



MEETING AGENDA PACKAGE

Policy Makers Liaisons Committee

July 29, 2020
1:00 to 2:30 p.m.

Meeting Being Held by WebEx and Telephonically at:

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

**Dial-in information: 877-668-4493 or 650-479-3208,
Access Code 856 891 590#, PASSWORD 8553#**

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Policy Makers Liaisons Committee

Kathleen Thacker, Kissimmee – Chair
Dan Robuck, Leesburg – Vice Chair
Bil Spaude, Bushnell
Kristine Petersen, Clewiston
Rick Cochrane, Fort Meade
Tom Perona, Fort Pierce
Robert Page, Green Cove Springs
George Forbes, Jacksonville Beach
Robert Barrios, Key West
Ethel Urbina, Kissimmee
Scott Maxwell, Lake Worth
Bill Conrad, Newberry
Brent Malever, Ocala
Keith Trace, St. Cloud
Scott Roberts, Starke

Community Power **+** Statewide Strength

MEMORANDUM

TO: Policy Makers Liaisons Committee
FROM: Mark McCain
DATE: July 20, 2020
RE: Policy Makers Liaisons Committee Telephonic Meeting
Wednesday, July 29, 2020, 1:00 p.m. to 2:30 p.m. **[NOTE TIME]**
PLACE: Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819
WEBEX: **Via telephone, 877-668-4493 or 650-479-3208,**
Access Code 160 540 0466 #, PASSWORD 8553#
(If you have trouble connecting, please call 407-355-7767)

Chair Kathleen Thacker, Presiding

The mission of the Committee is to facilitate the education of elected or appointed governing body members of FMIPA's member utility systems, and to foster opportunities for greater communication and knowledge among governing body members regarding the business and projects of FMIPA.

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum
2. Set Agenda (by vote)
3. Consent Agenda
 - a. Approval of the Minutes for the Meeting Held April 15, 2020
4. Action Items
 - a. Election of Committee Officers (Mark McCain)
 - b. Approval of 2020-2021 Meeting Schedule (Mark McCain)
5. Report from the General Manager and CEO (Jacob Williams)
6. Information Items
 - a. Update on ARP Sales, Power Costs and Budget Projections (Jacob Williams)
 - b. Update on FMIPA Solar Projects and Solar Subscriptions (Susan Schumann)
 - c. Supporting FMIPA Members in Reliability Efforts (Mark McCain for Cairo Vanegas)
7. Member Comments
8. Announcements
 - a. Next Meeting (if schedule approved): Wednesday, October 14, 2020 at FMIPA, 8553 Commodity Circle, Orlando, FL
9. Adjourn

One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMIPA at (407) 355-7767 or 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements.

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

**Policy Makers Liaisons Committee Meeting
July 29, 2020**

**AGENDA ITEM 2 – SET AGENDA (by
vote)**

**Policy Makers Liaisons Committee Meeting
July 29, 2020**

AGENDA ITEM 3 – CONSENT AGENDA

- a. Approval of Minutes for the Meeting
Held April 15, 2020**

**Policy Makers Liaisons Committee Meeting
July 29, 2020**

CLERKS DULY NOTIFIEDAPRIL 7, 2020
AGENDA PACKAGE E-MAILED TO MEMBERSAPRIL 8, 2020

MINUTES
FMPA TELEPHONIC POLICY MAKERS LIAISONS COMMITTEE MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
DATE: WEDNESDAY, APRIL 15, 2020
TIME: 1:00 P.M.

**MEMBERS
PRESENT
VIA
TELEPHONE**

Bob Page, Green Cove Springs
George Forbes, Jacksonville Beach
Robert Barrios, Key West
Kathleen Thacker, Kissimmee
Dan Robuck, Leesburg
Bill Conrad, Newberry
Brent Malever, Ocala
Keith Trace, St. Cloud

**MEMBERS
ABSENT**

Bil Spaude, Bushnell
Kristine Petersen, Clewiston
Rick Cochrane, Fort Meade
Tom Perona, Fort Pierce
Scott Maxwell, Lake Worth
Scott Roberts, Starke

**OTHERS
PRESENT
VIA
TELEPHONE**

John Tompeck, Fort Pierce
Linda Hudson, Fort Pierce
Larry Mattern, Kissimmee
Amy Zubaly, FMEA
Ryan Matthews, Peebles, Smith & Matthews (via telephone)
Michael Nolan, MJN Consulting

**STAFF
PRESENT**

Jacob Williams, General Manager & CEO
Ken Rutter, Chief Operating Officer
Mark McCain, Assistant General Manager, Member Services,
Human Resources and Public Relations
Dan O'Hagan, Assistant General Counsel and Regulatory
Compliance Counsel
Mike McCleary, Manager of Member Services Development
Navid Nowakhtar, Resource and Strategic Planning Manager
Sue Utley, Executive Assistant to CEO / Asst. Secretary to Board
Susan Schumann, External Affairs Administrator
Isabel Montoya, IT Specialist
Melisa Inanc, Public Relations Specialist
Ryan Dumas, Public Relations Specialist

Item 1 – Call to Order, Roll Call

Chair Kathleen Thacker, Kissimmee, called the meeting to order at 1:01 p.m. on Wednesday, April 16, 2020, via WebEx and telephone with staff present at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. A roll call was taken and 8 members were present.

Item 2 – Set Agenda (By Vote)

MOTION: George Forbes, Jacksonville Beach, moved to set the agenda as presented. Keith Trace, St. Cloud, seconded the motion. Motion carried 8 – 0.

Item 3 – Consent Agenda

3a – Approval of the Minutes for the meeting held January 15, 2020

MOTION: Bob Page, Green Cove Springs, moved approval of the Minutes of January 15, 2020. Bill Conrad, Newberry, seconded the motion. Motion carried 8 – 0.

Item 4 – Information Items

4a – Electric Utility Response to COVID-19

Jacob Williams presented information related to the municipal electric utility response to COVID-19.

4b –Update on FMPA Solar Projects

Susan Schumann presented an update on FMPA's Solar Project Phase I.

4c – Update on Emissions

Jacob Williams reported on FMPA's emissions for calendar year ending 2019.

Item 5 – Report from the General Manager and CEO (Jacob Williams)

1. Update on Oil and Gas Markets
2. Goals Scorecard

Item 6 – Member Comments

None

Item 7 – Announcements

7a – Next Meeting: Thursday, July 30, 2020 at 3 p.m. at the FMEA Annual Conference, The Breakers, 1 South County Road, Palm Beach, FL

Item 8 - Adjourn

There being no further business, the meeting was adjourned at 2:08 p.m.

Kathleen Thacker
Chairman

Dan Robuck
Vice Chairman

Date Approved _____

KT/DR/su

AGENDA ITEM 4 – ACTION ITEMS

a. Election of Committee Officers

**Policy Makers Liaisons Committee Meeting
July 29, 2020**



4a – Election of Committee Officers

Policy Makers Liaisons Committee

July 29, 2020

Committee Charter Describes Officer Election Process

Nominations and Elections by the Committee from the Floor

- Committee elects two officer annually: Chair and Vice Chair
- Elections held every July or when there is a vacancy
- Officers serve until the next July election
- Nominations come from the Committee prior to an elective vote
- Quorum Requirement: Majority of appointed Liaisons (or their alternate) present in person or by electronic means
- Majority vote; one vote per city on the Committee

Current Officers as Elected in July 2019

Need to Elect a New Chair and Vice Chair in 2020

Current Officers

- Chair
Kathleen Thacker
Kissimmee Utility Authority
- Vice Chair
Dan Robuck
City of Leesburg

Nomination Considerations

- Kathleen Thacker served two year as Chair and is rotating off KUA's Board in Oct. 2020
- Dan Robuck willing and able to serve as Chair, if so nominated

Recommended Motions

- Nominate a Chair and Vice Chair
- Elect a Chair and Vice Chair

AGENDA ITEM 4 – ACTION ITEMS

**b. Approval of 2020-2021 Meeting
Schedule**

**Policy Makers Liaisons Committee Meeting
July 29, 2020**



4b – Approval of Meeting Schedule for 2020-2021

Policy Makers Liaisons Committee
July 29, 2020

Charter States PMLC Shall Meet at Least Annually

Historically, Committee Has Opted to Meet Quarterly

- Committee required to meet at least annually at FMEA Annual Conference
- Over the years, Committee has decided to meet quarterly
- Meetings typically held day before FMPA governing board meetings
- Policy Makers meet informally at noon for lunch
- Business meetings held starting at 1 p.m.

