



## **FMPA BOARD OF DIRECTORS AGENDA PACKAGE**

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**May 20, 2021  
9:00 a.m. [NOTE TIME]  
Dial-in Info 877-668-4493 or 650-479-3208  
Meeting Number 180 601 1495#  
Password – 8553#**

### **Board of Directors**

Barbara Quiñones, Homestead –Chair  
Lynne Tejada, Key West – Vice Chair  
Larry Mattern, Kissimmee – Secretary  
Allen Putnam, Jacksonville Beach – Treasurer  
Rodolfo Valladares, Alachua  
Bradley Hiers, Bartow  
Vacant, Blountstown  
Jody Young, Bushnell  
Robert Presnell, Chattahoochee  
Lynne Mila, Clewiston  
Jan Bagnall, Fort Meade  
John Tompeck, Fort Pierce  
Tom Brown, Gainesville  
Robert Page, Green Cove Springs  
Howard McKinnon, Havana  
Ed Liberty, Lake Worth Beach

Michael Beckham, Lakeland  
Brad Chase, Leesburg  
Vacant, Moore Haven  
Steve Langley, Mount Dora  
Bill Conrad, Newberry  
Joe Bunch, New Smyrna Beach  
Bill Kaufman, Ocala  
Claston Sunanon, Orlando  
Vacant, Quincy  
Keith Trace, St. Cloud  
John Holman, Starke  
Rob McGarrah, Tallahassee  
James Braddock, Wauchula  
Vacant, Williston  
Dan D'Alessandro, Winter Park

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



# MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Jacob A. Williams, General Manager and CEO  
**DATE:** May 11, 2021  
**RE:** **FMPA Board of Directors Meeting – 9:00 a.m., May 20, 2021**  
**PLACE:** Florida Municipal Power Agency  
8553 Commodity Circle, Orlando, FL 32819  
**DIAL-IN:** **DIAL-IN INFO 877-668-4493 or 650-479-3208**  
**Meeting Number 180 601 1495# – PASSWORD – 8553# - LINK:**  
<https://fmpa.webex.com/fmpa/j.php?MTID=mbec417caeadded727cfa3c5e6859caf0>  
(If you have trouble connecting via phone or internet, call 407-355-7767)

## AGENDA

Chairperson Barbara Quiñones, Presiding

- 1. Call to Order, Roll Call, Declaration of Quorum ..... 4
- 2. Recognition of Guests..... 5
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- 5. Report from the General Manager (Jacob Williams)..... 9
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- 7. Consent Agenda
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- b. Approval of Information Technology Policy and Changes (Rich Popp) ..... 30

**9. Information Items**

- a. 2020 Reliability Update (Cairo Vanegas)..... 48
- b. Debt and Rate Strategy for St. Lucie Project (Linda S. Howard) ..... 61
- c. Quarterly Human Resources Update (Sharon Adams)..... 68
- d. Solar Phase II Whistling Duck Network Upgrades \* (Susan Schumann/Chris Gowder)..... 73
- e. Annual Environmental Program Update \* (Justin Harris) ..... 83
- f. Pooled Loan Program Update (Sena Mitchell) ..... 100
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- h. Stanton Energy Center Natural Gas Conversion – Engineering Design \* (Ken Rutter) ..... 109
- i. Solar II Project Committee Charter (Susan Schumann) ..... 115
- j. Summary of Finance Committee Items \* (Linda S. Howard)..... 123

**10. Member Comments..... 125**

**11. Adjournment..... 126**

**\*Also on the Executive Committee agenda.**

JW/su

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**

**Board of Directors Meeting  
May 20, 2021**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Board of Directors Meeting  
May 20, 2021**

**AGENDA ITEM 3 – PUBLIC  
COMMENTS (Individual Public  
Comments Limited to 3 Minutes)**

**Board of Directors Meeting  
May 20, 2021**

**AGENDA ITEM 4 – SET AGENDA (By  
Vote)**

**Board of Directors Meeting  
May 20, 2021**

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

**Board of Directors Meeting  
May 20, 2021**

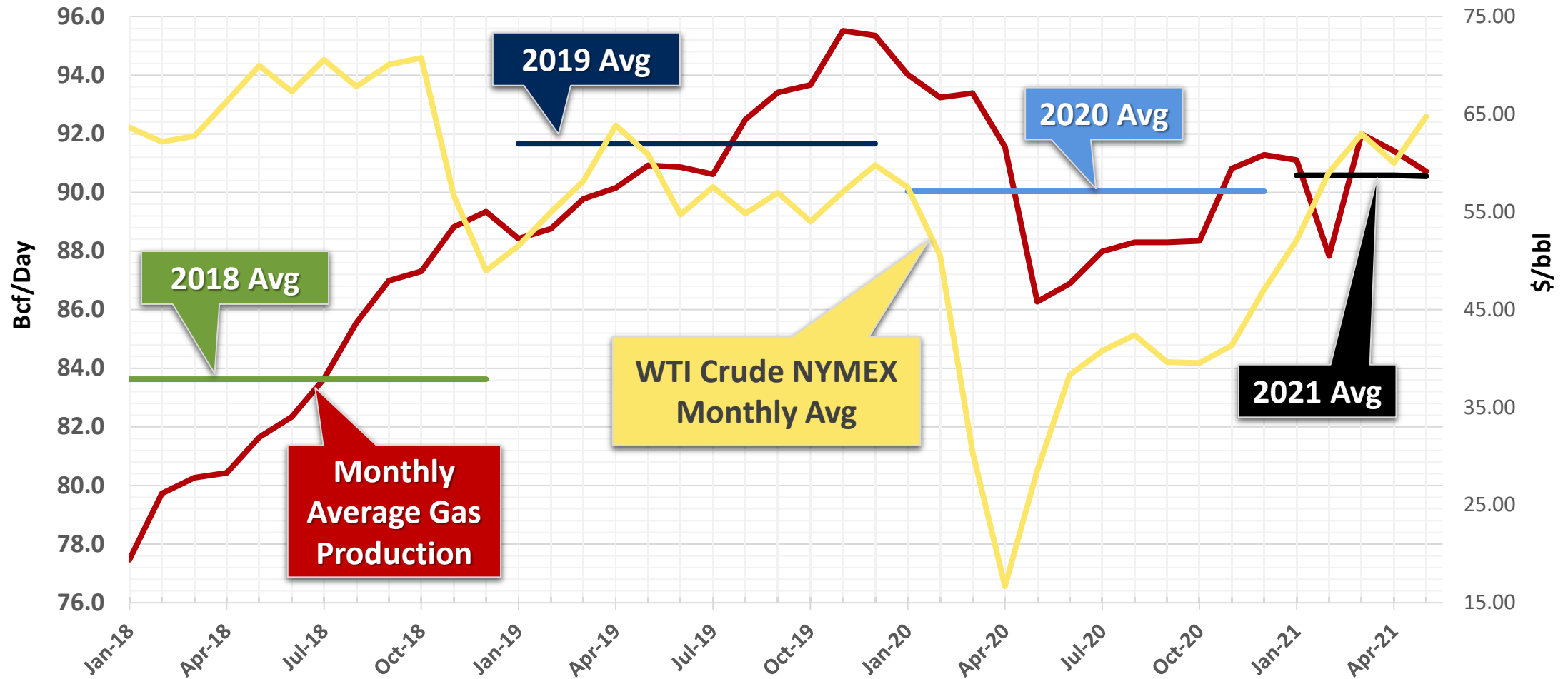


# Fiscal 2021 Management Goals through April 30, 2021

Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
<b>1.Safety</b>	Lost-time Accidents	0	1	0	0	No lost time accidents in April
	OSHA Recordables	0	1	0	0	
<b>2.Compliance</b>	Environmental	0	0	0	0	Remediation plan for Cane Island potable water testing issue approved by DEP – no fine
	Financial	0	0	0	0	
	Regulatory	0	0	0	0	
<b>3.Low Cost (\$/MWh)</b>	Under \$70/MWh	\$61.00	\$71.74	\$75.47	< \$70.00	YTD April 2021 MWh sales 2.6% > budget. All-in Costs ~\$4/MWh, (5.2%) < YTD target due to O&M (5%), assigned project costs (10%), admin & general (11%) and net fuel costs (2%) < target
	Fuel	\$23.27	\$21.87	\$22.20	\$22.19	
	Non-Fuel	\$50.17	\$49.87	\$53.27	\$47.81	
<b>4.Stanton I and Stanton II</b> Decision from OUC to reduce power costs and emissions						Significant progress made on natural gas mgmt. and future FOM items. Water evap. remains key outstanding issue.

# Natural Gas Production Following Oil Prices

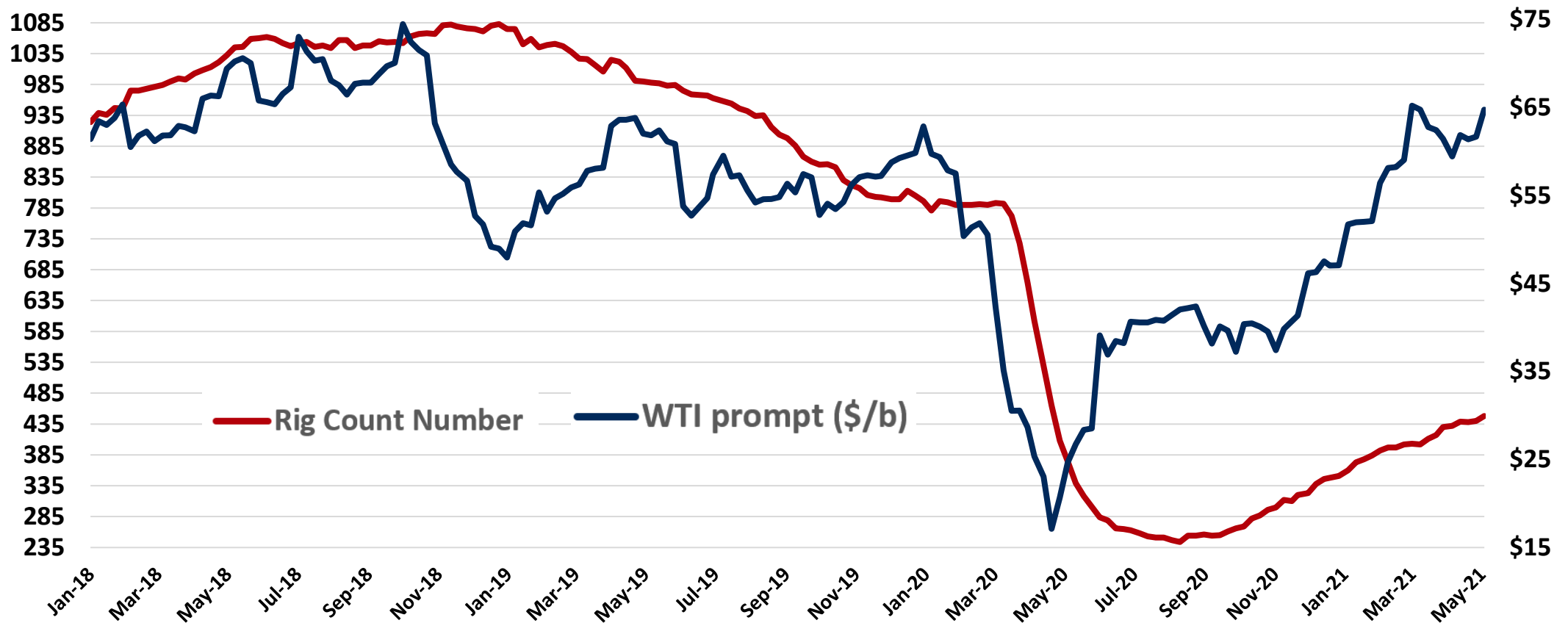
*Average Monthly Change Since 2018 to Date (5/18/21)*



# Drilling Rig Count Increasing, Oil Prices Move Higher

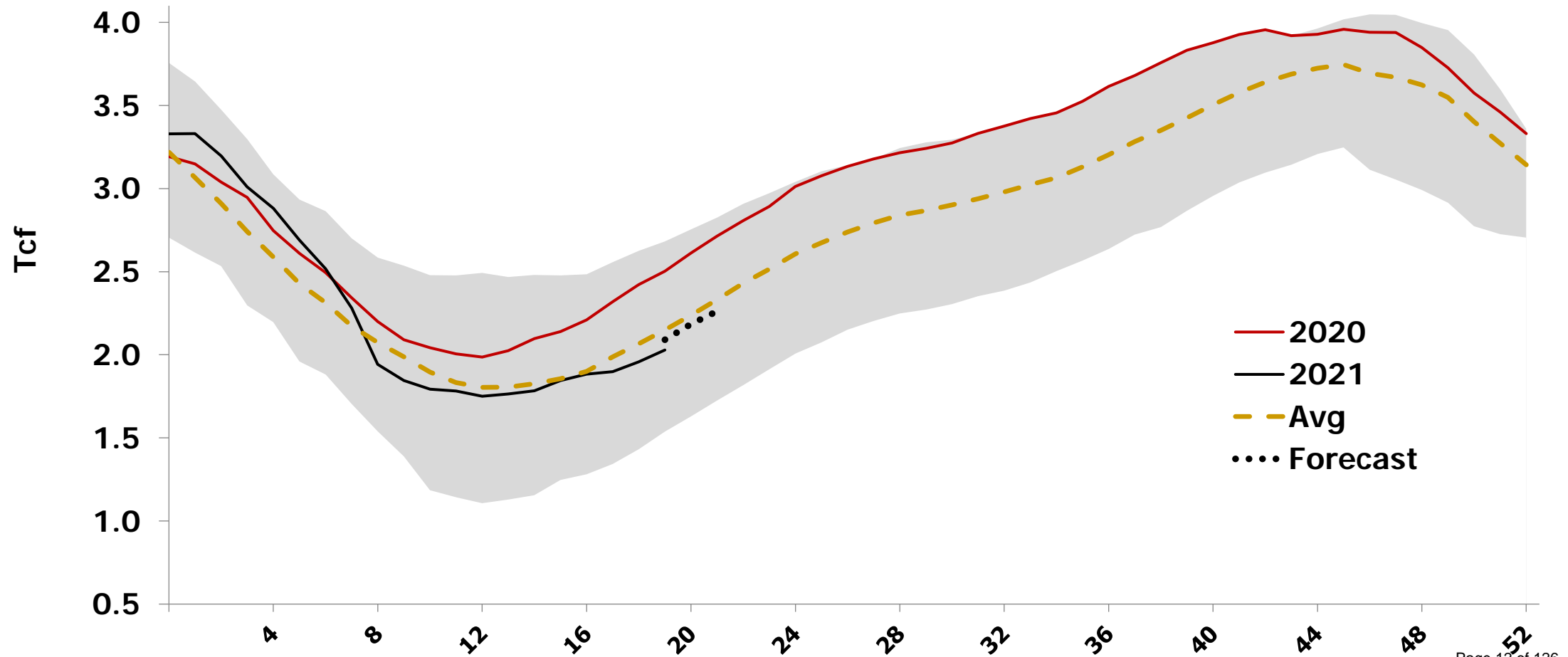
*Rig Count Increasing with WTI Prices into mid \$60s (as of May 18)*

