



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

APRIL 21, 2022

**9:15 a.m. [NOTE TIME] (or immediately
following the Board of Directors Meeting)**

Dial-in info: 1-321-299-0575

Conference ID Number: 454 204 850#

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chair

Steve Macholz, Bushnell

Lynne Mila, Clewiston

Jan Bagnall, Fort Meade

Javier Cisneros, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Brad Chase, Leesburg

Mike New, Newberry

Doug Peebles, Ocala

Drew Mullins, Starke

Meeting Location

Florida Municipal Power Agency

8553 Commodity Circle

Orlando, FL 32819

(407) 355-7767



MEMORANDUM

TO: FMPA Executive Committee
FROM: Jacob A. Williams, General Manager and CEO
DATE: April 12, 2022
RE: FMPA Executive Committee Meeting
Thursday, April 21, 2022 at 9:15 a.m. [NOTE TIME]
(or immediately following the Board of Directors meeting)
PLACE: Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819
Fredrick M. Bryant Board Room

DIAL-IN: (321) 299-0575, Meeting Number 454 204 850#

Teams Link: [Click here to join the meeting](#)

(If you have trouble connecting via phone or internet, call 407-355-7767)

Chairman Howard McKinnon, Presiding

AGENDA

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***Item also on the Board of Directors Agenda.**

**** Item(s) Subject to Super Majority Vote**

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

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

**Executive Committee
April 21, 2022**

**AGENDA ITEM 2 – Set Agenda (by
Vote)**

**Executive Committee
April 21, 2022**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
April 21, 2022**

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

**Executive Committee
April 21, 2022**

VERBAL REPORT

AGENDA ITEM 5 – COMMENTS FROM THE CHAIRMAN

**Executive Committee
April 21, 2022**

VERBAL REPORT

**AGENDA ITEM 6 – REPORT FROM
THE GENERAL MANAGER**

**Executive Committee
April 21, 2022**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes –
Meetings Help March 17, 2022 and
ARP Telephonic Rate Workshop
Help March 15, 2022**

**Executive Committee
April 21, 2022**

CLERKS DULY NOTIFIED MARCH 8, 2022
AGENDA PACKAGES POSTED..... MARCH 8, 2022

**MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY MARCH 17, 2022
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819**

**PARTICIPANTS
PRESENT:**

Steve Macholz, Bushnell
Lynne Mila, Clewiston
Javier Cisneros, Fort Pierce
Bob Page, Green Cove Springs (via telephone)
Allen Putnam, Jacksonville Beach (via telephone)
Lynne Tejeda, Key West (via telephone)
Larry Mattern, Kissimmee
Jim Williams, Leesburg (via telephone)
Doug Peebles, Ocala

**OTHERS
PRESENT**

Daniel Retherford, Fort Pierce
Jason Terry, Kissimmee (via telephone)
Kevin Crawford, Kissimmee (via telephone)
Barbara Quiñones, Homestead
Chad Lynch, Ocala

**STAFF
PRESENT**

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and Chief Legal Officer
Ken Rutter, Chief Operating Officer
Chris Gowder, Business Development and System Operations Director
Jason Wolfe, Financial Planning, Rates and Budget Director
Navid Nowakhtar,
LaKenya VanNorman, Regulatory Compliance Specialist
Cairo Vanegas, Manager of Member Services Development
Mike McCleary, Manager of Member Services Development
Carter Manucy, IT/OT & Cybersecurity Director
Rich Popp, Treasurer and Risk Director
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Susan Schumann, Public Relations and External Affairs Manager
Ryan Dumas, Senior Public Relations Specialist
Rachel Ilardi, Public Relations Specialist
Angel Dias, IT Support Specialist
Wayne Koback, IT Manager

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

Acting Chair Larry Mattern, Kissimmee, called the FMPA Executive Committee meeting to order at 10:25 a.m., Thursday, March 17, 2022, 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 9 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Javier Cisneros, Fort Pierce, moved approval of the agenda as presented. Doug Peebles, Ocala, seconded the motion. Motion carried 9 – 0.

ITEM 3 – RECOGNITION OF GUESTS

Javier Cisneros, Fort Pierce, introduced Daniel Retherford. Doug Peebles, Ocala, introduced Chad Lynch.

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

No comments.

ITEM 6 – REPORT FROM GENERAL MANAGER

Nothing further to report on.

