


Together We Can





Customers *need* electricity to be low cost and reliable, and customers *want* electricity to be clean. FMPA has made significant strides meeting these expectations, and we're determined to do more.

Looking ahead, we've set some big goals. We want to keep power costs under \$70 per megawatt hour. We want to help our members keep average customer outages to less than 60 minutes. We want to reduce carbon emissions from our generation fleet by 50% from 2005 levels.

These are stretch goals. For example, we recognize that some factors influencing the outcomes of the goals are not within our control. But we are committed to doing all we can to meet these objectives because that's how we'll deliver true value to our members.

It will take all of us working together to succeed. This is the journey we're on. 70-60-50, here we come.

2020 was a year like no other. Due to the coronavirus, people switched to working and learning from home. Businesses closed, people lost their jobs and customers struggled to pay bills. It's in times like these that our responsibility to keep electric systems operating reliably is so important.

Despite the unprecedented challenges of 2020, FMPA had one of its best years. We reduced our wholesale power costs to 2004-levels, we increased member services to all-time highs, and we added a significant amount of solar power to complement our already-clean power generating fleet.

Lowest Cost Power in 16 Years

This was the ninth time since 2009 and the third consecutive year that FMPA reduced costs for its All-Requirements Project (ARP). At \$66.83 per megawatt hour, our average power cost was the lowest in 16 years and below \$70 for the first time since 2004.

FMPA's other power projects also had a strong financial performance and delivered competitive rates. This was noted when Fitch Ratings upgraded the credit rating of the ARP and affirmed the credit ratings of our St. Lucie and Stanton II projects.

During the year, we undertook several efforts to reduce costs. Fuel is a significant expense in generating power, so we secured nearly 25% of our natural gas needs

at fixed prices below budget levels. We also reduced project debt by \$116 million. This included paying off debt on the Stanton and Tri-City projects and terminating all remaining interest-rate swaps.

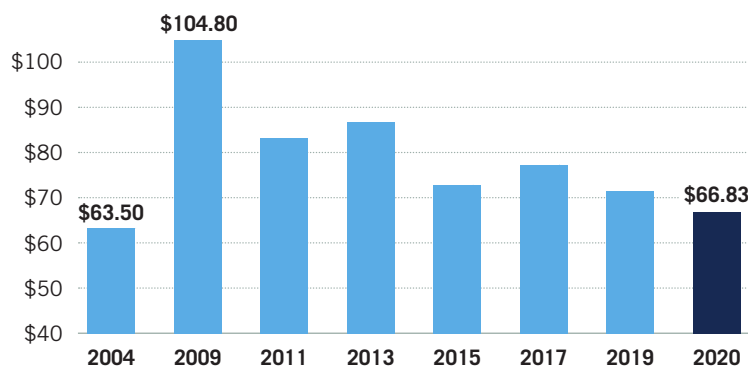
We also achieved a long-term goal to sell our excess generating capacity, which will help lower costs even further for members. While power sales to All-Requirements members were nearly the same as fiscal 2019, total third-party power sales grew more than 40% in fiscal 2020. Sales to cities outside of the All-Requirements Project have grown 269% since 2019 and now make up more than half of our total third-party energy sales. These sales will increase in 2021 when Bartow and Williston begin receiving all their power from FMPA.

Efficient Generation Key to Reliability

Providing reliable power begins with operating highly efficient power generators, like FMPA's Treasure Coast Unit 1 and Cane Island Units 3 and 4. These baseload power plants generate more than 80% of our power and were available 92% of the time in fiscal 2020. The industry average for comparable units is 85%.

