



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

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**September 16, 2021**

**9:00 a.m. [NOTE TIME]**

**Dial-in Info: 877-668-4493 or 650-479-3208**

**Meeting Number: 180 472 3829#**

**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  
Mike New, Newberry  
Joe Bunch, New Smyrna Beach  
Bill Kaufman, Ocala  
Claston Sunanon, Orlando  
Vacant, Quincy  
Keith Trace, St. Cloud  
Scott Anaheim, Starke  
Tony Guillen, 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:** September 7, 2021  
**RE:** **FMPA Board of Directors Meeting - 9:00 a.m., September 16, 2021 (NOTE DATE/TIME)**  
**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 180 472 3829# - PASSWORD – 8553# - LINK:**  
<https://fmpa.webex.com/fmpa/j.php?MTID=m669173c11b29408ecaee0fb03ec3c121>  
(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
3. Public Comments (Individual public comments limited to 3 minutes) ..... 6
4. Set Agenda (by vote) ..... 7
5. Report from the General Manager (Jacob Williams) ..... 9
6. Sunshine Law Update (Dan O’Hagan) ..... 19
7. Consent Agenda
  - a. Approval of the Minutes for the Meeting Held August 19, 2021 ..... 25
  - b. Approval of the Projects’ Preliminary Financials as of July 31, 2021 ..... 30
  - c. Approval of the Treasury Reports as of July 31, 2021 ..... 32

**8. Action Items**

- a. Approval of Modification to FMPA’s Official Seal (Jody Finklea) ..... 36
- b. Approval of Board Officers’ Recommendation on Evaluations for the General Manager and CEO and General Counsel and CLO (Barbara Quiñones) ..... 41
- c. Approval of Resolution 2021-B3 – Budget Amendment for Stanton Project (Jason Wolfe) ..... 45
- d. Approval of Resolution 2021-B4 – Budget Amendment for Tri-City Project (Jason Wolfe) ..... 54
- e. Approval of Resolution 2021-B5 – Budget Amendment for Stanton II Project (Jason Wolfe) ..... 63
- f. Approval of Resolution 2021-B6 – Budget Amendment for St. Lucie Project (Jason Wolfe) ..... 72
- g. Approval of Resolution 2021-B7 – Budget Amendment for Pooled Loan Project (Jason Wolfe) ..... 81
- h. Approval of Appendix C Investment Policy \* (Rich Popp) ..... 87

**9. Information Items**

- a. Results of St. Lucie Project Series 2021 A&B Bond Closing (Rich Popp) .. 116
- b. Regulatory Compliance Quarterly Update \* (LaKenya VanNorman) ..... 123
- c. Quarterly HR Update (Sharon Adams) ..... 131
- d. Analysis of Climate Change Proposed Legislation (Jacob Williams)..... 135

**10. Member Comments..... 143**

**11. Adjournment..... 144**

**\*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  
September 16, 2021**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Board of Directors Meeting  
September 16, 2021**

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

**Board of Directors Meeting  
September 16, 2021**

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

**Board of Directors Meeting  
September 16, 2021**

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

**Board of Directors Meeting  
September 16, 2021**

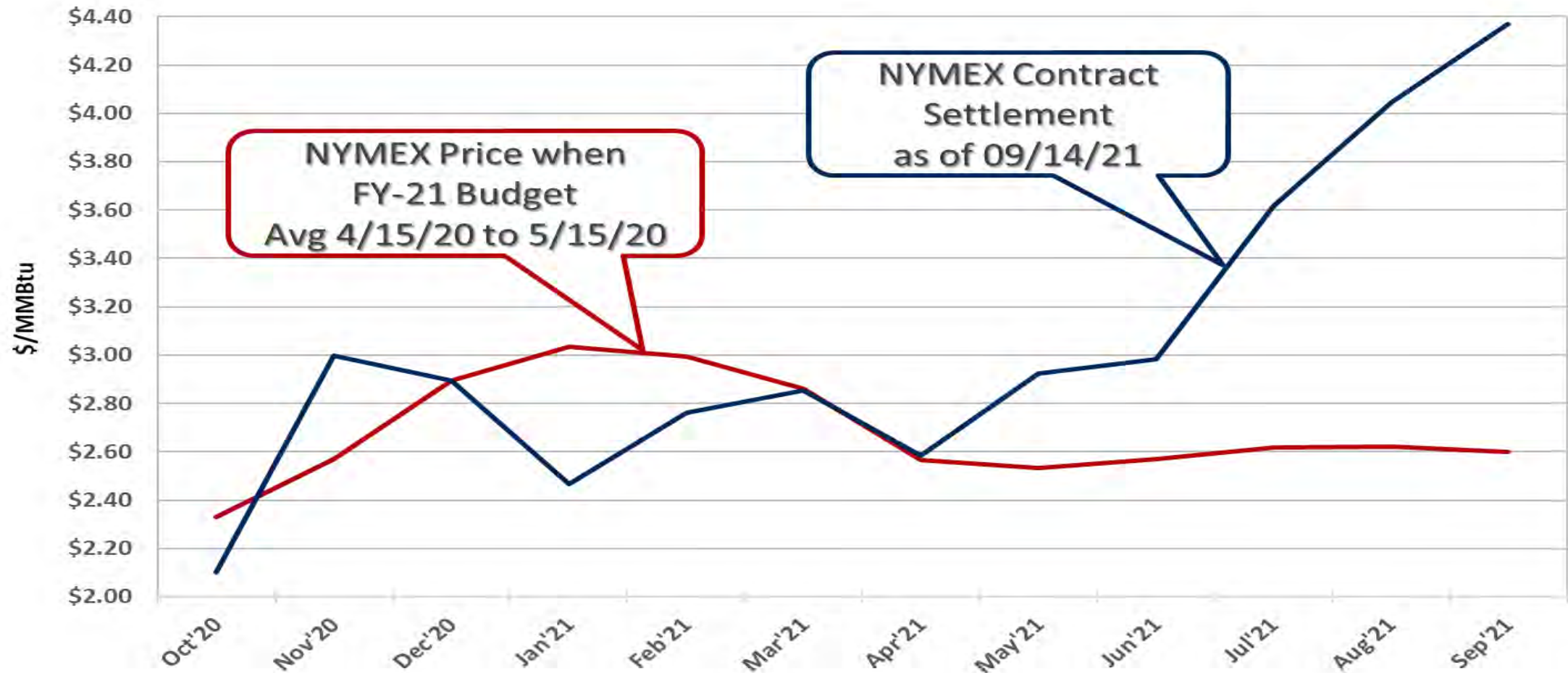


# Fiscal 2021 Management Goals through August 31, 2021

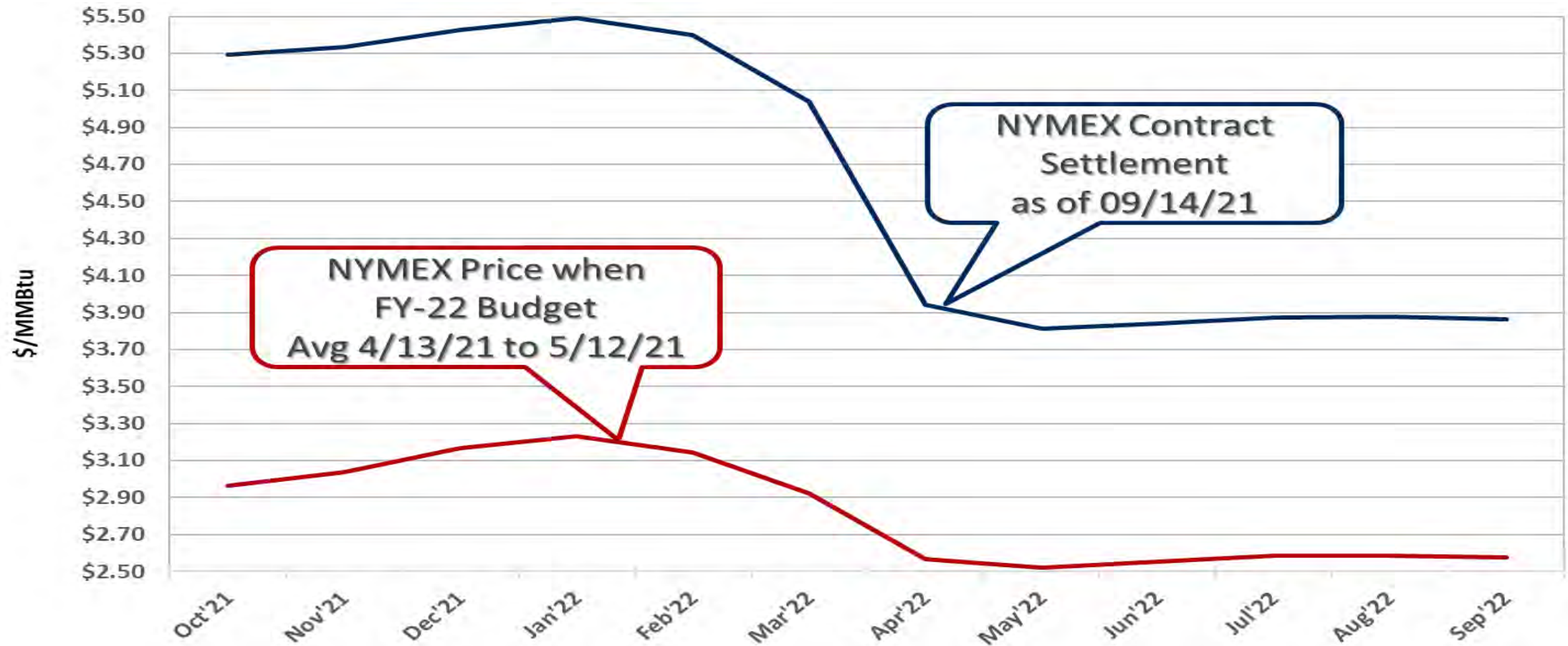
Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
<b>1.Safety</b>	Lost-time Accidents	0	1	0	0	No lost-time accidents in August
	OSHA Recordables	0	1	0	0	
<b>2.Compliance</b>	Environmental	0	0	0	0	CIP self-report related to scanning external media
	Financial	0	0	0	0	
	Regulatory	0	0	0	0	
<b>3.Low Cost</b> (\$/MWh)	Under \$70/MWh	\$67.67*	\$69.10*	\$70.63	< \$70.00	*Data estimate for August. YTD 2021 MWh sales 3.1% > budget. All-in costs ~\$1.53/MWh (2.22%) < YTD target due to O&M (-8%), assigned project costs (-12%), A&G (-10%) < target Offset by net fuel costs 9% > target.
	Fuel	\$33.58*	\$25.14*	\$22.22	\$22.19	
	Non-Fuel	\$34.09*	\$43.96*	\$48.41	\$47.81	
<b>4.Stanton I and Stanton II</b> Decision from OUC to reduce power costs and emissions						Working with OUC on final timing decision of planned Stanton 1 retirement. Evaluation of fixed costs and potential decommissioning impacts

# 2021 NYMEX Contract \$0.37/MMBtu above Budget

*Natural Gas Settlement as of Sept. 14, 2021*

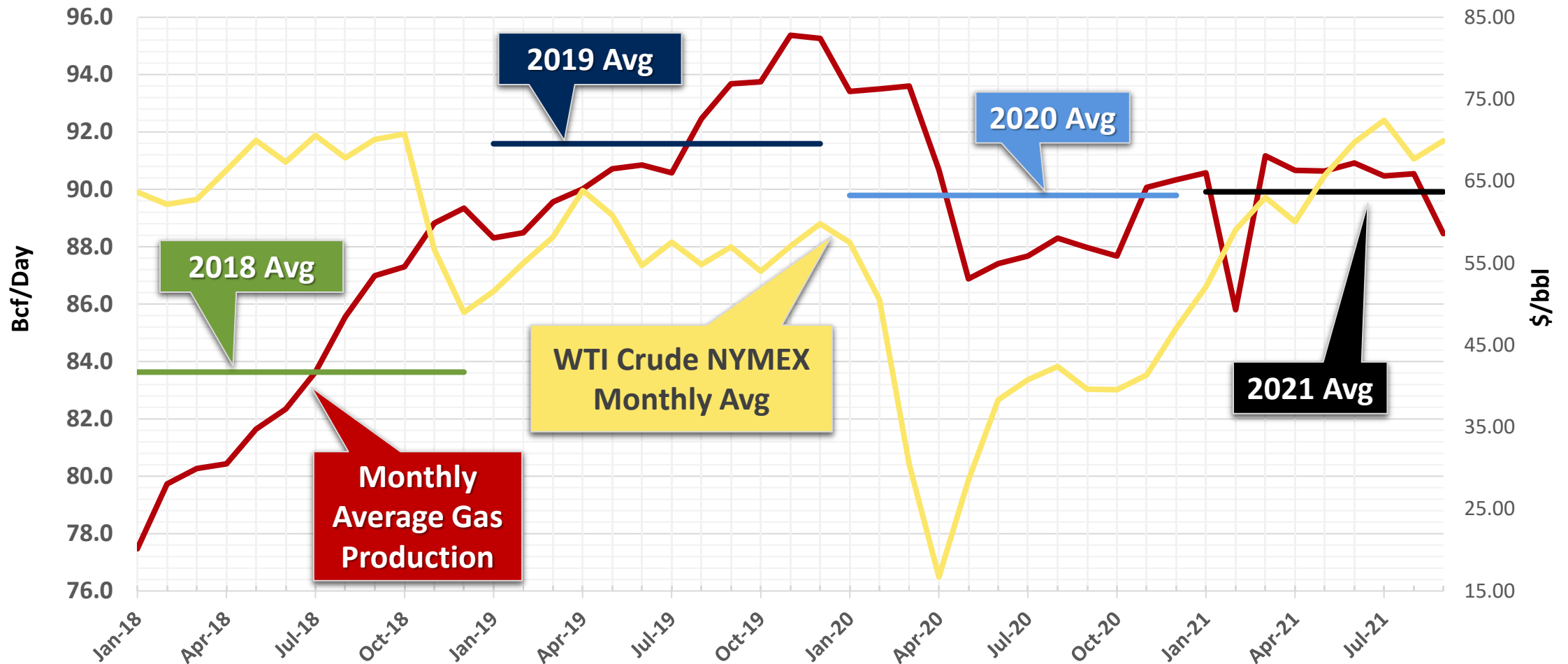


# 2022 NYMEX Contract \$1.78/MMBtu above Budget *Natural Gas Settlement as of Sept. 14, 2021*



# Natural Gas Production No Longer Following Oil Prices

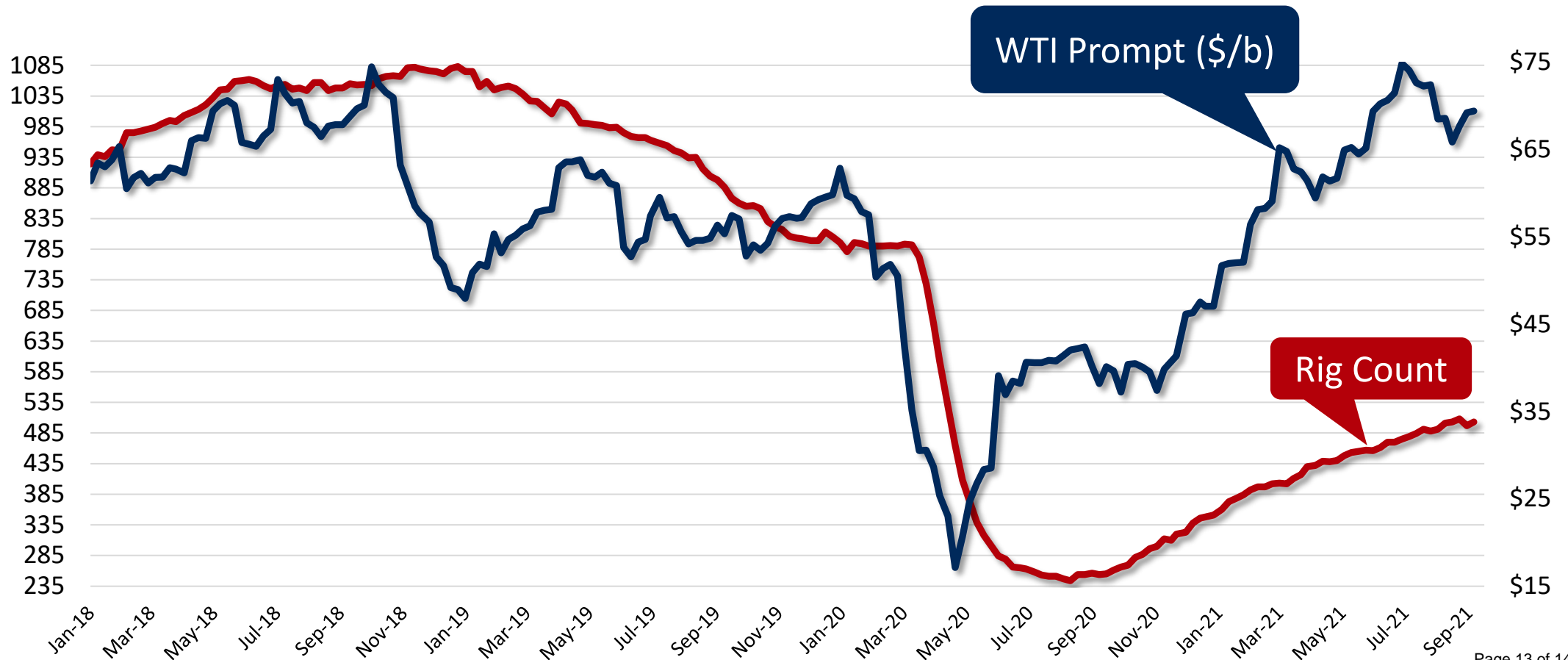
## Average Monthly Change Since 2018 to Date (9/14/21)



# Drilling Rig Count and Oil Prices Move Higher

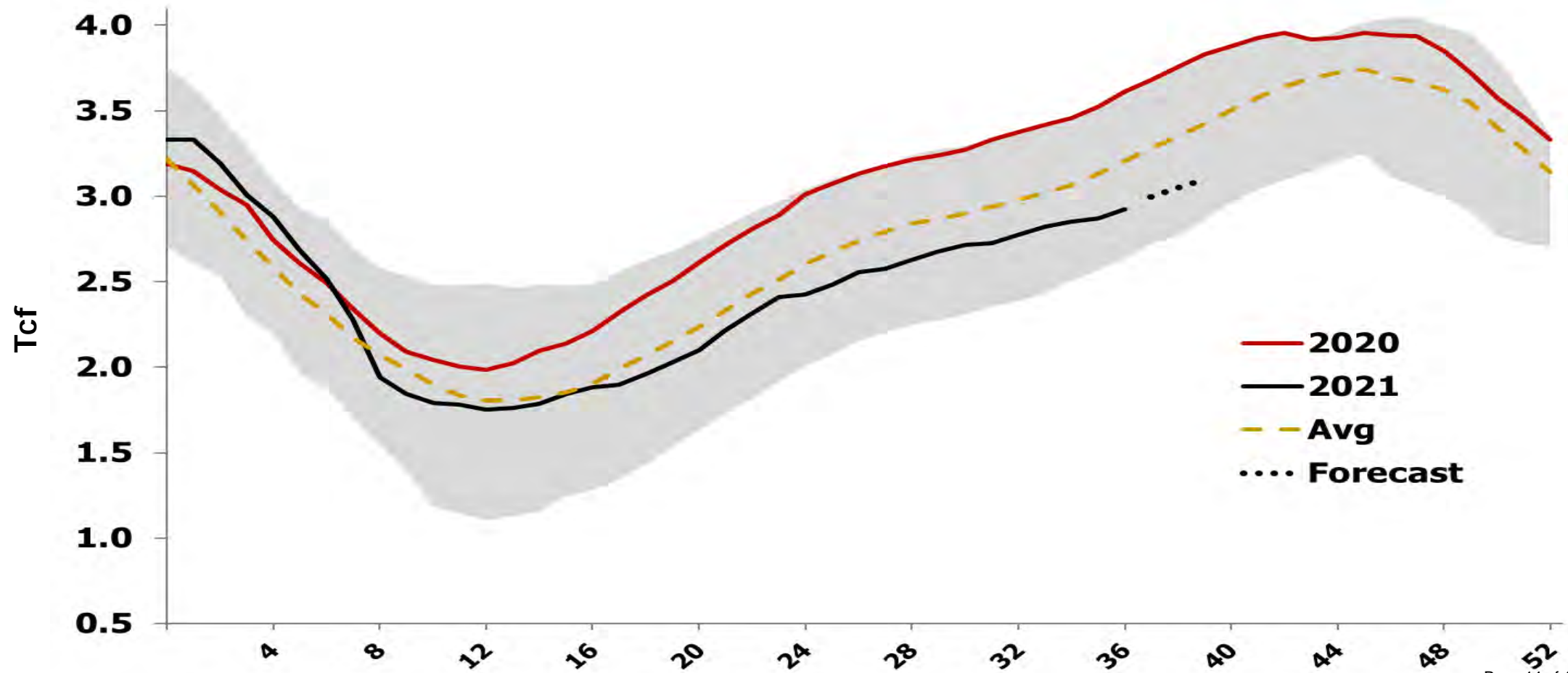
*Rig Count Increasing, WTI Prices in \$70 Range (as of Sept. 14)*

## U.S. Drilling Rig Count vs WTI Prompt



# Gas Storage Inventory as of Week Ending Sept. 3

## *2021 Injection Season Increasing, Trend Below 5-Year Average*



# ~35% of FMPA Natural Gas Burn Bought for Fiscal 2021

## Value vs. Budget

- Locked in ~35% of annual burn at weighted average cost of gas of \$2.55/MMBtu
- Fixed-price purchases roughly \$(0.212)/MMBtu lower than budget
- recent purchases roughly ~\$(0.44)MMBtu below budget
- **The extended fixed price value is roughly \$4.0 million below budget**

## Value vs. Market

Month	Purchase WACOG (\$/MMBtu)	FGT Zn3 Market Pricing as of 09/14/2021 (\$/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	\$3.04	\$0.54	\$325,908
Jul-21	\$2.57	\$3.62	\$1.05	\$651,397
Aug-21	\$2.59	\$4.07	\$1.48	\$916,645
Sep-21	\$2.57	\$4.38	\$1.81	\$1,083,984

<b>Total Extended Value vs. Current Market</b>	<b>\$4,616,532</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%	3.4%	5% or <	5% or <	One person clicked on phishing campaign pretending to be Covid Vaccine Certificate application
	Member assessments	1	3	3	5	Bushnell assessment – completed. Five assessments in progress.
6.Reliability	CC EAF	100%	93.6%	90.2%	90%	
	SI black start and trans. backup	2	14	14	100%	Two successful starts in August
	SAIDI Reduction	0	6	9	10	
7.Member Services	Leadership member visits	7	74	68.75	75	
	Projects managed for members	1	18	18	20	Williston support for Duke substation project
8.Value of Muni	Member info updates	3	15	15	16	Alachua, Bartow, Chattahoochee, Clewiston, FPUA, GCS, Havana, Jacksonville Beach, KUA, Lake Worth Beach, Mount Dora, New Smyrna Beach, Ocala, Wauchula and Williston
	Presentations Social media	0	9	9	10	Bartow, Chattahoochee, FPUA, KUA, LWB 2X (9/21) , Leesburg, New Smyrna Beach (9/28), Newberry, Starke and Wauchula