## US Drilling Rig Count vs WTI Prompt



# Gas Storage Inventory as of Week Ending May 7

## 2021 Injection Season Trending Below Five-Year Average



# ~35% of FMIPA Natural Gas Burn bought for Fiscal 2021

Overall \$(0.212) / MMBtu Below Budget, Recent Purchases ~\$(0.44)MMBtu Below

## Value vs. Budget

- Locked in ~35% of annual burn at a weighted average cost of gas of \$2.55/MMBtu
- The fixed price purchases are roughly \$(0.212)/MMBtu lower than budget
- **The extended fixed price value is roughly \$2.7 million below budget**

## Value vs. Market

Month	Purchase WACOG (\$/MMBtu)	FGT Zn3 Market Pricing as of 05/06/2021 (\$/MMBtu)	\$ Value or (lost opportunity) vs. Current Market (\$/MMBtu)	Extended Value or (lost opportunity) vs. Current Market
Oct-20	\$1.81	\$2.28	\$0.46	\$467,838
Nov-20	\$2.24	\$2.96	\$0.72	\$921,174
Dec-20	\$2.72	\$2.88	\$0.16	\$213,564
Jan-21	\$2.79	\$2.46	-\$0.33	-\$590,859
Feb-21	\$2.75	\$2.76	\$0.00	\$4,341
Mar-21	\$2.68	\$2.84	\$0.17	\$296,456
Apr-21	\$2.49	\$2.55	\$0.06	\$33,108
May-21	\$2.44	\$2.92	\$0.47	\$292,975
Jun-21	\$2.49	\$3.10	\$0.61	\$366,108
Jul-21	\$2.57	\$3.12	\$0.55	\$340,157
Aug-21	\$2.59	\$3.15	\$0.56	\$347,485
Sep-21	\$2.57	\$3.12	\$0.55	\$332,184

<b>Total Extended Value vs. Current Market</b>	<b>\$3,024,532</b>
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Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
5.Cyber Security	Breaches	0	0	0	0	
	Phishing tests	1.4%	3.9%	5% or <	5% or <	One person clicked on an email pretending to be from Microsoft Office365 "Suspicious Activity Detected on Your Account"
	Member assessments	2	2	1	5	Five assessments in progress
6.Reliability	CC EAF	87.5%	90.1%	85.7%	90%	TCEC was in planned outage
	SI black start and trans. backup	2	7	7	100%	Tie Line Outage and FMPP Support
	SAIDI Reduction	0	4	6	10	Fort Meade reclosers
7.Member Services	Leadership member visits	5	51	43.75	75	
	Projects managed for members	1	12	12	20	NSB Arc Flash Study
8.Value of Muni	Member info updates	1	10	9	16	Alachua, Bartow, Chattahoochee, FPUA, GCS, Havana, Jacksonville Beach, New Smyrna Beach, Ocala, Wauchula
	Presentations Social media	1	7	6	10	Bartow, Chattahoochee, Lake Worth, Leesburg, Newberry, Starke, Wauchula

Goal		Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
<b>9.Load Management</b>	Dev. opportunities for 5 MW		0	0		5	April Workshop outlined phased implementation approach to find low-cost options
<b>10.Financing</b>	Restructure debt		0	1	1	1	Done
	Extend debt to include R&R funding		0	0	0	1	Still in process – will look at St. Lucie between July and September
	Prepaid gas min. svgs. of \$0.20/mmBtu		0	0	0	1	Market providing options to consider
<b>11.Transmission</b>	Neg. service upgrade for LWB & Homestead						LWB engineer work ongoing, HST in project development
<b>12.People</b>	360 training for Leadership & mgmt.		6	5	6.4	11	5 completed, 6 began in March
	Mgmt. outreach to diverse prof. groups		1	2	1.5	3	Jacob - AABE membership Linda – NABA membership; contact at NSBE
	Individual development plans		21	50	50	50	Completed by March 31. Now follow-up on plans
	FMPA Fleet Team Sharing – Days		6	120	58	100	FMPA to Stock Island 2 days, Cane Island 1 day & TCEC 3 days

# **VERBAL REPORT**

**AGENDA ITEM 6 – SUNSHINE LAW  
UPDATE**

**Board of Directors Meeting  
May 20, 2021**



**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of the Minutes for the  
Meeting Held April 15, 2021**

**Board of Directors Meeting  
May 20, 2021**

**MINUTES**  
**FMPA BOARD OF DIRECTORS MEETING**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**  
**THURSDAY, APRIL 15, 2021**  
**9:00 A.M.**

**MEMBERS PRESENT** Brad Hiers, Bartow (via telephone)  
Jody Young, Bushnell  
John Tompeck, Fort Pierce  
Bob Page, Green Cove Springs  
Barbara Quiñones, Homestead  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West (via telephone)  
Larry Mattern, Kissimmee  
Ed Liberty, Lake Worth Beach (via telephone)  
Michael Beckham, Lakeland (via telephone)  
Brad Chase, Leesburg (via telephone)  
Steve Langley, Mount Dora  
Joe Bunch, New Smyrna Beach (via telephone)  
Randy Hahn, Ocala  
Claston Sunanon, Orlando  
John Holman, Starke  
Rob McGarrah, Tallahassee (via telephone)  
James Braddock, Wauchula (via telephone)  
Dan D'Alessandro, Winter Park

\*joined after roll call.

**OTHERS PRESENT** Paul Jakubczak, Fort Pierce  
Karen Nelson, Jacksonville Beach  
Craig Dunlap, Dunlap & Associates, Inc.  
Rafael Couret, Power Engineers

**STAFF PRESENT** Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and CLO  
Ken Rutter, Chief Operating Officer  
Linda S. Howard, Chief Financial Officer  
Carol Chinn, Chief Security Officer (via telephone)  
Mark McCain, Vice President of Member Services & Public Relations  
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel  
LaKenya Van Norman, Regulatory Compliance Specialist

Rich Popp, Treasurer and Risk Director  
Sue Utley, Executive Asst. /Asst. Secy. to the Board  
Mike McCleary, Manager of Member Services Development  
Sharon Adams, Vice President of Human Resources & Shared Services  
Cairo Vanegas, Manager of Member Services Development  
Jason Wolfe, Financial Planning, Rates and Budget Director  
Isabel Montoya, Information Technology Intern  
Susan Schumann, Manager of External Affairs and Solar Projects  
Ryan Dumas, Public Relations Specialist  
Melisa Inanc, Public Relations Specialist

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

Chair Barbara Quiñones, Homestead, called the Board of Directors meeting to order at 9:00 a.m. on Thursday, April 15, 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 19 members present representing 30 votes out of a possible 47.5.

### **ITEM 2 – Recognition of Guests**

Chair Barbara Quiñones welcomed Rafael Couret, Power Engineers and Craig Dunlap, Dunlap & Associates, Inc.

### **ITEM 3 – PUBLIC COMMENTS (Individual Public Comments Limited to 3 Minutes)**

None

### **ITEM 4 – SET AGENDA (by vote)**

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. John Holman, Starke, seconded the motion. Motion carried 30 – 0.

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

Jacob Williams reported on the following items:

1. Goals Scorecard
2. Recently completed work on the Cane Island – Intercession City transmission upgrade
3. Carol Chinn retiring July 8
4. Jan Bagnall hired as new City Manager for Fort Meade
5. FRCC held a lessons-learned webinar on the Middle U.S. Arctic blast and discussed the upcoming rolling blackouts drill this fall

## **ITEM 6 – SUNSHINE LAW UPDATE**

Dan O'Hagan reported on 2021 Proposed Legislation related to Public Records Laws based on cities charging high fees to go through their records for public records requests.

## **ITEM 7 – CONSENT AGENDA**

- a. Approval of Minutes – Meeting Held March 18, 2021
- b. Approval of the Projects' Preliminary Financials as of February 28, 2021
- c. Approval of the Treasury Reports as of February 28, 2021

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. John Holman, Starke, seconded the motion. Motion carried 30 – 0.

## **ITEM 8 – ACTION ITEMS**

- a. Approval of the Lineworker Safety Program

Mike McCleary presented the Lineworker Safety Program.

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of the FMPA contribution and cost allocation methodology for the Lineworker Safety Program and the two agreements (see attachments in agenda package) to implement the Lineworker Safety Program with TVPPA effective July 1, 2021, and authorize FMPA to sign the same:

- Lineworker Safety Program and other Support Services Agreement between FMPA and TVPPA
- Lineworker Safety Program Participation Agreement between FMPA and FMPA members that choose to participate in Lineworker Safety Program,

Larry Mattern, Kissimmee, seconded the motion. Motion carried 30 – 0.

## **ITEM 9 – INFORMATION ITEMS**

### **a. Solar Projects Update**

Susan Schumann presented information on the Solar II Project

### **b. Estimated Impact of CLEAN Future Act Draft Legislation**

Navid Nowakhtar and Jacob Williams presented FMPA's analysis on the CLEAN Future Act draft legislation and the impact on Florida and the nation.

**d. Debt and Rate Strategy for St. Lucie Project**

Jason Wolfe presented information on the debt and rate strategy for the St. Lucie Project.

**e. Summary of Finance Committee Items**

Linda S. Howard reported on items from the Finance Committee that will come back to the Board of Directors for approval.

**ITEM 10 – MEMBER COMMENTS**

None

**ITEM 11 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:59 a.m.

\_\_\_\_\_  
Barbara Quiñones  
Chairperson, Board of Directors

\_\_\_\_\_  
Larry Mattern  
Secretary

Approved: \_\_\_\_\_

Seal

BQ/LM/su

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- b. Approval of the Projects'  
Preliminary Financials as of March  
31, 2021**

**Board of Directors Meeting  
May 20, 2021**



Linda S. Howard, CPA, CFP  
Chief Financial Officer

## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Linda Howard  
**DATE:** May 11, 2021  
**ITEM:** 7b – Approval of Projects’ Financials as of March 31, 2021

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**Discussion:** The summary financial statements and detailed financial statements, which include GASB #62 transactions, of the Projects for the period ended March 31, 2021 are posted on the Document Portal section of FMPA’s website.

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**Recommended:** Move approval of the Preliminary Projects’ Financial Reports for the month ended March 31, 2021.

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LH/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Treasury Reports  
as of March 31, 2021**

**Board of Directors Meeting  
May 20, 2021**





**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
 FROM: Gloria Reyes  
 DATE: May 11, 2021  
 ITEM: BOD 7(c) – Approval of Treasury Reports as of March 31, 2021

**Introduction** This agenda item is a quick summary update of the Treasury Department’s functions.

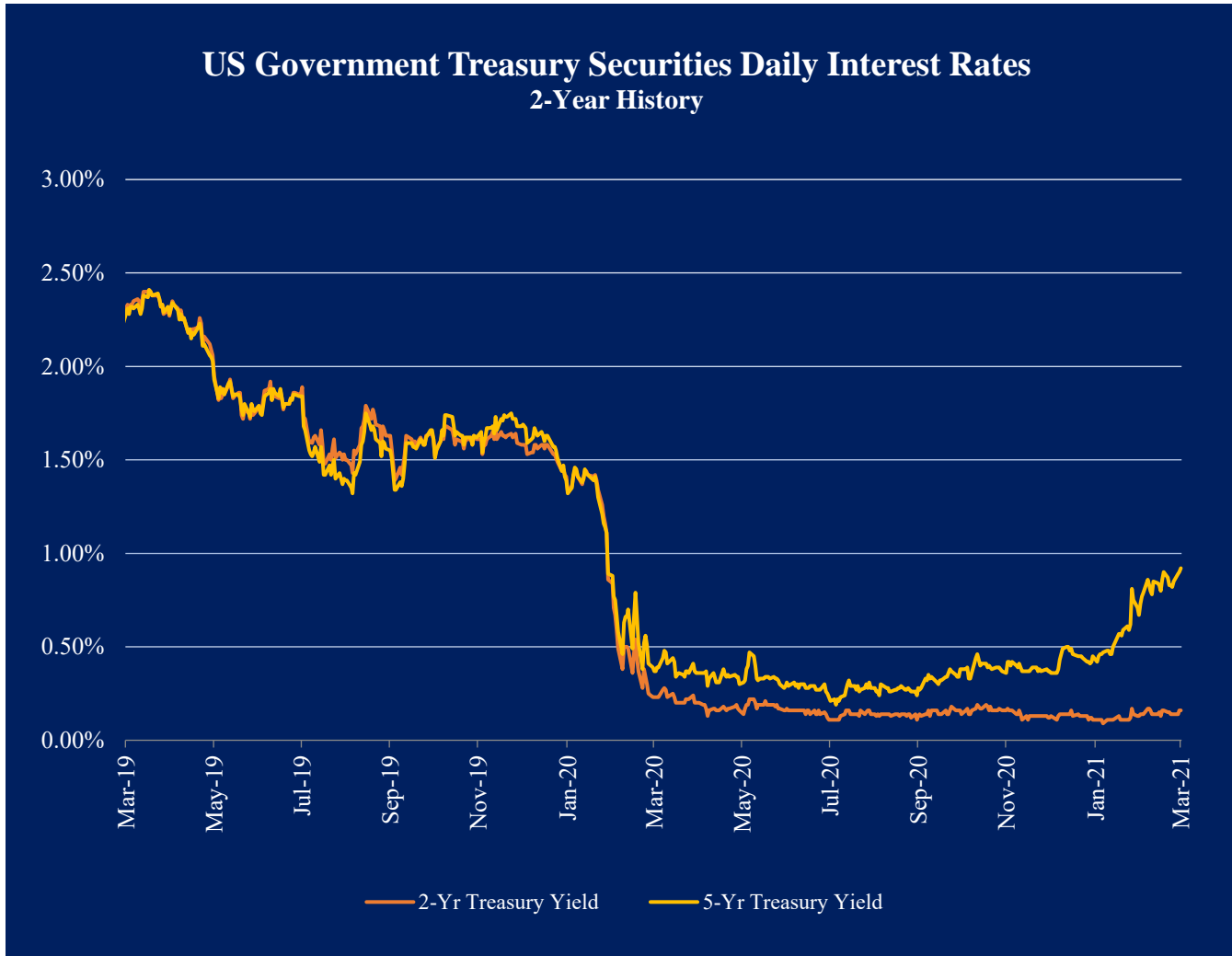
The Treasury Department reports for March are posted in the member portal section of FMPA’s website.

