



MEETING AGENDA PACKAGE

Policy Makers Liaisons Committee

January 20, 2021
1:00 to 2:30 p.m.

Meeting Being Held via Teams at:

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

**Dial-in information: 321-299-0575, Access Code 369
567 971# - Link to Join Teams Meeting: [Click here to join
the meeting](#)**

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Policy Makers Liaisons Committee

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

Community Power + Statewide Strength

MEMORANDUM

TO: Policy Makers Liaisons Committee
FROM: Mark McCain
DATE: January 12, 2021
RE: Policy Makers Liaisons Committee Telephonic Meeting
Wednesday, January 20, 2021, 1:00 p.m. to 2:30 p.m. [NOTE TIME]
PLACE: Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819
TEAMS: **Via telephone and Teams, 321-299-0575, Access Code 369 567 971#,**
LINK TO TEAMS MEETING: [Click here to join the meeting](#)
(If you have trouble connecting, please call 407-355-7767)

Chair Dan Robuck, Presiding

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

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum
2. Set Agenda (by vote)
3. Consent Agenda
 - a. Approval of the Minutes for the Meeting Held October 14, 2020
4. Report from the General Manager and CEO (Jacob Williams)
5. Information Items
 - a. CO₂ Reduction Opportunities and Challenges (Jacob Williams)
 - b. Federal Legislative Update (Michael Nolan)
 - c. 2020 SolarWinds Cybersecurity Incident (Carter Manucy)
 - d. Preview of FMPA's Strategic Planning Workshop (Jacob Williams)
6. Member Comments
7. Announcements
 - a. Next Meeting: Wednesday, April 14, 2021 at FMPA, 8553 Commodity Circle, Orlando, FL
8. Adjourn

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

**QUORUM REQUIREMENT
(MAJORITY OF AVERAGE NUMBER OF MEMBERS PRESENT FROM LAST
4 PMLC MEETINGS)**

January 15, 2020 – 7 present

April 15, 2020 – 8 present

July 29, 2020 – 7 present

October 14, 2020 – 8 present

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

**Policy Makers Liaisons Committee Meeting
January 20, 2021**

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

**Policy Makers Liaisons Committee Meeting
January 20, 2021**

AGENDA ITEM 3 – CONSENT AGENDA

- a. Approval of Minutes for the Meetings
Held October 14, 2020**

**Policy Makers Liaisons Committee Meeting
January 20, 2021**

MINUTES
FMPA TELEPHONIC POLICY MAKERS LIAISONS COMMITTEE MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
DATE: WEDNESDAY, OCTOBER 14, 2020
TIME: 1:00 P.M.

MEMBERS PRESENT Tom Perona, Fort Pierce (via telephone)
Bob Page, Green Cove Springs
George Forbes, Jacksonville Beach (via telephone)
Robert Barrios, Key West (via telephone)
Ethel Urbina, Kissimmee (via telephone)
Dan Robuck, Leesburg (via telephone)
Bill Conrad, Newberry
Keith Trace, St. Cloud (via telephone)

OTHERS PRESENT None

STAFF PRESENT Jacob Williams, General Manager & CEO
Mark McCain, Vice President, Member Services and Public Relations
Susan Schumann, Public Relations and External Affairs Manager
Ryan Dumas, Public Relations Specialist
Melisa Inanc, Public Relations Specialist
Navid Nowakhtar, Resource and Strategic Planning Manager
Sue Utley, Executive Assistant to CEO / Asst. Secretary to Board
Isabel Montoya, IT Specialist

Item 1 – Call to Order, Roll Call, Declaration of Quorum

Vice Chair Dan Robuck, called the meeting to order at 1:00 p.m. on Wednesday, October 14, 2020, via telephone and at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. A roll call was taken and 8 members were present.

Item 2 – Set Agenda (By Vote)

MOTION: Tom Perona, Fort Pierce, moved to set the agenda as presented. Bill Conrad, Newberry, seconded the motion. Motion carried 8 – 0.

Item 3 – Consent Agenda

3a – Approval of the Minutes for the meeting held April 15, 2020 and July 29, 2020

MOTION: Robert Barrios, Key West, moved approval of the Minutes of April 15, 2020 and July 29, 2020. Bill Conrad, Newberry, seconded the motion. Motion carried 8 – 0.

Item 4 – Action Items

a. Election of Committee Officers

Mark McCain described the election process.

Tom Perona, Fort Pierce, nominated Dan Robuck as Chairman. Ethel Urbina, Kissimmee, seconded the nomination.

Robert Barrios, Key West, nominated Bob Page, Green Cove Springs, as Vice Chair. Tom Perona, Fort Pierce, seconded the nomination.

The nominations were closed and a vote was taken. The vote was unanimous to elect Dan Robuck, Leesburg, as Chair and Bob Page, Green Cove Springs, as Vice Chair. Motion carried 8 – 0.

b. Approval of 2020-2021 Meeting Schedule

Mark McCain presented the suggested meeting schedule for 2020-2021.

MOTION: Robert Barrios, Key West, moved approval of the 2020-2021 meeting schedule. Ethel Urbina, Kissimmee, seconded the motion. Motion carried 8 – 0.

c. PMLC Charter Review

Mark McCain presented suggested changes to the PMLC charter.

MOTION: Tom Perona, Fort Pierce, moved approval of the recommended revisions to the PMLC Charter for defining the quorum and other minor working enhancements, and recommend the PMLC Charter changes for consideration by FMPA's Board of Directors. Robert Barrios, Key West, seconded the motion. Motion carried 8 – 0.

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

1. Goals Scorecard

Item 6 – Information Items

a. Fiscal 2021 Management Goals

Jacob Williams reported on the proposed FY 2021 management goals.

b. Power Cost Trade-Offs of Carbon Reduction Levels Beyond the 50% Reduction Level in Florida

Jacob Williams reported on the power cost trade-offs of carbon reduction levels beyond the 50% reduction level in Florida.

Item 7 – Member Comments

Robert Barrios, Key West, congratulated Dan Robuck and Bob Page on their elected positions on the Policy Makers Liaisons Committee.

Dan Robuck, Leesburg, said they are doing video segments on their public channel to tell the story of the value of public power.

Item 8 – Announcements

- a. Next Meeting: Wednesday, January 20, 2021 at 1 p.m. at FMPA, 8553 Commodity Circle, Orlando, FL

Item 9 - Adjourn

There being no further business, the meeting was adjourned at 2:05 p.m.

Dan Robuck
Chairman

Sue Utley
Assistant Secretary

Date Approved _____

DR/su

**AGENDA ITEM 4 – REPORT FROM
THE GENERAL MANAGER**

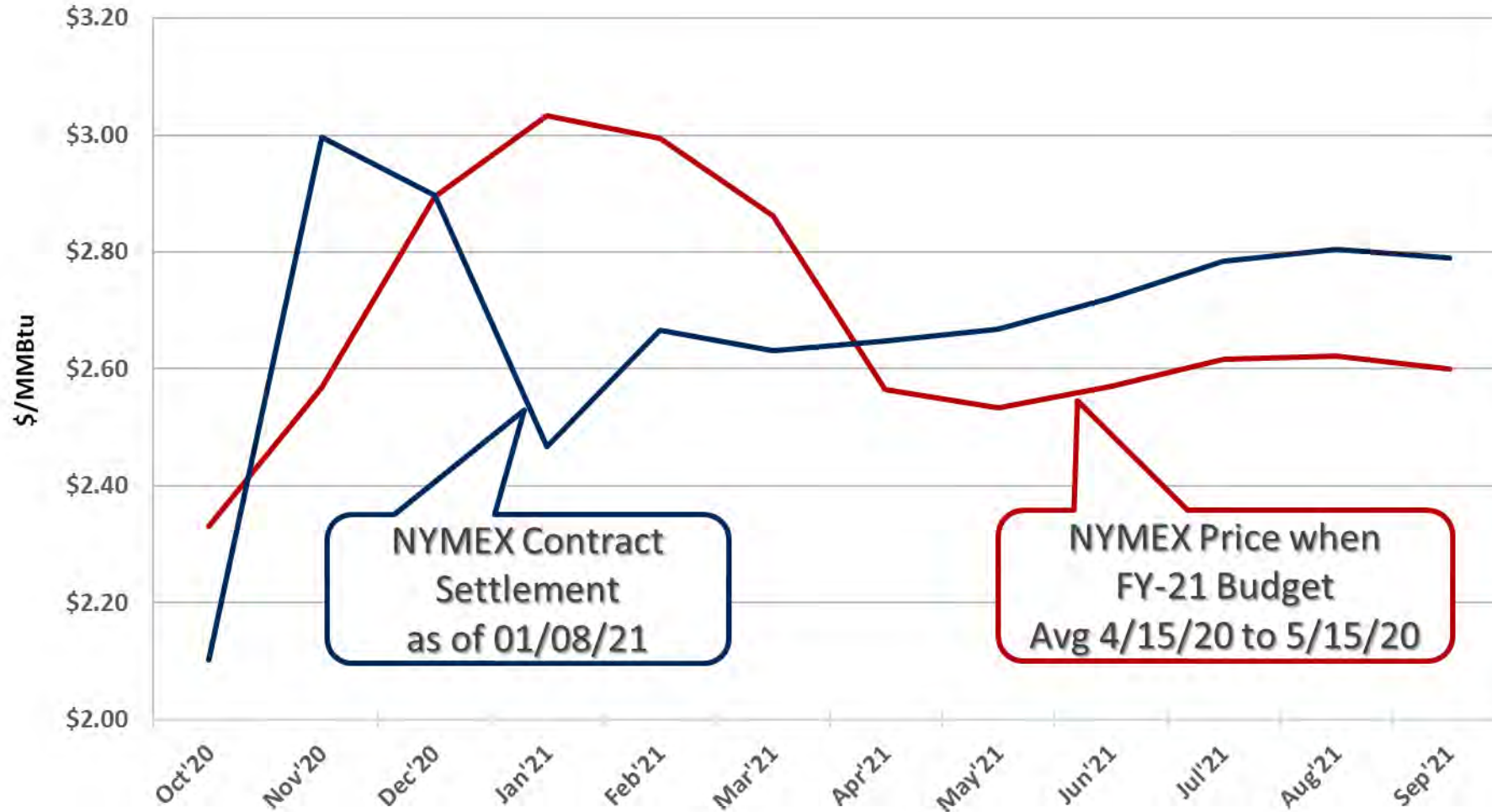
**Policy Makers Liaisons Committee Meeting
January 20, 2021**

