
Total Revenues	\$ 14,950,993	\$ 15,654,537	\$ 15,874,356	\$ 15,874,356	\$ 219,819	1.4%