**Debt Discussion** Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of March 31, 2021.

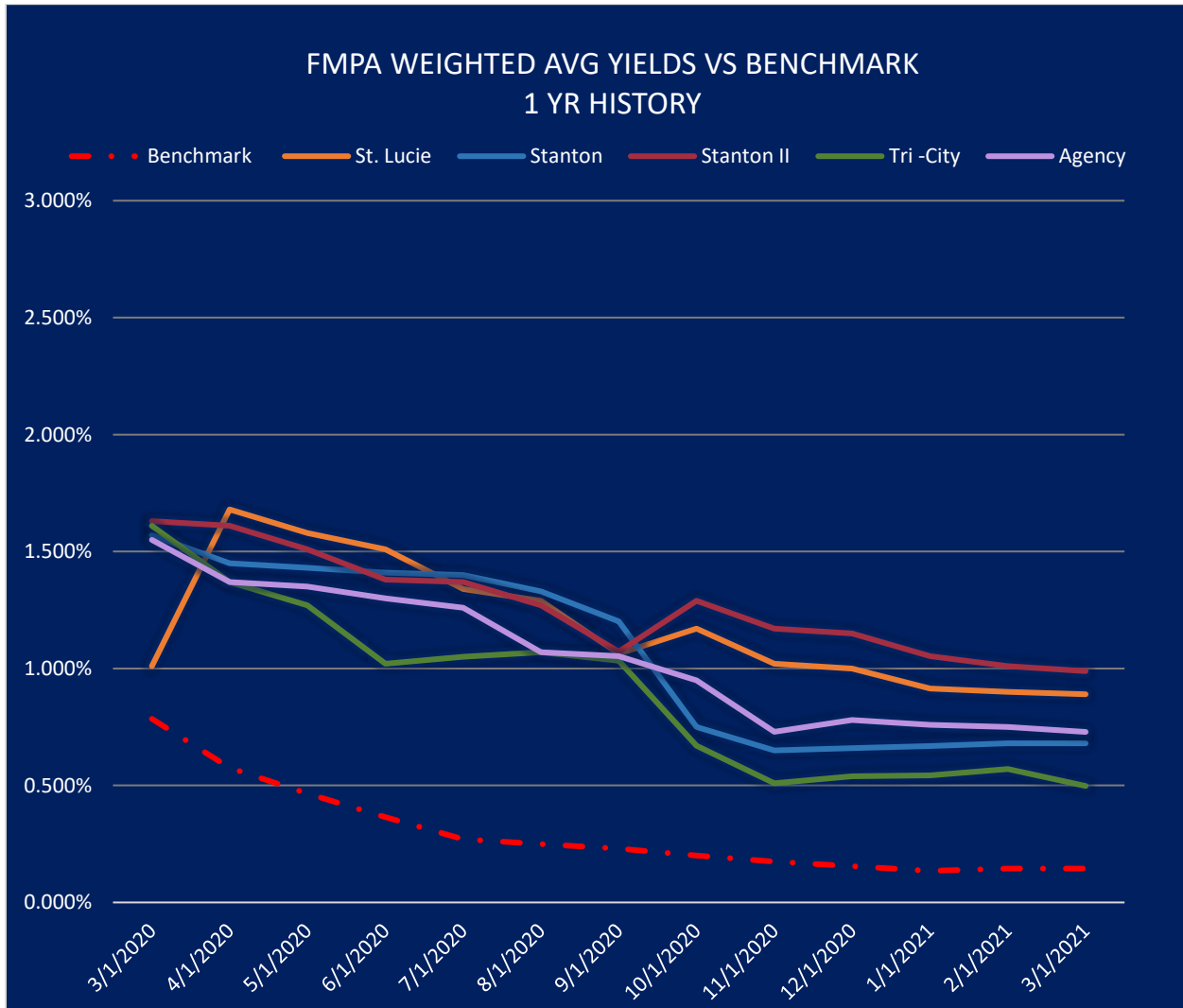
	<b>Total debt Outstanding</b>	<b>Fixed Rate</b>	<b>Variable Rate</b>	<b>Synthetically Fixed</b>
Agency	0.00	0%	0%	0%
St Lucie	93,815,000	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	100,993,350	100%	0%	0%
Tri City	0.00	0%	0%	0%

**Investment Discussion** The investments in the Projects 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, Certificates of Deposits, Commercial Paper, Municipal Bonds, Corporate Notes, Local Government Investment Pools and Money Market Mutual Funds.

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 March at .16%. The yellow line is the 5-year Treasury which was .92%.



The weighted average yields on investments earned as of March 31, 2021 in the Projects, along with their benchmark (Average of Florida Prime Fund and 2-year treasury), are as follows:



Recommended  
 Motion

Move approval of the Treasury Reports for March 31, 2021.

**AGENDA ITEM 8 – ACTION ITEMS**

- a. Appointment of a Nominating  
Committee (Verbal)**

**Board of Directors Meeting  
May 20, 2021**

**AGENDA ITEM 8 – ACTION ITEMS**

**b. Approval of Information  
Technology Policy and Changes**

**Board of Directors Meeting  
May 20, 2021**



# **8b – Approval of Information Technology Risk Policy and Changes**

Board of Directors

May 20, 2021

# Information Technology Policy

## *Major Areas Covered*

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- Policy covers information technology assets and resources
- Areas of Risk Exposure
- Incident Response Plan
- Internal Controls
- Reporting Requirements
- Oversight Structure

# Information Technology Policy Changes

## *Elimination of Procedures, Reporting and Administrative Updates*

Section	Changes Made
4.0 Information Technology Management	Section 4.0 and its subsections were revamped to include advanced technology such as cloud applications, phone systems, and facilities that are used to electronically store, retrieve and/or manipulate business information
4.2 Information Technology Steering Committee	References to ITSC were deleted and replaced with the Incident Response Plan, sections 4.1.2 – 4.1.4, which provides how incidents will be detected, responded to and recovered from
5.0 Internal Controls	Internal controls were more defined to include that violations involving personnel issues will be handled through FMPA's standard disciplinary process. In addition, the IT/OT & Cybersecurity Director is responsible for developing ongoing user training to include topics such as social engineering, mobile device security, etc.
Throughout	Administrative updates



# Recommended Motion

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- Move approval of the revised as presented Information Technology Risk Policy.



# **8b – Approval of Information Technology Risk Policy and Changes**

Board of Directors

May 20, 2021

# Information Technology Policy

## *Major Areas Covered*

---

- Policy covers information technology assets and resources
- Areas of Risk Exposure
- Incident Response Plan
- Internal Controls
- Reporting Requirements
- Oversight Structure

# Information Technology Policy Changes

## *Elimination of Procedures, Reporting and Administrative Updates*

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Throughout	Administrative updates

# Recommended Motion

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- Move approval of the revised as presented Information Technology Risk Policy.

**FLORIDA MUNICIPAL POWER AGENCY**

**RISK MANAGEMENT POLICY  
APPENDIX O**

**INFORMATION TECHNOLOGY RISK MANAGEMENT POLICY**

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<b>Reporting Calendar .....</b>	<b>Appendix A</b>

## INFORMATION TECHNOLOGY RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY

This Information Technology Risk Management Policy (the “Policy”) and any effective subordinate procedures establish the governance, framework and the controls under which Florida Municipal Power Agency (“FMPA”) may engage in activities to identify, measure and minimize future business risk resulting from the use of information technology (“IT”) assets and resources. This Policy is Appendix O of the FMPA Risk Management Policy.

### 1.0 Policy Statement

The Board of Directors and Executive Committee of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its governing bodies. FMPA staff is hereby authorized to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse effect on FMPA’s ability to utilize its IT assets and resources.

The following summarizes the Policy of the Board of Directors and Executive Committee:

- ❖ Information technology management shall conform to applicable regulatory and legal requirements.
- ❖ The IT/OT & Cybersecurity Director shall report on activities as required in Section 6.0 of this Policy.
- ❖ The Agency Risk Director shall report deviations from this Policy to the Finance Committee (“FC”).

### 2.0 Scope

**Deleted:** <#>Authority is delegated to the Information Technology Manager (“ITSC”) to create procedures to facilitate the management of IT and administer this Policy.¶

**Deleted:** <#>ITSC shall recommend procedures and operational policies for specific IT activities as specified in Section 4.2.¶  
<#>FMPA’s ITSC shall present all recommendations to the General Manager for approval as required in Section 4.2.¶  
<#>The Information Technology Manager

**Deleted:** <#>ITSC

**Deleted:** Manager

This Policy applies to all IT assets utilized by FMPA whether at office or generation asset locations, except those Operational Technology assets subject to NERC CIP standards, which shall be governed by policies or procedures established by the CIP Senior Manager. For this Policy “information technology assets and resources” are defined as the staff, software, hardware, phone systems and facilities that are used to electronically store, retrieve and/or manipulate business information at FMPA.

All users of FMPA’s IT assets and resources are responsible for the proper care and use of IT assets and resources under their direct control as defined in this Policy, the Employee Manual, and all associated policies and procedures.

**Deleted:** The Records Management Risk Management Policy (Appendix L of the FMPA Risk Management Policy) addresses management of the Agency’s business records, except where superseded by NERC/FERC regulations.

### 3.0 Types of Information Technology Risk

This Policy establishes minimum standards to support an Agency-wide atmosphere of proper control levels to ensure the effective and efficient operation of information technology assets and resources. The IT/OT & Cybersecurity Director will cause procedures to be created that identify risks in the areas noted below and provide ways to measure, control, and mitigate FMPA’s exposure to those risks. The FMPA Risk Management Policy identifies ten risks composing FMPA’s common risk framework. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected framework risks are those risks presented by typical information technology activities.

**Deleted:** Manager

**3.1 Regulatory Risk:** The potential adverse impact of an action or direction from a regulatory body. An example of regulatory risk impacting IT assets might occur if regulatory standards are issued, which require a higher level of IT security than currently in place. Non-compliance to such standards could expose FMPA to fines or other regulatory action.



**3.2 Administrative Risk:** The potential of financial loss due to deficiencies in internal control structure and management reporting due to human error, fraud, or a system failure. An example of administrative risk for IT assets would be if unauthorized system changes were made to a financial information system. Such changes could allow fraud or financial misstatement to occur, resulting in financial loss to FMPA. Not being able to detect such unauthorized changes would make this risk more pronounced.

**3.3 Strategic Risk:** The risk that the policies and actions of a governing body or management do not promote the successful attainment of strategic goals and objectives. An example of strategic risk related to IT assets would be if decisions regarding implementation of new software were not tied to FMPA's strategic goals. This lack of coordination could result in separate business decisions which do not support the achievement of FMPA's goals, resulting in financial and/or reputation loss.

#### 4.0 Information Technology Management

This Policy establishes broad measures to secure FMPA's IT assets and resources against theft, fraud, malicious or accidental damage, and/or breach of integrity.

**4.1 Information Technology Ownership:** A custodian is responsible for IT assets or resources under their control as described below.

The IT/OT & Cybersecurity Director is the custodian of the infrastructure of all Agency-wide systems, including all hardware, software (inclusive of cloud applications), phone systems, and facilities that are used to electronically store, retrieve and/or manipulate business information at FMPA. This includes items such as, but not limited to, email and network servers, internet connections, firewalls, and virus protection.

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Managers are custodians of all applications and systems under each manager's direct control. The IT/OT & Cybersecurity Director shall maintain a list of the current application and system owners, in accordance with procedures established as prescribed in Section 4.1.

All Staff are custodians of computing systems or telecommunication devices issued for their exclusive use, regardless of length of time of use. This includes, but is not limited to, desktop and laptop computers, cell phones, and storage media. The Employee Manual further addresses staff responsibilities and disciplinary actions resulting from misconduct.

IT/OT & Cybersecurity Director shall cause to develop, and maintain a cybersecurity policy which shall be reviewed for effectiveness annually by the Agency's Internal Audit department.

**4.1.1 Software Licenses:** All staff are responsible for complying with applicable copyright laws and with the terms and conditions of any contract or software licenses for purchased, leased, or acquired software.

**4.1.2 Incident Response Plan:**

FMPA shall maintain an incident response plan (IRP). Annually the IRP will be tested and updated. The IRP will communicate how FMPA will detect, respond to, and recover from cyber incidents.

**4.1.3 Security Incidents:**

All custodians are responsible for notifying the IT/OT & Cybersecurity Director of security incidents that require actions beyond the custodian's ability or authority. A security incident is defined for this Policy as data or actions which intentionally or unintentionally violate this Policy. The IT/OT & Cybersecurity Director shall report incident and, as soon as possible, provide a summary report (if incidents occur) to the CEO, Agency Risk Director, and any manager

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**4.1.1 Security Breaches:** All custodians are responsible for notifying the IT Manager of security breaches that require actions beyond the custodian's ability or authority. A security breach is defined for this Policy as data or actions which intentionally or unintentionally violate this Policy. The IT Manager shall log all such reported breaches and provide a monthly summary report (if breaches occur) to the Agency Risk Manager.¶

¶  
4.1.2

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**4.2 Information Technology Steering Committee (ITSC):** The ITSC is an FMPA staff group that shall review and collaborate on strategic issues related to the IT assets and resources of the Agency. The ITSC shall review and make recommendations regarding software initiatives, IT policies and procedures, IT budget development, standards and overall IT performance, and coordination of priorities between IT and Agency departments. ¶

¶  
The ITSC Charter maintained by the IT Manager further details the duties, voting structure and meeting organization of the group. ¶

¶  
At a minimum, the ITSC should recommend policies and/or procedures supportive of this Policy to include: ¶

- ¶ User access approval process¶
- ¶ Software patching ¶
- ¶ System, application and network logging¶
- ¶ Application and network security standards¶
- ¶ Change management processes¶
- ¶ Database administration and management¶
- ¶ Software approval and installation¶

¶  
The IT Manager, as Chairperson of the ITSC, shall present all ITSC recommendations to the General Manager for approval prior to implementation. ¶

¶

¶  
The ITSC shall at a minimum consist of the following members: ¶

- ¶ IT Manager (Chairperson)¶
- ¶ Chief Operating Officer ¶
- ¶ Assistant General Manager, Member Services, Human Resources, and Public Relations¶
- ¶ Chief Information Security Officer¶
- ¶ Other members as deemed necessary by Chairperson or General Manager¶
- ¶ Risk Team representative as a non-voting member¶

¶  
**4.3 System Availability and Integrity:** The Continuity Planning Policy (Appendix M of the FMPA Risk Management Policy) contains the current minimum restoration times for key applications. The IT Manager shall comply with those Policy requirements along with applicable results from biennial disaster recovery tests in determining the maximum allowable downtime for Agency-wide systems. ¶

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affected by the event. The IRP provides for how incidents will be detected, responded to and recovered from as described in section 4.2

**4.1.4 Security and Privacy Standards:** Protective measures shall be taken by all custodians to ensure compliance with any applicable regulations and to maintain the integrity of FMPA's IT assets and resources. Satisfactory controls shall be directed at reducing probable high impact risk events, such as preventing access of unauthorized users.

IT /OT & Cybersecurity Director will cause an internal annual self assessment to check for vulnerabilities. IT/OT Cybersecurity Director shall also seek an external party security assessment review every three years. The results from each test shall be presented as described in section 6.0.

## 5.0 Internal Controls

The IT/OT & Cybersecurity Director shall cause to be established a system of written internal controls to manage IT assets and resources, consistent with this Policy and associated Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy.

The acceptable level of internal controls may change with the Agency's IT assets and resources. The IT Department will strive to maintain a segregation of duties between system administrators and programmers. To the extent such segregation of duties is not possible, compensating controls shall be established and documented by the IT/OT & Cybersecurity Director.

