



MEETING AGENDA PACKAGE

Policy Makers Liaisons Committee

October 20, 2021
12:30 p.m. to 2:00 p.m.

Meeting Being Held at:

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

**Dial-in information: 321-299-0575, Access Code 995
355 526# Link: [Click here to join the meeting](#)**

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Policy Makers Liaisons Committee

- Dan Robuck, Leesburg – Chair
- Robert Page, Green Cove Springs – Vice Chair
- Bil Spaude, Bushnell
- Kristine Petersen, Clewiston
- Vacant, Fort Meade
- Tom Perona, Fort Pierce
- George Forbes, Jacksonville Beach
- Robert Barrios, Key West
- Ethel Urbina, Kissimmee
- Rae Hemphill, Kissimmee, Alternate
- Vacant, Newberry
- Brent Malever, Ocala
- Keith Trace, St. Cloud
- Scott Roberts, Starke

Community Power + Statewide Strength

MEMORANDUM

TO: Policy Makers Liaisons Committee
FROM: Mark McCain
DATE: October 13, 2021
RE: Policy Makers Liaisons Committee Meeting
Wednesday, October 20, 2021 at 12:30 p.m. [NOTE TIME]
PLACE: FMPA, 8553 Commodity Circle, Orlando, FL, Board Room
TEAMS: **In-Person and Telephonic – 321-299-0575, Meeting Number 995-355-526#**
Link: [Click here to join the meeting](#)
(If you have trouble connecting, please call 407-355-7767)

Chair Dan Robuck, Presiding

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

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum
2. Set Agenda (by vote)
3. Consent Agenda
 - a. Approval of the Minutes for the Meeting Held July 22, 2021
4. Action Items
 - a. None
5. Report from the General Manager and CEO (Jacob Williams)
6. Information Items
 - a. Federal Legislative Update (Michael Nolan)
 - b. Energy Price Increases and Impacts on Electricity Costs (Jacob Williams)
 - c. Draft Management Goals for FY 2022 (Jacob Williams)
7. Member Comments
8. Announcements
 - a. Next Meeting Wednesday, January 19, 2022 at FMPA, 8553 Commodity Circle, Orlando, FL
9. Adjourn

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

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

October 14, 2020 – 8 present

January 20, 2021 – 7 present

April 15, 2021 – 7 present

July 22, 2021 – 7 present

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

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

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

**Policy Makers Liaisons Committee Meeting
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AGENDA ITEM 3 – CONSENT AGENDA

- a. Approval of Minutes for the Meeting
Held July 22, 2021**

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

CLERKS DULY NOTIFIEDJULY 13, 2021
AGENDA PACKAGE E-MAILED TO MEMBERSJULY 14, 2021

MINUTES
FMPA TELEPHONIC POLICY MAKERS LIAISONS COMMITTEE MEETING
NAPLES GRANDE BEACH RESORT
475 SEAGATE DRIVE,
NAPLES, FL 34103
DATE: THURSDAY, JULY 22, 2021
TIME: 3:00 P.M.

**MEMBERS
PRESENT**

Tom Perona, Fort Pierce
Bob Page, Green Cove Springs (via telephone)
George Forbes, Jacksonville Beach
Robert Barrios, Key West
Ethel Urbina, Kissimmee
Rae Hemphill, Kissimmee
Dan Robuck, Leesburg
Brent Malever, Ocala

**OTHERS
PRESENT**

Jan Bagnall, Fort Meade
Mike New, Newberry

**STAFF
PRESENT**

Jacob Williams, General Manager & CEO
Linda S. Howard, Chief Financial Officer
Mark McCain, Vice President of Member Services and
Public Relations
Dan O'Hagan, Assistant General Counsel and Regulatory
Compliance Counsel
Mike McCleary, Manager of Member Services
Cairo Vanegas, Manager of Member Services
Sue Utley, Executive Assistant to CEO / Asst. Secretary to Board
Susan Schumann, Public Relations and External Affairs
Manager

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

Chair Dan Robuck, called the meeting to order at 3:05 p.m. on Thursday, July 22, 2021, at Naples Grande Beach Resort, 475 Seagate Drive, Naples, Florida. A roll call was taken and 7 voting members were present.

Item 2 – Set Agenda (By Vote)

MOTION: George Forbes, Jacksonville Beach, moved to set the agenda as presented. Tom Perona, Fort Pierce, seconded the motion. Motion carried 7 – 0.

Item 3 – Consent Agenda

3a – Approval of the Minutes for the meeting held April 14, 2021

MOTION: George Forbes, Jacksonville Beach, moved to set the agenda as presented. Ethel Urbina, Kissimmee, seconded the motion. Motion carried 7 – 0.

Item 4 – Action Items

a. Election of Committee Officers

George Forbes, Jacksonville Beach, nominated Dan Robuck, Leesburg, as Chair. Tom Perona, Fort Pierce, seconded the nomination.

George Forbes, Jacksonville Beach, nominated Bob Page, Green Cove Springs, as Vice Chair. Robert Barrios, Key West, seconded the nomination.

Tom Perona, Fort Pierce, asked to close the nominations.

MOTION: It was a unanimous vote for Dan Robuck, Leesburg, as Chair and Bob Page Green Cove Springs, as Vice Chair.

b. Approval of 2021-2022 Meeting Schedule

MOTION: Ethel Urbina, Kissimmee, moved approval of the 2021-2022 meeting schedule. Robert Barrios, Key West, seconded the motion. Motion carried 7 – 0.

Item 5 – Report from the General Manager

Jacob Williams presented the Goals Scorecard YTD information.