Fiscal 2021 Management Goals through December 31, 2020

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|--|---------------------|-----------|------------|------------|--------------|--|
| 1.Safety | Lost-time Accidents | 0 | 1 | 0 | 0 | No lost time accidents for Dec. |
| | OSHA Recordables | 0 | 1 | 0 | 0 | |
| 2.Compliance | Environmental | 0 | 0 | 0 | 0 | Staff awaiting submittal of a self-report for a NERC CIP violation related to a GE monitoring network connection |
| | Financial | 0 | 0 | 0 | 0 | |
| | Regulatory | 0 | 0 | 0 | 0 | |
| 3.Low Cost (\$/MWh) | Under \$70/MWh | \$70.18 * | \$69.48 * | \$74.77 | < \$70.00 | * Estimates. YTD December 2020 MWh sales 5.6%> budget. All-in Costs \$5/MWh (~8%) < YTD target due to O&M (10%), assigned Project Costs (10%) and Admin & General (17%) < target, but TXMS Expenses (4%) above target. |
| | Fuel | \$21.70 * | \$20.37 * | \$20.99 | \$22.19 | |
| | Non-Fuel | \$48.48 * | \$49.11 * | \$53.78 | \$47.81 | |
| 4.Stanton I and Stanton II
Decision from OUC to reduce power costs and emissions | | | | | | Staff working with OUC to obtain conversion capital estimates and work with FGU and FGT on natural gas supply requirements |

FY 2021 NYMEX Contract \$0.00/MMBtu Deviation from Budget

NYMEX Natural Gas FY21 October Settlement (01/08/21)



| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|-------------------|----------------------------------|--------|------------|------------|--------------|---|
| 5.Cyber Security | Breaches | 0 | 0 | 0 | 0 | |
| | Phishing tests | 2.7% | 4.6% | 5% or < | 5% or < | 2 people clicked in Dec. Holiday Gift Exchange Invitation link. |
| | Member assessments | 1 | 1 | 1 | 5 | 3 assessments - in progress |
| 6.Reliability | CC EAF | 97.5% | 89.0% | 85.9% | 90% | TCEC was in outage. |
| | SI black start and trans. backup | 0 | 1 | 1 | 100% | |
| | SAIDI Reduction | 3 | 3 | 3.3 | 10 | Williston coordination review, Bartow TripSavers, Blountstown coordination review |
| 7.Member Services | Leadership member visits | 6 | 22 | 18.75 | 75 | 6 member cities visited by senior leadership team |
| | Projects managed for members | 0 | 6 | 5 | 20 | |
| 8.Value of Muni | Member info updates | 0 | 0 | 4 | 16 | Report development in progress |
| | Presentations Social media | 2 | 5 | 2.5 | 10 | Newberry, Starke, Leesburg, Lake Worth Beach, Chattahoochee |

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|--------------------------|--|--------|------------|------------|--------------|--|
| 9.Load Management | Dev. opportunities for 5 MW | 0 | 0 | | 5 | Workshop scheduled in March, Staff continuing understanding of Members' capabilities |
| 10.Financing | Restructure debt | 0 | 0 | 0 | 1 | RFPs received in December |
| | Extend debt to include R&R funding | 0 | 0 | 0 | 1 | Info item to EC in January |
| | Prepd gas min. svgs. Of \$0.20/mmBtu | 0 | 0 | 0 | 1 | |
| 11.Transmission | Neg. service upgrade for LWB & Homestead | | | | | Ongoing design meetings on schedule |
| 12.People | 360 training for Leadership & mgmt. | 5 | 5 | 1.84 | 11 | 5 Completed. Next 6 will begin in March. |
| | Mgmt. outreach to diverse prof. groups | 1 | 2 | .5 | 3 | Jacob - AABE membership
Linda – NABA membership;
contact at NSBE |
| | Individual development plans | 9 | 9 | 12.5 | 50 | 6 developed first week of January (not included in this number) |
| | FMPA Fleet Team Sharing – Days | 24 | 58 | 17 | 100 | FMPA to Stock Island 24 days. |

**AGENDA ITEM 5 – INFORMATION
ITEMS**

**a. CO₂ Reduction Opportunities and
Challenges**

**Policy Makers Liaisons Committee Meeting
January 20, 2021**



5a – CO₂ Reduction Opportunities and Challenges

Policy Makers Liaisons Committee

January 20, 2021

Elements of President Biden's Plan for Clean Energy Future

Very Aggressive Reduction in CO₂ Emissions

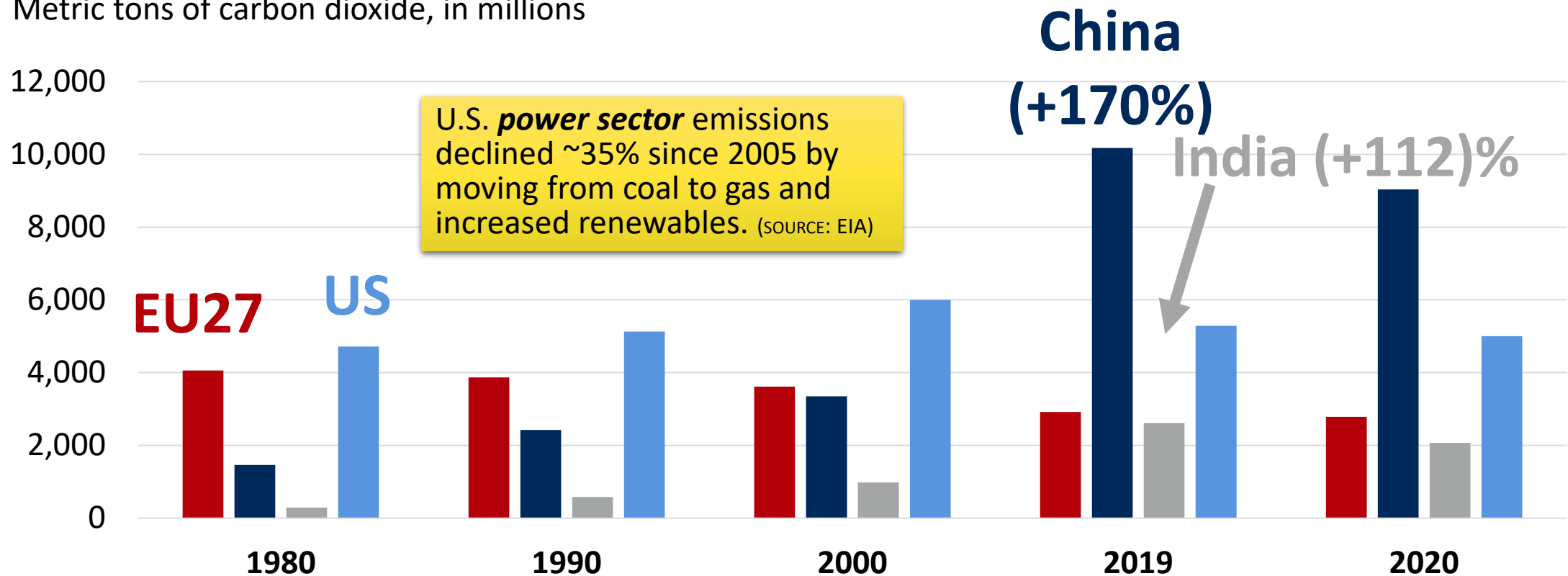
- **Power Sector:** Achieve a carbon-free power sector by 2035
- **Innovation:** Invest in clean energy technologies, including battery storage, negative emissions technologies, next generation building materials, renewable hydrogen, and advanced nuclear
- **Auto Industry:** Incentives for consumers and manufacturers to invest in zero-emission vehicles; public investment in EV infrastructure
- **Transit:** Invest in zero-emission public transportation