**5.1 Policy and Procedure Compliance:** The Agency Risk Director shall cause compliance with this Policy and associated procedures to be monitored on an annual basis. Any unresolved compliance issues will be presented to the FC by

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Deleted: The ITSC may recommend to the General Manager operating policies and procedures which expand on the following minimum privacy and security standards:¶

¶ 4.4.1 Physical security: Server rooms or other sensitive

Deleted: is responsible for notifying IT of access changes required prior to cease of employment of any staff.¶

- Managers must follow the "Access Control Procedures" (as recommended by ITSC and approved by General Manager) to request staff access changes to systems or applications, including new hires.¶
- Manager owners shall perform annual user access reviews for systems under their control, as defined in "Access Control Procedures". The IT Manager shall annually provide each owner with applicable user access reports to facilitate such a review.¶

¶ 4.4.3 Virus Protection:¶

- The IT Manager shall maintain anti-virus software on all vulnerable systems. The IT Manager shall maintain documentation for any systems that are not current with anti-virus software with rationale for such status.¶
- At a minimum such anti-virus software should attempt to check all software, data and attachments for viruses, provide software tools to detect and remove viruses, and isolate infected items quickly to allow for removal.¶
- The IT Manager shall

Deleted: to be conducted a market review of anti-virus software no less than

Deleted: to verify that existing software meets then current industry standards. Results shall be reported to the ITSC for consideration in the budget development process.¶

¶

Page Break

4.4.4 Firewalls:¶

- The IT Manager shall coordinate and document an annual internal review of the firewall ruleset to ensure it is reasonably restrictive, limiting access to only necessary ports and protocols.¶
- The IT Manager is responsible for documenting the business need for each rule within the firewall configuration¶
- FMPA shall maintain a system which documents changes to firewall rulesets. ¶

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5.1 Policy and Procedure Compliance: The Agency Risk Manager shall cause compliance with this Policy and associated

Moved down [1]: Violations involving personnel issues shall be handled through FMPA's standard disciplinary process.¶

¶

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the Agency Risk Director. Violations involving personnel issues shall be handled through FMPA's standard disciplinary process.

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**5.2 Staff Training:** New employees shall be notified of this Policy during orientation. The IT/OT & Cybersecurity Director shall develop an ongoing user training program to address common security topics. These topics may include:

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- Viruses, worms, Trojan horses
- Social engineering
- Mobile device security
- Strong password construction
- Safe computing habits

Deleted: attacks

Staff training may be conducted through formal training, written communications, or web-hosted training materials.

**5.3 Continuing Education:** The IT/OT & Cybersecurity Director and other appropriate IT Department staff are recommended to complete at least 8 hours of continuing education annually in subject courses of study related to IT assets, system management, and/or security as it pertains to job duties.

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## 6.0 Reporting

The IT/OT & Cybersecurity Director is responsible for completion of the following reporting requirements:

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Deleted: ITSC: An annual report to the ITSC on the activities of the IT Department during the past year. The ITSC shall review the report and provide an analysis of any problems and solutions for inclusion in the annual

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Deleted: report described below. The ITSC annual report shall at a minimum include the following:  
Summary of system downtimes (planned and unplanned outages)  
Support tickets resolved and outstanding  
Rationale for non-current anti-virus software (4.4.3)  
Summary of firewall ruleset changes (4.4.4)  
Unresolved ITSC agenda items

**6.1 Report to FC or appropriate higher Governing body:** An annual report will be presented to the FC or appropriate higher governing body on the activities of the previous year. Such report shall at a minimum include the following:

6.2 Report to FC

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1. Security incidents
2. Significant changes to industry related risks since last report

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3. Summary of any reportable action items.

**Deleted:** <#>ITSC analysis of problems and solutions, as applicable¶

The Agency Risk Director shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. Internal Audit shall report annually on the operation and effectiveness of this Policy and it shall be presented to the FC as described in Section 7.0 of the FMPA Risk Management Policy. The IT OT & Cybersecurity Director shall report on the current risk environment affecting FMPA's information technology to the Agency's Risk Director as needed and engage any necessary discussion before recommending action to the appropriate governing body.

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Appendix A

**Florida Municipal Power Agency  
Risk Management Reporting Calendar  
Information Technology Reporting Requirements**

<b>Reporting Item</b>	<b>Frequency of Report</b>	<b>Responsible Party</b>	<b>Policy Reference</b>	<b>Policy Reference</b>
Security Incidents to Risk Manager	As Needed	IT/OT & Cybersecurity Director	Section 4.2.1	Security Incidents
Internal Self Assessment	Annually	IT/OT & Cybersecurity Director	Section 4.3	Security and Privacy Standards
External Security Assessment	Every Three Years	IT/OT & Cybersecurity Director	Section 4.3	Security and Privacy Standards
FC annual report	Annually	IT/OT & Cybersecurity Director	Section 6.1	Reporting
Policy Operation & Effectiveness	Annually	The FC	Section 6.1	Reporting

<b>Reporting Item</b>	
Security Breaches to Risk Manager	M
User access reports to Managers	A
FC annual report	A
ITSC annual report	A
Policy Operation & Effectiveness	A

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**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**a. 2020 Reliability Update**

**Board of Directors Meeting  
May 20, 2021**



# 9a – 2020 Reliability Update

Board of Directors

May 20, 2021



# FMPA's Stretch Goals for the Coming Years

*Helping Members Enhance Electric Reliability a Top Goal*

70

Keep power costs below \$70 per megawatt hour



60

Reduce average outage duration for Florida's municipals to 60 minutes



50

Reduce carbon emissions 50% from 2005 levels by 2027



# Several Utilities Making Strides in Electric Reliability

## *Some Municipals Excel at Reliability, But Performance Varies*

### Distribution Reliability Indices, Calendar Year 2020

Best Performance Highlighted in Green, Second Best Highlighted in Yellow

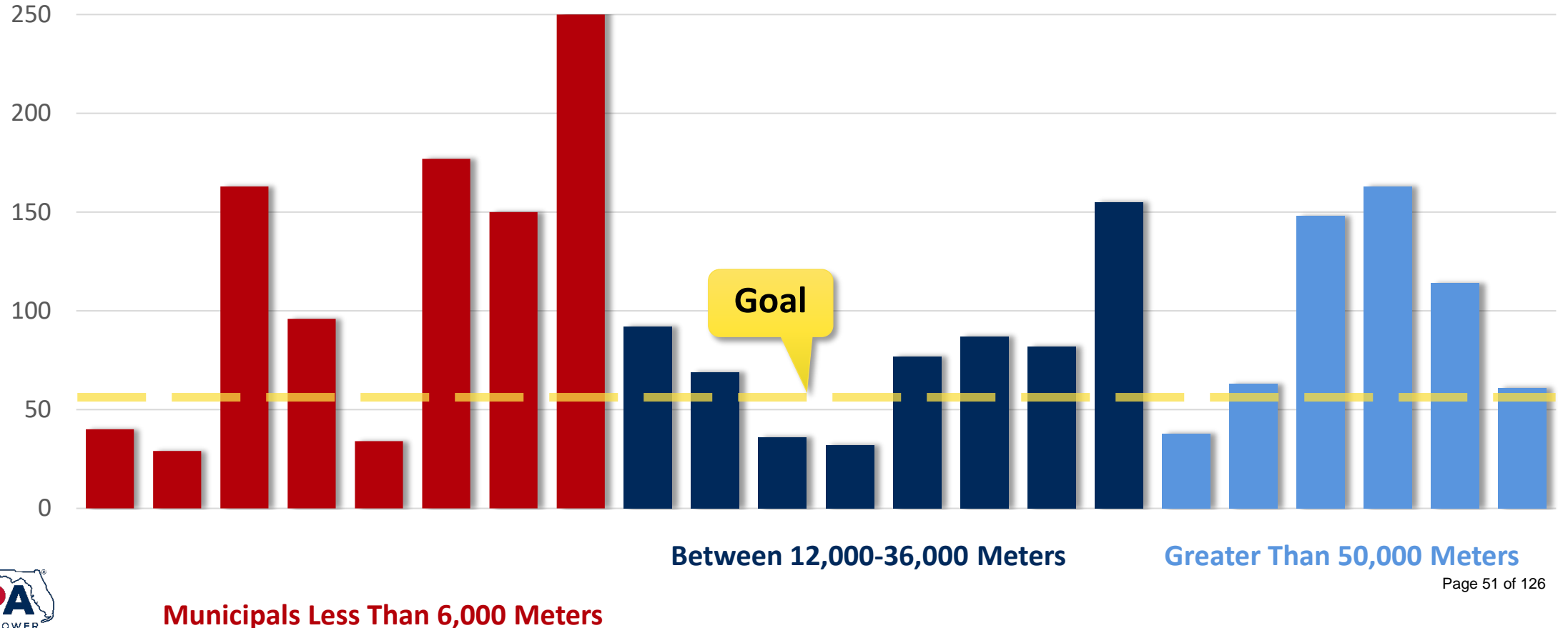
	Munis	FPL	TECO	Duke	Gulf	FPUC
<b>Duration</b> (SAIDI)	89	47	68	88	47	158
<b>Restoration Time</b> (CAIDI)	65	62	72	94	67	91
<b>Frequency</b> (SAIFI)	1.36	0.76	0.94	0.94	0.71	1.74
<b>Momentaries</b> (MAIFle)	3.18	2.60	7.79	5.40	1.44	n/a
<b>Length</b> (L-Bar)	128	178	166	152	112	96

SOURCES: Investor-owned utility data from filings at the Florida Public Service Commission. Municipal data weighted average for utilities in FMPA's Distribution Reliability Measurement Program.

# Municipal Reliability Performance Varies Widely

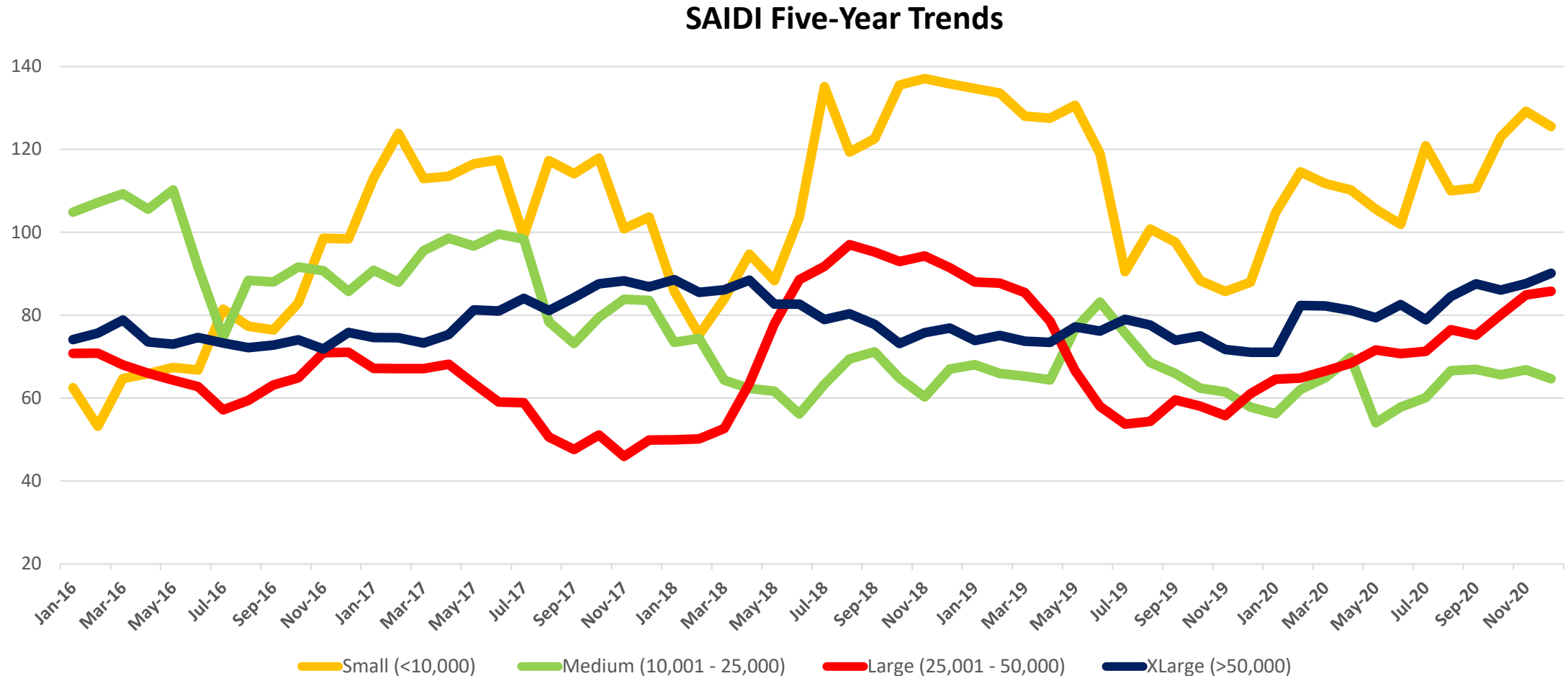
## *Significant Effort Needed to Meet SAIDI Goal of 60 Minutes*

**Average Outage Duration (SAIDI) for Municipals That Provide Data to FMPA**  
In minutes for 2020



# SAIDI Trends Reveal Gradual Worsening in Reliability

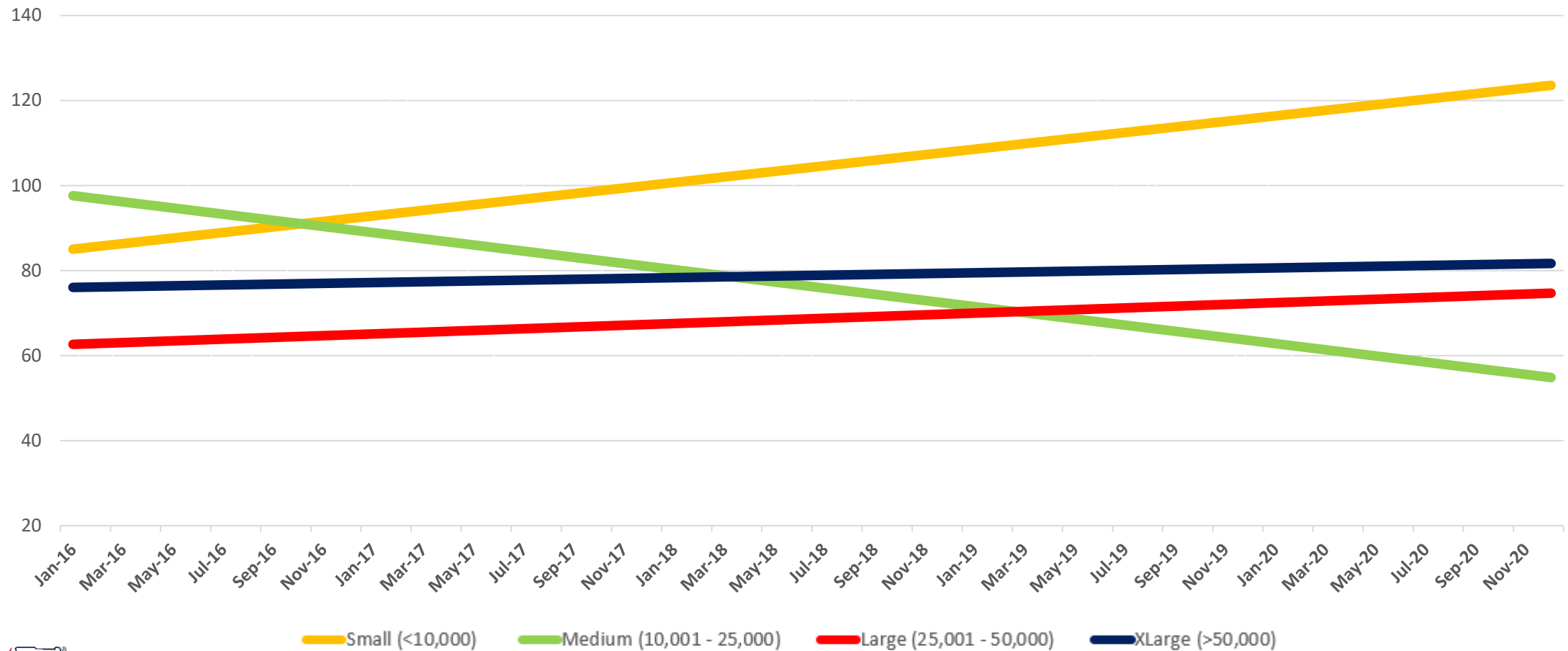
## *Only Medium Category Has Favorable Trend*