Item 6 – Information Items

a. Update on All-Requirements Project and Municipal Power Costs

Jacob Williams gave an update on the All-Requirements Project and Municipal Power Costs.

b. Electric Distribution Reliability Update

Cairo Vanegas gave an update on electric distribution reliability.

c. APPA Climate Discussions and Comparison of Legislative Proposals

Jacob Williams discussed APPA's efforts on climate discus and comparison of Legislative proposals.

Item 6 – Member Comments

None

Item 7 – Announcements

- a. Next Meeting: Wednesday, October 20, 2021 at FMPA, 8553 Commodity Circle, Orlando, FL

Item 9 - Adjourn

There being no further business, the meeting was adjourned at 3:57 p.m.

Dan Robuck
Chairman

Sue Utley
Assistant Secretary

Date Approved _____

DR/su

AGENDA ITEM 4 – ACTION ITEMS

a. None

**Policy Makers Liaisons Committee Meeting
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**AGENDA ITEM 5 – REPORT FROM
THE GENERAL MANAGER**

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

Fiscal 2021 Management Goals through Sept. 30, 2021

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|--|---------------------|---------|------------|------------|--------------|---|
| 1.Safety | Lost-time Accidents | 0 | 1 | 0 | 0 | No lost-time accidents in September. |
| | OSHA Recordables | 0 | 1 | 0 | 0 | |
| 2.Compliance | Environmental | 0 | 0 | 0 | 0 | Working with Coast Guard and DEP on small oil leakage from Stock Island site. Source unknown. Drained nearest tank for inspection during week of 10/11 |
| | Financial | 0 | 0 | 0 | 0 | |
| | Regulatory | 0 | 0 | 0 | 0 | |
| 3.Low Cost (\$/MWh) | Under \$70/MWh | \$66.72 | \$68.99 | \$70.63 | < \$70.00 | Actuals shown through August and will be updated prior to the meeting. YTD 2021 MWh sales 3.1% > budget. All-in costs ~\$1.64/MWh (2.38%) < 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 | \$33.14 | \$43.85 | \$48.41 | \$47.81 | |
| 4.Stanton I and Stanton II
Decision from OUC to reduce power costs and emissions | | | | | | Working with OUC on final timing decision of planned Stanton 1 & 2 retirement/conversion. Expect OUC Board's decision in December on timing. |

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|-------------------|----------------------------------|--------|------------|------------|--------------|---|
| 5.Cyber Security | Breaches | 0 | 0 | 0 | 0 | |
| | Phishing tests | 2.9% | 3.4% | 5% or < | 5% or < | Two people clicked on the link pretending to come from Google about a Chrome update. |
| | Member assessments | 1 | 3 | 3 | 5 | Bushnell assessment – completed. Five assessments in progress. |
| 6.Reliability | CC EAF | 87.7% | 93.1% | 90% | 90% | TCEC was in planned outage. |
| | SI black start and trans. backup | 0 | 14 | 14 | 100% | |
| | SAIDI Reduction | 0 | 6 | 10 | 10 | Did not complete 10 efforts. Several projects currently being considered. |
| 7.Member Services | Leadership member visits | 14 | 88 | 75 | 75 | |
| | Projects managed for members | 5 | 23 | 20 | 20 | NSB AMI, Moore Haven bank reconciliation, NSB investment portfolio mgmt., Strake YE financial statement, Bushnell RV park expansion |
| 8.Value of Muni | Member info updates | 1 | 16 | 16 | 16 | Alachua, Bartow, Chattahoochee, Clewiston, FPUA, GCS, Havana, Jacksonville Beach, KUA, Lake Worth Beach, Mount Dora, New Smyrna Beach, Newberry, Ocala, Wauchula, Williston |
| | Presentations | 0 | 11 | 10 | 10 | Bartow, Chattahoochee, FPUA, KUA, LWB 2X , Leesburg, New Smyrna Beach, Newberry |

| Goal | Status | Actual | YTD Actual | YTD Target | FY'21 Target | Comment |
|--------------------------|--|--------|------------|------------|--------------|---|
| 9.Load Management | Dev. opportunities for 5 MW | 5-10 | 5-10 | 5 | 5 | Phase I survey discussions completed with feedback from all 13 cities. Potential for in excess of 5 MW uncovered. |
| 10.Financing | 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 |
| 11.Transmission | Neg. service upgrade for LWB & Homestead | | | | | LWB engineer work ongoing, Homestead development in progress |
| 12.People | 360 training for Leadership & mgmt. | 0 | 11 | 11 | 11 | All 11 directors/managers completed |
| | Mgmt. outreach to diverse prof. groups | 0 | 3 | 3 | 3 | Jacob - AABE membership
Linda – NABA and AABE membership;
NSBE outreach for job openings |
| | Individual development plans | 0 | 50 | 50 | 50 | Completed by March 31 – following up on plans |
| | FMPA Fleet Team Sharing – Days | 7 | 138 | 100 | 100 | FMPA 4 days to Stock Island and 3 days to TCEC. |

**AGENDA ITEM 6 – INFORMATION
ITEMS**

a. Federal Legislative Update

**Policy Makers Liaisons Committee Meeting
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FMPA Policy Makers Liaisons Committee

Board Meeting / October 2021

Washington Update

Michael Nolan / MJN Consulting LLC

(Written October 12, events subject to change)

