ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

October 21, 2021
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: 180 941 8163#
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
Randy Hahn, 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 12, 2021

RE: FMPA Executive Committee Meeting
Thursday, October 21, 2021 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 180 941 8163#
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 21, 2021

AGENDA ITEM 2 – Set Agenda (by Vote)

Executive Committee
October 21, 2021

AGENDA ITEM 3 – RECOGNITION OF GUESTS

Executive Committee
October 21, 2021

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

Executive Committee
October 21, 2021

VERBAL REPORT

AGENDA ITEM 5 – COMMENTS FROM THE CHAIRMAN

Executive Committee
October 21, 2021

VERBAL REPORT

AGENDA ITEM 6 – REPORT FROM THE GENERAL MANAGER

Executive Committee
October 21, 2021

AGENDA ITEM 7 – CONSENT AGENDA

a. Approval of the Minutes – Meetings Help September 16, 2021 and ARP Telephonic Rate Workshop Help September 14, 2021

Executive Committee
October 21, 2021

CLERKS DULY NOTIFIED .... SEPTEMBER 7, 2021
AGENDA PACKAGES POSTED .... SEPTEMBER 7, 2021

MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY SEPTEMBER 16, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT:

Jan Bagnall, Fort Meade
Paul Jakubczak, Fort Pierce
Bob Page, Green Cove Springs
Allen Putnam, Jacksonville Beach
Lynn Tejeda, Key West (via telephone)
Larry Mattern, Kissimmee
Mike New, Newberry (via telephone)
Randy Hahn, Ocala (via telephone)

OTHERS PRESENT

David Lord, Fort Meade
John Tompeck, Fort Pierce
Claston Sunanon, Orlando

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and Chief Legal Officer
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Chris Gowder, Business Development and System Operations Director
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel
Carl Turner, Engineering Services Director
Jason Wolfe, Financial Planning, Rates and Budget Director
David Schumann, Power Generation Fleet Director
Cairo Vanegas, Manager of Member Services Development
Mike McCleary, Manager of Member Services Development
Alan O'Heron, Manager of Member Services Development
Carter Manucy, IT/OT & Cybersecurity Director
Sharon Adams, Vice President of Human Resources and Shared Services
Mark McCain, Vice President, Member Services & Public Relations
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Susan Schumann, Public Relations and External Affairs Manager
Wayne Koback, IT Manager
Angel Diaz, IT Support Specialist
Isaac Barbosa, IT Security Analyst
Ryan Dumas, Public Relations Specialist

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

Acting Chair Larry Mattern, Kissimmee, called the FMPA Executive Committee meeting to order at 11:16 a.m., Thursday, September 16, 2021 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 8 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Jan Bagnall, Fort Meade, moved approval of the agenda as revised, removing item 8c – City of Starke Revocation and Rescission of ARP Contract § 2 Notice. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 8 – 0.

ITEM 3 – RECOGNITION OF GUESTS

Acting Chair welcomed David Lord, Fort Meade.

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

None.

ITEM 6 – REPORT FROM GENERAL MANAGER

City of Starke revocation and recission of ARP Contract § 2 Notice will be on the agenda for the Starke City Commission meeting in December.

ITEM 7 –CONSENT AGENDA

Item 7a – Approval of Meeting Minutes – Meeting Held August 19, 2021 and ARP Telephonic Rate Workshop Help August 11, 2021

Item 7b – Approval of the Treasury Reports – As of July 31, 2021

Item 7c – Approval of the Preliminary Agency and All-Requirements Project Financials as of July 31, 2021

Item 7d – ARP 12-month Capacity Reserve Margin Report

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 8 – 0.

ITEM 8 – ACTION TEMS:

a. Approval to Pause Funding of Rate Protection Account

MOTION: Bob Page, Green Cove Springs, moved approval of pausing deposits to or withdrawals from the Rate Protection Account, other than accrued interest on balances already in the account, beginning Oct. 1, 2021 until subsequent action is taken by the Executive Committee (it being understood that staff will bring the issue back to the Executive Committee after three consecutive months of first-of-the-month gas prices below $3/MMBtu). Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 8 – 0.

b. Approval of Cane Island 3 RO/SO Upgrade

MOTION: Allen Putnam, Jacksonville Beach, moved approval to authorize the General Manager to execute purchase agreement at a $187.50/kw cost, not to exceed $1.65MM with General Electric for not budgeted RO/SO Cane Island Unit 3 upgrade with other terms and conditions as represented, with approval of the General Counsel. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 8 – 0.

c. City of Starke Revocation and Rescission of ARP Contract 2 Notice – THIS ITEM WAS PULLED FROM THE AGENDA.

d. Approval of Resolution 2021-EC4 – Budget Amendment for All-Requirements Project

Resolution 2021-EC4 was read by title:

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE ALL-REQUIREMENTS POWER SUPPLY PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; (II) ADOPTING THE AMENDED BUDGET FOR THE ALL-REQUIREMENTS POWER SUPPLY PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; AND (III) PROVIDING AN EFFECTIVE DATE.

MOTION: Paul Jakubczak, Fort Pierce, moved approval of Resolution 2021-EC4. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 8 – 0.

e. Approval of Appendix C Investment Policy Changes

MOTION: Paul Jakubczak, Fort Pierce, moved approval of the changes as presented to the Investment Risk Management Policy and recommended by the finance committee. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 8 – 0.

ITEM 9 – INFORMATION ITEMS:

a. Mid-20s Capacity and Resource Position Update

Navid Nowakhtar reviewed the mid-20s capacity and resource position update.

b. Amendment No. 1 to Transmission Improvement Cost Sharing Agreement

Carl Turner presented Amendment No. 1 to the Transmission Improvement Cost Sharing Agreement.

c. Regulatory Compliance Update

This item was presented at the Board of Directors meeting. No further questions.

ITEM 10 – Member Comments

None

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 11:56 a.m.

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

PUBLIC NOTICE SENT TO CLERKS.. SEPTEMBER 7, 2021
AGENDA PACKAGES SENT TO MEMBERS .... SEPTEMBER 13, 2021

MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, SEPTEMBER 14, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
Danny Williams, Clewiston
Paul Jakubczak, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Lynne Tejada, Key West
Larry Mattern, Kissimmee
Marie Carter, Leesburg
Mike New, Newberry
Maria Brooks, Ocala

*arrived after roll call.

COMMITTEE MEMBERS ABSENT

Jan Bagnell, Fort Meade
Allen Putnam, Jacksonville Beach
Bob Milner, Starke

STAFF PRESENT

Jacob Williams, General Manager and CEO
Ken Rutter, Chief Operating Officer
Jason Wolfe, Financial Planning, Rates and Budget Director
Denise Fuentes, Financial Planning, Budget and Financial Analyst II
Bianca Scott, Human Resources, Administrative Specialist

<u>Item 1 – Call to Order</u>

Howard McKinnon, Havana, Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, September 14, 2021, via telephone. A speaker telephone for public attendance and participation was located in the 1st Floor Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Jason Wolfe gave a verbal update on the natural gas markets; provided an overview of the August loads and reviewed the August ARP rate calculation.

Item 3 – Member Comments

There being no further business, the meeting was adjourned at 2:12 p.m.

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Approved

AP/bs

AGENDA ITEM 7 – CONSENT AGENDA

b. Approval of Treasury Reports as of August 31, 2021

Executive Committee
October 21, 2021

AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee

FROM: Gloria Reyes

DATE: October 12, 2021

ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of August 31, 2021

Introduction

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

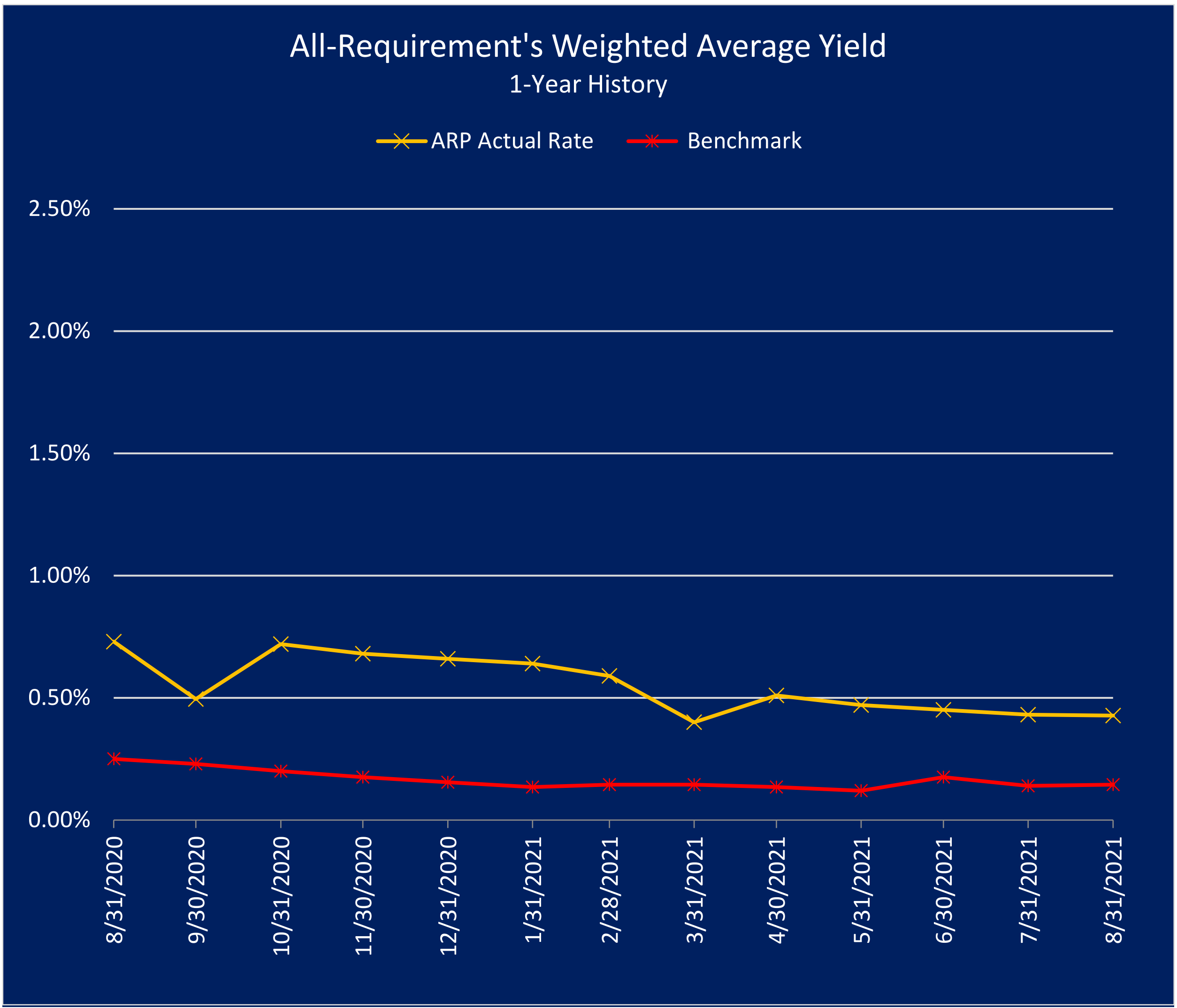
Debt Discussion

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 2021 as of August 31, 2021 is $35,118,999.01. The total amount of debt outstanding is $873,865,000.