CO₂ from China & India Offset Declines from U.S. & EU

U.S. Emissions Declined ~17% Since 2000, Back to 1990 Level

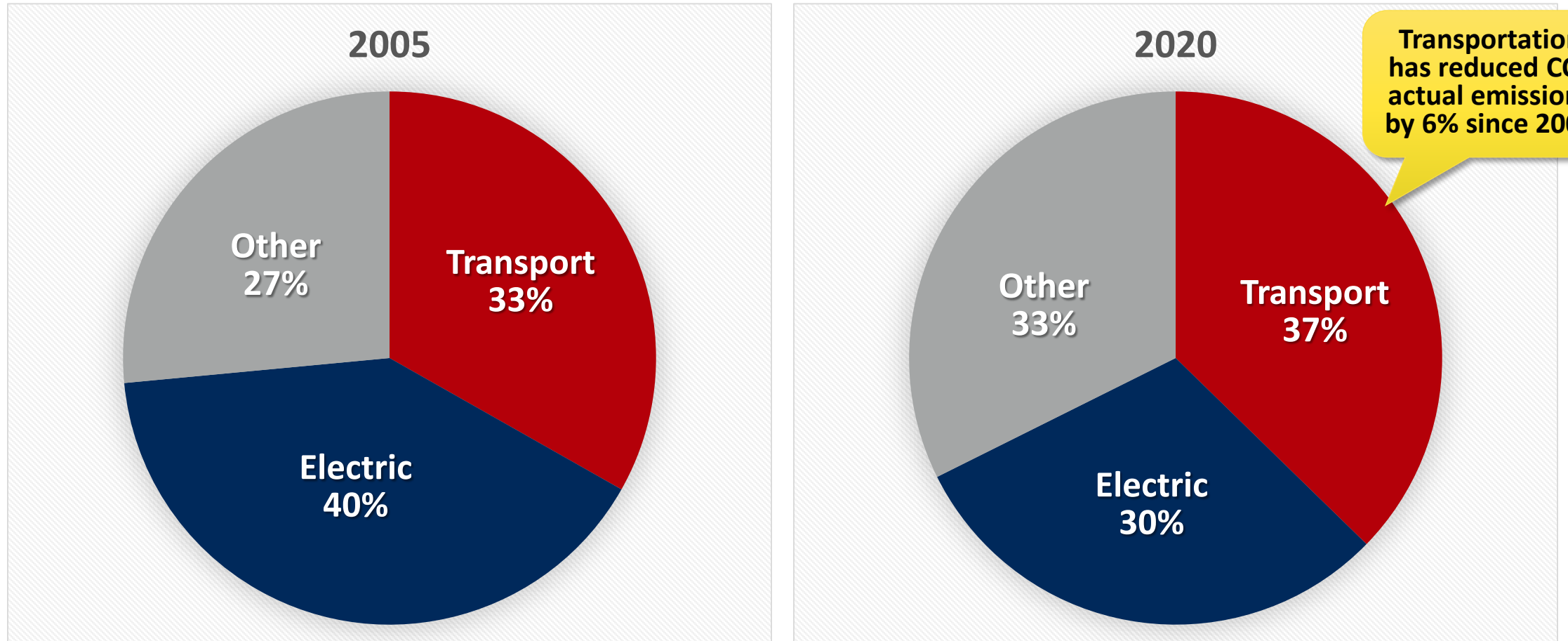
CO₂ Emissions by Territory

Metric tons of carbon dioxide, in millions



U.S. Transportation Sector Now Largest U.S. CO₂ Source

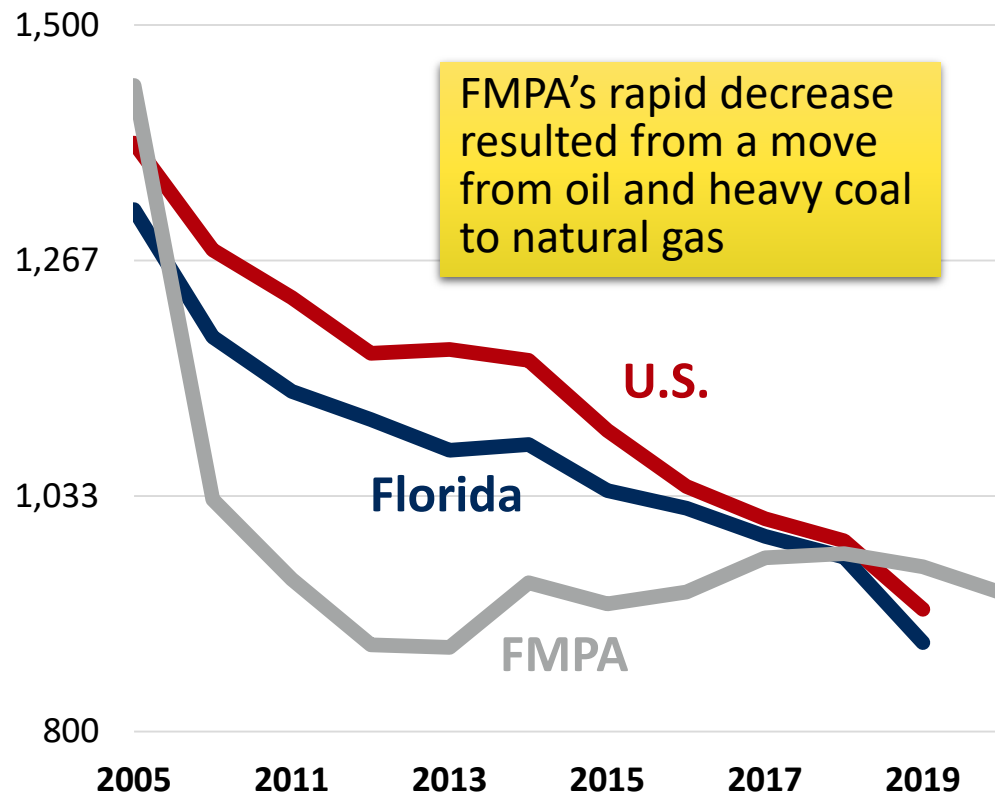
*U.S. Electric Sector Reduced CO₂ Emissions by ~35% Since 2005**



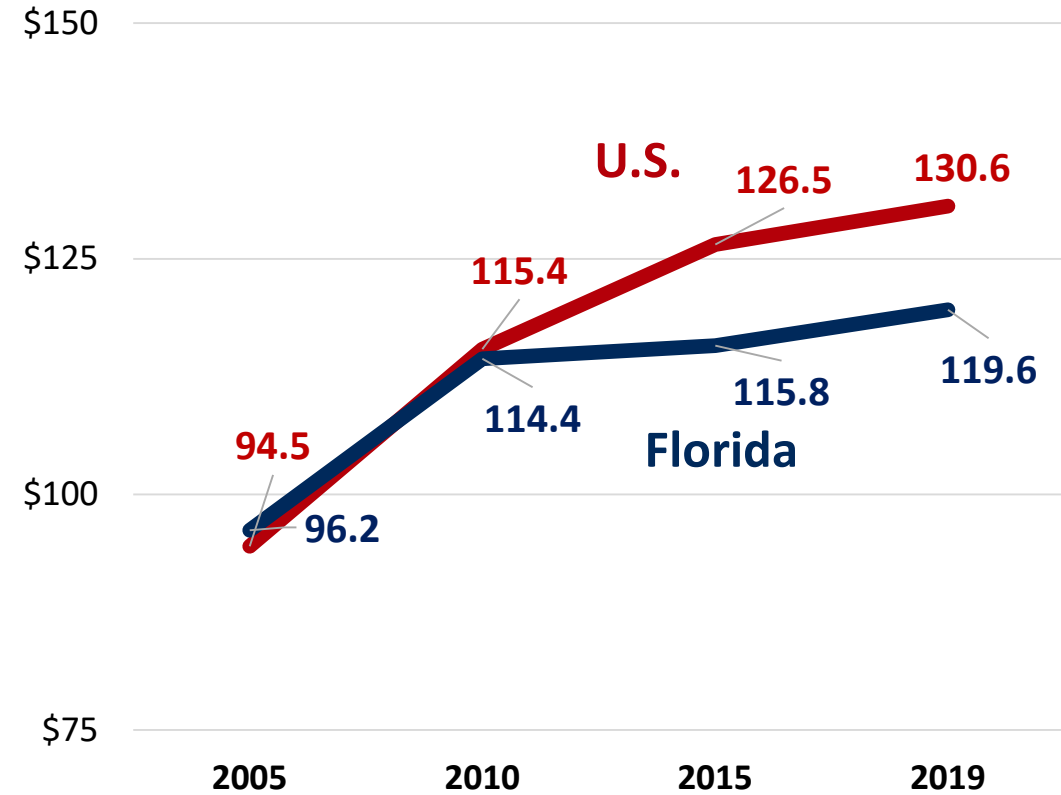
FL CO₂ Declined ~33% Over Last 15 Years, Prices Up 25%

U.S. CO₂ Declined 33% as U.S. Power Prices Rise 38% since 2005

CO₂ Emissions (lbs./MWh)



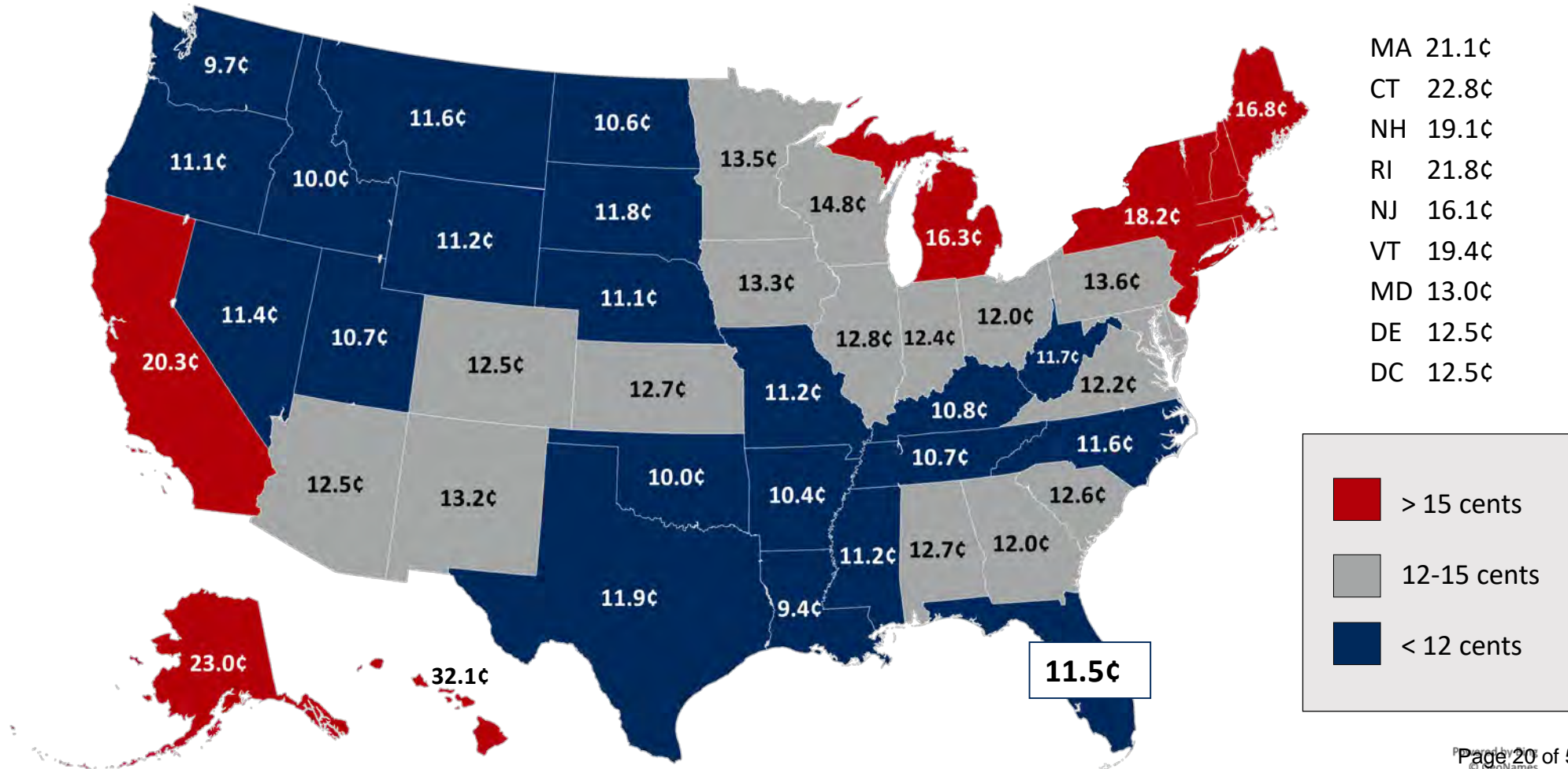
Residential Rate (\$/MWh)



Florida's Residential Electric Cost 16th Lowest in U.S.

