ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

October 15, 2020
9:15 a.m. [NOTE TIME] (or immediately following the Board of Directors Meeting)
Dial-in Info 877-668-4493 or 650-479-3208
Meeting Number 853 953 704#
Meeting Password: 8553

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell
Lynne Mila, Clewiston
Jan Bagnall, Fort Meade
Paul Jakubczak, Fort Pierce
Robert Page, Green Cove Springs
Allen Putnam, Jacksonville Beach
Larry Mattern, Kissimmee
Brad Chase, Leesburg
Bill Conrad, Newberry
Eric Weaver, Ocala
John Holman, Starke

Meeting Location
Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819
(407) 355-7767

MEMORANDUM

TO: FMPA Executive Committee

FROM: Jacob A. Williams, General Manager and CEO

DATE: October 6, 2020

RE: FMPA Telephonic Executive Committee Meeting
Thursday, October 15, 2020 at 9:15 a.m. [NOTE TIME]
(or immediately following the Board of Directors meeting)

PLACE: Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819
Fredrick M. Bryant Board Room

DIAL-IN: (877) 668-4493 or 650-479-3208, Meeting Number 853 953 704#
PASSWORD 8553#
(If you have trouble connecting via phone or internet, call 407-355-7767)

Chairman Howard McKinnon, Presiding

AGENDA

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

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

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

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

Executive Committee
October 15, 2020

AGENDA ITEM 2 – SET AGENDA (By Vote)

Executive Committee
October 15, 2020

AGENDA ITEM 3 – RECOGNITION OF GUESTS

Executive Committee
October 15, 2020

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

Executive Committee
October 15, 2020

VERBAL REPORT

AGENDA ITEM 5 – COMMENTS FROM THE CHAIRMAN

Executive Committee
October 15, 2020

VERBAL REPORT

AGENDA ITEM 6 – REPORT FROM THE GENERAL MANAGER

Executive Committee
October 15, 2020

AGENDA ITEM 7 – CONSENT AGENDA

a) Approval of Meeting Minutes – Meeting Help September 17, 2020 and ARP Telephonic Rate Workshop Help September 10, 2020

Executive Committee
October 15, 2020

CLERKS DULY NOTIFIED .....SEPTEMBER 9, 2020
AGENDA PACKAGES POSTED.....SEPTEMBER 9, 2020

MINUTES
TELEPHONIC EXECUTIVE COMMITTEE MEETING
THURSDAY AUGUST 20, 2020
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT:
Jody Young, Bushnell
Lynne Mila, Clewiston (via telephone)
Paul Jakubczak, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Bill Conrad, Newberry (via telephone)
Eric Weaver, Ocala (via telephone)
John Holman, Starke (via telephone)

OTHERS PRESENT
John Tompeck, Fort Pierce
Barbara Quiñones, Homestead

STAFF PRESENT
Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Ken Rutter, Chief Operating Officer
Linda S. Howard, Chief Financial Officer
Carol Chinn, Chief Information and Compliance Officer (via telephone)
Mark McCain, Assistant General Manager, Member Services and Public Relations
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel
Rich Popp, Treasurer and Risk Director
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Mike McCleary, Manager of Member Services Development
Sharon Adams, Human Resources Director
Cairo Vanegas, Manager of Member Services Development
Carter Manucy, IT/OT & Cybersecurity Director
Jason Wolfe, Financial Planning, Rates and Budget Director
Melisa Inanc, Public Relations Specialist
Ryan Dumas, Public Relations Specialist
Isabel Montoya, Information Technology Specialist
Susan Schumann, Manager of External Affairs and Solar Projects
David Schumann, Power Generation Fleet Director

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

Chairman Howard McKinnon, Havana, called the FMPA telephonic Executive Committee Meeting to order at 11:25 a.m., Thursday, September 17, 2020 in the Frederick M. Bryant Board Room at Florida Municipal Power Agency 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 11 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 11 – 0.

ITEM 3 – RECOGNITION OF GUESTS

None

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chairman McKinnon encouraged everyone to give input on the FY 2021 Management Goals to Jacob and the team. Staff does a great job on the initial goals so we need to let them know where we would like them to focus on for the upcoming year.

ITEM 6 – REPORT FROM GENERAL MANAGER

Nothing further to report for the Executive Committee that wasn't reported in the Board of Directors meeting.

ITEM 7 –CONSENT AGENDA

Item 7a – Approval of Meeting Minutes – Meeting Held August 20, 2020 and ARP Telephonic Rate Workshop Held August 11, 2020

Item 7b – Approval of the Treasury Reports – As of July 31, 2020

Item 7c – Approval of the Agency and All-Requirements Project Financials as of July 31, 2020

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Jody Young, Bushnell, seconded the motion. Motion carried 11 – 0.

ITEM 8 – ACTION ITEMS

a. Approval of FMPA/Origis Letter Agreement Regarding Waiver of Interest on Performance Assurance

MOTION: Larry Mattern, Kissimmee, moved approval execution of FMPA-Origis Letter Agreement:

(1) Waiving Section 9.3(d) PPA provision that interest on Performance Assurance funds shall be paid at Prime Rate, and

(2) Agreeing that each Party shall pay only the interest actually earned.

Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11 – 0.

b. Approval of City of Williston Power Purchase Agreement

MOTION: Lynne Tejeda, Key West, moved approval of the Agreement for Purchase and Sale of Electric Energy and Capacity between the City of Williston and Florida Municipal Power Agency All-Requirements Power Supply Project and authorize the General Manager & CEO to execute the agreement. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11 – 0.

c. Approval of Resolution 2020-EC3 – Staffing Flexibility for Succession Plan

Resolution 2020-EC3 was read by title:

> RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING RESOLUTION 2020-EC2 TO PROVIDE FOR TRANSITIONAL FLXIBILITY IN THE AUTHORIZED NUMBER OF AGENCY EMPLOYEES; (II) ADOPTING SUCH AMENDMENT TO RESOLUTION 2020-EC2; (III) PROVIDING FOR SEVERABILITY; AND (IV) PROVIDING AN EFFECTIVE DATE.

MOTION: Bill Conrad, Newberry, moved approval of Resolution 2020-EC3. Amendment to Section VI(A) of Resolution 2020-EC2. Notwithstanding the foregoing in this Section VI(A), the Executive Committee hereby authorize FMPA to employ up to two additional persons, for transitional purposes associated with retirement or other employee succession needs, on a short-term basis of no longer than three months for each additional person. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11 – 0.

d. Approval of Resolution 2020-EC4 – Wells Fargo Line of Credit Extension

Resolution 2020-EC4 was read by title:

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) RECITING STATEMENT OF AUTHORITY; (II) APPROVING AND ADOPTING SUPPLEMENT NO. 2 TO ALL-REQUIREMENTS POWER SUPPLY PROJECT SUBORDINATED DEBT RESOLUTION NO. 29, ADOPTED OCTOBER 20, 2016; (III) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (IV) PROVIDING FOR SEVERABILITY; AND (V) PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Allen Putnam, Jacksonville Beach, moved approval of Resolution 2020-EC3 extending the Line of Credit with Wells Fargo for $25 million. Larry Mattern, Kissimmee, seconded the motion. Motion carried 11 – 0.

e. Approval of Stanton A PPA Notice of Non-Renewal

MOTION: Larry Mattern, Kissimmee, moved approval to authorize staff to issue notice to Stanton Clean Energy, LLC, (formerly Southern Company – Florida LLC) of non-renewal of the FMPA and KUA power purchase agreements from Stanton Unit A so that those agreements terminate as of the last day of the current extended contract term: October 1, 2023, at 12:00 a.m. EST. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11 – 0.

f. Approval of Investment Risk Management Policy Changes

MOTION: Lynne Tejeda, Key West, moved approval of Investment Risk Management Policy changes. John Holman, Starke, seconded the motion. Motion carried 11 – 0.

ITEM 9 – INFORMATION ITEMS:

9a – Section 29 Withdrawal Payment Estimates for 2020

Jason Wolfe presented the bi-yearly Section 29 withdrawal payment estimates for 2020.

9b – Summary of Finance Committee Items

Reviewed in the Board of Directors meeting. No further discussion.

9c – FY 2021 Draft Management Goals

Reviewed in the Board of Directors meeting. No further discussion.

9d – Quarterly Regulatory Compliance Update

Reviewed in the Board of Directors meeting. No further discussion.

9e – ARP New Rate Structure Taking Effect October 1, 2020

Jason Wolfe presented the ARP new rate structure taking effect October 1, 2020.

ITEM 10 – Member Comments

None

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 12:22 p.m.

Howard McKinnon Chairman, Executive Committee	Sue Utley Assistant Secretary
Approved: _____	Seal

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

MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, SEPTEMBER 10, 2020
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Lynne Mila, Clewiston
Jan Bagnell, Fort Meade
Paul Jakubczak, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Lynne Tejada, Key West
Larry Mattern, Kissimmee
Sabrina Hubbell, Leesburg
Maria Brooks, Ocala

*arrived after roll call.

COMMITTEE MEMBERS ABSENT

Shelly Regan, Bushnell
Allen Putnam, Jacksonville Beach
Bill Conrad, Newberry
Bob Milner, Starke

STAFF PRESENT

Jacob Williams, General Manager and CEO
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Jody Finklea, General Counsel/Chief Legal Officer
Jason Wolfe, Financial Planning, Rates and Budget Director
Steve Ruppel, Financial Planning, Senior Financial Analyst
Navid Nowakhtar, Resource and Strategic Planning Manager
Sue Utley, Executive Assistant to General Manager and CEO / Asst. Secy. to the Board
Bianca Scott, Human Resources, Administrative Specialist

Item 1 – Call to Order

Howard McKinnon called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, September 10, 2020, via telephone. A speaker telephone for public attendance and participation was located in the Library Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Steve Ruppel gave a verbal update on the natural gas markets; provided an overview of the August loads and reviewed the August ARP rate calculation. Ken and Navid provided the information surrounding the non-renewal of Stanton A PPA.

Item 3 – Member Comments

There being no further business, the meeting was adjourned at 2:25 p.m.

_____

Approved

AP/bs

AGENDA ITEM 7 – CONSENT AGENDA

b) Approval of Treasury Reports as of August 31, 2020

Executive Committee
October 15, 2020

AGENDA PACKAGE MEMORANDUM

TO:	FMPA Executive Committee
FROM:	Gloria Reyes
DATE:	October 6, 2020
ITEM:	EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of August 31, 2020

Introduction

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

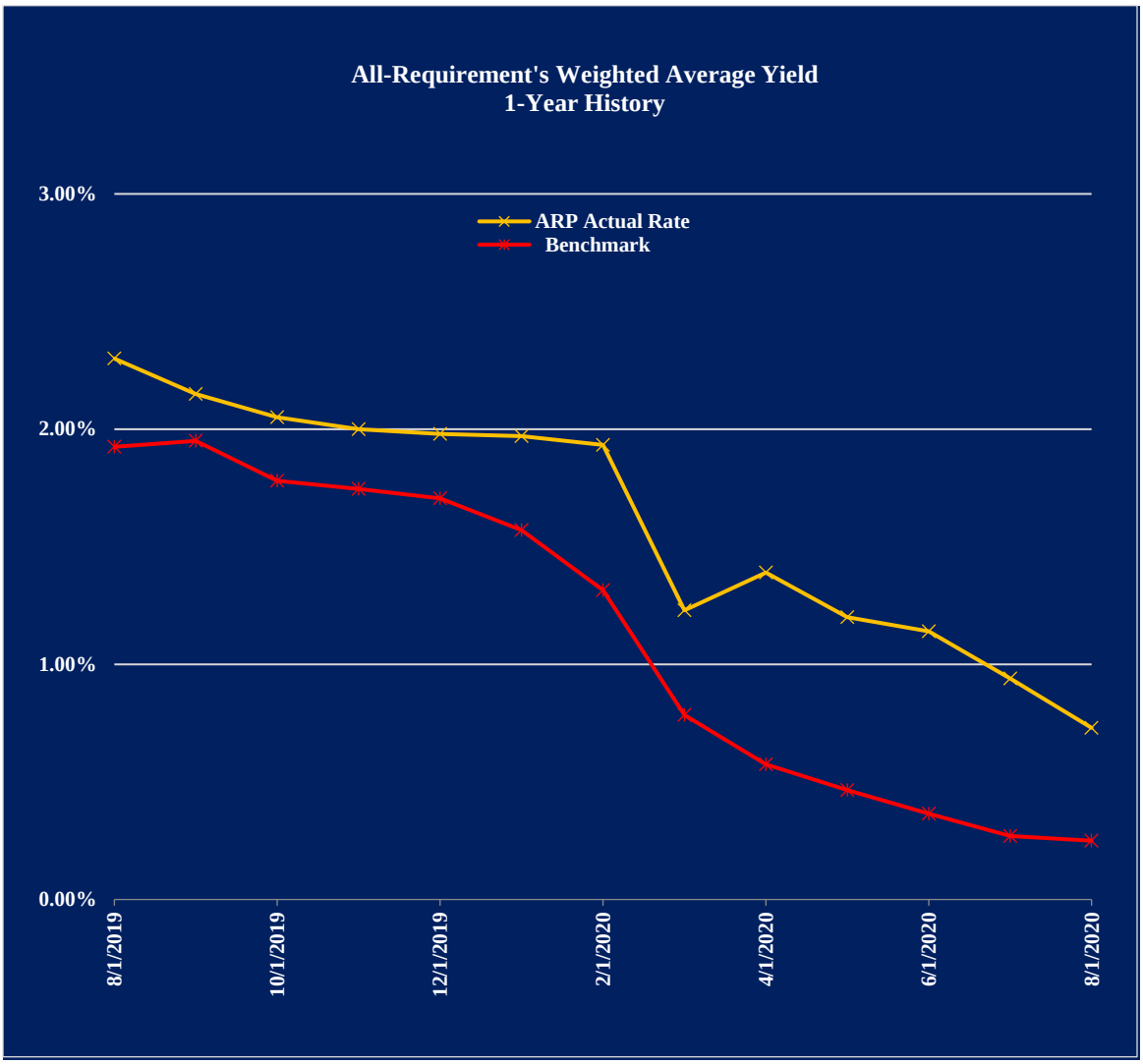
Debt Discussion

The All-Requirements Project has fixed rate debt. The fixed rate percentage of total debt is 100%. The estimated debt interest funding for fiscal year 2020 as of August 31, 2020 is $38,747,561.28. The total amount of debt outstanding is $785,140,000.

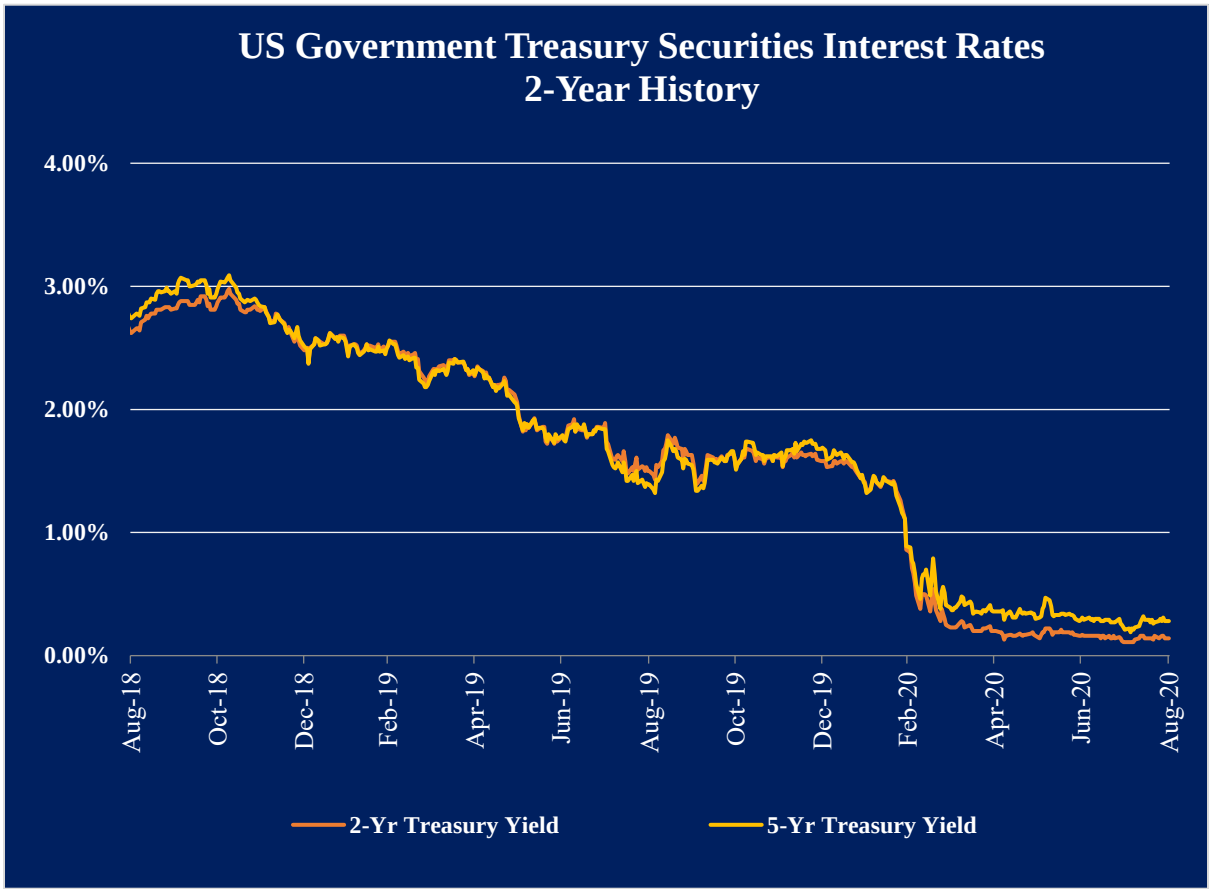
Investment Discussion

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

As of August 31, 2020, the All-Requirements Project investment portfolio earned a weighted average yield of .73%, reflecting the All-Requirements Project need for liquidity. The benchmarks (SBA's Florida Prime Fund and the 2-year US Treasury Note) and the Project's yields are graphed below:



Below is a graph of daily US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of August at .11%. The yellow line is the 5-year Treasury which was .21%.



The Investment Report for August is posted in the "Member Portal" section of FMPA's website.

Recommended Motion

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

AGENDA ITEM 7 – CONSENT AGENDA

c) Approval of the Agency and All-Requirements Project Financials as of August 31, 2020

Executive Committee
October 15, 2020

Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: **FMPA Executive Committee**

FROM: **Linda Howard**

DATE: **October 13, 2020**

SUBJECT: **EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended August 31, 2020**

Discussion: The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All- Requirements Project for the period ended August 31, 2020 are posted on the Document Portal section of FMPA's website.