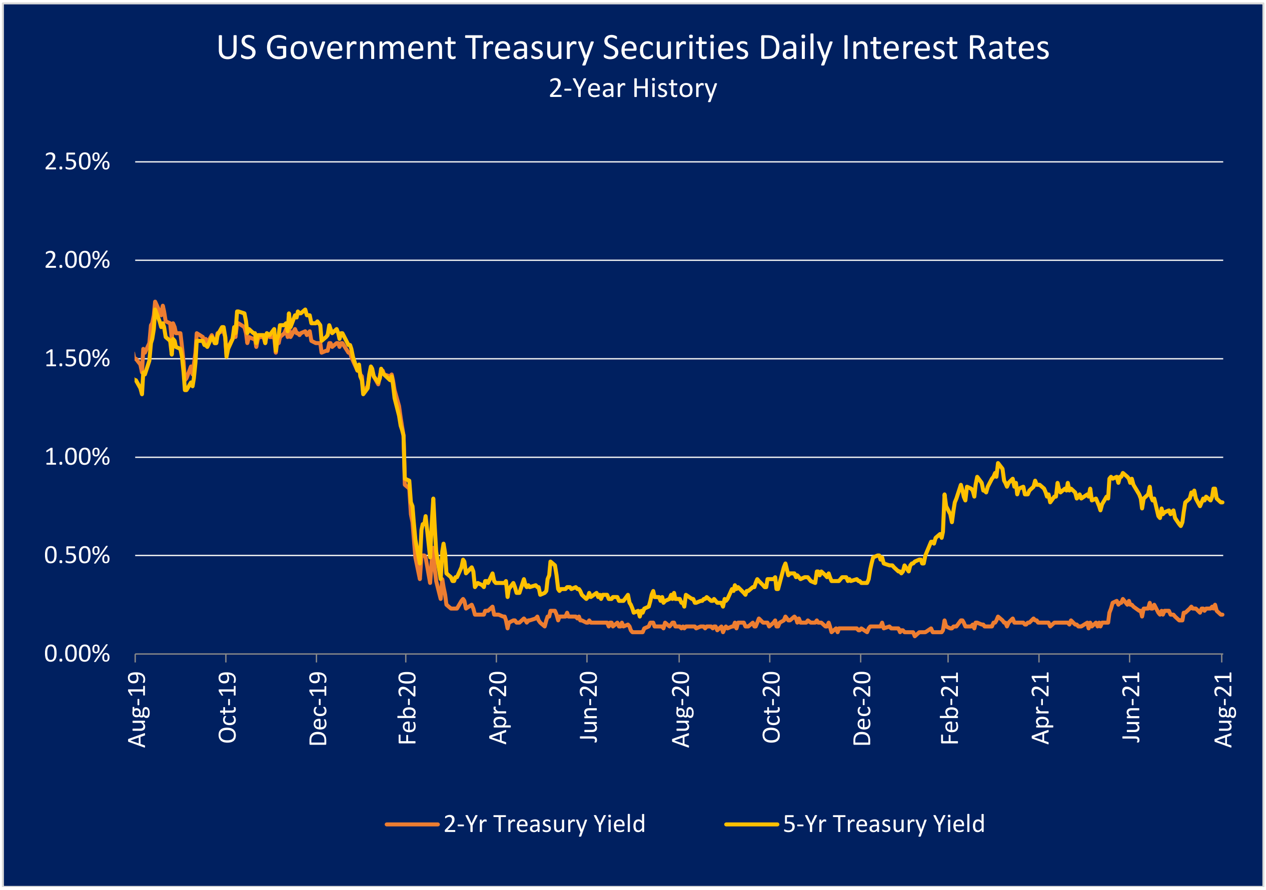
Investment Discussion

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, 2021, the All-Requirements Project investment portfolio earned a weighted average yield of 0.428%, 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 0.20 %. The yellow line is the 5-year Treasury which was 0.77%.



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, 2021

AGENDA ITEM 7 – CONSENT AGENDA

c. Approval of the Preliminary Agency and All-Requirements Project Financials as of August 31, 2021

Executive Committee
October 21, 2021

Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: **FMPA Executive Committee**

FROM: **Linda Howard**

DATE: **October 5, 2021**

SUBJECT: **EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended August 31, 2021**

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, 2021 are posted on the Document Portal section of FMPA's website.

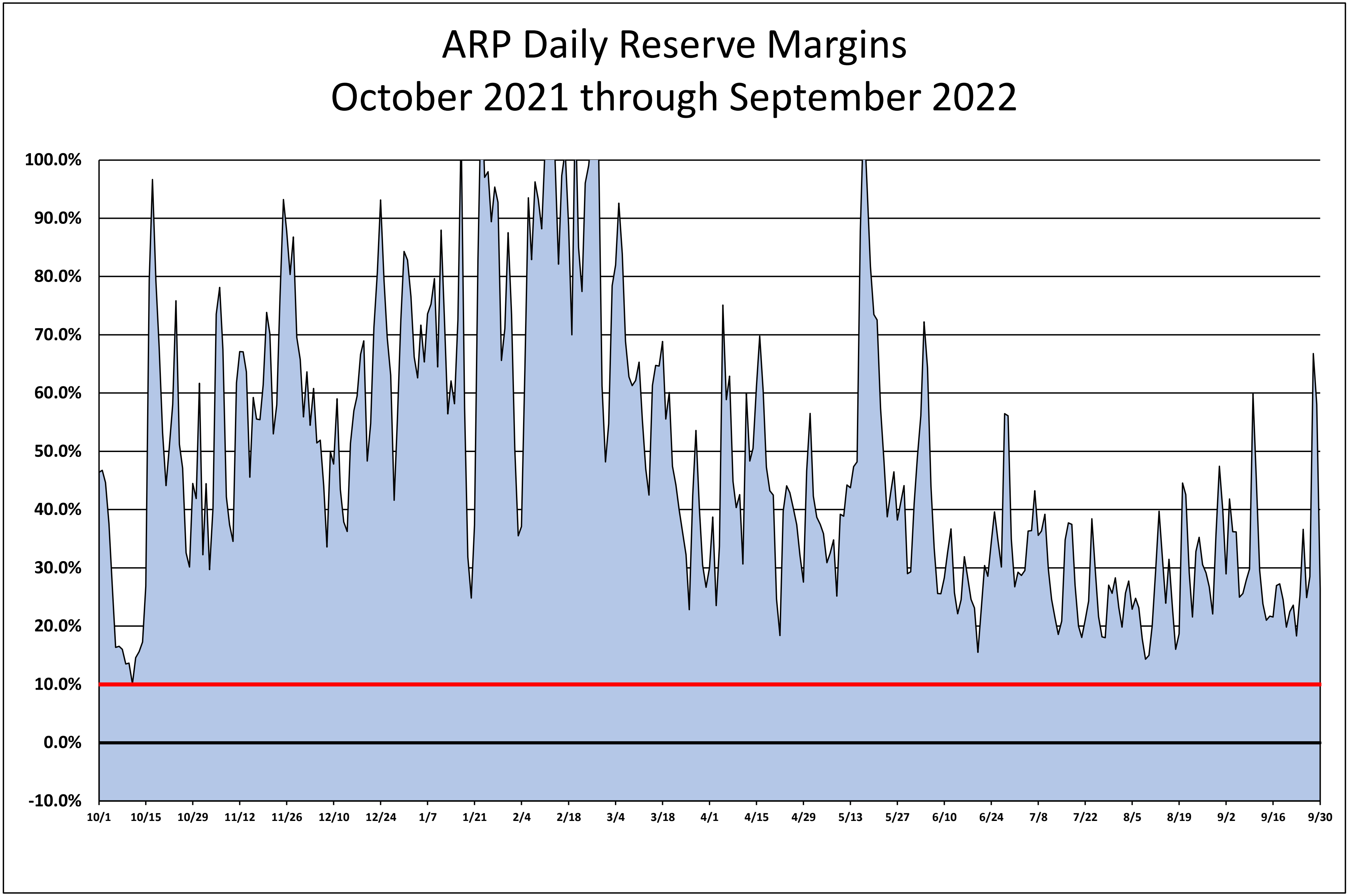
Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of August 31, 2021.