Very Competitive in Southeast, Which Must Import Most Fuel

Residential Average Cost, cents per kWh

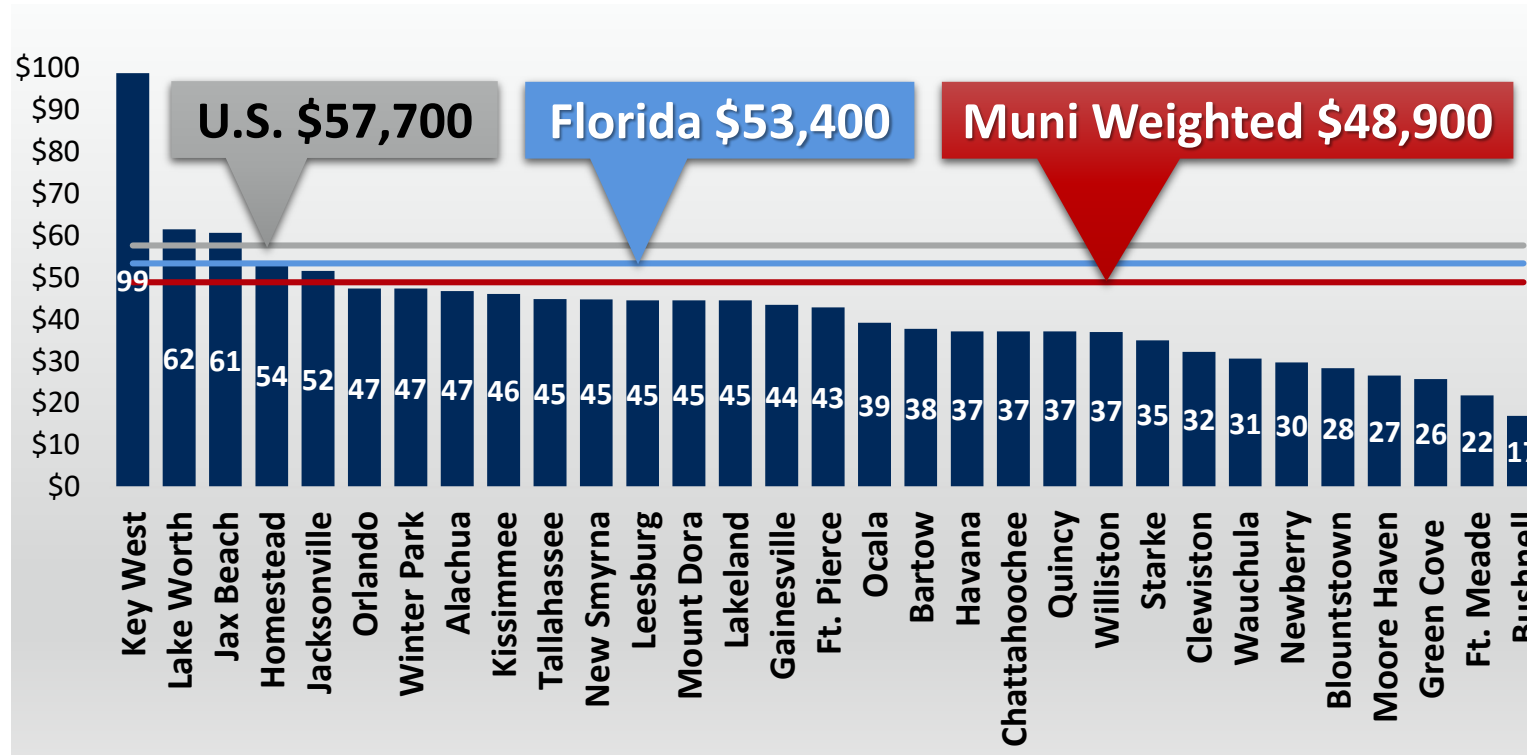


SOURCE: U.S. Energy Information Administration, 2020 year-to-date average

Income in Most FMPA Cities Below U.S., State Averages

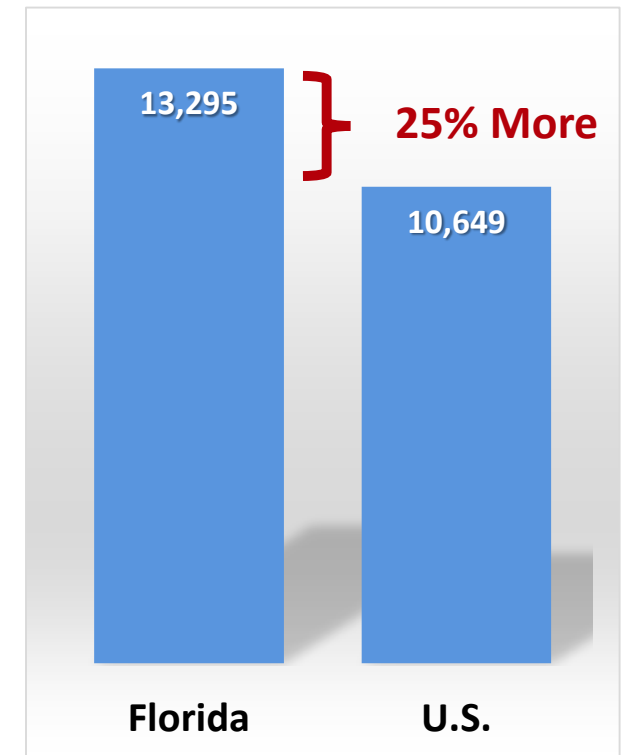
Electric Bill a Big Expense in Florida Because We Use More

2020 Personal Income per Capita
Thousands Omitted, Current Dollars



SOURCE: Woods and Poole Economics, Inc. and U.S. Census Bureau

Residential Electric Usage
Kilowatt hours per customer, 2019



SOURCE: U.S. Energy Information Administration

Utilities Must Balance Cost, Reliability and Emissions

How Much Can Customers Pay for More CO₂ Reductions?