- October is a busy month on Capitol Hill—the Democrats have an ambitious agenda—but most of the big issues will slide into November, if not December.
- There are six top priorities for Democrats this fall: the CR; raising the debt limit; the bipartisan infrastructure bill; the infrastructure reconciliation package; NDAA; and voting rights legislation. We care about the two infrastructure pieces.
- Recent fixes to the CR and debt limit are only temporary—Congress will have to deal with them again in December.
- The House deadline for passing the bipartisan infrastructure bill is end of this month—but it’s tied to a final deal on the reconciliation package, which seems unlikely at this point. This is a two-track process that will undoubtedly slip into November.
- First, the bipartisan bill: in August the Senate passed a major infrastructure package, 69-30, meaning 19 Republicans voted for it. This was/is a big deal on Capitol Hill.
- The \$1 trillion package is called “hard” infrastructure—bridges, roads, and tunnels, as well as water, rural broadband, EV technology, electric grid improvements and cybersecurity—all issues that both sides agreed on. There are also several environmental provisions included, but not directly related to climate change or a clean energy standard.
- APPA and the rest of the electric utility industry largely support the bill.
- The House was supposed to pass this bill in September—but Speaker Pelosi directly tied it to the reconciliation package, which was and is still being negotiated. The battle between House moderates and progressives is in full view: moderates say pass the bill now, progressive say pass it only with the reconciliation package.
- Budget reconciliation cannot be filibustered in the Senate and only requires 51 votes, not 60; this means the Democrats can pass their massive \$3.5 trillion human infrastructure without the minority. This is how Democrats passed the COVID legislation in the spring, and how Republicans approved their tax legislation in 2019.
- The reconciliation bill is full of traditional Democratic social priorities, including families and child care, tuition-free community college, jobs, health care, including expansion of

ACA and Medicare programs, and much more. This will be the largest government spending package in decades.

- The bill will also include a CLIMATE CHANGE title and will focus on a new federal clean energy standard for the electricity sector, which is being led by House Democrats on the Energy Committee, and Sen. Tina Smith (D-MN). Senate reconciliation rules probably wouldn't allow a strict CES so this new program is being called the Clean Electricity Performance Program, which will offer billions of dollars in federal grants to the entire electric utility industry to make transformational changes to how power is generated and delivered in this country, with the goal being the industry makes major carbon emissions reductions over the next several years.
- These grants can be used for development of new clean energy resources, customer assistance, and worker retention programs, as long as a utility increases its clean energy portfolio by 4% per year, over the prior year, for a period of 8 years. If not, penalties may be assessed.
- The legislation contains other climate provisions, including clean energy, manufacturing, and transportation tax incentives, new polluter fees on methane and carbon imports, climate smart agriculture, forest management, consumer rebates for home electrification, weatherization, and millions for electrification of federal fleet and buildings.
- All of this is in flux: the House legislation is largely done, but the Senate continues to negotiate on several issues, including the CEPP.

**AGENDA ITEM 6 – INFORMATION
ITEMS**

**b. Energy Price Increases and Impacts on
Electricity Costs**

**Policy Makers Liaisons Committee Meeting
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6b – Energy Price Increases and Impacts on Electricity Costs

Policy Makers Liaisons Committee
October 20, 2021

Energy Price Increases Impacting Electricity Costs

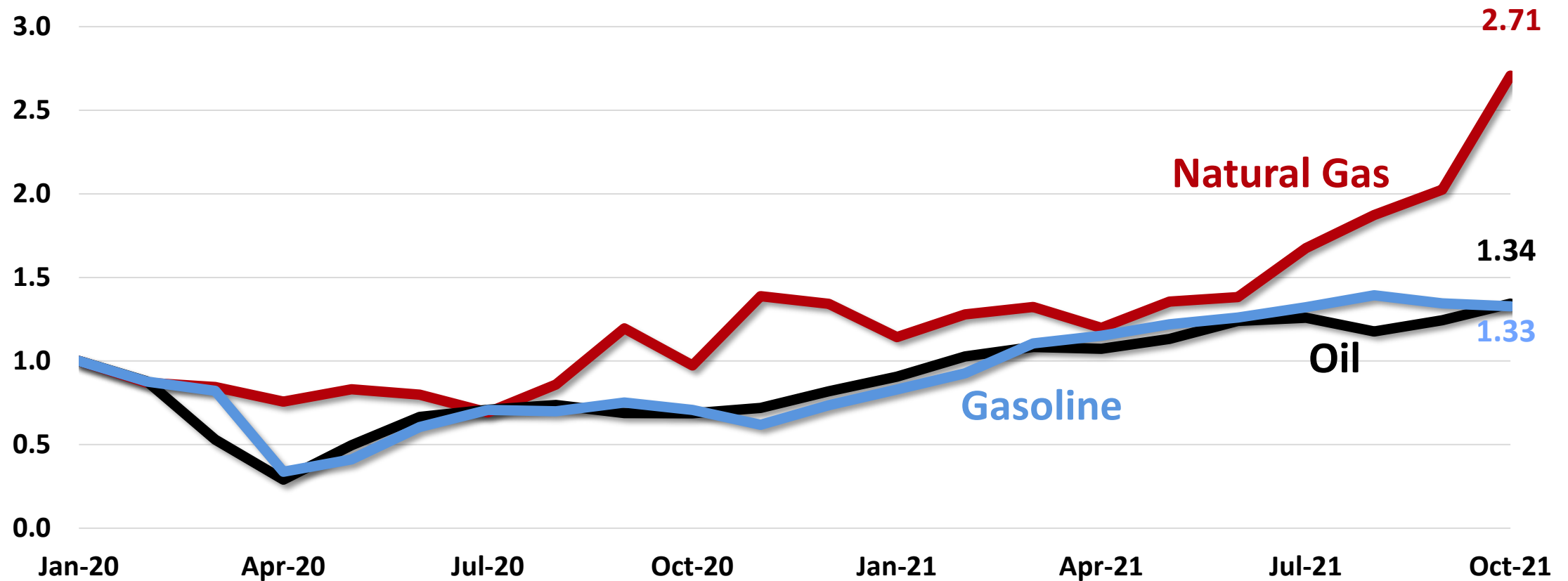
Families Seeing Energy Price Increases of 20%-40% YOY