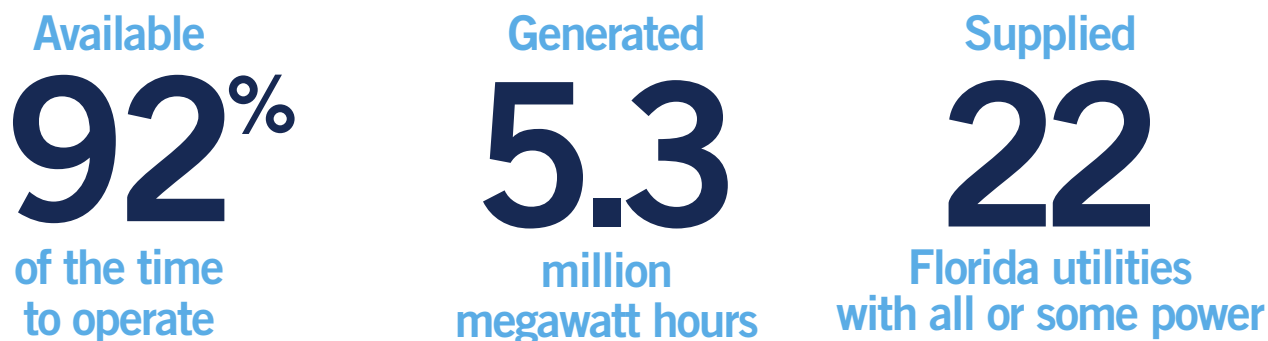
LOW-COST POWER

The average power cost to ARP members was below \$70 per megawatt hour for the first time since 2004. At \$66.83, this was 6% below the cost in 2019 and down 36% from 2009.



RELIABLE POWER

FMPA's baseload fleet outperformed the industry average in availability for the ninth consecutive year, providing excellent reliability in fiscal 2020.



Once power is generated, it must be transmitted to our member cities. Key West gets its power from FMPA via a 120-mile, high-voltage transmission line that extends from the mainland. Occasionally, the transmission line is out of service due to maintenance or an unplanned outage. When this happens, the Stock Island Generating Facility located next to Key West is brought online to supply power to the Lower Keys. In fiscal 2020, these units were called on to operate 13 times, and each time they performed, ensuring reliable electricity for the island communities.

Value-Added Services Increasing

Over the years, we have expanded the ways we are helping members. The number of member projects that FMPA has reported being involved with has grown from seven projects in 2018 to 27 projects in 2019 to more than 70 projects in fiscal 2020.

An area of focus was to help members enhance their electric reliability and shorten the length of power outages. In Florida, the average outage duration time (SAIDI) for municipals is 70 minutes. In fiscal 2020, FMPA supported five municipal utilities in improving their outage duration time by at least 15%.

One way we helped members reduce power outages was through a technology demonstration project that included installing TripSavers on power lines. The devices are capable of detecting faults and can resolve many common outage conditions caused by animals, lightning and vegetation without the need to send lineworkers to the scene. Three Florida cities partnered with FMPA on this effort, which prevented 1,731 customer interruptions and demonstrated that even a small deployment of the technology can have a big impact to a city's reliability.

Large, Utility-Scale Solar Project Begins Operations

We took a major step in reducing carbon emissions and providing affordable renewable energy with the completion of the first two solar farms in the Florida Municipal Solar Project. The Harmony Solar Energy Center and the Taylor Creek Solar Energy Center came online in June 2020 and provide 149 megawatts of emission-free energy to six Florida cities.

Three more solar farms will come online in 2023, adding just over 224 megawatts. This will bring FMPA's total solar generation to nearly 375 megawatts, approximately 7% of the energy we will generate in 2024.



CLEAN POWER

FMPA added 149 megawatts of solar power in 2020, with the completion of the first two solar farms in the Florida Municipal Solar Project. These two solar sites provide clean, emission-free power to six Florida cities.



Together We Can

The benefits of FMPA and its members working together are noticeable. We already provide great value, and we are determined to add even more.

We know customers need electricity to be affordable, safe and reliable. And they want it to be clean. It's our goal to meet these expectations.

Over the next several years, we will work to keep power costs below \$70 per megawatt hour, to reduce the average outage duration for Florida's public power utilities to under 60 minutes, and to reduce our carbon emissions by 50% from 2005 levels.

These are lofty goals that will take great focus. We recognize there will be challenges to overcome, but we are committed to putting our best effort forward to meet these objectives. With each step forward we will provide great value for our customers today, tomorrow and in the future.



Barbara Quiñones

Barbara Quiñones
Chair, Board of Directors

Jacob A. Williams

Jacob A. Williams
General Manager and CEO

FMPA safely provides low-cost, reliable and clean power to its members and the communities they serve. During the next several years, we will focus our efforts on providing even more value for customers.