Goal	Status	Actual	YTD Actual	YTD Target	FY'21 Target	Comment
<b>9.Load Management</b>	Dev. opportunities for 5 MW	0	0	4.583	5	Phase I survey discussions completed with 11 of 13 cities, with one in progress. Potential for ~4 MW uncovered.
<b>10.Financing</b>	Restructure debt	0	1	1	1	Done
	Extend debt to include R&R funding	0	1	1	1	St. Lucie refinancing closed on 9/1/2021 with NPV of \$9.5M or 11.422%
	Prepaid gas min. svgs. of \$0.20/mmBtu	0	2	1	1	Two transactions approved, awaiting 2 additional ones by EOY
<b>11.Transmission</b>	Neg. service upgrade for LWB & Homestead					LWB engineer work ongoing, Homestead development in progress
<b>12.People</b>	360 training for Leadership & mgmt.	0	11	10.0833	11	All 11 directors/managers completed
	Mgmt. outreach to diverse prof. groups	0	2.5	2.5	3	Jacob - AABE membership Linda – NABA; NSBE contact
	Individual development plans	0	50	50	50	Completed by March 31 – following up on plans
	FMPA Fleet Team Sharing – Days	0	131	92	100	Significant sharing to occur during current outage season

# **VERBAL REPORT**

## **AGENDA ITEM 6 – SUNSHINE LAW UPDATE**

**Board of Directors Meeting  
September 16, 2021**



# Sunshine Law Update

Board of Directors

August 19, 2021





"BURN THEM ALL"

GS1-SL ITEM #	GS1-SL RECORDS SERIES TITLE	DESCRIPTION	RETENTION
122	ADMINISTRATOR RECORDS: AGENCY DIRECTOR/PROGRAM MANAGER	This record series consists of records documenting the substantive actions of elected officials or appointed program managers or agency directors, including but not limited to state agency department heads and their executive staff. These records constitute the official record of an agency's performance of its functions and formulation of policy and program initiatives. This series may include various types of records, such as correspondence (including electronic communications); memoranda; statements prepared for delivery at meetings, conventions, or other public functions that are designed to advertise and promote departmental programs, activities, and policies; interviews; and	10 anniversary years; State agencies must contact the State Archives of Florida for archival review before disposition of records. Other agencies should ensure appropriate preservation of records determined to have long-term historical value.
245	ANNUAL REPORTS: GOVERNING BODY	This record series consists of the annual program, narrative, and statistical report issued by the highest level of authority within an agency. It is a comprehensive compilation of all annual reports submitted by departments, divisions, bureaus, program offices, and other subdivisions including boards, commissions, and dependent special districts. This is NOT the annual financial report required under Section 218.32, <i>Florida Statutes</i> , nor is it the annual financial audit report required under Section 218.39, <i>Florida Statutes</i> , and Chapters 10.558(3), 10.807(3), and 10.857(4) of the Rules of the Auditor General of the State of Florida. See also "ANNUAL REPORTS: COUNTY GOVERNMENT," "AUDITS: AUDITOR GENERAL," "AUDITS: INDEPENDENT," and "FINANCIAL REPORTS: LOCAL GOVERNMENT ANNUAL REPORTS." <i>These records may have archival value.</i>	Permanent. State agencies should contact the State Archives of Florida for archival review after 5 years. Other agencies should ensure appropriate preservation of records.
136	TRANSITORY MESSAGES	This record series consists of records that are created primarily to communicate information of short-term value. "Transitory" refers to short-term <i>value</i> based upon the content and purpose of the message, <i>not</i> the format or technology used to transmit it. Examples of transitory messages include, but are not limited to, reminders to employees about scheduled meetings or appointments; most telephone messages (whether in paper, voice mail, or other electronic form); announcements of office events such as holiday parties or group lunches; recipient copies of announcements of agency sponsored events such as exhibits, lectures or workshops; and news releases received by the agency strictly for informational purposes and unrelated to agency programs or activities. Transitory messages are not intended to formalize or perpetuate knowledge and do not set policy, establish guidelines or procedures, certify a transaction, or become a receipt.	Retain until obsolete, superseded, or administrative value is lost.

# Final Disposition of Public Records

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- **Duplicates** - The retention period for duplicates – copies of records that are not the official record of an agency – is always “Retain until obsolete, superseded, or administrative value is lost” (“OSA”) unless otherwise specified.
- **Electronic Copies** – If scanned properly, electronic copies can be master record; hard copy then becomes “duplicate” and may be disposed of.
- **Final Disposition of Public Records (i.e. manner of destruction)**
  - Must be done in a manner to protect confidential/exempt information
  - Must make a record of final disposition (“Records Disposition Document”)
  - Other factors to consider
    - “Business” needs
    - Litigation/active public records request
    - Other legal/regulatory retention requirements (e.g. NERC)

# RECORDS DISPOSITION DOCUMENT

NO.

PAGE OF PAGES

**1. AGENCY NAME and ADDRESS**

Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, FL 32819

**2. AGENCY CONTACT (Name and Telephone Number)**

Dan O'Hagan  
Assistant General Counsel  
(850) 297-2011 Ext.

**3. NOTICE OF INTENTION:** The scheduled records listed in Item 5 are to be disposed of in the manner checked below (specify only one).

a. Destruction       b. Microfilming and Destruction       c. Other \_\_\_\_\_

**4. SUBMITTED BY:** I hereby certify that the records to be disposed of are correctly represented below, that any audit requirements for the records have been fully justified, and that further retention is not required for any litigation pending or imminent.

Signature \_\_\_\_\_

Name and Title \_\_\_\_\_

Date \_\_\_\_\_

**5. LIST OF RECORD SERIES**

a. Schedule No.	b. Item No.	c. Title	d. Retention	e. Inclusive Dates	f. Volume in Cubic Feet	g. Disposition Action and Date Completed After Authorization

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of the Minutes for the  
Meeting for the Meeting Held  
August 19, 2021**

**Board of Directors Meeting  
September 16, 2021**



CLERKS DULY NOTIFIED .....AUGUST 10, 2021  
AGENDA PACKAGES POSTED.....AUGUST 10, 2021

**MINUTES**  
**FMPA BOARD OF DIRECTORS MEETING**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**  
**THURSDAY, AUGUST 19, 2021**  
**9:00 A.M.**

**MEMBERS PRESENT** Jody Young, Bushnell  
Lynne Mila, Clewiston  
Paul Jakubczak, Fort Pierce  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana  
Barbara Quinones, Homestead  
Allen Putnam, Jacksonville Beach  
Lynne Tejada, Key West (via telephone)  
Larry Mattern, Kissimmee (via telephone)  
Ed Liberty, Lake Worth Beach (via telephone)  
Steve Langley, Mount Dora (via telephone)  
Mike New, Newberry (via telephone)  
Joe Bunch, New Smyrna Beach (via telephone)  
Claston Sunanon, Orlando  
Keith Trace, St. Cloud (via telephone)  
Scott Anaheim, Starke  
Dan D'Alessandro, Winter Park

**OTHERS PRESENT** Steve Macholz, Bushnell  
Jan Aspuru, Orlando  
Craig Dunlap, Dunlap & Associates, Inc.

**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  
Mark McCain, Vice President, Member Services and Public Relations  
Dan O'Hagan, Assistant General Counsel and Regulatory Compliance Counsel  
Rich Popp, Treasurer and Risk Director  
Chris Gowder, Business Development and System Operations 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  
Isaac Barbosa, IT Security Analyst  
Carter Manucy, IT/OT & Cybersecurity Director

Ryan Dumas, Senior Public Relations Specialist  
Tobin LaBorde, Power Generation Engineer and Project Manager  
Wayne Koback, IT Manager

### **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, August 19, 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 17 members present representing 29.5 votes out of a possible 47.5.

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

Chair Barbara Quiñones welcomed Scott Anaheim from Starke, Steve Macholz from Bushnell, and Rafael Couret from Power Engineers.

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

None

### **ITEM 4 – SET AGENDA (by vote)**

**MOTION:** Howard McKinnon, Havana, moved approval of the agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 29.5 – 0.

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

Jacob Williams reported on the following items:

1. FMPA Shred Day
2. Goals Scorecard
3. Bartow power sales agreement finalized for new phosphate reclamation load coming in late 2022 through the end of 2023
4. Alachua's new power sales agreement was signed
5. Starke Commission wants to revoke ARP term notice
6. FPL refund of \$1.5M for transmission rate case settlement
7. FPL rate increases coming the next 4 years for a total of 14% increase
8. Ocala/FMPA cybersecurity incident test

### **ITEM 6 – SUNSHINE LAW UPDATE**

Dan O'Hagan provided a summary of FMPA's process and procedures for final disposition of public records, including adhering to public records retention schedules, considering all factors affecting disposition and documenting final disposition.

### **ITEM 7 – CONSENT AGENDA**

- a. Approval of Minutes – Meeting Held July 21, 2021
- b. Approval of the Projects’ Preliminary Financials as of June 30, 2021
- c. Approval of the Treasury Reports as of June 30, 2021

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 29.5 to 0.

#### **ITEM 8 – ACTION ITEMS**

- a. Approval of Appendix M Contingency Planning Policy

Rich Popp reported on the changes to Appendix M of the Contingency Planning Policy.

**MOTION:** Larry Mattern, Kissimmee, moved approval of the recommended changes as presented to the Contingency Planning Risk Management Policy. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 29.5 – 0.

#### **ITEM 9 – INFORMATION ITEMS**

- a. **Evaluations of the General Manager and CEO and General Counsel and CLO and FMPA’s Officers’ Recommendation to the Board – Verbal**

Chair Barbara Quiñones, Homestead, said the Board Officers and the Executive Committee Chair had several telephonic meetings to develop a compensation philosophy for the General Manager and CEO and General Counsel and CLO. The Officers all agreed that Jacob Williams and Jody Finklea are not 50 percentile employees; that they do an outstanding job and that they should be in the 60 to 65 percentile of the market surveys that the Officers reviewed. The Officers also met with Carl Mycoff, Mycoff Fry & Prouse, a utility industry executive placement firm, who gave an overview of these two positions from his perspective.

Chair Quiñones gave a high-level overview of the reports from both Jacob Williams and Jody Finklea on their accomplishments from last year. She said that Jody Finklea was within the market, but Jacob Williams was not. The Officers will be recommending a 10 percent market increase for Jacob Williams. The Officers are also recommending a 5 percent merit increase for both.

- b. **Review of Finance Committee Items**

Linda S. Howard discussed the items the Finance Committee approved which will be coming before the Board of Directors next month.

**ITEM 10 – MEMBER COMMENTS**

None

**ITEM 11 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:07 a.m.

\_\_\_\_\_  
Barbara Quiñones  
Chair, 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 July  
31, 2021**

**Board of Directors Meeting  
September 16, 2021**



Linda S. Howard, CPA, CFP  
Chief Financial Officer

## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Linda Howard  
**DATE:** September 7, 2021  
**ITEM:** 7b – Approval of Projects’ Financials as of July 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 July 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 July 31, 2021.

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LH/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

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

**Board of Directors Meeting  
September 16, 2021**



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
 FROM: Gloria Reyes  
 DATE: September 16, 2021  
 ITEM: BOD 7(c) – Approval of Treasury Reports as of July 31, 2021

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

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

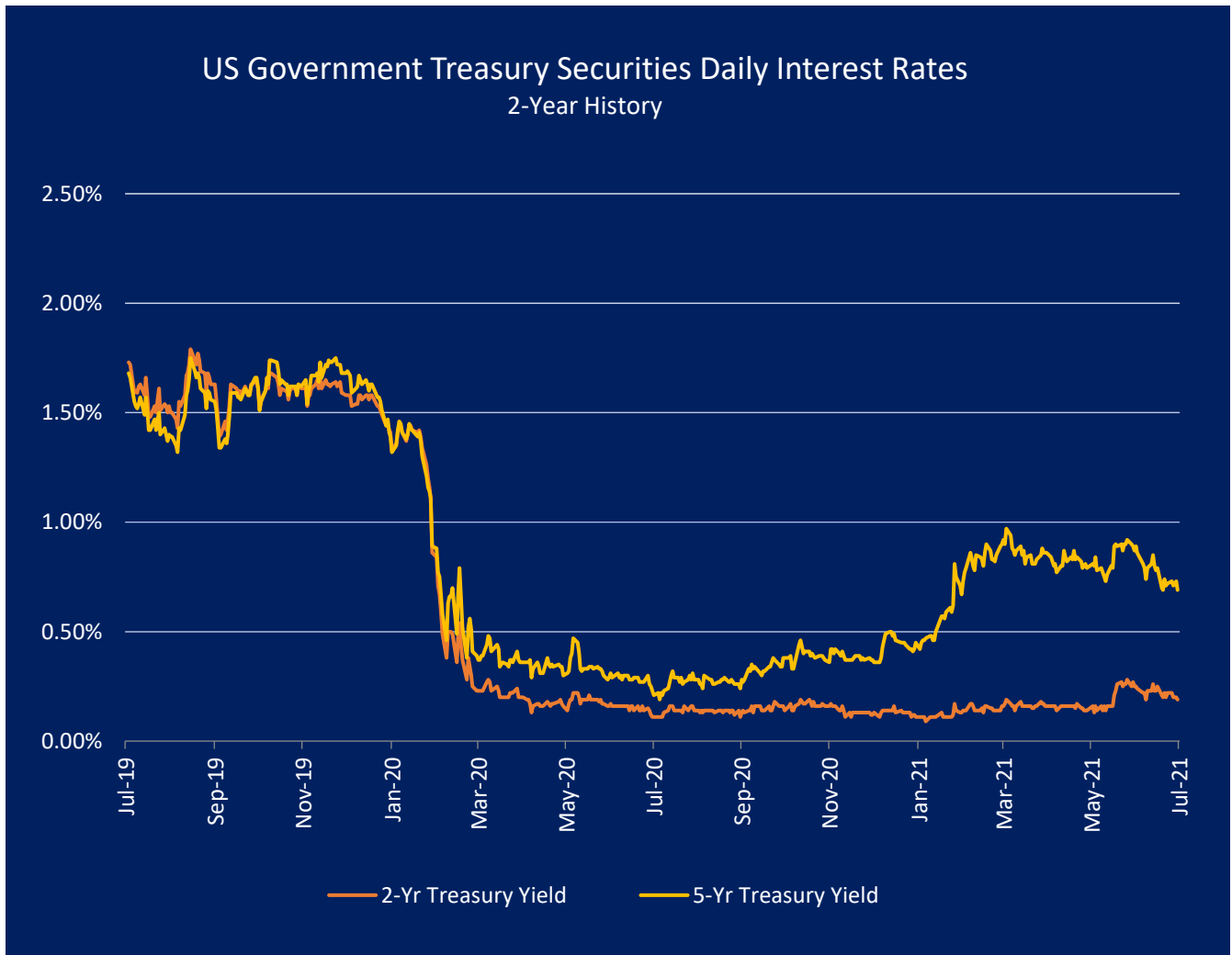
**Debt Discussion** Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of July 31, 2021.

	<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	100,740,471	100%	0%	0%
Tri City	0.00	0%	0%	0%

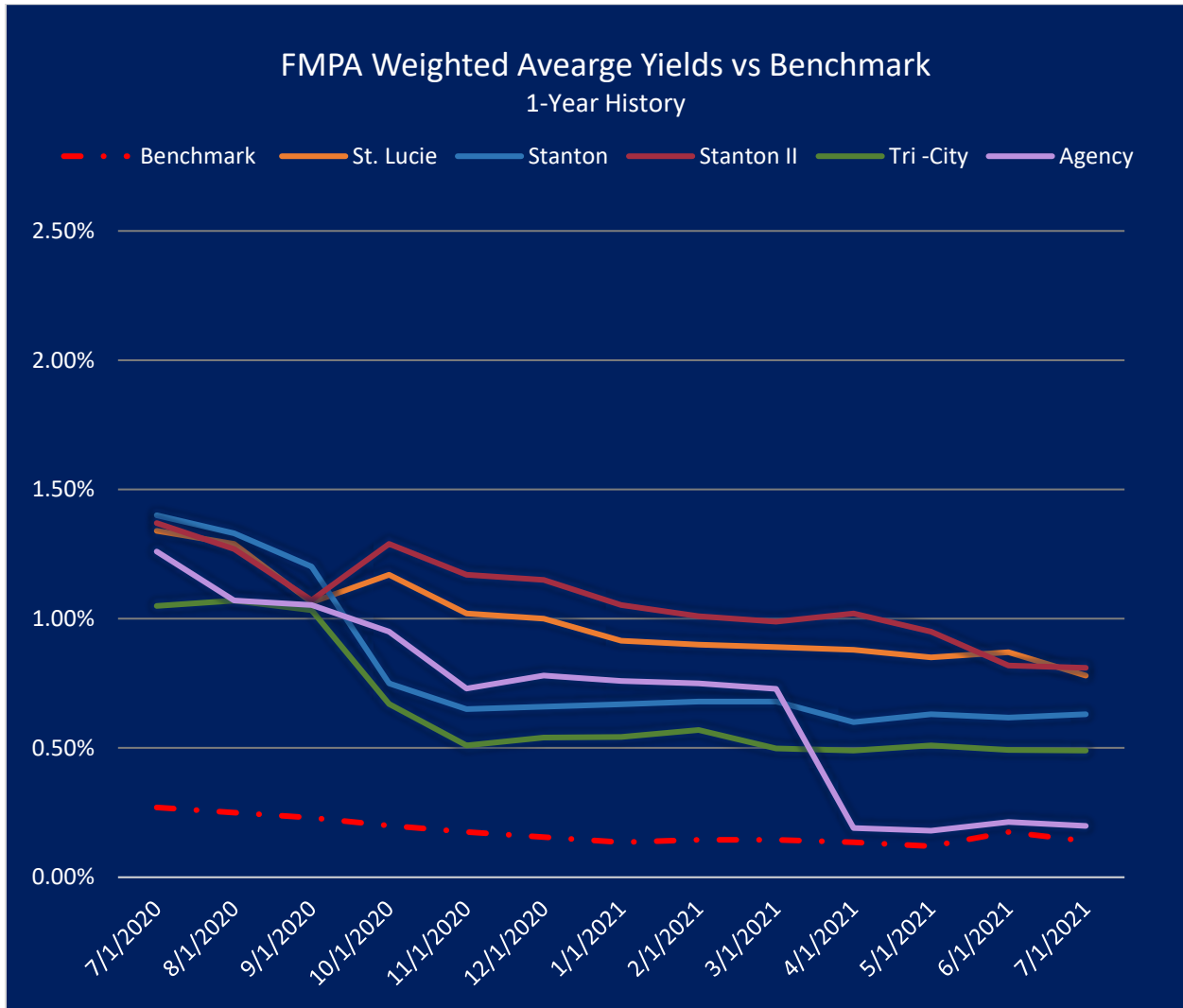
**Investment Discussion** The investments in the Projects are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well 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 July at 0.19%. The yellow line is the 5-year Treasury which was 0.69%.



The weighted average yields on investments earned as of July 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 July 31, 2021.

**AGENDA ITEM 8 – ACTION ITEMS**

- a. Approval of Modification to  
FMPA's Official Seal**

**Board of Directors Meeting  
September 16, 2021**



# 8a – Approval of Modification to FMMPA’s Official Seal

Board of Directors

September 16, 2021

# Modified Official Seal Incorporates 2018 Logo Refresh

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- FMPA logo was refreshed in 2018, following Board of Directors approval of the refreshed logo in November 2017.
- Pursuant to the FMPA Interlocal Agreement, the Board of Directors approves the official seal and modifications to it.
- New seal incorporates the refreshed logo.
- Approval is for all Agency and project purposes, including the ARP.
- Confirm and ratify uses of the modified seal.



# Recommended Motion

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- Move approval of the modified official seal of the Agency as shown (including for all purposes of the Agency's projects, including the All-Requirements Power Supply Project), and confirm and ratify all uses of the modified seal before the date hereof.



FLORIDA MUNICIPAL POWER AGENCY

CERTIFICATE EVIDENCING MODIFICATION TO AGENCY SEAL

Pursuant to Article I, Section 3 of the Interlocal Agreement Creating the Florida Municipal Power Agency (the “Agency”), as amended to the date of this certificate, the Board of Directors of the Agency is empowered to adopt and modify the official seal of the Agency. Effective February 24, 2018, upon the 40th anniversary of the Agency’s first Board of Directors meeting, the Agency logo was refreshed, following the earlier approval of the refreshed logo by the Board of Directors on November 16, 2017.

Following the February 2018 refresh of the Agency logo, the Secretary of the Agency has determined it to be in the best interests of the Agency to update the design of the Agency’s official seal to incorporate the refreshed logo, as shown below:



On September 16, 2021, at a duly called and held meeting, with a quorum present and acting throughout, the Board of Directors approved the modification of the Agency’s official seal to incorporate the 2018 logo refresh, as shown above, for all uses of the official Agency seal (including for all purposes of the business of the Agency’s projects, including the All-Requirements Power Supply Project), and confirmed and ratified all uses of the modified official seal (as shown above) before the date thereof.

Dated as of September 16, 2021.

By: \_\_\_\_\_  
Barbara Quiñones  
Chair of the Board of Directors

By: \_\_\_\_\_  
Larry Mattern  
Secretary

**AGENDA ITEM 8 – ACTION ITEMS**

- b. Approval of Board Officer’s  
Recommendation on Evaluations  
for the General Manager and CEO  
and General Counsel and CLO**

**Board of Directors Meeting  
September 16, 2021**





September 7, 2021

TO: FMPA Board of Directors

FROM FMPA Board Officers

Barbara Quiñones, Homestead, Chair  
Lynne Tejeda, Key West, Vice Chair  
Larry Mattern, Kissimmee, Secretary  
Allen Putnam, Jacksonville Beach, Treasurer  
Howard McKinnon, Havana, Executive Committee Chairman

RE: BOD Item 8b – Approval of Board Officers Recommendation on Evaluations of Jacob Williams, General Manager and CEO and Jody Finklea, General Counsel and CLO

The Officers of the Board of Directors and Chairman of the Executive Committee met via Teams on January 20, 2021, February 22, 2021, April 20, 2021 and June 28, 2021 to discuss FMPA's compensation policy and discuss salary survey information. On April 20, 2021, Carl Mycoff of Mycoff Fry Partners, participated in the call to discuss the current market and salaries of General Managers and CEOs and General Counsel and CLOs in the Joint Action Agencies and Generation and Transmission Cooperatives.