- U.S. natural gas, oil and gasoline prices up significantly year over year (YOY)
- Significant cost increases to U.S. families as winter heating season approaches
 - Gasoline at retail up ~38% YOY, or ~\$80 per month for average Florida family*
 - U.S. natural gas commodity price up 178% YOY
 - Natural gas-fueled electricity up ~\$25/MWh YOY, or \$20 per month for Florida families
- Energy costs hit everyone, especially low and fixed-income families in Florida
- U.S. oil and gas production not keeping up with U.S. demand
- Electric utilities at PSC to raise fuel-cost recovery rates in October/November
- FMPPA working to partially mitigate increases, but magnitude difficult to overcome

Key Energy Commodities All Up 33%-170% in Two Years

Natural Gas Prices Increasing Faster than Gasoline and Oil

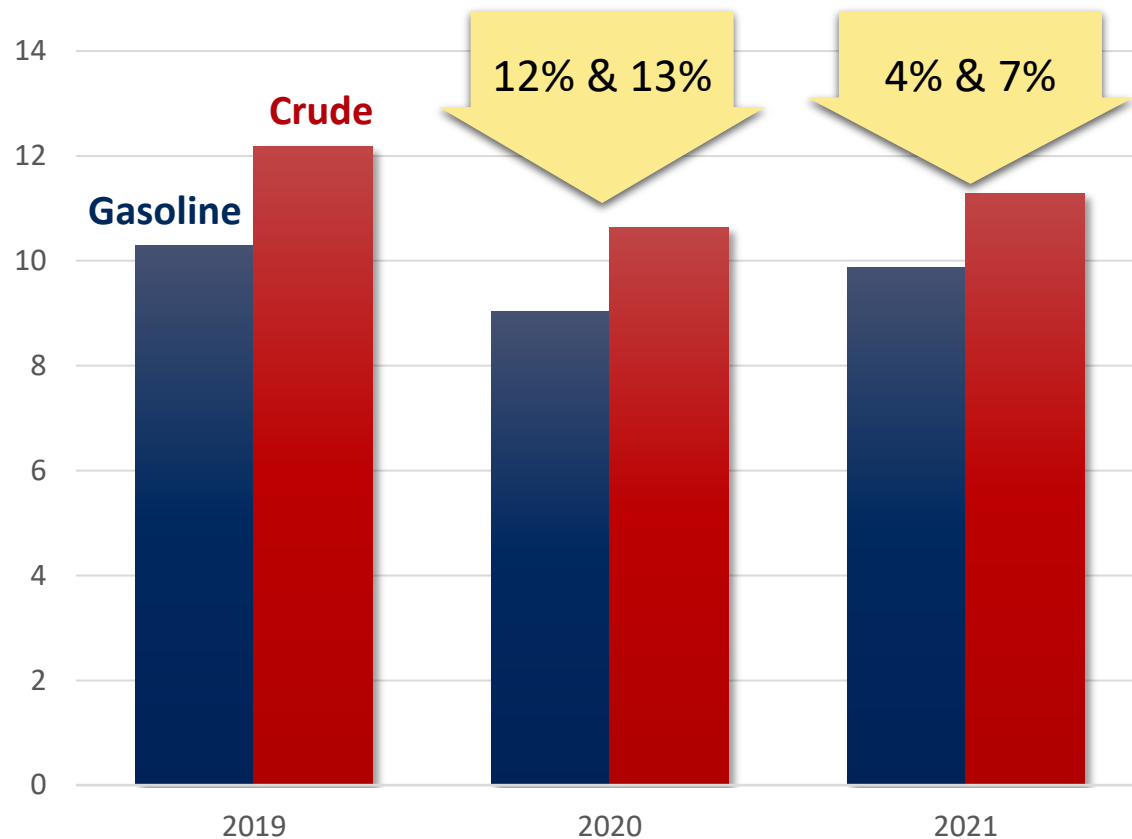
Recent Increases in Key Commodity Prices (Indexed to January 1, 2020)