Recommended Meeting Schedule for 2020-2021

Meeting Dates Day Before FMPA Governing Board Meetings

- Wednesday, October 14, 2020
- Wednesday, January 20, 2021
- Wednesday, April 14, 2021
- At FMEA Annual Conference in July 2021 (TBD)

Recommended Motion

Move approval of the Policy Makers Liaisons Committee's meeting schedule for 2020-2021, as recommended.

**AGENDA ITEM 5 – REPORT FROM
THE GENERAL MANAGER**

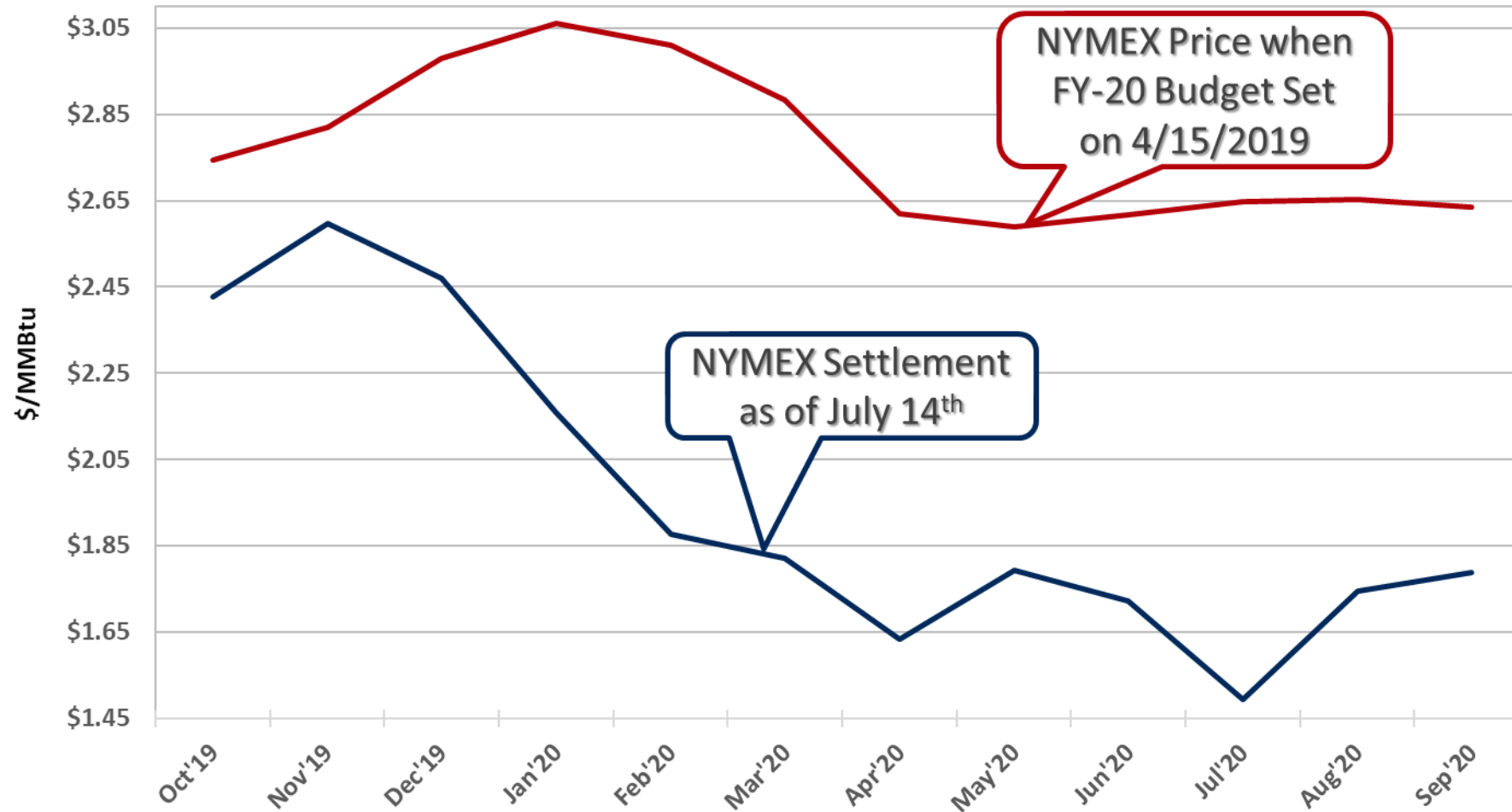
**Policy Makers Liaisons Committee Meeting
July 29, 2020**

Fiscal 2020 Management Goals Scorecard, as of June 30, 2020

| Goal | | Status | Actual | YTD Actual | YTD Target | FY'20 Target | Comment |
|---|-----------------|--------|-----------|------------|------------|--------------|--|
| 1. Safety (no lost-time accidents for employees/agents) | | | 0 | 0 | 0 | 0 | Zero lost time accidents. |
| 2. Compliance (no violations that are not self-reported) | Environ. | | 0 | 0 | 0 | 0 | Zero compliance violations. |
| | Financial | | 0 | 0 | 0 | 0 | |
| | Regulatory | | 0 | 0 | 0 | 0 | |
| 3. Cyber Security (zero cyber breaches: Corp IT & Plant Ops) | | | 0 | 1 | 0 | 0 | |
| Members APPA Scorecard | | | 0 | 2 | 9 | 12 | |
| Phishing Testing | | | 0% | 5.6% | 5% or < | 5% or < | Campaign Subject: "Earn money working from home" (link). Nobody clicked on the phishing email this month. 100% success rate! |
| 4. Low Costs (\$/MWh) | Non-Fuel | | \$44.23 * | \$51.16 * | \$51.95 | \$48.55 | * Preliminary June 2020. YTD MWh sales 0.7% below target. Main drivers of all-in costs ~11% (\$7.31/MWh) below target include: Gas Costs (30%). O&M Expenses (11%), Assigned Project Costs (~8%) and A&G Expenses (~9%) below targeted levels. |
| | Fuels | | \$13.93 * | \$17.62 * | \$24.14 | \$24.09 | |
| | All-in | | \$58.16 * | \$68.78 * | \$76.09 | \$72.64 | |
| 5. Reliability | CC EAF | | 100% | 91.7% | 87.2% | 88% | 100% reliability for all base load units in June. |
| | KWS Blk Start | | | | | | No black starts required YTD. 100% success in generator runs to support transmission outages. |
| | SAIDI Reduction | | 4 | n/a | n/a | 7 | Beaches Energy, Bushnell, Havana and Newberry |

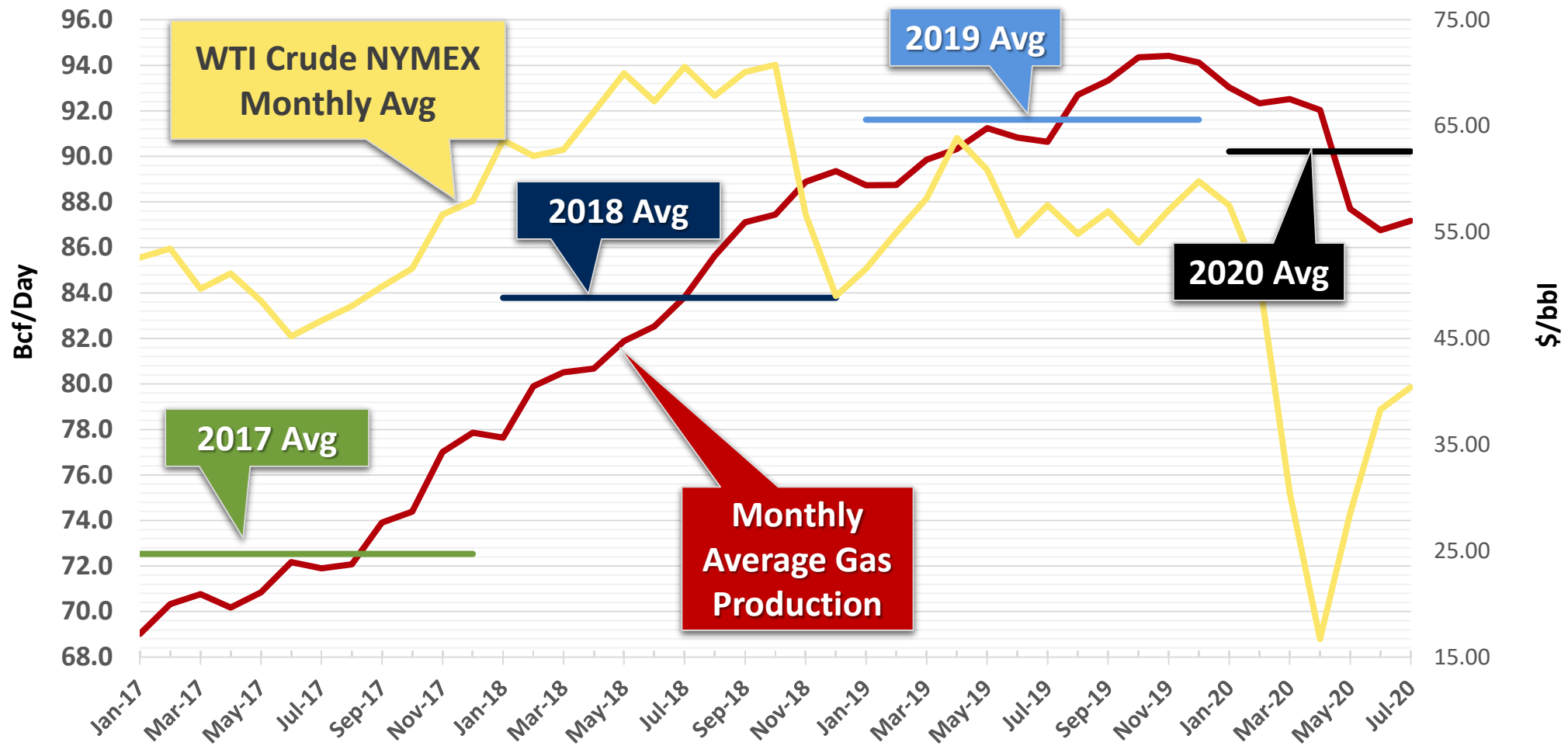
FY 2020 NYMEX Contract \$0.81/MMBtu Below Budget