ITEM 7 – CONSENT AGENDA

Item 7a – Approval of Meeting Minutes – Meeting Held February 17, 2022 and ARP Telephonic Rate Workshop Held February 15, 2022

Item 7b – Approval of the Treasury Reports – As of January 31, 2022

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

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

MOTION: Javier Cisneros, Fort Pierce, moved approval of the Consent Agenda as presented. Steve Macholz, Bushnell, seconded the motion. Motion carried 9 – 0.

ITEM 8 – ACTION ITEMS:

a. Approval of Power Supply and Resource Planning Policy

Larry Mattern, Kissimmee, read from FMPA's Ten-Year Site Plan the following statement:

5.1 ARP Planning Process

FMPA's integrated resource planning (IRP) policy is to assure, on a long-term basis, a low-cost and reliable electricity supply to ARP Participants that reflects the goals and objectives established by the ARP Participants. FMPA's planning process is consistent with Florida Public Service Commission (PSC) statutory and regulatory requirements which do not specifically subject utilities in Florida to integrated resource planning, but when taken together equate to an integrated resource planning requirement. In addition, FMPA's process is considerate of the Public Utility Regulatory Act (PURPA) which requires certain standards of practice to comply with retail rate regulations.

The IRP planning process requires that FMPA and the ARP Executive Committee evaluate alternative resource portfolios and make certain decisions regarding implementing a particular preferred plan. Certain requirements, such as maintaining 15 percent Summer Peak Reserves and 15 percent Winter Peak Reserves on a planned basis, and "best efforts" goals, such as achieving the lowest net present value cost over the next 20 years, and integrating demand-side and renewable resources into the ARP power supply portfolio, have been developed as guidelines to assist FMPA and the Executive Committee in communicating and evaluating the key issues associated with making resource portfolio planning decisions.

Mr. Mattern stated the Executive Committee should follow the ARP Planning Process laid out in the Ten-Year Site Plan for the Power Supply and Resource Planning Policy and take the dollar threshold out of the language and look at Power Supply and Resource Planning through the Strategic Planning process. Discussion ensued.

MOTION: Allen Putnam, Jacksonville Beach, moved approval to amend the proposed Power Supply and Resource Planning Policy, by requiring that an integrated resource plan be considered as a part of each ARP strategic planning session. Lynne Tejada, Key West, seconded the motion. Roll call vote was taken, with all voting in favor of the motion, 9 – 0.

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the remainder of the proposed Power Supply and Resource Planning Policy revisions, as presented. Lynne Tejeda, Key West, seconded the motion. Motion carried 9-0.

ITEM 9 – INFORMATION ITEMS:

a. Cane Island 3 Outage Update

Ken Rutter gave an update on the Cane Island Unit 3 outage.

b. Stock Island Diesel Discharge Update

Ken Rutter gave an update on the Stock Island Diesel Discharge.

c. Stock Island Fuel Inventory Policy

Navid Nowakhtar reviewed the Stock Island Fuel Inventory Policy.

d. ARP Cost Projections for FY 2022

Jason Wolfe reported on the ARP cost projections for FY 2022.

e. Quarterly Compliance Update

LaKenya VanNorman presented the quarterly compliance update at the Board of Directors.

f. Prepaid Gas Update

Rich Popp reported on a prepaid gas deal that starts on October 1, 2022.

ITEM 10 – Member Comments

None

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 11:34 a.m.

Howard McKinnon
Chairman, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS..... MARCH 9, 2022
AGENDA PACKAGES SENT TO MEMBERS MARCH 14, 2022

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, MARCH 15, 2022
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Steve Macholz, Christina Simmons, Bushnell
Javier Cisneros, Craig Crawford, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana *
Lynne Tejeda, Jesse Perloff, Key West
Larry Mattern, Kissimmee
Marie Carter, Leesburg
Marie Brooks, Doug Peebles, Chad Lynch, Ocala

*arrived after roll call.

COMMITTEE MEMBERS ABSENT

Lynne Mila, Clewiston
Jan Bagnall, Fort Meade
Allen Putnam, Jacksonville Beach
Mike New, Newberry
Drew Mullins, Starke

STAFF PRESENT

Jacob Williams, General Manager and CEO (via telephone)
Ken Rutter, COO
Linda S. Howard, CFO
Jason Wolfe, Financial Planning, Rates and Budget Director
Denise Fuentes, Financial Planning, Budget and Financial Analyst II
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board

Item 1 – Call to Order and Roll Call

Lynne Tejeda, Key West, Vice Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:02 p.m. on Tuesday, March 15, 2022, via telephone. A speaker telephone for public attendance and participation was located in the 1st Floor Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Review of December ARP Rate Calculation

Denise Fuentes gave an update on the natural gas markets; provided an overview of the February loads and reviewed the February ARP rate calculation.