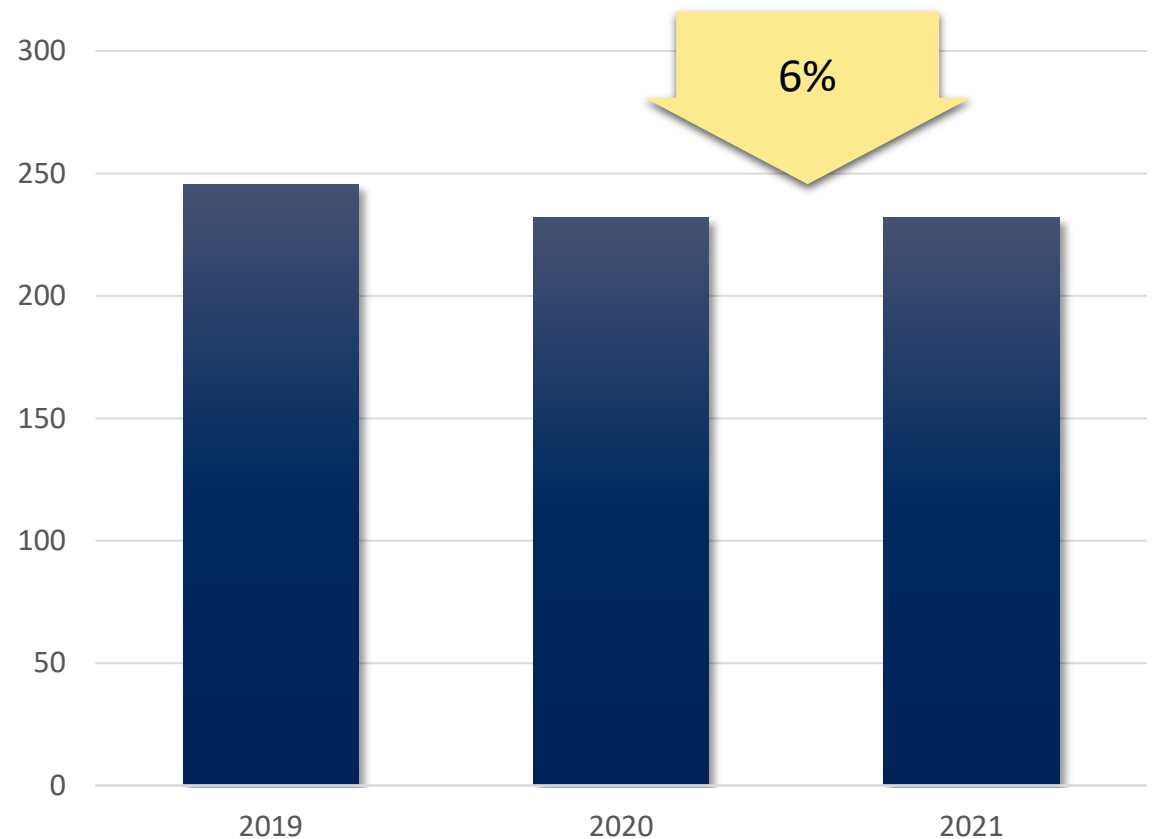
Summer U.S. Gasoline and Crude Production Declined

Production Below Recent Highs, Despite Market Price Increases

US Oil and Gasoline (Million Barrels per day)



World Natural Gas Production (bcf per day)