On August 16, 2021, the Officers met with the Board of Directors to solicit input on the performance of the General Manager and CEO and General Counsel and CLO. Officers present were Barbara Quiñones, Homestead, Chair, Lynne Tejeda, Key West, Vice Chair, Larry Mattern, Secretary, Allen Putnam, Jacksonville Beach, Treasurer and Howard McKinnon, Chairman of the Executive Committee. Others present via telephone were Jody Young, Bushnell, John Tompeck, Fort Pierce, Tom Brown, Gainesville, Bob Page Green Cove Springs, Joe Bunch, New Smyrna Beach, Keith Trace, St. Cloud and Dan D'Alessandro, Winter Park. Staff present were Jacob Williams, General Manager and CEO, Jody Finklea, General Counsel and CLO (via telephone), Sharon Adams, Human Resources Director and Sue Utey, Executive Asst. to the General Manager and CEO and Assistant Secretary to the Board. The process included an opportunity for Board members to send in written input for the Officers to consider. Written comments were submitted by Joe Bunch, New Smyrna Beach.

The purpose of the meetings was to give the Board an opportunity to provide input to the Board Officers on the General Manager and CEO and General Counsel and CLO's past year's performance and to consider compensation or benefit adjustments for both the General Manager and CEO and General Counsel and CLO. These meetings also provided an opportunity for verbal comments from the Board members. Everyone provided positive comments on both the General Manager and CEO's performance and the General Counsel and CLO's performance this past year.

The Board Officers and Members on the phone commented on the past year’s performance of the General Manager and CEO and General Counsel and CLO.

The Board Officers reviewed the salary survey information for joint action agencies and cooperatives, and there was consensus to move the base salaries of the General Manager and General Counsel up closer to the 60% salary range for similar sized agencies (\$400 million + annual budget, and 50 employees or more), and to schedule meetings in early calendar year 2022 to fully incorporate the compensation philosophy before the next budget cycle.

The Officers instructed Sharon Adams, Vice President of Human Resources and Shared Services to add the car allowance to the base salaries and not have a separate car allowance for the General Manager and CEO and General Counsel and CLO.

### **Recommendations in Salaries and/or Benefits for the General Manager and CEO**

The Board Officers and Executive Committee Chairman recommend to the Board of Directors the following:

- There was consensus by the Board Officers that Jacob Williams has done an outstanding job this past year. His many accomplishments on achieving great results on the Strategic Goals for this past year were highlighted.

**Recommended Motion:** Move approval of the Board Officers recommendation for the General Manager and CEO of a ten percent (10%) increase to the base salary as a market adjustment since his current compensation is just above the 50<sup>th</sup> percentile. In addition a recommended five percent (5%) merit increase to the base salary for excellent performance of the General Manager and CEO in order to bring his compensation in line with his peers in other Agencies. The current car allowance is to be eliminated as a separate payment, and added to salary, subject to the increases noted. Another ten (10%) in base salary increase is recommended for next year to bring him up to the 60 to 65<sup>th</sup> percent quartile of his peers. The Officers recommend to authorize the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. These percentages are being recommended by all the Board Officers and the Executive Committee Chairman.

### **Recommendations in Salaries and/or Benefits for the General Counsel and CLO**

The Board Officers and Executive Committee Chairman recommend to the Board of Directors the following:

- There was consensus by the Board Officers that Jody Finklea has done an outstanding job this past year. His many accomplishments on achieving great results on the Strategic Goals for this past year were highlighted. Jody Finklea

also provided his own goals for this year. It was determined that Mr. Finklea’s compensation is at or near his peers in the industry.

**Recommended Motion:** Move approval of the recommendation from the Board Officers and Executive Committee Chairman for the General Counsel and CLO of a five percent (5%) merit increase for excellent performance be added to the base salary of the General Counsel and CLO. The current car allowance is to be eliminated as a separate payment, and an amount equal to that added to the General Manager’s salary is added to the General Counsel’s salary, subject to the increases noted. There is no need for a market adjustment at this time since the General Counsel and CLO is above the 60 percentile of comparable salary ranges. We authorize the Chairman to execute amendments to the employment agreements for the compensation changes approved by the Board. This percentage is being recommended by all the Board Officers and the Executive Committee Chairman.

BQ/LT/LM/AP/HM/su

**AGENDA ITEM 8 – ACTION ITEMS**

- c. Approval of Resolution 2021-B3 –  
Budget Amendment for Stanton  
Project**

**Board of Directors Meeting  
September 16, 2021**



# **8c – Approval of Resolution 2021-B3 – Budget Amendment for Stanton Project**

Board of Directors

September 16, 2021

# FY 2021 Budget Increase Requested for Stanton Project

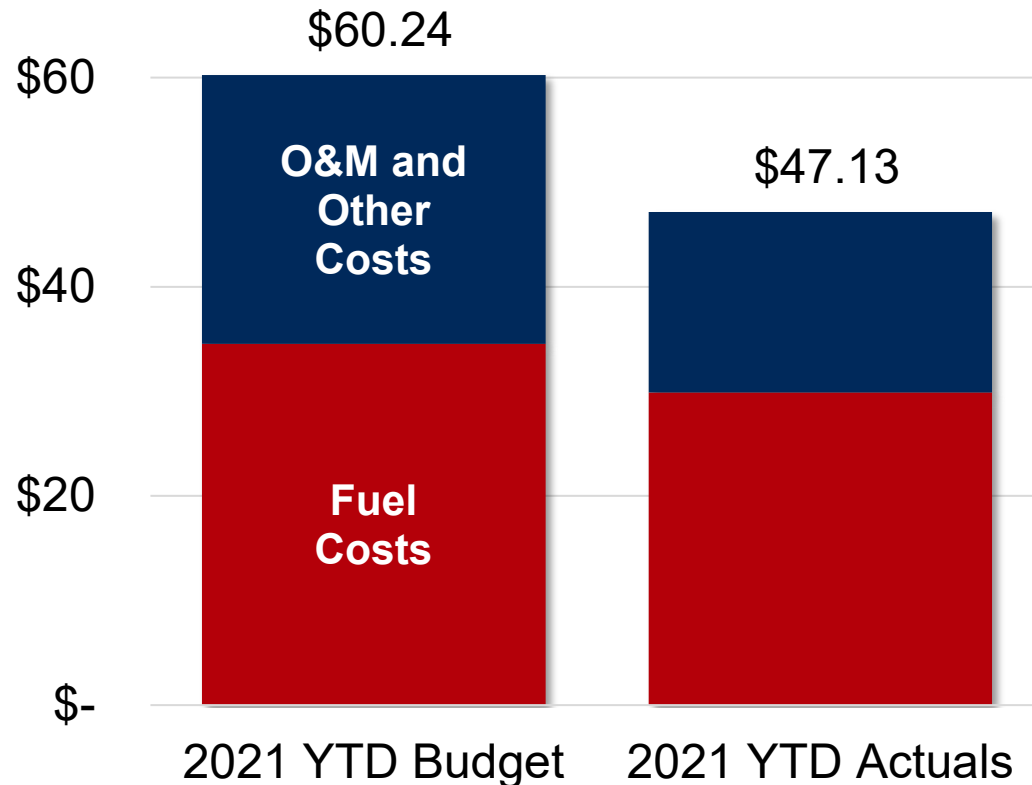
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- Stanton Project projected to end FY 2021 between \$300k and \$700k above budget
- Primarily due to Project generation 37% above budget
- Additional generation driving fuel expense > budget, offsetting other cost savings
- \$2 million additional spending authority requested to cover expenses above budget
- These additional funds ensure that FMPA has sufficient spending authority to pay Project expenses
- Additional requested funds do not impact demand or transmission billings to Participants; energy billings reflect actual costs

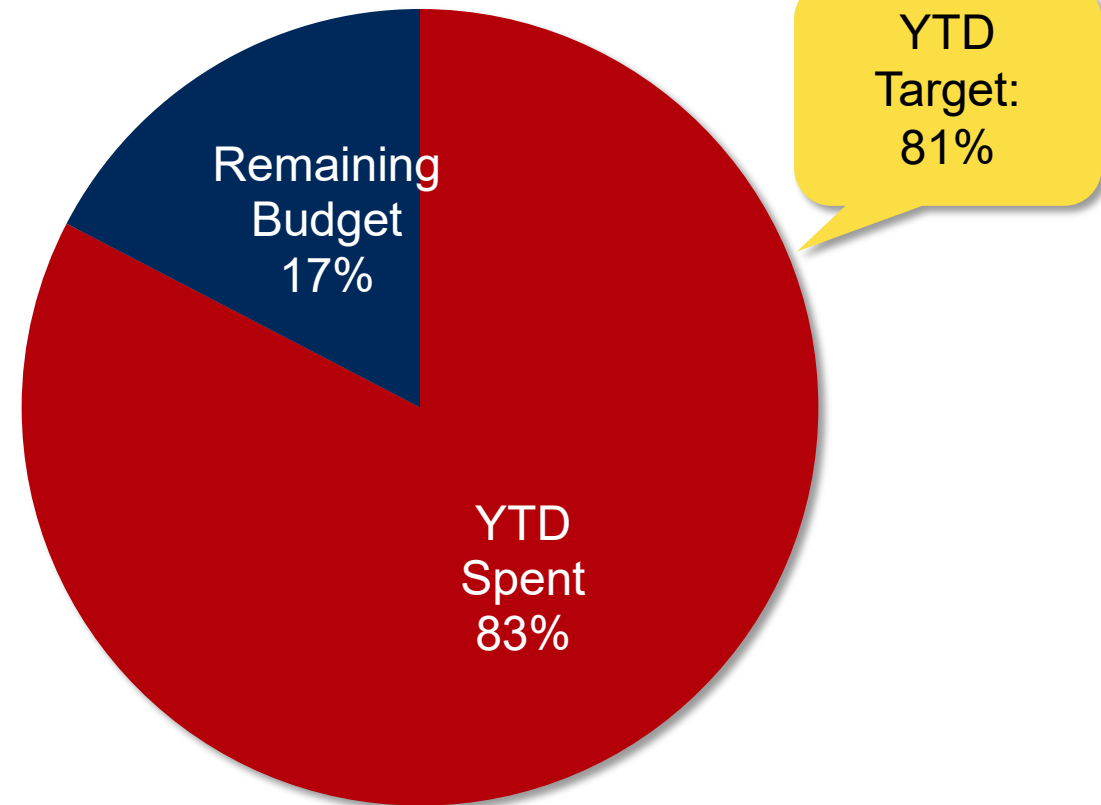
# YTD Participant Costs ~\$13/MWh (22%) < Budget

*Sales 37% > Budget Lower \$/MWh Costs but Drive Higher Spending*

Billed Participant Costs (\$/MWh)



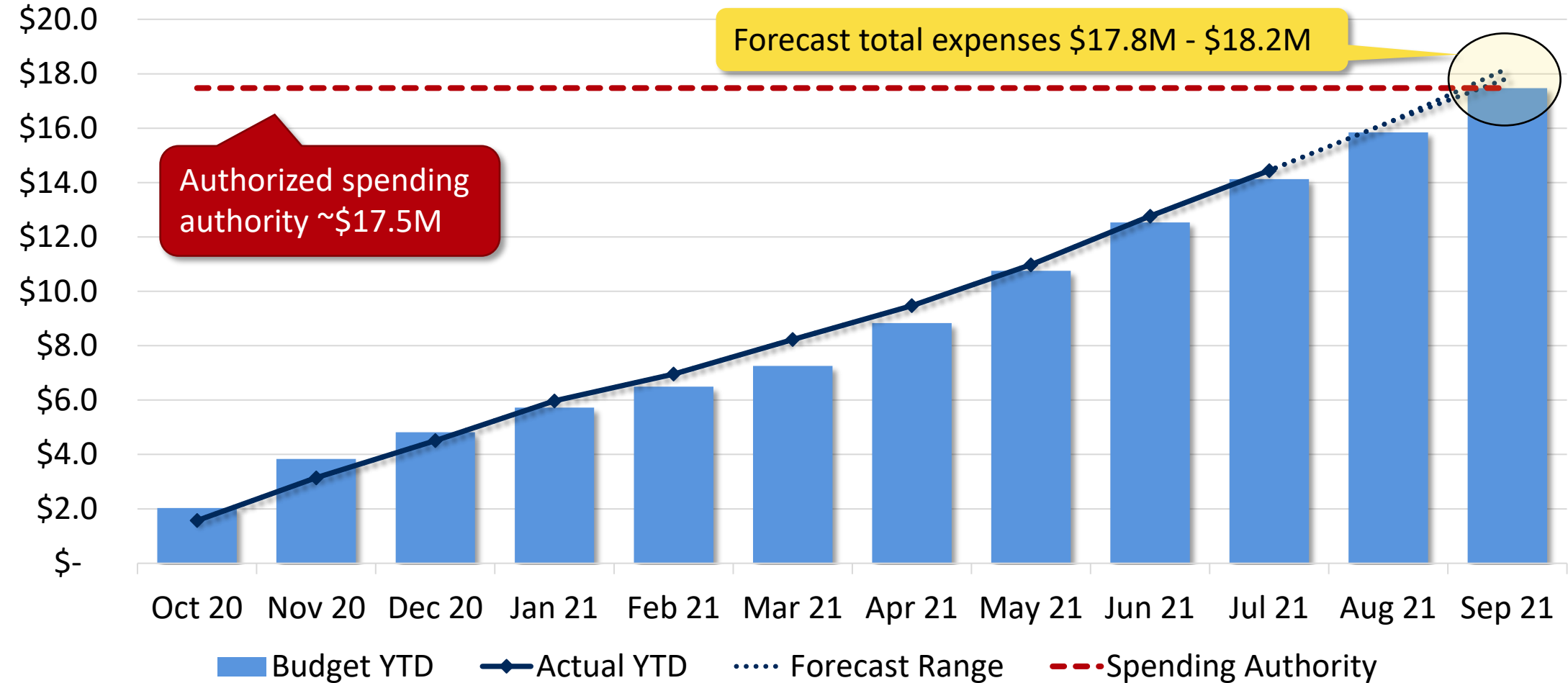
Stanton Project Budget Status



*Results shown through July 2021*

# Stanton Project Forecasted \$0.3M - \$0.7M > Budget

Stanton Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)

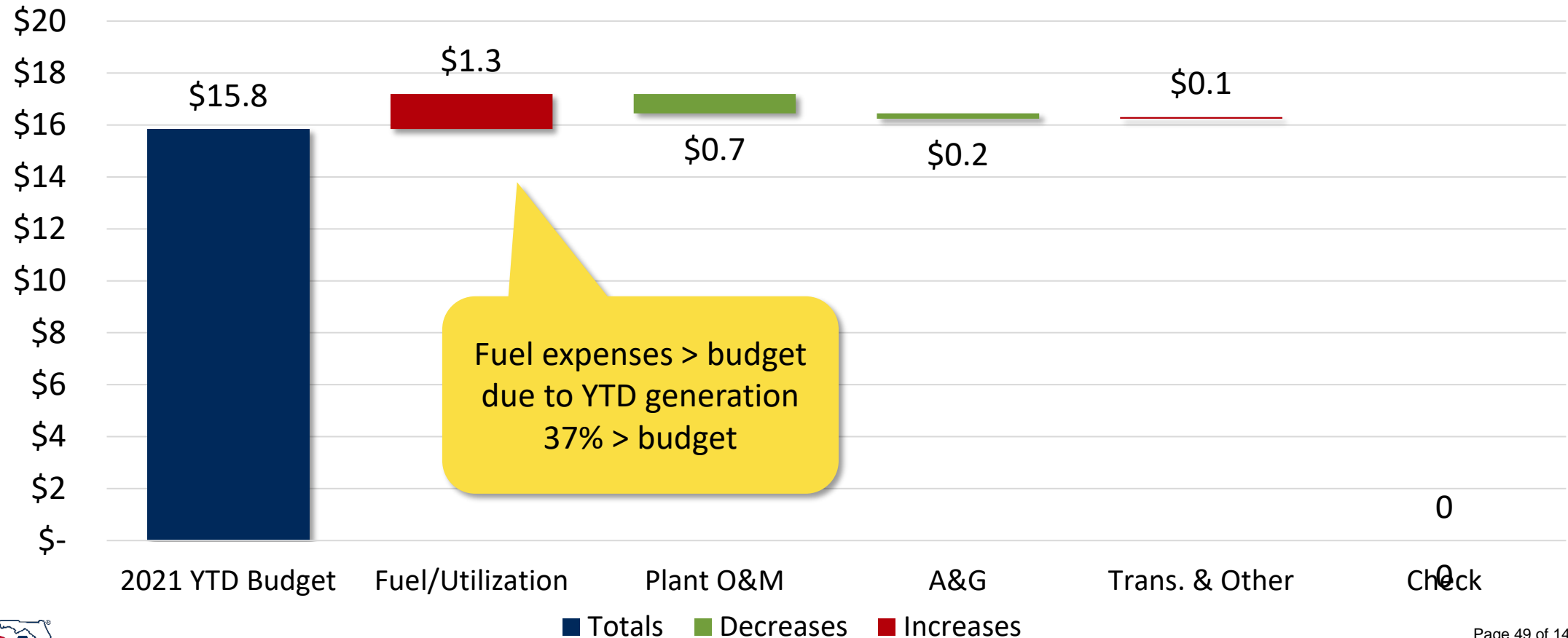




# Stanton Project \$0.3M > Budget through July

*Fuel Expense > Budget Offsets O&M and Other Cost Savings*

Stanton Project FY 2021 YTD Budget vs. Actual Expenses through July (\$Millions)



# Recommended Motion

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- Move approval of Resolution 2021-B3 to increase the FY 2021 Stanton Project budget spending authority by \$2,000,000.

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

Whereas, pursuant to resolution 2020-B1 adopted on June 18, 2020, the Board of Directors of the Florida Municipal Power Agency (the “**Agency**”) adopted the Stanton Project budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (“**Fiscal Year 2021**”) authorizing total expenditures of \$17,474,000;

Whereas, pursuant to Section III of resolution 2020-B1, a proposed amendment to the Fiscal Year 2021 budget for the Stanton Project has been duly submitted to the Board of Directors for approval; and

Whereas, the Board of Directors hereby finds and determines that the proposed budget amendment of \$2,000,000 is needed to adjust expenditures for higher-than-expected fuel and other costs and increased MWH production from the Stanton Project, which provided lower MWH costs for the Participants in the Stanton Project.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I.           **Amendment to Stanton Project Budget.** The Stanton Project budget for Fiscal Year 2021 is hereby amended from total expenses of \$17,474,000 to total expenses of \$19,474,000.

SECTION II.           **Adoption of Budget Amendment.** The Stanton Project budget for Fiscal Year 2021 as amended by Section I of this resolution is hereby approved and adopted.

SECTION III.           **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2021-B3 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on September 16, 2021.

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Chair of the Board of Directors

I HEREBY CERTIFY that on September 16, 2021, the above Resolution 2021-B3 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2021-B3.

ATTEST:

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Secretary or Assistant Secretary

SEAL

**AGENDA ITEM 8 – ACTION ITEMS**

- d. Approval of Resolution 2021-B4 –  
Budget Amendment for Tri-City  
Project**

**Board of Directors Meeting  
September 16, 2021**



# **8d – Approval of Resolution 2021-B4 – Budget Amendment for Tri-City Project**

Board of Directors

September 16, 2021

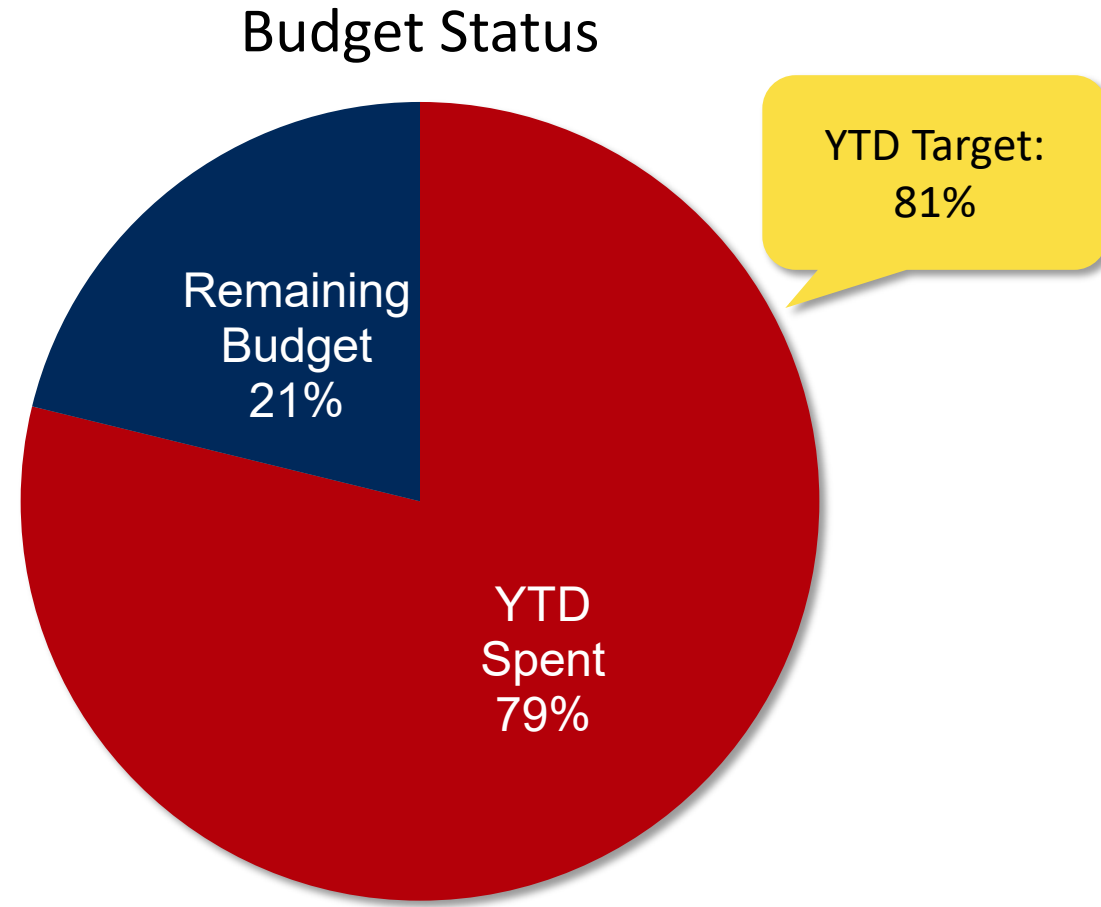
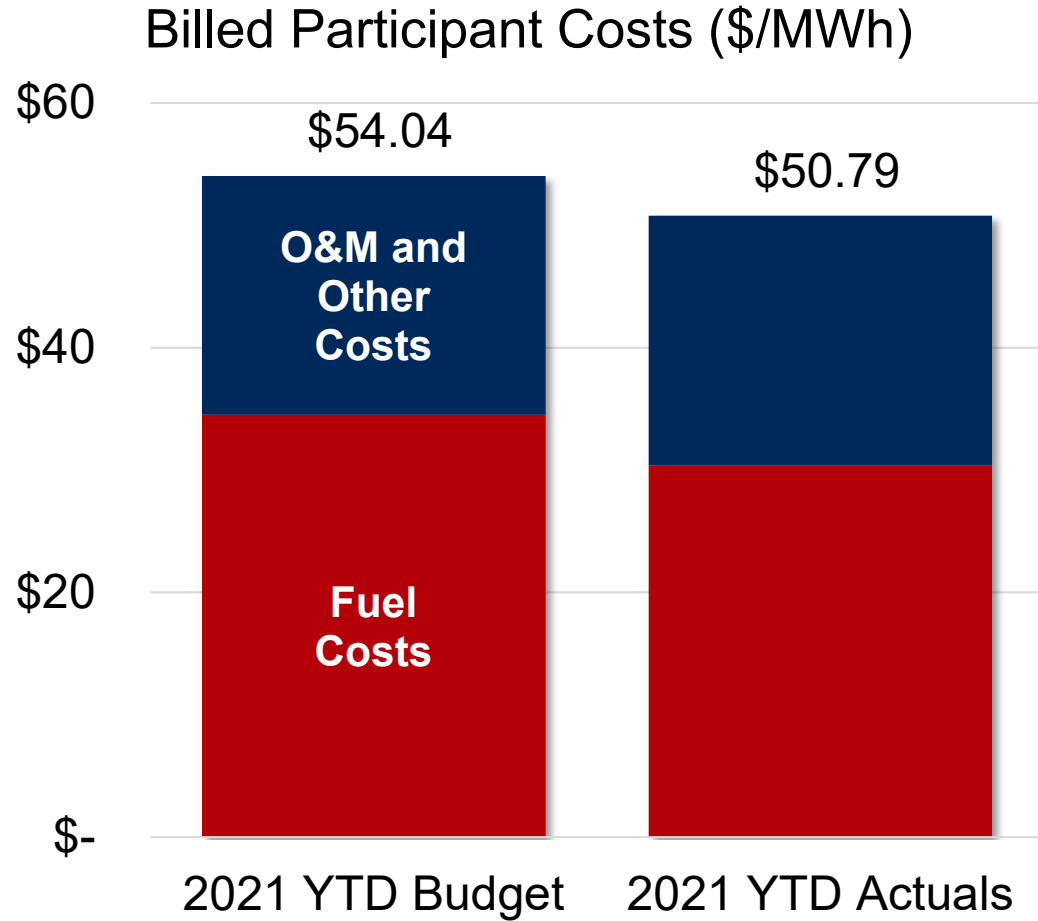
# FY 2021 Budget Increase Requested for Tri-City Project