# 5-Year Trendlines for SAIDI Shows Gradual Worsening

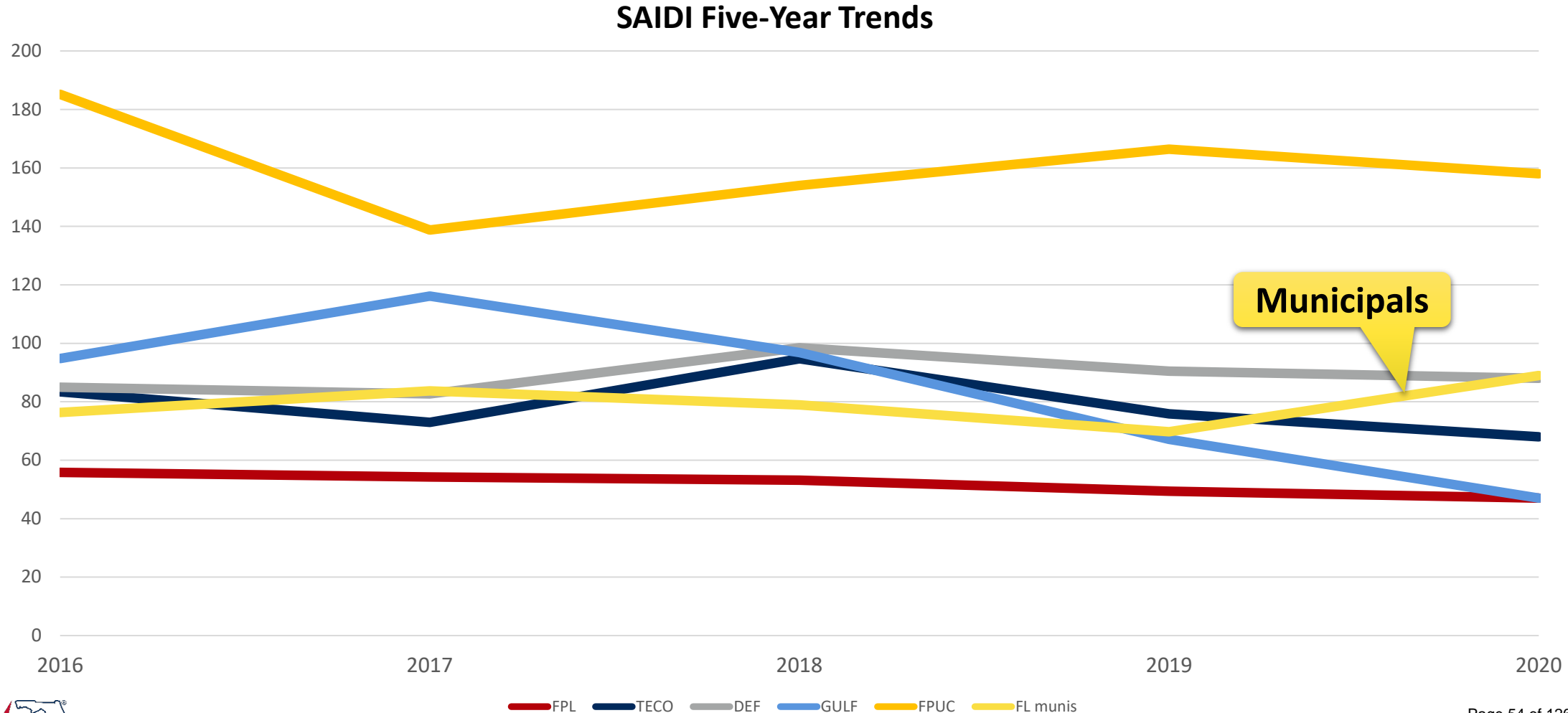
## *Only Medium Category Has Favorable Trend*

SAIDI Five-Year Trends – Linear Approximation



# Comparing SAIDI 5-Year Trend of Municipals and IOUs

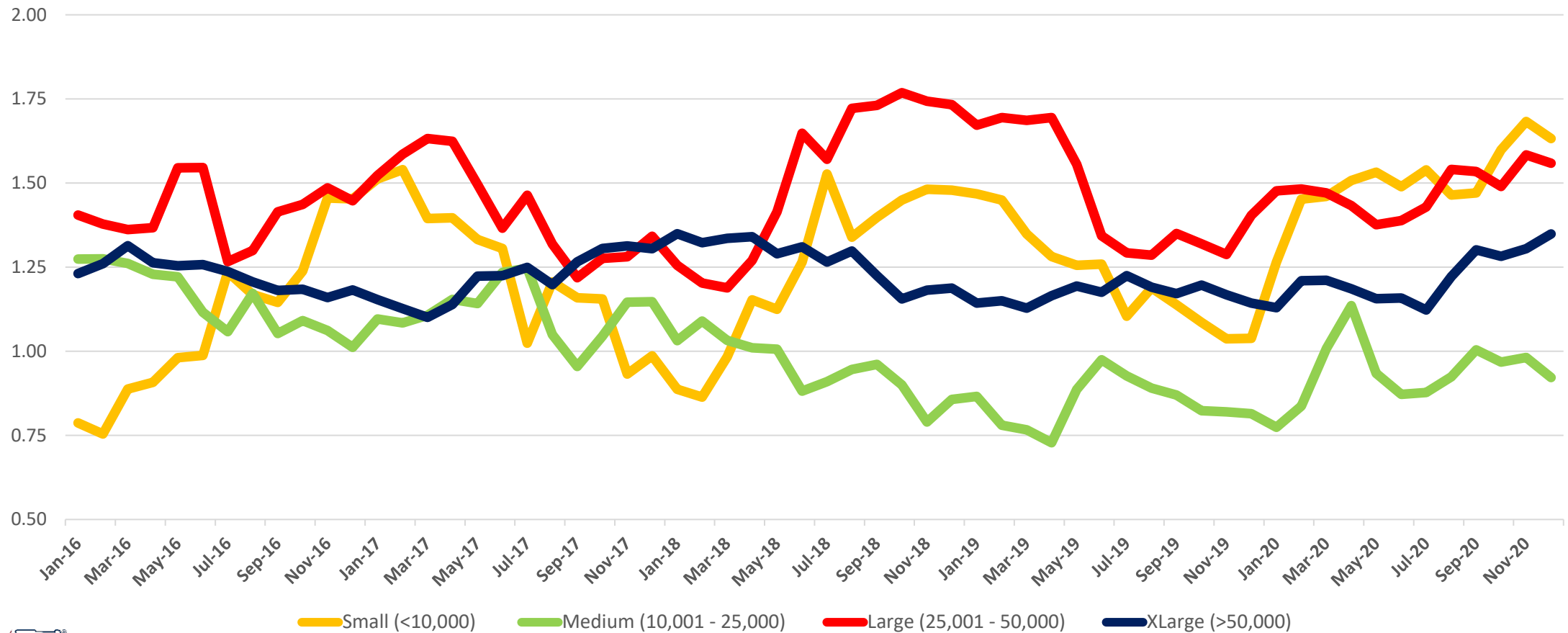
## *IOUs Making Investments in Reliability, and It's Paying Off*



# Frequency of Outages Presents Greatest Opportunity

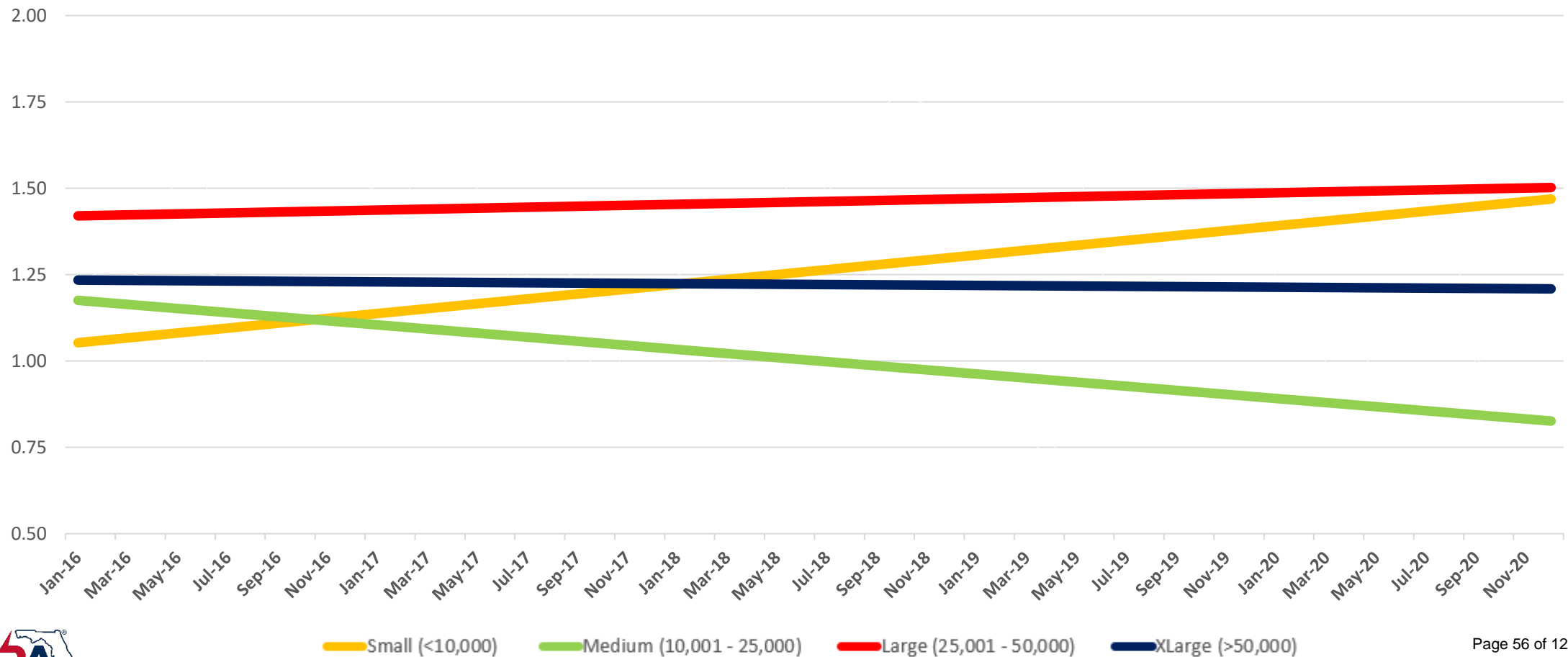
## *Again, Only Medium Category Has Favorable Trend*

SAIFI Five-Year Trends



# 5-Year Trendline for Frequency Shows the Opportunity *Medium-Size Municipals Reducing Outage Frequency*

SAIFI Five-Year Trends – Linear Approximation





# IOUs Improving Reliability, Municipals Falling Behind

## *Many Municipals Need to Focus on Enhancing Reliability*

### Heat Map of Changes from CY 2019 to CY 2020

	Munis	FPL	TECO	Duke	Gulf	FPUC
<b>Duration</b> (SAIDI)	89	47	68	88	47	158
<b>Restoration Time</b> (CAIDI)	65	62	72	94	67	91
<b>Frequency</b> (SAIFI)	1.36	0.76	0.94	0.94	0.71	1.74
<b>Momentaries</b> (MAIFle)	3.18	2.60	7.79	5.40	1.44	n/a
<b>Length</b> (L-Bar)	128	178	166	152	112	96

SOURCES: Investor-owned utility data from filings at the Florida Public Service Commission. Municipal data weighted average for utilities in FMPA's Distribution Reliability Measurement Program.

# Conclusion: Focus Needed to Reverse Reliability Trend

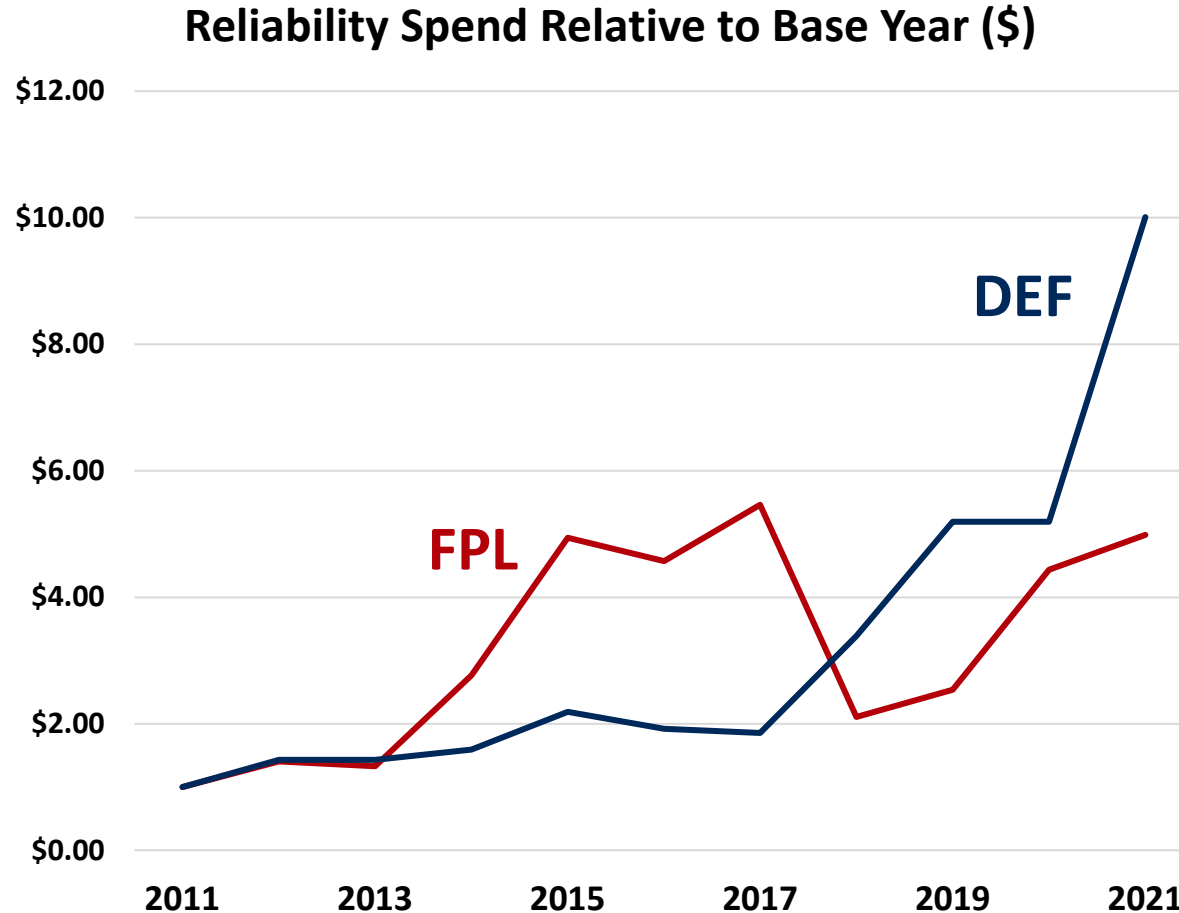
## *As Wholesale Costs Come Down, Need to Invest in Systems*

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- In general, 2020 was a good performance year for the Florida IOUs
- Frequency of outages the biggest opportunity for municipals
- It's not a small utility vs. large utility problem
- Significant municipal investment on maintenance and system improvements required to reverse the trends
- FMPA can assist with reliability improvement projects

# IOU Reliability Project Funding Up ~4-10x Last 10 Yrs.

## *Spending Reflects Long-Term Commitment*



- Incremental increases made to comply with FPSC Ten Point Plan
- Significant investments in 'smart grid' technology followed
- In contrast, municipal distribution spending has been mostly flat in last five years

\*SOURCE: IOU Distribution Reliability Reports.