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

LH/GF

AGENDA ITEM 8 – ACTION ITEMS

a) Approval of FY 2021 Management Goals

Executive Committee
October 15, 2020

Fiscal 2021 Management Goals

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
1.Safety	Lost-time Accidents					0	
	OSHA Recordables					0	
2.Compliance	Environmental					0	
	Financial					0	
	Regulatory					0	
3.Low Cost	Under $70/MWh					< $70.00	
	Fuel					$24.09	
	Non-Fuel					$47.80	
4.Stanton I and Stanton II Decision from OUC to reduce power costs and emissions							

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
5. Cyber Security	Breaches					0	
	Phishing tests					5% or <	
	Member assessments					5	
6. Reliability	CC EAF					90%	
	Stock Island black start and trans. backup					100%	
	SAIDI Reduction					10	
7. Member Services	Leadership member visits					75	
	Projects managed for members					20	
8. Value of Muni	Member info updates					16	
	Presentations Social media					10	

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
9.Load Management	Dev. opportunities for 5 MW						
10.Financing	Restructure debt					1	
	Extend debt to include R&R funding					1	
	Prepd gas min. svgs. Of $0.20/mmBtu					1	
11.Transmission	Neg. service upgrade for LWB & Homestead						
12.People	360 training for Leadership & mgmt.					11	
	Mgmt. outreach to diverse prof. groups					3	
	Individual development plans					50	
	FMPA Fleet Team Sharing – 80 days					80	

AGENDA ITEM 8 – ACTION ITEMS

b) Approval of Revised Rate Schedule B-1, Incentive Rate Riders, and CROD Implementation Protocols to be Effective October 1, 2020

Executive Committee
October 15, 2020

EC 8b – Approval of Revised Rate Schedule B-1, Incentive Rate Riders, and CROD Implementation Protocols to Be Effective October 1, 2020

Executive Committee

October 6, 2020

Implementing New ARP Billing Demand Rate Structure

- In June, EC approved revision to the way the ARP bills for demand costs, to be effective October 1, 2020
- Demand costs currently billed based on Participants' monthly CP demands
- Revised methodology based on average of Participants' summer monthly CP demands (June – September) over prior 3 fiscal years
- Rate schedule changes and other approvals needed to implement new rate structure
- Rate schedule changes also include annual updates for new fiscal year
- Seeking approval for these changes for effective date of October 1, 2020

FMPA MUNICIPAL POWER

Several EC Approvals Required to Implement New Rate Structure

- Approval of revised ARP Rate Schedule B-1
- Approval of revisions to incentive rate riders (LAIR and EDR)
- Approval of revisions to the CROD Implementation Protocols

Rate Schedule B-1 Revisions

- Paragraph 4 revised for:
  - Standard updates to energy and transmission base rates for new fiscal year
  - Demand base rate updated to reflect new fiscal year and change in demand billing methodology
  - Revision to customer charge language to reflect flat $1,000 monthly charge per delivery point as discussed during budget process
- Paragraph 6 revised to reflect new billing demand calculation methodology
  - Includes provisions for adjustments to or exclusion of Participant demand data included in the calculation

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Rate Schedule B-1 Revisions (continued)

- New paragraph 11 added to provide for an annual true-up of the previous year's demand revenues collected vs. costs incurred
- Paragraph 12 revised to eliminate the monthly demand cost adjustment

Fiscal Year 2021 Demand Billing Determinants

Avg. of Summer CP Demands (Net of Excluded Resources) for FY 2018 – FY 2020; Results in FY 2021 Demand Rate of $15.78/kW-mo.

Participant	Billing Demand (MW)
Bushnell*	11.784
Clewiston	19.358
Fort Meade	8.884
Fort Pierce	95.864
Green Cove Springs	22.452
Havana	4.983
Jacksonville Beach	149.859

Participant	Billing Demand (MW)
Key West	346.906
Kissimmee	135.852
Leesburg	107.081
Newberry	8.300
Ocala	284.764
Starke	12.276
Total	1,208.362

* Based on recommended change to Load Attraction Incentive Rate rider, Bushnell's billing demand is based on the 3-year average of their pre-expansion system load, and a 1-year average of their new load.

FMPA MUNICIPAL POWER

Incentive Rate Revisions

Applicable to Load Attraction, Economic Development Riders

- Under new rate structure, a new load would take 3 years to be fully incorporated into a Participant's billing demand
- This provides an inherent economic benefit to the Participant
- Incentive rate riders need adjustment – To qualify, Participant would have to agree to the following conditions for its billing demand:
  - Have its billing demands adjusted upward by estimated amount of new load in 1st year (subject to true-up)
  - Until the new load has been fully incorporated into the Participant's 3-year billing demands:
    - New load billing demand based on average of available summer month loads
    - Billing demand for remaining Participant load still based on 3-year average
- Avoids double discount to new load

FMPA MUNICIPAL POWER

Adjusting Bushnell Historical Loads

- Bushnell completed its system expansion in October 2019, effectively doubling its load
- New demand rate structure uses 3 years of summer demands, but only 2020 summer loads will reflect Bushnell's higher load levels
- Bushnell currently receives LAIR incentive, so adjustment needed to avoid double discounting the new load
- Staff recommends calculating billing demands for Bushnell's existing and new loads in accordance with proposed LAIR methodology
  - New load billing demand based on average of available summer month loads
  - Existing load billing demand based on 3-year average of summer month loads

FMPA MUNICIPAL POWER

CROD Implementation Protocols Revisions

- Existing language for computing monthly CROD billing demand: CROD/MAXD ratio multiplied by Participant's monthly CP demand
- Language added to "CROD Billing" section to clarify that the CROD/MAXD ratio is multiplied by demand computed per paragraph 6 of Rate Schedule B-1
- Staff does not believe any other calculations in the protocols (e.g., calculation of MAXD, quantities of scheduled energy) should change
- This change will not impact any CROD Participant while under a supplemental power arrangement with the ARP
  - Upon termination of supplemental arrangement, CROD Participant would be billed for its CROD load based on the revised protocols

FMPA MUNICIPAL POWER

Attachments Included

- Attachment 1: Clean and redline versions of revised Rate Schedule B-1 to be effective October 1, 2020
- Attachment 2: Clean and redline versions of revised Load Attraction Incentive Rate rider to be effective October 1, 2020
- Attachment 3: Clean and redline versions of revised Economic Development Rate rider to be effective October 1, 2020
- Attachment 4: Clean and redline versions of revised CROD Implementation Protocols to be effective October 1, 2020
- Note: The Cost Spread Reduction Program rider sunset on September 30, 2020

FMPA MUNICIPAL POWER

Recommended Motions*

- Move approval of the revised ARP Rate Schedule B-1, effective October 1, 2020 **
- Move approval of the revised Load Attraction Incentive Rate Rider and Economic Development Rate Rider, effective October 1, 2020 **
- Approval of the revised Contract Rate of Delivery Implementation Protocols, effective October 1, 2020

* While these are proposed as three separate motions, the Executive Committee may elect to address them in a single combined motion, if it so desires.

** Subject to Super Majority vote

FMPA MUNICIPAL POWER

ATTACHMENT 1

Clean and Redline Versions of Revised Rate Schedule B-1 to be Effective October 1, 2020

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

1. **Applicability.** Electric service for All-Requirements Services and Back-up and Support Services as defined in the All-Requirements Power Supply Project Contract for their own use and for resale.

2. **Availability.** This Schedule B-1 is available to the Project Participants purchasing electric capacity and energy from FMPA under the terms of the All-Requirements Power Supply Project Contracts as All-Requirements Services and, if applicable, as Back-Up and Support Services.

3. **Character of Service.** Electricity furnished under this Schedule B-1 at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three phase, alternating current.

4. **Billing Rate for All-Requirements Services.**
   (a) For electricity furnished hereunder as All-Requirements Services, the charges for each month shall be determined as follows:

Customer Charge	For each Project Participant, the charge is $1,000.00 per Point of Delivery. Notwithstanding the above, the charge for a Project Participant that has both (1) established its Contract Rate of Delivery and (2) does not receive Network Integration Transmission Service under an ARP agreement is $0.00.
Demand Capacity Charge	$ 15.78 per kilowatt ("kW") of capacity billing demand
Demand Transmission	$ 3.65 per kilowatt ("kW") of transmission billing demand
Demand Transmission Kissimmee Utility Authority	$ 0.77 per kilowatt ("kW") of transmission billing demand
Energy Charge	$ 24.45 per megawatt-hour ("MWh") for all energy supplied as All-Requirements Services

Solar Energy Surcharge	A $ per megawatt-hour ("MWh") rate, as calculated monthly in accordance with 10 below, for all energy pursuant to the applicable solar Power Purchase Agreement(s) (“PPA”), as specifically agreed to by individual Project Participants pursuant to Solar Participant Agreements between the ARP and individual Project Participants (hereinafter “Solar Participants”).
Reactive Demand Charge	$0.00 per kilo-var ("kVAR") of excess billing reactive demand

(b) Delivery Voltage Adjustment for All-Requirements Services. The Billing Rates under paragraph (a) are based on delivery of electric capacity and energy to the Project Participant at 115,000 volts or higher. Where capacity and energy are delivered at voltages less than 115,000 volts, the Billing Rates under paragraph (a) shall be increased as follows:

Delivery Voltage	Demand Charge Adjustment	Energy Charge Adjustment
69,000 volts	$0.00/kW	$0.00/kWh
12,000/25,000 volts	.722/kW	$0.0000
Under 12,000 volts	.722/kW	$0.0000

5. **Billing Metering For All-Requirements Services.** The metered demand in kW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.

The metered reactive demand in kVAR in each month shall be the reactive demand, which occurred during the same 60-minute demand interval in which the metered kilowatt demand occurred.

Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.

6. **Billing Demand-Capacity for All-Requirements Services.** The billing demand capacity in any period shall be the arithmetic average of the metered demands, as determined under paragraph 5, giving effect to all adjustments, less the Project Participant's Excluded Power Supply Resources capacity, if any, for the months of June, July, August, and September for the preceding three fiscal years. For avoidance of doubt,

unless otherwise adjusted as follows in this paragraph 6, the monthly billing demand capacity for each Project Participant shall be based on the arithmetic average of 12 data points and shall remain fixed over the current fiscal year.

If a Project Participant has permanently lost a large load during the preceding three fiscal years that would cause the metered demands utilized for that Project Participant in the billing demand capacity calculation not to be representative of its current load, the metered demands utilized in the calculation for that Project Participant may be adjusted accordingly by a majority vote of the Executive Committee in its sole discretion. Such load must represent a minimum of five percent of the Project Participant's total load based on demonstrable load data. It is the responsibility of the Project Participant to notify FMPA of any such loss of load, and no adjustments shall be made to billings for months prior to the effective date of any adjustment approved by the Executive Committee.

If a Project Participant has added a large load during the preceding three years for which a demand-related financial incentive will be provided through a rider to this Rate Schedule B-1, the metered demands utilized in the calculation for that Project Participant will be adjusted as set forth in the respective rider.

Anomalous loads for an individual Project Participant may be excluded from the billing demand capacity calculation by majority vote of the Executive Committee.

7. Billing Demand-Transmission for All-Requirements Services. The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, but including the Project Participant's, Excluded Power Supply Resources capacity, if any.

8. Billing Reactive Demand for All-Requirements Services.
The billing reactive demand for any month shall be the amount of reactive demand in kVAR by which the metered reactive demand exceeds one-half of the metered kilowatt demands, or such other amount as shall be determined from time to time by FMPA.

9. **Energy Cost Adjustment for All-Requirements Services.**
The monthly bill computed hereunder shall adjust the base energy rate by an amount to the nearest one-thousandth of a cent, determined by use of the formula below:

ER = $0.02445/kWh ±ETCA

Where:
ER = Energy Rate to be applied each kWh of billed energy.
ETCA = Energy Total Cost Adjustment to be determined according to the following procedure:

1. The number days of available cash will be determined each month and rounded to the nearest five days.

2. A confidence percentage based on following table will be selected to determine the amount of the total cost adjustment. The Confidence Percentage will then be applied to the output of the probabilistic model discussed below.

Days of Available Cash	Associated Confidence Percentage
30 day or less	95%
35 days	88%
40 days	80%
45 days	73%
50 days	65%
55 days	58%
60 days	50%
65 days	43%
70 days	35%
75 days	28%
80 days	20%
85 days	13%
90 days and over	5%

3. A probabilistic model will be used to estimate next four months of projected energy total cost and projected total kWh sales for providing the All-Requirements Project power supply. For purposes of this adjustment, FMPA's owned and controlled generating units including purchased power or interchange power purchased by FMPA from other suppliers less the energy cost of sales to other utilities, will be used in the calculations.

4. A probabilistic model will also be used to allocate the most current ARP Participant over-recovery and under-recovery balance as listed ARP's Comparative Statement of Net Asset report. This balance will be applied over the next four months and tied to the appropriate percentage level listed in the table above.

10. Solar Energy Surcharge.

The Solar Energy Surcharge shall equal the difference between the adjusted energy rate calculated in 9 above (ER) and the actual monthly cost per MWh of the solar energy (note the surcharge could be negative). The following provisions shall apply to the calculation of the surcharge:

1. Solar energy costs shall equal the sum of the applicable solar PPA charges, FMPA A&G charges allocated to the solar PPA(s), the return to the Agency Development Fund of the costs advanced to enter into and implement the solar PPA(s), and other costs or charges that the ARP may incur related to utilizing solar energy as part of its resource portfolio, e.g. increased regulation charges assessed by the ARP's Balancing Authority.

2. The following All-Requirements Project Participants have responsibility for solar energy (MWh) in each hour that solar energy is produced under the applicable solar PPA(s):

   Phase I solar PPAs between the ARP and NextEra Florida Renewables, or its successor or assigns:

The City of Jacksonville Beach	17.241%
Fort Pierce Utilities Authority	5.173%
Utility Board, City of Key West	8.621%
Kissimmee Utility Authority	51.724%
The City of Ocala	17.241%

Phase II solar PPAs between the ARP and Origis Energy, or its successors or assigns:

The City of Jacksonville Beach	15.584%
Fort Pierce Utilities Authority	15.584%
The Town of Havana	0.260%
Utility Board, City of Key West	25.975%
Kissimmee Utility Authority	20.779%
The City of Newberry	1.039%
The City of Ocala	20.779%

3. In the event that one or more of the Solar Participants defaults by not paying the Solar Energy Surcharge, the defaulting Project Participant(s) shall remain liable for all payments to be made on its part pursuant to this Rate Schedule B-1. In such event, each non-defaulting Solar Participant's All-Requirements bill shall be increased, on a pro rata basis based on its respective Solar Energy Surcharge percentage of the applicable solar PPA(s), the amount in default unless and until FMPA shall recover from the defaulting Solar Participant(s) all amounts owed, upon which FMPA shall reimburse the non-defaulting Solar Participants. If all Solar Participants default by not paying the Solar Energy Surcharge, the All-Requirements Project will be obligated for the applicable Power Purchase Agreement(s) and the solar costs will become part of the Energy Rate (ER) above applicable to all All-Requirements Project Participants, including the defaulting Solar Participants, unless and until FMPA shall recover from at least one of the defaulting Solar Participants all amounts owed by all Solar Participants, upon which FMPA shall reimburse the All-Requirements Project Participants either through rates or through such other method as directed by the Executive Committee

4. A Solar Participant may only exit from the financial obligation to pay the Solar Energy Surcharge if one of the following four conditions are met, subject to approval of the Executive Committee:

   a. One or more Solar Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial

obligation to the ARP;

b. One or more All-Requirements Project Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP

c. One or more FMPA Members that is not an All-Requirements Project Participant assumes the financial entitlement to the Solar Participant's percentage share of the applicable solar PPA(s) and commits that it will take on the (i) associated financial obligation and (ii) obligation to take solar energy, in a form suitable to the ARP; or

d. Pay stranded cost obligations, as determined by FMPA in its sole discretion, to hold the other Solar Participants harmless from the costs associated with the Solar Participant's exit.

Stranded cost obligations are defined as an estimate of the solar energy costs (defined in 10.1) that the ARP will pay for the exiting Solar Participant's solar energy entitlement during each remaining month of the remaining term of the applicable solar PPA(s) based on (i) a forecast of expected solar production and (ii) a reasonable assessment of unforeseen costs, and are to be paid at the time of exit. The forecast of expected solar production is defined as a P50 (probability of exceedance is 50 percent) production estimate under typical meteorological year conditions using an industry standard modeling tool (PV Syst or its successor/peer products) reflective of a degradation rate of 0.3% per year relative to the original nominal alternating current capacity of the solar resource in the current year (prorated over a partial year as applicable) and each subsequent remaining year of the applicable solar PPA(s) term.

11. Demand Cost True-up for All-Requirements Services.

Each Project Participant shall be charged or credited, as applicable, during the twelve months commencing with the billing for October service of a subsequent fiscal year by a dollar amount equal to one twelfth of the dollar amount share of the difference between the Project Participant's actual demand costs (excluding transmission) and the demand charges collected during the previous fiscal year. The amount to be charged or credited to each Project Participant shall be calculated on the basis of each Project Participant's demand costs (excluding transmission) collected during the

previous fiscal year as a percentage of the total demand costs collected from all Project Participants.

12. **Transmission Cost Adjustment for All-Requirements Services.**
The monthly bill computed hereunder shall adjust the base demand transmission capacity rate by an amount to the nearest one-thousandth of a cent, determined by use of the formula below:

TR = Transmission per kW/month $\pm$TTCA

Where:
TR = Demand Transmission Rate to be applied each kW of billed transmission demand.

TTCA = Transmission Total Cost Adjustment to be determined according to the same procedure as the ETCA except where kWh will be replaced by kW in item 3 within section 9.

13. **Funding for Participants' Load Retention Programs.**
Each Participant shall be credited with an amount equal to the Participants monthly billing energy times $0.30 per MWh. This credit may be used by the Participant to fund Load Retention Programs approved by the Participants' governing body, or for other lawful usage.

14. **Tax Adjustment Clause for All-Requirements Services.**
In the event of the imposition of any tax, or payment in lieu thereof, by any lawful authority on FMPA for production, transmission, or sale of electricity, the charges hereunder may be increased to pass on to the Project Participant its share of such tax or payment in lieu thereof.

15. **Late Payment Charge.** FMPA may impose a late payment charge on the unpaid balance of any amount not paid when due. Such charge shall be equal to the interest on the unpaid balance from the due date to the date of payment, with the interest rate being the arithmetic mean, to the nearest one-hundredth of one percent (.01%) of the prime rate values published in the Federal Reserve Bulletin for the fourth, third, and second months prior to the due date. The interest required to be paid under this clause will be compounded monthly.

16. **Month.** The month shall be in accordance with a schedule established by FMPA.

17. **Special Jacksonville Beach Charge**. In the event that FMPA pays or is billed for any amounts by the JEA for back-up transmission capability and/or transmission services and /or back-up electric service supplied by JEA for the City of Jacksonville Beach, such amounts shall be added to any amounts otherwise billed to the City of Jacksonville Beach by FMPA pursuant to this Schedule B-1, less one-third of such amounts, at such times as FMPA shall determine.

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

1. **Applicability.** Electric service for All-Requirements Services and Back-up and Support Services as defined in the All-Requirements Power Supply Project Contract for their own use and for resale.

2. **Availability.** This Schedule B-1 is available to the Project Participants purchasing electric capacity and energy from FMPA under the terms of the All-Requirements Power Supply Project Contracts as All-Requirements Services and, if applicable, as Back-Up and Support Services.

3. **Character of Service.** Electricity furnished under this Schedule B-1 at one or more Points of Delivery as set forth in Schedule A shall be sixty-hertz, three phase, alternating current.

4. **Billing Rate for All-Requirements Services.**
   (a) For electricity furnished hereunder as All-Requirements Services, the charges for each month shall be determined as follows:

Customer Charge	For each Project Participant, ~~previously referred to as the "East Group" (Clewiston, Fort Pierce, Green Cove Springs, Jacksonville Beach, Key West, Lake Worth, Starke and Vero Beach)~~ the charge is $1,000.00~~345.00~~ per Point of Delivery. ~~For each Project Participant previously referred to as the "West Group" (Bushnell, Leesburg, Ocala, Ft. Meade, Havana, Kissimmee and Newberry) the charge is $740.00 per Point of Delivery.~~ Notwithstanding the above, the charge for a Project Participant that has both (1) established its Contract Rate of Delivery and (2) does not receive Network Integration Transmission Service under an ARP agreement is $0.00.
Demand Capacity Charge	$ 15.78~~19.56~~ per kilowatt ("kW") of capacity billing demand
Demand Transmission	$ 3.65~~2.82~~ per kilowatt ("kW") of transmission billing demand

Demand Transmission Kissimmee Utility Authority	$ 0.7782 per kilowatt ("kW") of transmission billing demand
Energy Charge	$ 24.4527.05 per megawatt-hour ("MWh") for all energy supplied as All-Requirements Services
Solar Energy Surcharge	A $ per megawatt-hour ("MWh") rate, as calculated monthly in accordance with 10 below, for all energy pursuant to the applicable solar Power Purchase Agreement(s) ("PPA"), as specifically agreed to by individual Project Participants pursuant to Solar Participant Agreements between the ARP and individual Project Participants (hereinafter "Solar Participants").
Reactive Demand Charge	$0.00 per kilo-var ("kVAR") of excess billing reactive demand

(b) Delivery Voltage Adjustment for All-Requirements Services. The Billing Rates under paragraph (a) are based on delivery of electric capacity and energy to the Project Participant at 115,000 volts or higher. Where capacity and energy areis delivered at voltages less than 115,000 volts, the Billing Rates under paragraph (a) shall be increased as follows:

Delivery Voltage	Demand Charge Adjustment	Energy Charge Adjustment
69,000 volts	$0.00/kW	$0.00/kWh
12,000/25,000 volts	.722/kW	$0.0000
Under 12,000 volts	.722/kW	$0.0000

5. **Billing Metering For All-Requirements Services.** The metered demand in kW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.