LH/GF

AGENDA ITEM 7 – CONSENT AGENDA

d. ARP 12-month Capacity Reserve Margin Report

Executive Committee
October 21, 2021


ARP Daily Reserve Margins
October 2021 through September 2022
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
-10.0%
10/1
10/15
10/29
11/12
11/26
12/10
12/24
1/7
1/21
2/4
2/18
3/4
3/18
4/1
4/15
4/29
5/13
5/27
6/10
6/24
7/8
7/22
8/5
8/19
9/2
9/16
9/30

AGENDA ITEM 8 – ACTION ITEMS

a. Approval of Revised Rate Schedule B-1 to be Effective October 1, 2021

Executive Committee
October 21, 2021

EC 8a – Approval of Revised Rate Schedule B-1 to Be Effective October 1, 2021

Executive Committee

October 21, 2021

Summary

- Each October, staff brings a revised Rate Schedule B-1 to the Executive Committee for approval
  - Updates base rates to reflect new fiscal year budget
- Demand rate computed based on revised methodology approved by Executive Committee in summer 2020
- The following riders are included for completeness of the rate schedule, but no changes included:
  - Load Attraction Incentive Rate
  - Economic Development Rate

FMPA MUNICIPAL POWER

Fiscal Year 2022 Demand Billing Determinants

Avg. of Summer CP Demands (Net of Excluded Resources) for FY 2019 – FY 2021; Results in FY 2022 Demand Rate of $16.31/kW-mo.

Participant	Billing Demand (MW)	Participant	Billing Demand (MW)
Bushnell*	11.736	Key West	136.837
Clewiston	18.876	Kissimmee	353.415
Fort Meade	9.134	Leesburg	107.759
Fort Pierce	96.943	Newberry	8.687
Green Cove Springs	22.333	Ocala	287.118
Havana	4.818	Starke	11.889
Jacksonville Beach	147.661	Total	1,217.206

* Per the Load Attraction Incentive Rate rider, Bushnell's billing demand is based on the 3-year average of their pre-expansion system load, and a 2-year average of their new load.

FMPA MUNICIPAL POWER

FY 2022 ARP Base Rates

Based on Approved FY 2022 ARP Budget, Final Billing Demands

Rate Category	Base Rate
Demand	$16.31 /kW-mo.
Transmission (all except KUA)	$3.85 /kW-mo.
Transmission (KUA)	$0.88 /kW-mo.
Energy	$25.94 /MWh

FMPA MUNICIPAL POWER

Recommended Motion

- Move approval of the revised ARP Rate Schedule B-1, effective October 1, 2021 *

* Subject to Super Majority vote

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	$ 16.31~~15.14~~ per kilowatt ("kW") of capacity billing demand
Demand Transmission	$ 3.85~~3.65~~ per kilowatt ("kW") of transmission billing demand
Demand Transmission Kissimmee Utility Authority	$ 0.88~~77~~ per kilowatt ("kW") of transmission billing demand
Energy Charge	$ 25.94~~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 = $0.02594~~$0.02445~~/kWh $\pm$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

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 (10^{th}) 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 (7^{th}) 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 15, 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.

<table>
<tr><th>Service Month</th><th>Demand Charge ($/kW-mo)</th></tr>
<tr><td colspan="2">EDR Demand Charge to be negotiated on a case-by-case basis and must be approved by the FMPA Executive Committee</td></tr>
</table>

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, 2024.

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 OCTOBER 15, 2020, AMENDED ON DECEMBER 10, 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	\$ 16.31 per kilowatt ("kW") of capacity billing demand
Demand Transmission	\$ 3.85 per kilowatt ("kW") of transmission billing demand
Demand Transmission Kissimmee Utility Authority	\$ 0.88 per kilowatt ("kW") of transmission billing demand
Energy Charge	\$ 25.94 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 = $0.02594/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

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 (10^{th}) 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 (7^{th}) 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 15, 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

- o 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
- o 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, 2024.

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 OCTOBER 15, 2020, AMENDED ON DECEMBER 10, 2020

AGENDA ITEM 8 – ACTION ITEMS

b. Approval of Amendment #1 to Transmission Improvement Cost Sharing Agreement with Keys Energy Services

Executive Committee
October 21, 2021

8b – Amendment No.1 to Transmission Improvement Cost Sharing Agreement

Executive Committee

Sept. 16, 2021

Keys STATCOM Upgrades Increases Transfer Capacity

Three-Party Agreement Requires Amendment to Accommodate

- In 2011 FMPA, KEYS and FKEC split the cost of transmission system improvements
  - FMPA/KEYS Split via Transmission Cost Sharing Agreement
  - FKEC and KEYS Split via Amendment to Long Term Joint Investment Agreement
  - Multiple improvements in the project, including two STATCOMs, one 138 kV series capacitor, and automated load shedding control system
  - Improvements drove significant reduction in fuel costs from running Stock Island
  - FMPA recovered capital investment in roughly three years
- FMPA/KEYS Transmission Cost Sharing Agreement stipulates that FMPA ARP pays 1/3 of ongoing O&M for assets associated with the transmission system improvements.
  - System modifications which increase system capability are not contemplated
  - Although budgeted, project requires EC approval due to Amendment dollar threshold

Original STATCOM Poles at End-of-Life

Upgrade Opportunity Results from Equipment Re-build

- STATCOM inverter poles reach end of life at 10 years (2011 – 2021). Options:
  - Re-build with original design: $937,000 (FMPA ARP = $312,333)
  - Re-build with upgraded output and capabilities: $966,000 (FMPA ARP = $322,000)
- Upgraded output is estimated to provide 5 MW of incremental transmission system capability over current system for an incremental cost of $29,000 (FMPA ARP = $9,666.67) over the O&M replacement
- Positive NPV to ARP in upgrading inverter poles versus re-building as-is

Amendment Consistent with Existing Sharing

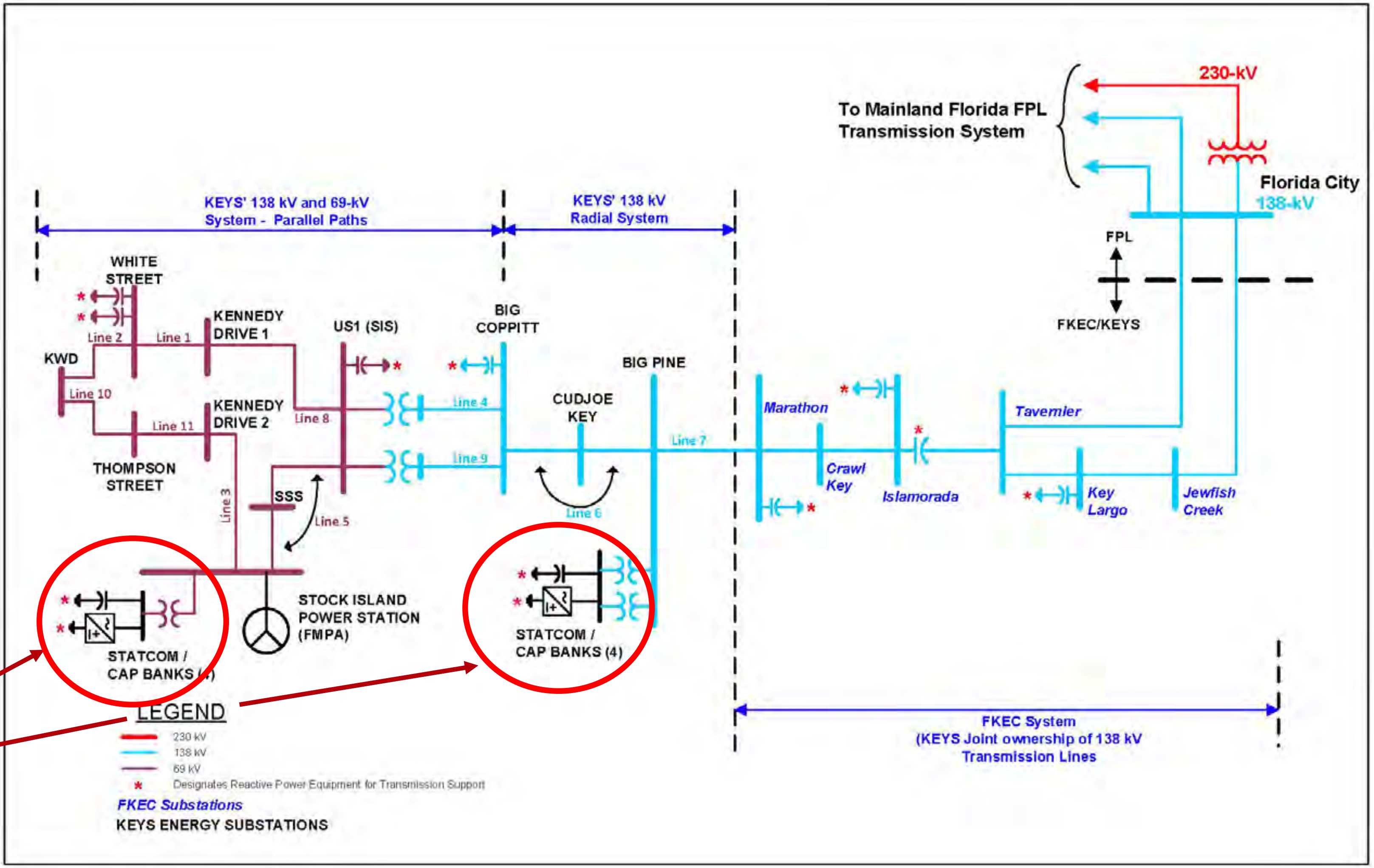
Co-op & Keys Energy Have Already Agreed to Enhancements

- Project cost is $966,000 – FMPA ARP pays 1/3 = $322,000
- New Amendment #3 to KEYS/FKEC LTA
- New Amendment #1 to KEYS/FMPA Transmission Improvement Cost Sharing Agreement
  - FKEC has approved LTA Amendment
  - KEYS Board is reviewing KEYS/FMPA Cost Sharing Agreement – will include final signed copy in October EC package.
- ARP portion was included in FY22 budget package

FMPA MUNICIPAL POWER

Appendix – Florida KEYS Electric System

System One-Line



Two STATCOMs 72 Inverter Poles at Each Site

AMENDMENT NO. 1 TO
TRANSMISSION IMPROVEMENT COST SHARING AGREEMENT

This amendment is dated as of [August 1, 2021], and is between FLORIDA MUNICIPAL POWER AGENCY (ALL-REQUIREMENTS POWER SUPPLY PROJECT), a governmental legal entity created and existing pursuant to Florida law ("**FMPA**"), and THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA, DOING BUSINESS AS KEYS ENERGY SERVICES, a body politic organized, validly existing and in good standing under the law of the State of Florida ("**KEYS**").