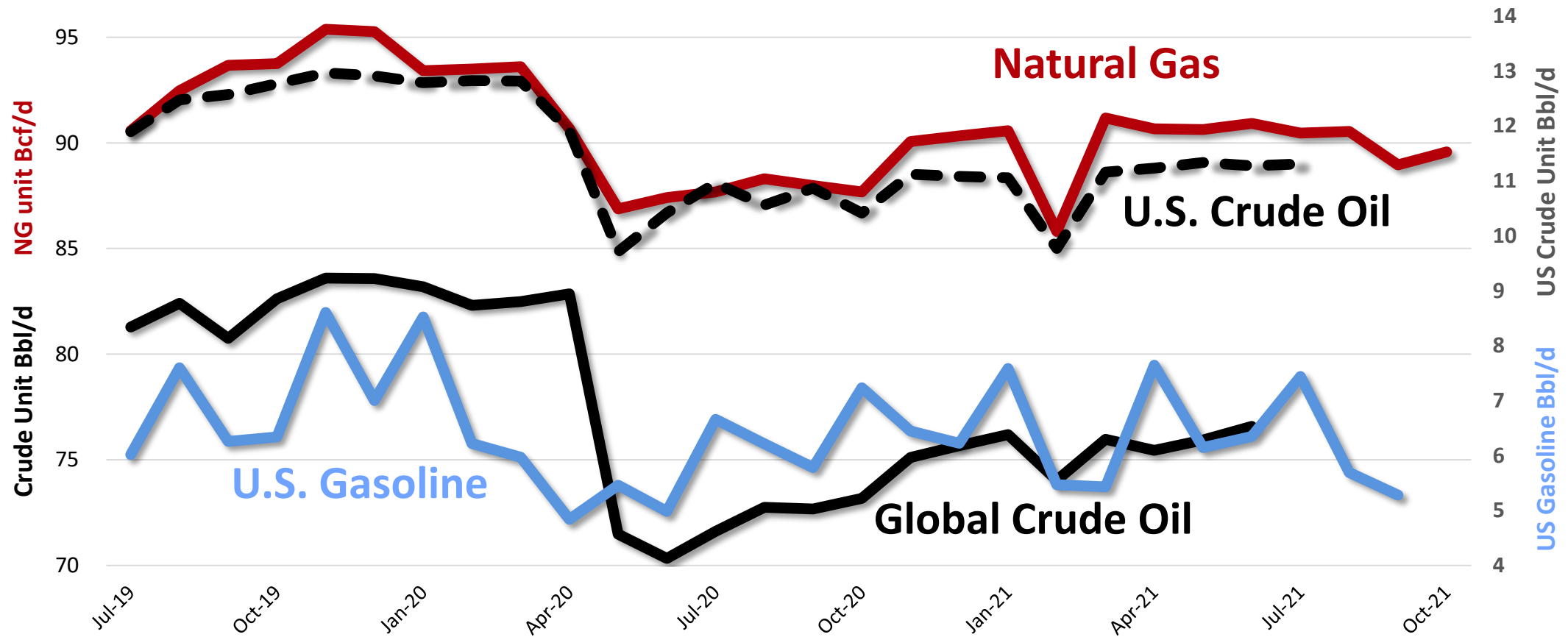


SOURCE: EIA Short-Term Energy Outlook, September 2021

SOURCE: EIA Petroleum Production, September 2021

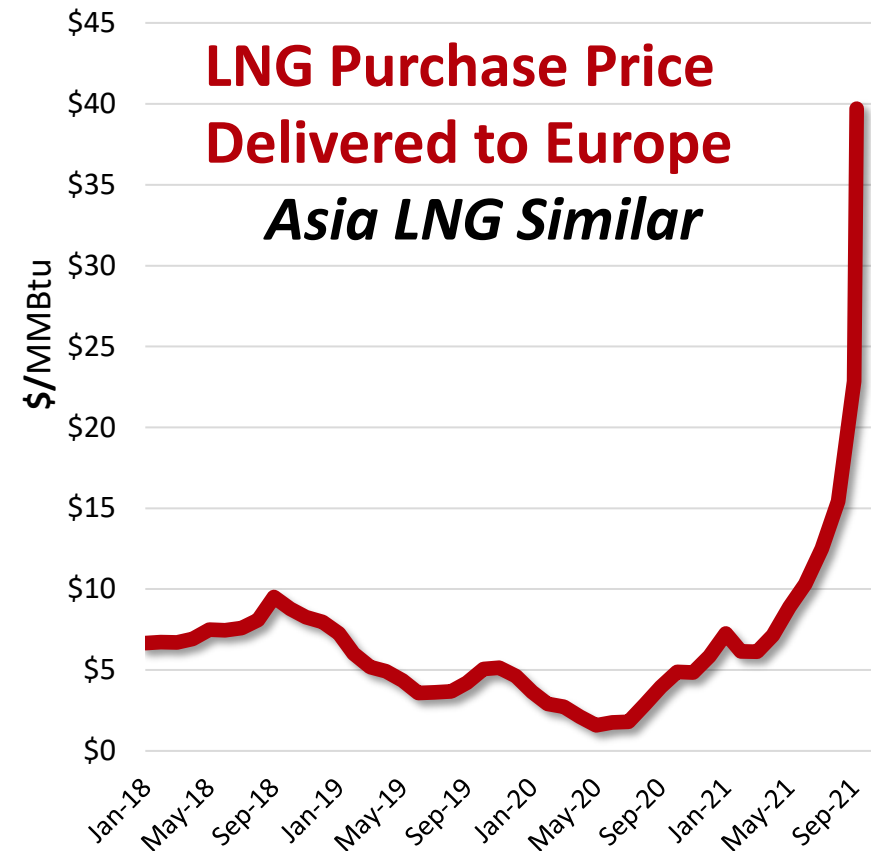
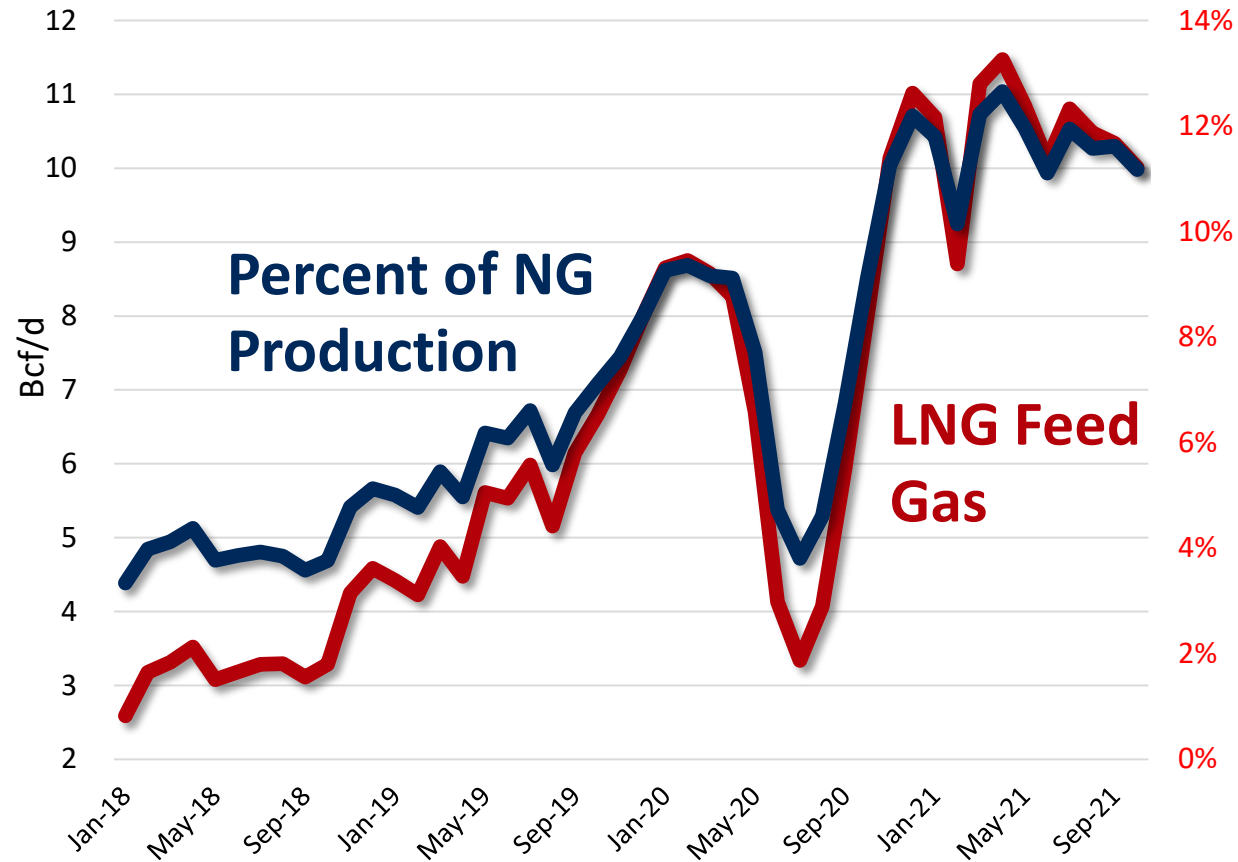
Fuel Production Remains Flat Post Pandemic