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. Debt and Rate Strategy for St.  
Lucie Project**

**Board of Directors Meeting  
May 20, 2021**



# 9b – Debt and Rate Strategy for St. Lucie

Board of Directors

May 20, 2021

# St Lucie Project Participants

Participant	% Entitlement
Lake Worth	24.87
Ft. Pierce	15.21
Vero Beach (transferred to ARP)	15.20
New Smyrna Beach	9.88
Kissimmee	9.41
Homestead	8.27
Jacksonville Beach	7.33
Leesburg	2.33
Starke	2.22
Clewiston	2.20
Green Cove Springs	1.76
Alachua	0.43
Moore Haven	0.38
Ft. Meade	0.34
Newberry	0.18

# St. Lucie – Extend Debt Life to Reduce Rates

*Could Lower \$10+/MWh per Year with 5-Year Debt Extension*

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- Final payoff of St. Lucie Project debt currently October 1, 2026
- Final debt payment includes \$59M bullet payment on Series 2012A
- Annual contributions being made to General Reserve Fund through project billings to pay significant portion of 2026 debt obligation
- Refinancing and extending the debt five years would allow us to reduce contributions and meaningfully lower project rates beginning Fiscal 2023
- St. Lucie Unit No. 2 licensed, currently, to operate until 2043
- If unit retires prior to end of extended debt life, project should have sufficient reserves after 2026 to be able to pay off remaining debt

# Alternatives Summarized

## *Doing Nothing is Highest Cost Alternative*

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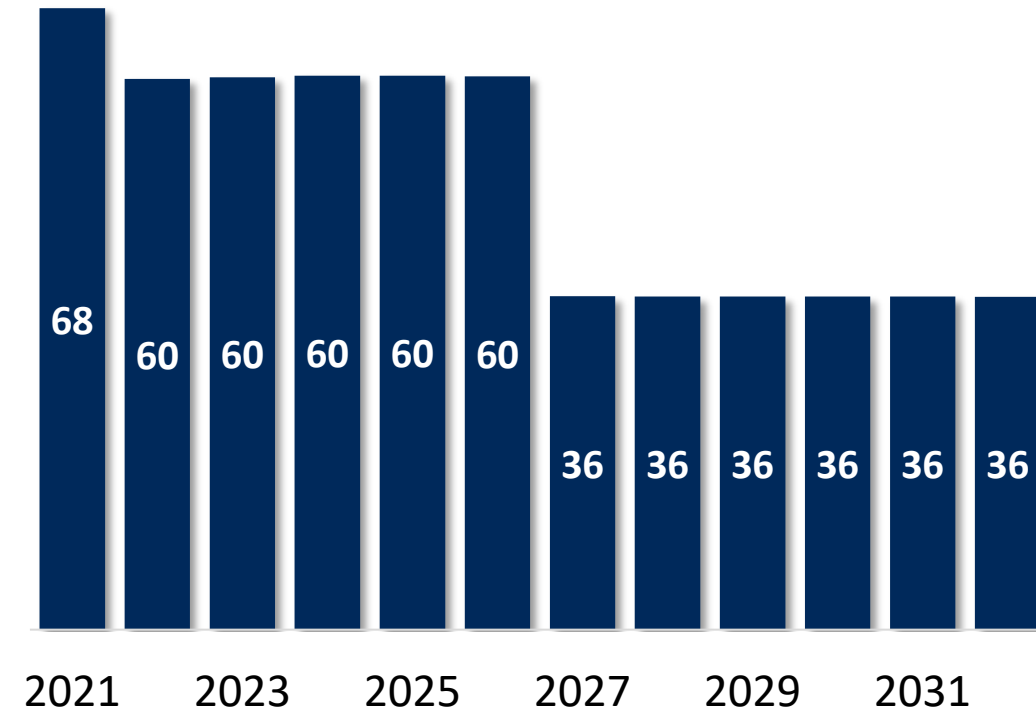
- Making no change is the highest cost option after 2022
- There are several options that make sense for this project
- Options can manage debt effectively and lower rates to members
- Options contemplated leave \$50M in general reserve
- Borrowing rates are very low, but are expected to rise



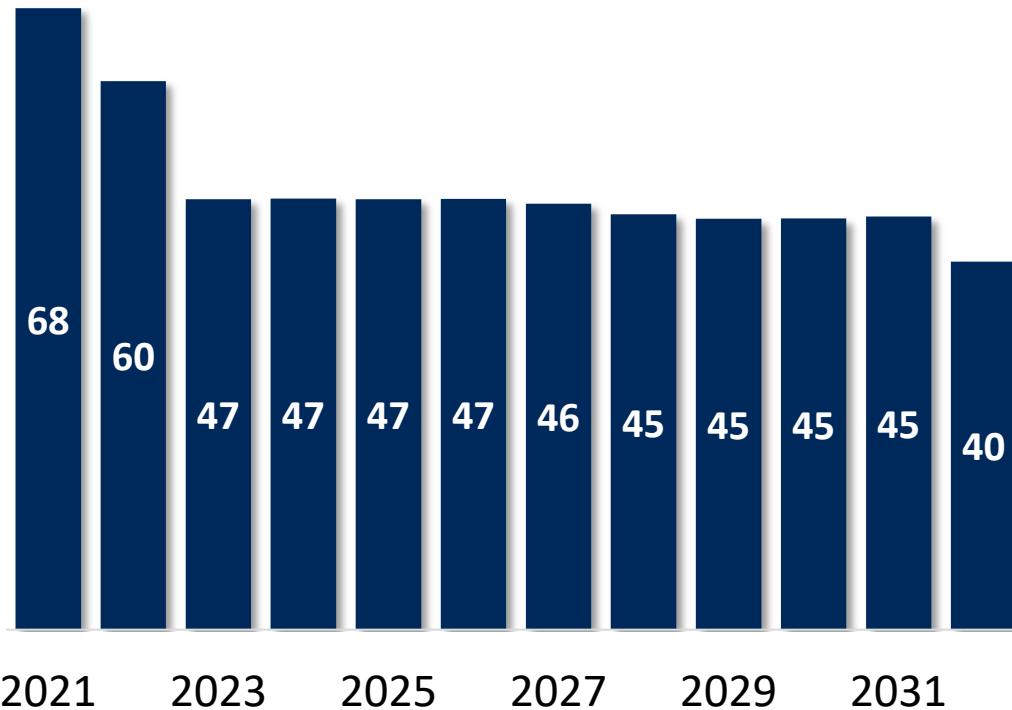
# St. Lucie Costs and Rate Impacts

## *With and Without Debt Extension*

**Projected St. Lucie Participant Costs  
Without Debt Extension (\$/MWh)**



**Projected St. Lucie Participant Costs  
With Debt Extension (\$/MWh)\***



# Debt Alternatives

Case <sup>1,2</sup>	Description	NPV Costs (\$000's)	NPV Costs Above Best Case (\$000's)
Base Case	Keep existing debt	\$94,720	\$11,954
Alternative 1	Refinance 2011B and 2012A Bonds when callable with level debt service through 2026	\$86,496	\$3,730
Alternative 2	Refinance 2011B and 2012A Bonds when callable with level debt service through 2031	\$84,391	\$1,625
Alternative 3	Call a portion of 2012A Bonds using DSRA and GRF money on 10/1/2022; refinance 2011B and remaining 2012A Bonds when callable with level debt service through 2031.	\$83,317	\$551
Alternative 4	Call 2011B Bonds using DSRA and GRF money on 10/1/2021; refinance 2012A Bonds when callable with level debt service through 2031	\$82,766	\$0

1 In all cases, any debt savings achieved during FY 2022 are deposited to the General Reserve Fund. All cases are also set to target a \$50 million balance in the General Reserve Fund once the Bonds are paid off.

2 2.5% rate used for NPV and interest rate on debt.

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Quarterly Human Resources  
Update**

**Board of Directors Meeting  
May 20, 2021**



# 9c - HR Quarterly Report

Board Of Directors

May 20, 2021

# Training

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- All managers have completed the executive leadership training
  - Next session for those performing well and preparing for management role
- 7 Habits of Highly Effective People
  - 32 team members participating in onsite training
- Development plans
  - 50 team members have development plans

# Human Resources Reallocation

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- Two part-time retirements coming in July
- Repurposed existing position for Member Service role
- Supervisor roles create growth opportunities
- Retirement planned for January
- Will use those retirements so only one new position is needed

# Other Efforts

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- Team Appreciation Week
- COVID – Next Steps
- Diversity and Inclusion
- Compensation Study

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**d. Solar Phase II Whistling Duck  
Network Upgrades**

**Board of Directors Meeting  
May 20, 2021**





# **9d - Solar Phase II Whistling Duck Network Upgrades**

Board of Directors

May 20, 2021

# Working on Phase II Projects to Meet 2023 COD Target

*Investment Tax Credit Reduces from 30% to 26% on January 1, 2024*

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- Rice Creek (FPL interconnection) on track for December 2023 COD
- Whistling Duck (DEF interconnection) at risk of not making December 2023 deadline, triggering Investment Tax Credit (ITC) impact
  - Transmission network upgrades needed for Whistling Duck
    - FMPA can agree to pay for \$17 M in network upgrades (subject to full refund within 5 years of COD) and give Project best chance to stay on schedule
  - Doing so puts Whistling Duck on best path to meet schedule and maintain low PPA pricing
  - Requires decision by June for FMPA Phase II members (ARP and non-ARP) funding of network upgrades

# Best Option to Meet December 2023 Schedule

## *Duke Re-Assigns Upgrades to Origis; FMPA Finance the Upgrades*

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- Whistling Duck can jump ahead of earlier queued projects if:
  - Origis assumes cost responsibilities for network upgrades
- Network upgrades approximately \$17M (reimbursed by Duke w/in 5 years of COD)
  - Most cost-effective option is for FMPA to finance network upgrades vs Origis
  - Leverage FMPA's lower cost of financing for network upgrades
  - Potential for value-add with positive spread between FMPA financing cost and Duke's cost
- FMPA's support to finance network upgrades is best option chance to remain on schedule without impact to PPA pricing

# Phase II - Whistling Duck Shares

<u>Participant</u>	<u>MW</u>	<u>%</u>	<u>Network Upgrade Costs (\$M)</u>
Beaches	7.5	10.0%	1.70
FPUA	7.5	10.0%	1.70
Havana	0.13	0.2%	0.03
KEYS	12.5	16.7%	2.84
KUA	10.0	13.4%	2.27
Newberry	0.5	0.7%	0.11
Ocala	10.0	13.4%	2.27
<b>ARP</b>	<b>48.13</b>	<b>64.25%</b>	<b>10.92</b>
Homestead	2.5	3.4%	0.57
LWU	13.3	17.7%	3.01
Mount Dora	1.0	1.3%	0.23
New Smyrna	5.0	6.7%	1.13
Winter Park	5.0	6.7%	1.13
<b>Solar Project II</b>	<b>26.78</b>	<b>35.75%</b>	<b>6.08</b>
<b>Total</b>	<b>74.90</b>	<b>100%</b>	<b>17.00</b>

# Several Solutions Considered

## *Staff Working With Origis on Option to Avoid Price/Schedule Impacts*

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### **Preferred Option:**

- Upgrades funded by FMPA Whistling Duck participants
- No impact to initial PPA rate
- Worst case: additional ~\$4.5M NPV impact over 20-year term (ITC reduction from 30% to 26% if COD is delayed to 1/2024 or later)

### **Other Alternatives:**

- Upgrades funded by Origis, cost passed to Whistling Duck participants
  - ~\$3.7M NPV impact over 20-year term (requires revised contract terms)
  - Worst case: additional ~\$8.1M NPV impact over 20-year term if delayed to 1/2024 or later
- Option to move to “derisked” site in Columbia County with different price
  - ~\$7.4M NPV difference over 20-year term
  - New PPA required

# Funding Option for Whistling Duck Participants

## *Decisions needed from ARP and Solar II Participants*

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### **Recommended Funding Option:**

- ARP Solar II Participants fund entire \$17M through Pooled Loan
  - ARP can provide funds, if ARP agrees to fund network upgrade costs for all Solar II Participants
  - Taxable Interest Rate ~1.60%-2.00% (Lower than reimbursed prime rate)
    - Construction loan - interest only for 12-18 months
    - Upon COD - loan converts to traditional fixed rate loan with principal and interest payments
  - Previously approved Liquidity Fund will be required for “bridge” funding until Pooled Loan is processed
- **Reimbursement from Duke within 5 years of COD with interest at prime rate (currently 3-4%)**
  - Duke is required to reimburse network upgrade costs within 5 years of COD (enforced by FERC)
  - FERC proforma LGIA (section 11.4) states: “Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider...for the Network Upgrades...repayment shall include interest...Interconnection Customer may assign such repayment rights to any person.”

# Other Funding Options Considered

*Alternative options may not mitigate schedule delay*

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- ARP Solar II Participants fund entire \$17M through previously approved Liquidity Fund
  - Limitations/Risks (capital from liquidity fund targeted for other plant needs)
- ARP Solar II Participants fund entire \$17M through LOC
  - Limitations/Risks (timing risk for LOC refinancing)
- Solar II Participants fund their 36% share (~\$6.1M) through Pooled Loan
  - Limitations/Risks (would have to go back to cities for approvals, possibly additional documents)
- Solar II Participants fund their share through bond issuance
  - Would need to validate bonds and establish Solar II Project as a creditworthy issuer.
- Solar II Participants fund their share through use of Development Funds
  - BOD lends to Solar II Project at Duke's reimbursement rate
  - Insufficient amount available, replenishment issues

# Contract and Legal Implications

## *Agreements Required for Transactions*

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- PPA language re: Network Upgrades
- Agreement between Origis and FMPA (Solar II Project and ARP Solar Phase II Participants)
  - Origis is party with Duke for network upgrades
  - Origis “assigns” Duke refunds, including interest directly to Solar II and ARP Solar II Participants



# Working to Stay on Schedule for December 2023 COD

*Best Requires Board and EC Approvals in June*

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- LGIA draft expected week of May 17
  - Potential Notice to Proceed (NTP) on June 10
  - Security funds required upon NTP; amount currently unknown
- Solar II participants approve funding of network upgrades
  - Follow-up meeting will be scheduled ASAP
- Board and EC information items – May 20
- Board and EC approve funding of network upgrades or take an alternative path – target June 10

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**e. Annual Environmental Program  
Update**

**Board of Directors Meeting  
May 20, 2021**



# 2020 FMIPA Environmental Report

Board of Directors Meeting

May 20, 2021

# **FMPA Continues Strong Compliance Record**

## *No Air Permit nor Discharge Violations*

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- FMPA receives, on average, 12+ onsite regulatory inspections per year.
- FMPA submits more than 100 regulatory reports per year.
- FMPA utilizes 3<sup>rd</sup> party vendors for equipment inspections and environmental program training.
- Since 2017, FMPA has self-reported five minor environmental issues to agencies without enforcement action.

