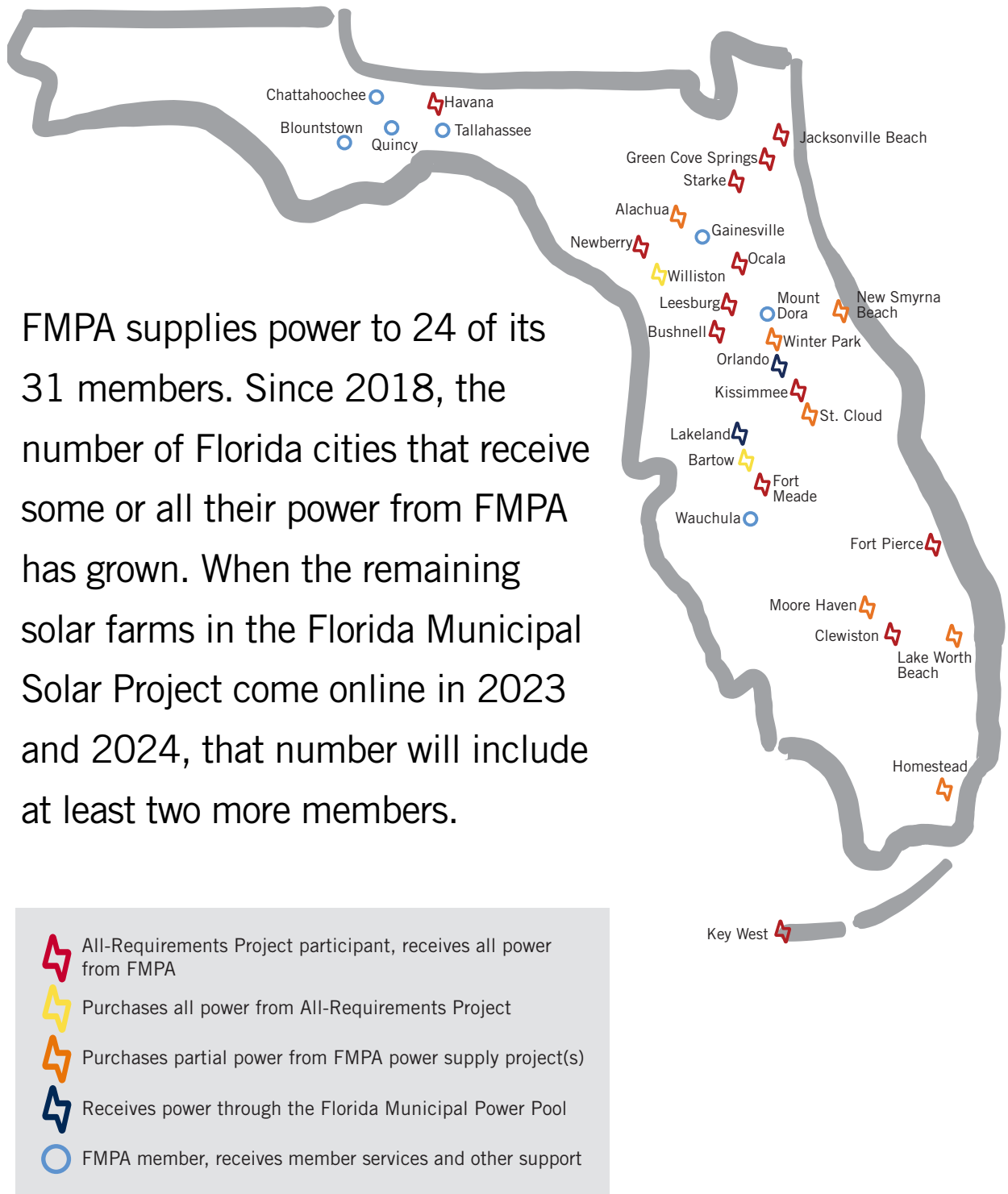




PROGRESS for a Better Life

2021 Annual Report

FMPA's Members Serve 2.6 Million Floridians



We understand electricity is important to the quality of life for people.