The metered reactive demand in kVAR in each month shall be the reactive demand, which occurred during the same 60-minute demand interval in which the metered kilowatt demand occurred.

Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.

6. **Billing Demand-Capacity for All-Requirements Services.** The billing demand capacity in any period shall be the arithmetic average of the metered demands, ~~for the period~~ as determined under paragraph 5, giving effect to all adjustments, less the Project Participant's~~,~~ Excluded Power Supply Resources capacity, if any, for the months of June, July, August, and September for the preceding three fiscal years. For avoidance of doubt, unless otherwise adjusted as follows in this paragraph 6, the monthly billing demand capacity for each Project Participant shall be based on the arithmetic average of 12 data points and shall remain fixed over the current fiscal year.

If a Project Participant has permanently lost a large load during the preceding three fiscal years that would cause the metered demands utilized for that Project Participant in the billing demand capacity calculation not to be representative of its current load, the metered demands utilized in the calculation for that Project Participant may be adjusted accordingly by a majority vote of the Executive Committee in its sole discretion. Such load must represent a minimum of five percent of the Project Participant's total load based on demonstrable load data. It is the responsibility of the Project Participant to notify FMPA of any such loss of load, and no adjustments shall be made to billings for months prior to the effective date of any adjustment approved by the Executive Committee.

If a Project Participant has added a large load during the preceding three years for which a demand-related financial incentive will be provided through a rider to this Rate Schedule B-1, the metered demands utilized in the calculation for that Project Participant will be adjusted as set forth in the respective rider.

Anomalous loads for an individual Project Participant may be excluded from the billing demand capacity calculation by majority vote of the Executive Committee.

7. **Billing Demand-Transmission for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, but including the Project Participant's, Excluded Power Supply Resources capacity, if any.

8. **Billing Reactive Demand for All-Requirements Services.**
The billing reactive demand for any month shall be the amount of reactive demand in kVAR by which the metered reactive demand exceeds one-half

of the metered kilowatt demands, or such other amount as shall be determined from time to time by FMPA.

9. **Energy Cost Adjustment for All-Requirements Services.**
The monthly bill computed hereunder shall adjust the base energy rate by an amount to the nearest one-thousandth of a cent, determined by use of the formula below:

ER = $0.024452705/kWh ±ETCA

Where:
ER = Energy Rate to be applied each kWh of billed energy.
ETCA = Energy Total Cost Adjustment to be determined according to the following procedure:

1. The number days of available cash will be determined each month and rounded to the nearest five days.

2. A confidence percentage based on following table will be selected to determine the amount of the total cost adjustment. The Confidence Percentage will then be applied to the output of the probabilistic model discussed below.

Days of Available Cash	Associated Confidence Percentage
30 day or less	95%
35 days	88%
40 days	80%
45 days	73%
50 days	65%
55 days	58%
60 days	50%
65 days	43%
70 days	35%
75 days	28%
80 days	20%
85 days	13%
90 days and over	5%

3. A probabilistic model will be used to estimate next four months of projected energy total cost and projected total kWh sales for providing the All-Requirements Project power supply. For purposes of this adjustment, FMPA's owned and controlled generating units including purchased power or interchange power purchased by FMPA from other suppliers less the energy cost of sales to other utilities, will be used in the calculations.

4. A probabilistic model will also be used to allocate the most current ARP Participant over-recovery and under-recovery balance as listed ARP's Comparative Statement of Net Asset report. This balance will be applied over the next four months and tied to the appropriate percentage level listed in the table above.

10. Solar Energy Surcharge.

The Solar Energy Surcharge shall equal the difference between the adjusted energy rate calculated in 9 above (ER) and the actual monthly cost per MWh of the solar energy (note the surcharge could be negative). The following provisions shall apply to the calculation of the surcharge:

1. Solar energy costs shall equal the sum of the applicable solar PPA charges, FMPA A&G charges allocated to the solar PPA(s), the return to the Agency Development Fund of the costs advanced to enter into and implement the solar PPA(s), and other costs or charges that the ARP may incur related to utilizing solar energy as part of its resource portfolio, e.g. increased regulation charges assessed by the ARP's Balancing Authority.

2. The following All-Requirements Project Participants have responsibility for solar energy (MWh) in each hour that solar energy is produced under the applicable solar PPA(s):

   Phase I solar PPAs between the ARP and NextEra Florida Renewables, or its successor or assigns:

The City of Jacksonville Beach	17.241%
Fort Pierce Utilities Authority	5.173%
Utility Board, City of Key West	8.621%
Kissimmee Utility Authority	51.724%

The City of Ocala	17.241%

Phase II solar PPAs between the ARP and Origis Energy, or its successors or assigns:

The City of Jacksonville Beach	15.584%
Fort Pierce Utilities Authority	15.584%
The Town of Havana	0.260%
Utility Board, City of Key West	25.975%
Kissimmee Utility Authority	20.779%
The City of Newberry	1.039%
The City of Ocala	20.779%

3. In the event that one or more of the Solar Participants defaults by not paying the Solar Energy Surcharge, the defaulting Project Participant(s) shall remain liable for all payments to be made on its part pursuant to this Rate Schedule B-1. In such event, each non-defaulting Solar Participant's All-Requirements bill shall be increased, on a pro rata basis based on its respective Solar Energy Surcharge percentage of the applicable solar PPA(s), the amount in default unless and until FMPA shall recover from the defaulting Solar Participant(s) all amounts owed, upon which FMPA shall reimburse the non-defaulting Solar Participants. If all Solar Participants default by not paying the Solar Energy Surcharge, the All-Requirements Project will be obligated for the applicable Power Purchase Agreement(s) and the solar costs will become part of the Energy Rate (ER) above applicable to all All-Requirements Project Participants, including the defaulting Solar Participants, unless and until FMPA shall recover from at least one of the defaulting Solar Participants all amounts owed by all Solar Participants, upon which FMPA shall reimburse the All-Requirements Project Participants either through rates or through such other method as directed by the Executive Committee

4. A Solar Participant may only exit from the financial obligation to pay the Solar Energy Surcharge if one of the following four conditions are met, subject to approval of the Executive

Committee:

a. One or more Solar Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP;

b. One or more All-Requirements Project Participants assumes the exiting Solar Participant's entire Solar Energy Surcharge financial obligation to the ARP

c. One or more FMPA Members that is not an All-Requirements Project Participant assumes the financial entitlement to the Solar Participant's percentage share of the applicable solar PPA(s) and commits that it will take on the (i) associated financial obligation and (ii) obligation to take solar energy, in a form suitable to the ARP; or

d. Pay stranded cost obligations, as determined by FMPA in its sole discretion, to hold the other Solar Participants harmless from the costs associated with the Solar Participant's exit.

Stranded cost obligations are defined as an estimate of the solar energy costs (defined in 10.1) that the ARP will pay for the exiting Solar Participant's solar energy entitlement during each remaining month of the remaining term of the applicable solar PPA(s) based on (i) a forecast of expected solar production and (ii) a reasonable assessment of unforeseen costs, and are to be paid at the time of exit. The forecast of expected solar production is defined as a P50 (probability of exceedance is 50 percent) production estimate under typical meteorological year conditions using an industry standard modeling tool (PV Syst or its successor/peer products) reflective of a degradation rate of 0.3% per year relative to the original nominal alternating current capacity of the solar resource in the current year (prorated over a partial year as applicable) and each subsequent remaining year of the applicable solar PPA(s) term.

11. Demand Cost True-up for All-Requirements Services.
Each Project Participant shall be charged or credited, as applicable, during the twelve months commencing with the billing for October service of a subsequent fiscal year by a dollar amount equal to one twelfth of the dollar amount share of the difference between the Project Participant's actual demand costs (excluding transmission) and the demand charges collected during the previous fiscal year. The amount to be charged or credited to each Project Participant shall be calculated on the basis of each Project Participant's demand costs (excluding transmission) collected during the previous fiscal year as a percentage of the total demand costs collected from all Project Participants.

12. ~~Demand and~~ Transmission Cost Adjustment for All-Requirements Services.
The monthly bill computed hereunder shall adjust the base demand transmission capacity rate by an amount to the nearest one-thousandth of a cent, determined by use of the formula below:

~~D~~TR = ~~Demand or~~ Transmission per kW/month +~~D~~TTCA

Where:
~~D~~TR = Demand Transmission Rate to be applied each kW of billed transmission demand.

~~D~~TTCA = Transmission~~Demand~~ Total Cost Adjustment to be determined according to the same procedure as the ETCA except where kWh will be replaced by kW in item 3 within section 9.

13~~2~~. Funding for Participants' Load Retention Programs.
Each Participant shall be credited with an amount equal to the Participants monthly billing energy times $0.30 per MWh. This credit may be used by the Participant to fund Load Retention Programs approved by the Participants' governing body, or for other lawful usage.

14~~3~~. Tax Adjustment Clause for All-Requirements Services.
In the event of the imposition of any tax, or payment in lieu thereof, by any lawful authority on FMPA for production, transmission, or sale of electricity, the charges hereunder may be increased to pass on to the Project Participant its share of such tax or payment in lieu thereof.

15~~14~~. Late Payment Charge. FMPA may impose a late payment charge on the unpaid balance of any amount not paid when due. Such charge shall be equal to the interest on the unpaid balance from the due date to the date of payment, with the interest rate being the arithmetic mean, to the nearest one-hundredth of one percent (.01%) of the prime rate values published in the Federal Reserve Bulletin for the

fourth, third, and second months prior to the due date. The interest required to be paid under this clause will be compounded monthly.

16. **Month.** The month shall be in accordance with a schedule established by FMPA.

17. **Special Jacksonville Beach Charge**. In the event that FMPA pays or is billed for any amounts by the JEA for back-up transmission capability and/or transmission services and /or back-up electric service supplied by JEA for the City of Jacksonville Beach, such amounts shall be added to any amounts otherwise billed to the City of Jacksonville Beach by FMPA pursuant to this Schedule B-1, less one-third of such amounts, at such times as FMPA shall determine.

ATTACHMENT 2

Clean and Redline Versions of Revised Load Attraction Incentive Rate Rider to be Effective October 1, 2020

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

LOAD ATTRACTION INCENTIVE RATE RIDER

1. **Purpose.** The purpose of this Load Attraction Incentive Rate (LAIR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract a new, large load to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD), have not executed a Supplemental Power and Ancillary Services Agreement, and meet at least one of the following conditions:

   - Zero (0) MW CROD
   - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

   For purposes of this Rider, "New Load" is defined as load being established after the date of the original approval date of this Rider:

   (a) by a new business (including occupation of an existing, dormant facility by a new business), by the expansion of an existing establishment, or

   (b) by the expansion of service territory by the Project Participant.

   (c) For existing establishments, New Load is the net incremental load, due to an expansion of business, above that which existed prior to approval for credits under this Rider.

   This Rider is not available for (1) New Load that would have occurred in the Project Participant's service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant's service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the LAIR, each New Load must meet or exceed the following minimum size requirements, as measured in Section 5.:

(a) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand less than 35 MW:* Each New Load must be (i) a minimum of 250 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

(b) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand greater than 35 MW:* Each New Load must be either (i) a minimum of 500 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

Further, for purposes of computing its ARP billing demand capacity pursuant to paragraph 6 of Rate Schedule B-1, the Project Participant has hereby agreed to the following adjustments to its billing demand capacity calculation:

(a) Prior to the first fiscal year for which at least one month of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the Project Participant's best estimate of the New Load size. To the extent that actual metered demand data, once available, reveals a material difference between the estimated load size and the actual load size, FMPA will adjust the estimate for future months' billings. Further, the Executive Committee, in its sole discretion, may approve a true-up billing adjustment to the extent that the original estimate caused excess or deficient credits to be paid to the Project Participant, as applicable.

(b) For fiscal years for which at least one month, but less than twelve months, of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the arithmetic average of the available months' data.

(c) For fiscal years for which all of the metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 are available, the billing demand capacity for the New Load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

(d) Notwithstanding the preceding, the billing demand capacity for the Project Participant's remaining load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

5. **LAIR Description.** A credit based on the percentages below will be applied to the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant.

Service Month	Discount
1-12	50%
13-24	40%
25-36	30%
37-48	20%
49-60	10%
61 and beyond	0%

The credit shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month (New Load CP Demand).

Credits for the previous month will be issued by FMPA to the Project Participant no later than the twentieth (20^{th}) day of each month. Unless otherwise agreed between FMPA and the Project Participant, credits will be paid in the form of a check.

In no event can FMPA provide a credit for New Load that is proportionally above the Project Participant's load that is served by the ARP.

For a CROD Participant that has a CROD/MAXD ratio that falls below 1.0 following the addition of one or more qualifying New Loads, the monthly metered demand for the New Load(s) to which the credit is applied shall thereafter be adjusted by the following New Load Adjustment Factor over the remainder of the term under this Rider:

$$NLAdj = 1 - \frac{(MAXD - CROD)}{NLD}$$

Where:

NLAdj = New Load Adjustment Factor, expressed as a percentage, which shall be established in the month during which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed each time the CROD Participant's MAXD value changes.

CROD = The CROD Participant's Contract Rate of Delivery, which is a one-time calculation developed pursuant to Section 3(a) of the ARP Contract, as amended, and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

MAXD = The CROD Participant's highest demand during the 12 months ending with the end of the current billing month, which is computed in accordance with Schedule C to the ARP Contract and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

NLD = The sum of the metered demands of all of the CROD Participant's New Loads, as determined in this Section 5., computed during the first month in which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed in each subsequent month that either (i) the CROD Participant's MAXD value changes, or (ii) a New Load ceases to receive credits under this Rider.

And where NLAdj can never be greater than 100% or less than 0%.

Once the CROD/MAXD ratio falls below 1.0, per Section 2., the CROD Participant will be ineligible to apply for credits for additional New Load under this Rider.

All other charges to the Project Participant, including but not limited to the Demand Transmission Charge and the Energy Charge, shall be as set forth in the otherwise applicable ARP Rate Schedule(s). In addition, all other provisions of the Rate Schedule(s) otherwise applicable to the Project Participant shall continue to apply.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive credits under this Rider. All meters shall be of a quality acceptable to FMPA. All metering costs pertaining to this program will be borne by the Project Participant or Project Participant's customer. The Project Participant may request FMPA to provide and install the required metering equipment; if so, FMPA will bill the Project Participant for the equipment costs. The

Project Participant must either provide FMPA with access to the meter information, or the Project Participant must provide the meter information for the previous calendar month to FMPA no later than the tenth (10th) day of each month. In the event that it is either not possible or not practical to install metering that can measure the New Load CP Demand separate from existing Project Participant load, an alternative method for measuring the New Load CP Demand may be utilized at FMPA's sole discretion. Prior to being utilized, the alternative method must be approved by FMPA's General Manager and CEO as to its reasonableness in accurately measuring the New Load CP Demand, and the utilization of such alternative method must be reported to the FMPA Executive Committee at its next regularly scheduled meeting.

7. **Term of Service.** Except as limited below in this Section 7., credits provided under this Rider shall be for a term of five (5) years from the commencement of service of each New Load. Such credits under this Rider will terminate at the end of the five (5) year period.

Each New Load must meet or exceed the minimum size requirements, as measured by the New Load CP Demand, at least once during the initial six (6) month service period in order to continue to be eligible to receive the credit beyond that initial period.

Beginning in the seventh (7th) service month, and continuing for the remainder of the service period under this Rider, the credit will be discontinued for any New Load that fails to maintain the minimum size requirements, as measured by the New Load CP Demand, during any three (3) consecutive months. Thereafter, if the New Load is able to resume meeting the minimum size requirements for three (3) consecutive months, payment of the credit will be reinstated beginning with the following month. The credit will be based on the percentage for the then-applicable service month in the table shown in Section 5. No retroactive credits shall be provided.

If the New Load either (1) ceases to take service from the Project Participant, or (2) reduces operations to such a level that it will no longer meet the qualifying criteria, the credit will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

In the event of early termination of the credit, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify to receive the credit. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the credits should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31,2024, or until a total of 30 MW of New Load has qualified under this Rider and/or any other incentive rate rider to Rate Schedule B-1, whichever occurs first.

9. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON MAY 16, 2019, AMENDED ON OCTOBER ___, 2020

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

LOAD ATTRACTION INCENTIVE RATE RIDER

1. **Purpose.** The purpose of this Load Attraction Incentive Rate (LAIR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract a new, large load to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD), have not executed a Supplemental Power and Ancillary Services Agreement, and meet at least one of the following conditions:

   - Zero (0) MW CROD
   - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

   For purposes of this Rider, "New Load" is defined as load being established after the date of the original approval date of this Rider:

   (a) by a new business (including occupation of an existing, dormant facility by a new business), by the expansion of an existing establishment, or

   (b) by the expansion of service territory by the Project Participant.

   (c) For existing establishments, New Load is the net incremental load, due to an expansion of business, above that which existed prior to approval for credits under this Rider.

   This Rider is not available for (1) New Load that would have occurred in the Project Participant's service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant's service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the LAIR, each New Load must meet or exceed the following minimum size requirements, as measured in Section 5.:

(a) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand less than 35 MW:* Each New Load must be (i) a minimum of 250 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

(b) *For New Load in the service territories of Project Participants with a maximum weather-normalized annual All-Requirements Services demand greater than 35 MW:* Each New Load must be either (i) a minimum of 500 kW for each month at a single delivery point, or (ii) a minimum of 1 MW for new service territory at multiple delivery points.

Further, for purposes of computing its ARP billing demand capacity pursuant to paragraph 6 of Rate Schedule B-1, the Project Participant has hereby agreed to the following adjustments to its billing demand capacity calculation:

(a) Prior to the first fiscal year for which at least one month of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the Project Participant's best estimate of the New Load size. To the extent that actual metered demand data, once available, reveals a material difference between the estimated load size and the actual load size, FMPA will adjust the estimate for future months' billings. Further, the Executive Committee, in its sole discretion, may approve a true-up billing adjustment to the extent that the original estimate caused excess or deficient credits to be paid to the Project Participant, as applicable.

(b) For fiscal years for which at least one month, but less than twelve months, of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the arithmetic average of the available months' data.

(c) For fiscal years for which all of the metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 are available, the billing demand capacity for the New Load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

(d) Notwithstanding the preceding, the billing demand capacity for the Project Participant's remaining load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

~~(b)~~

5. **LAIR Description.** A credit based on the percentages below will be applied to the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant.

Service Month	Discount
1-12	50%
13-24	40%
25-36	30%
37-48	20%
49-60	10%
61 and beyond	0%

The credit shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month (New Load CP Demand).

Credits for the previous month will be issued by FMPA to the Project Participant no later than the twentieth (20^{th}) day of each month. Unless otherwise agreed between FMPA and the Project Participant, credits will be paid in the form of a check.

In no event can FMPA provide a credit for New Load that is proportionally above the Project Participant's load that is served by the ARP.

For a CROD Participant that has a CROD/MAXD ratio that falls below 1.0 following the addition of one or more qualifying New Loads, the monthly metered demand for the New Load(s) to which the credit is applied shall thereafter be adjusted by the following New Load Adjustment Factor over the remainder of the term under this Rider:

$$NLAdj = 1 - \frac{(MAXD - CROD)}{NLD}$$

Where:

NLAdj = New Load Adjustment Factor, expressed as a percentage, which shall be established in the month during which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed each time the CROD Participant's MAXD value changes.

CROD = The CROD Participant's Contract Rate of Delivery, which is a one-time calculation developed pursuant to Section 3(a) of the ARP Contract, as amended, and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

MAXD = The CROD Participant's highest demand during the 12 months ending with the end of the current billing month, which is computed in accordance with Schedule C to the ARP Contract and the Contract Rate of Delivery Implementation Protocols adopted by the Executive Committee.

NLD = The sum of the metered demands of all of the CROD Participant's New Loads, as determined in this Section 5., computed during the first month in which the CROD Participant's MAXD value first exceeds its CROD amount, and recomputed in each subsequent month that either (i) the CROD Participant's MAXD value changes, or (ii) a New Load ceases to receive credits under this Rider.

And where NLAdj can never be greater than 100% or less than 0%.

Once the CROD/MAXD ratio falls below 1.0, per Section 2., the CROD Participant will be ineligible to apply for credits for additional New Load under this Rider.