Lack of New Supply and Infrastructure Driver of Price Increases



Significant Increase in Global LNG Demand – China, EU

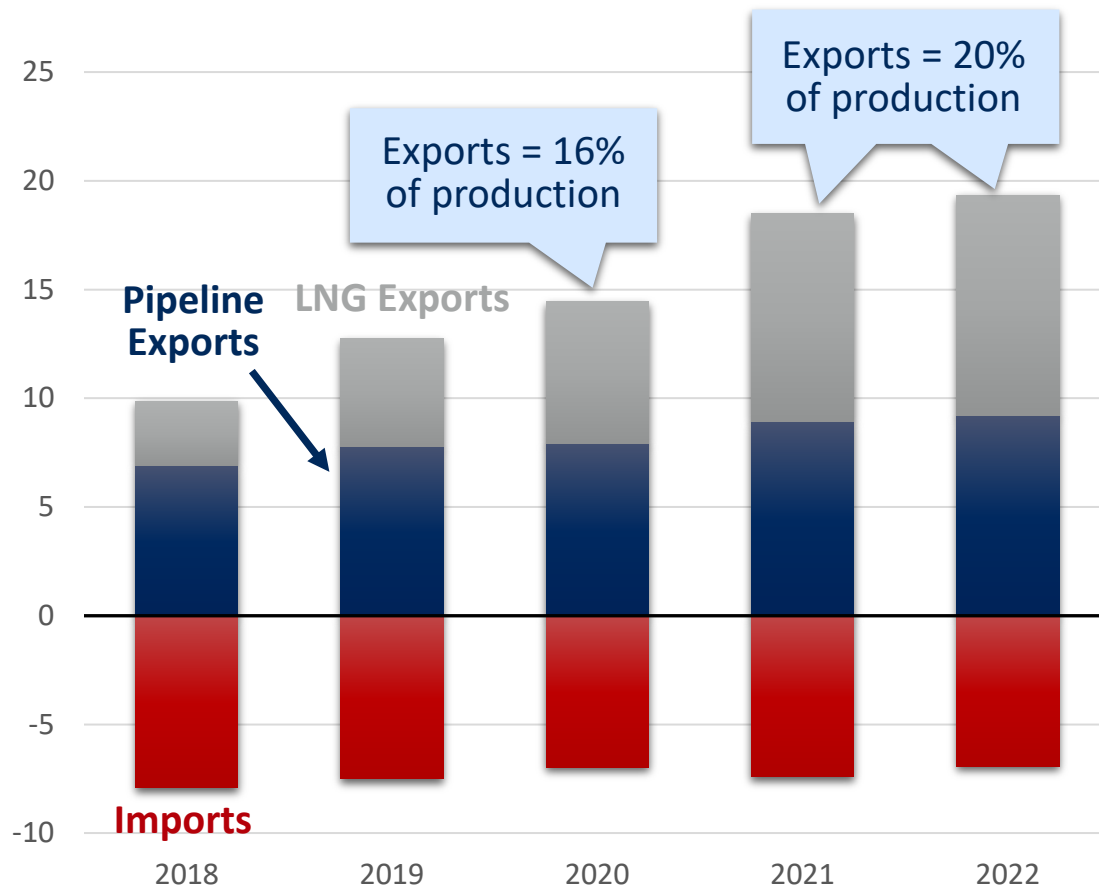
Demand Driving Global Prices for LNG 600% Above U.S. Market



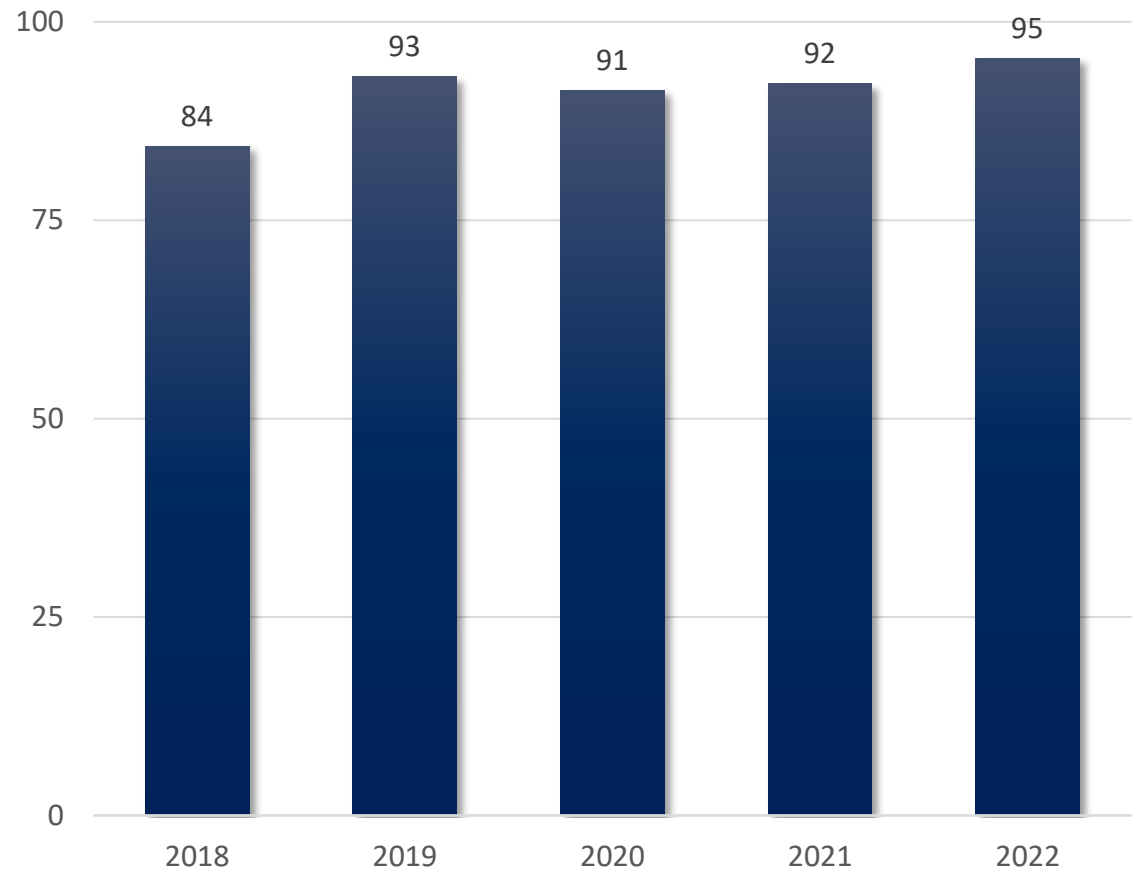
U.S. Natural Gas Exports to Grow to 20% of U.S. Supply