For some, it's the cost of power that impacts their disposable income. For others, it's the reliability of power that impacts their everyday life. Maybe it's their increasing desire for clean energy. It's all important.

That's why we are focused on our mission to provide low-cost, reliable and clean energy. When we execute on these priorities – like we did this year – we make life better for millions of Floridians.

See the progress we made in 2021 to help people in the communities we serve have a better life.

Report from Management

“Are you sure you’ll eat all of that?” said Ray Payano to his daughter. “Yes!” without hesitation she enthusiastically replied.

Ray: “That’s what I get for letting her pick a self-serve shop selling frozen yogurt by the ounce.”

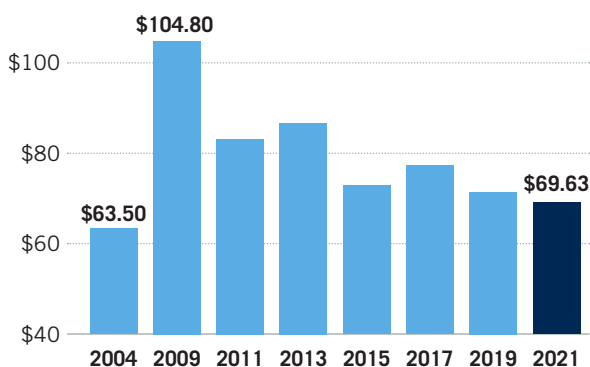
Daddy-daughter dates are a priority for Ray, an electric customer of the City of Homestead, Florida. “None of the dates are extravagant,” said Ray. “We have three kids, so we’re on a budget. It’s the memories that matter. The simple moments that add up to the kind of life we want to create for our family.”

It’s for people like the Payanos that FMPA works every day to provide low-cost, reliable and clean power. Many people don’t know that FMPA exists, but we are working behind the scenes to provide an essential service – electricity – that helps support the quality of life for Ray’s family and millions of other Floridians.

Low Power Costs for Florida’s Municipals

Our top priority to support our members and their customers is providing low-cost power. We are pleased to report that the average wholesale power cost for our All-Requirements Project has decreased 34% since 2009 and today is almost the same price it was back in 2004. Not much today costs what it did 17 years ago.

All-Requirements Project Average Costs



At \$69.63 per megawatt hour, this is the second consecutive year our average cost was below \$70. This is an accomplishment, considering natural gas prices rose in fiscal 2021 above what we had budgeted. In September 2021, our gas cost was 56% above budget.

To lower costs where we could and keep wholesale prices down, we sold excess generating capacity, executed prepaid contracts for natural gas, refinanced debt and focused on keeping our most efficient generating units operating. These efforts saved nearly \$31 million in fiscal 2021, or approximately \$5 per megawatt hour.

FMPA’s low power costs are helping Florida’s municipal utilities be competitive. In 2020 and 2021, the weighted average electric bills for residential customers of municipal utilities was about the same as that of investor-owned utilities. We expect municipals to be even more competitive in 2022.

Reliable Generation Reduces Costs

Having reliable electricity is essential, just like having affordable power. Customers expect the lights to turn on when they flip the switch. They want their house to be cool when it’s hot outside, and they need electricity to power essentials of their everyday life.

Fiscal 2021 was another great year for FMPA’s reliability. Our three baseload generating units had a combined equivalent availability factor of 93%, which is better than the industry average of 85%. This is no accident. Our units have operated better than industry average for the past 10 years.



Ray Payano enjoys time with his daughter outside a local frozen yogurt shop in Homestead. When FMPA and its members work together, we can provide an essential utility service with peace of mind that enables customers to focus on enjoying life and moments like this.

What does this mean for our members? Keeping our low-cost units operating reliably saved \$8 million, compared to higher-cost generation alternatives.

Cane Island Unit 3, one of our natural gas generating units, completed a record operating run of 234 continuous days. That's 24 hours a day, seven days a week for nearly eight months. This record-breaking run was a team effort between FMPA and the Kissimmee Utility Authority, which operates and maintains the power generators at Cane Island Power Park.