NYMEX Natural Gas Settlement (as of 7/14/20)



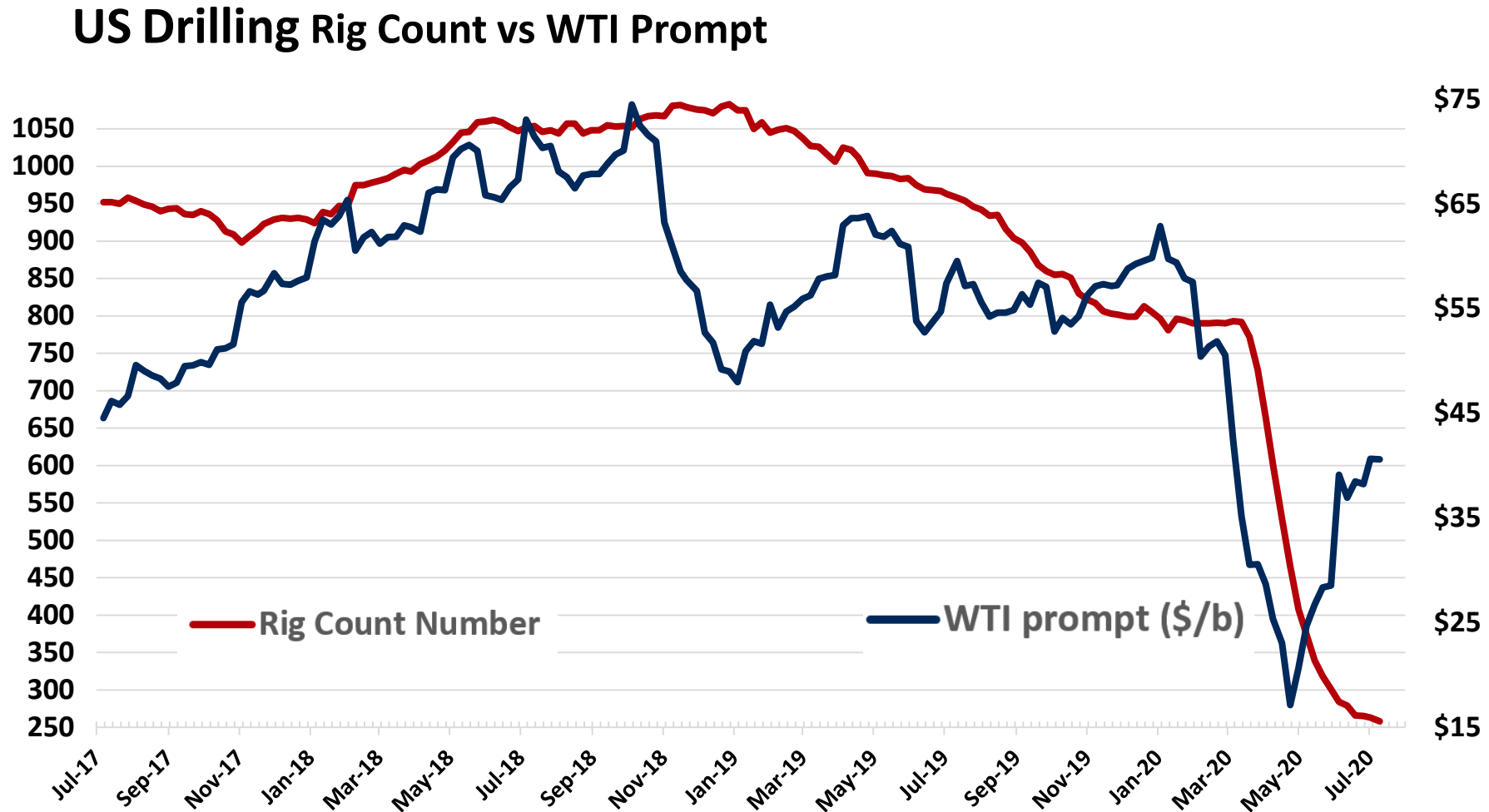
Natural Gas Production Following Changes in Oil Prices

Average Monthly Change Since 2017 to Date (7/14/20)



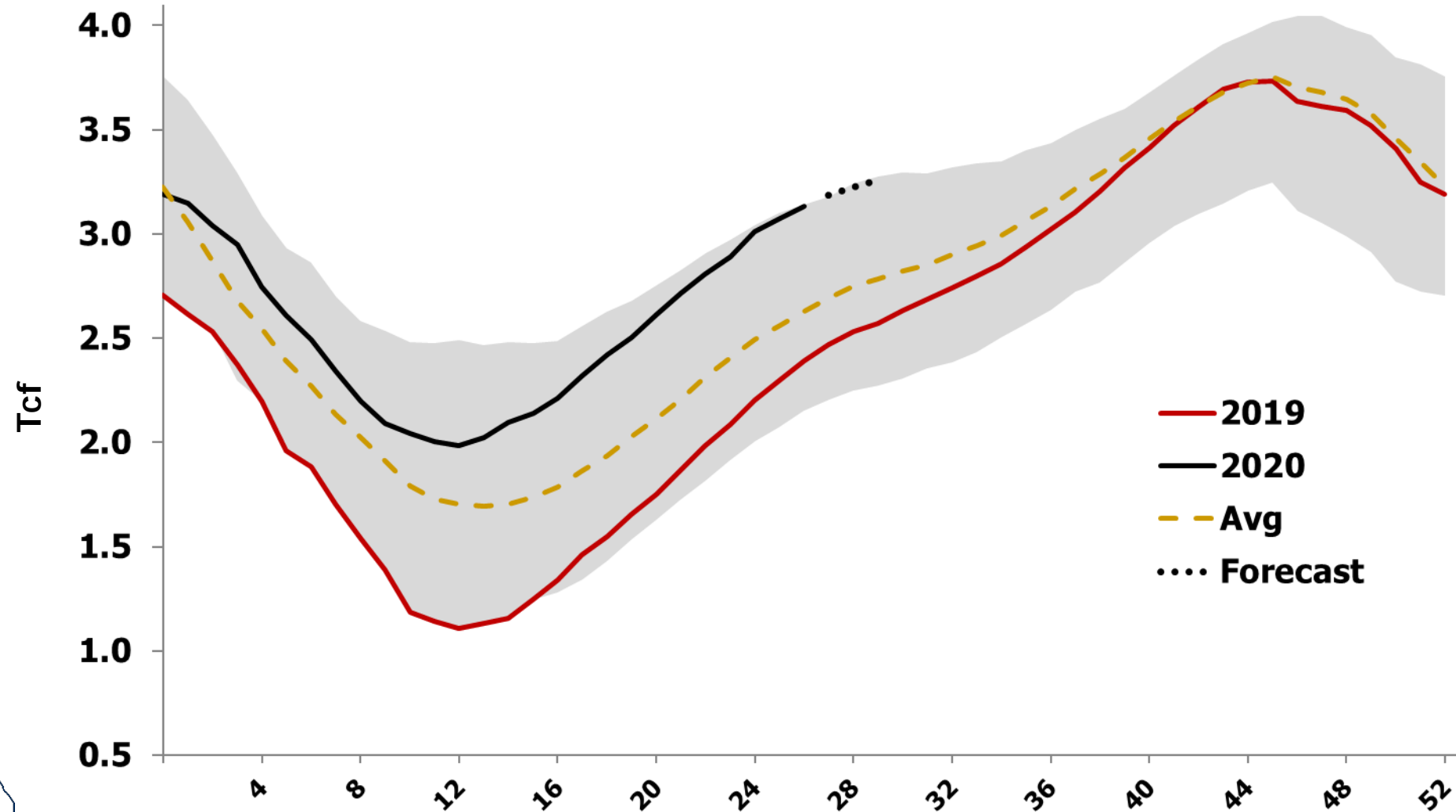
Drilling Rig Count Declines as Oil Prices Move Lower