# Multiple Regulatory Inspections, Zero Violations

## *U.S. EPA, Florida DEP, USCG, LEPC Visits*

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- Federal, State, and Local regulatory agencies
- Scheduled, Unannounced, Incident Response
- Site walk down, records review, interviews
- In 2020 - Sixteen Inspections = Zero Violations

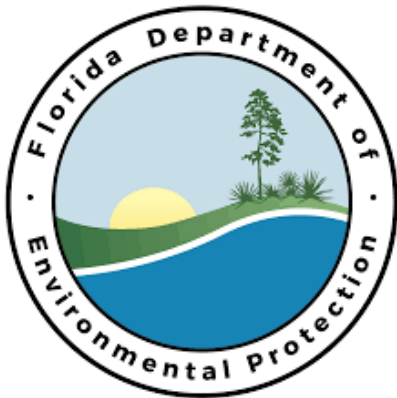


# Environmental Requirements Completed Timely

## *U.S. EPA, Florida DEP, USCG*

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- All environmental reports and permit applications were submitted on time.
- All required environmental training completed.
- FMPA received non-compliance letter from Florida DEP regarding missed drinking water analysis.



# Cane Island Has Unique Potable Water Requirements

## *Process Driven Issue, Not Water Quality*

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- Drinking water supply not available at the road
- Plant has numerous certified PWS operators
- Daily Free Chlorine analysis
- Additional infrequent analysis – Pb & Cu
- Subsequent testing results within limitations
- Mitigation Plan includes additional testing frequency, and pollution prevention project.

# All Units In Compliance With Air Permits

## *2020 Stack Testing Within Emission Limits*

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- Most units (not Stock Island CT's) were tested in 2020 to demonstrate compliance with emission limits.
- All units were in compliance with permit conditions, limitations, and CEMS QA specifications.





## **Environmental Capital Projects Completed & Ongoing**

*FMPA investing to sustain environmental performance*

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- CEMS software upgraded at TCEC, soon at CIPP
- CEMS analyzer upgrades at CIPP
- CEMS Appendix E project at SIGF
- SCR catalyst replacement project at TCEC
- Fuel oil & demineralized water tank repairs at SIGF
- Fuel oil optimization plan at CIPP

# Regulatory Uncertainty

## *US EPA, Florida DEP*

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- FCG
- COVID19 Impacts
- CLEAN Future Act
- Statewide NAAQS
  - Carbon monoxide
  - Lead
  - Nitrogen dioxide
  - Ozone
  - Particulate matter
  - Sulfur dioxide





# Environmental Compliance Report

## 2020 Acid Rain Compliance Summary

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The totals shown below demonstrate that sufficient allowances were held in the accounts to cover 2020 emissions. The allowance totals shown are those that were in the accounts prior to deductions for 2020 emissions.

### Cane Island Units 1, 2, 3, 4

Parameter	2020 Emissions	Allowances
SO <sub>2</sub>	8	11

### Stock Island CT4

Parameter	2020 Emissions	Allowances
SO <sub>2</sub>	0	2,567

### Treasure Coast Unit 1

Parameter	2020 Emissions	Allowances
SO <sub>2</sub>	4	21

#### Notes:

- For calendar year 2020, the Acid Rain Program was in effect for SO<sub>2</sub> Annual emissions.
- In September 2016, EPA finalized an updated Interstate Transport Rule (CSAPR replacement) for the 2008 Ozone Standard. The state of Florida is not subject to the revised Transport Rule. As a result, NO<sub>x</sub> allowance compliance is not required for the 2020 Ozone Season.
- Keys Energy Services has retained ownership of a large quantity of SO<sub>2</sub> allowances that were allocated to the retired Ralph Garcia facility under the Acid Rain Program. SO<sub>2</sub> allowances are not automatically allocated each year for the Cane Island and Treasure Coast facilities. In 2014, KEYS transferred a total of 100 SO<sub>2</sub> allowances to the Cane Island and Treasure Coast accounts, at a 60/40 distribution.

## 2020 Air Emissions Test Results Summary

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The test results tabulated below show that all units were in compliance with Title V Permit and 40 CFR 75 compliance limits for all tested parameters. Note that not all units/parameters are required to be tested every year.

### Cane Island Unit 1

Parameter	Test Result	Compliance Limit
CO (ppmvd)	25.27	30
Opacity (%)	0.0	10
Heat Input (LHV; mmBtu/hr)	310.8	367
NO <sub>x</sub> CEMS RATA (%)	4.20	7.5

### Cane Island Unit 2 Main Stack

Parameter	Test Result	Compliance Limit
CO (ppmvd)	1.04	20
Opacity (%)	0.0	10
Heat Input (LHV; mmBtu/hr @ISO)	793.4	869
NO <sub>x</sub> CEMS RATA (%)	5.58	7.5

### Cane Island Unit 2 Bypass Stack

Parameter	Test Result	Compliance Limit
NO <sub>x</sub> CEMS RATA (%)	6.43	7.5

### Cane Island Unit 3 Main Stack

Parameter	Test Result	Compliance Limit
CO (ppmvd)	0.40	12
CO (lb/hr)	1.07	43
Opacity (%)	0.0	10
Heat Input (LHV; mmBtu/hr @ISO)	1,577.2	1,696
NO <sub>x</sub> CEMS RATA (lb/mmBtu)	-0.00033	+/- 0.015 of reference

### Cane Island Unit 3 Bypass Stack

Parameter	Test Result	Compliance Limit
NO <sub>x</sub> CEMS RATA (%)	1.86	7.5

### Cane Island Unit 4 - Duct Burner Off

Parameter	Test Result	Compliance Limit
NH <sub>3</sub> (ppmvd)	0.035	5.0
Opacity (%)	0.0	10

**Cane Island Unit 4 – Duct Burner On**

Parameter	Test Result	Compliance Limit
NH <sub>3</sub> (ppmvd)	0.182	5.0
Opacity (%)	0.0	10
NO <sub>x</sub> CEMS RATA (lb/mmBtu)	-0.00056	+/- 0.015 of reference
CO CEMS RATA (ppm)	0.165	< or = 5

**Stock Island CT4**

Parameter	Test Result	Compliance Limit
NO <sub>x</sub> CEMS RATA (%)	4.1	7.5

**Stock Island MSD1**

Parameter	Test Result	Compliance Limit
Opacity (%)	7.75	20

**Stock Island MSD2**

Parameter	Test Result	Compliance Limit
Opacity (%)	6.27	20

**Treasure Coast – Duct Burner Off**

Parameter	Test Result	Compliance Limit
Opacity (%)	0.0	10

**Treasure Coast – Duct Burner On**

Parameter	Test Result	Compliance Limit
Opacity (%)	0.0	10
NO <sub>x</sub> CEMS RATA (lb/mmBtu)	-0.00067	+/- 0.015 of reference
CO CEMS RATA (ppm)	0.396	5

## 2020 Greenhouse Gas (GHG) Emissions Reporting Summary

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Greenhouse gases included in the totals reported below are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O), converted to total carbon dioxide equivalent (CO<sub>2</sub>e) emissions. The CH<sub>4</sub> and N<sub>2</sub>O emissions are an insignificant fraction of the total CO<sub>2</sub>e emissions.

### **Cane Island – Unit 1, Unit 2, Unit 3, Unit 4, Dew Point Gas Heater for Unit 3**

Total GHG Emissions (CO<sub>2</sub> equivalent) – 1,537,161.3 metric tons

### **Treasure Coast**

Total GHG Emissions (CO<sub>2</sub> equivalent) – 747,559.0 metric tons

### **Stock Island\* – EP2, MSD1, MSD2, CT1, CT2, CT3, CT4**

Total GHG Emissions (CO<sub>2</sub> equivalent) – 3,320.3 metric tons

\* Stock Island's 2020 GHG emissions were calculated but were not required to be reported to EPA. Per the GHG Reporting Rule, a facility that has reported total GHG emissions below 15,000 mtCO<sub>2</sub>e for three consecutive years or below 25,000 mtCO<sub>2</sub>e for five consecutive years can discontinue reporting for all direct emitter subparts.

## Regulatory Inspections

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To ensure compliance and transparency, environmental regulatory agencies conduct site inspections and audits. Inspections can include a site walk down, records review, and plant personnel interviews. The inspections by federal agencies (i.e., US EPA), state agencies (i.e., Florida DEP) and local agencies (i.e., Local Emergency Planning Commission) can be scheduled, unannounced, or spontaneous due to a notification of a potential environmental issue. In 2020, sixteen inspections took place at FMPA generation facilities:

### CANE ISLAND:

- Site Habitat Management and Monitoring Inspection, South Florida Water Management District, Florida Fish & Wildlife Conservation Commission
- Industrial Wastewater Inspection, Florida DEP
- Tier II Inspection – Osceola County Fire Department

### STOCK ISLAND:

- Title V Compliance Testing Visual Inspection, Florida DEP
- Title V Full Compliance Evaluation, Florida DEP
- SPCC/FRP Inspection, US EPA
- Facility Security Plan Inspections, US Coast Guard
- Storm Prep & Recovery Inspections, US Coast Guard

### TREASURE COAST:

- Title V Full Compliance Evaluation, Florida DEP
- Hazardous Waste Inspection, Florida DEP
- Storage Tank Inspection, Palm Beach County Environmental Resources Management

There were zero violations resulting from these sixteen inspections. Minor deficiencies are sometimes noted in the final inspection report, mostly administrative in nature. Corrective actions from these inspections included updating response plans, retraining site personnel, and mitigating minor housekeeping issues.

## Cane Island Non-Compliance Letter

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In February 2021, KUA and FMPA received a non-compliance letter from Florida DEP regarding missing potable water analysis at Cane Island Power Park. Per the site's Potable Water System permit, drinking water is to be sampled quarterly for lead and copper. Subsequent testing indicated no adverse health or environmental concerns. Mitigation includes increased sample frequency and completion of a Pollution Prevention Project.



# SCR and Oxidation Catalyst Management

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## **FMPA SCR and Oxidation Catalyst Management Plans**

FMPA has developed and maintains fleet-wide Catalyst Management Plans to document best practices for SCR and Oxidation catalyst testing and maintenance activities. Catalyst replacement capital expenditures continue to be budgeted into future years.

Selective Catalytic Reduction (SCR) systems are installed at FMPA's Cane Island Units 3 and 4 and Treasure Coast to comply with the Title V Permit nitrogen oxide (NO<sub>x</sub>) emission limits for these generating units.

Oxidation Catalyst (OC) systems are installed at Stock Island's MSD1 and MSD2 to meet the carbon monoxide (CO) emission reduction requirements of 40 CFR 63, Subpart ZZZZ for existing reciprocating internal combustion engines (RICE) greater than 500 HP at Area Sources of Hazardous Air Pollutants (HAPs). The OC systems are utilized to oxidize CO and other products of incomplete combustion to carbon dioxide (CO<sub>2</sub>).

FMPA's fleet-wide goal is to maximize the useful life of the catalyst while avoiding the risk of a sudden failure which would cause the unit to be unable to meet its permit. Planning for catalyst replacements is particularly important due to the lengthy lead times for production and delivery of new SCR catalyst, typically 6 months or longer.

## **Treasure Coast SCR Catalyst Replacement Planning**

After 13 years of almost continuous use, Treasure Coast's SCR catalyst is nearing end-of-life projections. Recent inspections of the HRSG and a full SCR evaluation concluded the current catalyst retains enough activity to provide the required NO<sub>x</sub> reduction through 2023. Future capital funds have been allocated for this project. The SCR will continue to receive evaluations to confirm end-of-life projections.

## Regulatory Updates

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FMPA continues to work with Florida Electric Power Coordinating Group (FCG) and other electric utility user groups to provide US EPA and Florida DEP data and comments on proposed air, water, and solid waste environmental regulations.

Rules FMPA and the FCG advocate on behalf of utilities include:

- Hurricane and COVID19 Emergency Orders
- Clean Power Plan (CPP), Affordable Clean Energy (ACE), CLEAN Futures Act
- Volkswagen Mitigation Plan and EV Work Group
- Regional Haze
- Mercury & Air Toxics Standard (MATS)
- 404 State Assumption
- Waters of the US (WOTUS) & Navigable Waters Protection Rule (NWPR)
- Effluent Limitation Guidelines (ELG)
- Hydrologic Connectivity
- Central Florida Water Initiative
- Florida Algae Task Forces
- Per- and Polyfluoroalkyl Substances (PFAS)
- Waste Cleanup Initiatives
- Universal Waste – Solar Panels, Aerosol cans
- Coal Combustion Residual (CCR) Rule

## National Ambient Air Quality Standards Update

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On March 5, 2020, the Florida Department of Environmental Protection announced that Florida meets all National Ambient Air Quality Standards (NAAQS) statewide.

- Carbon monoxide
- Lead
- Nitrogen dioxide
- Ozone
- Particulate matter
- Sulfur dioxide

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**f. Pooled Loan Program Update**

**Board of Directors Meeting  
May 20, 2021**



# 9f – Pooled Loan Program Update

Board of Directors

May 20, 2021

# Pooled Loan Program Update

*Activity Ramping Up, Projected To Exceed Current Capacity*

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- Par amount issued \$11.8M; current capacity **\$25M**
  - Bushnell – \$7.9M
  - Stanton II – \$3.9M

- Potential Pooled Loans in the works ~ **\$16M+**

Homestead	Clewiston	Starke	Solar
\$8.7M	\$2.4M	\$2.0M	\$3.0M - \$6.0M

- Current terms with credit provider set to expire June 2022

# Pooled Loan Agreement Update

## *Amend Terms To Meet Member Needs*

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- Amend terms of pooled loan agreement
  - Increase capacity to \$40M
  - Extend term to October 1, 2024
  - LIBOR terms will need to be adjusted
- Assist to meet members' current and future pooled loan demand

# Next Steps

## *Completed By End of Fiscal Year*

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- Staff to negotiate Amendment to Loan Agreement
  - Term, Capacity and Variable Rate alternative to LIBOR
- FMPA Legal and Bond Counsel sign off on Amendment
- FMPA's Authorized Signatories (subject to any further information requested by the Board) and First Horizon sign Amendment

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**g. Review of FMPA’s Risk Inventory**