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- Tri-City Project projected to end FY 2021 within \$300k of budget
- Primarily due to Project generation 22% above budget
- Additional generation driving fuel expense > budget, offsetting other cost savings
- \$1 million additional spending authority requested to cover risk that actual expenses exceed projections
- These additional funds ensure that FMPA has sufficient spending authority to pay Project expenses
- Additional requested funds do not impact demand or transmission billings to Participants; energy billings reflect actual costs

# Tri-City YTD Part. Costs ~\$3.25/MWh (6%) < Budget

*Sales 22% > Budget Driver Lower \$/MWh Costs*

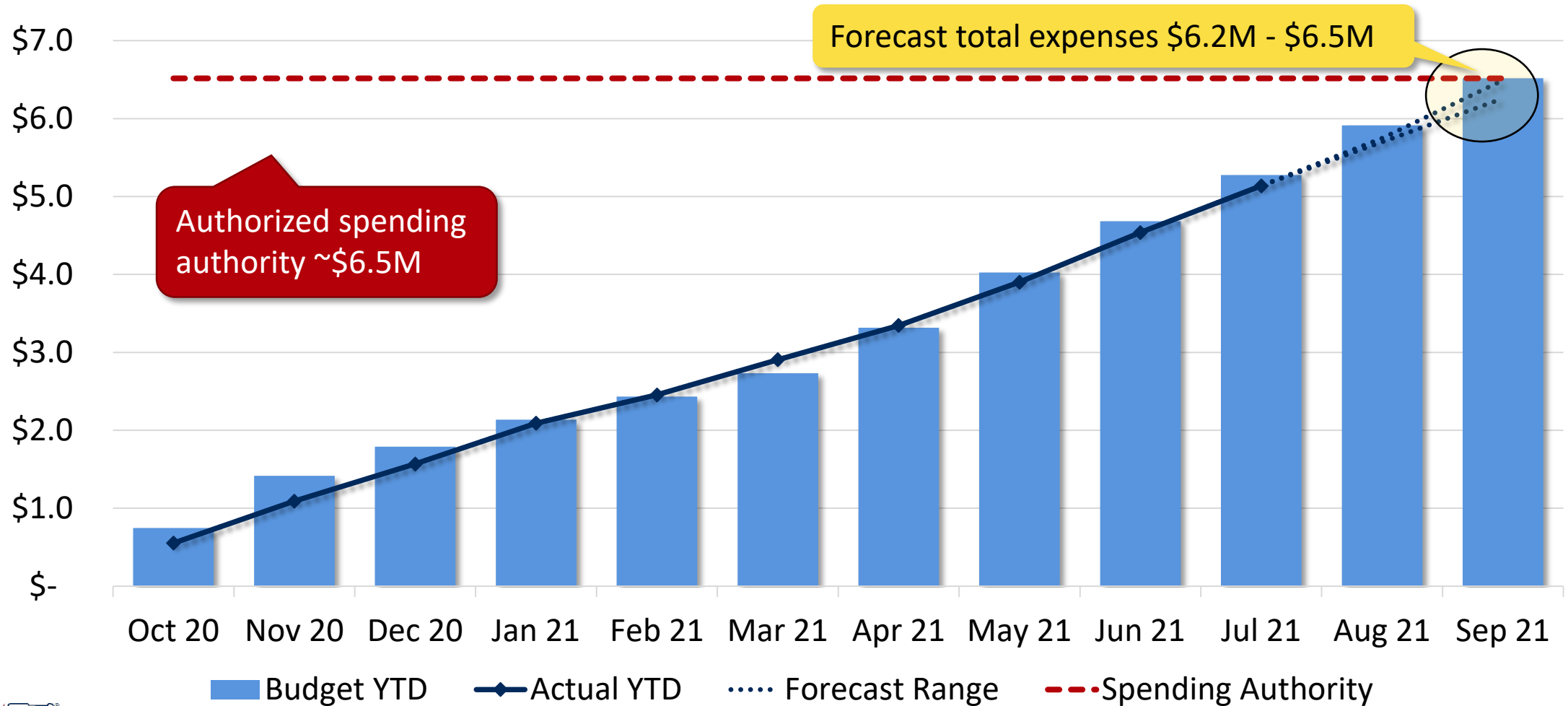


*Results shown through July 2021*



# Tri-City Project Forecasted \$0.3M < Budget to ~ Budget

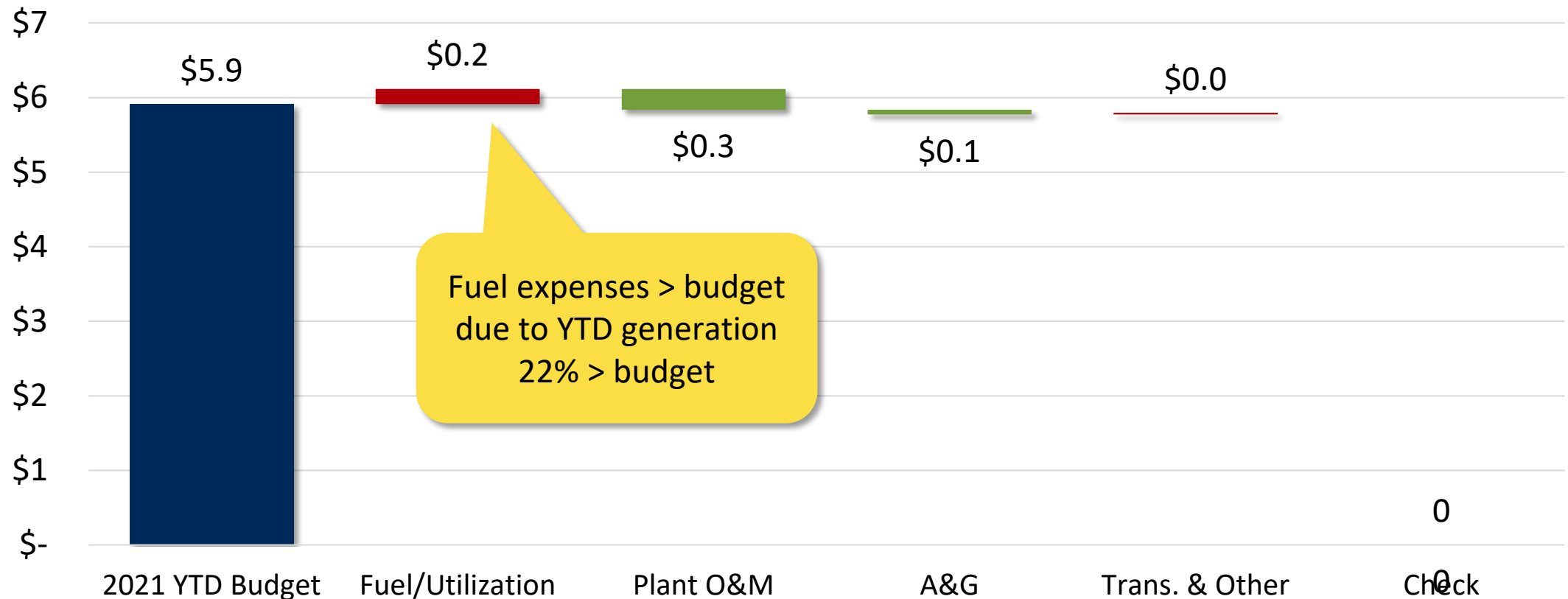
Tri-City Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



# Tri-City Project \$0.2M (4%) < Budget through July

*Fuel Expense > Budget Offsets O&M and Other Cost Savings*

Tri-City Project FY 2021 YTD Budget vs. Actual Expenses through July (\$Millions)



# Recommended Motion

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- Move approval of Resolution 2021-B4 to increase the FY 2021 Tri-City Project budget spending authority by \$1,000,000.

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

Whereas, pursuant to resolution 2020-B1 adopted on June 18, 2020, the Board of Directors of the Florida Municipal Power Agency (the “**Agency**”) adopted the Tri-City Project budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (“**Fiscal Year 2021**”) authorizing total expenditures of \$6,518,000;

Whereas, pursuant to Section III of resolution 2020-B1, a proposed amendment to the Fiscal Year 2021 budget for the Tri-City Project has been duly submitted to the Board of Directors for approval; and

Whereas, the Board of Directors hereby finds and determines that the proposed budget amendment of \$1,000,000 is needed to adjust expenditures for higher-than-expected fuel and other costs and increased MWH production from the Tri-City Project, which provided lower MWH costs for the Participants in the Tri-City Project.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I.           **Amendment to Tri-City Project Budget.** The Tri-City Project budget for Fiscal Year 2021 is hereby amended from total expenses of \$6,518,000 to total expenses of \$7,518,000.

SECTION II.          **Adoption of Budget Amendment.** The Tri-City Project budget for Fiscal Year 2021 as amended by Section I of this resolution is hereby approved and adopted.

SECTION III.         **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2021-B4 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on September 16, 2021.

\_\_\_\_\_  
Chair of the Board of Directors

I HEREBY CERTIFY that on September 16, 2021, the above Resolution 2021-B4 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2021-B4.

ATTEST:

\_\_\_\_\_  
Secretary or Assistant Secretary

SEAL

**AGENDA ITEM 8 – ACTION ITEMS**

- e. Approval of Resolution 2021-B5 –  
Budget Amendment for Stanton II  
Project**

**Board of Directors Meeting  
September 16, 2021**



# **8e – Approval of Resolution 2021-B5 – Budget Amendment for Stanton II Project**

Board of Directors

September 16, 2021

# FY 2021 Budget Increase Requested for Stanton II Project

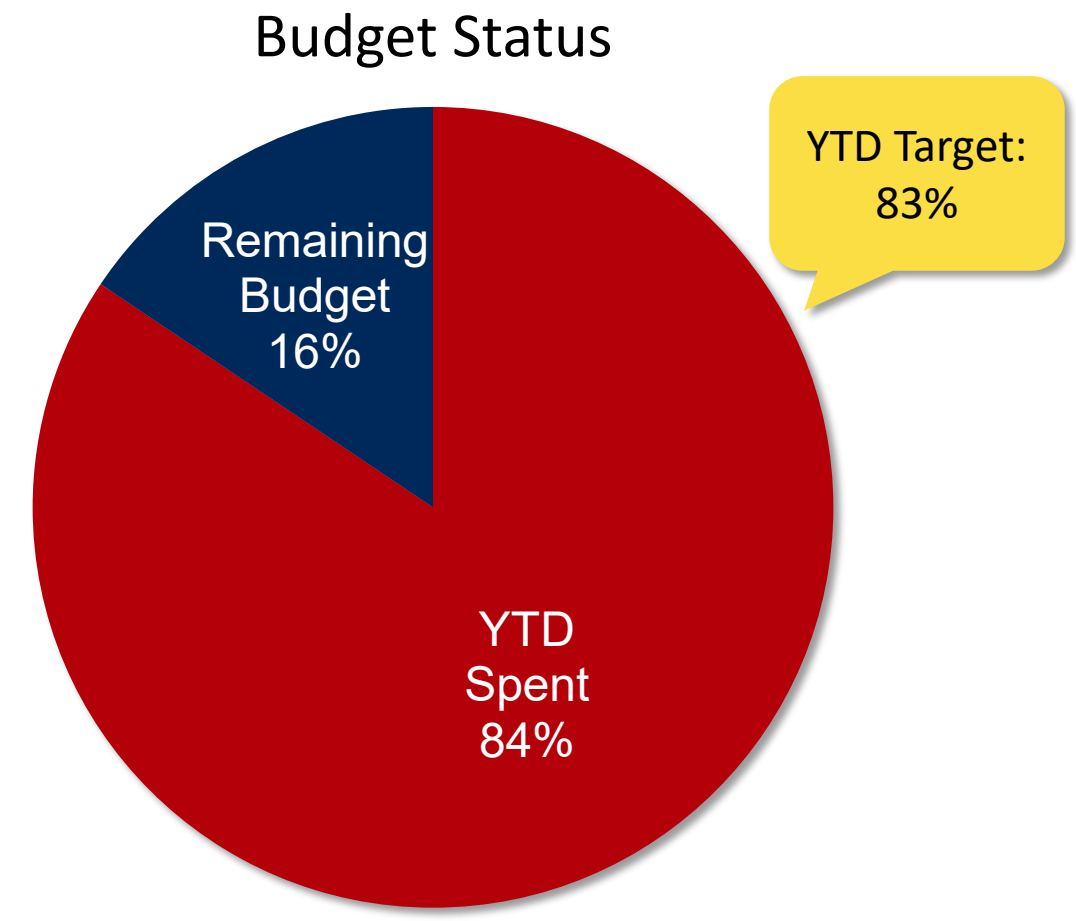
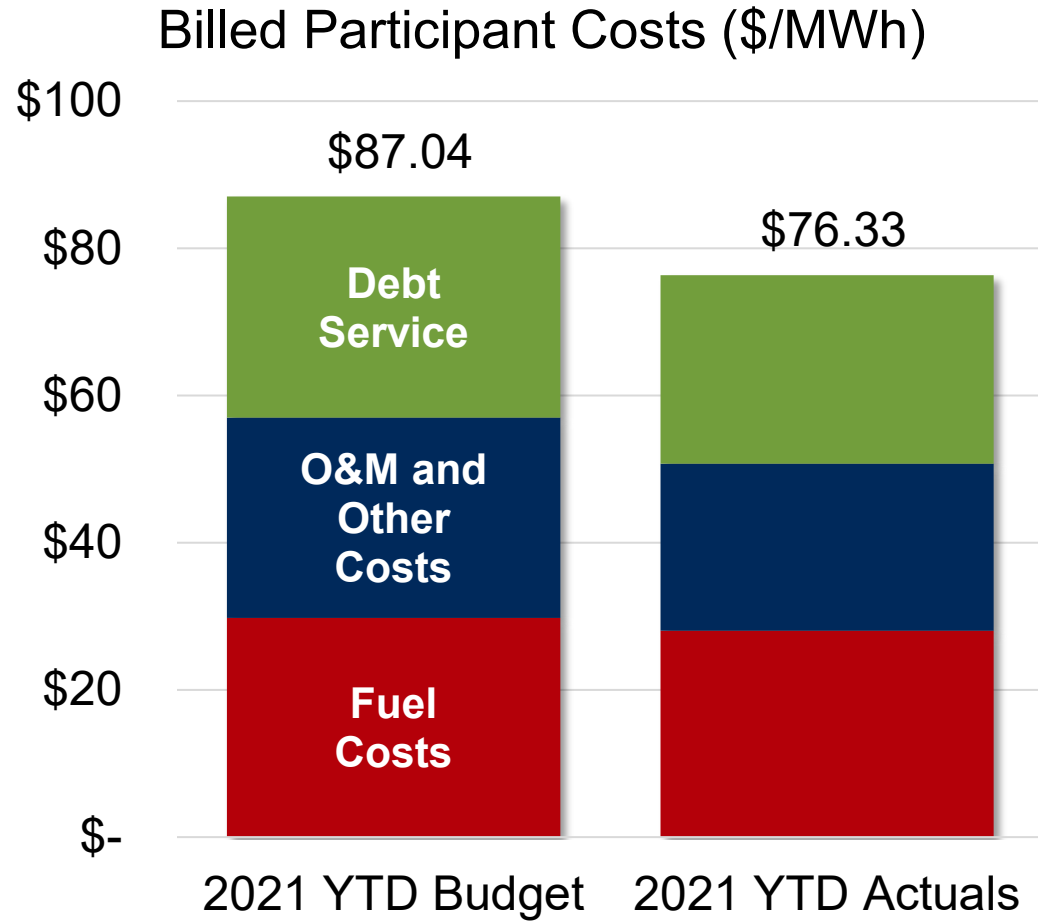
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- Stanton II Project projected to end FY 2021 around \$2 million above budget
- Primarily due to Project generation 17% above budget
- Additional generation driving fuel expense > budget, offsetting other cost savings
- \$4 million additional spending authority requested to cover expenses above budget
- These additional funds ensure that FMPA has sufficient spending authority to pay Project expenses
- Additional requested funds do not impact demand or transmission billings to Participants; energy billings reflect actual costs



# YTD Stanton II Participant Costs ~\$11/MWh < Target

*Sales ~17% > Budget Lower \$/MWh Costs but Drive Higher Spending*

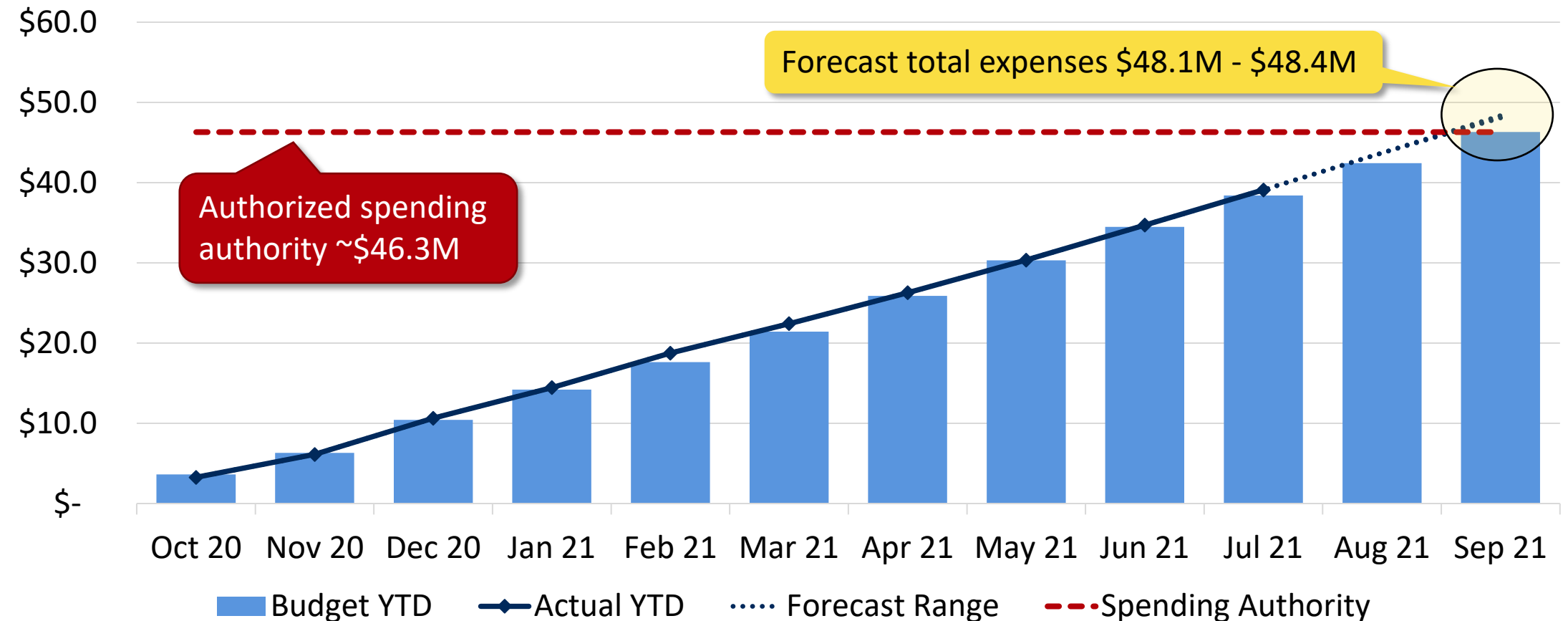


Results shown through July 2021

# Stanton II Project Forecasted ~\$2.0M > Budget

## *Driven by Actual & Projected Generation > Budget*

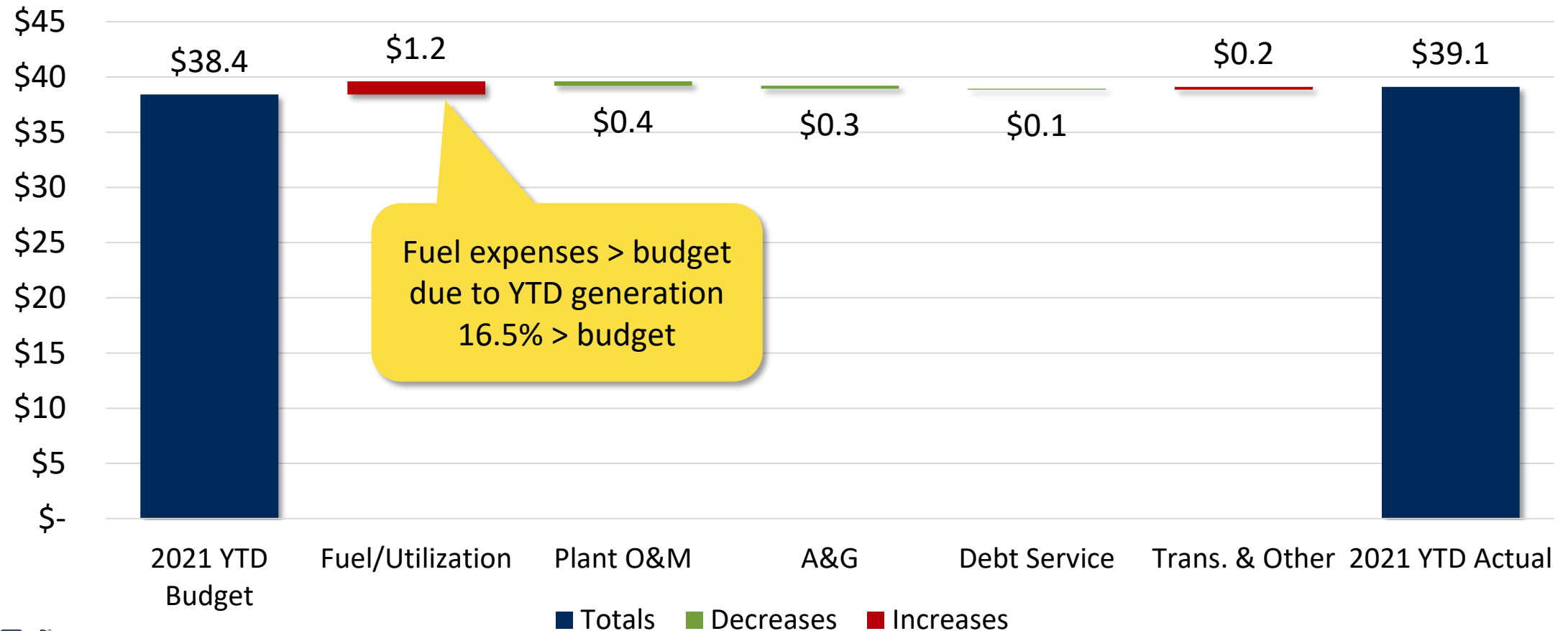
Stanton II Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



# Stanton II Project \$0.7M > Budget through July

*Fuel Expense > Budget Offsets O&M and Other Cost Savings*

Stanton II Project FY 2021 YTD Budget vs. Actual Expenses through July (\$Millions)



# Recommended Motion

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- Move approval of Resolution 2021-B5 to increase the FY 2021 Stanton II Project budget spending authority by \$4,000,000.