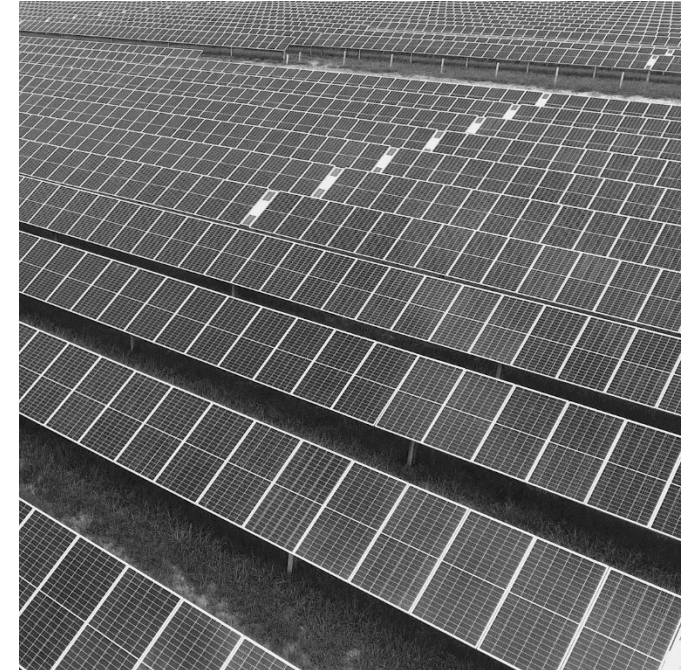
LOW-COST POWER

Customers Need It



RELIABLE POWER

Customers Expect It



CLEAN POWER

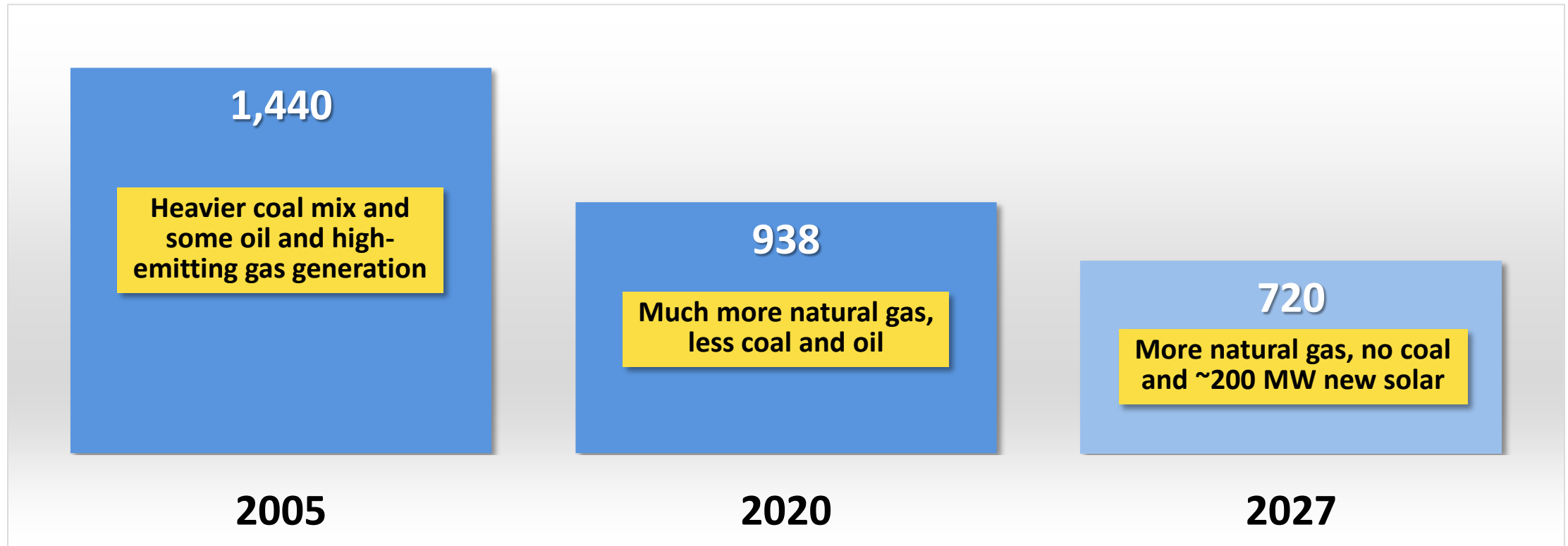
Customers Want It

FMPA CO₂ Declined 35% from 2005

50% Decline from 2005 to 2027: More Gas and Solar, No Coal

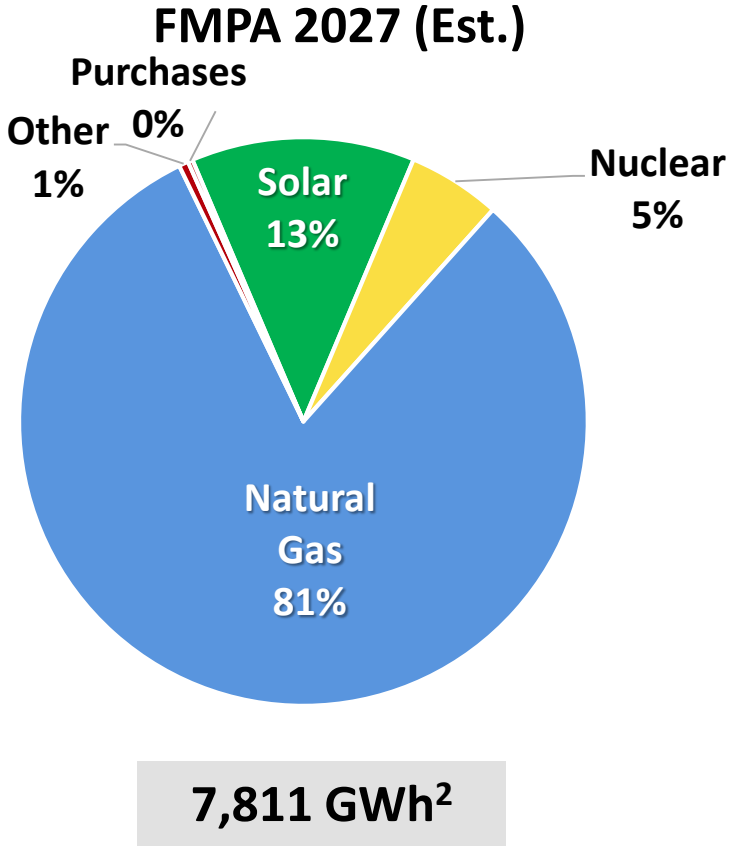
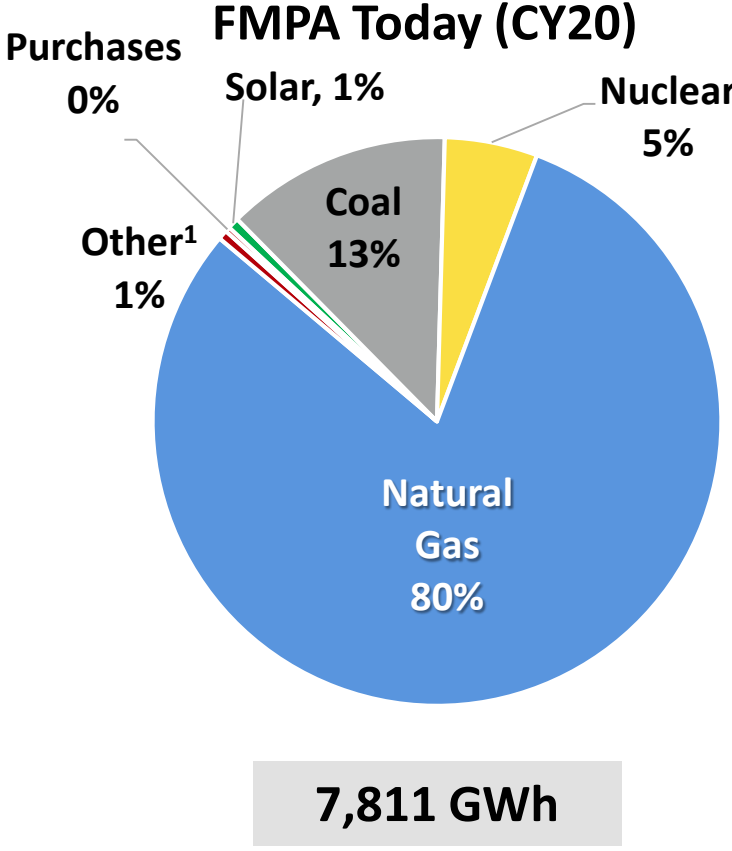
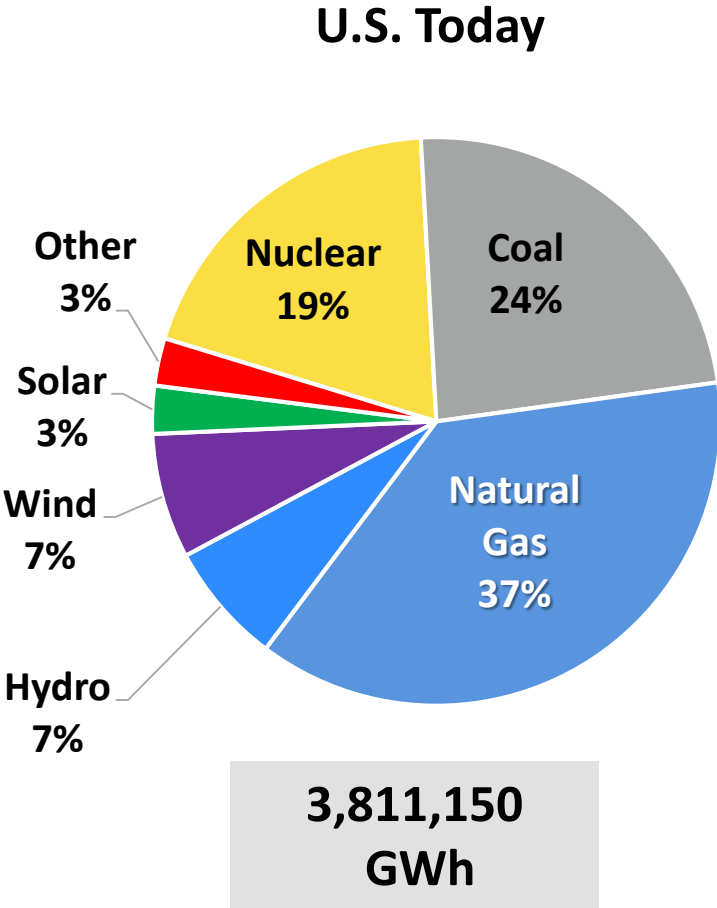
CO₂ Emissions for FMPA's All-Requirements Project Generation

Pounds per Megawatt hour, historic and projected



U.S. Has ~30% Energy CO₂ Free, But 24% Coal

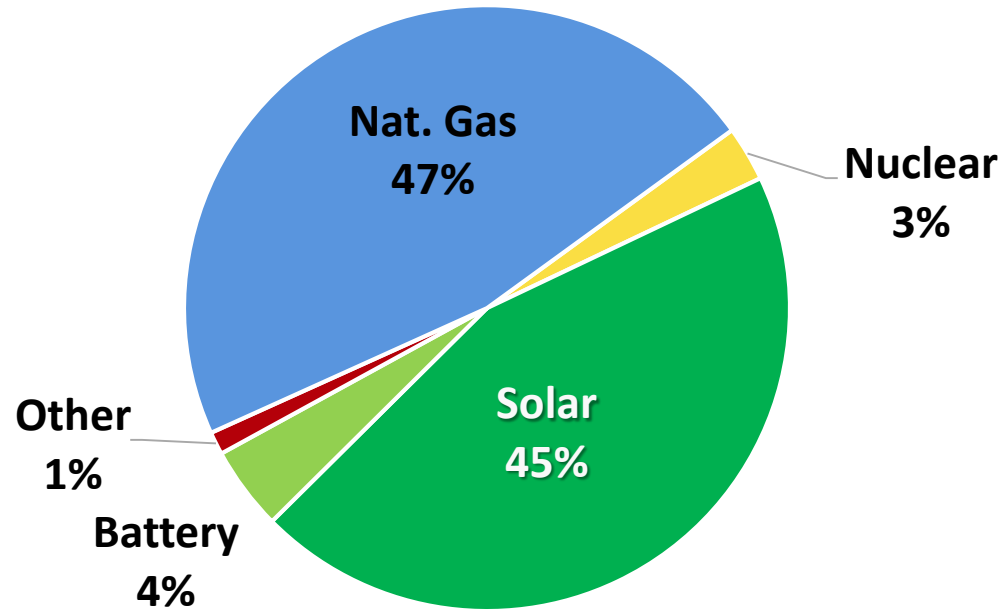
FMPA Growing to 18% CO₂ Free by 2027, No Coal/More Gas



1 – Includes US Sugar, residual and distillate fuel oil
 2 – Assumes same level of generation.