Total U.S. Natural Gas Supply Expected to Remain Flat

US Natural Gas Input/Export (bcf/day)



US Natural Gas Production (bcf/day)



Energy Price Increase ~\$1,200/Year for Florida Families

Gasoline Price Increases Larger than Electric

- Gasoline at retail up ~38% YOY, or ~\$80/month for average Florida family
- Natural gas prices up \$3.50/MMBtu, impacting 75% of Florida's energy mix
- ~\$25/MWh higher fuel cost for natural gas
- Overall, ~2 cents/kWh higher fuel cost to be passed through to customers
- Could mean ~\$20/month impact or more for typical Florida family
- U.S. home-heating prices set to increase by 50%-100% this winter
- Challenging time for fixed- and low-income families

FMPA Has Reduced Controllable Power Cost Charges

Efforts in Fiscal 2021 Saved \$30.8M Annually, or ~\$5 per MWh

| Major Cost-Saving Efforts in Fiscal 2021 | Savings |
|---|----------------|
| Margin from off-system capacity and energy sales | \$12.8 million |
| Pre-paid natural gas and physical hedges | \$6.0 million |
| Debt financing for capital expenditures | \$4.0 million |
| Continued above average availability of combined cycles | \$8.0 million |

FMPA Continuing Efforts to Offset Higher Fuel Costs

Additional Initiatives in Fiscal 2022 to Reduce Power Costs

Fuel Switching

Operate Stanton Units 1 & 2 more in the short term as coal power costs less than gas

Rate Adjustment

Stopped funding rate protection account until gas prices abate, saving ~\$12M in FY22

Pre-Paid Gas

Pursue pre-paid natural gas contracts, saving \$1.3M per year as of spring/summer 2022

**AGENDA ITEM 6 – INFORMATION
ITEMS**

c. Draft Management Goals for FY 2022

**Policy Makers Liaisons Committee Meeting
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6c – Draft Management Goals for FY 2022

Policy Makers Liaisons Committee

October 20, 2021

MANAGEMENT GOALS FY 2022 – DRAFT

- 1. Safety

- Lost-time Accidents 0
- OSHA Recordables 0

- 2. Compliance

- Environmental 0
- Financial 0
- Regulatory 0

- 3. Low Cost (\$/MWh)

| | <u>2022 Budget</u> | <u>Current Estimate</u> |
|------------------|--------------------|-------------------------|
| • Under \$70/MWh | \$73.07 | \$84.06 |
| • Fuel | \$22.66 | \$34.41 |
| • Non-Fuel | \$50.40 | \$49.65 |

- 4. ARP Capacity Replacement Plan

- Finalize Plan to Meet Capacity Shortages Thru 2027 and Execute

MANAGEMENT GOALS FY 2022 – DRAFT

- 5. Cybersecurity
 - Breaches 0
 - Phishing Tests 3% or <

- 6. Reliability
 - Combined Cycle EAF 90%
 - Stock Island Black Start & Transmission Backup 100%

- 7. SAIDI Reduction
 - Assist Member SAIDI Reduction Projects 10

- 8. Member Services
 - Leadership Member Visits 75
 - Projects Managed for Members 24

MANAGEMENT GOALS FY 2022 – DRAFT

- 9. Value of Municipal
 - Presentations, Social Media 10
- 10. Financing
 - Prepaid Gas – 15,000 therms/day new agreements w/ \$0.25/mmbtu savings
 - Refinance Stanton II If NPV Savings of 5%
- 11. Phase III Solar
 - Identify Size, Participants and Projects to Meet Needs
- 12. People
 - Provide 2 personal development opportunities for all staff
 - Leadership Training for 8 Supervisors and Potential Leaders

AGENDA ITEM 7 – MEMBER COMMENTS

**Policy Makers Liaisons Committee Meeting
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AGENDA ITEM 8 – ANNOUNCEMENTS

- a. Next Meeting: Wednesday, January 19, 2022
at FMPA, 8553 Commodity Circle, Orlando,
FL**

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AGENDA ITEM 9 – ADJOURN

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