Drilling Rig Expansion resumes decline as WTI Price falls (as of July 10th)



Gas Storage Inventory as of Week Ending July 3rd

2020 Injection Season approaching the high inventory level of the last 5 years



(Continued) Management Goals Scorecard, as of June 30, 2020

| Goal | Status | Comment |
|---|---------|--|
| 6. Energy/Capacity Sales -
Execute wholesale agrmts. with projected margin value \$3.5M for FY2020-2024 | \$6.5 M | Reedy Creek has extended the 53 MW gas tolling energy transaction by 2.5 years, ending Dec. 2023. TECO has successfully secured transmission service to receive essentially all of transaction capacity for our summer and winter sales (previously only had 58% secured). |
| 7. Enhance Pool – for future significant solar resources
- Hire new Exec. Dir.
- Devel. practices for extra reserves and fast start needs
- Devel. mkt. compensation products to manage new solar resources | | New Executive Director started in June
The FMPP Executive Committee will review the new capacity reserves policies at their July 22 meeting.
An RFP for Solar Analysis Services will be released soon, seeking consultant assistance in determining the impact of increasing solar penetration to operations and settlement. |
| 8. Member Services
Visits by Leadership Team (75 visits) | | 7 visits in June. YTD total is 56. |
| Member Services
15 project oversight | | 21 YTD; 7 added in June - Mobile Substation, GCS substation capacity increase, NSB protection coordination, Ft Meade power quality study, Wauchula sub re-build, NSB Cyber Security Assessment, Starke reliability assessment. |
| Assist solar subscription service - 6 | | <ul style="list-style-type: none"> • KUA and Ocala finalizing programs and marketing to customers for Phase I • FPUA and KEYS developing programs for Phase I and Phase II • Mount Dora and New Smyrna Beach considering programs for Phase II |

(Continued) Management Goals Scorecard, as of June 30, 2020

| Goal | Status | Comment |
|---|--------|--|
| 9. Promoting Value of Utilities
Update Member Reports – 16
Public Presentations by
Members or FMPA - 10 | | <ul style="list-style-type: none"> 13 of 16 Reports Completed and Shared: Alachua, Bartow, Clewiston, Fort Meade, Fort Pierce, Green Cove Springs, Havana, Lake Worth Beach, Leesburg, Moore Haven, Mount Dora, Starke, Wauchula Finalizing Bushnell, Newberry, Ocala Presentation to Lake Worth Beach City Commission scheduled for July 28 FMPA worked closely with several members during COVID-19 to assist in telling their story publicly. |
| 10. Solar Project
- Execute Phase 2 Solar Agreements
- Assist Members marketing Phase 1
groundbreaking & energize Phase 1 | | <ul style="list-style-type: none"> Phase II Agreements fully executed Solar promotional "toolkit" available to members Harmony and Taylor Creek facilities completed on schedule June 30, 2020 FMPA investigating development of real-time solar energy graphic website for FMSP participants |
| 11. ARP Restructuring -
Reach agreement on desired path
of Members | | EC reviewed ARP new resource decision making process and determined work together to use existing one. Agreed to alter rate methodology to more equitable cost allocation process and start load management by each member. |
| 12. People
- Development opportunities/cross
training/Back-Up – at least 8 | | Development of 6 opportunities in Member Services, Public Relations, Accounts Payable, Financial and Rates Analyst, SCADA and Facilities. |
| - FMPA Fleet Team Sharing – 80 days | | Total of 90 days FYTD. FMPA to Stock Island for 2 days. |

**AGENDA ITEM 6 – INFORMATION
ITEMS**

- a. Update on ARP Sales, Power Costs and
Budget Projections**

**Policy Makers Liaisons Committee Meeting
July 29, 2020**



PMLC 6a: Update on ARP Sales, Power Costs and Budget Projections

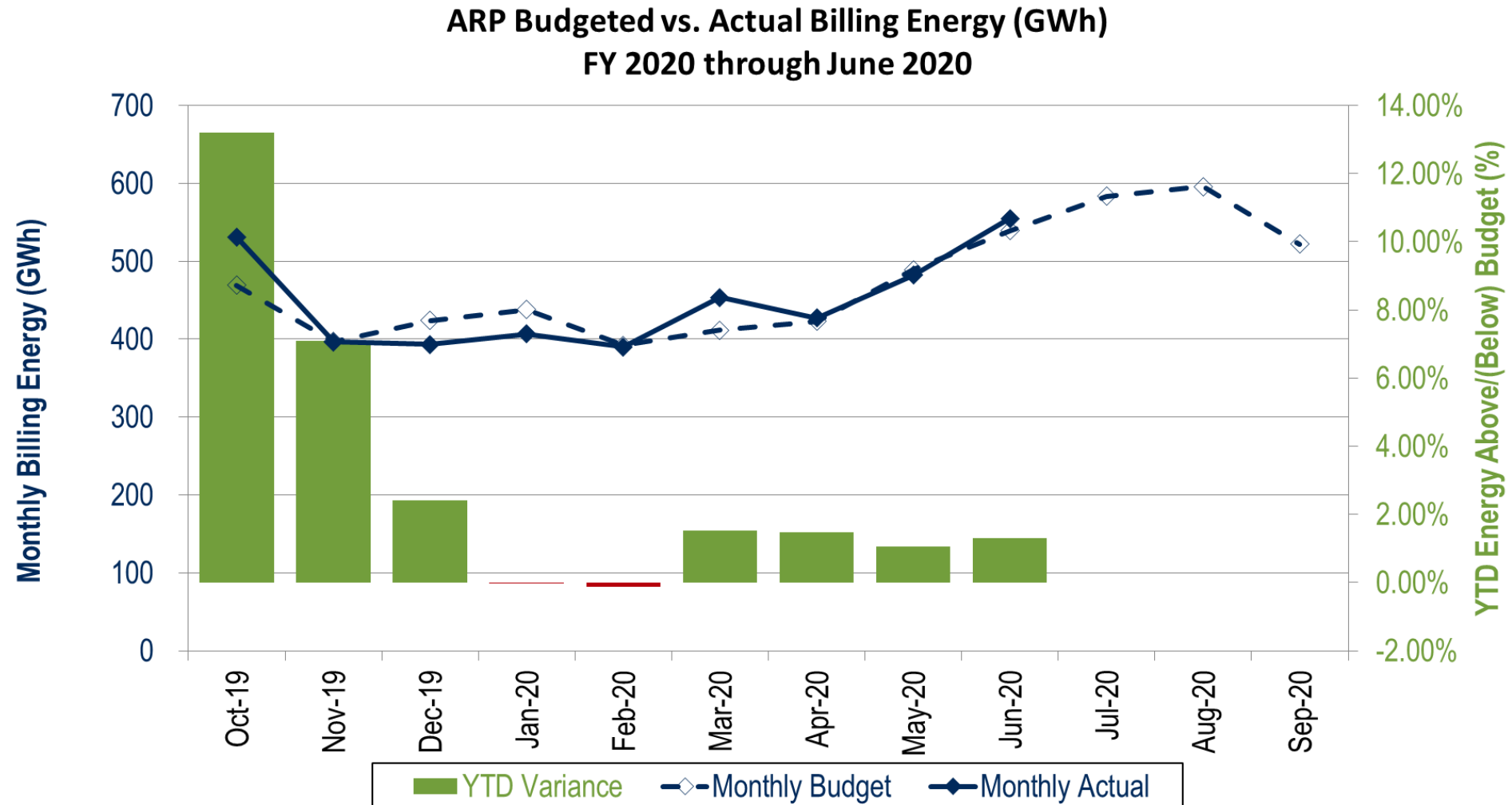
Policy Makers Liaison Committee
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ARP on Pace for Lowest Cost Year Since 2004

- YTD energy sales to Participants are 1.3% > budget through June
- COVID-19 has not had a material impact on ARP loads to date
- Extremely low gas prices, combined with other cost savings, drive projected FY 2020 ARP costs ~ \$66/MWh; lowest cost in 16 years
- Budgeted costs for FY 2021 ~ \$71/MWh, continuing low cost trend
- Continuing to look for opportunities to drive costs down!