All other charges to the Project Participant, including but not limited to the Demand Transmission Charge and the Energy Charge, shall be as set forth in the otherwise applicable ARP Rate Schedule(s). In addition, all other provisions of the Rate Schedule(s) otherwise applicable to the Project Participant shall continue to apply.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive credits under this Rider. All meters shall be of a quality acceptable to FMPA. All metering costs pertaining to this program will be borne by the Project Participant or Project Participant's customer. The Project Participant may request FMPA to provide and install the required metering equipment; if so, FMPA will bill the Project Participant for the equipment costs. The

Project Participant must either provide FMPA with access to the meter information, or the Project Participant must provide the meter information for the previous calendar month to FMPA no later than the tenth (10th) day of each month. In the event that it is either not possible or not practical to install metering that can measure the New Load CP Demand separate from existing Project Participant load, an alternative method for measuring the New Load CP Demand may be utilized at FMPA's sole discretion. Prior to being utilized, the alternative method must be approved by FMPA's General Manager and CEO as to its reasonableness in accurately measuring the New Load CP Demand, and the utilization of such alternative method must be reported to the FMPA Executive Committee at its next regularly scheduled meeting.

7. **Term of Service.** Except as limited below in this Section 7., credits provided under this Rider shall be for a term of five (5) years from the commencement of service of each New Load. Such credits under this Rider will terminate at the end of the five (5) year period.

Each New Load must meet or exceed the minimum size requirements, as measured by the New Load CP Demand, at least once during the initial six (6) month service period in order to continue to be eligible to receive the credit beyond that initial period.

Beginning in the seventh (7th) service month, and continuing for the remainder of the service period under this Rider, the credit will be discontinued for any New Load that fails to maintain the minimum size requirements, as measured by the New Load CP Demand, during any three (3) consecutive months. Thereafter, if the New Load is able to resume meeting the minimum size requirements for three (3) consecutive months, payment of the credit will be reinstated beginning with the following month. The credit will be based on the percentage for the then-applicable service month in the table shown in Section 5. No retroactive credits shall be provided.

If the New Load either (1) ceases to take service from the Project Participant, or (2) reduces operations to such a level that it will no longer meet the qualifying criteria, the credit will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

In the event of early termination of the credit, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify to receive the credit. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the credits should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31,2024, or until a total of 30 MW of New Load has qualified under this Rider and/or any other incentive rate rider to Rate Schedule B-1, whichever occurs first.

9. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON MAY 16, 2019, AMENDED ON OCTOBER , 2020

ATTACHMENT 3

Clean and Redline Versions of Revised Economic Development Rate Rider to be Effective October 1, 2020

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

ECONOMIC DEVELOPMENT RATE RIDER

1. **Purpose.** The purpose of this Economic Development Rate (EDR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract large, energy-intensive new business to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD), have not executed a Supplemental Power and Ancillary Services Agreement, and meet at least one of the following conditions:

   - Zero (0) MW CROD
   - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

   For purposes of this Rider, "New Load" is defined as load being established after the effective date of this Rider by a new business (including occupation of an existing, dormant facility by a new business) or by the expansion of an existing establishment.

   This Rider is not available for (1) new load that would have occurred in the Project Participant's service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant's service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the EDR, the ARP must have sufficient capacity available to serve each New Load for the first 10 years of service, and each New Load and Project Participant must meet the following criteria and conditions:

   (a) Each New Load must be a minimum of 5,000 kW for each month, as measured in Section 5, at a single location (multiple meters are allowed at a single campus)

(b) Each New Load must be energy-intensive, meaning the business uses a significant amount of electricity per square foot (at least 100 kWh/ft^2/year)

(c) Each New Load must be separately metered with information from such meters being available to FMPA, as described in Section 6

(d) Electricity price must be a significant determining factor in the site selection competition of the new or expanded business

(e) Project Participant must pass through the EDR demand and energy rates directly to the new or expanded business

- Project Participant must recover its distribution, metering, and customer charges through an adder to the EDR demand rate at a discount, including reductions to general fund transfers. Such adder is not to be increased from the initially determined level during the first 10 years of service
- Project Participant must pass through the EDR energy rate with zero adders

(f) Project Participant cannot receive generation capacity credits, through a Capacity and Energy Sales Contract, higher than the EDR for the amount of capacity used to serve the new or expanded business

For purposes of computing its ARP billing demand capacity pursuant to paragraph 6 of Rate Schedule B-1, the Project Participant has hereby agreed to the following adjustments to its billing demand capacity calculation:

(a) Prior to the first fiscal year for which at least one month of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the Project Participant's best estimate of the New Load size. To the extent that actual metered demand data, once available, reveals a material difference between the estimated load size and the actual load size, FMPA will adjust the estimate for future months' billings. Further, the Executive Committee, in its sole discretion, may approve a true-up billing adjustment to the extent that the original estimate caused excess or deficient credits to be paid to the Project Participant, as applicable.

(b) For fiscal years for which at least one month, but less than twelve months, of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the arithmetic average of the available months' data.

(c) For fiscal years for which all of the metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 are available, the billing demand capacity for the New Load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

(d) Notwithstanding the preceding, the billing demand capacity for the Project Participant's remaining load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

5. **EDR Description.** The following Demand Charges will be applied in lieu of the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant for the period described in Section 7.

Service Month	Demand Charge ($/kW-mo)
EDR Demand Charge to be negotiated on a case-by-case basis and must be approved by the FMPA Executive Committee	

The EDR Demand Charge shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the New Load measured during the month (New Load Demand).

The EDR Energy Charge will negotiated on a case-by-case basis and must be (a) designed such that it attempts to recover no less than the ARP's cost to serve the new load, including fuel and non-fuel variable costs, and (b) approved by the FMPA Executive Committee

If the New Load fails to meet the 5,000 kW threshold in any three (3) consecutive months, the rates will automatically revert to the applicable Load Attraction Incentive Rate (LAIR) rider.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be

required to be installed in order to receive EDR pricing for the New Load under this Rider. All meters must meet the same qualifications as those required at the Point of Measurement in the ARP Contract.

7. **Term of Service.** Except as limited below in this Section 7, pricing provided under this Rider shall be for a term to be negotiated on a case-by-case basis and approved by the FMPA Executive Committee. Such pricing under this Rider will terminate at the end of the negotiated service period.

   If the New Load either (1) ceases to take service from the Project Participant, or (2) modifies operations in such a way that it will no longer meet the qualifying criteria, the EDR pricing will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

   In the event of early termination of the EDR pricing, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the EDR pricing should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2020.

9. **Good Faith Business Development Efforts.** The Project Participant must demonstrate to the Executive Committee that a reasonable amount of good faith business development effort was undertaken to attract the New Load in order to qualify for EDR pricing as set forth in Section 5. Qualification for EDR pricing is at the discretion of the Executive Committee on a case-by-case basis.

10. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON MAY 16, 2019, AMENDED ON OCTOBER ___, 2020

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
ALL-REQUIREMENTS PROJECT PARTICIPANTS

ECONOMIC DEVELOPMENT RATE RIDER

1. **Purpose.** The purpose of this Economic Development Rate (EDR) Rider is to encourage economic growth in Project Participant service territories by providing a financial incentive that a Project Participant can use as part of its package to attract large, energy-intensive new business to its service territory that it would not otherwise have been able to attract, with the ultimate goal of reducing ARP excess capacity.

2. **Availability.** This Rider is available to all Project Participants except for those Project Participants that have established a Contract Rate of Delivery (CROD), have not executed a Supplemental Power and Ancillary Services Agreement, and meet at least one of the following conditions:

   - Zero (0) MW CROD
   - CROD/MAXD ratio below 1.0

3. **Applicability; Definition of New Load.** This Rider is available to each New Load of a Project Participant that meets the qualifying criteria set forth herein.

   For purposes of this Rider, "New Load" is defined as load being established after the effective date of this Rider by a new business (including occupation of an existing, dormant facility by a new business) or by the expansion of an existing establishment.

   This Rider is not available for (1) new load that would have occurred in the Project Participant's service territory without the financial incentive provided by this Rider, or (2) retention of existing load or for relocation of existing load within the Project Participant's service territory, except that relocating businesses that provide expansion of existing business may qualify for the expanded load only.

4. **Qualifying Criteria.** To qualify to receive the EDR, the ARP must have sufficient capacity available to serve each New Load for the first 10 years of service, and each New Load and Project Participant must meet the following criteria and conditions:

(a) Each New Load must be a minimum of 5,000 kW for each month, as measured in Section 5, at a single location (multiple meters are allowed at a single campus)

(b) Each New Load must be energy-intensive, meaning the business uses a significant amount of electricity per square foot (at least 100 kWh/ft^2/year)

(c) Each New Load must be separately metered with information from such meters being available to FMPA, as described in Section 6

(d) Electricity price must be a significant determining factor in the site selection competition of the new or expanded business

(e) Project Participant must pass through the EDR demand and energy rates directly to the new or expanded business

- Project Participant must recover its distribution, metering, and customer charges through an adder to the EDR demand rate at a discount, including reductions to general fund transfers. Such adder is not to be increased from the initially determined level during the first 10 years of service
- Project Participant must pass through the EDR energy rate with zero adders

(f) Project Participant cannot receive generation capacity credits, through a Capacity and Energy Sales Contract, higher than the EDR for the amount of capacity used to serve the new or expanded business

For purposes of computing its ARP billing demand capacity pursuant to paragraph 6 of Rate Schedule B-1, the Project Participant has hereby agreed to the following adjustments to its billing demand capacity calculation:

(a) Prior to the first fiscal year for which at least one month of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the Project Participant's best estimate of the New Load size. To the extent that actual metered demand data, once available, reveals a material difference between the estimated load size and the actual load size, FMPA will adjust the estimate for future months' billings. Further, the Executive Committee, in its sole discretion, may approve a true-up billing adjustment to the extent that the original estimate caused excess or deficient credits to be paid to the Project Participant, as applicable.

(b) For fiscal years for which at least one month, but less than twelve months, of metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 is available, the billing demand capacity for the New Load will be based on the arithmetic average of the available months' data.

(c) For fiscal years for which all of the metered demands to be utilized in the calculation set forth in paragraph 6 of Rate Schedule B-1 are available, the billing demand capacity for the New Load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

~~(f)~~(d) Notwithstanding the preceding, the billing demand capacity for the Project Participant's remaining load will be computed in accordance with paragraph 6 of Rate Schedule B-1.

5. **EDR Description.** The following Demand Charges will be applied in lieu of the then-current base Demand Capacity Charge (in $/kW-mo.) set forth in Rate Schedule B-1 for each qualifying New Load of the Project Participant for the period described in Section 7.

Service Month	Demand Charge ($/kW-mo)
EDR Demand Charge to be negotiated on a case-by-case basis and must be approved by the FMPA Executive Committee	

The EDR Demand Charge shall be applied to the individual New Load's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the New Load measured during the month (New Load Demand).

The EDR Energy Charge will negotiated on a case-by-case basis and must be (a) designed such that it attempts to recover no less than the ARP's cost to serve the new load, including fuel and non-fuel variable costs, and (b) approved by the FMPA Executive Committee

If the New Load fails to meet the 5,000 kW threshold in any three (3) consecutive months, the rates will automatically revert to the applicable Load Attraction Incentive Rate (LAIR) rider.

6. **Meter Requirements.** Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive EDR pricing for the New Load under this Rider. All meters must meet the same qualifications as those required at the Point of Measurement in the ARP Contract.

7. **Term of Service.** Except as limited below in this Section 7, pricing provided under this Rider shall be for a term to be negotiated on a case-by-case basis and approved by the FMPA Executive Committee. Such pricing under this Rider will terminate at the end of the negotiated service period.

   If the New Load either (1) ceases to take service from the Project Participant, or (2) modifies operations in such a way that it will no longer meet the qualifying criteria, the EDR pricing will be terminated immediately. The Project Participant must notify FMPA of such situations in a timely manner.

   In the event of early termination of the EDR pricing, the Project Participant will not be required to reimburse FMPA for any credits received to that point, unless the Project Participant knowingly fails to notify FMPA in a timely fashion of any change to the New Load that would cause it to no longer qualify. In such a situation, the Project Participant will be required to reimburse FMPA for any credits received after the date on which the EDR pricing should have ceased.

8. **Sunset Provision.** This Rider will be available to qualifying New Loads that begin service on or before December 31, 2020.

9. **Good Faith Business Development Efforts.** The Project Participant must demonstrate to the Executive Committee that a reasonable amount of good faith business development effort was undertaken to attract the New Load in order to qualify for EDR pricing as set forth in Section 5. Qualification for EDR pricing is at the discretion of the Executive Committee on a case-by-case basis.

10. **Exceptions.** Any exceptions to the requirements set forth under this Rider must be approved by the Executive Committee on a case-by-case basis.

THIS RIDER APPROVED BY THE FMPA EXECUTIVE COMMITTEE ON MAY 16, 2019, AMENDED ON OCTOBER , 2020

ATTACHMENT 4

Clean and Redline Versions of Revised Contract Rate of Delivery Implementation Protocols to be Effective October 1, 2020

CONTRACT RATE OF DELIVERY IMPLEMENTATION PROTOCOLS

This document has been developed to establish protocols for both FMPA and an All-Requirements Power Supply Project Participant ("Project Participant" or "ARP Participant") that has irrevocably limited the maximum amount of energy that it purchases and receives from the All-Requirements Project ("ARP") so as not to exceed its Contract Rate of Delivery ("CROD"). As utilized for purposes of this document, a Project Participant that has provided notice to FMPA to establish its CROD, or has established its CROD, is referred to herein as a "CROD Participant."

CROD Calculation

Section 3(a) of the All-Requirements Power Supply Project Contract between FMPA and the Project Participant, as amended, (the "ARP Contract") sets forth the calculation of the Project Participant's CROD amount:

> *[T]he Project Participant may irrevocably limit the maximum amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant hereunder as All-Requirements Services for the remainder of the term hereof so as not to exceed its Contract Rate of Delivery determined as follows: (i) the "Contract Rate of Delivery" shall be the peak demand of the Project Participant for electric capacity and energy as All-Requirements Services under this Contract during the 12 months preceding the date one month prior to the date such limitation shall commence, as determined by FMPA, adjusted up or down by not more than a 15% reserve margin so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion; and (ii) such Contract Rate of Delivery shall be reduced by FMPA by the total of the Project Participant's then current Capacity Credit Resources, and Partial Requirements Purchase Contract and any power supply resources the Project Participant is obligated to purchase from other FMPA power supply projects, if any, as defined and determined pursuant to the Project Participant's Capacity and Energy Sales Contract, if applicable. However, such reduction of the Contract Rate of Delivery shall not result in a negative amount of the Contract Rate of Delivery.*

Based on the formula set forth in Section 3(a), FMPA shall make the CROD calculation as follows:

CONTRACT RATE OF DELIVERY IMPLEMENTATION PROTOCOLS

Table 1 – CROD Calculation

Step	Action	Description
1		Project Participant's Maximum CP Demand [1]
2	-	Project Participant's Capacity from Excluded Power Supply Resources [2]
3	=	All-Requirements Services Demand [3]
4	+/-	Adjustments to All-Requirements Services Demand [4]
5	=	Adjusted All-Requirements Services Demand [5]
6	-	Capacity Credit Resources [6]
7	=	CROD [7]

[1] Equals the Project Participant's highest peak demand at the time of the ARP monthly system peak over the period beginning December 1 in the year that is two years prior to the CROD start date and ending November 30 in the year prior the CROD start date. Such amount shall be expressed in (MW) and rounded to the nearest kilowatt (kW).

[2] The amount of capacity included here shall equal the amount of the Project Participant's demand credit for its Excluded Power Supply Resources capacity in the month in which Step 1 occurs, if any. Such amount shall be expressed in megawatts (MW) and rounded to the nearest kilowatt (kW).

[3] Equals the value from Step 1 plus the value from Step 2.

[4] The adjustment can be a positive (addition) or negative (subtraction) amount that is no more than 15 percent of the amount computed in Step 3. Such amount shall be expressed in (MW) and rounded to the nearest kilowatt (kW).

[5] In the event of a positive adjustment in Step 4, equals Step 3 plus Step 4. In the event of a negative adjustment in Step 4, equals the value from Step 3 minus the value from Step 4.

[6] The amount of capacity included here shall equal the then-current capacity credit rating of the Project Participant's capacity credit resources as set forth in the Project Participant's Capacity and Energy Sales Contract, or, in the event that the Project Participant has separately assigned capacity resources to the ARP, the then-current capacity rating of the Project Participant's ownership or purchase entitlement of such resource(s) as utilized by FMPA's System Planning department in the month in which Step 1 occurs. For a resource to be included in this calculation, it must have met the availability requirements for receipt of capacity credits pursuant to the requirements of the Capacity and Energy Sales Contract. If a resource was not available or was derated, the Project Participant must demonstrate that it has returned to service before and is available on December 1 of the year prior to the CROD start date. For purposes of this calculation, FMPA reserves the right to test for unit availability and capacity. The value of any capacity credit resources shall be expressed in (MW) and rounded to the nearest kilowatt (kW).

[7] Equals the value from Step 5 minus the value from Step 6.

In the year prior to the year a CROD Participant begins service under CROD, FMPA staff will perform the CROD calculation on a monthly basis, including the full range of any potential adjustments to the CROD amount. In any month in which the projected CROD amount has changed, FMPA will communicate the updated range of potential CROD amounts to the CROD Participant.

During the December meeting of the FMPA Executive Committee in the year prior to the CROD start date, the Executive Committee will vote to set the amount of the adjustment – if any – to be made to the CROD Participant's CROD amount. As part of this process, staff will present the Executive Committee with the CROD Participant's unadjusted CROD amount and a recommendation on any percentage adjustment to be made to the CROD amount. Staff will perform a cost benefit analysis that evaluates the financial impact to the ARP of advancing or deferring the next capacity addition by adjusting the CROD up or down,

respectively, as well as the impact on existing ARP demand costs of such adjustments, essentially comparing the present value of rate impacts of (i) increasing or decreasing CROD and allowing the CROD Participant to grow into that increase or not serve a decrease; against (ii) increasing or decreasing CROD and its impacts on either accelerating or decelerating the need for the next resource by committing to supply that increase/decrease. Staff will utilize the results of this analysis, as well as qualitative considerations, to present its recommendation to the Executive Committee of what percentage adjustment to the CROD amount, if any, would be projected to be most beneficial to the ARP. As soon as practicable after the Executive Committee has established the CROD Participant's CROD amount, FMPA will provide formal written communication to the CROD Participant that documents the CROD amount. Once established, the CROD amount will not be further adjusted over the term of the CROD Participant's ARP Contract.

Schedule C Calculations

The supply of capacity and energy by FMPA to the CROD Participant, as well as the billing for such amounts, is set forth in Schedule C to the ARP Contract. Under Schedule C, the demand and energy quantities provided and billed for CROD service are to be based on the following formulae:

$$Monthly\ Billing\ Demand = \frac{CROD}{MAXD} x\ D$$

$$Monthly\ Billing\ Energy = \frac{CROD}{MAXD} x\ E$$

$$Monthly\ Reactive\ Demand = \frac{CROD}{MAXD} x\ RD$$

Where:

D = Shall be (a) metered demand determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered demand determined in similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.

E = Shall be (a) metered energy determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered energy determined in similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.

RD = Shall be (a) metered reactive demand determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered reactive demand determined in a similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.

CROD = Shall be the Project Participant's Contract Rate of Delivery determined pursuant to Section 3(a) of the Contract.

MAXD = Shall be the highest demand (factor "D") during the 12 months ending with the end of the current billing month.

And where the ratio CROD/MAXD shall never be greater than one.

Paragraph 5 of Schedule A sets forth the Project Participant's metering point identity and location and metering voltage(s).

Paragraph 5 of Schedule B outlines the billing metering for All-Requirements Services as follows:

> *The metered demand in KW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.*
>
> *The metered reactive demand in kVAR in each month shall be the reactive demand, which occurred during the same 60-minute demand interval in which the metered kilowatt demand occurred.*[1]
>
> *Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.*

Based on a review of the above and other contract provisions, FMPA believes that the ARP Contract provides that the amounts measured for factors "D," "E," and "MAXD" are not to be reduced by the amount of the CROD Participant's Excluded Power Supply Resources, if any. However, under a scenario that assumes a perfect forecast and a CROD/MAXD ratio equal to 1.0, such an approach could lead to a CROD Participant essentially purchasing its entire capacity and energy requirements from the ARP under CROD and having to sell its Excluded Power Supply Resource entitlements in every hour. FMPA believes that such an approach would be punitive to the CROD Participant and that the intent of the contract was that these amounts would be adjusted, as necessary, to account for Excluded Power Supply Resources. Therefore, computed amounts for factors "D," "E," and "MAXD" will be reduced to account for the CROD Participant's Excluded Power Supply Resources, if any.[2]

Scheduling CROD Energy

Section 7(d) of the ARP Contract states:

> *In addition to the delivery of electric capacity and energy pursuant to this All-Requirements Power Supply Project Contract and the performance of all acts and actions*

[1] Schedule B refers to Schedule B-1, which is the ARP rate schedule. Schedule B-1 is subject to periodic revision by the EC. The language shown reflects the Schedule B-1 approved by the EC effective October 1, 2013.