FMPA and KEYS are parties to that certain transmission improvement cost sharing agreement, dated as of May 26, 2011 (the "**Cost Sharing Agreement**").

KEYS and the Florida Keys Electric Cooperative Association, Inc. ("**FKEC**") are parties to that certain Long-Term Joint Investment Transmission Agreement, dated January 1, 1992, as previously amended (the "**LTA**"). Recently KEYS and FKEC have further amended the LTA (by amendment no. 3) to provide for cost sharing and other details related to the STATCOM Pole Upgrades (as defined in section 5 of this amendment). Amendment no. 3 to the LTA is attached to this amendment as schedule A.

As set forth in this amendment, the parties now desire to amend certain provisions of the Cost Sharing Agreement.

FMPA and KEYS therefore agree as follows:

1. **Defined Terms**. Defined terms used but not defined in this amendment are as defined in the Cost Sharing Agreement.

2. **Amendment to Recitals**. The second paragraph of the Cost Sharing Agreement is hereby amended and restated as follows:

> *FMPA and KEYS are parties to the revised, amended, and restated capacity and energy sales contract, dated as of January 1, 2011, (the "**TARP C&E Contract**") pursuant to which it was agreed that future improvements to the transmission infrastructure facilities system serving the Florida Keys, including static synchronous compensator ("**STATCOM**") installations, would be paid for as subsequently agreed between the parties, as provided for in section 7.4 of the TARP C&E Contract. Since entering into the TARP C&E Contract, the parties have agreed, with the Florida Keys Electric Cooperative Association, Inc. ("**FKEC**"), to install and share in the cost of certain transmission infrastructure improvements including installation of STATCOMs, series capacitors, a special protection system, and certain other related improvements at the Big Pine Key substation, Stock Island substation, and the Islamorada substation (individually a "**Keys Import Upgrade**" and, collectively, the "**Keys Import Upgrades**," which term also includes*

the equipment contributed by KEYS pursuant to clauses (1)(A) and (B) and (2)(B) of section 4(a) and the STATCOM Pole Upgrades (as defined in section 18)).

3. **Amendment to Section 2(a)**. Section 2(a) of the Cost Sharing Agreement is hereby amended as follows: (1) by deleting the word "and" at the end of clause (2); (2) by deleting the period at the end of clause (3) and replacing it with "; and"; and (3) by inserting the following as a new clause (4):

(4) $966,000 for the STATCOM Pole Upgrades described in section 18.

4. **Amendment to Section 5(d)**. Section 5(d) of the Cost Sharing Agreement is hereby amended by adding after clause (6) the following new clause (7).

(7) As defined in this section 5(d), "Operating and Maintenance Work" includes the repair, replacement, reconstruction, and upgrade of machinery and equipment, except that any upgrade, including the replacement of machinery or equipment with a newer OEM model or a different, upgraded piece of machinery or equipment that has additional capacity, capability, or functionality, is only included in "Operating and Maintenance Work" if it does not have the effect of increasing the import limit on the existing transmission tie between the mainland and the Florida Keys, as described in the fourth paragraph of this agreement.

5. **New Section 18**. The Cost Sharing Agreement is hereby amended by adding after section 17 the following new section 18:

*18. **Replacement of STATCOM Invertor Poles**. FMPA and KEYS hereby agree to share equally KEYS' two-thirds responsibility for the design, procurement, construction, installation, testing, and commissioning costs for replacing and upgrading the invertor poles of the existing American Superconductor (AMSC) "DVAR" STATCOMs to increase peak dynamic reactive power output at the Stock Island and Big Pine Key substations (the "**STATCOM Pole Upgrades**"). This will increase total transmission system import capability. Currently the cost estimates for the design, procurement, construction, installation, testing, and commissioning of the STATCOM Pole Upgrades is $966,000 (with FMPA and KEYS each paying for approximately $322,000 of the costs for the STATCOM Pole Upgrades).*

6. **Remaining Terms Unchanged**. Except as modified in this amendment, all other terms and conditions of the Cost Sharing Agreement remain unchanged.

[*Signature Page Follows*]

The parties are signing this amendment as of the date stated in the introductory clause.

FLORIDA MUNICIPAL POWER AGENCY
(ALL-REQUIREMENTS POWER SUPPLY
PROJECT)

By: ________________________
Jacob A. Williams
General Manager and CEO

UTILITY BOARD OF THE CITY OF KEY
WEST, FLORIDA

By: ________________________
Mona C. Clark
Utility Board Chair

[*Signature Page to Amendment No. 1 to Transmission Improvement Cost Sharing Agreement between FMPA and KEYS, dated as of* [*August 1, 2021*]

Schedule A

AMENDMENT NO. 3 TO THE LTA

AMENDMENT NO. 3 TO THE
LONG TERM JOINT INVESTMENT TRANSMISSION AGREEMENT
BETWEEN THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA AND
FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.
Dated 01/01/1992

This is Amendment No. 3 to the Long Term Joint Investment Transmission Agreement (LTA) between the **Utility Board of the City of Key West, Florida doing business as Keys Energy Services** (KEYS) and **Florida Keys Electric Cooperative Association, Inc.** (FKEC) date as of January 1, 1992, as previously amended. The LTA does not account for electrical facilities located in the KEYS service area that will have a mutual benefit on the jointly-owned Transmission System (System). Hence, the parties desire to amend the LTA upon the following recitals, terms and conditions:

1.0 RECITALS AND BACKGROUND. In 2011, KEYS and FKEC entered into Amendment No. 2 to the LTA to improve the transmission limit of the System to approximately 320 MVA (the thermal limit of the facilities) and to provide for the addition of facilities within the System (as defined in Section 1.18 of the LTA), as well as facilities located in the KEYS service area, that provide mutual benefit to both parties within or within the System area. In the furtherance of such mutual benefits, the parties hereby desire to amend the LTA further as set forth herein.

2.0 **PROJECT DESCRIPTION.** The project to be undertaken by the parties to further the improvement of the transmission limit, as previously stated, by the replacement and upgrade of the STATCOM inverter poles at the Big Pine Key (BPS) substation and the KEYS Stock Island (STI) plant.

2.1 **Big Pine Key Project Breakdown:**

- Upgrade 72 inverter poles located in three (3) 4 MVA units (24 poles each).

2.2 **Stock Island Plant Project Breakdown:**

- Upgrade 72 inverter poles located in three (3) 4 MVA units (24 poles each).

3.0 **FUNDING RESPONSIBILITY.** The parties recognize the unique nature of facilities located in the KEYS service area that provide mutual benefit on the System. KEYS also recognizes that a percentage of the additional facilities at Big Pine Key (BPS) and Stock Island (STI) also have a partial benefit to KEYS to support VAR losses and stability of the System. Therefore, KEYS agrees to a greater percentage of financial responsibility to the construction and installation of the facilities described herein and recurring O&M expenses for those facilities that will be located within the KEYS service area as follows: KEYS – 2/3, FKEC – 1/3.

The parties preliminarily estimate that the replacement and upgrade of the STATCOM invertor poles at BPS and STI will cost approximately $966,000, and the funding allocation between the parties will be two-thirds (2/3) KEYS and on-third (1/3) FKEC.

The funding allocation/cost-sharing arrangement as described in this paragraph is solely for the project described in this amendment and shall not be used by either party as a precedent for any future improvements. Any other future improvements shall be mutually agreed to by FKEC and KEYS. FKEC acknowledges that KEYS and FMPA will enter into a separate agreement on how KEYS' share of the project will be funded.

4.0 **FMPA RELATIONSHIP.** FKEC recognizes that KEYS has wholesale power contracts with the Florida Municipal Power Agency (FMPA), as the KEYS wholesale power supplier. FMPA is not a party to the LTA, as amended by this Amendment No. 3. KEYS represents that no agreement or permission is required from FMPA as a condition precedent to KEYS' execution of this amendment.

5.0 **PROJECT CONSTRUCTION OVERSIGHT.** The cost of the project design and construction oversight will be shared by the parties as follows: KEYS – 2/3 and FKEC – 1/3. KEYS will perform contract construction oversight responsibilities for the project.

6.0 **OPERATION AND MAINTENANCE.** Article 7 of the LTA covers operation and maintenance of the transmission system and describes the procedures for operation and maintenance costs. Due to the unique nature of this project, the following O&M cost sharing will apply, notwithstanding Article 7 of the LTA:

6.1 **Replacement and Upgrade of STATCOM Inverter Poles at BPS:** KEYS – 2/3 and FKEC – 1/3.

6.2 **Replacement and Upgrade of STATCOM Inverter Poles at STI:** KEYS – 2/3 and FKEC – 1/3.

7.0 **CAPACITY ENTITLEMENT.** This amendment shall not effect or change the capacity entitlement as stated in Section 4.1 of Article 4 of the LTA. Hence, that capacity entitlement shall remain as: KEYS – 40%, FKEC – 60%.

8.0 **EXISTING CONTRACT TERMS AND CONDITIONS.** Except as specifically modified as provided herein, the terms and conditions of the LTA dated as of January 1, 1992, as previously amended, are hereby ratified and confirmed.

UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA (KEYS)

ATTEST:

By: ________________________

Secretary

By: ____

Utility Board Chair Date

Mona C. Clark

FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC. (FKEC)

By: ____

Chief Executive Officer Date

Scott Newberry

Agenda Item Summary Sheet

Meeting Date: **September 8, 2021**
Proposer: **Lynne E. Tejeda, General Manager & CEO**
Department: **Engineering**
Agenda Item #: **9f**

AGENDA ITEM WORDING: Approve Amendment #1 to Transmission Improvement Cost Share Agreement with Florida Municipal Power Agency (FMPA)

REQUESTED ACTION: Motion to Approve Amendment #1 to the Transmission Improvement Cost Share Agreement with FMPA

DISCUSSION: In 2011, KEYS and FMPA entered into the Transmission Improvement Cost Share Agreement ("TICSA"), with the parties allocating costs for certain power delivery improvements. These upgrades included the Big Pine Substation 12 MVAR Statcom and the Stock Island Power Plant 12 MVAR Statcom.