Cost Savings Help Enhance Reliability

FMPA members have an opportunity to use some of the savings from the Agency's low-cost power to re-invest in their distribution system. Enhancing system reliability has been a focus area for FMPA during the past several years as we have expanded our value-added services to members.

FMPA has a goal to help its members reduce their average outage duration to 60 minutes per year. For this effort, we added subject-matter experts to our team and developed an array of contract services to support reliability best practices.

During fiscal 2021, we assisted members with system coordination studies. We supported deployments of automatic circuit reclosers. We managed substation

improvements. We developed or updated system maps for cities and enhanced outage data collection. And we expanded member participation in our Distribution Reliability Measurement Program.

We are focused on doing even more in the coming years to help our members enhance the reliability of their electric systems.

Low Emissions and Getting Cleaner

Many retail customers today want clean energy, as long as electricity stays affordable and reliable.

FMPA has reduced its carbon dioxide emission rate by 35% from 2005 levels. This rapid decrease is a result of shifting from oil and coal to more natural gas-fueled generation. Looking ahead, we are aiming to reduce our CO₂ emissions by 50% from 2005 levels by 2027.

To reach that goal, we are working with Orlando Utilities Commission (OUC) to retire the Stanton Energy Center coal units or convert them to a cleaner fuel source. OUC is the primary owner and operator.

OUC announced in October 2021 that it will retire Stanton Unit 1 early and retrofit Unit 2 to natural gas. This decision will help us meet our emission-reduction goal and is expected to save FMPA project participants \$8 million to \$17 million per year.



Jacob Williams and Barbara Quiñones

The City of Homestead purchases wholesale power from FMPA. With low power costs, customers like Ray Payano have affordable electric bills and more disposable income to spend on the pleasures of life.

We also are considering adding more solar through a third phase of FMPA's Florida Municipal Solar Project. Utility-scale solar projects, which typically produce hundreds of megawatts utilizing hundreds-of-thousands of solar panels, are the least expensive way to add significant solar.

FMPA's solar project has been operational since June 2020, with two solar sites providing clean, zero-emission energy to six Florida cities. Three more solar sites that are part of Phases I and II are scheduled to come online by mid-2024, providing solar energy to 12 Florida cities. Phase III is estimated to be in the 2025-2026 time frame and would reduce emissions further.

Progress for a Better Life

With a family of five, Ray Payano watches his monthly budget closely.

"I appreciate the free energy audit from my local utility," he said. "They showed me ways to save energy, and I signed up for the insulation rebate program. I tracked my energy use, and my bill is lower. I can put those savings toward date nights," Ray said with a smile.

In Florida, where electricity use is higher than the national average because of our climate, the reality is

that for one in three Floridians, 10% of their disposable income goes to the electric bill. It is a significant monthly expense for the average person.

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

Nothing will distract us from our pursuit of contributing to a better quality of life for the millions of Floridians that FMPA and its members serve.

Barbara Quiñones

Barbara Quiñones
Chairman, Board of Directors

Jacob A. Williams

Jacob A. Williams
General Manager and CEO

Financial Highlights

Providing low-cost power is FMPA's top priority. In fiscal 2021, we focused on reducing costs to keep wholesale rates low. Our efforts saved members nearly \$31 million, or \$5 per megawatt hour.



All-Requirements Rates
Down 34% Since 2009

\$69.63



High Generation
Availability Saved

\$8M



Prepaid Natural Gas
Saved Members

\$3M



Excess Capacity Sales
Reduced Rates

**\$2^{per}
MWh**



Debt Refinancing for
Capital Needs Saved

\$4M



Higher Stanton Unit 1
Output Reduced MWh Costs

-52%

FMPA POWER SUPPLY PROJECT COSTS

	FISCAL 2020	FISCAL 2021	CHANGE
All-Requirements Project	\$66.83	\$69.63	4.2%
St. Lucie Project	\$72.54	\$68.21	-6.0%
Stanton Project	\$97.17	\$47.13	-51.5%
Tri-City Project	\$80.62	\$51.88	-35.6%
Stanton II Project	\$83.38	\$76.78	-7.9%

Our Progress

The need for affordable and reliable power is the cornerstone of FMPA's mission. It's why we are so passionate about what we do. These are some of our achievements in fiscal 2021 to create a better quality of life for the communities we serve.