**Board of Directors Meeting  
May 20, 2021**





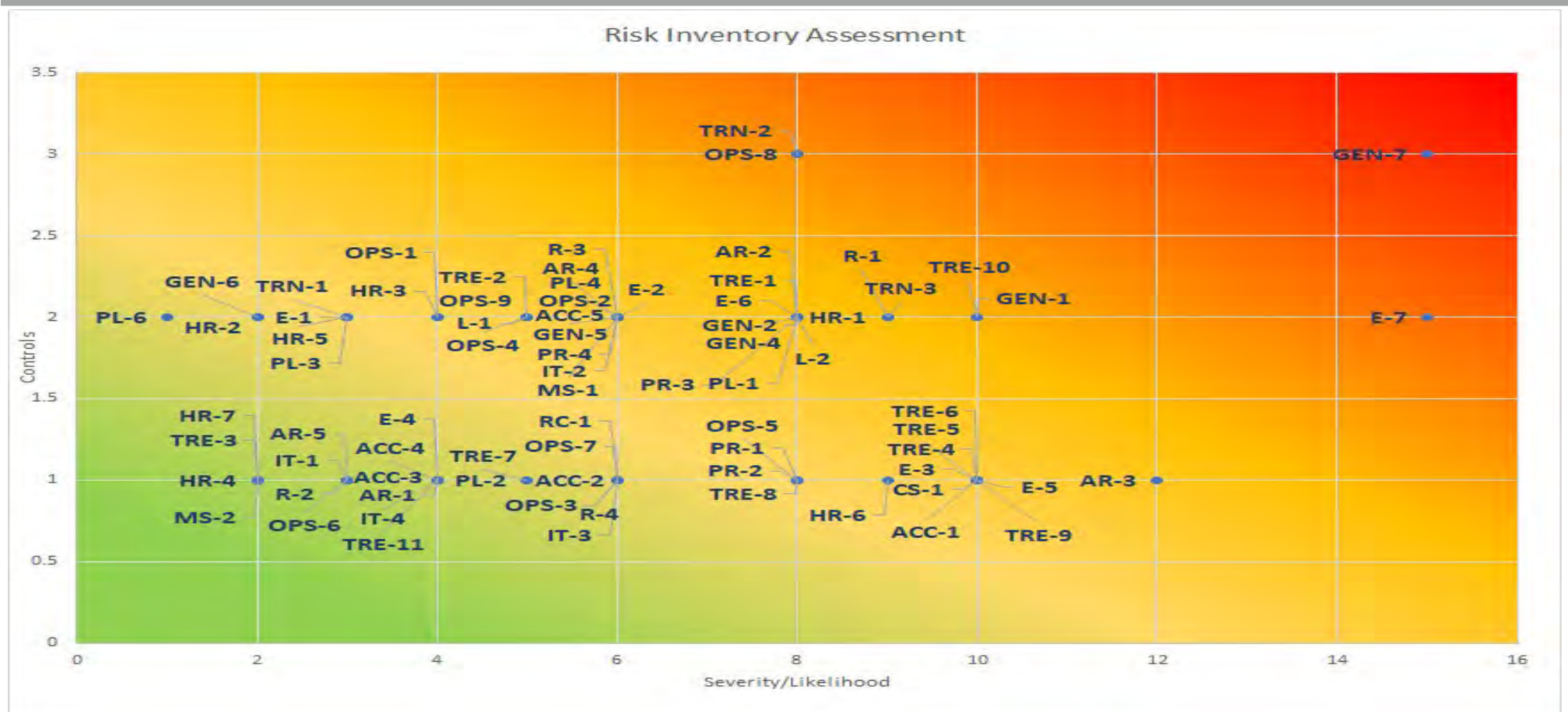
# 9g – Review of FMMPA's Risk Inventory

Board of Directors

May 20, 2021

# Risk Inventory 2021 Assessment

## Heat Map



# Top Risk Inventory Scores

*Only Two Top Risks Increased in 2021, Legislative and Credit*

ID	Risk Description	Risk Score		Summary of Change
		2021	2020	
GEN-7	ARP Generation - Limited Partnership	45	45	
E-7	Legislative Affairs	30	10	New Federal Political Administration
OPS-8	Natural Gas Prices	24	24	
TRN-2	Keys Transmission	24	24	
GEN-1	ARP Generation availability	20	20	
TRE-10	Credit Monitoring	20	10	Advance Gas Parts deposit with GE
TRN-3	Transmission Energy Delivery	18	36	Improvement in controls and reassessment of impact
R-1	ARP Rates - Rate increases/Rate instability	18	24	Reassessment of the score and action taken to manage the ARP rate
TRE-10	Credit rating (Non-ARP)	16	24	Reassessment of the score for one member city's impact
L-2	Third-party litigation	16	20	Stanton class action dismissed
E-5	Resources	10	20	Strategic Plan process gave direction to support additional resources for 2022 budget
TRE-9	Insurance Program	10	20	Reassessment of score in relation to other risks and controls of the process

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- h. Stanton Energy Center Natural  
Gas Conversion – Engineering  
Design**

**Board of Directors Meeting  
May 20, 2021**



# **9h – Stanton Energy Center Natural Gas Conversion - Engineering Design**

Board of Directors and

Executive Committee

May 20, 2021

# Approval Required for SEC Coal to Gas Engineering Design

## *Official Conversion Date Undecided, Still Potential 2023 Onset*

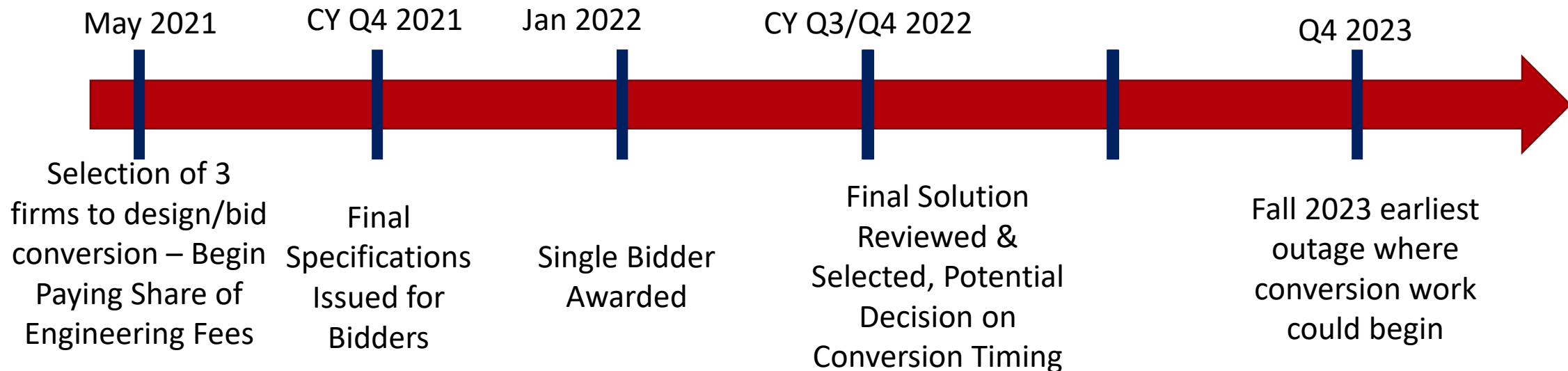
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- OUC announced in December the intention to convert the Stanton Energy Center Coal Project to 100% Natural Gas fueled no later than 2025 & 2027
- Generally, OUC needs FMPA's consent to bind FMPA to pay cost of significant plant modifications and changing fuel type is significant
- FMPA has been working with OUC on details of the planned conversion to ensure this is best alternative for the ARP and Stanton, Stanton II and Tri-City Project Participants
- To maintain the potential to convert by early Fall 2023, engineering design for the conversion must begin this summer with FMPA's share likely more than \$200k in FY21 to early FY22
- Without committing to the overall natural gas conversion undertaking, Staff is supportive of this phase of the engineering selection and design process proposed by OUC
- Staff is planning to provide preliminary cost to convert to natural gas in CY Q4 2021.
- Final decision on FMPA's commitment to natural gas conversion likely needed CY Q4 2021 or early Q1 2022

# Engineer Selection Critical Path to Earlier Conversion

## *Estimated 15-18 Month Process for Engineering Design*

- OUC intends to award Engineering, Procurement and Construction to single firm
- OUC solicited multiple firms and narrowed selection to three final bidders who will develop competing designs for the conversion – FMPA's share of cost in this phase likely to exceed \$200k in FY21 or early FY22
- Final decision on gas conversion anticipated CY Q4 2021 or Q1 2022
- Final award for final engineering design anticipated in Q3 2022



# FMPA Staff Supportive of Proposed Engineering Design Scope

*Staff Seeking Approval of Non-Budgeted Capex for Engineering Design in June*

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- Scope of engineering design process appropriate for a coal to natural gas conversion
  - Boiler design modifications
  - Burner design modifications
  - Fuel handling and management design modifications
  - Flue gas and emission evaluation and potential design modifications
  - Adherence to permits
- Other engineering efforts to reduce water evaporation operation while coal fired continue as well
  - Optimization within pool dispatch
  - Scrubber modifications
  - Water treatment facility potentially including reverse osmosis processing



# Efforts Continue to Align Post Conversion Expectations

## *Discussions on Elements of Participation Agreement Re-alignment Continue*

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- OUC and FMPP Project Participants have some common drivers for unit conversion and some that are not

### **Common**

- Cost reduction goals
- Emission reduction goals
- Generation within FMPP BA and transmission assets of FMPP participants

### **Not Common**

- Dependence on Stanton 1 & 2 capacity to economic meet capacity needs
  - Fuel resiliency options available to reduce dependence on natural gas in winter stress events
- Prior to seeking BOD and EC approval for fuel conversion decision, efforts are focused on key items that will make SEC conversion the preferred alternative for both OUC and FMPP
    - Water evaporation constraints that impact operational capacity factors
    - Gas procurement and scheduling rights
    - Targeted post conversion O&M modifications
    - Key items that could result in revisiting conversion alternative, i.e. CO<sub>2</sub> tax, final cost estimates and project execution risk for conversion

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**i. Solar II Project Committee Charter**

**Board of Directors Meeting  
May 20, 2021**



# 9i - Solar II Project Committee Charter

Board of Directors

May 20, 2021

# FMPA Solar II Project Committee Charter

*Proposed terms are same as Phase I Charter*

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## 1. Purpose

- Govern project

## 2. Mission

- Oversee administration of PPA
- Oversee administration of Power Sales Contract
- Establish budget

## 3. Authority

- Serves only in advisory capacity to Board

## 4. Organization and Term

- Until termination of Solar II Power Sales Contracts

## 5. Membership

- Primary and Alternate Reps

## 6. Meetings

- Notice (10 days)
- Called by Chair, any two members, or regularly scheduled
- *Roberts Rules*
- Chair or designee runs meeting

# FMPA Solar II Project Committee Charter

## *Summary (continued)*

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### 7. Quorum

- Discretionary Term  
Decisions: 100% of members present
- Budget, minutes, other  
Committee business: one  
half of members present

### 8. Voting

- Discretionary: unanimous  
consent of all Participants
- Other: simple majority of  
quorum present

### 9. Election of Chair

- Selected by simple majority
- Two year term; unlimited  
number of terms

### 10. Communications

- “Committee Staff  
Representatives” to  
coordinate meetings

### 11. Changes to Charter

- Require unanimous consent  
of Committee

# Recommended Motion

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- Move approval of the FMPA Solar II Project Committee Charter



## FLORIDA MUNICIPAL POWER AGENCY

### ARP SOLAR II PARTICIPANTS ADVISORY COMMITTEE CHARTER

#### 1. Purpose

This FMPA ARP Solar II Participants Advisory Committee (Committee) Charter is intended to guide the function of the Florida Municipal Power Agency's (FMPA's) ARP Solar II Participants Advisory Committee in fulfillment of its role as established by the FMPA Executive Committee.

#### 2. Mission

The Committee shall oversee the administration of FMPA's Solar II Power Purchase Agreement with the Solar II Developer and make recommendations to the FMPA Executive Committee regarding decisions provided for within that agreement.

The Committee shall oversee the administration of the All-Requirements Project Solar II Energy Participation Agreement between FMPA and the ARP Solar II Participants, as well as the Solar Energy Surcharge provisions in Rate Schedule B-1 of the ARP Contract, and make recommendations to the FMPA Executive Committee regarding decisions provided for within the same.

The Committee shall take such other actions regarding the administration of FMPA's Solar II Power Purchase Agreement as delegated by the FMPA Executive Committee.

#### 3. Authority

Except as expressly delegated by the Executive Committee, the Committee has no authority to bind FMPA or to make any decision on behalf of the FMPA Board of Directors or Executive Committee. Except as expressly delegated by the Executive Committee, the Committee serves only in an advisory capacity to the Executive Committee.

#### 4. Organization and Term

The Committee reports to the Executive Committee and shall exist until termination of the All-Requirements Project Solar II Energy Participation Agreements.

#### 5. Membership

Each ARP Solar II Participant will appoint a primary and alternative representative to the Committee. If an ARP Solar II Participant assigns its entire entitlement to another utility in accordance with Rate Schedule B-1, the assigning Participant shall no longer be a voting member of the Committee, while the utility receiving the assignment shall thereafter have voting representation on the Committee.

## 6. Meetings

Notice of the time, date, and place of each meeting will be provided to each Committee member at least 7 days prior to any meeting. Meetings of the Committee shall be called by the chairperson, by any two members of the Committee, or as otherwise regularly scheduled by the Committee. The conduct of the meetings will follow *Roberts Rules of Order Newly Revised*, with the chairperson running the meeting. In the absence of the chairperson, the chairperson may designate another Committee member to run the meeting. The chairperson may call an emergency meeting of the Committee whenever in the chairperson's opinion an emergency exists or a decision to be made under the Solar II Project Power Purchase Agreement or Solar II Project Power Sales Contract requires immediate action by the Committee. Whenever an emergency meeting is called, FMPA shall notify each Committee member in writing or verbally of the date, time and place of the meeting and the purpose for which it is called. FMPA shall endeavor to give as much notice as is reasonably possible under the circumstances, and in compliance with applicable law.

## 7. Quorum

A quorum of the Committee is necessary for the Committee to be in session and take action. Committee members may participate in any Committee meeting by means of conference telephone, video conference or other electronic communications equipment by means of which all persons attending such meeting can hear each other. During any such meeting, one or more Committee members, may, but need not, be together in one location. Participation in such a Committee meeting shall constitute presence in person at the meeting

For Discretionary Term Decisions, as defined in the Solar Energy Participation Agreement, a quorum requires 100% of the Committee voting members present and able to participate in the meeting in person or by electronic means, including by telephone.

For budget decisions, approval of meeting minutes, and Committee business other than Discretionary Term Decisions, a quorum requires a majority of the Committee voting members present and able to participate in the meeting in person or by electronic means, including by telephone.

## 8. Voting

Each Committee member has one vote which he or she may cast (yea or nea) on any action coming before the Committee.

For Discretionary Term Decisions, unanimous consent of the Committee members is required.



For budget decisions, approval of meeting minutes, and Committee business other than Discretionary Term Decisions, an affirmative vote will result from a simple majority of the quorum present.

## 9. Election of Chair

The Committee members shall select a chairperson from among their membership by simple majority vote. The term of office for the Committee chairperson is two years without limit on the number of terms an officer may serve.

## 10. Communications

The General Manager & CEO shall assign FMPA staff members from time to time that shall serve as the staff representatives to the Committee (the "Committee Staff Representatives"). The Committee Staff Representatives shall have responsibility for coordinating the communications of the Committee and coordinating Committee meetings, including providing meeting notices to the Committee. Reports or requests from the Committee to the Board of Directors or the Executive Committee will also be coordinated by the Committee Staff Representatives.

## 11. Changes to Charter.

Changes to this Charter shall require unanimous consent of the ARP Solar II Participants Advisory Committee.

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**j. Summary of Finance Committee  
Items**

**Board of Directors Meeting  
May 20, 2021**



# 9j -Summary of Finance Committee Items

Board of Directors

May 20, 2021

# Other Items

## *Review and/or Approval Required*

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- Review and approval of budgets
- Approval of Risk Policies and recommended changes
- Review of the Agency Annual Risk Inventory

**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Board of Directors Meeting  
May 20, 2021**

**AGENDA ITEM 11 – ADJOURNMENT**

**Board of Directors Meeting  
May 20, 2021**