The Big Pine Substation and Stock Island Power Plant Statcom need replacement components. The Statcom manufacturer, American Superconductor, has also developed an improved pole assembly which increases the Statcom output and provides for negative sequence compensation. While costs for routine Operation and Maintenance (O&M) are allocated by the TICSA, these system upgrades are outside the scope of routine O&M and necessitate amendment of the TICSA.

Amendment #1 outlines the scope of KEYS and FMPA's involvement in, and allocates cost responsibility for, this project. Amendment #1 mirrors the methodology of the existing TICSA, which established that Keys Import Upgrade construction and O&M costs would be paid 33.3% by KEYS and 33.3% by FMPA. The remainder of the project cost will be paid by FKEC in accordance with the Long-Term Joint Transmission Agreement, as amended.

SUPPORTS STRATEGIC PLAN: Goal #1 - Continually improve the Customer Experience regarding Reliability and Service, Strategy #3 - Maintain High Levels of Customer Satisfaction

FINANCIAL IMPACT:

Total Estimated Cost: N/A	Budgeted: N/A

AMENDMENT NO. 1 TO
TRANSMISSION IMPROVEMENT COST SHARING AGREEMENT

This amendment is dated as of ____________ ____, 2021, and is between FLORIDA MUNICIPAL POWER AGENCY (ALL-REQUIREMENTS POWER SUPPLY PROJECT), a governmental legal entity created and existing pursuant to Florida law ("**FMPA**"), and THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA, DOING BUSINESS AS KEYS ENERGY SERVICES, a body politic organized, validly existing and in good standing under the law of the State of Florida ("**KEYS**").

FMPA and KEYS are parties to that certain transmission improvement cost sharing agreement, dated as of May 26, 2011 (the "**Cost Sharing Agreement**").

KEYS and the Florida Keys Electric Cooperative Association, Inc. ("**FKEC**") are parties to that certain Long-Term Joint Investment Transmission Agreement, dated January 1, 1992, as previously amended (the "**LTA**"). Recently KEYS and FKEC have further amended the LTA (by amendment no. 3) to provide for cost sharing and other details related to the STATCOM Pole Upgrades (as defined in section 5 of this amendment). Amendment no. 3 to the LTA is attached to this amendment as schedule A.

As set forth in this amendment, the parties now desire to amend certain provisions of the Cost Sharing Agreement.

FMPA and KEYS therefore agree as follows:

1. **Defined Terms**. Defined terms used but not defined in this amendment are as defined in the Cost Sharing Agreement.

2. **Amendment to Recitals**. The second paragraph of the Cost Sharing Agreement is hereby amended and restated as follows:

> *FMPA and KEYS are parties to the revised, amended, and restated capacity and energy sales contract, dated as of January 1, 2011, (the "**TARP C&E Contract**") pursuant to which it was agreed that future improvements to the transmission infrastructure facilities system serving the Florida Keys, including static synchronous compensator ("**STATCOM**") installations, would be paid for as subsequently agreed between the parties, as provided for in section 7.4 of the TARP C&E Contract. Since entering into the TARP C&E Contract, the parties have agreed, with the Florida Keys Electric Cooperative Association, Inc. ("**FKEC**"), to install and share in the cost of certain transmission infrastructure improvements including installation of STATCOMs, series capacitors, a special protection system, and certain other related improvements at the Big Pine Key substation, Stock Island substation, and the Islamorada substation (individually a "**Keys Import Upgrade**" and, collectively, the "**Keys Import Upgrades**," which term also includes*

the equipment contributed by KEYS pursuant to clauses (1)(A) and (B) and (2)(B) of section 4(a) and the STATCOM Pole Upgrades (as defined in section 18)).

3. **Amendment to Section 2(a)**. Section 2(a) of the Cost Sharing Agreement is hereby amended as follows: (1) by deleting the word "and" at the end of clause (2); (2) by deleting the period at the end of clause (3) and replacing it with "; and"; and (3) by inserting the following as a new clause (4):

(4) $966,000 for the STATCOM Pole Upgrades described in section 18.

4. **Amendment to Section 5(d)**. Section 5(d) of the Cost Sharing Agreement is hereby amended by adding after clause (6) the following new clause (7).

(7) As defined in this section 5(d), "Operating and Maintenance Work" includes the repair, replacement, reconstruction, and upgrade of machinery and equipment, except that any upgrade, including the replacement of machinery or equipment with a newer OEM model or a different, upgraded piece of machinery or equipment that has additional capacity, capability, or functionality, is only included in "Operating and Maintenance Work" if it does not have the effect of increasing the import limit on the existing transmission tie between the mainland and the Florida Keys, as described in the fourth paragraph of this agreement.

5. **New Section 18**. The Cost Sharing Agreement is hereby amended by adding after section 17 the following new section 18:

*18. **Replacement of STATCOM Invertor Poles**. FMPA and KEYS hereby agree to share equally KEYS' two-thirds responsibility for the design, procurement, construction, installation, testing, and commissioning costs for replacing and upgrading the invertor poles of the existing American Superconductor (AMSC) "DVAR" STATCOMs to increase peak dynamic reactive power output at the Stock Island and Big Pine Key substations (the "**STATCOM Pole Upgrades**"). This will increase total transmission system import capability. Currently the cost estimates for the design, procurement, construction, installation, testing, and commissioning of the STATCOM Pole Upgrades is $966,000 (with FMPA and KEYS each paying for approximately $322,000 of the costs for the STATCOM Pole Upgrades).*

6. **Remaining Terms Unchanged**. Except as modified in this amendment, all other terms and conditions of the Cost Sharing Agreement remain unchanged.

[*Signature Page Follows*]

The parties are signing this amendment as of the date stated in the introductory clause.

FLORIDA MUNICIPAL POWER AGENCY
(ALL-REQUIREMENTS POWER SUPPLY
PROJECT)

By: ______________________
Jacob A. Williams
General Manager and CEO

UTILITY BOARD OF THE CITY OF KEY
WEST, FLORIDA

By: Mona C. Clark
Mona C. Clark
Utility Board Chair

Schedule A

AMENDMENT NO. 3 TO THE LTA

AMENDMENT NO. 3 TO THE
LONG TERM JOINT INVESTMENT TRANSMISSION AGREEMENT
BETWEEN THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA AND
FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.
Dated 01/01/1992

This is Amendment No. 3 to the Long Term Joint Investment Transmission Agreement (LTA) between the **Utility Board of the City of Key West, Florida doing business as Keys Energy Services** (KEYS) and **Florida Keys Electric Cooperative Association, Inc.** (FKEC) date as of January 1, 1992, as previously amended. The LTA does not account for electrical facilities located in the KEYS service area that will have a mutual benefit on the jointly-owned Transmission System (System). Hence, the parties desire to amend the LTA upon the following recitals, terms and conditions:

1.0 RECITALS AND BACKGROUND. In 2011, KEYS and FKEC entered into Amendment No. 2 to the LTA to improve the transmission limit of the System to approximately 320 MVA (the thermal limit of the facilities) and to provide for the addition of facilities within the System (as defined in Section 1.18 of the LTA), as well as facilities located in the KEYS service area, that provide mutual benefit to both parties within or within the System area. In the furtherance of such mutual benefits, the parties hereby desire to amend the LTA further as set forth herein.

2.0 **PROJECT DESCRIPTION.** The project to be undertaken by the parties to further the improvement of the transmission limit, as previously stated, by the replacement and upgrade of the STATCOM inverter poles at the Big Pine Key (BPS) substation and the KEYS Stock Island (STI) plant.

2.1 **Big Pine Key Project Breakdown:**

- Upgrade 72 inverter poles located in three (3) 4 MVA units (24 poles each).

2.2 **Stock Island Plant Project Breakdown:**

- Upgrade 72 inverter poles located in three (3) 4 MVA units (24 poles each).

3.0 **FUNDING RESPONSIBILITY.** The parties recognize the unique nature of facilities located in the KEYS service area that provide mutual benefit on the System. KEYS also recognizes that a percentage of the additional facilities at Big Pine Key (BPS) and Stock Island (STI) also have a partial benefit to KEYS to support VAR losses and stability of the System. Therefore, KEYS agrees to a greater percentage of financial responsibility to the construction and installation of the facilities described herein and recurring O&M expenses for those facilities that will be located within the KEYS service area as follows: KEYS – 2/3, FKEC – 1/3.

The parties preliminarily estimate that the replacement and upgrade of the STATCOM invertor poles at BPS and STI will cost approximately $966,000, and the funding allocation between the parties will be two-thirds (2/3) KEYS and on-third (1/3) FKEC.

The funding allocation/cost-sharing arrangement as described in this paragraph is solely for the project described in this amendment and shall not be used by either party as a precedent for any future improvements. Any other future improvements shall be mutually agreed to by FKEC and KEYS. FKEC acknowledges that KEYS and FMPA will enter into a separate agreement on how KEYS' share of the project will be funded.

4.0 **FMPA RELATIONSHIP.** FKEC recognizes that KEYS has wholesale power contracts with the Florida Municipal Power Agency (FMPA), as the KEYS wholesale power supplier. FMPA is not a party to the LTA, as amended by this Amendment No. 3. KEYS represents that no agreement or permission is required from FMPA as a condition precedent to KEYS' execution of this amendment.

5.0 **PROJECT CONSTRUCTION OVERSIGHT.** The cost of the project design and construction oversight will be shared by the parties as follows: KEYS – 2/3 and FKEC – 1/3. KEYS will perform contract construction oversight responsibilities for the project.

6.0 **OPERATION AND MAINTENANCE.** Article 7 of the LTA covers operation and maintenance of the transmission system and describes the procedures for operation and maintenance costs. Due to the unique nature of this project, the following O&M cost sharing will apply, notwithstanding Article 7 of the LTA:

6.1 **Replacement and Upgrade of STATCOM Inverter Poles at BPS:** KEYS – 2/3 and FKEC – 1/3.

6.2 **Replacement and Upgrade of STATCOM Inverter Poles at STI:** KEYS – 2/3 and FKEC – 1/3.