[2] See the discussion under the section entitled "Backup and Support Services" regarding the capacity value that will be utilized each month in the calculation of factor "D" for the CROD Participant's Excluded Power Supply Resource(s) in the event the CROD Participant waives its right to receive Backup and Support Services from the ARP.

> *incident thereto, FMPA agrees that it will perform or cause to be performed services, including, but not limited to: … (iii) planning, undertaking, coordinating, and monitoring the economic dispatching and scheduling of electric capacity and energy to the Project Participants; and (iv) providing such other services as FMPA from time to time shall determine to be appropriate or necessary to provide an adequate, reliable and economical supply of electric capacity and energy to the Project Participants.*

As such, FMPA has the contractual right to determine the amount of must-take CROD energy and to schedule that energy with any associated e-tags for hourly CROD energy quantities provided to the CROD Participant. Unless otherwise agreed upon between FMPA and the CROD Participant, the CROD Participant will need to hire a scheduling agent to handle the tagging of any additional energy requirements in excess of the CROD schedules.

In determining the amount of CROD energy to be scheduled to a CROD Participant, FMPA recognizes two issues, which are discussed below:

First, FMPA believes that Schedule C to the ARP Contract provides for FMPA to establish a "normal hourly load pattern" for a month for the CROD Participant as the basis for the quantity of energy to be delivered during that month. However, FMPA believes a weekly load pattern would be beneficial to both the ARP and the CROD Participant.

Second, pursuant to Schedule C, the calculation of MAXD includes the CROD Participant's demand (factor "D") for the "current billing month." However, when scheduling energy to a CROD Participant during a month, FMPA will not know what the CROD Participant's actual coincident peak demand for that month will be, so the MAXD calculation cannot include the factor "D" for that month. Therefore, for scheduling purposes only, the calculation of MAXD will be based on the highest factor "D" during the 12 months prior to the month for which energy is being scheduled ("$MAXD_{Sched}$").[3] For illustration purposes, if FMPA is scheduling energy for January 2015, $MAXD_{Sched}$ would be based on the CROD Participant's highest factor "D" over the period January 2014 through December 2014.

FMPA will use the following methodology for determining the amount of CROD energy to be scheduled to a CROD Participant:

a) The CROD energy schedules, and tags for the CROD Participant will be developed by the Florida Municipal Power Pool ("FMPP"), which handles these functions for all full-requirements Project Participants. The FMPP will develop the amount of CROD energy to be delivered to the CROD Participant based on the CROD Participant's normal hourly load pattern using modifications to the FMPP's processes.

[3] For CROD schedules for the first few days of a month, FMPA may not have complete peak demand information available for the preceding month. Such schedules will be based on the information available at that time. Once the information for the preceding month becomes available, to the extent that it would cause a new $MAXD_{Sched}$ to be set, FMPA will revise the $CROD/MAXD_{Sched}$ ratio applied to future CROD schedules as soon as possible.

(1) FMPP will forecast the daily energy requirements for the entire FMPP[4] in whole MW amounts. FMPP forecasts a rolling one week forecast (including the current day and six additional days) with emphasis on the next day.

(2) FMPP will apply a ratio (historical percent of the CROD Participant's daily load divided by total FMPP daily load (without the CROD Participant's load), based on the most recent five years of actual monthly data) to the total FMPP daily load forecast to develop the CROD Participant's daily energy requirements.

(3) FMPP will apply those total energy requirements to the CROD Participant's normal hourly load pattern to develop the weather-adjusted normal hourly load pattern for that day.

i. The CROD Participant's normal hourly load pattern will be based on five years of historical meter data, broken down into a typical week shape by season, with "extreme hot day" and "extreme cold day" shapes.

ii. If the Florida Reliability Coordinating Council forecasts a "Generating Capacity Advisory" due to an extreme weather forecast for the next day for the portion of the state in which the CROD Participant is located, the "extreme hot day" or "extreme cold day" shape, as appropriate, will be utilized for the two-day-ahead CROD energy schedule.

b) FMPP will subtract off the CROD Participant's applicable seasonal Excluded Power Supply Resource capacity, if any, to reduce the weather-adjusted normal hourly load pattern for that day prior to the CROD/$MAXD_{Sched}$ adjustment.

c) FMPP will apply the current CROD/$MAXD_{Sched}$ ratio that was established for scheduling purposes to these daily energy amounts to determine the "All-Requirements Services" CROD energy that would be scheduled following the "normal hourly load pattern."

(1) CROD is as determined by contract and the "CROD Calculation" section of this document.

(2) $MAXD_{Sched}$ is be the maximum billed coincident peak demand quantity for the CROD Participant over the 12 months ending with the end of the month prior to the month in which energy is delivered (e.g., for capacity and energy supplied during January 2015, MAXD would be computed using data from January 1, 2014 through December 31, 2014).

(3) CROD/$MAXD_{Sched}$ can never be greater than 1.

(4) Any resulting energy amounts that would be greater than the CROD amount will be capped at the CROD amount.

[4] FMPP load consists of the FMPP member native loads (currently the FMPA ARP full-requirements Project Participants, the City of Lakeland, and the Orlando Utilities Commission), as well as any scheduled sale obligations of the members (excluding Quincy).

d) As discussed under the section below entitled "Transmission Losses," the "All-Requirements Services" CROD energy will be grossed up based on the then-current applicable transmission loss factors to account for transmission losses that will be incurred between the CROD Point of Delivery and the CROD Point of Measurement. Because scheduling must be done in whole MWs (in accordance with NAESB standards and Federal Energy Regulatory Commission ("FERC") Pro Forma Open Access Transmission Tariff ("OATT") requirements), for purposes of scheduling, the resulting energy amounts will then each be rounded up or down to the nearest whole MW amount.

e) No later than the close of business each day (except for weekends and holidays discussed below), FMPP would provide the CROD Participant with a six-day ahead CROD energy schedule (including associated losses).

   (1) This time schedule will allow the CROD Participant time to make any additional arrangements necessary to meet its total load requirements.

   (2) Information that would otherwise be provided on a weekend or holiday will be provided on the preceding business day.

   (3) The CROD Participant will have the opportunity to suggest revisions to the CROD energy schedule. FMPA will consider any such suggestions; however, FMPA will not be obligated to revise the CROD energy schedule.

CROD Billing

Charges for All-Requirements Services under CROD will be as set forth in ARP Rate Schedule B-1, unless a separate rate schedule for CROD service is established by the FMPA Executive Committee. Collectively, ARP Rate Schedule B-1 and any future additional rate schedule that addresses CROD are referred to herein as the "ARP Rate Schedule." Specific issues relating to CROD service billing are outlined below.

For billing purposes, MAXD will be computed in accordance with the definition in Schedule C to the ARP Contract, which would equal "the highest demand (factor "D") during the 12 months ending with the end of the current billing month." For example, if during February 2015, FMPA is computing billing quantities for capacity and energy supplied to the CROD Participant during January 2015, MAXD would be computed as the CROD Participant's highest monthly peak demand coincident with the monthly ARP system peak over the period February 2014 through January 2015, giving effect to applicable adjustments.

According to the formula in Schedule C, Monthly Billing Demand quantities under CROD will be based on the CROD/MAXD ratio multiplied by the CROD Participant's "(a) metered demand determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered demand determined in similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system."[5] With the change in the ARP demand billing methodology approved by the Executive Committee and effective October 1,

[5] See the discussion under the section entitled "Backup and Support Services" regarding the capacity value that will be utilized each month for the CROD Participant's Excluded Power Supply Resource(s)in the calculation of the Monthly Billing Demand in the event the CROD Participant waives its right to receive Backup and Support Services from the ARP.

2020, FMPA believes the Monthly Billing Demand quantities under CROD must reflect the CROD/MAXD ratio multiplied by the Participant's demand computed in accordance with paragraph 6 of Rate Schedule B-1. Further, FMPA believes that CROD demand charges should be based on the ARP demand rate charged to full-requirements Project Participants without additional adjustment.

According to the formula in Schedule C, Monthly Billing Energy quantities under CROD will be based on the CROD/MAXD ratio multiplied by the CROD Participant's monthly adjusted metered energy quantities. However, because CROD energy deliveries to the CROD Participant will be 1) based on the schedules developed under the section above entitled "Scheduling CROD Energy," and 2) scheduled in whole megawatts, the total amount of energy delivered during the month will differ from the amount computed using the Monthly Billing Energy formula. FMPA believes that during months in which the actual energy quantities supplied are greater than the Monthly Billing Energy amount, the ARP must recover the cost of all of the energy it supplied. Additionally, FMPA believes that during months in which the actual energy quantities supplied are less than the Monthly Billing Energy amount, it would be punitive for the CROD Participant to pay for energy that the ARP did not deliver. Therefore, the ARP Rate Schedule will include a true-up adjustment to the CROD Monthly Billing Energy quantity to equal the amount of CROD energy actually supplied (net of any energy losses supplied beyond the Point(s) of Delivery, as discussed below under "Transmission Losses").

With regards to the Monthly Billing Reactive Demand, the ARP currently does not have a rate established for reactive power. Therefore, FMPA will not compute the amount of reactive demand for a CROD Participant on a monthly basis, and charges for such are not discussed further herein. However, in the event that the ARP in the future implements a charge for reactive power, this document will be revised to address this CROD component.

Billing for transmission is discussed under "Transmission" below.

The ARP Contract provides for the recovery of costs incurred by FMPA in the provision of CROD capacity and energy to the CROD Participant. For example, there may be additional FMPP charges to the ARP specific to the effort of developing the energy schedules for a CROD Participant. Additionally, FMPA may incur costs to install metering equipment on CROD Participant generating resources. To the extent that the ARP incurs such charges, these charges will be passed through to the CROD Participant.

Calculation of ARP System Peak with CROD Participants

Paragraph 5 of Rate Schedule B-1 to the ARP Contract defines "Billing Metering for All-Requirements Services" as, "The metered demand in kW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month." However, the hourly metered CROD amount (based on the CROD/MAXD x D formula) will differ from the CROD energy scheduled to a CROD Participant during that hour. For purposes of computing the monthly ARP system peak, FMPA believes the intent of the ARP Contract is that the CROD Participant's metered CROD amount, and not the amount of energy scheduled in that hour, should serve as the CROD Participant's ARP demand in that hour. As previously discussed, for billing purposes, the CROD Participant's billing demand will be based on its metered CROD amount, computed in accordance with Schedule C and paragraph 6 of Rate Schedule B-1,

without consideration for what was actually scheduled in that hour, and any difference between the metered CROD demand and the actual scheduled CROD energy during the peak hour is simply part of the monthly difference between what is scheduled and what is metered.

Transmission

Section 3(a) of the ARP Contract states that "the Project Participant shall reimburse FMPA for all transmission costs incurred by FMPA with respect to the Project Participant during the remainder of the term hereof. FMPA will use its best efforts to arrange for and provide to the Project Participant the transmission services required by the Project Participant for its capacity and energy requirements in excess of its Contract Rate of Delivery and all costs related thereto shall be borne by the Project Participant." Currently, all Project Participants that take full requirements service from the ARP – other than KUA – receive transmission service under either the ARP's Network Integration Transmission Service ("NITS") agreement with Duke Energy Florida ("DEF") or the ARP's NITS agreement with Florida Power & Light Company ("FPL"). As a CROD Participant prepares to convert to CROD, it will first need to determine whether it wants to continue to receive transmission service under a NITS arrangement, or whether it wishes to have capacity and energy delivered using Point-to-Point Transmission Service ("PTP").[6] Based on the nature of NITS, it appears highly unlikely that a CROD Participant could remain under the ARP's NITS agreements with either DEF or FPL once it establishes its CROD, and unless otherwise agreed to between FMPA and the CROD Participant, the CROD Participant will need to make its own arrangements for NITS service with the applicable transmission provider ("Transmission Provider").[7] If the CROD Participant wishes to have capacity and energy (from CROD or other sources) delivered to it using Firm PTP Transmission Service, FMPA will – if requested by the CROD Participant – arrange for such transmission service to be provided to the CROD Participant, and the costs of such service will be borne by the CROD Participant. Regardless of the choice the CROD Participant makes regarding transmission service, in order for FMPA to meet its obligations under the ARP Contract, the CROD Participant will need to communicate its intentions regarding such to FMPA in a timely manner.

The CROD Participant will still be responsible for some ARP transmission costs as part of receiving service under CROD. These costs include a portion of the PTP transmission service costs used to wheel Stanton 1, Stanton 2, Stanton A, and Indian River CT A-D capacity and energy from these units to the DEF and FPL interfaces. Additionally, there are other costs currently included in the ARP transmission rate that may not benefit the CROD Participant directly but that represent obligations undertaken by the ARP as a whole. Such costs include but are not necessarily limited to non-firm transmission service costs over the transmission line jointly owned by Key West and the Florida Keys Electric Cooperative, and transmission charges associated with periodic short term capacity and/or energy purchases.

To the extent a new CROD rate schedule is adopted that reflects this, once CROD service commences, the CROD Participant's ARP transmission charges will consist of the following: 1) any transmission charges

[6] Because the billing determinant for NITS is the transmission customer's monthly load, while the billing determinant for PTP is the full amount of the transmission customer's reserved capacity, NITS would typically be a more cost-effective option for the CROD Participant.

[7] FMPA can assist the Project Participant with the NITS application as needed; however, since FMPA will not have control over any additional resources (above CROD and Excluded Power Supply Resources, if any) that the Project Participant may acquire to serve its needs, FMPA would not be a suitable NITS transmission service customer.

directly assignable to the CROD Participant, as outlined in Section 3(a) of Amendment 1 to the ARP Contract, and 2) its load ratio share (based on its monthly transmission billing demand as a percentage of the sum of all Project Participants' monthly transmission billing demands) of all charges and credits included in the ARP transmission rate (except for those charges and credits associated with the ARP's NITS agreements). Assuming the ARP is only responsible for transmission of the CROD Participant's CROD obligation, the CROD Participant's monthly transmission billing demand determinant will be equal to its Monthly Billing Demand as previously outlined in this document. However, if FMPA and the CROD Participant mutually agree that the ARP will also be responsible for the transmission of the CROD Participant's Excluded Power Supply Resources or other non-CROD power supply resources to a designated Point of Delivery, and such transmission will utilize existing ARP transmission agreements, the capacity associated with those resources (in the case of Excluded Power Supply Resources, the CROD Participant's monthly demand credit) will need to be added to the Monthly Billing Demand for purposes of computing the CROD Participant's monthly ARP transmission billing demand.

CROD Responsibility Agreement

FMPA and the CROD Participant will develop an agreement to delineate each party's ongoing responsibilities under CROD ("CROD Responsibility Agreement"). Among other things, the CROD Responsibility Agreement will document (1) each party's responsibility with regards to transmission service once CROD service commences, (2) identify the Point(s) of Delivery for capacity and energy supplied by FMPA to the CROD Participant under the ARP Contract, any other FMPA Project, or any other agreement between FMPA and the CROD Participant, and (3) identify the CROD Participant's Point(s) of Measurement (as discussed below in the section entitled "Metering").

Transmission Losses

The ARP supplies capacity and energy to each Project Participant taking full-requirements service from the ARP at the Project Participant's point of interconnection with the transmission grid (the "city gate"). In addition, the city gate is also where the ARP measures the Participant's receipt of capacity and energy (the Point of Measurement). In the CROD Responsibility Agreement, FMPA and the CROD Participant may ultimately agree upon a Point(s) of Delivery for CROD deliveries ("CROD Point of Delivery") that differs from the city gate, and thus, differs from the Point of Measurement for CROD capacity and energy ("CROD Point of Measurement"). This would primarily occur when the CROD Participant elects to receive NITS, and the Point of Delivery would become FMPA's applicable interface with the Transmission Provider. As CROD capacity and energy will be calculated based on meter information at the CROD Point of Measurement, FMPA will increase the amount of CROD energy it schedules to the CROD Participant to account for transmission losses between the generator(s) and the CROD Point of Measurement, including any transmission losses that will be incurred beyond the CROD Point of Delivery. So long as the cost of providing such losses is embedded in the ARP energy rate, the CROD Participant's demand and energy billing determinants (factors "D" and "E," respectively) will not be increased to reflect transmission losses.

CONTRACT RATE OF DELIVERY IMPLEMENTATION PROTOCOLS

Metering

Under the ARP Contract, the point at which FMPA is required to meter electric capacity and energy that is delivered to a Project Participant is defined as the Point of Measurement. For a CROD Participant, the ARP Contract requires that the Point of Measurement include "any additional point or point required to meter electric capacity and energy delivered to the Project Participant from any other power supplier or from any Project Participant-owned generating resource located on the Project Participant's System." The CROD Participant must identify to FMPA any owned or purchased resources that will be used to serve any portion of its retail load once its CROD is effective and must cooperate with FMPA to ensure that FMPA will have access to meter information for each resource. It is important to note that this would also include city-owned backup generation that can backfeed into the distribution system and serve retail load, as well as net metered customer-owned resources. FMPA will need to meter these resources, or if the CROD Participant or the applicable Transmission Provider will meter the resources, then FMPA will need access to the meter information. All Points of Measurement for the CROD Participant will be listed in the CROD Responsibility Agreement.

Backup and Support Services

Backup and Support Services for a Project Participant's Excluded Power Supply Resources are defined in Section 3(b) of the ARP Contract as "generating support services for such Excluded Power Supply Resources including reserves, deficiency energy (which is energy in an amount equal to up to the Project Participant's Excluded Power Supply Resources whenever the units providing such Excluded Power Supply Resources are operating at less than a 100% capacity factor based on the seasonal net capability of such Excluded Power Supply Resources adjusted for losses), transmission losses and firming capacity associated with the delivery of the Excluded Power Supply Resources or the replacement thereof, including any associated transmission and dispatching services." Further, Section 3(b) states that the "obligation of FMPA to sell and deliver and of the Project Participant to purchase and receive the Back-up and Support Services shall not be affected in any way by any election of the Project Participant to limit its obligation under paragraph (a) of this Section 3 to its Contract Rate of Delivery."

Therefore, unless the CROD Participant waives such contractual right, the ARP will provide Backup and Support Services to the CROD Participant. Any waiver of Backup and Support Services can later be revoked by the CROD Participant. This applies to all CROD Participants, including those CROD Participants with a zero MW CROD.

Notwithstanding any election by a CROD Participant to waive its right to receive Backup and Support Services, the credited capacity for the CROD Participant's Excluded Power Supply Resource(s) utilized in the calculation of its CROD Monthly Billing Demand will be based on the full seasonal capacity from the Excluded Power Supply Resource(s), regardless of the availability of such resource(s) during the hour of the ARP system peak.

Ancillary Services

FERC defines "Ancillary Services" as "Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice." There are several Ancillary

Services that the ARP either provides or acquires from others on behalf of full-requirements Project Participants.[8] The provision of these Ancillary services may change for a CROD Participant, and the CROD Participant will need to understand and consider its options. These Ancillary Services are discussed in more detail below.

1) *Scheduling, System Control and Dispatch Service:* This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area ("BAA"). This service can be provided only by the operator of the BAA in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the BAA operator) or indirectly by the Transmission Provider making arrangements with the BAA operator that performs this service for the Transmission Provider's transmission system. A transmission customer must purchase this service from the Transmission Provider or the BAA operator. For energy that the ARP supplies to Project Participants, the ARP incurs charges for Scheduling, System Control and Dispatch Service in several ways:

    - For energy moved throughout the FMPP BAA, these charges are included as part of the FMPP costs charged to FMPA. These costs are included in the ARP demand rate. FMPA believes it is appropriate for all Project Participants, including those under CROD, to pay their respective share of these charges. Therefore, no adjustment will be made to remove these costs for a CROD Participant.