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

Whereas, pursuant to resolution 2020-B1 adopted on June 18, 2020, the Board of Directors of the Florida Municipal Power Agency (the “**Agency**”) adopted the Stanton II Project budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (“**Fiscal Year 2021**”) authorizing total expenditures of \$46,316,000;

Whereas, pursuant to Section III of resolution 2020-B1, a proposed amendment to the Fiscal Year 2021 budget for the Stanton II Project has been duly submitted to the Board of Directors for approval; and

Whereas, the Board of Directors hereby finds and determines that the proposed budget amendment of \$4,000,000 is needed to adjust expenditures for higher-than-expected fuel and other costs and increased MWH production from the Stanton II Project, which provided lower MWH costs for the Participants in the Stanton II Project.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I.           **Amendment to Stanton II Project Budget.** The Stanton II Project budget for Fiscal Year 2021 is hereby amended from total expenses of \$46,316,000 to total expenses of \$50,316,000.

SECTION II.           **Adoption of Budget Amendment.** The Stanton II Project budget for Fiscal Year 2021 as amended by Section I of this resolution is hereby approved and adopted.

SECTION III.           **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2021-B5 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on September 16, 2021.

\_\_\_\_\_  
Chair of the Board of Directors

I HEREBY CERTIFY that on September 16, 2021, the above Resolution 2021-B5 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2021-B5.

ATTEST:

\_\_\_\_\_  
Secretary or Assistant Secretary

SEAL

**AGENDA ITEM 8 – ACTION ITEMS**

- f. Approval of Resolution 2021-B6 –  
Budget Amendment for St. Lucie  
Project**

**Board of Directors Meeting  
September 16, 2021**



# **8f – Approval of Resolution 2021-B6 – Budget Amendment for St. Lucie Project**

Board of Directors

September 16, 2021



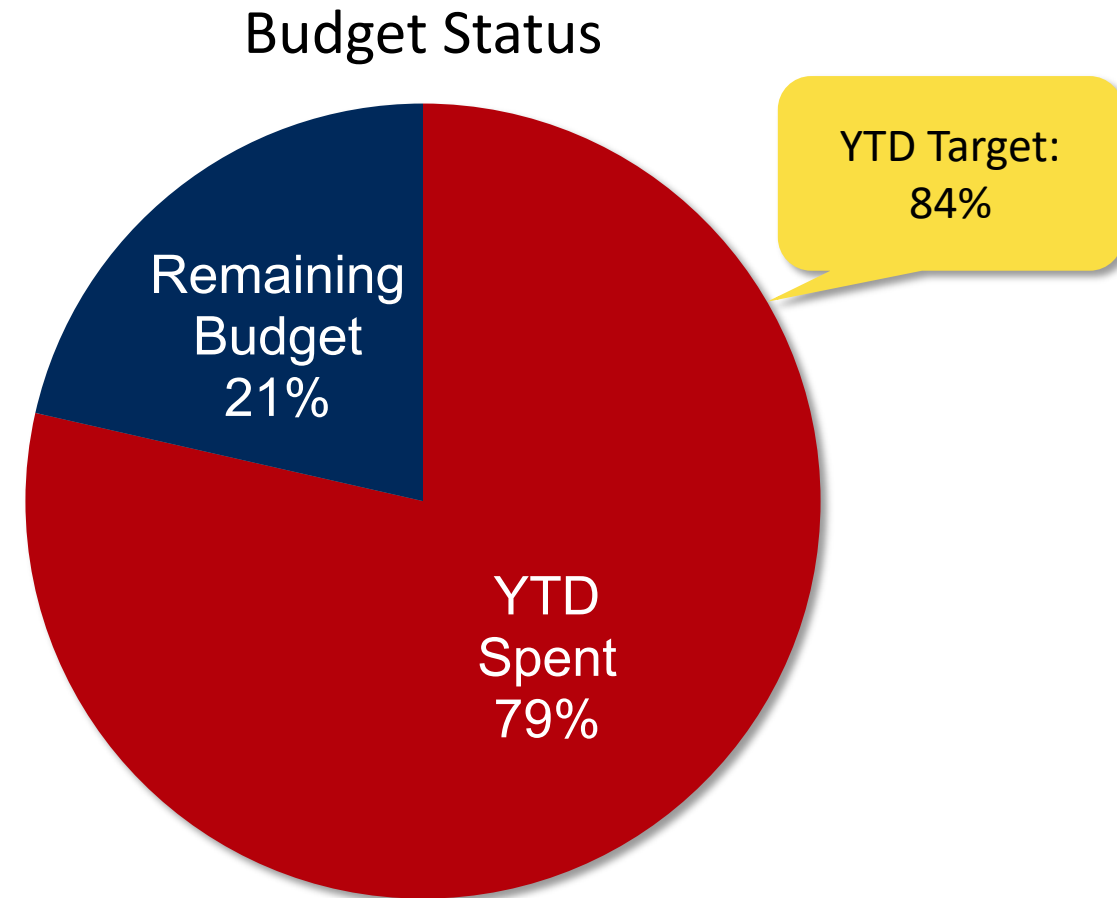
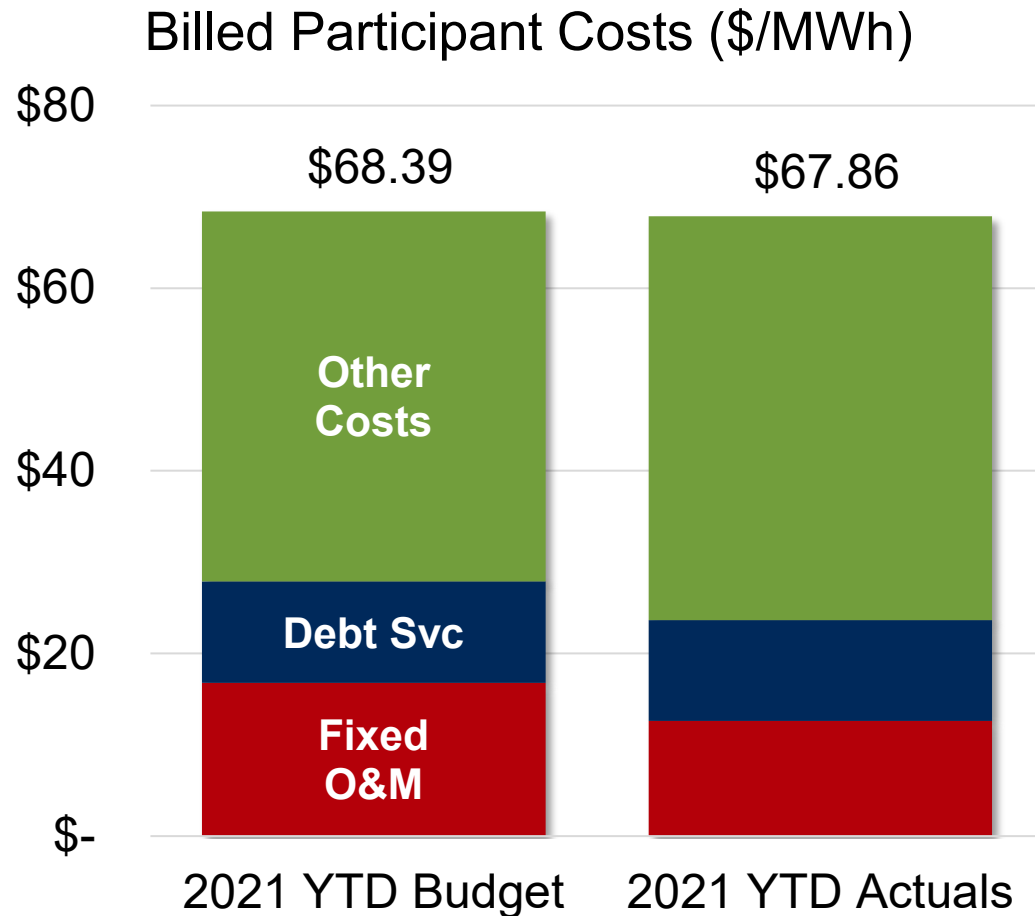
# FY 2021 Budget Increase Requested for St. Lucie Project

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- St. Lucie Project projected to end FY 2021 within \$300k (0.6%) of approved spending authority
- Project is currently \$3 million below budget, but September refueling outage will push costs higher
- \$1 million additional spending authority requested to cover risk that actual expenses exceed projections
- These additional funds ensure that FMMPA has sufficient spending authority to pay Project expenses
- Additional requested funds do not impact billings to Participants

# St. Lucie YTD Participant Costs ~\$0.50/MWh < Budget

*O&M Costs Higher in September with Refueling Outage*



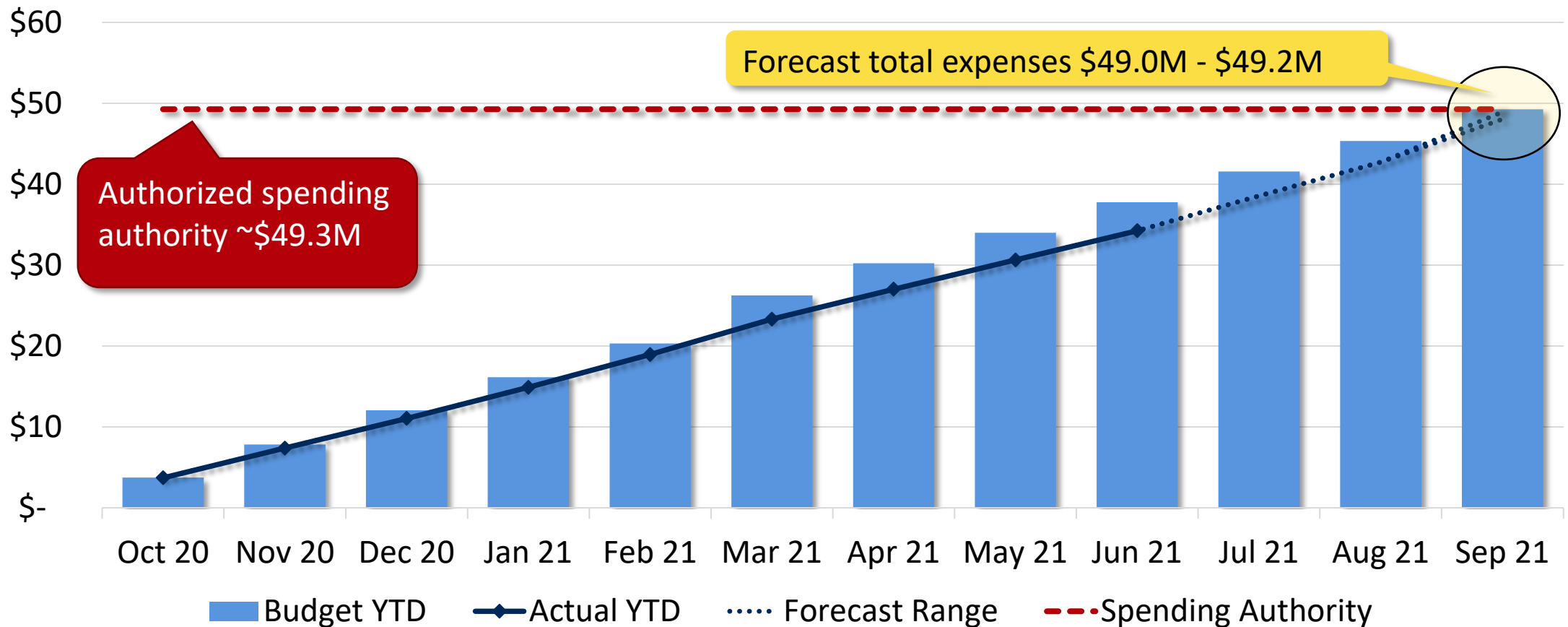
Note: "Other Costs" Include Deposits to General Reserve Fund to Pay Future Debt Costs

Results shown through July 2021

# St. Lucie Forecasted at Budget

## September Outage Costs Bring Total Costs Close to Budget

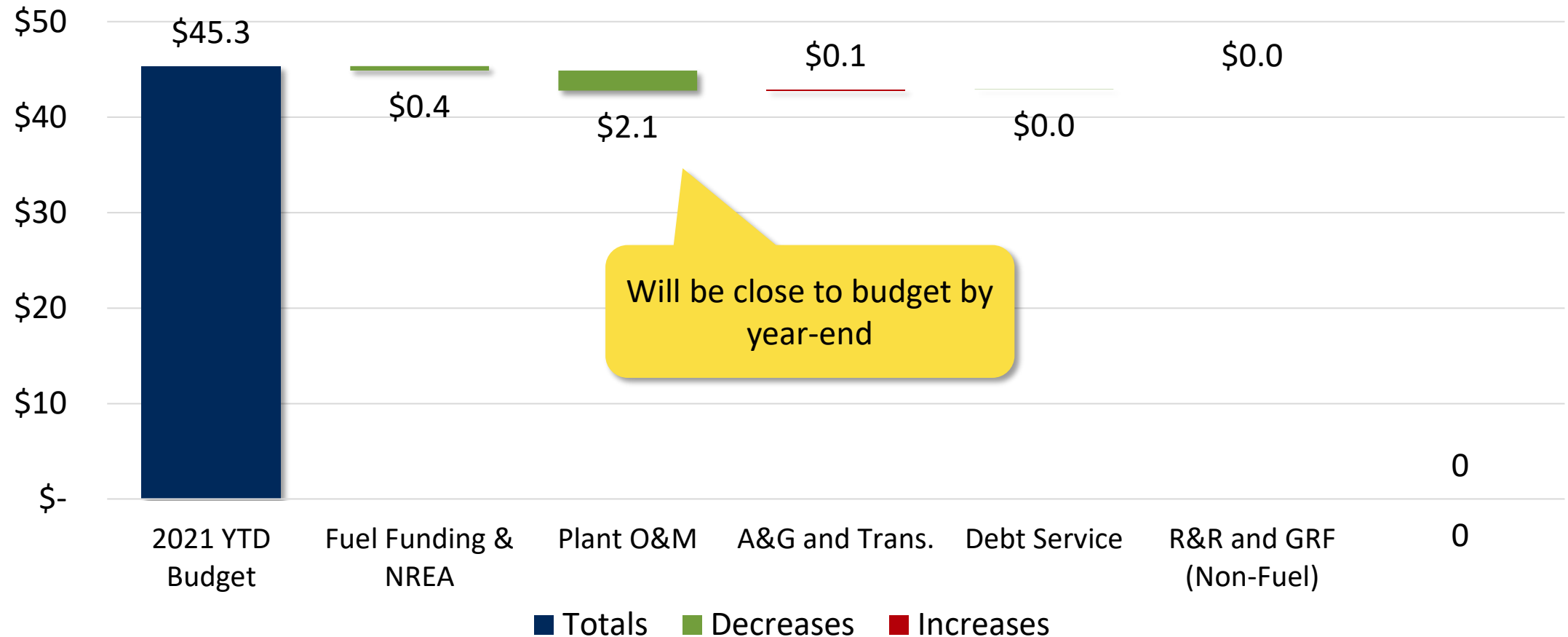
St. Lucie Project FY 2021 Cumulative Budget vs. Actual Expenses (\$Millions)



# St. Lucie Expenses Currently \$3M Below Budget

## *Refueling Outage Costs Will Bring O&M Expenses Near Budget*

St. Lucie Project FY 2021 YTD Budget vs. Actual Expenses through July (\$Millions)



# Recommended Motion

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- Move approval of Resolution 2021-B6 to increase the FY 2021 St. Lucie Project budget spending authority by \$1,000,000.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE ST. LUCIE PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; (II) ADOPTING THE AMENDED BUDGET FOR THE ST. LUCIE PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; AND (III) PROVIDING AN EFFECTIVE DATE.

Whereas, pursuant to resolution 2020-B1 adopted on June 18, 2020, the Board of Directors of the Florida Municipal Power Agency (the “**Agency**”) adopted the St. Lucie Project budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (“**Fiscal Year 2021**”) authorizing total expenditures of \$49,254,000;

Whereas, pursuant to Section III of resolution 2020-B1, a proposed amendment to the Fiscal Year 2021 budget for the St. Lucie Project has been duly submitted to the Board of Directors for approval; and

Whereas, the Board of Directors hereby finds and determines that the proposed budget amendment of \$1,000,000 is needed to adjust St. Lucie Project expenditure authority for potentially higher-than-expected costs related to the Fiscal Year 2021 year-end refueling outage and to address cash flow requirements for the St. Lucie Project that may result from such year-end costs.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I.           **Amendment to St. Lucie Project Budget.** The St. Lucie Project budget for Fiscal Year 2021 is hereby amended from total expenses of \$49,254,000 to total expenses of \$50,254,000.

SECTION II.          **Adoption of Budget Amendment.** The St. Lucie Project budget for Fiscal Year 2021 as amended by Section I of this resolution is hereby approved and adopted.

SECTION III.         **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2021-B6 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on September 16, 2021.

\_\_\_\_\_  
Chair of the Board of Directors

I HEREBY CERTIFY that on September 16, 2021, the above Resolution 2021-B6 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2021-B6.

ATTEST:

\_\_\_\_\_  
Secretary or Assistant Secretary

SEAL

**AGENDA ITEM 8 – ACTION ITEMS**

- g. Approval of Resolution 2021-B7 –  
Budget Amendment for Pooled  
Loan Project**

**Board of Directors Meeting  
September 16, 2021**





# **8g – Approval of Resolution 2021-B7 – Budget Amendment for Pooled Loan Project**

Board of Directors

September 16, 2021

# Budget Increase Needed for Pooled Loan Project

## *Need to Capture Debt Service Payments for Stanton II Pooled Loan*

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- In FY 2020, a pooled loan was issued to the Stanton II Project to refinance existing debt
- Under GASB rules, this must be treated as a conduit loan for the Pooled Loan Project, as both Projects are part of FMPA
  - Stanton II pays Pooled Loan Project, which then pays the bank
- Pooled loan principal and interest paid by Stanton II must also be captured as an expense of the Pooled Loan Project
- Additional spending authority of \$650,000 requested to account for these costs; no financial impact to Project or members

# Recommended Motion

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- Move approval of Resolution 2021-B7 to increase the FY 2021 Pooled Loan Project budget spending authority by \$650,000.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) AMENDING THE INITIAL POOLED LOAN PROJECT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; (II) ADOPTING THE AMENDED BUDGET FOR THE INITIAL POOLED LOAN PROJECT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; AND (III) PROVIDING AN EFFECTIVE DATE.

Whereas, pursuant to resolution 2020-B1 adopted on June 18, 2020, the Board of Directors of the Florida Municipal Power Agency (the “**Agency**”) adopted the Initial Pooled Loan Project budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (“**Fiscal Year 2021**”) authorizing total expenditures of \$37,795;

Whereas, pursuant to Section III of resolution 2020-B1, a proposed amendment to the Fiscal Year 2021 budget for the Initial Pooled Loan Project has been duly submitted to the Board of Directors for approval;

Whereas, the Stanton II Project closed on its borrowing from with the Initial Pooled Loan Project in the amount of \$3,921,350 on June 25, 2020 to refund the then-outstanding Stanton II Project Revenue Bonds, Series 2009A and pay the cost of issuance related thereto; and

Whereas, the Board of Directors hereby finds and determines that the proposed budget amendment of \$650,000 is needed to address certain Governmental Accounting Standards Board (“**GASB**”) requirements for conduit loans to account for the principal and interest payments on the Florida Municipal Power Agency Initial Pooled Loan Project Note, Series 2020-1 Stanton II Project (Subordinated Indebtedness) as expenses of the Initial Pooled Loan Project, which does not increase costs for the Initial Pooled Loan Project borrowers, including the Stanton II Project.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY THAT:

SECTION I.           **Amendment to Initial Pooled Loan Project Budget.** The Initial Pooled Loan Project budget for Fiscal Year 2021 is hereby amended from total expenses of \$37,795 to total expenses of \$687,795.

SECTION II. **Adoption of Budget Amendment.** The Initial Pooled Loan Project budget for Fiscal Year 2021 as amended by Section I of this resolution is hereby approved and adopted.

SECTION III. **Effective Date.** This resolution shall take effect immediately upon its adoption.

This Resolution 2021-B7 is hereby approved and adopted by the Board of Directors of the Florida Municipal Power Agency on September 16, 2021.

\_\_\_\_\_  
Chair of the Board of Directors

I HEREBY CERTIFY that on September 16, 2021, the above Resolution 2021-B7 was approved and adopted by the Board of Directors of the Florida Municipal Power Agency, and that this is a true and conformed copy of Resolution 2021-B7.