7.0 **CAPACITY ENTITLEMENT.** This amendment shall not effect or change the capacity entitlement as stated in Section 4.1 of Article 4 of the LTA. Hence, that capacity entitlement shall remain as: KEYS – 40%, FKEC – 60%.

8.0 **EXISTING CONTRACT TERMS AND CONDITIONS.** Except as specifically modified as provided herein, the terms and conditions of the LTA dated as of January 1, 1992, as previously amended, are hereby ratified and confirmed.

UTILITY BOARD OF THE CITY OF KEY WEST (KEYS)

ATTEST:

By: ______________________
Secretary

By: ______________________ 09/08/2021
Utility Board Chair — Date
Mona C. Clark

FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC. (FKEC)

By: ______________________ 9/15/2021
Chief Executive Officer — Date
Scott Newberry

AGENDA ITEM 8 – ACTION ITEMS

c. Approval of Spending Authority for Stock Island Event

Executive Committee
October 21, 2021

8c – Approval of Spending Authority for Stock Island Event

Executive Committee

Oct. 21, 2021

FMPA & Keys Energy Respond to Discharge Discovery

Source Not Yet Definitively Identified, Mitigating Impacts

- Intermittent oil sheen noticed in July and August. In early September, determined coming from riprap and sea wall
- Discharge only occurring during low tide, less than a few gallons a day
- FMPA and Keys Energy immediately utilized emergency response plans and have fully contained the discharge
- External Emergency Response Team, US Ecology onsite daily to contain and dispose of contaminant
- Initial testing showed higher sulfur content than ultra-low sulfur diesel fuel in generation tanks
- Monthly fuel measurements do not highlight missing fuel
- FMPA and Keys Energy working jointly until source definitively identified and mitigated

FMPA MUNICIPAL POWER

Oil Discharge on Seawall and Riprap

Discharge Minor, Only Occurs During Low Tide

Area of Discharge Near Fuel Tanks

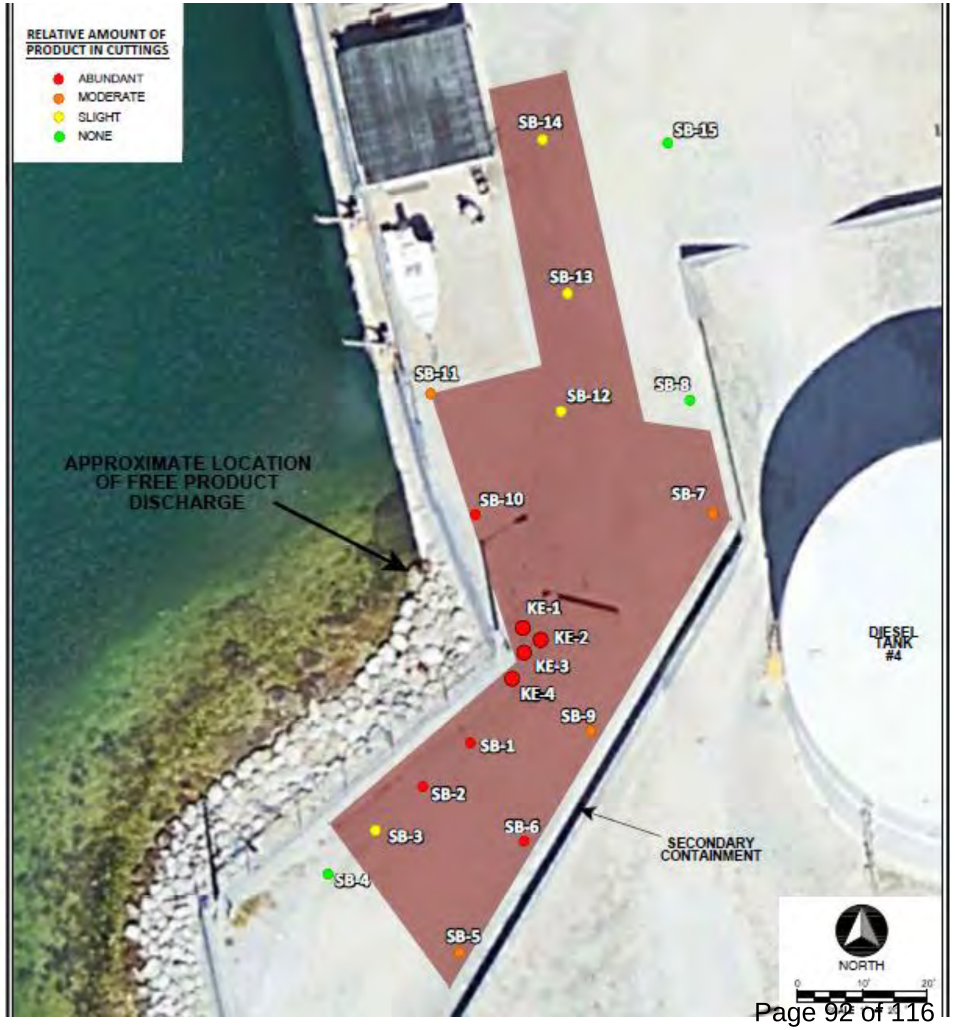
Borings & Lab Tests Not Yet Conclusive

- At DEP request, Tank 2 drained and in process of being cleaned and inspected
- 3rd party, PE-stamped in-service tank inspections required every five years, last completed April 2019
- 3rd party, PE-stamped out-of-service tank inspection frequency determined during pervious certification (10-20 years), last performed July 2014 with next certification date of 2034

FMPA & Keys Acting at Coast Guard and DEP Request

External Expertise Also Providing Guidance on Appropriate Steps

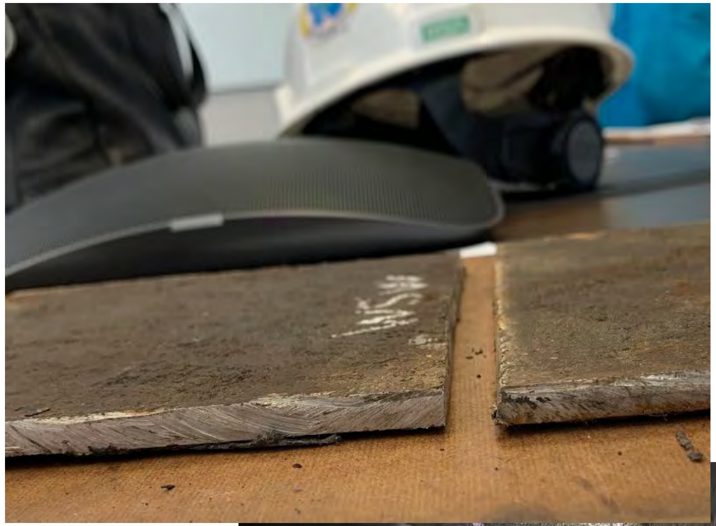
- Geologists hired to help determine remediation plan
- Soil borings taken to identify location and source of contaminants
- S&L engaged for civil advice on structures and seawall
- External legal counsel on board to advise
- Tank engineering expert contracted for special services



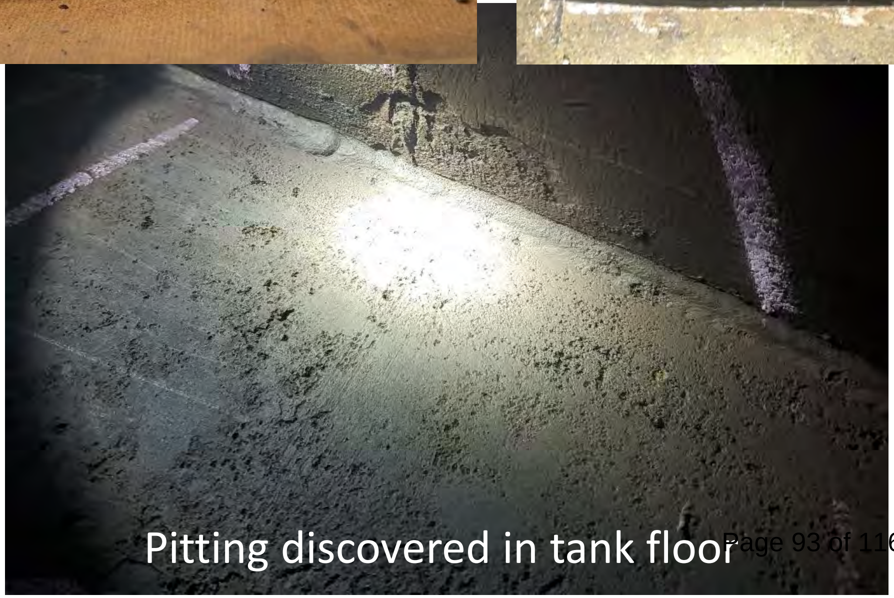
Efforts Continuing to Identify Source

Keys and FMPA Both Incurring Costs to Remediate Discharge

- Initial samples indicated Tank 2 as source. Tank inspection showed floor pitting but no definitive penetration
- FMPA on 10/18 cut holes in Tank 2 floor. No diesel fuel detected below the steel floor.