    - For energy delivered to Project Participants under the ARP NITS agreements with FPL and DEF into the FPL or DEF BAA, or through any other BAA, these charges are included as Schedule 1 ancillary service charges under the respective transmission service bills. These costs are included in the ARP transmission rate and, for a CROD Participant, would be handled as discussed under "Transmission" above; that is, costs associated with the ARP's NITS Agreements with FPL or DEF will effectively be removed from the ARP transmission rate for the CROD Participant. However, a CROD Participant will need to purchase Scheduling, System Control and Dispatch Service for its energy transfers (including CROD and Excluded Resource energy transfers) into the FPL or DEF BAA from its Transmission Provider.

    As previously noted, there may be additional charges by the FMPP to the ARP for the effort of developing the energy schedules for a CROD Participant. If so, these charges will be passed through to the CROD Participant on its ARP bill. Such charges could include, but may not necessarily be limited to, the cost of metering any additional power supply resources of the CROD Participant.

2) *Reactive Supply and Voltage Control from Generation or Other Sources Service:* In order to maintain transmission voltages on a Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the BAA operator are operated to produce (or absorb)

[8] The ARP Contract is a grandfathered agreement, and the ancillary services that FMPA provides to Project Participants under the ARP Contract do not necessarily agree with FERC's definition of Ancillary Services.

reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on a Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to a transmission customer's transaction is determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider. Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the BAA operator) or indirectly by the Transmission Provider making arrangements with the BAA operator that performs this service for the Transmission Provider's transmission system. A transmission customer must purchase this service from the Transmission Provider or the BAA operator. For energy that the ARP supplies to Project Participants, the ARP incurs charges for Reactive Supply and Voltage Control from Generation or Other Sources Service in several ways:

- For energy moved on OUC's transmission facilities, any such charges are included as part of the ARP's or the ARP Project Participants' costs associated with Stanton Units 1&2, Indian River CTs A-D, or Stanton A . As owners of and/or purchasers of power from these facilities, the ARP and Project Participants own (or pay for) their share of the plant equipment used to provide reactive support and voltage control pursuant to OUC's schedule for such services. These costs, if any, are included in the ARP demand rate. All Project Participants, including those under CROD, share in these charges for energy transactions on OUC's transmission facilities. Therefore, no adjustment will be made to remove these costs for a CROD Participant.

- For energy delivered to Project Participants on the transmission facilities of FPL and DEF, or on the facilities of any other transmission service provider, these charges are included as Schedule 2 ancillary service charges under the respective transmission service bills. These costs are included in the ARP transmission rate and, for a CROD Participant, would be handled as discussed under "Transmission" above; that is, costs associated with the ARP's NITS Agreements with FPL or DEF will effectively be removed from the ARP transmission rate for the CROD Participant. However, a CROD Participant will need to purchase Reactive Supply and Voltage Control Service for its energy transactions (including CROD and Excluded Resource energy transactions) on FPL or DEF transmission facilities from FPL or DEF.

3) *Regulation and Frequency Response Service (Load Following Service):* Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the BAA operator that performs this function for the Transmission Provider). The ARP

– through the FMPP – provides this service[9] for the Project Participants taking full requirements service from the ARP, and the charges for such are embedded in the ARP energy rate. Because (1) FMPA will block schedule CROD energy to a CROD Participant, and (2) will no longer be responsible for following the CROD Participant's moment-by-moment changes in load, the ARP will not provide this service to a CROD Participant. Unless it can otherwise secure this service, a CROD Participant will need to purchase Regulation and Frequency Response Service from its Transmission Provider. FMPA believes the ARP should provide some form of credit to the CROD Participant to account for the fact that the CROD Participant will be paying for the load following service through the ARP energy rate but not receiving it from the ARP. FMPA will implement the following procedure for determining and applying such a credit on a CROD Participant's monthly ARP bill:

a. The FMPP calculates an hourly cost incurred by each FMPP participant and service revenue (if any) to be received by each FMPP participant, for FMPP regulation and frequency response service (this is currently referred to within the FMPP as "load following" service). FMPA's aggregation of hourly costs and any revenues are part of the total monthly energy costs that are used to determine the ARP energy rate.

b. Each month, FMPA will determine a credit for the CROD Participant no longer receiving load following service as follows:

   i. FMPA will determine its monthly costs for FMPP load following service from the FMPP settlement database for the most recent settled month. This will typically be the month prior to the billing month (a two-month lag) for the CROD Participant.

   ii. FMPA will divide the costs for load following service by the amount of ARP MWh billed in the same month the costs were incurred. This becomes the load following credit rate to be applied to CROD Participants.

   iii. FMPA will multiply the load following credit rate –as determine in 3.b.i and 3.b.ii - to the CROD Participant's energy billing determinant (kWh) for the same month. This becomes the load following credit to be applied to the CROD Participant's bill in the current billing month.

c. This procedure will be modified in the event that the FMPP changes its methodology for allocating costs to FMPP members for load following service. In the event of a change in FMPP cost allocation methodology, FMPA will use its best efforts to provide an appropriate credit to ensure the CROD participant is not being charged, as part of the ARP energy rate or other rate, for load following service not rendered.

4) *Energy Imbalance Service:* Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. Because (1) FMPA will block-schedule CROD energy to a CROD Participant (i.e., not load following), and (2) CROD energy will be scheduled in whole MW and metered in kWh, a CROD Participant will incur hourly energy imbalance. Unless it can otherwise secure this

[9] Referred to within the FMPP as "load following service."

service, a CROD Participant will need to purchase Energy Imbalance Service from its Transmission Provider. During hours in which scheduled energy is less than the CROD Participant's load, the Transmission Provider will provide the deficient energy quantity and will charge the CROD Participant based on the Transmission Provider's hourly incremental cost. During hours in which scheduled energy is greater than the CROD Participant's load, the Transmission Provider will absorb the excess energy and will credit the CROD Participant based on the Transmission Provider's hourly decremental cost. There are typically tiered deviation bands for imbalance with increasing penalties (increased cost or decreased credit) as the deviation increases.

5) *Spinning Reserve Service* and *6) Supplemental Reserve Service:* Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The ARP – through the FMPP – provides these services for the Project Participants taking full requirements service from the ARP, and the charges for such are embedded in the ARP demand and energy rates. For a CROD Participant, FMPA believes that the ARP Contract requires that the ARP continue to provide these services up to the CROD amount and – unless the Project Participant waives Backup and Support Services – for the CROD Participant's Excluded Power Supply Resources; however, the CROD Participant will need to make arrangements for these services for the balance of its load requirements. Should the CROD Participant elect to purchase these services from the applicable Transmission Provider, FMPA and the CROD Participant will need to coordinate with the Transmission Provider to try to obtain a credit for the reserves provided by FMPA.

Long-Term Load and Demand Forecasting for Non-Zero CROD Participants

In order to properly plan ARP capacity additions to fulfill long-term ARP demand and energy requirements, for those CROD Participants with a non-zero MW CROD, FMPA needs to incorporate the CROD Participant's long-term forecast of its demand and energy needs, as limited by the CROD, along with the load forecasts for full-requirement Project Participants. FMPA will adjust the CROD Participant's long-term load forecast to account for the CROD capacity and energy delivery limitation according to the following methodology:

a) FMPA will work with the CROD Participant in the same manner as it had prior to the implementation of CROD to develop a full-requirements demand and energy forecast pursuant to procedures described in the document *FMPA Scope and Details of ARP Customer Data: Demand, NEL and DSM*:

    i) FMPA will collect retail sales data from the CROD Participant on a quarterly, annual or other routine basis.

ii) FMPA will seek the CROD Participant's input on a preliminary 20-year forecast of the CROD Participant's non-coincident and coincident peak demand and energy requirements, and will incorporate the CROD Participant's comments as applicable.

iii) FMPA will seek an indication of final acceptance of the 20-year forecast from the CROD Participant.

b) For each month of the forecast period, FMPA will determine MAXD for the CROD Participant as the maximum of the CROD Participant's peak demand coincident with the ARP peak over the preceding twelve month period minus any excluded resource capacity of the CROD Participant.

c) FMPA will develop the appropriate CROD/MAXD ratio to be applied for limiting the forecasted coincident peak demand for the CROD Participant for each month of the forecast period.

d) FMPA will apply the CROD/MAXD ratio developed in c) to the forecasted monthly coincident peak demand to derive the CROD-limited monthly CP demand of the CROD Participant, where the resulting demand will never be greater than CROD.

e) FMPA will apply the CROD/MAXD ratio developed in c) to the forecasted energy requirements to derive the CROD-limited monthly energy of the CROD Participant.

f) The results of d) and e) become the CROD Participant's long-term forecast of its coincident peak demand and energy needs, as limited by the CROD, for integration with the forecast of full-requirements Project Participants to develop the long-term ARP forecast.

FMPA will publish the non-zero CROD Participant's long-term forecast of its demand and energy needs, as limited by the CROD, in its Load Forecast report. FMPA will provide the non-zero CROD Participant with a copy of both its full-requirements demand and energy forecast and its forecast as limited by CROD.

Other Contracts Impacted by CROD

The following is a list of additional contracts that FMPA may have with a CROD Participant that will terminate upon the effective date of CROD. This list is not intended to be exhaustive.

- Capacity and Energy Sales Contract
- Agreement for Purchase and Storage of Fuel Oil Inventory
- Mandatory Reliability Standards Compliance Contract
- Tri-Party Net Metering Power Purchase Agreements[10]

[10] These agreements do not automatically terminate upon the commencement of CROD service; however, FMPA will provide the contractually specified notice to terminate any such agreements effective with the commencement date of CROD service.

CONTRACT RATE OF DELIVERY IMPLEMENTATION PROTOCOLS

This document has been developed to establish protocols for both FMPA and an All-Requirements Power Supply Project Participant ("Project Participant" or "ARP Participant") that has irrevocably limited the maximum amount of energy that it purchases and receives from the All-Requirements Project ("ARP") so as not to exceed its Contract Rate of Delivery ("CROD"). As utilized for purposes of this document, a Project Participant that has provided notice to FMPA to establish its CROD, or has established its CROD, is referred to herein as a "CROD Participant."

CROD Calculation

Section 3(a) of the All-Requirements Power Supply Project Contract between FMPA and the Project Participant, as amended, (the "ARP Contract") sets forth the calculation of the Project Participant's CROD amount:

> *[T]he Project Participant may irrevocably limit the maximum amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant hereunder as All-Requirements Services for the remainder of the term hereof so as not to exceed its Contract Rate of Delivery determined as follows: (i) the "Contract Rate of Delivery" shall be the peak demand of the Project Participant for electric capacity and energy as All-Requirements Services under this Contract during the 12 months preceding the date one month prior to the date such limitation shall commence, as determined by FMPA, adjusted up or down by not more than a 15% reserve margin so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion; and (ii) such Contract Rate of Delivery shall be reduced by FMPA by the total of the Project Participant's then current Capacity Credit Resources, and Partial Requirements Purchase Contract and any power supply resources the Project Participant is obligated to purchase from other FMPA power supply projects, if any, as defined and determined pursuant to the Project Participant's Capacity and Energy Sales Contract, if applicable. However, such reduction of the Contract Rate of Delivery shall not result in a negative amount of the Contract Rate of Delivery.*

Based on the formula set forth in Section 3(a), FMPA shall make the CROD calculation as follows:

CONTRACT RATE OF DELIVERY IMPLEMENTATION PROTOCOLS

Table 1 – CROD Calculation

Step	Action	Description
1		Project Participant's Maximum CP Demand [1]
2	-	Project Participant's Capacity from Excluded Power Supply Resources [2]
3	=	All-Requirements Services Demand [3]
4	+/-	Adjustments to All-Requirements Services Demand [4]
5	=	Adjusted All-Requirements Services Demand [5]
6	-	Capacity Credit Resources [6]
7	=	CROD [7]

[1] Equals the Project Participant's highest peak demand at the time of the ARP monthly system peak over the period beginning December 1 in the year that is two years prior to the CROD start date and ending November 30 in the year prior the CROD start date. Such amount shall be expressed in (MW) and rounded to the nearest kilowatt (kW).

[2] The amount of capacity included here shall equal the amount of the Project Participant's demand credit for its Excluded Power Supply Resources capacity in the month in which Step 1 occurs, if any. Such amount shall be expressed in megawatts (MW) and rounded to the nearest kilowatt (kW).

[3] Equals the value from Step 1 plus the value from Step 2.

[4] The adjustment can be a positive (addition) or negative (subtraction) amount that is no more than 15 percent of the amount computed in Step 3. Such amount shall be expressed in (MW) and rounded to the nearest kilowatt (kW).

[5] In the event of a positive adjustment in Step 4, equals Step 3 plus Step 4. In the event of a negative adjustment in Step 4, equals the value from Step 3 minus the value from Step 4.

[6] The amount of capacity included here shall equal the then-current capacity credit rating of the Project Participant's capacity credit resources as set forth in the Project Participant's Capacity and Energy Sales Contract, or, in the event that the Project Participant has separately assigned capacity resources to the ARP, the then-current capacity rating of the Project Participant's ownership or purchase entitlement of such resource(s) as utilized by FMPA's System Planning department in the month in which Step 1 occurs. For a resource to be included in this calculation, it must have met the availability requirements for receipt of capacity credits pursuant to the requirements of the Capacity and Energy Sales Contract. If a resource was not available or was derated, the Project Participant must demonstrate that it has returned to service before and is available on December 1 of the year prior to the CROD start date. For purposes of this calculation, FMPA reserves the right to test for unit availability and capacity. The value of any capacity credit resources shall be expressed in (MW) and rounded to the nearest kilowatt (kW).

[7] Equals the value from Step 5 minus the value from Step 6.

In the year prior to the year a CROD Participant begins service under CROD, FMPA staff will perform the CROD calculation on a monthly basis, including the full range of any potential adjustments to the CROD amount. In any month in which the projected CROD amount has changed, FMPA will communicate the updated range of potential CROD amounts to the CROD Participant.

During the December meeting of the FMPA Executive Committee in the year prior to the CROD start date, the Executive Committee will vote to set the amount of the adjustment – if any – to be made to the CROD Participant's CROD amount. As part of this process, staff will present the Executive Committee with the CROD Participant's unadjusted CROD amount and a recommendation on any percentage adjustment to be made to the CROD amount. Staff will perform a cost benefit analysis that evaluates the financial impact to the ARP of advancing or deferring the next capacity addition by adjusting the CROD up or down,

respectively, as well as the impact on existing ARP demand costs of such adjustments, essentially comparing the present value of rate impacts of (i) increasing or decreasing CROD and allowing the CROD Participant to grow into that increase or not serve a decrease; against (ii) increasing or decreasing CROD and its impacts on either accelerating or decelerating the need for the next resource by committing to supply that increase/decrease. Staff will utilize the results of this analysis, as well as qualitative considerations, to present its recommendation to the Executive Committee of what percentage adjustment to the CROD amount, if any, would be projected to be most beneficial to the ARP. As soon as practicable after the Executive Committee has established the CROD Participant's CROD amount, FMPA will provide formal written communication to the CROD Participant that documents the CROD amount. Once established, the CROD amount will not be further adjusted over the term of the CROD Participant's ARP Contract.

Schedule C Calculations

The supply of capacity and energy by FMPA to the CROD Participant, as well as the billing for such amounts, is set forth in Schedule C to the ARP Contract. Under Schedule C, the demand and energy quantities provided and billed for CROD service are to be based on the following formulae:

$$Monthly\ Billing\ Demand = \frac{CROD}{MAXD} x\ D$$

$$Monthly\ Billing\ Energy = \frac{CROD}{MAXD} x\ E$$

$$Monthly\ Reactive\ Demand = \frac{CROD}{MAXD} x\ RD$$

Where:

D = Shall be (a) metered demand determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered demand determined in similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.

E = Shall be (a) metered energy determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered energy determined in similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.

RD = Shall be (a) metered reactive demand determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered reactive demand determined in a similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.

CROD = Shall be the Project Participant's Contract Rate of Delivery determined pursuant to Section 3(a) of the Contract.

MAXD = Shall be the highest demand (factor "D") during the 12 months ending with the end of the current billing month.

And where the ratio CROD/MAXD shall never be greater than one.

Paragraph 5 of Schedule A sets forth the Project Participant's metering point identity and location and metering voltage(s).

Paragraph 5 of Schedule B outlines the billing metering for All-Requirements Services as follows:

> *The metered demand in KW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.*
>
> *The metered reactive demand in kVAR in each month shall be the reactive demand, which occurred during the same 60-minute demand interval in which the metered kilowatt demand occurred.*[1]
>
> *Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.*

Based on a review of the above and other contract provisions, FMPA believes that the ARP Contract provides that the amounts measured for factors "D," "E," and "MAXD" are not to be reduced by the amount of the CROD Participant's Excluded Power Supply Resources, if any. However, under a scenario that assumes a perfect forecast and a CROD/MAXD ratio equal to 1.0, such an approach could lead to a CROD Participant essentially purchasing its entire capacity and energy requirements from the ARP under CROD and having to sell its Excluded Power Supply Resource entitlements in every hour. FMPA believes that such an approach would be punitive to the CROD Participant and that the intent of the contract was that these amounts would be adjusted, as necessary, to account for Excluded Power Supply Resources. Therefore, computed amounts for factors "D," "E," and "MAXD" will be reduced to account for the CROD Participant's Excluded Power Supply Resources, if any.[2]

Scheduling CROD Energy

Section 7(d) of the ARP Contract states:

> *In addition to the delivery of electric capacity and energy pursuant to this All-Requirements Power Supply Project Contract and the performance of all acts and actions*

[1] Schedule B refers to Schedule B-1, which is the ARP rate schedule. Schedule B-1 is subject to periodic revision by the EC. The language shown reflects the Schedule B-1 approved by the EC effective October 1, 2013.

[2] See the discussion under the section entitled "Backup and Support Services" regarding the capacity value that will be utilized each month in the calculation of factor "D" for the CROD Participant's Excluded Power Supply Resource(s) in the event the CROD Participant waives its right to receive Backup and Support Services from the ARP.

> *incident thereto, FMPA agrees that it will perform or cause to be performed services, including, but not limited to: … (iii) planning, undertaking, coordinating, and monitoring the economic dispatching and scheduling of electric capacity and energy to the Project Participants; and (iv) providing such other services as FMPA from time to time shall determine to be appropriate or necessary to provide an adequate, reliable and economical supply of electric capacity and energy to the Project Participants.*

As such, FMPA has the contractual right to determine the amount of must-take CROD energy and to schedule that energy with any associated e-tags for hourly CROD energy quantities provided to the CROD Participant. Unless otherwise agreed upon between FMPA and the CROD Participant, the CROD Participant will need to hire a scheduling agent to handle the tagging of any additional energy requirements in excess of the CROD schedules.

In determining the amount of CROD energy to be scheduled to a CROD Participant, FMPA recognizes two issues, which are discussed below:

First, FMPA believes that Schedule C to the ARP Contract provides for FMPA to establish a "normal hourly load pattern" for a month for the CROD Participant as the basis for the quantity of energy to be delivered during that month. However, FMPA believes a weekly load pattern would be beneficial to both the ARP and the CROD Participant.

Second, pursuant to Schedule C, the calculation of MAXD includes the CROD Participant's demand (factor "D") for the "current billing month." However, when scheduling energy to a CROD Participant during a month, FMPA will not know what the CROD Participant's actual coincident peak demand for that month will be, so the MAXD calculation cannot include the factor "D" for that month. Therefore, for scheduling purposes only, the calculation of MAXD will be based on the highest factor "D" during the 12 months prior to the month for which energy is being scheduled ("$MAXD_{Sched}$").[3] For illustration purposes, if FMPA is scheduling energy for January 2015, $MAXD_{Sched}$ would be based on the CROD Participant's highest factor "D" over the period January 2014 through December 2014.

FMPA will use the following methodology for determining the amount of CROD energy to be scheduled to a CROD Participant:

a) The CROD energy schedules, and tags for the CROD Participant will be developed by the Florida Municipal Power Pool ("FMPP"), which handles these functions for all full-requirements Project Participants. The FMPP will develop the amount of CROD energy to be delivered to the CROD Participant based on the CROD Participant's normal hourly load pattern using modifications to the FMPP's processes.

[3] For CROD schedules for the first few days of a month, FMPA may not have complete peak demand information available for the preceding month. Such schedules will be based on the information available at that time. Once the information for the preceding month becomes available, to the extent that it would cause a new $MAXD_{Sched}$ to be set, FMPA will revise the $CROD/MAXD_{Sched}$ ratio applied to future CROD schedules as soon as possible.