Item 3 – Member Comments

None

4. – Adjournment

There being no further business, the meeting was adjourned at 2:09 p.m.

Approved

HM/su

**AGENDA ITEM 7 – CONSENT
AGENDA**

- b. Approval of Treasury Reports as
of February 28, 2022**

**Executive Committee
April 21, 2022**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Gloria Reyes
DATE: April 21, 2022
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of February 28, 2022

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

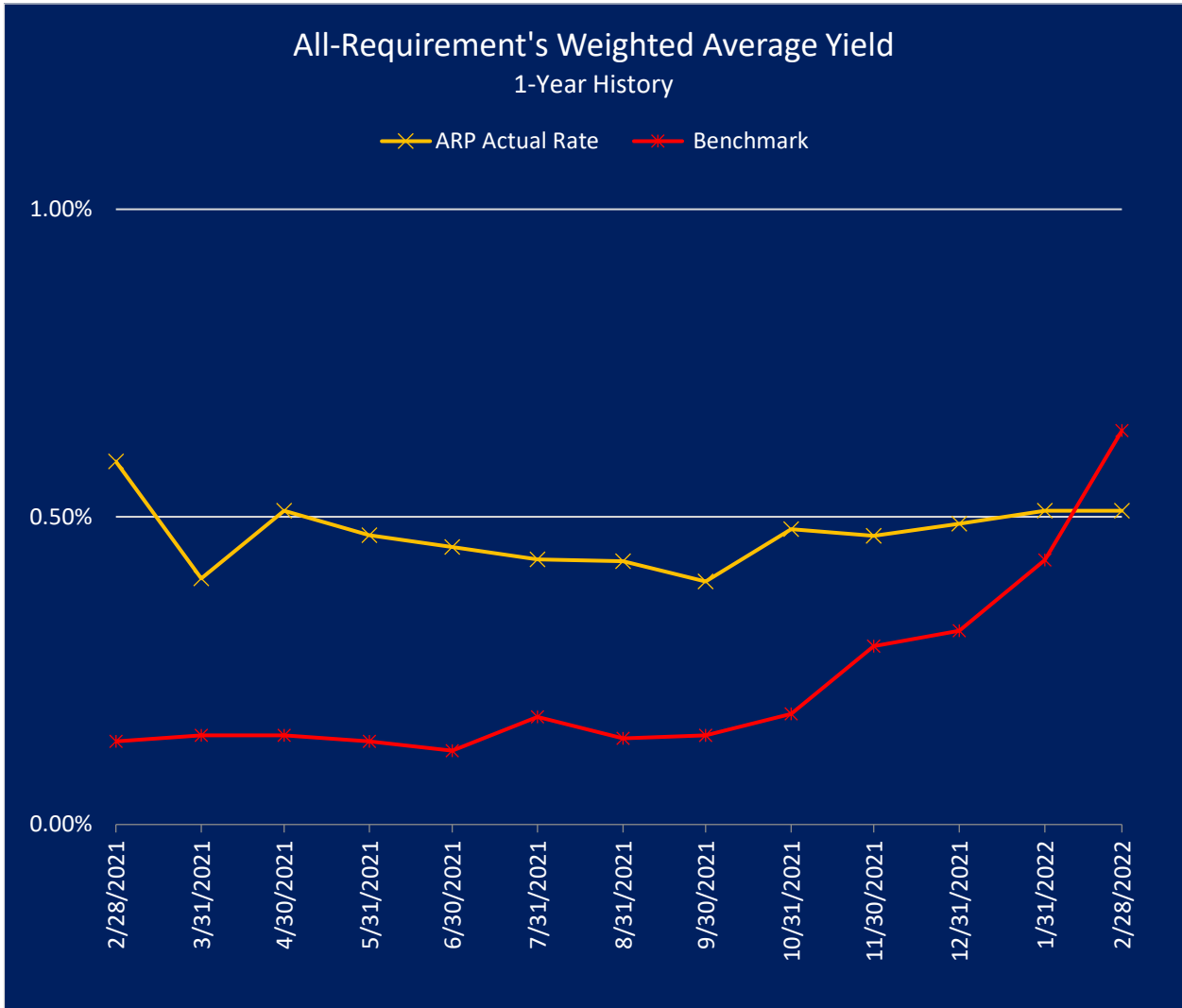
Debt Discussion

The All-Requirements Project has fixed rate debt. The fixed rate percentage of total debt is 100%. The estimated debt interest funding for fiscal year 2022 as of February 28, 2022, is \$35,399,045. The total amount of debt outstanding is \$818,585,000.