Secondary concrete containment below steel



Pitting discovered in tank floor

Remediation Will Continue Beyond Tank 2 Discoveries

- FMPA planning to transfer fuel from Tanks 1 & 4 and will proceed to clean and inspect each tank
- FMPA's insurance provider notified and updated as warranted
- FMPA may be able to file a claim for 3rd party damages to Keys Energy property
- Keys Energy issuing RFP on 10/20 for site excavation to capture discharge before release to harbor
- Stakeholder meeting three times a week for coordination

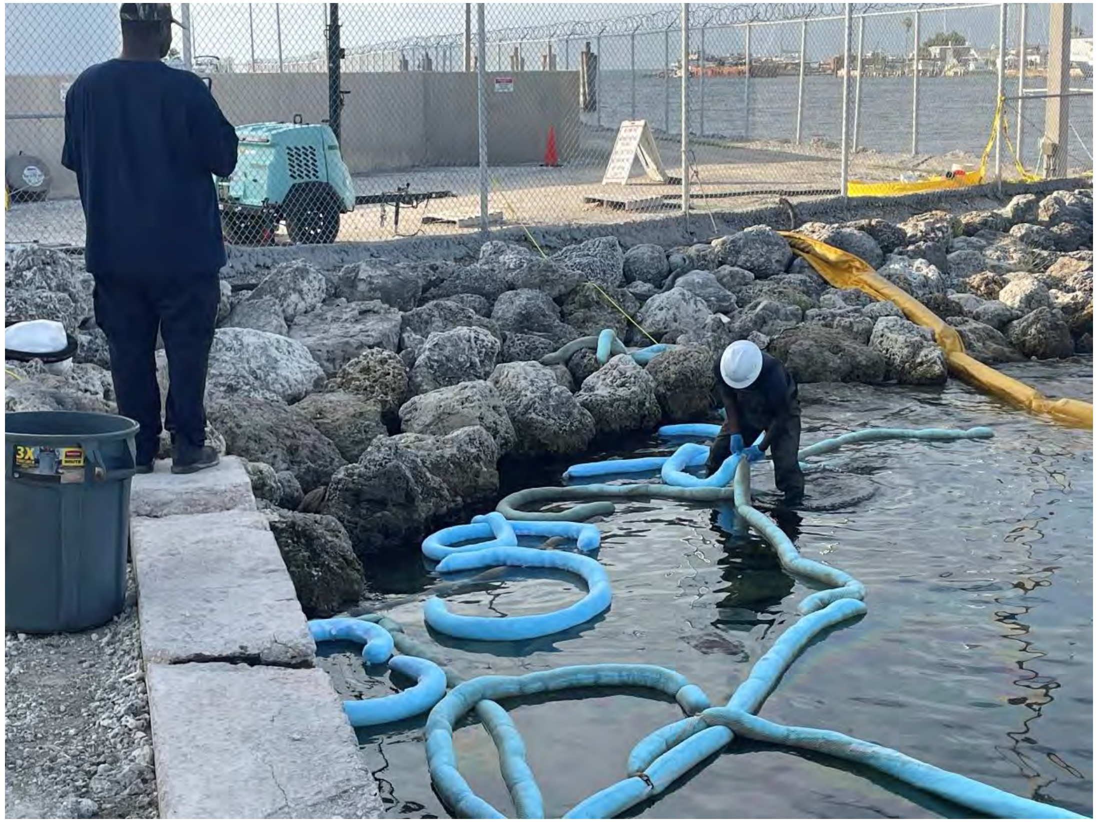
Recommended Motion

- Move approval to authorize General Manager to execute spending, not to exceed $1,250,000, to continue containment and remediation of Stock Island oil discharge

Appendix – Additional Site Containment Photos

Close-up of Riprap

Ongoing Efforts To Contain Oil



Auger Holes Being Drilled

Geologists Performing Field Test On Soil Samples

Auger Holes

Conducting Oil Skimming for Product Removal

FMPA MUNICIPAL POWER

Interior of Fuel Tank #2

Cleaned, Waiting API Inspection

AGENDA ITEM 9 – INFORMATION ITEMS

a. **Power Purchase Agreement RFP Results**

Executive Committee
October 21, 2021

9a – Power Purchase Agreement RFP Results

Executive Committee

October 21, 2021

ARP's Mid 20s Capacity Needs Are Peaking in Nature

A Diverse Combination of Solutions May Provide the Best Value

- The ARP has regional needs for at least 80 MW of peaking capacity starting in 2025
- Options for filling needs
  - Upgrades at Cane Island and Treasure Coast
  - Demand management implementation
  - Third-party power purchases
  - Solar / battery additions
  - Existing merchant assets

FMPA MUNICIPAL POWER

Capacity Selection Driven by Value & Reliability

Different forms of capacity have different risks & benefits

- Future ARP & FMPP composed primarily of natural gas and renewable generation will require new forms of asset diversity
- Location of assets can help mitigate items such as transmission costs
- Staff evaluating and amortizing levelized costs primarily through 2035 or term of PPAs
- Ownership of assets requires full evaluation of all life cycle costs
- Potential CO_2 financial risks assessed with best available information
- Counterparty risks considered
- Ownership allows ability to control and potentially extract additional value in FMPP

Short-term PPA Adds Value Through Flexibility

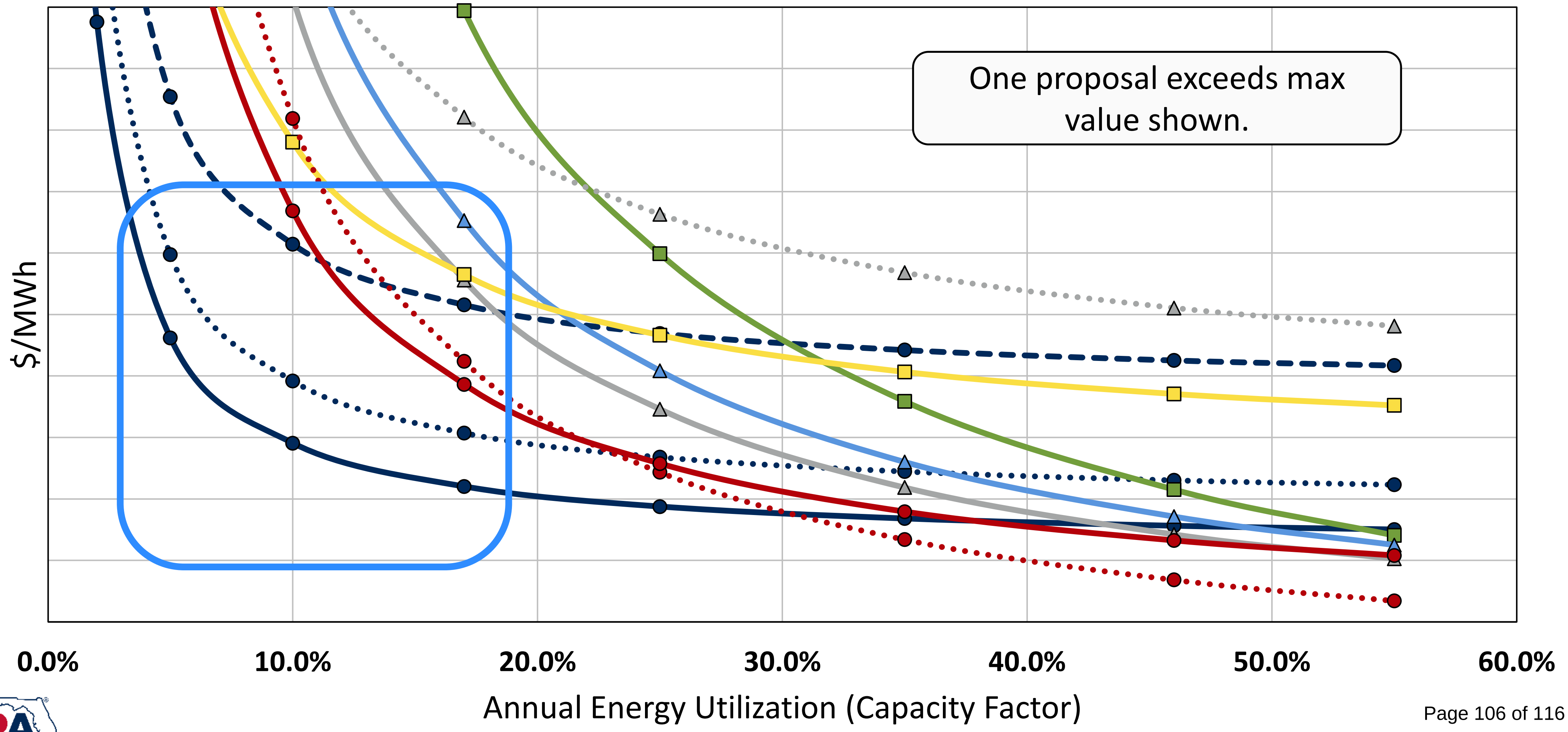
Request for Proposals Uncovered Some Viable Options

- RFP issued at the end of June
  - 50 MW of firm capacity from conventional generation
  - Indicated peaking need: ~5% capacity factor
  - Beginning January 1, 2025 with term of up to 5 years
  - Sent to 16 potential respondents: utilities, IPPs, & marketers
- Received 10 proposals from 6 different respondents
  - Subsequently received indicative information from 2 other generator owners
  - Staff evaluating alongside other external and internal options