LOW-COST POWER

Power Costs Below

\$70

Per Megawatt Hour

The cost of electricity is important, particularly in Florida where power use is higher than the national average and incomes are lower than average. During the next several years, FMPA will work to keep its power costs flat or declining.

Debt Structure

FMPA will consider restructuring debt for future savings, evaluate plant operating life cycles and better match plant useful lives with debt maturity for potential reductions in annual debt payments.



Low-Cost Fuel

FMPA will investigate low-cost generation options and emerging technologies that are viable for members. For fiscal 2021, we secured nearly one-third of our natural gas needs at prices below budget levels, and we will consider additional prepaid opportunities to help keep fuel prices low in the coming years.

RELIABLE POWER

60
MINUTES

Customers expect the lights to come on when they flip the switch, and FMPA has a role in helping its members provide reliable service.

Average Outage Duration for Florida's Municipal Utilities

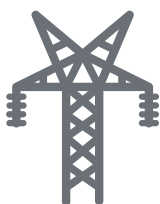
Distribution Reliability

FMPA will work with its member cities to enhance the reliability of their electric systems, so there are fewer outages and shorter restoration times.



Transmission Service

FMPA member cities rely on other utilities to transmit electricity from our power plants to local communities. FMPA will work with its members to ensure transmission service is reliable and fair for all parties.



Backup Generation

Key West relies on a high-voltage transmission line to get its wholesale power from the mainland. When the transmission line is out of service, on-island power generation is brought online. FMPA will work with Keys Energy Services to ensure these units continue to be ready and available when needed.

CLEAN POWER

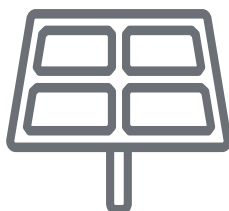
50%

**Less carbon
from 2005 levels**

Customers want clean power; however, most don't want to pay more for electricity. FMPA will work to add affordable renewable energy and reduce its carbon emissions from coal-fired power generation.

Reduce Coal Generation

FMPA will work with the majority owner of the Stanton Energy Center coal units on a plan to convert the units to natural gas. This conversion in energy resources would support FMPA's goal to keep power costs low and to reduce carbon emissions.



Add More Solar

FMPA will add three solar farms by the end of 2023, bringing our total solar power generation to nearly 375 megawatts. When these plants come online, approximately 7% of FMPA's energy will come from solar.

Board of Directors and Executive Committee
As of September 30, 2020



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Board Chair
Homestead



Howard McKinnon
EC Chair
Havana



Lynne Tejeda
Board and EC Vice Chair
Key West



Allen Putnam
Board Treasurer
Jacksonville Beach



Larry Mattern
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Bradley Hiers
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Paul Jakubczak
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Tom Brown
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Ed Liberty
Lake Worth Beach



Michael Beckham
Lakeland



Steve Langley
Mount Dora



Joe Bunch
New Smyrna Beach



Bill Conrad
Newberry



Eric Weaver
Ocala



Claston Sunanon
Orlando



John Holman
Starke



Rob McGarrah
Tallahassee



James Braddock
Wauchula



Dan D'Alessandro
Winter Park

Members Not Pictured

Rodolfo Valladares, Alachua

Jan Bagwell, Fort Meade

Brad Chase, Leesburg

Bill Kaufman, Ocala

Bill Sturgeon, St. Cloud

Vacant: Blountstown, Moore Haven, Quincy and Williston

FMPA Leadership Team

Jacob A. Williams
General Manager and CEO

Jody L. Finklea
General Counsel and CLO

Ken Rutter
Chief Operating Officer

Linda S. Howard
Chief Financial Officer

Sharon L. Adams
Vice President of Human Resources
and Shared Services

Mark T. McCain
Vice President of Member Services
and Public Relations

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

General Information

Financial Statements

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

Consultants

Bond Counsel: Nixon Peabody LLP

Disclosure Counsel: Bryant Miller Olive, P.A.

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

Certified Public Accountants: Purvis, Gray and Company

Financial Advisors: Dunlap & Associates, Inc.; PFM Financial Advisors

Swap Advisor: Swap Financial Group, LLC

Caution Concerning Forward-Looking Statements

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



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