YTD ARP Participant Energy Sales 1.3% > Budget

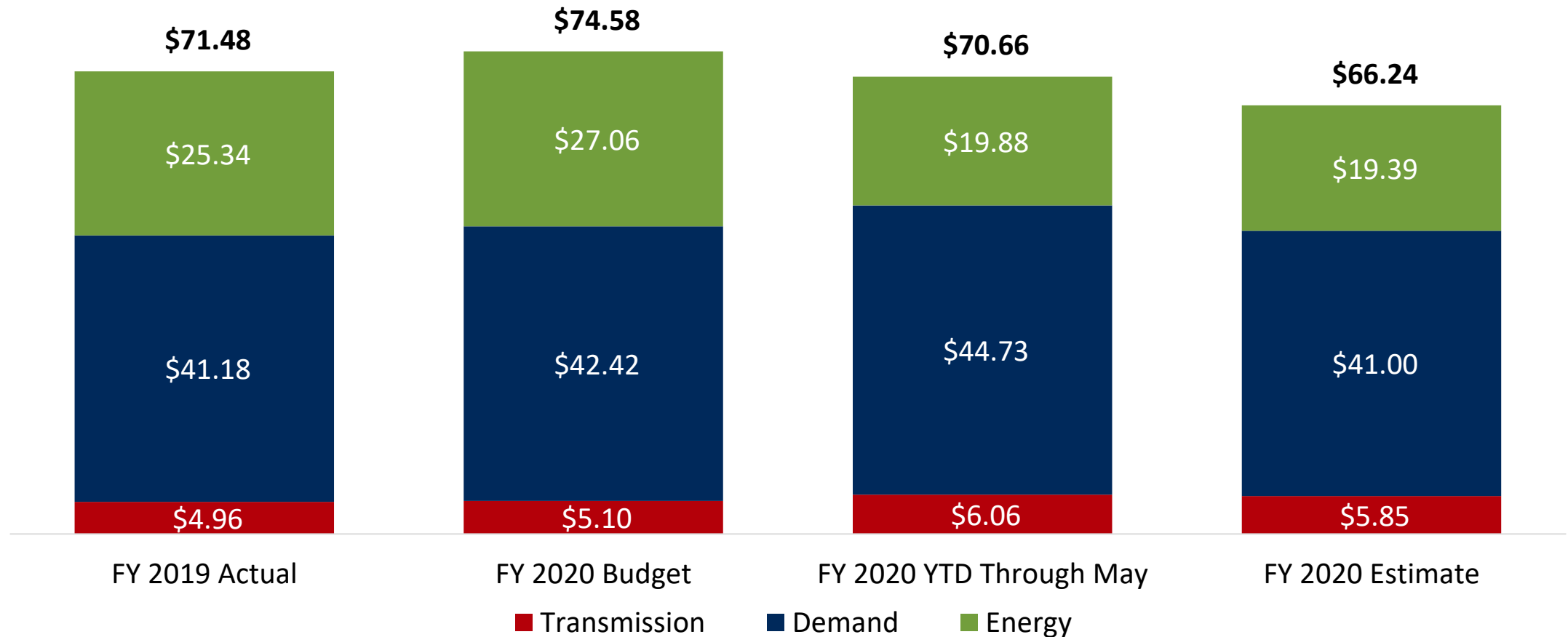
Weather Has Had Greater Impact on Loads than COVID-19



ARP Power Costs for FY 2020 Projected ~ \$66/MWh

11% Below Fiscal 2020 Budget

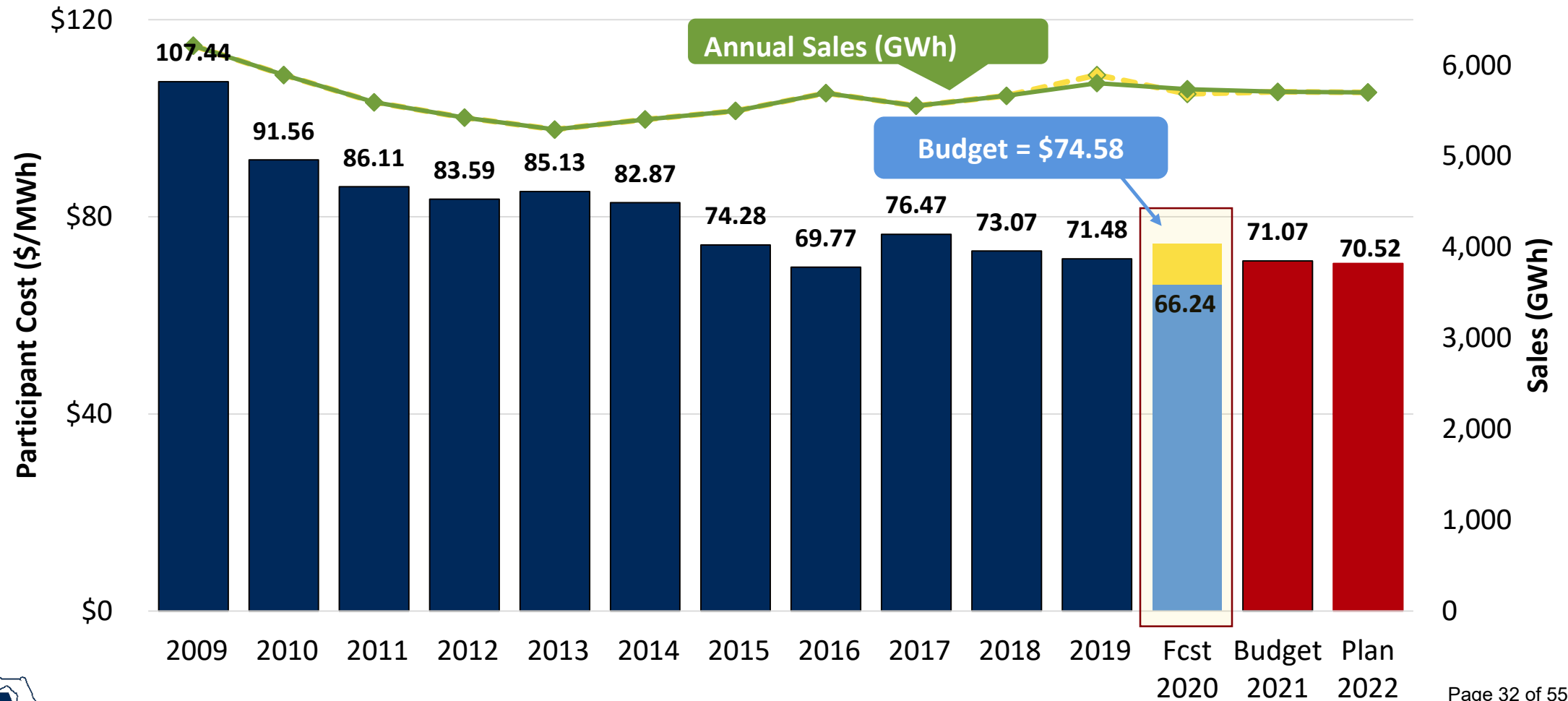
ARP Participant Costs (\$/MWh)



FY 2021 Budgeted ARP Participant Cost is ~\$71/MWh

Would Rank Among ARP's Lowest Cost Years

ARP – Historical & Budgeted All-in Participant Cost (\$/MWh) and Sales (GWh)