ATTEST:

\_\_\_\_\_  
Secretary or Assistant Secretary

SEAL

**AGENDA ITEM 8 – ACTION ITEMS**

**h. Approval of Appendix C  
Investment Policy**

**Board of Directors Meeting  
September 16, 2021**



# 8h - Approval of Investment Policy

Board of Directors

Sept. 16, 2021

# Investment Policy

## *Major Areas Covered*

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- Investment Objectives
- Allowable Investments
- Benchmarking
- Internal Controls
- Reporting
- Oversight Structure



# Investment Policy Changes

## *Diversification, Terms and Administrative Updates*

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Section	Changes
5.5 Diversification	Clarification for both municipal and corporate debt includes bonds and notes
Glossary of terms	Added two terms: Free Receipt and Municipal Note
Throughout	Administrative updates

# Recommended Motion

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- Approval of the recommended changes as presented to the Investment Risk Management Policy

**FLORIDA MUNICIPAL POWER AGENCY  
RISK MANAGEMENT POLICY - APPENDIX C**

**INVESTMENT RISK MANAGEMENT POLICY**

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## INVESTMENT RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY

This Investment 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 investment and management of FMPA’s financial assets. This Policy is Appendix C of the FMPA Risk Management Policy.

### 1.0 Policy Statement

The Executive Committee (EC) and Board of Directors (BOD) of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its members. FMPA is hereby authorized to put mechanisms into place, such as those more fully described in Sections 3.0 and 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert an adverse effect on FMPA’s ability to invest funds of the Agency and its Projects in a manner that will balance investment return with principal security, such that FMPA will meet the daily and long term cash flow demands of the Agency and its Projects.

It is the Policy of the EC and BOD that:

- ❖ The investment program shall conform to all federal, state, and local legal requirements.
- ❖ Authority is delegated to the Chief Financial Officer (CFO) to create procedures to administer this Policy.
- ❖ The preservation of capital is the foremost objective of the risk-considered investment practice strategies.
- ❖ Investments using derivatives are prohibited unless specifically approved by the EC or BOD.
- ❖ The CFO shall establish benchmarks against which portfolio performance shall be compared regularly.

## INVESTMENT RISK MANAGEMENT POLICY

(Continued)

- ❖ Authority is delegated to the CFO to establish a system of written internal controls to regulate investment activities.
- ❖ The Treasurer and Risk Director shall provide investment reports for each regular meeting of the EC and BOD.
- ❖ Deviations from this Policy shall be reported to the Finance Committee (FC).

This Policy is created to ensure the prudent management of the Agency and its Projects' funds, and the availability of operating funds, bond proceeds and capital funds as needed. This Policy is applied individually to each Project, not in any combination of Projects. This Policy applies to all monetary assets of the Agency and all Projects with the exception of employee deferred contribution funds. The employees deferred contribution funds are placed with a third party administrator and are self-managed by the employees.

The standard of prudence to be used by FMPA investment staff shall be the "prudent person" rule as defined in Florida Statute 218.415: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

### **2.0 Scope**

Investments purchased by the Agency shall conform to all federal, state, and local legal requirements governing the investment of Public Funds, including all bond resolutions and ordinances adopted by the EC or BOD. Responsibility for investment decisions, including day-to-day transactions undertaken, is hereby delegated to the Treasurer and Risk Director or designated Treasury staff, under the direction of the CFO. No person may engage in an investment transaction except as provided under the terms of this Policy.

FMPA may appoint an outside investment manager as "Agent" for the Agency's cash and investment reserves. The outside investment manager must meet the requirements detailed in the Investment Procedures.

### **3.0 Types of Investment Risk**

This Policy is intended to define responsibility, clarify investment goals, establish strategies, achieve stated goals and set up the method of evaluation and control of all investment operations. The CFO will cause Investment Procedures to be written that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the following provides insight into the major areas of investment risk exposure for FMPA

#### **3.1 Credit Risk:**

The risk that a change in the credit quality of an institution will affect the value of a security or portfolio. An example of credit risk might occur if the issuer of a bond that FMPA has purchased as an investment defaults on its obligations, causing the loss of some or all of the investment value. Such risks can be reduced by diversifying securities and maturities.

#### **3.2 Liquidity Risk:**

The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Some investments are highly liquid and have low liquidity risk (such as money market funds) while other investments are highly illiquid and have high liquidity risk (such as real estate). An example of liquidity risk might occur if FMPA attempted to convert an investment into cash for operating needs, but was unable to do so due to the illiquid nature of the security. Such risk can be reduced by selecting investments with the liquidity to meet FMPA's cash flow needs.

### **4.0 Investment Objectives**

Investment selections should balance the primary objectives of FMPA's investment program. In priority order, the objectives are

#### **4.1 Safety:**

Preservation of capital in the overall portfolio is the highest of the risk based investment practice objectives. To attain this objective, investment securities shall be selected from those deemed authorized and suitable as described in Section 5.0 of this Policy. Speculative strategies shall not be undertaken. Management defines speculation as the process of selecting investments in an attempt to profit from fluctuations in prices.

#### **4.2 Liquidity:**

The portfolio should be structured so that securities mature concurrent with cash needs to meet anticipated demands. Investments considered to be liquid are those held until maturity where maturity is less than three months. A sufficient level of liquidity must be maintained to meet the next thirty days of expected operating expenses and other disbursements, plus an extra, reasonable amount to meet unusual and unexpected needs.

#### **4.3 Return:**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the cash flow characteristics of the portfolio. Funds should be invested in high credit quality investment instruments (as allowed by Project Bond Resolutions and summarized in Appendix A) in anticipation of achieving a fair return. The methods used in selecting investments should balance market, credit, and liquidity risks.

### **5.0 Authorized and Suitable Investment Securities**

FMPA is empowered by Ordinance 87-1, as amended, to invest in the types of securities listed in Appendix A for the Agency and its Projects. FMPA may buy or sell securities for other securities to improve yield, maturity, or reduce credit risk. Investment in securities that "derive" their value through financially engineered derivative indices or are highly interest-rate sensitive are not permissible unless specifically recommended in writing and approved by the EC or BOD. FMPA will not allow leveraging (the borrowing of funds for the expressed purpose of reinvesting those funds) or invest in securities with a rating below that

required in Appendix A at the time of purchase. The Treasurer and Risk Director must report on a monthly basis any security whose rating has fallen below the rating level identified in Appendix A after purchase and submit a rationale for maintaining such security if it has not been sold

**5.1 Authorized Financial Institutions, and Broker/Dealers:**

The Treasurer and Risk Director will cause to be maintained a list of financial institutions that meet the qualifications detailed in the Investment Procedures and are authorized to provide investment services. An annual (each fiscal year) review of the ratings from national rating agencies and financial condition of all qualified financial institutions and broker/dealers will be conducted in accordance with Investment Procedures.

**5.2 Method of Selection:**

FMPA shall select securities that provide the highest rate of return within the risk parameters of this Policy, given the current objectives, diversification, cashflow needs, and maturity requirements. Selection of securities shall be made using either competitive offers, wherein FMPA solicits proposals from at least three firms; or comparison to the current market price as indicated by one of the market pricing resources available, including but not limited to Bloomberg. Records will be kept of the bids or offers accepted, and if necessary a brief explanation of the decision which was made regarding the investment.

**5.3 Maximum Maturities:**

The funds of Agency and Project Operating accounts are invested to achieve a market rate of return while meeting the Agency's and its Projects' cash flow needs. FMPA will match investment maturities with known cash needs and anticipated cash flow requirements, not to exceed maximum maturity requirements.

Unless matched to a specific cash flow, FMPA shall invest securities maturing in accordance to Appendix B and the following.



**INVESTMENT RISK MANAGEMENT POLICY**

(Continued)

<b>Fund/Account</b>	<b>Invested to Mature as Shown</b>
<b><i>Operations and Maintenance Fund</i></b>	
1. Operations and Maintenance Account	The month-end duration of the Account will be less than 1.00.
2. Working Capital Account	Within 5 years.
3. Rate Stabilization Account	Within 5 years.
<b><i>Debt Service Fund</i></b>	
1. Debt Service Account	Not later than when needed for payment to be made from such Account.
2. Debt Service Reserve	Not later than the final maturity date of any Bonds that are outstanding.
3. Subordinated Debt Fund	Not later than when needed for payment to be made from such Account.
<b><i>Construction Fund or Proceeds Fund</i></b>	Not later than when needed for payments to be made from such fund.
<b><i>Reserve and Contingency Fund</i></b>	
1. Contingency Account	Within 5 years or when needed to make payments.
2. Renewal and Replacement	Within 5 years or when needed to make payments.
<b><i>General Reserve Fund</i></b>	
1. General Reserve Account	Within 5 years or when needed to make payments.
<b><i>Decommissioning</i></b>	Not later than when needed. (Applicable only to St. Lucie)

**5.4 Collateralization:**

Collateralization, as detailed in the Investment Procedures, may be required for investments such as repurchase agreements and any approved investment agreement contract or agreement.

**5.5 Diversification:**

FMPA must diversify to avoid incurring unreasonable risks associated with over-investing in specific investments, individual financial institutions, maturities and by geographic area or by any other reasonably determinable characteristic. Compliance with the specific diversification requirements shown in the chart below will be measured using market value at the time of purchase and monthly thereafter. In the

**INVESTMENT RISK MANAGEMENT POLICY**

(Continued)

event that a particular category exceeds the scheduled maximum percentage by 10% (for example, if Repurchase Agreements exceed 22%) for two consecutive months, the Treasurer and Risk Director must report such deviation and submit for approval a strategy for handling each such deviation. For risks potentially resulting from investments with high concentrations of other characteristics not itemized in the chart above, the Treasurer and Risk Director should bring these investments to the attention of the CFO for review. If the concentration risk is deemed significant enough by any one of the three noted here, the CFO must bring this concentration concern to the FC.

<b>Diversification by Investment Type:</b>	<b>Percentage at time of purchase:</b>
US Treasury Obligations	100%
Municipal Bonds and Notes	100%
US Gov. Agency and US Gov. Sponsored Instrumentality	100%
Banker's Acceptances	50%
Commercial Paper	50%
Corporate Bonds and Notes (A or above)	20%
Florida Local Government Surplus Fund Trust Fund (SBA)	50%
Local Government Investment Pools	25%
Collateralized CDs and Time Deposits	25%
Money Market Mutual Funds	25%
Repurchase Agreements	20%
Guaranteed Investment Contracts (GICs)	15%
Or as approved by the EC or BOD	

<b>Diversification by Institution:</b>	<b>Percentage at time of purchase:</b>
Money Market Mutual Fund	25%
US Gov. Agency by Agency	25%
Municipal Bonds and Notes by Issuer	20%
Commercial Banks (CDs, Time Deposits, or Commercial Paper)	10%
Bankers' Acceptance by Bank	10%
Corporate Bonds and Notes	10%

## INVESTMENT RISK MANAGEMENT POLICY

(Continued)

Diversification by Geographic Location:	Percentage of Portfolio
Within individual state	Not more than 25%

### 5.5.1 Exceptions:

Diversification percentages can be exceeded by approval from the EC / BOD.

## 6.0 Custody

All investment security transactions, including collateral for repurchase agreements, entered into by FMPA shall be settled on a delivery versus payment (DVP) basis. Securities will be held by a third party Custodian or Trustee designated by the CFO and evidenced by trade confirmations and bank statements.

All securities purchased by FMPA will be properly designated as an asset of the Agency or its Projects and held by a third party Custodial or Trustee institution. The Custodial or Trustee institution shall annually (each fiscal year) provide a copy of their most recent report on internal controls (Statement on Standards for Attestation Engagements No. 16 (SSAE 16). The Treasurer and Risk Director or designated Treasury Staff will provide this report, upon receipt, to the CFO.

## 7.0 Benchmarking Performance

The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates, taking into account investment risk constraints and cash flow needs. The CFO shall cause to be established a series of appropriate benchmarks against which portfolio performance shall be compared on a regular basis. Guidelines on selecting and managing benchmarks, which may include the use of duration and convexity as performance measurement tools, are contained in the Investment Procedures.

Any external investment managers, if hired, shall not independently select benchmarks. All benchmarks used by external investment managers must be approved by the CFO. Specific description and the source, including date of such benchmarks, should be provided in any external investment manager's performance report along with the exact methodology used in calculating the yields/returns on the portfolio and the benchmark.

## 8.0 Internal Controls and Ethics

The CFO shall cause to be established a system of written internal controls to regulate investment and related activities, consistent with this Policy and Investment Procedures, and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. The controls shall be designed to meet the requirements as listed in Florida State Statute Section 218.415. As part of the year-end audit, the external auditors will be required to state whether the Agency has complied with Florida State Statute Section 218.415, regarding the investment of public funds.

The CFO and the Treasurer and Risk Director, or their designees, may do placement of funds. Accounting staff will not have any responsibility for investing funds. Further internal controls are established in the Investment Procedures to address safekeeping, repurchase agreement, collateral/depository agreements, banking service contracts, delivery vs. payment procedures, and separation of transaction authority from accounting and record-keeping, and may include security controls contained within Treasury software programs.

The Agency Internal Audit Manager shall be responsible to review all documented internal controls and procedures established to ensure they comply with the FMPA Risk Management Policy and adequately mitigate all applicable risks. If, after review, the Agency Internal Audit Manager identifies areas of concern, the documented internal controls weakness(s) will be communicated to the CFO and FC as appropriate.

### 8.1 Policy and Procedure Compliance

Internal Audit staff shall ensure that compliance with this Policy and the Investment Procedures are monitored on an ongoing basis. Any unresolved compliance issues will be presented to the FC by the Agency Internal Audit Manager at the next regularly scheduled meeting.

### 8.2 External Parties

All dealers, financial institutions, investment managers, or individuals, collectively referred to as the parties, investing on behalf of FMPA will be sent a copy of the Investment Policy by the Treasurer and Risk Director, along with a list of employees

who are authorized to transact investment trades on behalf of FMMPA. These parties will be required to respond, in writing, that the Policy was received, read, understood and will commit to adhere to the Policy. FMMPA will pursue full recovery of all associated costs resulting from deviations from the Investment Policy.

### **8.3 Continuing Education**

The CFO, Treasurer and Risk Director and other appropriate investment staff will be required to complete annually (each fiscal year) a minimum of 8 hours of continuing professional education (CPE's), or more as required by State Regulations, in subject courses of study related to investment practices and products.

## **9.0 Reporting**

The Treasurer and Risk Director will produce investment reports in accordance with Investment Procedures and provide these reports to the General Manager and the CFO as and when requested, but for no less than each meeting of the EC and/or BOD.

The CFO shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the FC as described in Section 7.0 of the FMMPA Risk Management Policy. The Treasurer and Risk Director shall report on the current risk environment affecting FMMPA's investment program to the CFO as needed, and initiate and/or participate in any necessary discussion prior to moving items to the FC.

# INVESTMENT RISK MANAGEMENT POLICY

## Glossary of Terms

(See Also Glossary of Terms in FMPA's Risk Management Policy)

**ACCRUED INTEREST:** The interest to be paid on a security from the last interest accrual date to the settlement date. The buyer of the security pays the market price plus accrued interest. Also called "Purchased Interest".

**AGENCY:** Florida Municipal Power Agency.

**AGENCY SECURITIES:** Corporations, such as GNMA, FNMA or FHLMC, which have varying degrees of federal sponsorship and/or regulatory oversight.

**ANNUAL AUDIT:** The official audit report for FMPA. It includes combined statements for each individual fund and account group prepared in conformity with GAAP.

**BASIS POINT:** One one-hundredth of a percent (0.01 %).

**BOND RATINGS:** Evaluations by independent services such as Moody's, Fitch, or Standard & Poor's of a bond's investment quality and credit worthiness.

**BROKER-DEALER:** A broker-dealer firm is in the business of buying and selling securities—stocks, bonds, mutual funds, and certain other investment products—on behalf of its customers (as broker), for its account (as a dealer), or both.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**CONVEXITY:** A volatility measure, used in conjunction with duration, of how the price of a bond changes as interest rates change.

**CORPORATE BONDS and NOTES:** Public or private corporations and organizations issue corporate bonds and notes for the purpose of funding capital improvements,

## INVESTMENT RISK MANAGEMENT POLICY

### Glossary of Terms

(Continued)

expansions, acquisitions or debt refinancing. Investors essentially are lending money to the issuer.

**COUPON RATE:** The amount of interest return based upon par value which the issuer agrees to pay the bondholder.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer (unsecured, no liens or pledges on specific assets).

**DELIVERY VERSUS PAYMENT:** Delivery versus payment is delivery of securities with an exchange of money for the securities.

**DELIVERY VERSUS RECEIPT:** Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; e.g. U. S. Treasury bills.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**DON'T KNOW (DK):** A term designating the lack of knowledge of a delivery in a securities transaction.

**DURATION:** The weighted average time to the receipt of value of the future cash flows of a security weighted by the present value of each of the cash flows in the series. Duration is used as a measure of the relative sensitivity of the price of the security to a change in market required yield.

**FACE VALUE:** The dollar amount the issuer promises to pay the bondholder at maturity. Also called par value.

## INVESTMENT RISK MANAGEMENT POLICY

### Glossary of Terms

(Continued)

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**FEDERAL FUNDS RATE:** The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate and lend to savings and loan associations. The FHLB play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae):** FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM ("FED"):** The Central Bank of the United States created by Congress and composed of the presidentially appointed Board of Governors in



## INVESTMENT RISK MANAGEMENT POLICY

### Glossary of Terms

(Continued)

Washington, D.C., the Federal Open Market Committee, 12 Regional Federal Reserve Banks, numerous private U.S. member banks, and various advisory councils.

**FORWARD DELIVERY AGREEMENT (FDA) and FORWARD SALE AGREEMENT (FSA):** See “Forward Contracts” in Agency-wide Risk Management Policy Glossary.

**FREE DELIVERY:** a trade where delivery of the financial Instrument is made to a client or Counterparty without receiving payment

**FREE RECEIPT:** a trade where receipt of the financial instrument is made without the simultaneous exchange of associated payment.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term “pass-through” is often used to describe Ginnie Mae.

**GOVERNMENT SECURITIES:** Securities that qualify under government securities are issued or guaranteed by more than 15 different entities/agencies of the U.S. government and corporations created by acts of Congress. Some are backed by the full faith and credit of the U.S. and some are not. The direct and guaranteed obligations of the U.S. government, where the securities are backed by the full faith and credits of the U.S., are considered AAA rated. A comprehensive listing of qualified investments for AAA financing is provided in Appendix A.

**INTERNAL RATE OF RETURN (IRR):** The discount rate that makes the present value (sum of the discounted values) of a cash flow of an instrument equal to the price of the instrument.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

## INVESTMENT RISK MANAGEMENT POLICY

### Glossary of Terms

(Continued)

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase--reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date a security comes due and fully payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MUNICIPAL BOND:** A bond issued by a political unit, such as a state, county, city, town, or village or a political unit's agencies or authorities. In general, interest paid on municipal bonds is exempt from federal income taxes and state and local income taxes within the state of issue.

**MUNICIPAL NOTE:** A municipal note is debt issued by state and local governments to finance capital expenditures, such as construction projects. Municipal notes mature in one year or less, offer fixed income, and are exempt from income tax at the federal and/or state levels.

**NASD:** National Association of Securities Dealers.

**NEW HOUSING AUTHORITY BONDS:** A bond issue by a local public housing authority to finance public housing secured by U.S. Government assistance agreements which guarantees full payment of interest and principal. Also called Public Housing Authority Bonds (PHA's).

**OPEN MARKET OPERATIONS:** Purchases and sales of government securities and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have

## INVESTMENT RISK MANAGEMENT POLICY

### Glossary of Terms

(Continued)

the opposite effect. Open market operations are the Federal Reserve's most important and flexible monetary policy tool.

**PAR VALUE:** See "Face Value".

**PAYMENT DATE:** The date at which the interest on a bond is due.

**PORTFOLIO:** Collection of securities held by an investor.

**PROJECTS:** St Lucie, Stanton, All-Requirements, Tri-City, Stanton II, Pooled Loan, and Solar I & II

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission registered securities broker-dealers, banks, and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state- the so-called legal list. In other states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state which has segregated eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

## INVESTMENT RISK MANAGEMENT POLICY

### Glossary of Terms

(Continued)

**REPURCHASE AGREEMENT (RP OR REPO):** An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on a specified later date.

**RIDING THE YIELD CURVE:** Buying long-term bonds in anticipation of capital gains as yields fall with the declining maturity of the bonds.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SEC RULE 15C3-1:** See "Uniform Net Capital Rule".

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES ACT OF 1933:** A federal law for the purpose of protecting the public in the issuance and distribution of securities by requiring full disclosure by the issuer.

**SECURITIES AND EXCHANGE COMMISSION:** The government agency responsible for regulating and supervising the securities industry.

**SECURITIES EXCHANGE ACT OF 1934:** A federal law for the purpose of protecting the public in the trading of securities on the stock exchanges and the over-the-counter market.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the yield curve.

**TWO HIGHEST CREDIT RATING CATEGORIES:** For long-term debt the two highest rating categories, namely AAA and AA, without regard to any gradation of that rating by a numerical, symbol or other such modifier however done by any of the different Rating Agencies. See table below. The two highest credit rating categories are **highlighted**. Likewise, short-term ratings of the two highest categories by rating firm are also

**INVESTMENT RISK MANAGEMENT POLICY**

**Glossary of Terms**

(Continued)

**highlighted.** Table of ratings categories; partial listing of upper portion of complete table as herein needed:

<b>Moody's</b>		<b>S&amp;P</b>		<b>Fitch</b>	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
<b>Aaa</b>	<b>P-1</b>	<b>AAA</b>	<b>A-1+</b>	<b>AAA</b>	<b>F1+</b>
<b>Aa1</b>	<b>P-1</b>	<b>AA+</b>	<b>A-1+</b>	<b>AA+</b>	<b>F1+</b>
<b>Aa2</b>	<b>P-1</b>	<b>AA</b>	<b>A-1+</b>	<b>AA</b>	<b>F1+</b>
<b>Aa3</b>	<b>P-1</b>	<b>AA-</b>	<b>A-1+</b>	<b>AA-</b>	<b>F1+</b>
A1	<b>P-1</b>	A+	<b>A-1</b>	A+	<b>F1</b>
A2	<b>P-1</b>	A	<b>A-1</b>	A	<b>F1</b>
A3	P-2	A-	A-2	A-	F2
Baa1	P-2	BBB+	A-2	BBB+	F2

Please note, the table shown above is just the relevant part of a comprehensive ratings table in order to clarify the Investment Risk Management Policy meaning for the term “two highest credit rating categories.”