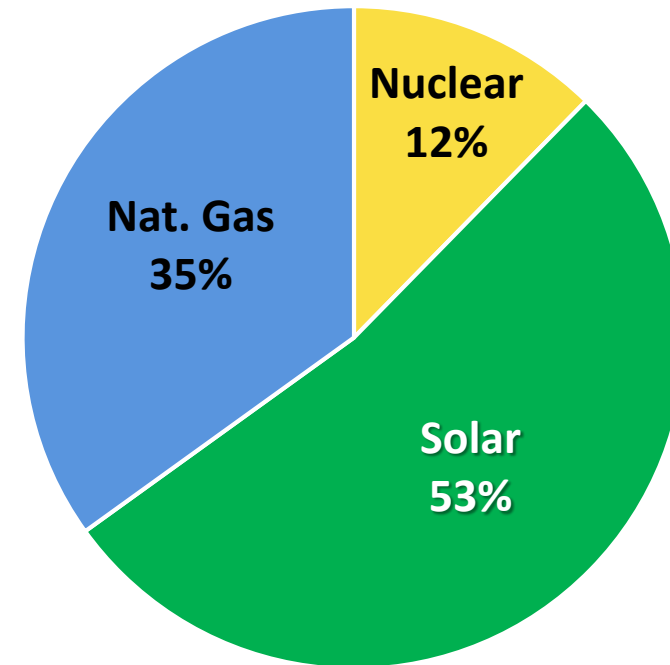
70% CO₂ Reduction by 2035 Requires Large Solar Build

Florida Capacity at 70% CO₂ Reduction



123,247 MW

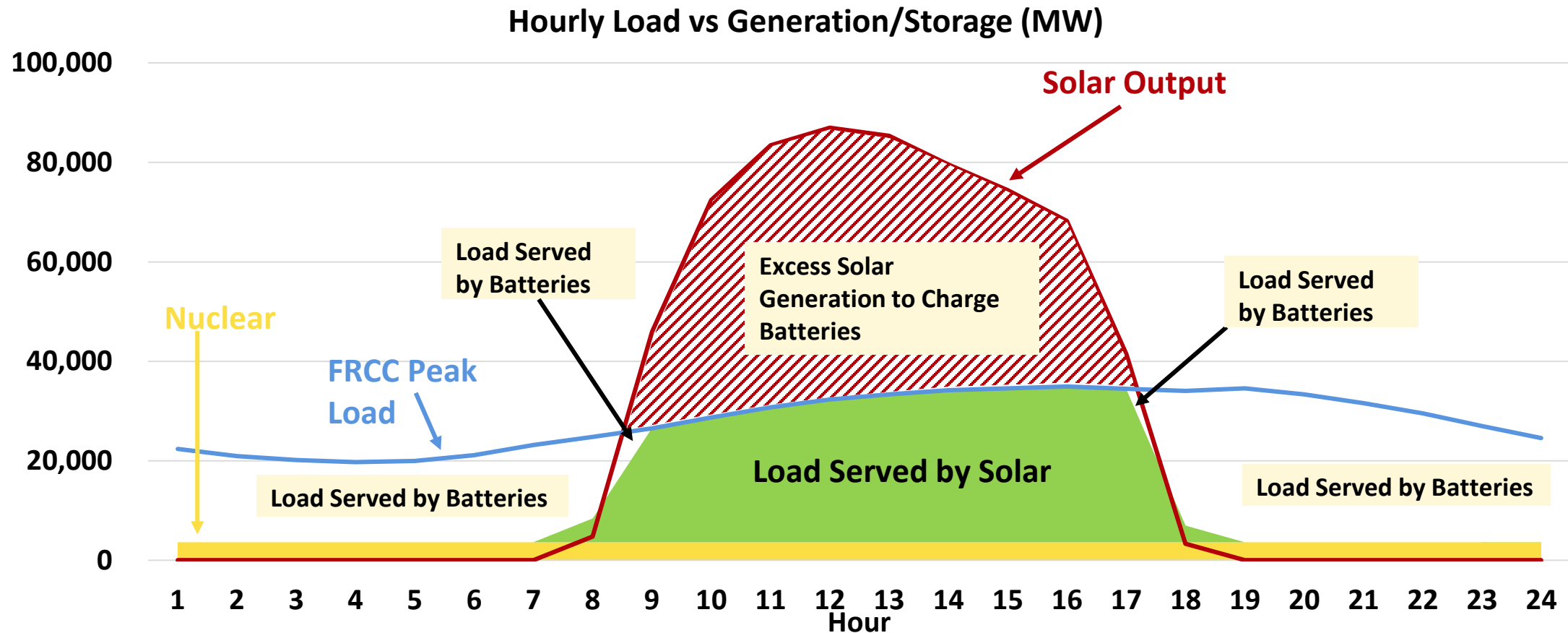
Florida Energy at 70% CO₂ Reduction



238,535 GWh

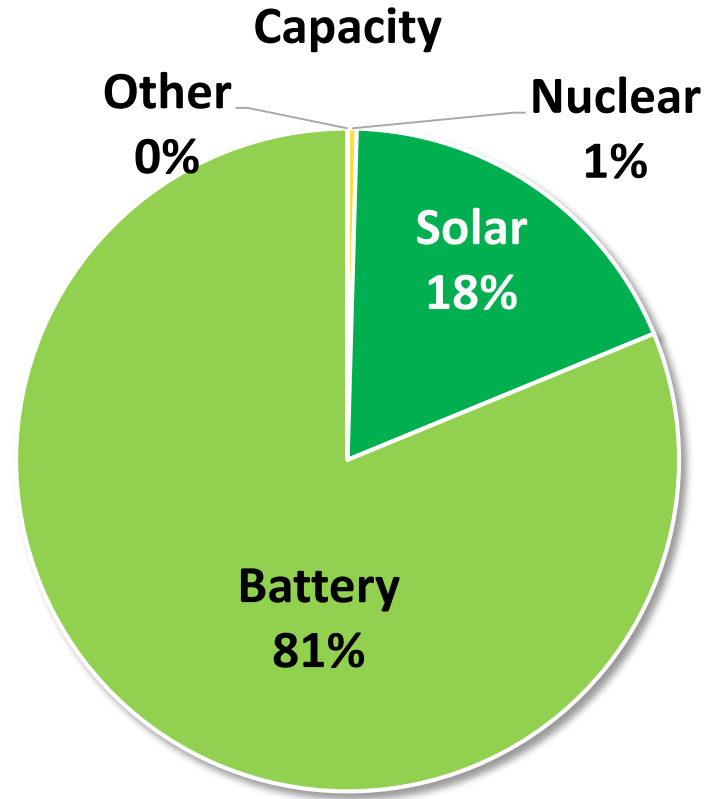
Electric Reliability Challenges with Significant Solar

Solar Output Peaks at a Different Time than Electric Demand



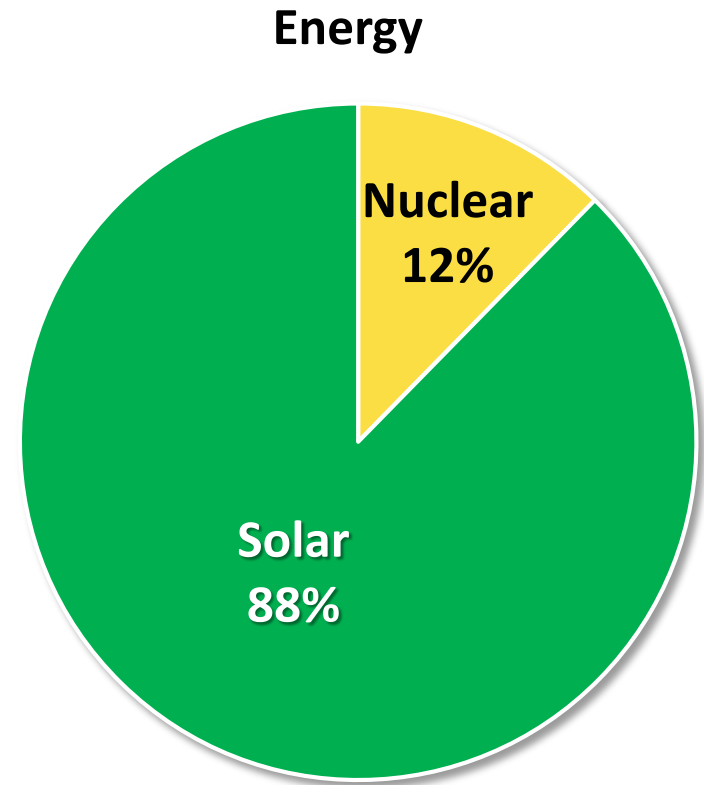
FL 100% CO₂ Reduction Requires Extensive Overbuild

Solar & Batteries Additions of 11x Entire Current FL Capacity



816,998 MW

Many CEOs for IOUs have publicly stated this is extremely challenging to achieve



238,535 GWh

Increasing CO₂ Reductions Comes at a Cost

Power Costs Increases Could Range from Inflationary to 250%

50%

CO₂ Reductions

**Inflationary
cost increases**

expected through
2027 while
achieving 50% CO₂
reduction from
2005 levels

70%

CO₂ Reductions

**20%
cost increases**

using natural gas
generation for
reliability and
peaking, solar
power increases,
some additional
battery storage

97%

CO₂ Reductions

**75%
cost increases**

with significant
solar power plus
battery backup
with natural gas
only available for
emergency use

100%

CO₂ Reductions

**250%
cost increases**

with significant
amounts of new
solar plus dramatic
increase in battery
capacity to provide
days of reserves for
cloudy periods

Reliable Power Critical for Customers and Economy

Thought of Removing All Fossil Generation by 2035 a Tall Task

- Customers and our economy need utilities to provide adequate electricity during all types of weather, not just when the sun shines
- Ensuring reliability requires backup capacity that is available 24/7
- To remove all fossil generation by 2035 would be a tall task and extremely costly for consumers
- In the future, some fossil capacity more than likely necessary as back-up rather than primary generation



In Conclusion



FMPA Working on a Clean Energy Transition

Our Goal: 50% Reduction in CO₂ from 2005 Levels by 2027

- FMPA aiming for a 50% reduction in CO₂ from 2005 levels by 2027 in a manner that balances electricity cost and reliability
 - In 2027, FMPA will be ~80% clean burning natural gas and ~20% carbon-free generation
- Increasing CO₂ reductions beyond 50% requires much more solar, along with notable investment in electric transmission
- Moving beyond 70% CO₂ reduction requires even more solar and introduction of meaningful but costly battery storage to retain reliable grid power supply
 - Solar additions have significant land-use impacts in several interior counties in Florida
- Step-function improvement in batteries necessary to make additional CO₂ reductions affordable

As Congress Contemplates a Clean Energy Future: *How Much Can Consumers Afford for More CO₂ Reductions?*

- **Set Realistic CO₂ Reduction Targets**

- CO₂ reductions from electric sector on a path for significant reductions by 2027 without dramatic power cost increases that create hardships for customers
- Florida has limited CO₂ reduction options other than solar and battery storage
- Further CO₂ reduction targets must consider impacts on power costs to consumers
- Goal of a carbon-free power sector by 2035 extremely aggressive

- **Provide Federal Incentives for Innovation**

- National R&D investment in lower-cost, more-efficient batteries
- Federal funding for modular nuclear reactors, lower-cost solar and hydrogen
- Advances in air conditioning efficiency and controls to enhance energy conservation