**AGENDA ITEM 6 – INFORMATION
ITEMS**

**b. Update on FMPA Solar Projects and
Solar Subscriptions**

**Policy Makers Liaisons Committee Meeting
July 29, 2020**



BOD 9e, PMLC 6b – Update on Solar Projects and Solar Subscriptions

Board of Directors and
Policy Makers Liaisons Committee

July 29, 2020

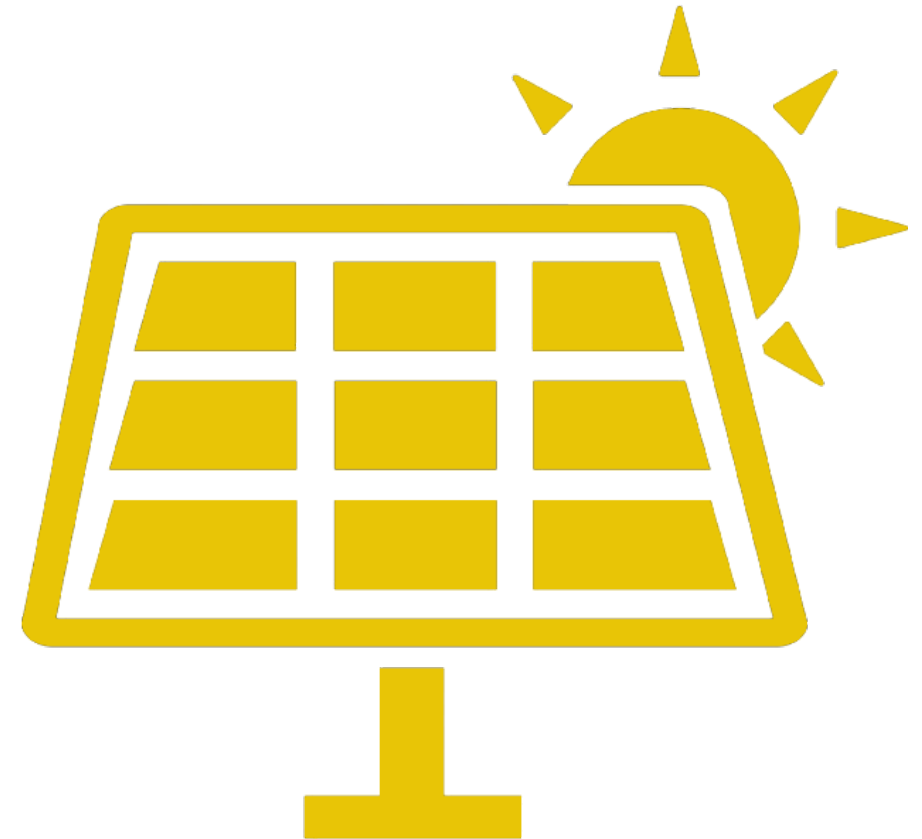


**First two solar sites began
commercial operation on June 30**

Florida Municipal Solar Project

Most Cost-Effective Way to Provide Solar Power

| | |
|-----------------|---|
| 1 st | Major FMPA project formed since Stanton II Project in 1990 |
| 1/3 | Cost of roof-top solar power |
| 1 st | Solar power for most of the participating cities |
| 6% | Percentage of renewables for ARP by 2023/2024 |
| ↓ | Further reduce emissions of FMPA's already clean generation fleet |



Five Years from Concept to Operation

Project Began with Member Interest in Adding Solar



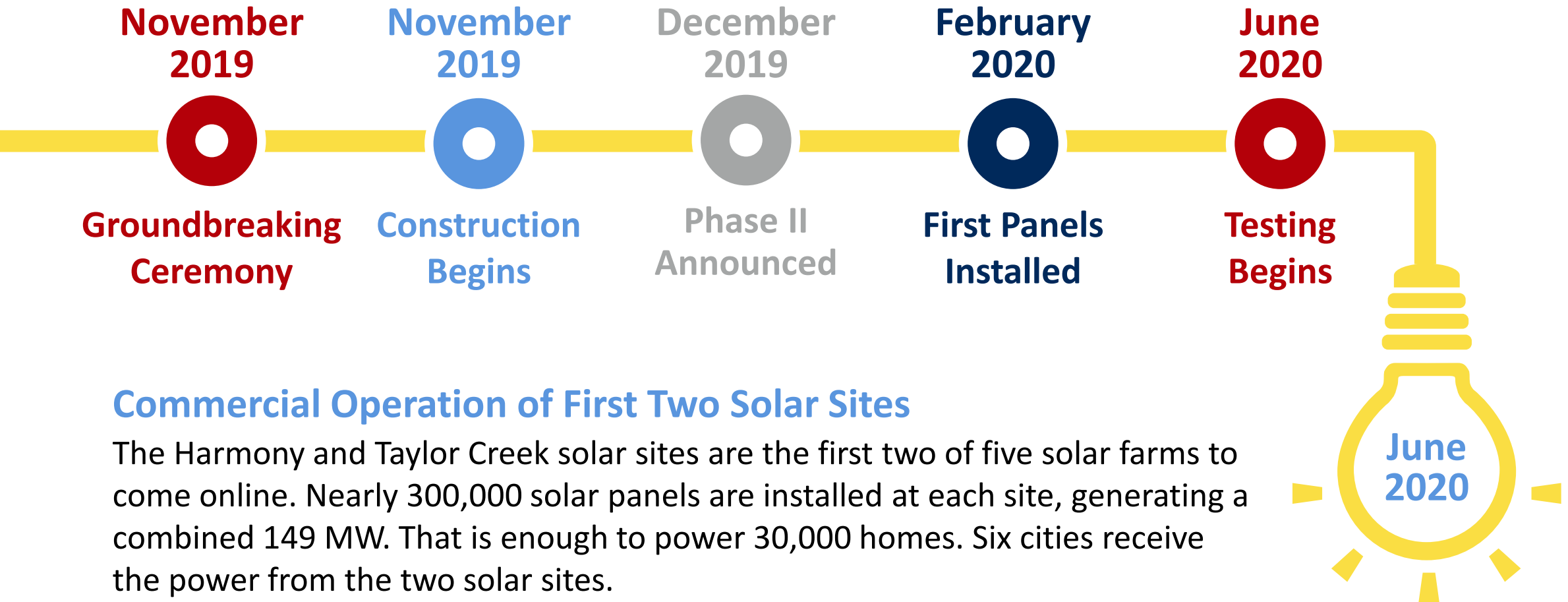
Large Utility-Scale Solar Project

The Florida Municipal Solar Project was founded with 12 participants and expanded to 16 in Phase II.

- | | | | |
|---------------|----------------------|--------------------|---------------|
| ▪ Alachua | ▪ Homestead | ▪ Lake Worth Beach | ▪ Ocala |
| ▪ Bartow | ▪ Jacksonville Beach | ▪ Mount Dora | ▪ Orlando |
| ▪ Fort Pierce | ▪ Key West | ▪ New Smyrna Beach | ▪ Wauchula |
| ▪ Havana | ▪ Kissimmee | ▪ Newberry | ▪ Winter Park |

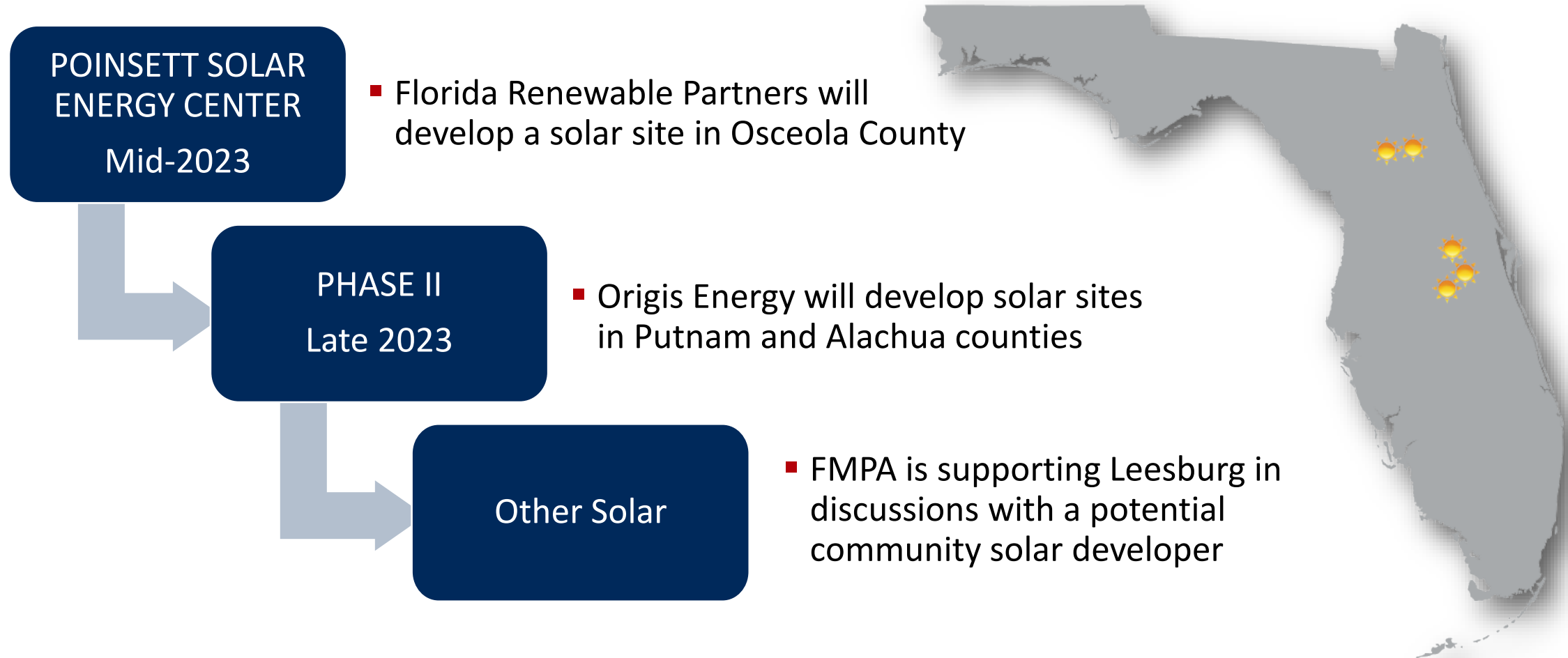
Less Than a Year to Build Two Solar Sites