FMPA MUNICIPAL POWER

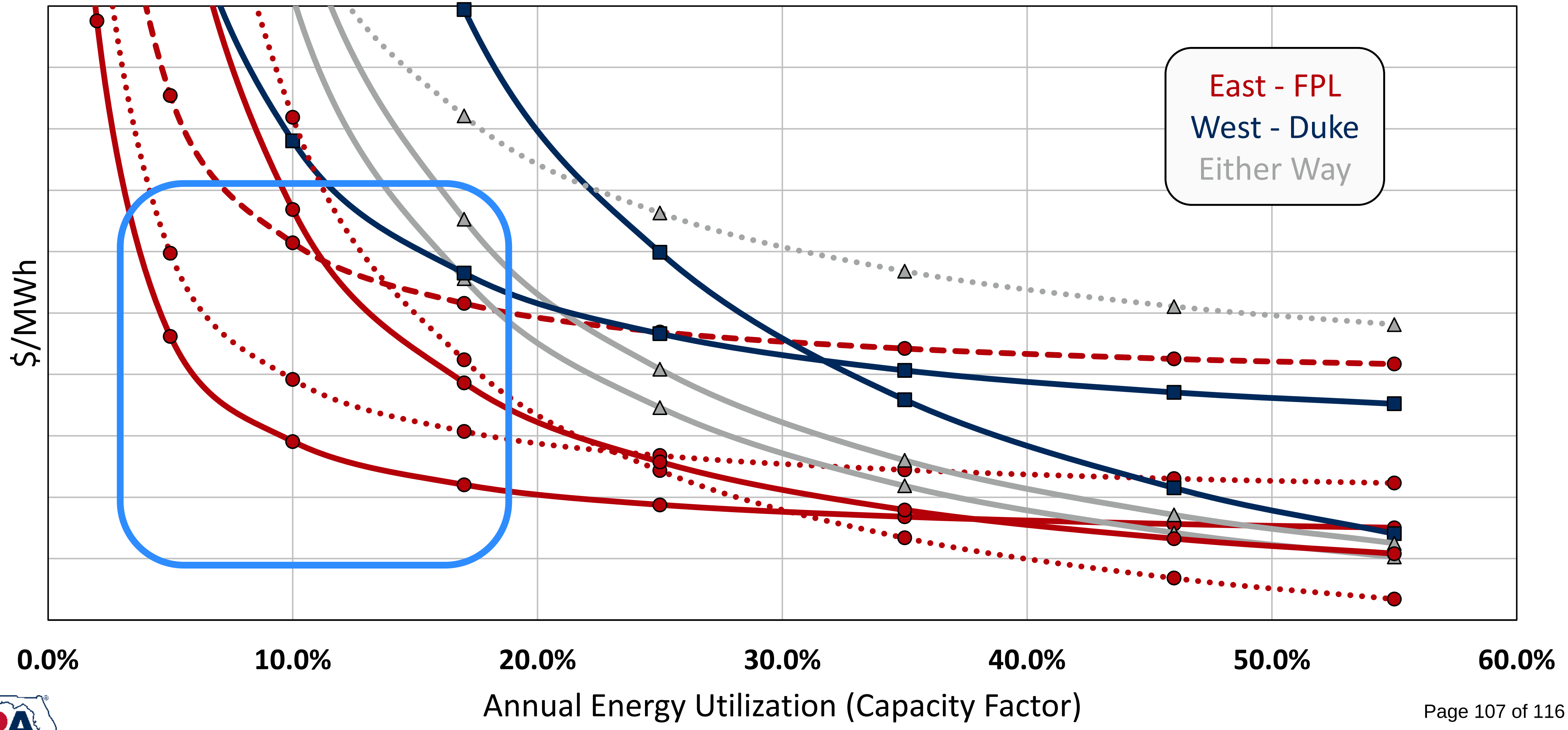
5-year Levelized Cost of Energy Used to Compare

Need On the Lower End of the Spectrum, in the 10%-20% Range



Economic Offers Not Aligned with Area of Need

Need On the West Side of ARP System, in the Duke Area



Seeking Best Value for ARP, PPA One of Several Options

Analysis of All Options Ongoing in Parallel

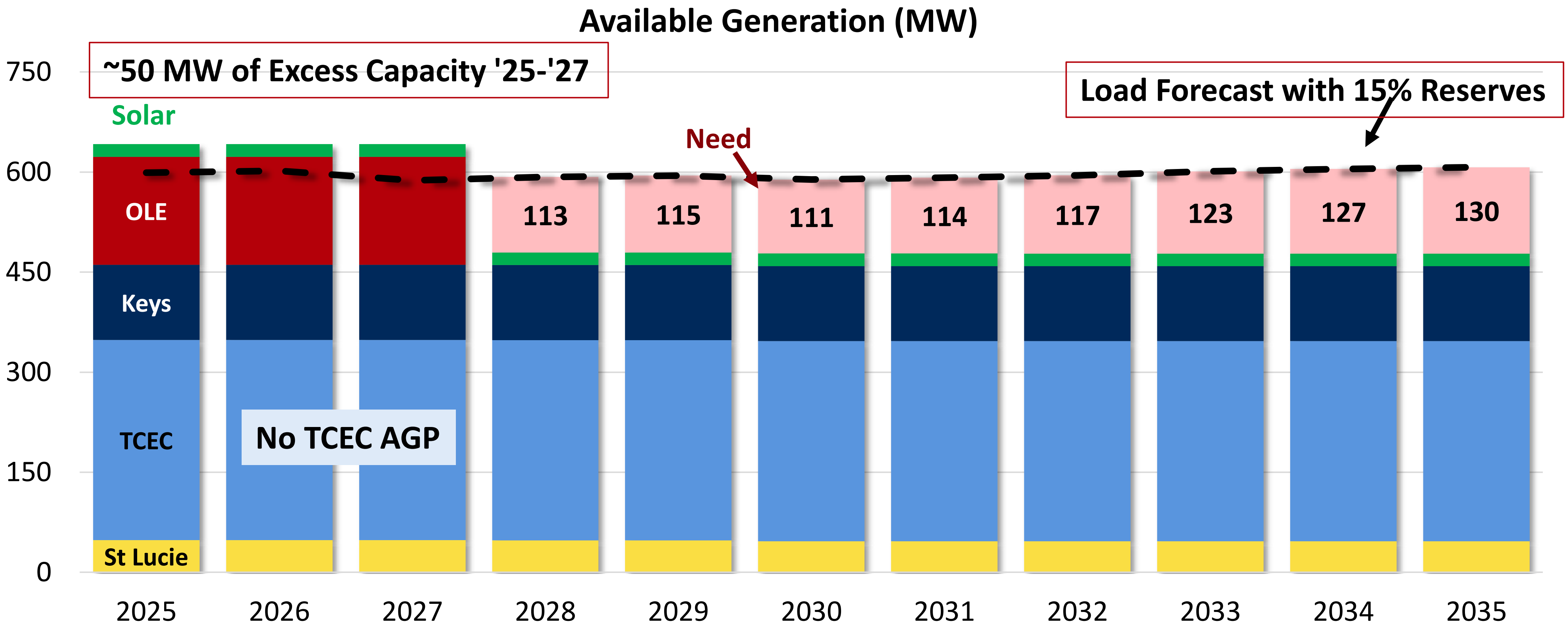
- Notified 2 bidders with the lowest cost proposals that we would like to evaluate further
- Comparing to possible asset acquisition and upgrade options
- Looking at transmission cost to move economic offers to area of need
- Timing of Stanton modification/retirement drives timeframe of need
- Targeting end of 2021 for moving forward with negotiations, if desired

FMPA MUNICIPAL POWER

Appendix

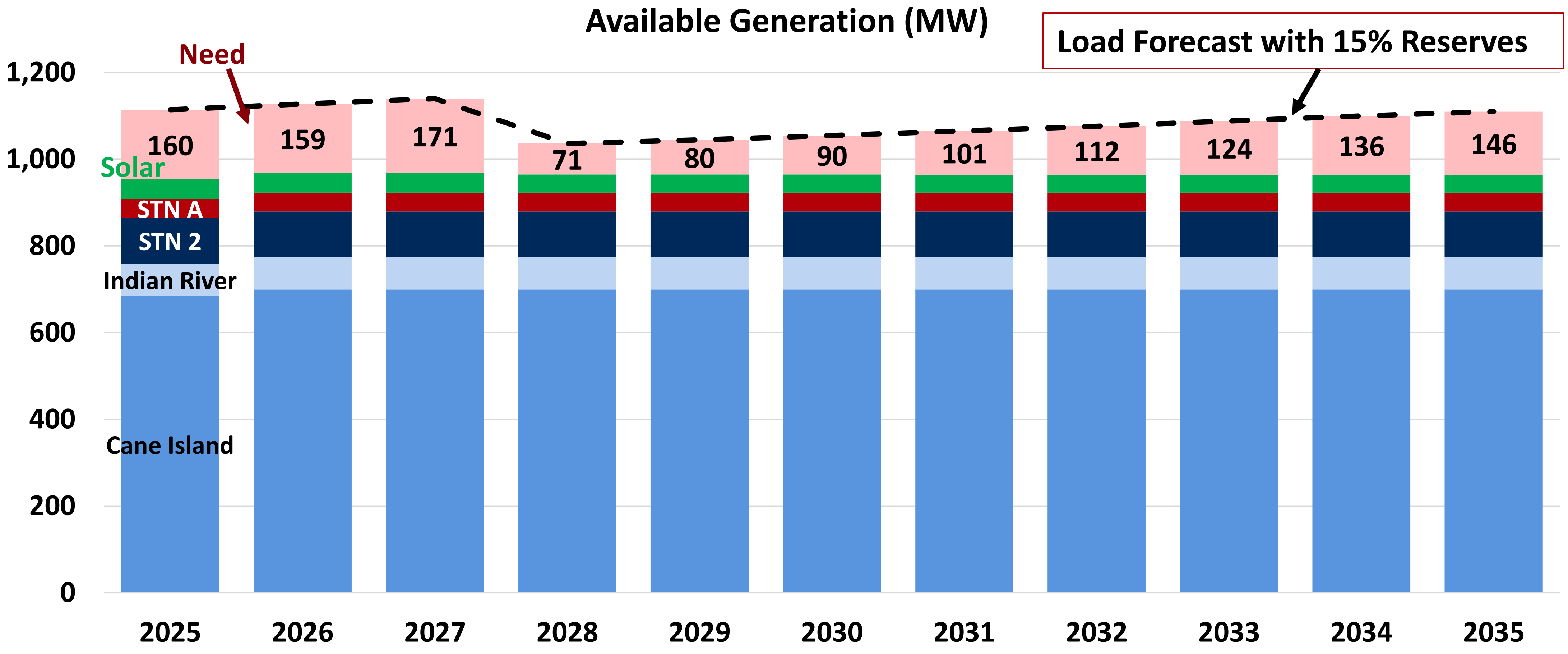
East Summer Capacity Need ~110 MW Starting 2028

Loss of Stanton 1 and Oleander Create Need



West/KUA Summer Capacity Need ~150 MW in 2025

Loss of Stanton 1 Creates Partial Need



AGENDA ITEM 9 – INFORMATION ITEMS

b. Summary of Finance Committee Items

Executive Committee
October 21, 2021

Summary of Finance Committee Items
BOD 9d /EC 9b

Board of Directors & Executive Committee

October 21, 2021

Other Items

Review and/or Approval Required

- Update on any credit rating changes
- Approval of Risk Policies and the related compliance reports
- Review of St. Lucie audit results and next steps
- Review of procurement audit report

AGENDA ITEM 10 – MEMBER COMMENTS

Executive Committee
October 21, 2021

AGENDA ITEM 11 – ADJOURNMENT

Executive Committee
October 21, 2021