**AGENDA ITEM 5 – INFORMATION
ITEMS**

b. Federal Legislative Update

**Policy Makers Liaisons Committee Meeting
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**FMPA Policy Makers Liaisons Committee
January 20, 2021**

**Washington Update
Michael Nolan / MJN Consulting LLC**

THE 117th CONGRESS

The House of Representatives: Slim Democratic majority
--Currently 222-111, expected to be 222-213
--Two contested seats (IA and NY); both Republican
--Special election in March (LA seat, expected to stay Republican)
--3 House Democrats enter the Biden administration; all 3 will stay Dem

Florida House delegation
--5 new Members, all Republican
--Reps. Kat Cammack; Scott Franklin; Byron Donalds; Carlos Gimenez; Maria Salazar

Senate: 50-50; Democrats control chamber with Vice President presiding

Legislative outlook: Aggressive green energy and environmental policy
--House committees more aggressive; Senate more moderate
--Issues include climate change; Clean Energy Standard; environmental justice; infrastructure; green jobs and investment
--For example, recent House report: social cost of carbon; eliminate support for fossil fuels; develop tax credits for clean energy
--House Select Committee on Climate Change (Rep. Kathy Castor)
--Key Senate committees: Energy and Natural Resources; Environment and Public Works

BIDEN ADMINISTRATION

--Aggressive climate and renewable policy push across entire Executive Branch
--Includes EPA and DOE, but also USDA, Interior, Housing, Justice, DOT
--International and domestic climate coordinators
--Undo Trump WH executive orders?
--Energy priorities include climate change, environmental justice, infrastructure, green jobs, electrification, cyber security, public lands

PUBLIC POWER PRIORITIES

--Climate change, clean energy standard, environmental regulation
--Tax policy—comparable incentives; renewable credits; carbon capture and sequestration
--Grid security, including resiliency and reliability, and response to SolarWinds
--Infrastructure
--FCC and telecommunications: 6 GHz, revisit pole attachments?

**AGENDA ITEM 5 – INFORMATION
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**c. 2020 Solar Winds Cybersecurity
Incident**

**Policy Makers Liaisons Committee Meeting
January 20, 2021**



5c – 2020 SolarWinds Cybersecurity Incident

Policy Makers Liaisons Committee

January 20, 2021

What Happened?

- Suspected nation state sponsored threat actors, probably Russian, compromised a popular computer system management tool software
- Software used by many companies, including U.S. government agencies, critical infrastructure entities and private sector organizations
- Investigations ongoing; evidence currently dates to October 2019
- Industry became widely aware of the compromise around December 13, 2020

What Was the Motive?

- Many speculations – no clear answers due to the nature of this being state sponsored
- Currently understood that over 40 companies were victims, including Microsoft, Cisco, hospitals and many U.S. government agencies, Department of Justice email accounts compromised
- No utilities publicly known to have been targeted, activity was found at FERC (no details released to date) and evidence of activity with Kansas City Power and Light exists in open-source data

How Does This Impact Us?

- The systems many rely on for detection are inadequate, prompting the need for additional (better) security controls
- Previous warnings from various influential agencies, such as GAO, advised agencies they should take this more seriously, which may now give a path to additional regulation
- Attack was so sophisticated that no current supply-chain standards would have had an effect on the compromise
- Previous Executive Orders have focused on specific companies in China, future ones might address all threats globally

What Should We Do?

- Think about your utility's ability to respond to these kinds of complex attacks; attackers will only grow in capability and maturity
- Ensure your utility participates in information sharing and support groups, such as the E-ISAC, MS-ISAC and CMA
- Highly encourage participating in Cyber Mutual Assistance (CMA)
- FMPPA can help you understand your exposure
- ESCC stood up a Tiger Team to interpret the latest events, support development of actionable information, and inform mitigation strategies to support a coordinated response across the sector
- Participate in FMPPA & APPA calls and groups, as appropriate

What has FMPA done?

- FMPA was using SolarWinds, but did not have indicators of compromise
 - Ran multiple tools from many vendors, all negative results
- Asked by APPA to be the technical lead to answer questions on their CEO/CISO briefing call
- Participating in the ESCC's Tiger Team dedicated to providing unity of message and unity of guidance on the SolarWinds issue
- One of two utilities asked to participate on the E-ISAC call discussing any remediation efforts performed to date

Ways FMPA Can Help

- Assist in evaluation of impact from SolarWinds
 - Guide your utility to existing resources
 - Have IT staff run tools designed to search for indicators of compromise
- If your utility uses SolarWinds product, discuss mitigation strategies
- Perform IT & OT system security assessments to evaluate your security posture
- Contact Carter Manucy (Carter.Manucy@fmpa.com) or Luis Cruz (Luis.Cruz@fmpa.com) to discuss details

**AGENDA ITEM 5 – INFORMATION
ITEMS**

**d. Preview of FMPA’s Strategic Planning
Workshop**

**Policy Makers Liaisons Committee Meeting
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5d – Preview of FMIPA’s Strategic Planning Workshop

Policy Makers Liaisons Committee

January 20, 2021

FMPA Will Hold Strategic Planning Workshop Feb. 17

We've Made Good Progress Since 2019, and More Work to Do

- Driven down FMPA's wholesale power costs to members
- Supported reliability enhancement projects for members
- Supported financial planning and solar subscriptions for members
- Expanded engineering services to members
- Expanded services in NERC compliance, cybersecurity and IT
- Mitigated transmission rate increases from other utilities, secured commitments for new transmission connections for members
- Expanded services in AMI implementation for members

FMPA's Power Costs Lowest Since 2004

First Time Below \$70 Per MWh in 16 Years

All-Requirements Project Power Costs

Average cost per 1,000 kWh billed by fiscal year



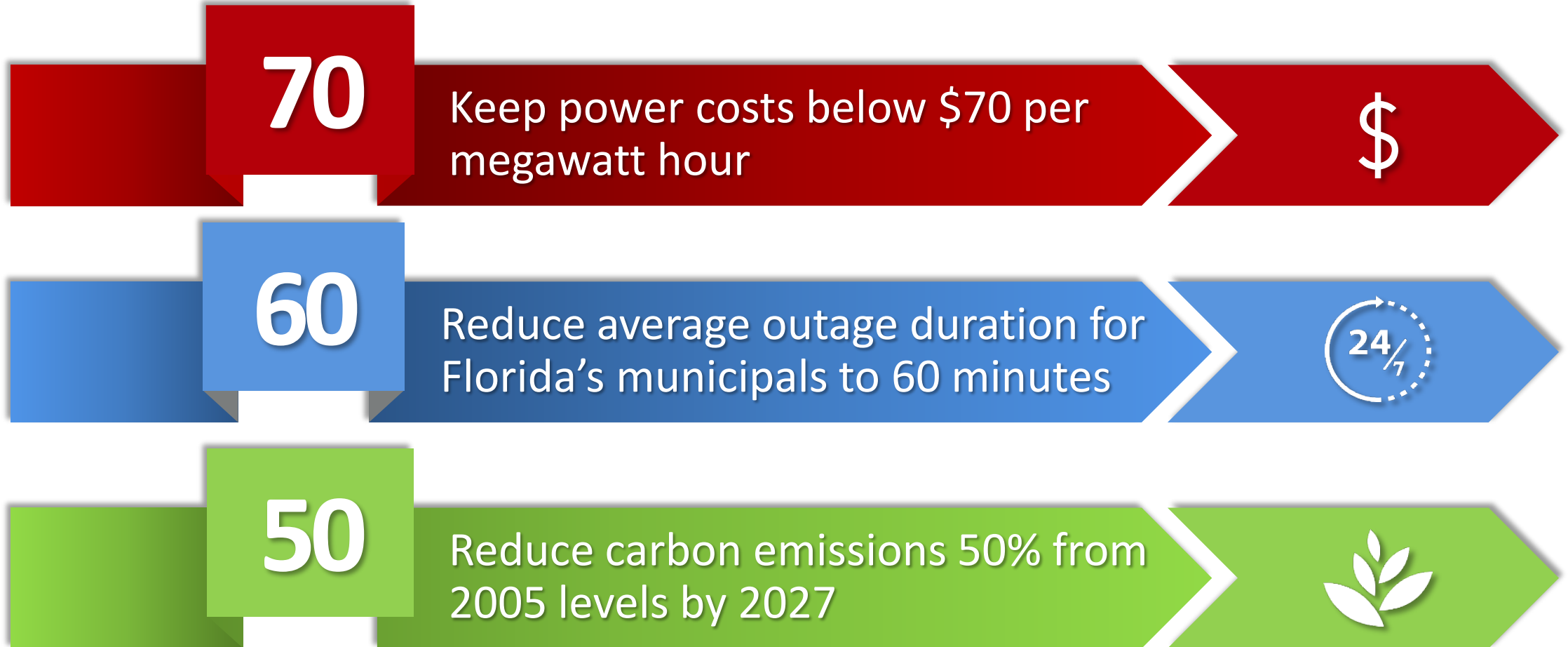
Overview: Muni Challenges Increasing

More to Achieve with Limited Resources

- Working to lower cost on retail front while...
- Continuing to improve reliability of power system and managing staffing retention challenges (e.g. linemen)
- Increasing new workload (e.g., IT, compliance, new technology, communications)
- Responding to increased customer expectations (service options, rate structures, day-to-day communications, and new technologies like EVs)
- Continued improvement in emissions reductions while keeping prices affordable
- Goal of increasing the member electric utilities' value to each of their communities and proactively communicating business model benefits