Site Work Began in September 2019, Completed in June 2020



Three Additional Solar Farms Added by End of 2023

FMSP to Reach Nearly 375 MW with Potential for More





Solar Subscriptions

Utilities Implementing Solar Subscription Programs

Preparing for July 2020 Start

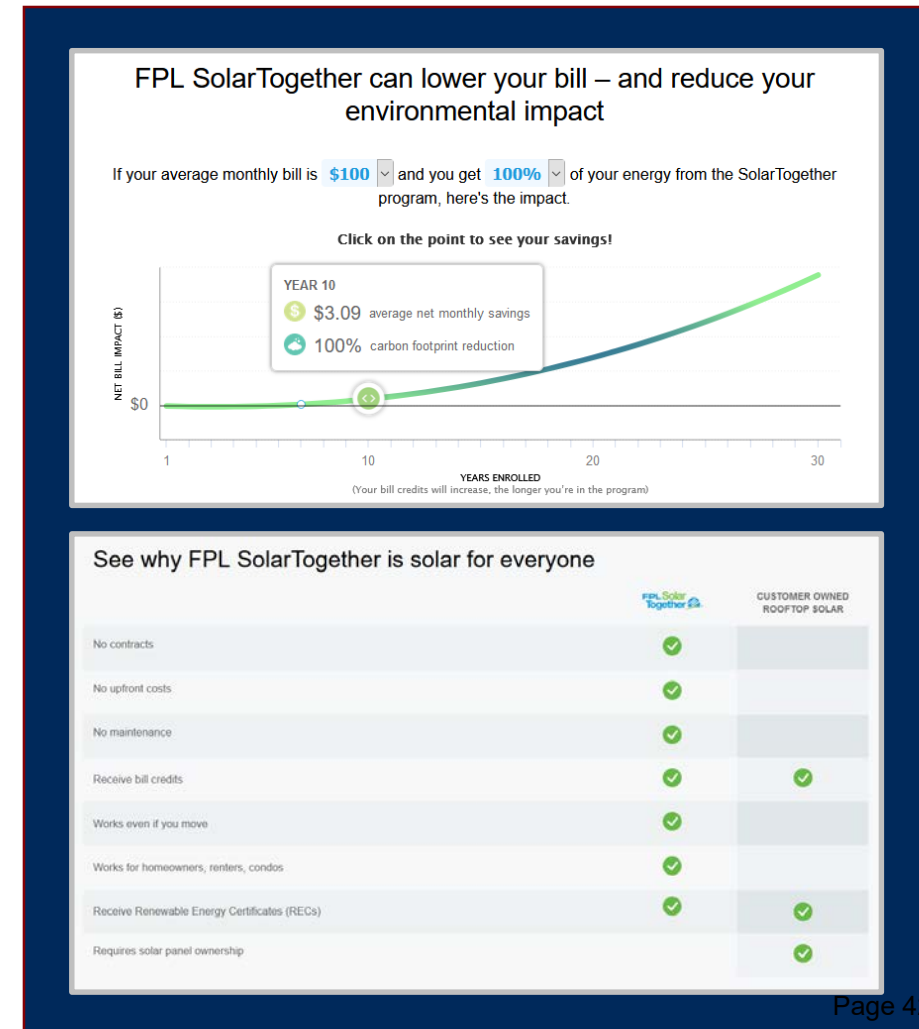
- KUA
 - Offering 25%, 50%, 75% or 100% participation
 - City facilities 100% subscribed
- Ocala
 - Offering 25%, 50%, or 100% participation
 - City Hall and Customer Service 100% subscribed
- Fort Pierce and KEYS
 - Developing subscription programs
- Mount Dora and New Smyrna Beach
 - Phase II Participants considering programs



FPL Created Solar Together Program for Customers

Approved by PSC in February 2020

- Adding 1,490 MW of solar capacity through 20 74.5 MW solar farms
- Program allows up to 100% participation
- 450 MW (six solar farms) subscribed in first three days
- Mid-2021 implementation

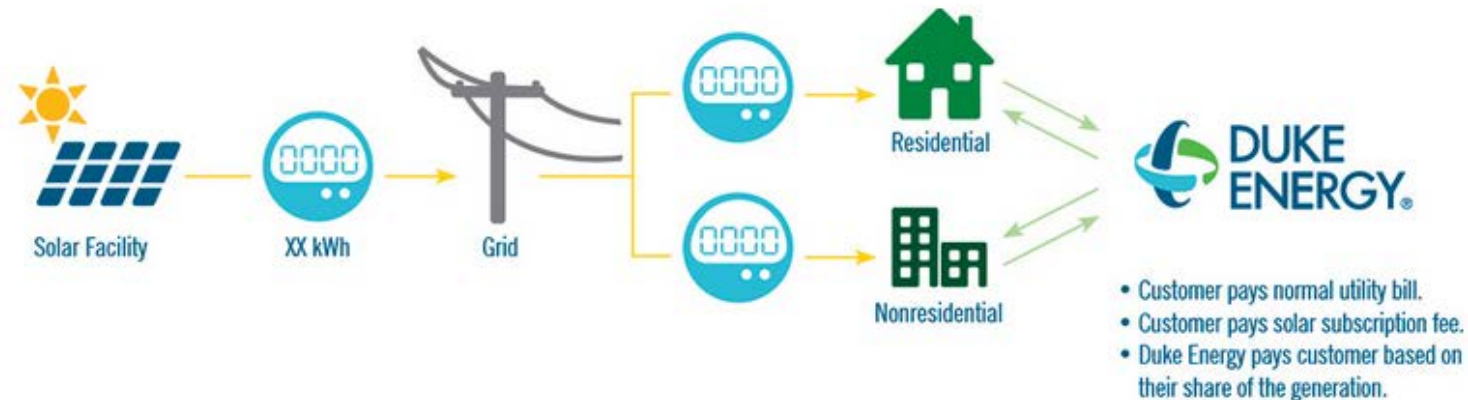


Duke Proposing Clean Energy Connection

Proposal to Add 750 MW of Solar Filed with PSC in July

- Plan to build 10 solar farms between 2022 and 2024
- Program would allow up to 100% participation
- Enrollment in December 2021, launch in January 2022

How does Clean Energy Connection work?





**Public power is
providing affordable
solar energy by
working together**



**AGENDA ITEM 6 – INFORMATION
ITEMS**

**c. Supporting FMPA Members in
Reliability Efforts**

**Policy Makers Liaisons Committee Meeting
July 29, 2020**



6c – Supporting Members in Reliability Efforts

Policy Makers Liaisons Committee

July 29, 2020

Florida Munis Lead State in Outage Response Time

Other Utilities Making Improvements in Reliability Indices

Distribution Reliability Indices 2019

Best Performance Highlighted in Green, Second Best Highlighted in Yellow

| | Munis | FPL | TECO | Duke | Gulf | FPUC |
|---------------------------------|-------|------|------|------|------|------|
| Duration (SAIDI) | 70 | 49 | 76 | 91 | 67 | 166 |
| Restoration Time (CAIDI) | 60 | 60 | 71 | 93 | 69 | 98 |
| Frequency (SAIFI) | 1.16 | 0.82 | 1.07 | 0.97 | 0.97 | 1.70 |
| Momentaries (MAIFLe) | 3.32 | 3.20 | 9.76 | 7.60 | 2.13 | n/a |
| Length (L-Bar) | 110 | 178 | 173 | 147 | 103 | 101 |