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BOND:** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**TREASURY NOTES:** Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

## INVESTMENT RISK MANAGEMENT POLICY

### Glossary of Terms

(Continued)

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms, as well as nonmember broker-dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

# Investment Risk Management Policy

## Appendix A

### Allowable Investments by Project

#### Agency, All Requirements, St. Lucie, Stanton, Stanton II and Tri-City, Pooled Loan and Solar I & II Projects

Authorized Investments		Credit Rating/Security/Collateral
1.	U.S. Gov. obligations including Federal Agencies unconditionally guaranteed by the U.S. Govt.	Guaranteed by the U. S. Government.
2.	Non-callable bonds or other obligations of any U.S. State, Agency, Instrumentality or local Gov. unit.	Guaranteed by cash or U.S. Gov. securities or rated in the highest category by a nationally recognized bond rating agency.
3.	Bonds, debentures or other indebtedness issued or guaranteed issued by any Agency or Instrumentality of the United States of America.	Issued or guaranteed by any agency or corporation of the U.S. Gov.
4.	New Housing Authority Bonds and Project notes fully secured.	Fully secured by payment agreement with U.S. Gov.
5.	Direct and general obligations of any State, Agency or Instrumentality of the U. S. or any agency, instrumentality or local government.	Rated in either of the two highest credit rating categories.
6.	Obligations of any state agency or instrumentality of the U.S. Gov.	Rated in either of the two highest credit rating categories.
7.	Certificates that evidence ownership of the right to payment as long as those securities are those described above, under 1, and are held by a trust company or bank.	Unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
8.	Certificates that evidence ownership of the right to payment as long as those securities are those described above, under 1, and are held by a trust company or bank.	Guaranteed by the U.S. Gov.
9.	Certificates of deposit and banker's acceptance of the 50 largest banks in the U.S. or commercial paper issued by the parent holding company.	Unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
10.	Commercial Paper other than that issued by a bank holding co.	Rated in the highest rating category or issued by a U.S. Corp. which has an unsecured, uninsured and unguaranteed debt issue ranked in the two highest rating categories.
11.	Repurchase agreements with banks or trust companies.	Banks with combined capital of no less than \$50 million or primary dealer secured by securities described under 1, 3, 4, 9, or 10 above.
12.	Shares of Investment Companies organized under Inv. Co. Act 1940, which invests its assets exclusively in obligations described above, under 1, 6, 9, 10, or 11.	
13.	Local Gov. Surplus Trust Fund of the State of Florida.	
15.	Money Market Funds.	Rated in the highest category of comparable types of obligations.
16.	Investment agreements or guaranteed investment contracts.	Rated in the highest credit rating category.
17.	CORPORATE BONDS and NOTES: Public or private corporations and organizations issue corporate bonds and notes for the purpose of funding capital improvements, expansions, acquisitions or debt refinancing. Investors essentially are lending money to the issuer.	Minimum rated A without regard to any gradation of that rating by a numerical, symbol or other such modifier, by all rating agencies.

# Investment Risk Management Policy

## Appendix A

### Allowable Investments by Project

(Continued)

#### Decommissioning Funds - St. Lucie Unit No. 2

<b>Authorized Investments</b>		<b>Credit Rating/Security/Collateral</b>
1.	Securities or other obligations of the Federal, State government or any agency or instrumentality.	
2.	Time deposits or demand deposits of the Trustee.	Insured by an agency of the Federal Gov.
3.	Forward delivery agreements.	Guaranteed by any agency of the U.S. Gov.
4.	In accordance with instructions from FMPA subject to the provisions of Section 5 of the Trust Fund Agreement.	



# Investment Risk Management Policy

## Appendix B

### Flow of Funds Under the Resolution

Pursuant to the Resolution, all revenues are deposited with FMPA to the credit of the Revenue Fund established under the Bond Resolution. In each month, funds are to be first transferred from the Revenue Fund to the Operation and Maintenance Fund (i) for credit to the Operation and Maintenance account in the amount, if any, required so that the balance credited to said Account shall equal the amount necessary for the payment of Operation and Maintenance Expenses for the succeeding month, (ii) for credit to the Working Capital Account in the amount budgeted therefore, and (iii) for credit to the Rate Stabilization Account in the amount, if any, budgeted therefore. After these transfers from the Revenue Fund, FMPA will make in each month the following deposits from the Revenue Fund in the order of priority set forth below:

**First**, to the Debt Service Account held by the Trustee, the amount required so that the balance in such Account (excluding capitalized interest on deposit therein in excess of the amount thereof to be applied to pay interest accrued and to accrue on all outstanding Bonds to the end of the then current calendar month) shall equal the Accrued Aggregate Debt Service;

**Second**, to the Debt Service Reserve Account held by the Trustee (and each sub account therein), after giving effect to any surety bond, insurance policy, letter of credit or other obligation deposited therein pursuant to the terms of the Resolution, the amount required to be deposited into such Account in such month to make up any deficiency in the Debt Service Reserve Requirement;

**Third**, to the Subordinated Debt Fund held by FMPA for credit to the various accounts therein, including the Offered Securities Account, the amount, if any, required to pay principal or sinking fund installments of and interest on each issue of Subordinated Debt (including the Offered Securities) and reserves therefore, as required by the supplemental Bond Resolution authorizing such issue of Subordinated Debt;

**Fourth**, to the Reserve and Contingency Fund held by FMPA (a) for credit to the Renewal and Replacement Account, the amount budgeted therefore, and (b) for credit to the Contingency Account the amount required for such account to equal the Contingency Requirement;

**Fifth**, for deposit to the Decommissioning Fund (which is not pledged to the Offered Securities), the amount budgeted therefore; (applicable for St. Lucie Project) and

**Sixth**, for credit to the General Reserve Fund held by FMPA, any remaining monies in the Revenue Fund.

**Investment Risk Management Policy**  
**Appendix C**  
**Reporting Calendar**

<b>Florida Municipal Power Agency Risk Management Reporting Calendar Investment Risk Management Reporting Requirements</b>				
Reporting Item	Frequency Of Report	Responsible Party	Policy Section Reference	Policy Category Reference
Security Ratings Compliance	Monthly	Treasurer and Risk Director	Section 5.0	Authorized and Suitable Investment Securities
Financial Condition	Annually	Treasurer and Risk Director	Section 5.1	Authorized Financial Institutions, and Broker/Dealers:
Diversification Percentage	Monthly	Treasurer and Risk Director	Section 5.5	Diversification:
SSAE 16 Report for Trustees and Custodians	Annually	Treasurer and Risk Director	Section 6.0	Custody
Policy Compliance Deviations	As Needed	Agency Audit Manager	Section 8.1	Policy and Procedure Compliance
Investment Reports	EC/BOD meetings	Treasurer and Risk Director	Section 9.0	Reporting
Policy Operation and Effectiveness	Annually	FC	Section 9.0	Reporting

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- a. Results of St. Lucie Project Series  
2021 A&B Bond Closing**

**Board of Directors Meeting  
September 16, 2021**



# **9a –Results of St. Lucie 2021 Series A and B Debt Offerings**

Board of Directors

September 16, 2021

# St. Lucie 2021 A/B Bond Refunding

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- 2021A Bonds will refund \$24.3 million 2011B Bonds on Oct. 1, 2021, (cash contributed from debt service and debt service reserve \$6.5 million), with NPV savings of 10.424%
- 2021B (forward delivery) Bonds will refund \$58.8 million 2012A Bonds on Oct. 1, 2022, (cash contributed from debt service, debt service reserve and general reserve \$20 million), with NPV savings of 11.834%

# Within Allowable Internal Targets

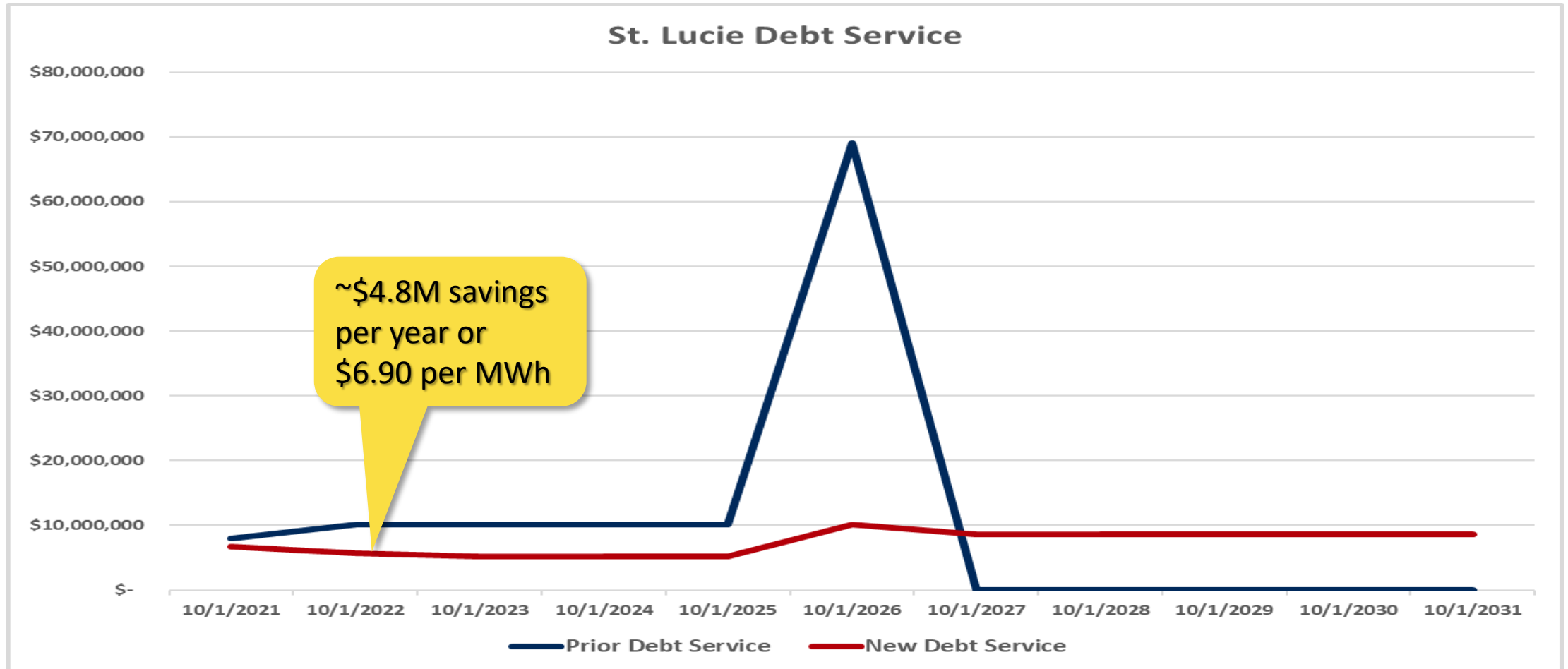
## *Final Numbers Compared to Resolution/Debt Policy*

Description	Actual	Limit Per Resolution or Debt Policy
Bonds Issued A	\$18.62 million	\$20 million
Bonds Issued B	\$40.63 million	\$43 million
True Interest Cost (A)	1.130570%	2.0%
True Interest Cost (B)	1.770311%	2.5%
Final Maturity A	October 2031	October 2031
Final Maturity B	October 2030	October 2031

Description	Actual	Limit Per Resolution or Debt Policy
Issue Costs	\$347,125	N.A.
Underwriters Discount	\$3.50 per \$1,000	\$5 per \$1,000
Method of Sale	Negotiated	Negotiated
Closing Date – 2021A	Sept. 1, 2021	N.A.
Closing Date – 2021B	July 7, 2022	N.A.
Underwriters	Bank of America Securities	Bank of America Securities

# Refinancing Takes Advantage of License Extension

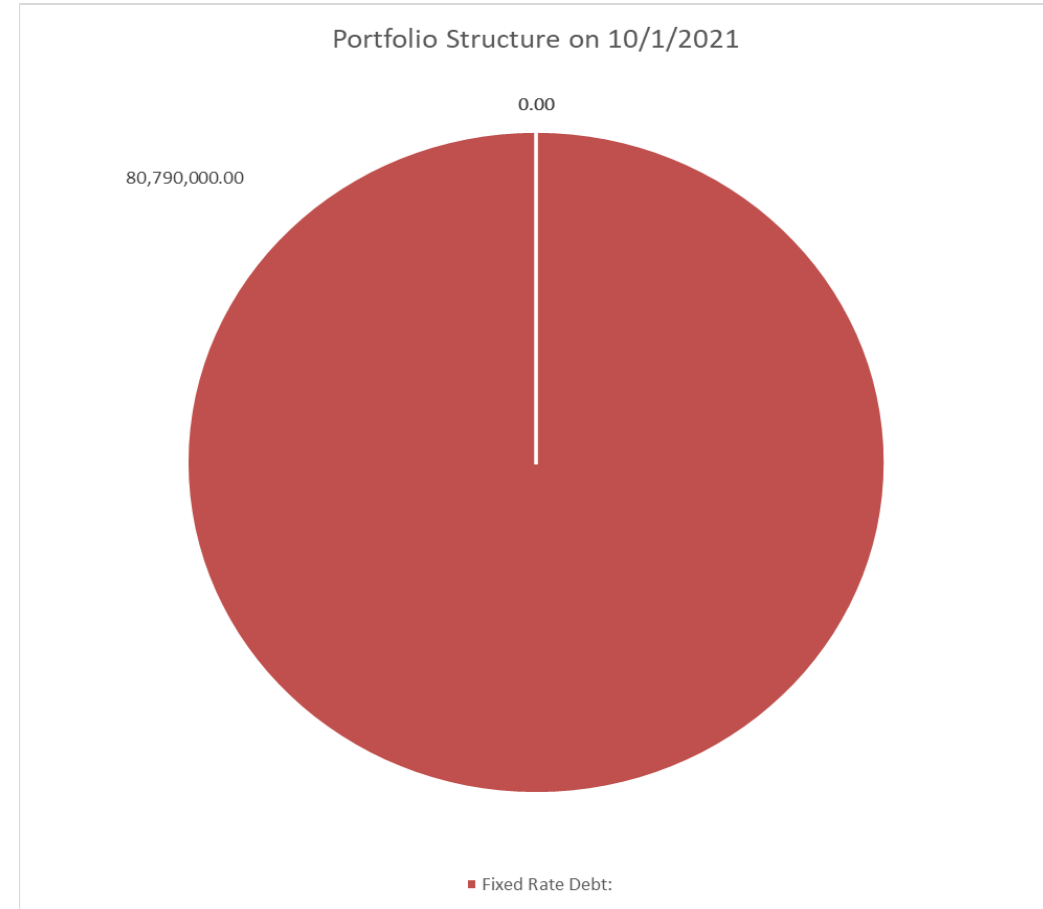
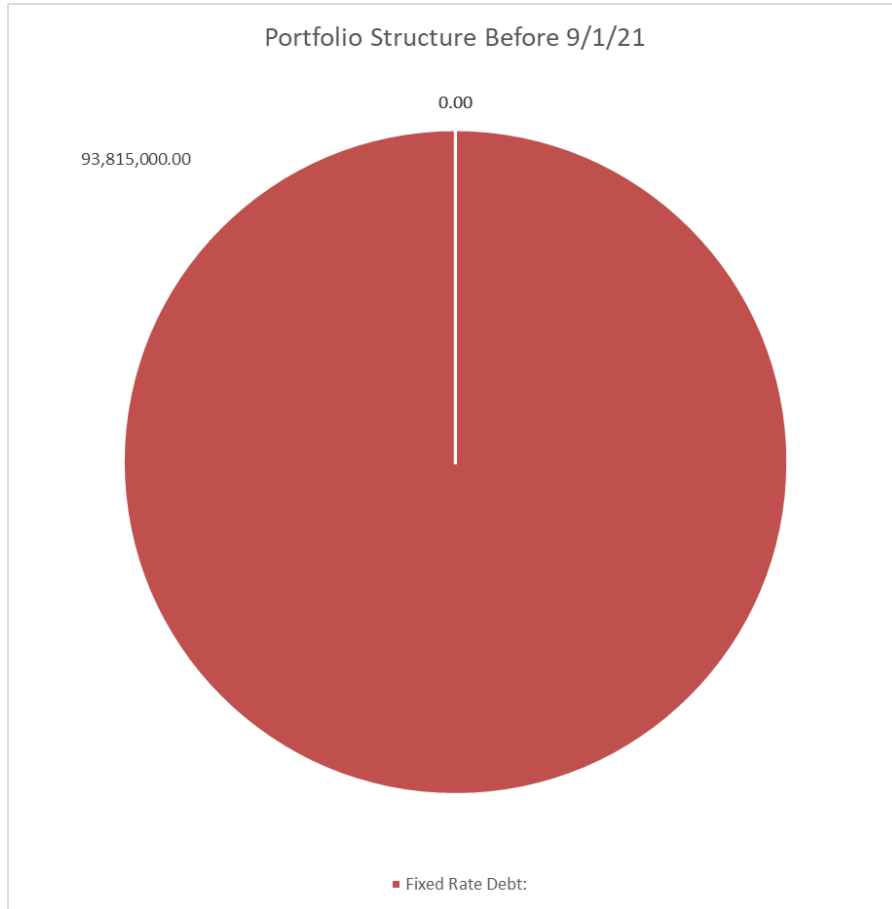
*\$9.5M Present Value Savings, Eliminates Balloon Payment*





# St. Lucie Project Debt Portfolio Structure

*Total Debt Outstanding \$13M Less, Still 100% Fixed-Rate Debt*



**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. Regulatory Compliance Quarterly  
Update**

**Board of Directors Meeting  
September 16, 2021**



# 9b – Regulatory Compliance Update

Board of Directors

September 16, 2021

# Roles of FMPA Regulatory Compliance Department

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- FMPA Regulatory Compliance Department perform three main functions related to NERC mandatory reliability standards
  - FMPA Compliance
  - Member Support
  - Industry Influence

# FMPA Compliance

## *Internal Compliance*

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- Verbal compliance exception given by SERC regarding former CIP-003 self-report. Official status is “determination in progress”.
- Submitted CIP-003 self-report regarding “scanning of removable media” at Cane Island
- Compliance team is conducting our annual Internal Compliance Program (ICP) review as part of our internal controls. We are updating the organizational compliance structure to reflect new hire and retirement.
- NERC Alert - Cold Weather Preparedness

# **FMPA Compliance**

## *Generation Support*

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- Compliance team traveled to CI to participate in FMPA employee orientation training and a plant tour.
- Compliance team plans to have one-on-one meetings with plant personnel this quarter to go over applicable standards and best practices.

# FMPA Compliance

## *Member Support*

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- Compliance and Member Services team traveled to FPUA to assist with PRC-005 and EOP-004-4 program review.
- OUC FAC-008-3 peer review (Thank you to FMPA's Power resources team and Lakeland Electric for assistance).
- Other pending member requests for peer reviews.
- FMPA 2021 Fall Compliance Workshop (Sept. 7-8).
  - Topics included: FAC-003; ERO Align Portal; Cold Weather Standards Development; CIP Standards; DER & IBR Developments; Internal Investigation & Self Report Best Practices, Audit lessons learned, FAC-008, and etc

# Industry Influence

## *Cold Weather Standard Development*

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- FERC approved the Cold Weather Standards August 24, 2021
- FERC & NERC joint cold weather event report coming late summer to early fall.



# Industry Influence

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- FMPA continues participation in Cold Weather Preparedness standard development & implementation efforts
- Align release 2 went live July 19<sup>th</sup>. Release 3 TBD.
  - TFEs – July 19<sup>th</sup>
  - Periodic Data submittals (PDS) – October 1<sup>st</sup>
  - Self-Certifications – October 1<sup>st</sup>

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Quarterly HR Update**

**Board of Directors Meeting  
September 16, 2021**



# 9c - HR Quarterly Report

Board Of Directors

September 16, 2021

# HR Ongoing Items

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- Compensation study complete
- Leadership training next level
- Turnover tsunami nationwide
- Covid update
- Facilities upgrades



**Questions?**

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**d. Analysis of Climate Change  
Proposed Legislation**

**Board of Directors Meeting  
September 16, 2021**



# **BOD 9d – Analysis of Climate Change Proposed Legislation**

Board of Directors  
September 16, 2021

# Climate Change Proposal in Budget Resolution

*Extremely Aggressive and Costly Increase in Renewables over Next 10 Years*

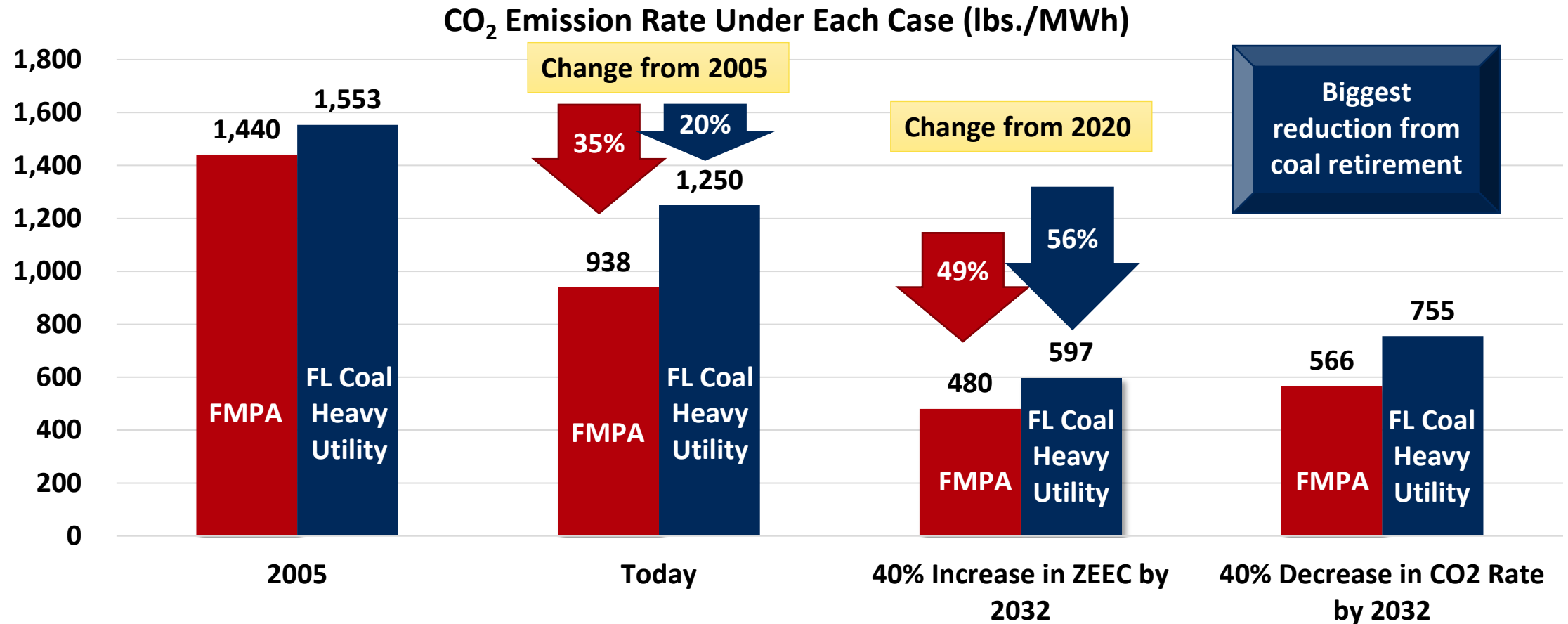
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- Climate Change Budget Resolution proposal is a 40 percentage point increase in net-zero CO<sub>2</sub> resources to the generation mix in 10 years
- For FMPA, that means going from 5% net-zero resources today to 45% by 2032
- No credit for switching from coal to gas – must be to net-zero resource
- Such a proposal would raise costs by 70 – 100% above the expected costs by 2032 – tremendous demand for commodities and labor escalating costs
- Florida would have a near impossible task in next 10 years of adding:
  - ~50,000 MW of solar– equivalent to entire Florida generation today
  - ~20,000 MW of batteries to capture excess solar during non-summer for night use
- Land availability, use permitting and transmission siting would strain system in many ways – 500 square miles of solar sites need plus transmission to each