(1) FMPP will forecast the daily energy requirements for the entire FMPP[4] in whole MW amounts. FMPP forecasts a rolling one week forecast (including the current day and six additional days) with emphasis on the next day.

(2) FMPP will apply a ratio (historical percent of the CROD Participant's daily load divided by total FMPP daily load (without the CROD Participant's load), based on the most recent five years of actual monthly data) to the total FMPP daily load forecast to develop the CROD Participant's daily energy requirements.

(3) FMPP will apply those total energy requirements to the CROD Participant's normal hourly load pattern to develop the weather-adjusted normal hourly load pattern for that day.

i. The CROD Participant's normal hourly load pattern will be based on five years of historical meter data, broken down into a typical week shape by season, with "extreme hot day" and "extreme cold day" shapes.

ii. If the Florida Reliability Coordinating Council forecasts a "Generating Capacity Advisory" due to an extreme weather forecast for the next day for the portion of the state in which the CROD Participant is located, the "extreme hot day" or "extreme cold day" shape, as appropriate, will be utilized for the two-day-ahead CROD energy schedule.

b) FMPP will subtract off the CROD Participant's applicable seasonal Excluded Power Supply Resource capacity, if any, to reduce the weather-adjusted normal hourly load pattern for that day prior to the CROD/$MAXD_{Sched}$ adjustment.

c) FMPP will apply the current CROD/$MAXD_{Sched}$ ratio that was established for scheduling purposes to these daily energy amounts to determine the "All-Requirements Services" CROD energy that would be scheduled following the "normal hourly load pattern."

(1) CROD is as determined by contract and the "CROD Calculation" section of this document.

(2) $MAXD_{Sched}$ is be the maximum billed coincident peak demand quantity for the CROD Participant over the 12 months ending with the end of the month prior to the month in which energy is delivered (e.g., for capacity and energy supplied during January 2015, MAXD would be computed using data from January 1, 2014 through December 31, 2014).

(3) CROD/$MAXD_{Sched}$ can never be greater than 1.

(4) Any resulting energy amounts that would be greater than the CROD amount will be capped at the CROD amount.

[4] FMPP load consists of the FMPP member native loads (currently the FMPA ARP full-requirements Project Participants, the City of Lakeland, and the Orlando Utilities Commission), as well as any scheduled sale obligations of the members (excluding Quincy).

d) As discussed under the section below entitled "Transmission Losses," the "All-Requirements Services" CROD energy will be grossed up based on the then-current applicable transmission loss factors to account for transmission losses that will be incurred between the CROD Point of Delivery and the CROD Point of Measurement. Because scheduling must be done in whole MWs (in accordance with NAESB standards and Federal Energy Regulatory Commission ("FERC") Pro Forma Open Access Transmission Tariff ("OATT") requirements), for purposes of scheduling, the resulting energy amounts will then each be rounded up or down to the nearest whole MW amount.

e) No later than the close of business each day (except for weekends and holidays discussed below), FMPP would provide the CROD Participant with a six-day ahead CROD energy schedule (including associated losses).

(1) This time schedule will allow the CROD Participant time to make any additional arrangements necessary to meet its total load requirements.

(2) Information that would otherwise be provided on a weekend or holiday will be provided on the preceding business day.

(3) The CROD Participant will have the opportunity to suggest revisions to the CROD energy schedule. FMPA will consider any such suggestions; however, FMPA will not be obligated to revise the CROD energy schedule.

CROD Billing

Charges for All-Requirements Services under CROD will be as set forth in ARP Rate Schedule B-1, unless a separate rate schedule for CROD service is established by the FMPA Executive Committee. Collectively, ARP Rate Schedule B-1 and any future additional rate schedule that addresses CROD are referred to herein as the "ARP Rate Schedule." Specific issues relating to CROD service billing are outlined below.

For billing purposes, MAXD will be computed in accordance with the definition in Schedule C to the ARP Contract, which would equal "the highest demand (factor "D") during the 12 months ending with the end of the current billing month." For example, if during February 2015, FMPA is computing billing quantities for capacity and energy supplied to the CROD Participant during January 2015, MAXD would be computed as the CROD Participant's highest monthly peak demand coincident with the monthly ARP system peak over the period February 2014 through January 2015, giving effect to applicable adjustments.

According to the formula in Schedule C, Monthly Billing Demand quantities under CROD will be based on the CROD/MAXD ratio multiplied by the CROD Participant's "(a) metered demand determined pursuant to paragraph 5 of Schedule A and paragraph 5 of Schedule B, giving effect to all adjustments, plus (b) the metered demand determined in similar manner to paragraph 5 of Schedule B, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system~~hourly demand at the time of the monthly ARP system peak, giving effect to applicable adjustments~~."[5] With the change in the

[5] See the discussion under the section entitled "Backup and Support Services" regarding the capacity value that will be utilized each month for the CROD Participant's Excluded Power Supply Resource(s)in the calculation of the Monthly Billing Demand in the event the CROD Participant waives its right to receive Backup and Support Services from the ARP.

ARP demand billing methodology approved by the Executive Committee and effective October 1, 2020, FMPA believes the Monthly Billing Demand quantities under CROD must reflect the CROD/MAXD ratio multiplied by the Participant's demand computed in accordance with paragraph 6 of Rate Schedule B-1. Further, FMPA believes that CROD demand charges should be based on the ARP demand rate charged to full-requirements Project Participants without additional adjustment.

According to the formula in Schedule C, Monthly Billing Energy quantities under CROD will be based on the CROD/MAXD ratio multiplied by the CROD Participant's monthly adjusted metered energy quantities. However, because CROD energy deliveries to the CROD Participant will be 1) based on the schedules developed under the section above entitled "Scheduling CROD Energy," and 2) scheduled in whole megawatts, the total amount of energy delivered during the month will differ from the amount computed using the Monthly Billing Energy formula. FMPA believes that during months in which the actual energy quantities supplied are greater than the Monthly Billing Energy amount, the ARP must recover the cost of all of the energy it supplied. Additionally, FMPA believes that during months in which the actual energy quantities supplied are less than the Monthly Billing Energy amount, it would be punitive for the CROD Participant to pay for energy that the ARP did not deliver. Therefore, the ARP Rate Schedule will include a true-up adjustment to the CROD Monthly Billing Energy quantity to equal the amount of CROD energy actually supplied (net of any energy losses supplied beyond the Point(s) of Delivery, as discussed below under "Transmission Losses").

With regards to the Monthly Billing Reactive Demand, the ARP currently does not have a rate established for reactive power. Therefore, FMPA will not compute the amount of reactive demand for a CROD Participant on a monthly basis, and charges for such are not discussed further herein. However, in the event that the ARP in the future implements a charge for reactive power, this document will be revised to address this CROD component.

Billing for transmission is discussed under "Transmission" below.

The ARP Contract provides for the recovery of costs incurred by FMPA in the provision of CROD capacity and energy to the CROD Participant. For example, there may be additional FMPP charges to the ARP specific to the effort of developing the energy schedules for a CROD Participant. Additionally, FMPA may incur costs to install metering equipment on CROD Participant generating resources. To the extent that the ARP incurs such charges, these charges will be passed through to the CROD Participant.

Calculation of ARP System Peak with CROD Participants

Paragraph 5 of Rate Schedule B-1 to the ARP Contract defines "Billing Metering for All-Requirements Services" as, "The metered demand in kW in each month shall be the individual Project Participant's total 60 minute integrated demand at the time of the highest 60 minute integrated demand for the total of all ARP system Project Participants (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month." However, the hourly metered CROD amount (based on the CROD/MAXD x D formula) will differ from the CROD energy scheduled to a CROD Participant during that hour. For purposes of computing the monthly ARP system peak, FMPA believes the intent of the ARP Contract is that the CROD Participant's metered CROD amount, and not the amount of energy scheduled in that hour, should serve as the CROD Participant's ARP demand in that hour. As previously discussed, for billing purposes, the CROD Participant's billing demand will be based on its

metered CROD amount, computed in accordance with Schedule C and paragraph 6 of Rate Schedule B-1, without consideration for what was actually scheduled in that hour, and any difference between the metered CROD demand and the actual scheduled CROD energy during the peak hour is simply part of the monthly difference between what is scheduled and what is metered.

Transmission

Section 3(a) of the ARP Contract states that "the Project Participant shall reimburse FMPA for all transmission costs incurred by FMPA with respect to the Project Participant during the remainder of the term hereof. FMPA will use its best efforts to arrange for and provide to the Project Participant the transmission services required by the Project Participant for its capacity and energy requirements in excess of its Contract Rate of Delivery and all costs related thereto shall be borne by the Project Participant." Currently, all Project Participants that take full requirements service from the ARP – other than KUA – receive transmission service under either the ARP's Network Integration Transmission Service ("NITS") agreement with Duke Energy Florida ("DEF") or the ARP's NITS agreement with Florida Power & Light Company ("FPL"). As a CROD Participant prepares to convert to CROD, it will first need to determine whether it wants to continue to receive transmission service under a NITS arrangement, or whether it wishes to have capacity and energy delivered using Point-to-Point Transmission Service ("PTP").[6] Based on the nature of NITS, it appears highly unlikely that a CROD Participant could remain under the ARP's NITS agreements with either DEF or FPL once it establishes its CROD, and unless otherwise agreed to between FMPA and the CROD Participant, the CROD Participant will need to make its own arrangements for NITS service with the applicable transmission provider ("Transmission Provider").[7] If the CROD Participant wishes to have capacity and energy (from CROD or other sources) delivered to it using Firm PTP Transmission Service, FMPA will – if requested by the CROD Participant – arrange for such transmission service to be provided to the CROD Participant, and the costs of such service will be borne by the CROD Participant. Regardless of the choice the CROD Participant makes regarding transmission service, in order for FMPA to meet its obligations under the ARP Contract, the CROD Participant will need to communicate its intentions regarding such to FMPA in a timely manner.

The CROD Participant will still be responsible for some ARP transmission costs as part of receiving service under CROD. These costs include a portion of the PTP transmission service costs used to wheel Stanton 1, Stanton 2, Stanton A, and Indian River CT A-D capacity and energy from these units to the DEF and FPL interfaces. Additionally, there are other costs currently included in the ARP transmission rate that may not benefit the CROD Participant directly but that represent obligations undertaken by the ARP as a whole. Such costs include but are not necessarily limited to non-firm transmission service costs over the transmission line jointly owned by Key West and the Florida Keys Electric Cooperative, and transmission charges associated with periodic short term capacity and/or energy purchases.

[6] Because the billing determinant for NITS is the transmission customer's monthly load, while the billing determinant for PTP is the full amount of the transmission customer's reserved capacity, NITS would typically be a more cost-effective option for the CROD Participant.

[7] FMPA can assist the Project Participant with the NITS application as needed; however, since FMPA will not have control over any additional resources (above CROD and Excluded Power Supply Resources, if any) that the Project Participant may acquire to serve its needs, FMPA would not be a suitable NITS transmission service customer.

To the extent a new CROD rate schedule is adopted that reflects this, once CROD service commences, the CROD Participant's ARP transmission charges will consist of the following: 1) any transmission charges directly assignable to the CROD Participant, as outlined in Section 3(a) of Amendment 1 to the ARP Contract, and 2) its load ratio share (based on its monthly transmission billing demand as a percentage of the sum of all Project Participants' monthly transmission billing demands) of all charges and credits included in the ARP transmission rate (except for those charges and credits associated with the ARP's NITS agreements). Assuming the ARP is only responsible for transmission of the CROD Participant's CROD obligation, the CROD Participant's monthly transmission billing demand determinant will be equal to its Monthly Billing Demand as previously outlined in this document. However, if FMPA and the CROD Participant mutually agree that the ARP will also be responsible for the transmission of the CROD Participant's Excluded Power Supply Resources or other non-CROD power supply resources to a designated Point of Delivery, and such transmission will utilize existing ARP transmission agreements, the capacity associated with those resources (in the case of Excluded Power Supply Resources, the CROD Participant's monthly demand credit) will need to be added to the Monthly Billing Demand for purposes of computing the CROD Participant's monthly ARP transmission billing demand.

CROD Responsibility Agreement

FMPA and the CROD Participant will develop an agreement to delineate each party's ongoing responsibilities under CROD ("CROD Responsibility Agreement"). Among other things, the CROD Responsibility Agreement will document (1) each party's responsibility with regards to transmission service once CROD service commences, (2) identify the Point(s) of Delivery for capacity and energy supplied by FMPA to the CROD Participant under the ARP Contract, any other FMPA Project, or any other agreement between FMPA and the CROD Participant, and (3) identify the CROD Participant's Point(s) of Measurement (as discussed below in the section entitled "Metering").

Transmission Losses

The ARP supplies capacity and energy to each Project Participant taking full-requirements service from the ARP at the Project Participant's point of interconnection with the transmission grid (the "city gate"). In addition, the city gate is also where the ARP measures the Participant's receipt of capacity and energy (the Point of Measurement). In the CROD Responsibility Agreement, FMPA and the CROD Participant may ultimately agree upon a Point(s) of Delivery for CROD deliveries ("CROD Point of Delivery") that differs from the city gate, and thus, differs from the Point of Measurement for CROD capacity and energy ("CROD Point of Measurement"). This would primarily occur when the CROD Participant elects to receive NITS, and the Point of Delivery would become FMPA's applicable interface with the Transmission Provider. As CROD capacity and energy will be calculated based on meter information at the CROD Point of Measurement, FMPA will increase the amount of CROD energy it schedules to the CROD Participant to account for transmission losses between the generator(s) and the CROD Point of Measurement, including any transmission losses that will be incurred beyond the CROD Point of Delivery. So long as the cost of providing such losses is embedded in the ARP energy rate, the CROD Participant's demand and energy billing determinants (factors "D" and "E," respectively) will not be increased to reflect transmission losses.

CONTRACT RATE OF DELIVERY IMPLEMENTATION PROTOCOLS

Metering

Under the ARP Contract, the point at which FMPA is required to meter electric capacity and energy that is delivered to a Project Participant is defined as the Point of Measurement. For a CROD Participant, the ARP Contract requires that the Point of Measurement include "any additional point or point required to meter electric capacity and energy delivered to the Project Participant from any other power supplier or from any Project Participant-owned generating resource located on the Project Participant's System." The CROD Participant must identify to FMPA any owned or purchased resources that will be used to serve any portion of its retail load once its CROD is effective and must cooperate with FMPA to ensure that FMPA will have access to meter information for each resource. It is important to note that this would also include city-owned backup generation that can backfeed into the distribution system and serve retail load, as well as net metered customer-owned resources. FMPA will need to meter these resources, or if the CROD Participant or the applicable Transmission Provider will meter the resources, then FMPA will need access to the meter information. All Points of Measurement for the CROD Participant will be listed in the CROD Responsibility Agreement.

Backup and Support Services

Backup and Support Services for a Project Participant's Excluded Power Supply Resources are defined in Section 3(b) of the ARP Contract as "generating support services for such Excluded Power Supply Resources including reserves, deficiency energy (which is energy in an amount equal to up to the Project Participant's Excluded Power Supply Resources whenever the units providing such Excluded Power Supply Resources are operating at less than a 100% capacity factor based on the seasonal net capability of such Excluded Power Supply Resources adjusted for losses), transmission losses and firming capacity associated with the delivery of the Excluded Power Supply Resources or the replacement thereof, including any associated transmission and dispatching services." Further, Section 3(b) states that the "obligation of FMPA to sell and deliver and of the Project Participant to purchase and receive the Back-up and Support Services shall not be affected in any way by any election of the Project Participant to limit its obligation under paragraph (a) of this Section 3 to its Contract Rate of Delivery."

Therefore, unless the CROD Participant waives such contractual right, the ARP will provide Backup and Support Services to the CROD Participant. Any waiver of Backup and Support Services can later be revoked by the CROD Participant. This applies to all CROD Participants, including those CROD Participants with a zero MW CROD.

Notwithstanding any election by a CROD Participant to waive its right to receive Backup and Support Services, the credited capacity for the CROD Participant's Excluded Power Supply Resource(s) utilized in the calculation of its CROD Monthly Billing Demand will be based on the full seasonal capacity from the Excluded Power Supply Resource(s), regardless of the availability of such resource(s) during the hour of the ARP system peak.

Ancillary Services

FERC defines "Ancillary Services" as "Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice." There are several Ancillary

Services that the ARP either provides or acquires from others on behalf of full-requirements Project Participants.[8] The provision of these Ancillary services may change for a CROD Participant, and the CROD Participant will need to understand and consider its options. These Ancillary Services are discussed in more detail below.

1) *Scheduling, System Control and Dispatch Service:* This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area ("BAA"). This service can be provided only by the operator of the BAA in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the BAA operator) or indirectly by the Transmission Provider making arrangements with the BAA operator that performs this service for the Transmission Provider's transmission system. A transmission customer must purchase this service from the Transmission Provider or the BAA operator. For energy that the ARP supplies to Project Participants, the ARP incurs charges for Scheduling, System Control and Dispatch Service in several ways:

    - For energy moved throughout the FMPP BAA, these charges are included as part of the FMPP costs charged to FMPA. These costs are included in the ARP demand rate. FMPA believes it is appropriate for all Project Participants, including those under CROD, to pay their respective share of these charges. Therefore, no adjustment will be made to remove these costs for a CROD Participant.

    - For energy delivered to Project Participants under the ARP NITS agreements with FPL and DEF into the FPL or DEF BAA, or through any other BAA, these charges are included as Schedule 1 ancillary service charges under the respective transmission service bills. These costs are included in the ARP transmission rate and, for a CROD Participant, would be handled as discussed under "Transmission" above; that is, costs associated with the ARP's NITS Agreements with FPL or DEF will effectively be removed from the ARP transmission rate for the CROD Participant. However, a CROD Participant will need to purchase Scheduling, System Control and Dispatch Service for its energy transfers (including CROD and Excluded Resource energy transfers) into the FPL or DEF BAA from its Transmission Provider.

    As previously noted, there may be additional charges by the FMPP to the ARP for the effort of developing the energy schedules for a CROD Participant. If so, these charges will be passed through to the CROD Participant on its ARP bill. Such charges could include, but may not necessarily be limited to, the cost of metering any additional power supply resources of the CROD Participant.

2) *Reactive Supply and Voltage Control from Generation or Other Sources Service:* In order to maintain transmission voltages on a Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the BAA operator are operated to produce (or absorb)

[8] The ARP Contract is a grandfathered agreement, and the ancillary services that FMPA provides to Project Participants under the ARP Contract do not necessarily agree with FERC's definition of Ancillary Services.

reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on a Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to a transmission customer's transaction is determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider. Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the BAA operator) or indirectly by the Transmission Provider making arrangements with the BAA operator that performs this service for the Transmission Provider's transmission system. A transmission customer must purchase this service from the Transmission Provider or the BAA operator. For energy that the ARP supplies to Project Participants, the ARP incurs charges for Reactive Supply and Voltage Control from Generation or Other Sources Service in several ways:

- For energy moved on OUC's transmission facilities, any such charges are included as part of the ARP's or the ARP Project Participants' costs associated with Stanton Units 1&2, Indian River CTs A-D, or Stanton A . As owners of and/or purchasers of power from these facilities, the ARP and Project Participants own (or pay for) their share of the plant equipment used to provide reactive support and voltage control pursuant to OUC's schedule for such services. These costs, if any, are included in the ARP demand rate. All Project Participants, including those under CROD, share in these charges for energy transactions on OUC's transmission facilities. Therefore, no adjustment will be made to remove these costs for a CROD Participant.

- For energy delivered to Project Participants on the transmission facilities of FPL and DEF, or on the facilities of any other transmission service provider, these charges are included as Schedule 2 ancillary service charges under the respective transmission service bills. These costs are included in the ARP transmission rate and, for a CROD Participant, would be handled as discussed under "Transmission" above; that is, costs associated with the ARP's NITS Agreements with FPL or DEF will effectively be removed from the ARP transmission rate for the CROD Participant. However, a CROD Participant will need to purchase Reactive Supply and Voltage Control Service for its energy transactions (including CROD and Excluded Resource energy transactions) on FPL or DEF transmission facilities from FPL or DEF.