Many Utilities in Florida Improving Reliability Metrics

If You Aren't Improving, You Could Be Falling Behind

Distribution Reliability Indices 2019

Green Boxes Indicate Performance Improvement in 2019 Compared to 2018

| | Munis | FPL | TECO | Duke | Gulf | FPUC |
|---------------------------------|-------|------|------|------|------|------|
| Duration (SAIDI) | 70 | 49 | 76 | 91 | 67 | 166 |
| Restoration Time (CAIDI) | 60 | 60 | 71 | 93 | 69 | 98 |
| Frequency (SAIFI) | 1.16 | 0.82 | 1.07 | 0.97 | 0.97 | 1.70 |
| Momentaries (MAIFle) | 3.32 | 3.20 | 9.76 | 7.60 | 2.13 | n/a |
| Length (L-Bar) | 110 | 178 | 173 | 147 | 103 | 101 |

Five-Year Trend Analysis for Outage Frequency (SAIFI)

On Average, Municipals Losing Ground to Others



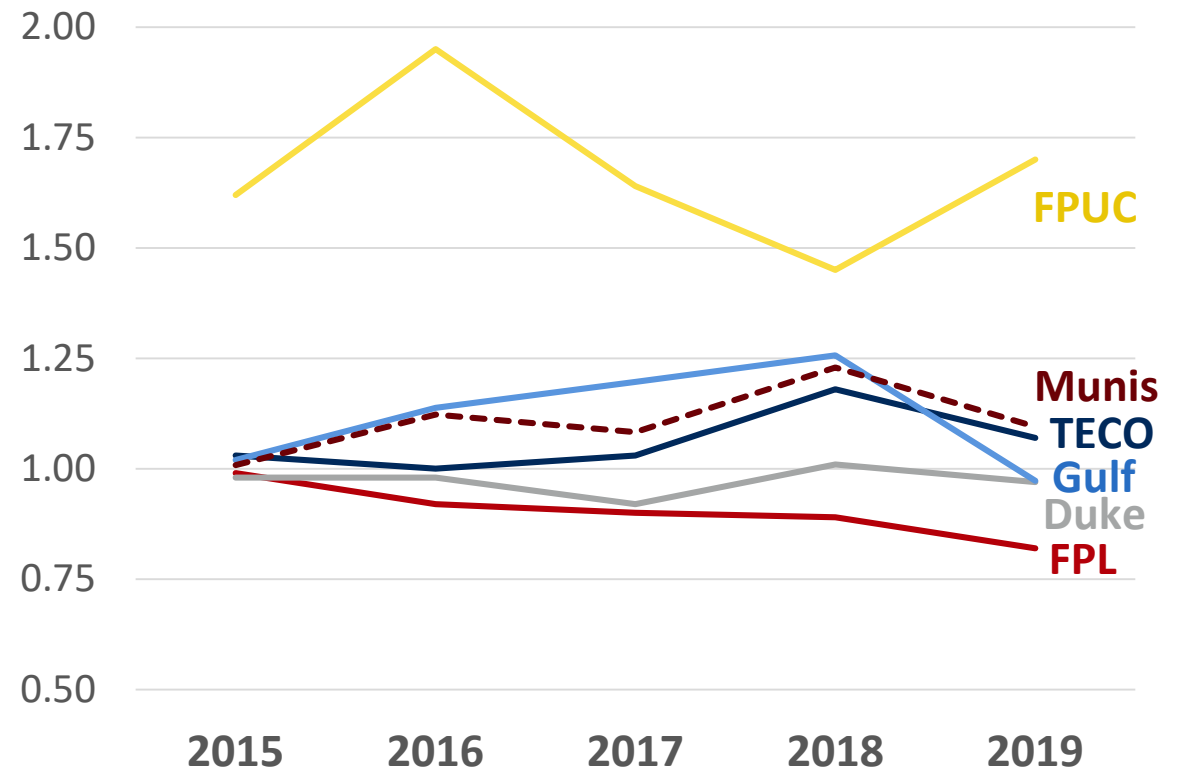
- Muni frequency increased 9%
- Munis came in fifth



- 14 cities improved since 2018
- 12 cities had SAIFI < 1 in 2019
- Best Munis: Winter Park, Bartow, Clewiston, Mount Dora, Jacksonville Beach

Frequency of Outages (SAIFI)

Average number of interruptions that a customer experiences

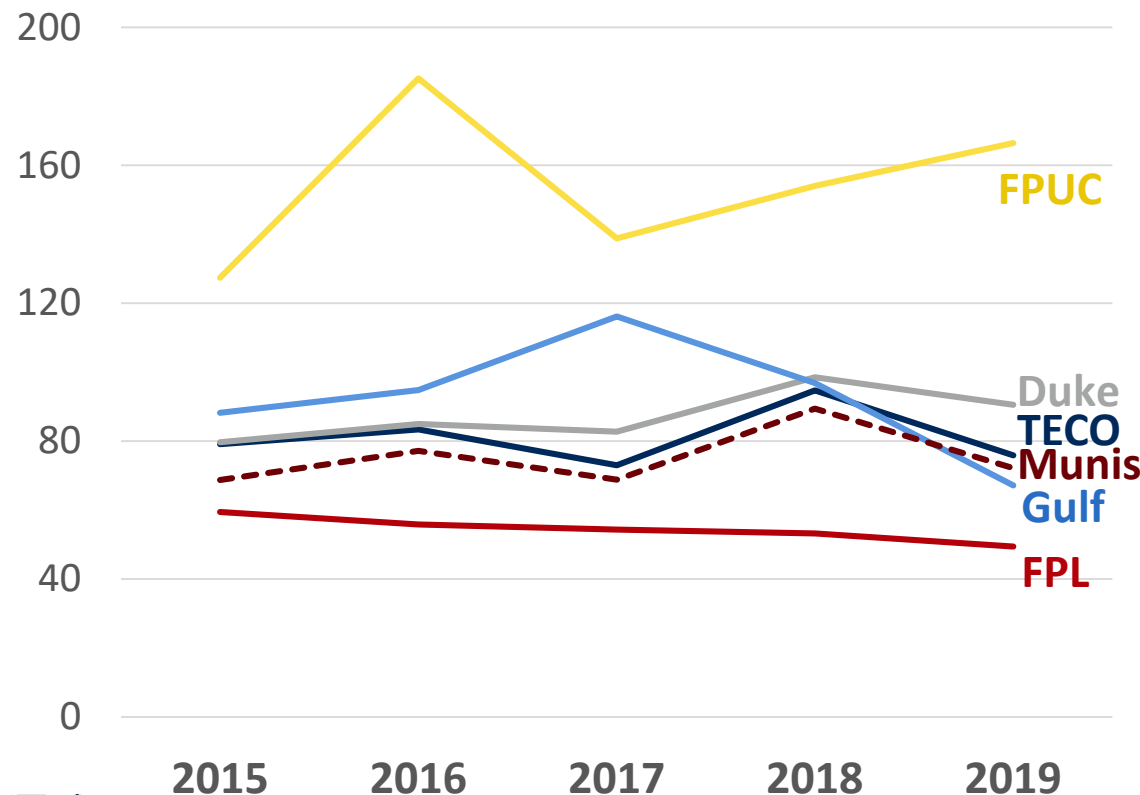


Five-Year Trend for Average Outage Duration (SAIDI)

Best Utility Set a New Low, Others Making Some Progress

Average Outage Duration (SAIDI)

Average outage duration for average customer, in minutes



- Muni duration increased 5%
- Munis came in third



- 16 cities improved since 2018
- 12 cities < 60 minutes in 2019
- Best Munis: Winter Park, Bartow, Clewiston, Jacksonville Beach, OUC

Best-Practices in Distribution Reliability

Members of All Sizes Can Benefit from These Programs

- Tree-trimming (vegetation management) program
- Pole inspection and replacement program
- Infrared scanning of high-voltage equipment
- Disciplined process for outage data collection
- GIS/Asset Management
- Investigating momentary events

FMPA Offers Assistance with Reliability Initiatives

Examples of Ways FMPA Assisting Its Members

| PROJECTS | MEMBERS |
|----------------------------|---|
| Substation Improvements | Starke, Clewiston, Wauchula |
| Protection Coordination | New Smyrna Beach, Williston, Blountstown |
| SAIDI Improvement Projects | Bartow, Leesburg, Alachua |
| TripSaver Deployments | Bartow, Homestead; Additionally through the DEED Project, Tallahassee, Havana, Key West |

AGENDA ITEM 7 – MEMBER COMMENTS

**Policy Makers Liaisons Committee Meeting
July 29, 2020**

AGENDA ITEM 8 – ANNOUNCEMENTS

- a. Next Meeting (if schedule approved):
Wednesday, October 14, 2020 at 1 p.m. at
FMPA, 8553 Commodity Circle, Orlando, FL**

**Policy Makers Liaisons Committee Meeting
July 29, 2020**

AGENDA ITEM 9 – ADJOURN

**Policy Makers Liaisons Committee Meeting
July 29, 2020**