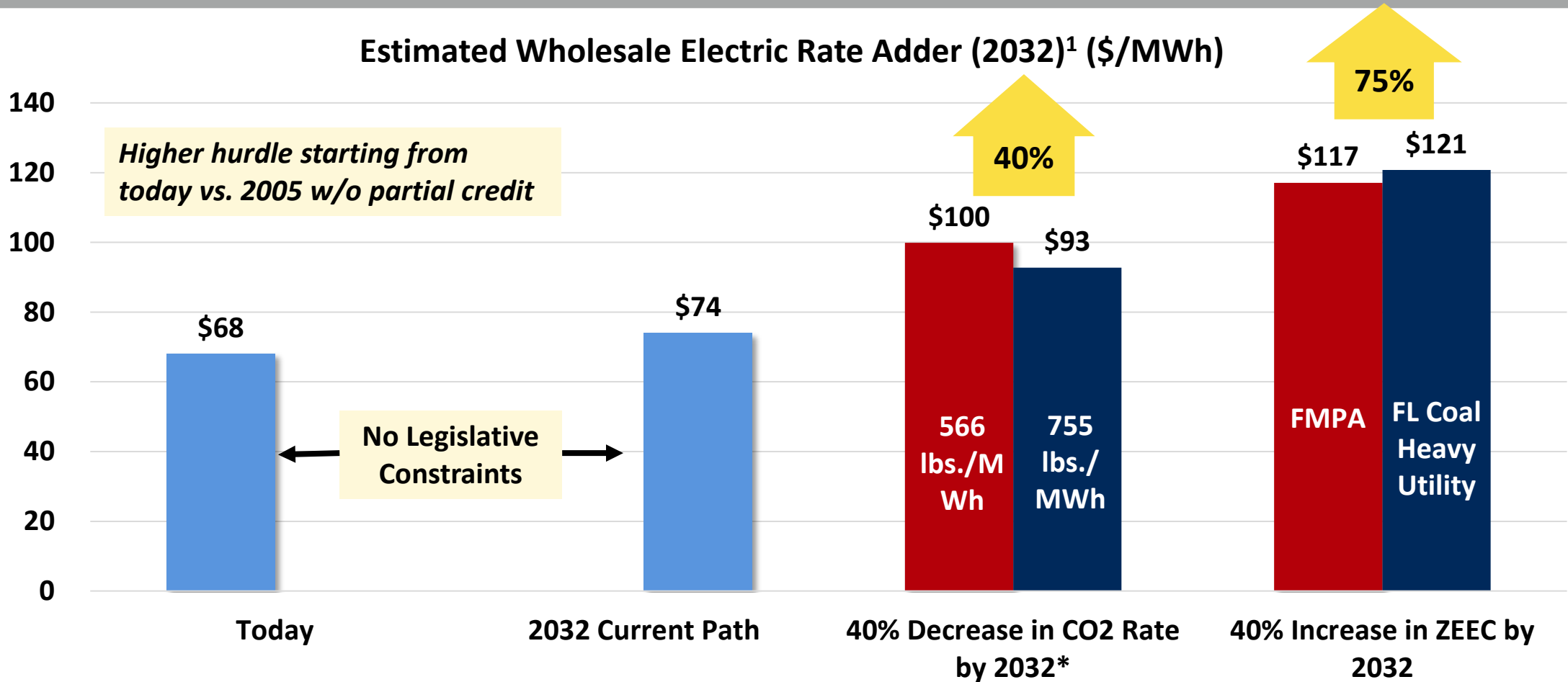
# 40% Increase On MWh Basis Means Lower CO<sub>2</sub> Rate

## 16 Pct. Point More Reduction Required for Coal Heavy Example



# Less Price Pressure w/ CO<sub>2</sub> Rate Reduction Path

*ZEEC Increase Path Equals ~75% Rate Increase From Today\**



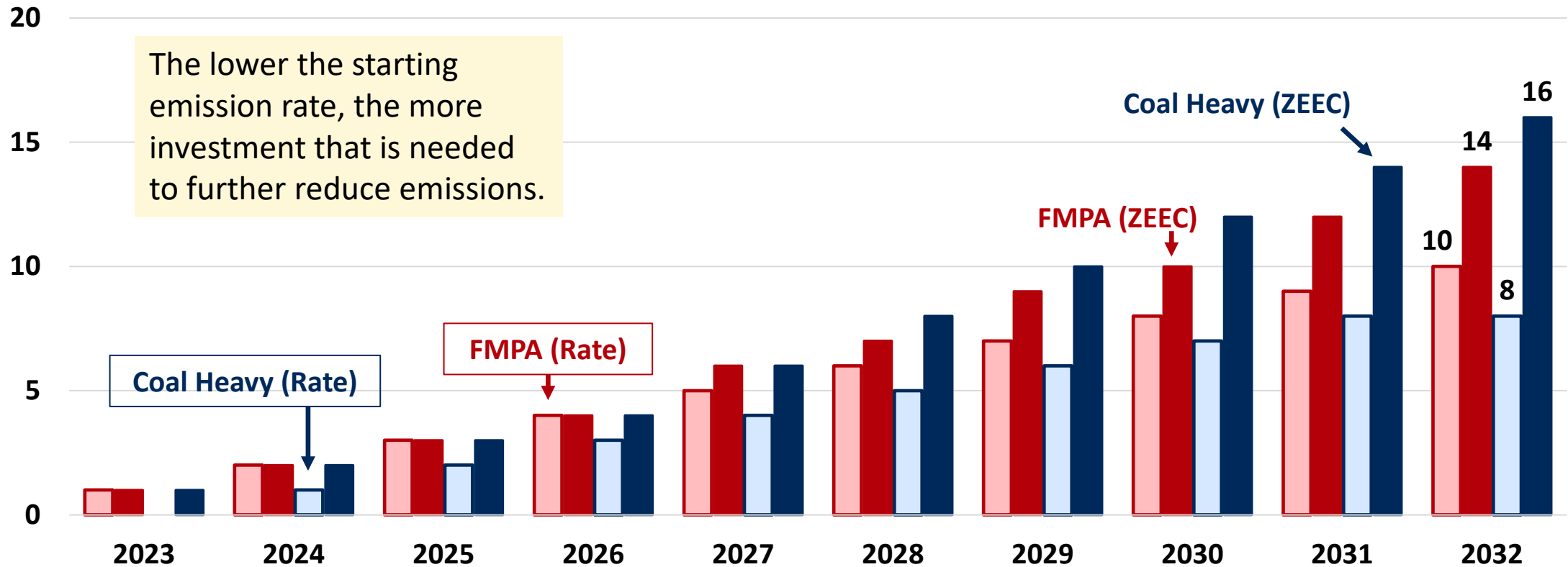
1 - All cases at 3% inflation, No ITC. ITC may help provide a small cost offset on amortized solar assets.

\*Performance payments are included and offset ~\$2/MWh of investment in years received. Gas prices assumed to be reasonable (no escalation in gas prices due to gas shortages).

# Massive and Continual Solar Buildout Required

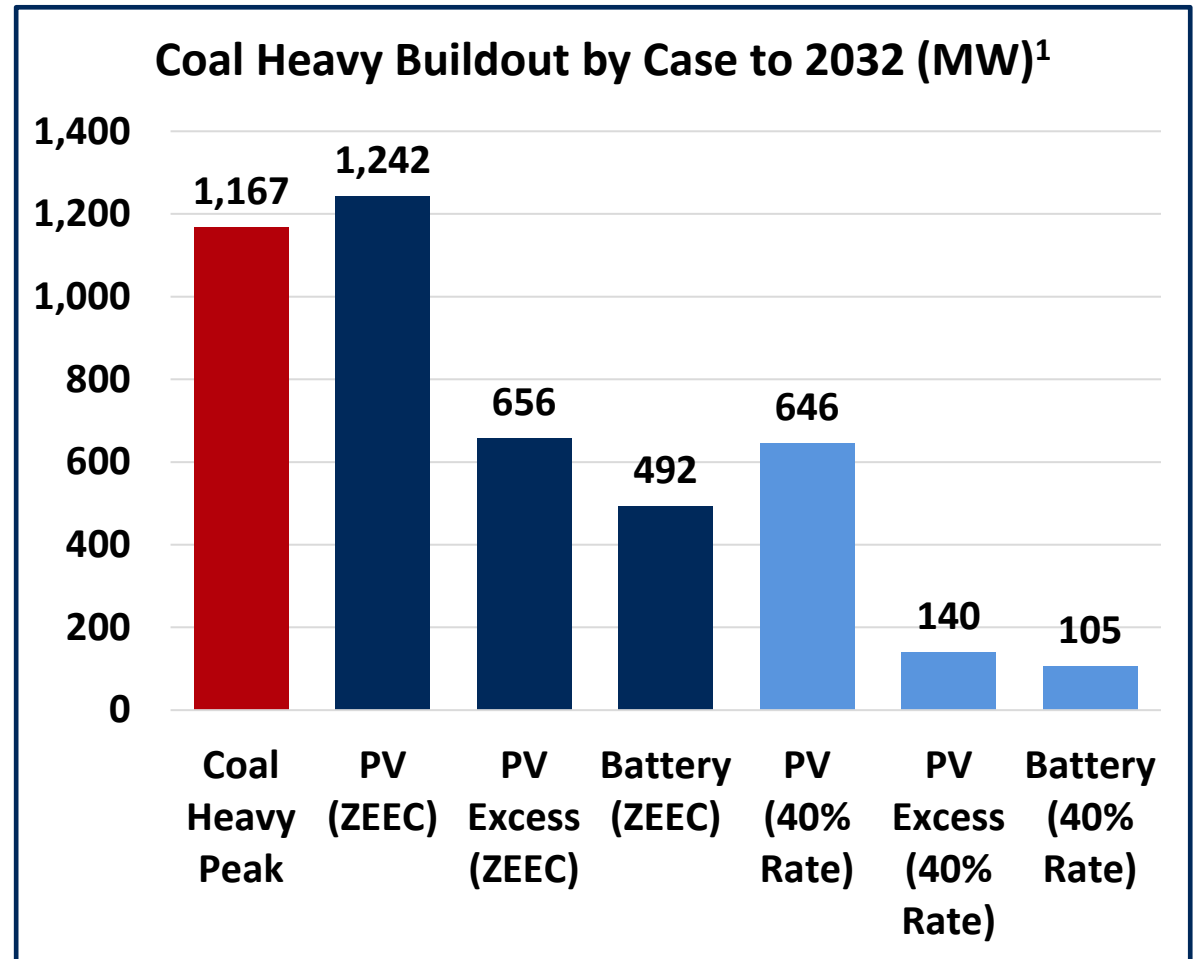
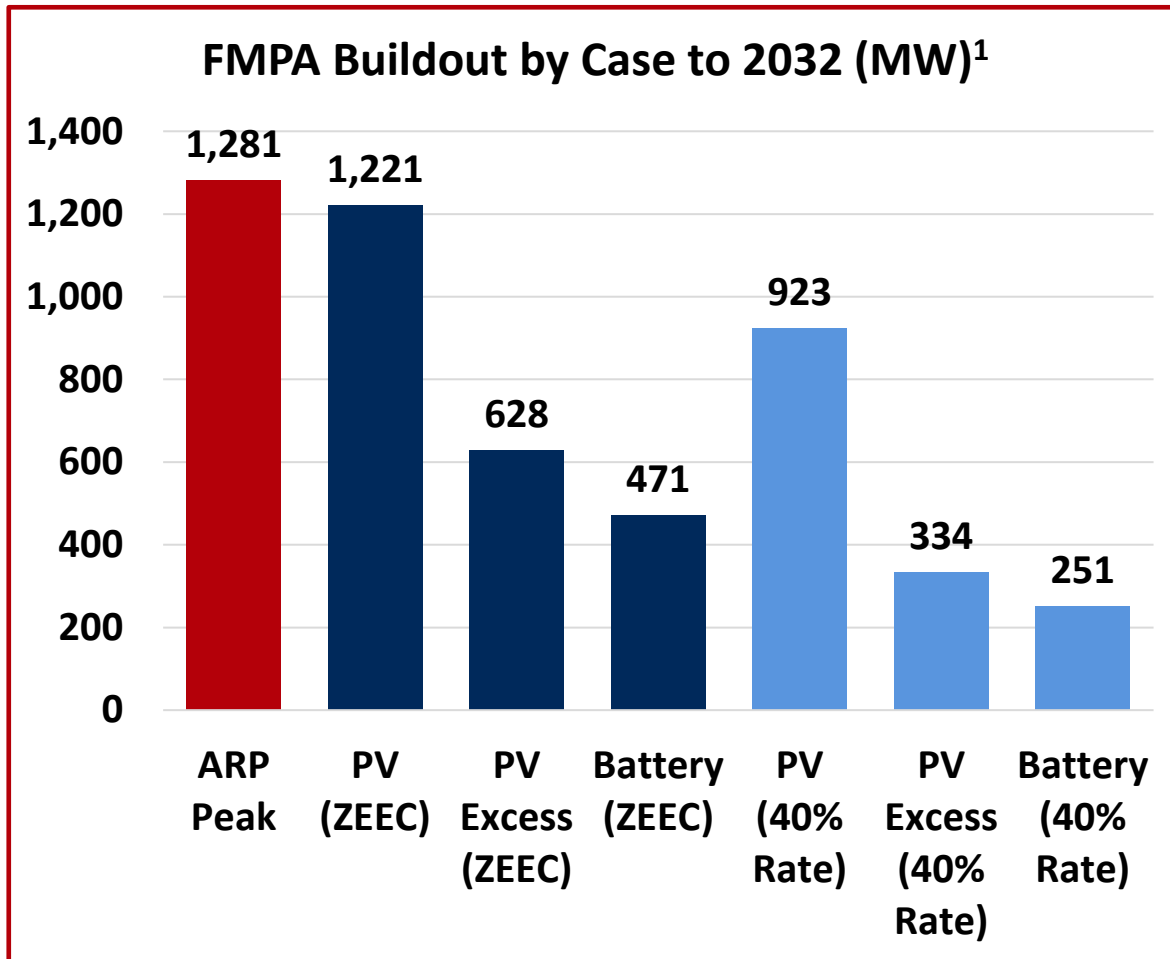
## *16 Installations Required for Coal Heavy Utility Under ZEEC*

Solar Installations (74.5 MW per Site)



# Renewable Capacity Exceeds Peak Load in ZEEC Case

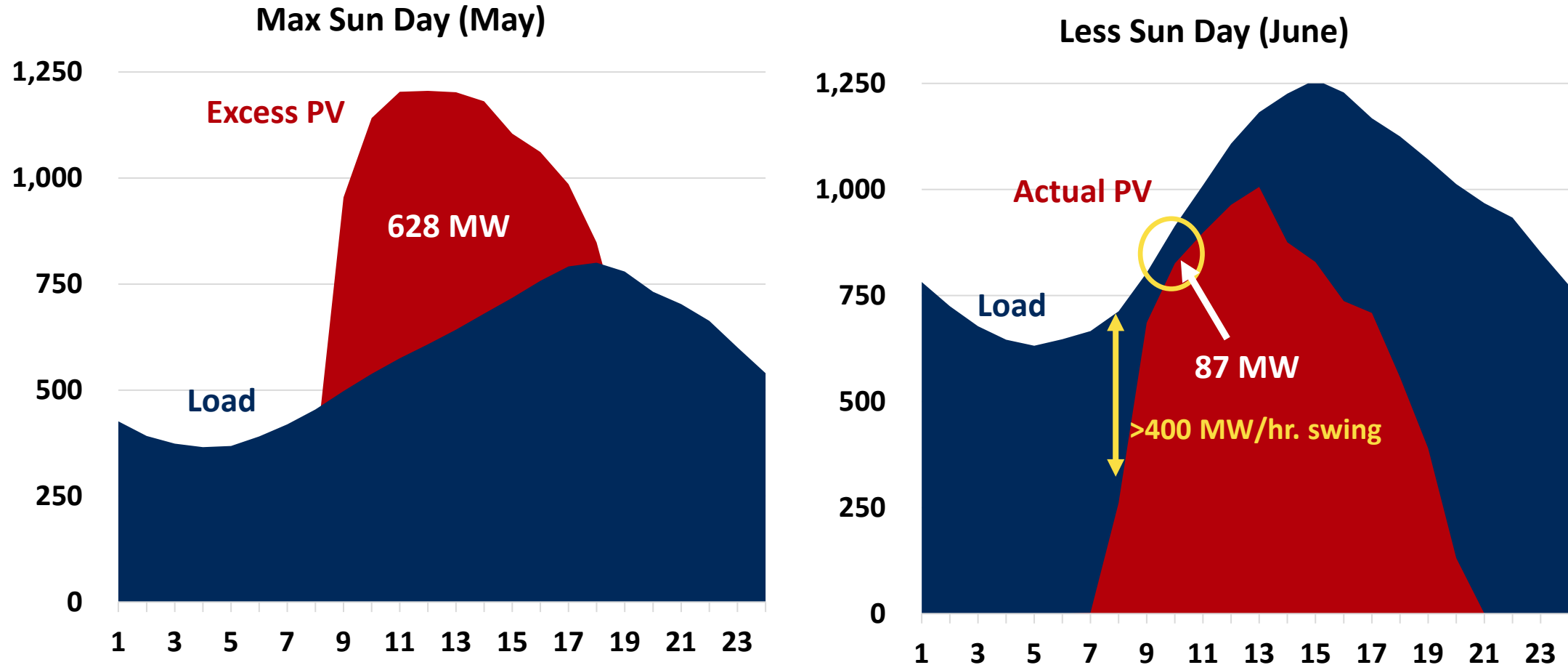
## *Further Overbuild Required for Lower Starting Emission Rates*



1- Battery cost modeled as two (2) 4-hour batteries at capacity shown. PV excess could be greater depending on the need to avoid cycling or turning off base load generation.

# Storage to Capture PV Significant with ZEEC Approach

*PV Eclipses Load to Serve, Must Curtail or Store the Excess\**

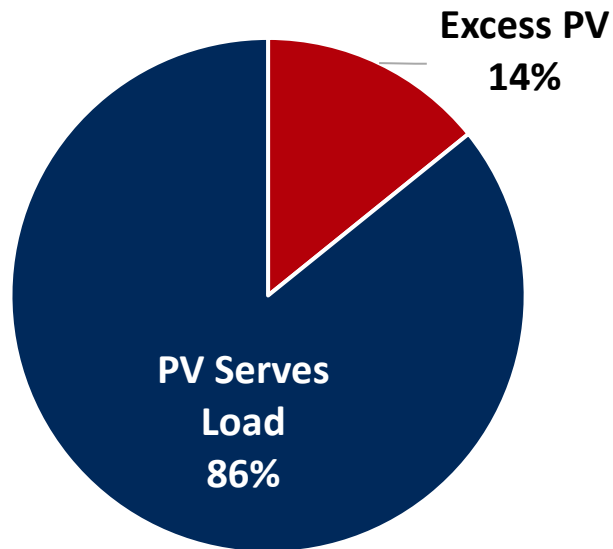


\*Actual PV excess may be greater than shown as a function of avoiding cycling or turning off large baseload generators (e.g., nuclear).

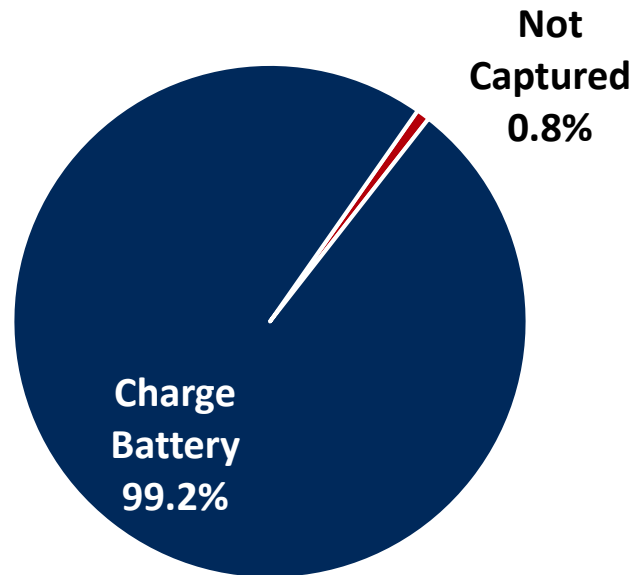
# Storage is Best Current Solution to Capture Excess

*Battery Capacity of 75% of PV Excess Peak Cover Most Excess<sup>1</sup>*

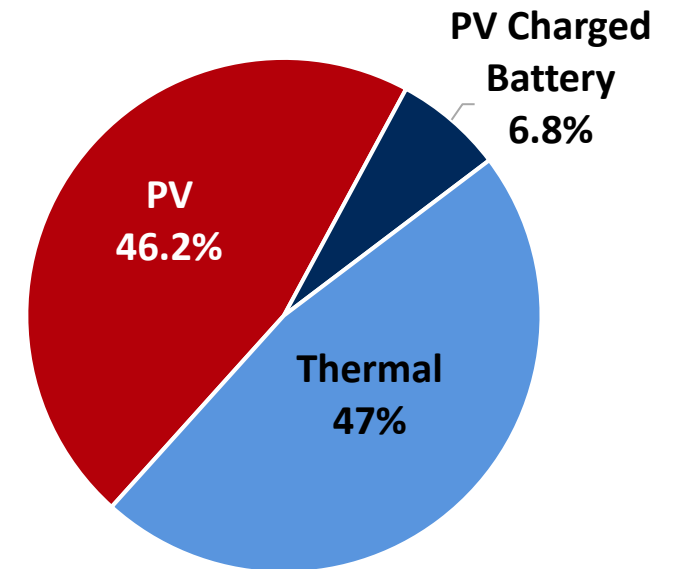
PV Utilization w/o Storage



Excess PV for Storage



Load Served by Source



1 - 471 MW, 8-hour battery with round trip efficiency of 90%, financed over 15 years was modeled. 40% Increase in ZEEC for FMPA case is shown. Calculations assume that PV serving load displaces thermal generation.

Source: EIA Table 8.2 and Lazards levelized cost of storage version 60 vf (2020) and version 50 (2019)

**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Board of Directors Meeting  
September 16, 2021**

**AGENDA ITEM 11 – ADJOURNMENT**

**Board of Directors Meeting  
September 16, 2021**