FMPA's Stretch Goals for the Coming Years

Our Targets for Low-Cost, Reliable and Clean Wholesale Power

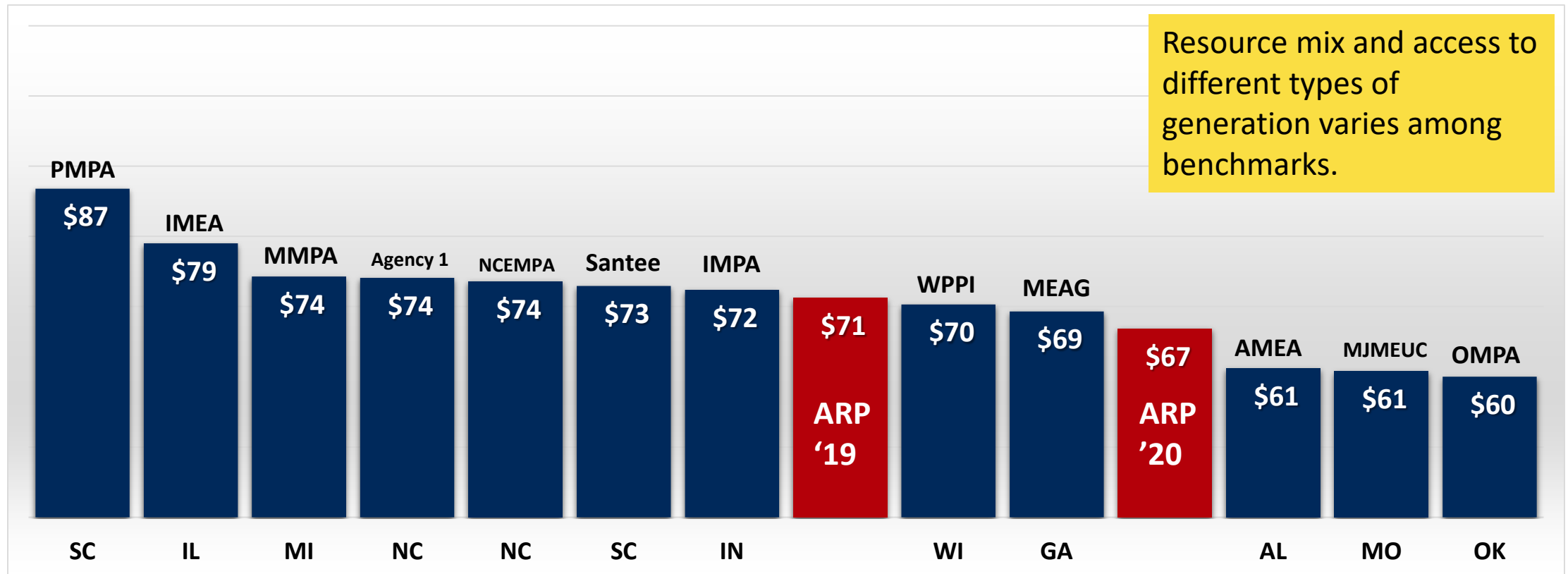


ARP Rates Competitive With Joint Action Agencies

Most Recent Rate in Lower Quarter of Benchmarks

Annual Average Power Supply Costs by JAA (2019*)

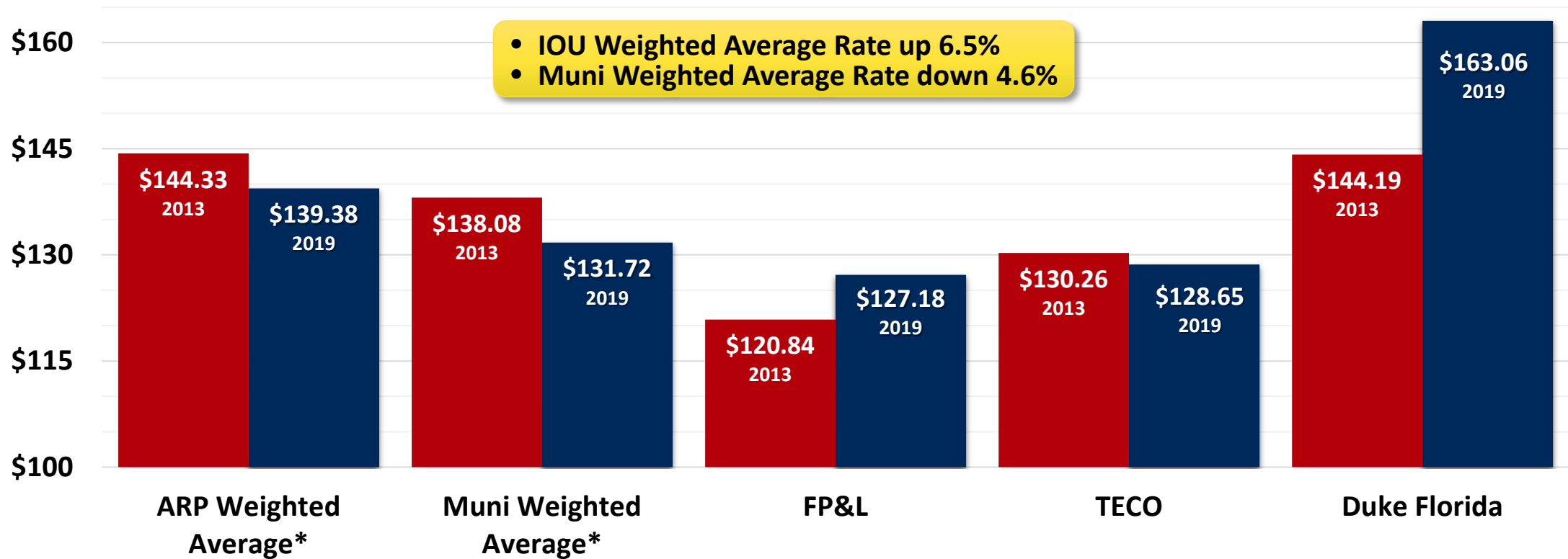
Average cost per 1,000 kWh billed. Source: PFM Financial, FMPA



Retail Rates Competitive, Could Improve

There's More We Can Do ... We're Not Satisfied

Residential Bill Comparison
Cost per 1,200 kWh, Calendar Year 2013 vs 2019 Average Rate

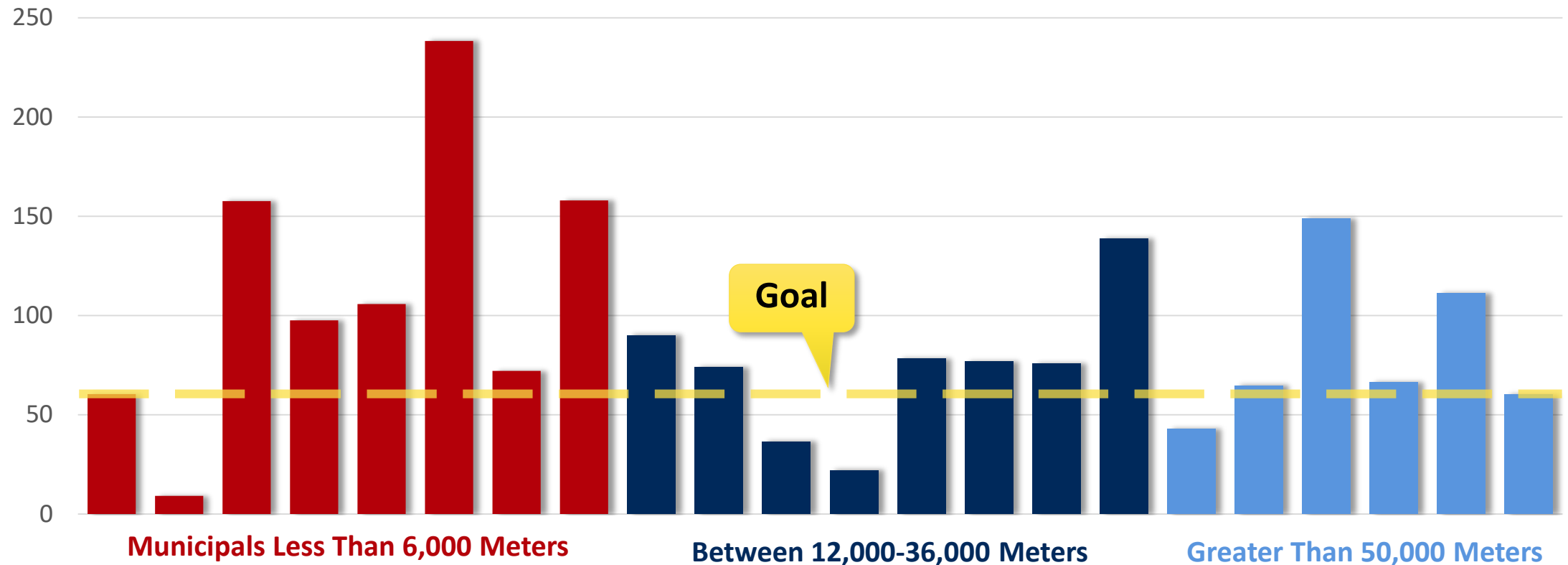


Municipal Reliability Performance Varies Widely

Significant Effort Needed to Meet the Goal

Average Outage Duration (SAIDI) for Municipals That Provide Data to FMPA

In minutes for fiscal 2020



As Costs Come Down, Will Reliability Be a Focus Area

Is There a Joint-Action Advantage to Expand Reliability Services

- FMPA works to supply reliable wholesale power, and retail-level reliability important, too
- Some municipals challenged for various reasons to apply best practices
- If members seek assistance to the level of the opportunity, additional FMPA resources could be necessary to support reliability efforts
- Is reliability a top strategic issue for members?
- Do members see a joint-action advantage for FMPA to expand reliability services?

Reliability Best Practices

- Circuit inspection
- Substation maintenance
- Tree trimming
- Fuse coordination
- Pole inspection & replacement
- Targeted hardening
- Lateral reclosers
- SCADA
- GIS
- AMI

We Have a Lot to Feel Good About on Environment

Key Question: How Much Further and at What Price?

- Florida and FMPA emissions down significantly since 2005
- Biggest near-term opportunity to reduce emissions further is conversion of Stanton 1 and 2 from coal to gas set for not later than 2025 and 2027
- FMPA on track for 50% reduction in emissions vs. 2005 by 2027 with small amount of additional solar and eliminating coal generation
- Choosing the path of continual CO₂ reduction will require a careful balance between performance and cost, with solar and storage only current viable options

AGENDA ITEM 6 – MEMBER COMMENTS

**Policy Makers Liaisons Committee Meeting
January 20, 2021**

AGENDA ITEM 7 – ANNOUNCEMENTS

- a. Next Meeting: Wednesday, April 14, 2021 at 1 p.m. at FMPA, 8553 Commodity Circle, Orlando, FL**

**Policy Makers Liaisons Committee Meeting
January 20, 2021**

AGENDA ITEM 8 – ADJOURN

**Policy Makers Liaisons Committee Meeting
January 20, 2021**