Restructured ARP Debt

\$4 MILLION
in savings

We restructured debt for the All-Requirements Project, generating \$40 million for capital needs and replacing \$100 million in lines of credit for more flexible terms and conditions.

Sold Excess Capacity



FMPA began selling power to Williston for the first time, and the capacity being sold to Bartow increased to a full-requirements sale. Additional power sales began in 2022 and will help reduce power costs further.

Secured Low-Cost Fuel



FMPA secured nearly a quarter of its natural gas needs at prices below market in fiscal 2021. This included prepaid contracts with suppliers that saved approximately \$3 million in 2021 and more than \$6 million over the past three years.

First Year of Solar Operations



The first two solar sites in the Florida Municipal Solar Project had a successful initial year of operations. Since coming online in June 2020, the Harmony and Taylor Creek solar sites have generated nearly 600,000 megawatt-hours of zero-emission energy.



Ray Payano grew up in the Dominican Republic with little electricity, so he appreciates reliable power. He now lives in Homestead and credits his local utility for keeping the lights on and providing affordable power.

Cane Island 4 Achieved Milestone



Cane Island Unit 4 celebrated its 10-year anniversary of commercial operation on July 12. Since beginning operations in 2011, the unit has generated more than 18 million megawatt-hours and been available to operate 89% of the time.

Provided Reliable Back-up Power



We operated the power generators at the Stock Island Generating Facility more than 24 times over the past two years to provide reliable, back-up power for customers in Key West and the Lower Florida Keys. The units performed as expected each time.

Enhanced Member Services



The number of member projects we reported being involved with more than doubled from over 70 in fiscal 2020 to 170 in 2021. This includes services to enhance reliability, review rates, support financial audits, enhance customer communications and more.

Supported Distribution Reliability



FMPA supported two Florida cities with the installation of automated circuit reclosers on power lines to reduce power outages. The devices detect faults and can resolve most issues without the need to dispatch lineworkers. Five cities over the past two years have partnered with FMPA on similar efforts.

Board of Directors and Executive Committee

As of September 30, 2021



Barbara Quiñones
Board Chair
Homestead



Howard McKinnon
EC Chair
Havana



Lynne Tejeda
Board and EC Vice Chair
Key West



Allen Putnam
Board Treasurer
Jacksonville Beach



Larry Mattern
Board Secretary
Kissimmee



Rodolfo Valladares
Alachua



Bradley Hiers
Bartow



Jody Young
Bushnell



Steve Macholz
Bushnell



Robert Presnell
Chattahoochee



Lynne Mila
Clewiston



David Lord
Fort Meade



John Tompeck
Fort Pierce



Paul Jakubczak
Fort Pierce



Tom Brown
Gainesville



Robert C. Page
Green Cove Springs



Ed Liberty
Lake Worth Beach



Michael Beckham
Lakeland



Brad Chase
Leesburg



Steve Langley
Mount Dora



Joe Bunch
New Smyrna Beach



Mike New
Newberry



Randy Hahn
Ocala



Bill Kauffman
Ocala



Claston Sunanon
Orlando



Scott Anaheim
Starke



Tony Guillen
Tallahassee



James Braddock
Wauchula



Dan D'Alessandro
Winter Park

Members Not Pictured

Blountstown
Moore Haven
Quincy
Williston

FMPA Leadership

Jacob A. Williams
General Manager and CEO

Jody L. Finklea
General Counsel and CLO

Ken Rutter
Chief Operating Officer

Linda S. Howard
Chief Financial Officer

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

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

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

General Information

Financial Statements

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

Consultants

Bond Counsel: Nixon Peabody LLP

Disclosure Counsel: Bryant Miller Olive, P.A.

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

Certified Public Accountants: Purvis, Gray and Company

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

Caution Concerning Forward-Looking Statements

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



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