3) *Regulation and Frequency Response Service (Load Following Service):* Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the BAA operator that performs this function for the Transmission Provider). The ARP

– through the FMPP – provides this service[9] for the Project Participants taking full requirements service from the ARP, and the charges for such are embedded in the ARP energy rate. Because (1) FMPA will block schedule CROD energy to a CROD Participant, and (2) will no longer be responsible for following the CROD Participant's moment-by-moment changes in load, the ARP will not provide this service to a CROD Participant. Unless it can otherwise secure this service, a CROD Participant will need to purchase Regulation and Frequency Response Service from its Transmission Provider. FMPA believes the ARP should provide some form of credit to the CROD Participant to account for the fact that the CROD Participant will be paying for the load following service through the ARP energy rate but not receiving it from the ARP. FMPA will implement the following procedure for determining and applying such a credit on a CROD Participant's monthly ARP bill:

a. The FMPP calculates an hourly cost incurred by each FMPP participant and service revenue (if any) to be received by each FMPP participant, for FMPP regulation and frequency response service (this is currently referred to within the FMPP as "load following" service). FMPA's aggregation of hourly costs and any revenues are part of the total monthly energy costs that are used to determine the ARP energy rate.

b. Each month, FMPA will determine a credit for the CROD Participant no longer receiving load following service as follows:

   i. FMPA will determine its monthly costs for FMPP load following service from the FMPP settlement database for the most recent settled month. This will typically be the month prior to the billing month (a two-month lag) for the CROD Participant.

   ii. FMPA will divide the costs for load following service by the amount of ARP MWh billed in the same month the costs were incurred. This becomes the load following credit rate to be applied to CROD Participants.

   iii. FMPA will multiply the load following credit rate –as determine in 3.b.i and 3.b.ii - to the CROD Participant's energy billing determinant (kWh) for the same month. This becomes the load following credit to be applied to the CROD Participant's bill in the current billing month.

c. This procedure will be modified in the event that the FMPP changes its methodology for allocating costs to FMPP members for load following service. In the event of a change in FMPP cost allocation methodology, FMPA will use its best efforts to provide an appropriate credit to ensure the CROD participant is not being charged, as part of the ARP energy rate or other rate, for load following service not rendered.

4) *Energy Imbalance Service:* Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. Because (1) FMPA will block-schedule CROD energy to a CROD Participant (i.e., not load following), and (2) CROD energy will be scheduled in whole MW and metered in kWh, a CROD Participant will incur hourly energy imbalance. Unless it can otherwise secure this

[9] Referred to within the FMPP as "load following service."

service, a CROD Participant will need to purchase Energy Imbalance Service from its Transmission Provider. During hours in which scheduled energy is less than the CROD Participant's load, the Transmission Provider will provide the deficient energy quantity and will charge the CROD Participant based on the Transmission Provider's hourly incremental cost. During hours in which scheduled energy is greater than the CROD Participant's load, the Transmission Provider will absorb the excess energy and will credit the CROD Participant based on the Transmission Provider's hourly decremental cost. There are typically tiered deviation bands for imbalance with increasing penalties (increased cost or decreased credit) as the deviation increases.

5) *Spinning Reserve Service* and *6) Supplemental Reserve Service:* Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The ARP – through the FMPP – provides these services for the Project Participants taking full requirements service from the ARP, and the charges for such are embedded in the ARP demand and energy rates. For a CROD Participant, FMPA believes that the ARP Contract requires that the ARP continue to provide these services up to the CROD amount and – unless the Project Participant waives Backup and Support Services – for the CROD Participant's Excluded Power Supply Resources; however, the CROD Participant will need to make arrangements for these services for the balance of its load requirements. Should the CROD Participant elect to purchase these services from the applicable Transmission Provider, FMPA and the CROD Participant will need to coordinate with the Transmission Provider to try to obtain a credit for the reserves provided by FMPA.

Long-Term Load and Demand Forecasting for Non-Zero CROD Participants

In order to properly plan ARP capacity additions to fulfill long-term ARP demand and energy requirements, for those CROD Participants with a non-zero MW CROD, FMPA needs to incorporate the CROD Participant's long-term forecast of its demand and energy needs, as limited by the CROD, along with the load forecasts for full-requirement Project Participants. FMPA will adjust the CROD Participant's long-term load forecast to account for the CROD capacity and energy delivery limitation according to the following methodology:

a) FMPA will work with the CROD Participant in the same manner as it had prior to the implementation of CROD to develop a full-requirements demand and energy forecast pursuant to procedures described in the document *FMPA Scope and Details of ARP Customer Data: Demand, NEL and DSM*:

   i) FMPA will collect retail sales data from the CROD Participant on a quarterly, annual or other routine basis.

ii) FMPA will seek the CROD Participant's input on a preliminary 20-year forecast of the CROD Participant's non-coincident and coincident peak demand and energy requirements, and will incorporate the CROD Participant's comments as applicable.

iii) FMPA will seek an indication of final acceptance of the 20-year forecast from the CROD Participant.

b) For each month of the forecast period, FMPA will determine MAXD for the CROD Participant as the maximum of the CROD Participant's peak demand coincident with the ARP peak over the preceding twelve month period minus any excluded resource capacity of the CROD Participant.

c) FMPA will develop the appropriate CROD/MAXD ratio to be applied for limiting the forecasted coincident peak demand for the CROD Participant for each month of the forecast period.

d) FMPA will apply the CROD/MAXD ratio developed in c) to the forecasted monthly coincident peak demand to derive the CROD-limited monthly CP demand of the CROD Participant, where the resulting demand will never be greater than CROD.

e) FMPA will apply the CROD/MAXD ratio developed in c) to the forecasted energy requirements to derive the CROD-limited monthly energy of the CROD Participant.

f) The results of d) and e) become the CROD Participant's long-term forecast of its coincident peak demand and energy needs, as limited by the CROD, for integration with the forecast of full-requirements Project Participants to develop the long-term ARP forecast.

FMPA will publish the non-zero CROD Participant's long-term forecast of its demand and energy needs, as limited by the CROD, in its Load Forecast report. FMPA will provide the non-zero CROD Participant with a copy of both its full-requirements demand and energy forecast and its forecast as limited by CROD.

Other Contracts Impacted by CROD

The following is a list of additional contracts that FMPA may have with a CROD Participant that will terminate upon the effective date of CROD. This list is not intended to be exhaustive.

- Capacity and Energy Sales Contract
- Agreement for Purchase and Storage of Fuel Oil Inventory
- Mandatory Reliability Standards Compliance Contract
- Tri-Party Net Metering Power Purchase Agreements[10]

[10] These agreements do not automatically terminate upon the commencement of CROD service; however, FMPA will provide the contractually specified notice to terminate any such agreements effective with the commencement date of CROD service.

AGENDA ITEM 8 – ACTION ITEMS

c) Approval of the Removal of the Statutory and Regulatory and Records Management Policies from the Risk Management Policy Exhibits

Executive Committee
October 15, 2020

8c- Approval of the Elimination of the Statutory & Regulatory and Records Management Policies

Board of Directors & Executive Committee

October 15, 2020

Recommended Changes to the Risk Policy Format

Keep the umbrella risk management policy in place

Eliminate those existing policies that are procedural in nature, and add pertinent, risk mitigating functions to the risk management umbrella policy

Streamline the number of individual policies to only include those that

- Delineate staff/spending authorization levels
- Set tolerance levels in high risk areas

Emphasize compensating controls

- Internal Audit review
- Management oversight
- Knowledgeable staff
- Written procedures

FMPA MUNICIPAL POWER

Recommend Deleting Statutory & Regulatory Policy

- Statutory & Regulatory Policy obligations
  - Maintain complete records
  - Update BOD & EC on regulatory environment
  - Report violations to BOD & EC
- Staff Actions
  - Quarterly BOD & EC updates
  - Staff performance issue if BOD & EC learn of violations in an untimely manner
- Policy not needed due to compensating controls

Recommend Deleting Records Management Policy

- Records Management Policy obligations
  - Maintain complete records in accordance to debt requirements or other governmental agencies
  - Follow the Florida Records Retention Schedule
    - GS1-L and GS14
    - Legal will provide final opinion on interpretations of the Schedules
  - Access to certain documents will limited and physically protected
  - Training:
    - HR ensure new employees receive records retention training
    - IT ensures bi-annually all employees are using electronic records management system
    - Legal will annually present formal records retention obligations to all employees

Recommend Deleting Records Management Policy (contd.)

- Staff Actions
  - Training process fully integrated into Agency culture
  - Employee within the Legal Department has Records Retention responsibilities in their job description
  - On boarding procedure to have all new hires watch FRRS (Florida Records Retention Schedule) training
- Compensating controls in place

Recommended Motion

- Move to approve of the elimination of both the Statutory & Regulatory Policy and the Records Management Policy from the Agency's Risk Management Exhibits

FLORIDA MUNICIPAL POWER AGENCY

RISK MANAGEMENT POLICY
APPENDIX G

STATUTORY AND REGULATORY MATTERS POLICY

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STATUTORY AND REGULATORY MATTERS RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY

This Statutory and Regulatory Matters Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure and minimize future business risk resulting from existing statutory and regulatory matters as well as future changes in the statutory and regulatory environment. This Policy is Appendix G of the FMPA Risk Management Policy.

1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms into place, such as those more fully described in Section 5.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse impact on the financial position or reputation of the Agency.

It is the Policy of the Board of Directors and Executive Committee that:

- FMPA will follow all applicable federal, state and local laws.
- Authority is delegated to the General Counsel to create procedures to administer this policy.
- General Counsel shall be directly responsible for the handling of all legislative matters and regulatory proceedings involving the state legislature and Congress, and state and federal agencies, including but not limited to the Florida Department of Revenue (DOR), the Florida Public Service Commission (PSC), the Florida Department of Environmental Protection (DEP), US Department of Energy (DOE), US Environmental Protection Agency (EPA), and the Federal Energy Regulatory Commission (FERC).

- ❖ General Counsel shall have responsibility to direct staff of any department as needed to meet the needs of the Agency in responding to or participating in any legislative or regulatory matter as necessary to represent the interests of the Agency.
- ❖ The Director of Regulatory Affairs shall be responsible for the technical aspects of any regulatory proceedings and assist the General Counsel in administering such proceedings. The Director shall also be the case manager on all FERC legislative measures relating to the delivery of power to the FMPA and ARP members.
- ❖ The Regulatory Compliance Officer shall oversee all NAESB, NERC and FRCC compliance measures.
- ❖ Deviations from this Policy shall be reported to the Finance Committee (FC).

2.0 Scope

FMPA has the authority to represent itself and its members on statutory and regulatory issues. All FMPA activities shall meet FERC, NERC, DOE, EPA, DEP, DOR, FPSC, and FRCC requirements.

The General Counsel has ultimate responsibility for administration of FMPA's statutory and regulatory matters policies.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to ensure the effective and efficient generation of electric power. The General Counsel will cause procedures to be written that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risk encountered by FMPA during the normal course of the business cycle, the

following provides insight into the major areas of statutory and regulatory risk exposure for FMPA.

3.1 Regulatory Risk: The risk of a potential adverse impact on FMPA from an action and direction from an administrative body such as FERC, DOE, EPA, DOR, or DEP. The risk is that a regulatory or legislative matter harms FMPA. For instance, legislative or regulatory action could make it impossible for FMPA to participate in base load generation projects to serve its All-Requirements Power Supply Project participants. Regulatory risk occurs at the local, state and federal level and could have direct impact on FMPA's strategic, operational or financial decisions.

3.2 Environmental Risk: The risk of potential losses associated with a generating or other facilities not complying with federal environmental or other regulations. Examples of environmental non-compliance include emissions violations and toxic spills. When a generating facility is in violation, there is the potential that generating output could be lost. FMPA must replace these generating units with other units or purchase the power at spot market prices that may exceed the cost expected from the failed generator. Substantial damage could also be incurred to the reputation of FMPA.

4.0 Statutory and Regulatory Oversight

The General Counsel, Director of Regulatory Affairs, and Regulatory Compliance Officer are responsible for overseeing regulatory and legislative matters as described in Section 1.0. This oversight includes the following functions:

4.1 Maintaining Records: All documentation of compliance measures taken by the Agency shall be maintained according to regulatory requirements and the Records Management Risk Management Policy.

4.2 Reporting: The General Counsel shall report at least annually to Executive Committee and Board of Directors an update on regulatory or legislative matters affecting the Agency. Regulatory or legislative matters that affect the risk exposure of the Agency shall be reported to the Finance Committee (FC) as needed.

4.3 Violations: Any violation notices or any other notification of non-compliance with regulatory or legislative matters shall be reported to the Risk Management Department upon receipt and to the FC within 5 working days.

5.0 Internal Controls and Ethics

The General Counsel shall cause to be established a system of written internal controls to ensure compliance with all statutory and regulatory requirements, consistent with this Policy and Statutory and Regulatory Matters Procedures, and in accordance with all policies and procedural guidelines established in the Risk Management Policy.

5.1 Continuing Education: The Chief Operating Officer and General Counsel shall ensure that appropriate staff maintains current knowledge regarding the statutory and regulatory matters.

5.2 Policy Compliance: Risk Management staff shall assist General Counsel in monitoring compliance with this Policy and associated Procedures.

6.0 Reporting

The General Counsel shall cause any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The Finance Committee shall cause to be completed an annual report on the

operation and effectiveness of this Asset Management and Operations Policy as described in the FMPA Risk Management Policy, Section 7.0. The General Counsel shall notify the Agency Risk Manager of the current statutory and regulatory risk environment affecting FMPA as appropriate.

Florida Municipal Power Agency
Risk Management Reporting Calendar
Statutory and Regulatory Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Policy Reference
Update to governing bodies	Annually	General Counsel	Section 4.2	Updates
Violations	As needed	General Counsel	Section 4.3	Violations
Deviations from Policy	As needed	General Counsel	Section 6.0	Reporting
Policy operation and effectiveness	Annually	~~AROC~~FC	Section 6.0	Reporting

RISK MANAGEMENT POLICY
APPENDIX L

FLORIDA MUNICIPAL POWER AGENCY

RECORDS MANAGEMENT RISK MANAGEMENT POLICY

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RECORDS MANAGEMENT
RISK MANAGEMENT POLICY
FOR FLORIDA MUNICIPAL POWER AGENCY

This Records Management Policy (the "Policy") and any effective subordinate procedures establish the governance, framework and controls under which Florida Municipal Power Agency ("FMPA") may engage in activities to identify, measure and minimize future business risk resulting from the potential loss of records. Records in this context include written documents, electronic versions of documents, and email. This Policy is Appendix L of the FMPA Risk Management Policy.

1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms into place, such as those more fully described in Section 5.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse impact on the financial or legal position of the Agency.

It is the Policy of the Board of Directors and Executive Committee that:

- The records of the Agency be stored, managed, and retained according to applicable laws.
- The CEO exercises overall responsibility for FMPA's records management system.
- The CEO shall cause procedures to be created to implement this Policy.
- Deviations from this Policy shall be reported to the Finance Committee.

2.0 Scope

This Policy applies to all business records of the Agency including contracts, correspondence (including emails and other electronic communications), and any other corporate records.

The CEO exercises overall responsibility for FMPA's records management system. Each employee of the Agency is responsible for complying with records retention regulations. The Records Management staff in the Information Systems Department is responsible for managing all centrally stored physical and electronic records of the Agency. The Agency has adopted an electronic records management system to reduce legally required records to an electronic format which are stored in the system for easy retrieval. Presently, the Agency follows two Records Retention Schedules established by the State of Florida – GS1-L and GS14.

Records are destroyed only after the retention period established by either GS1-L or GS14 has been satisfied. Records may be retained longer than the state mandated retention period if beneficial to FMPA.

3.0 Types of Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to safeguard the Agency's assets. The CEO shall cause procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risk encountered by FMPA related to Records Management, the following provides insight into the major areas of records management risk exposure for FMPA.

3.1 Operational Risk: The risk that the Agency will not be able to conduct business as needed. An example of operational risk would be if the executed

original of a power supply contract was lost and the Agency was unable to enforce a clause in the contract. Operational risk is mitigated if the documents are protected and copied electronically with off-site back-up of the copy.

3.2 Regulatory Risk: The risk of potential adverse impact of an action or direction from an administrative body such as FERC, DOE, or Treasury Department. The State of Florida, FRCC, and the IRS require that certain documents be retained and available on demand. Should those documents not be available the Agency could suffer negative financial or other consequences.

3.3 Legal Risk: The risk of financial or economic losses incurred by an organization through an unauthorized deviation from any legal obligations imposed by laws, rules, regulations, ordinances, or contracts. As a public agency, FMPA is required to retain certain documents for specific periods of time. Failure to do so is a violation of state or other laws.

4.0 Records Management

The CEO is designated as the First Assistant Secretary to the Board of Directors and Executive Committee in the Agency's By-Laws. As First Assistant Secretary, the CEO has the responsibility to ensure that all books, documents, and papers of the Agency are kept in accordance with standard record keeping practice for utilities, and as may also be required by law, rule or regulation.

Employees shall use the Florida Records Retention Schedules GS1-L and GS14 as a reference for the minimum maintenance requirements and disposal guidelines for records. The Schedules are available on FMPA's Intranet. The Agency's legal counsel shall provide a final opinion in cases where an employee requests clarification of the Records Retention Schedules.

The Agency utilizes an electronic records management system. The IT Manager shall ensure that all employees are assigned access rights to the electronic records management system appropriate to their position and department. In addition to electronic records, physical copies of some vital business records are kept at the Agency's headquarters in the vault, a secure fire-resistant location. Access to the vault shall be restricted to appropriate staff members.

Each employee is responsible for ensuring documents under their control are properly retained either electronically or physically. Managers and supervisors are responsible for their subordinates' adherence to this Policy. When a subordinate is no longer employed by the Agency, the immediate supervisor is responsible for safeguarding in accordance with this Policy all records that were in the former employee's control, until such time as responsibility for those records is transferred to another employee.

5.0 Internal Controls

The CEO shall cause to be established a system of written internal controls to safeguard the Agency's business records, consistent with this Policy and Records Management Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. The controls shall be designed to meet the requirements of all applicable laws, including all applicable Florida records retention schedules. FMPA shall use a cost-benefits analysis when making decisions regarding the implementation of internal controls.

5.1 System of Controls: The system of internal controls includes the Employee Manual issued by the Agency to all employees. The FMPA Employee Manual includes guidelines for the Public Records Law Policy. Further internal controls shall be established to govern the input of documents into the records management system and the destruction of documents that have fulfilled the state mandated retention period.

5.2 Ongoing Training: The IT Manager shall ensure that technical training on the proper use of the electronic records management system is conducted at least biennially for all employees. The Human Resources Department shall ensure that all new employees receive records retention training during orientation,and shall arrange for FMPA's legal counsel to present formal records retention training annually to all employees. Sufficient records shall be maintained in personnel files to show compliance with these training requirements.

5.3 Policy Compliance: Risk Management team shall cause compliance with this Policy to be monitored, which at a minimum shall include performing an annual review. Results of such annual reviews shall be reported to theFinance Committee.

6.0 Reporting

The CEO shall cause any deviations from this Policy to be reported according to the guidelines set forth in the FMPA Risk Management Policy, Section 4.1. The Finance Committee shall cause to be completed an annual report on the operation and effectiveness of this Policy as described in the FMPA Risk Management Policy, Section 7.0. Managers shall report as needed on the current risk environment affecting records management to the Risk Management team, and engage any necessary discussion before moving related items to Finance Committee.

Appendix A

Florida Municipal Power Agency
Risk Management Reporting Calendar
Records Management Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Reference	Policy Reference
Records Management Training	Every two years	IT Manager	Section 5.2	Ongoing Training
Records Retention Training	Annually	FMPA's legal counsel	Section 5.2	Ongoing Training
Policy Compliance	Annually	Risk Manager/Internal Audit Department	Section 5.3	Policy Compliance
Deviations from Policy	As Needed	CEO	Section 6.0	Reporting
Policy Operation & Effectiveness	Annually	**Finance Committee**	Section 6.0	Reporting

AGENDA ITEM 9 – INFORMATION ITEMS

a) Summary of Finance Committee Items

Executive Committee
October 15, 2020

Summary of Finance Committee Items

Board of Directors & Executive Committee

October 15, 2020

Finance Committee Items

Possible Action Items for Next Meeting

Approve Risk Management Policies and Compliance Reports

Recommended Action

- Information only. No action required

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AGENDA ITEM 10 – MEMBER COMMENTS

Executive Committee
October 15, 2020

AGENDA ITEM 11 – ADJOURNMENT

Executive Committee
October 15, 2020