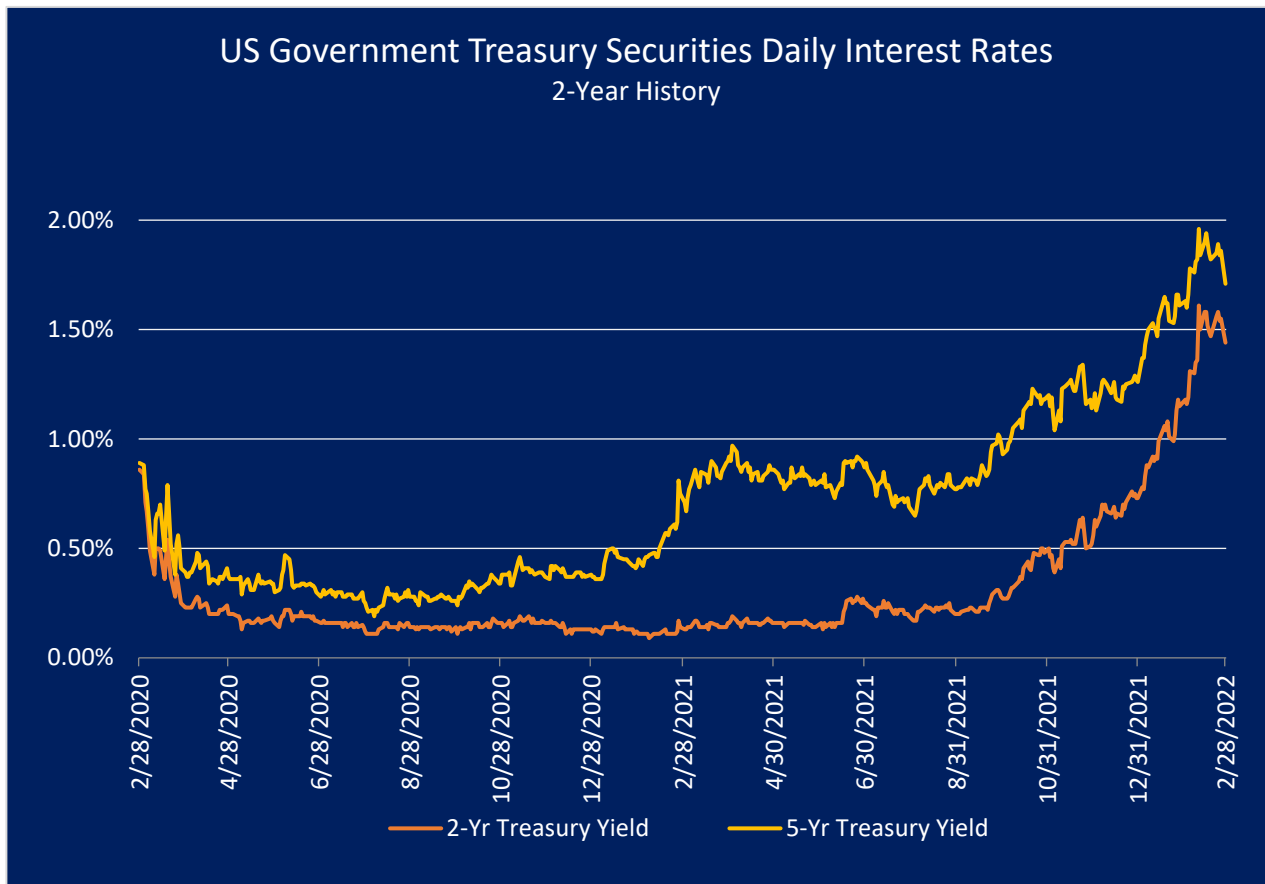
Investment Discussion

The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Certificates of Deposits, Corporate Notes, Commercial Paper, Local Government Investment Pools and Money Market Mutual Funds.

As of February 28, 2022, the All-Requirements Project investment portfolio earned a weighted average yield of 0.51%, reflecting the All-Requirements Project need for liquidity. The benchmarks (SBA’s Florida Prime Fund and the 2-year US Treasury Note) and the Project’s yields are graphed below:



Below is a graph of daily US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of February at 1.44 %. The yellow line is the 5-year Treasury which was 1.71%.



The Investment Report for February is posted in the “Member Portal” section of FMPA’s website.

Recommended Motion

Move for approval of the Treasury Reports for February 28, 2022

**AGENDA ITEM 7 – CONSENT
AGENDA**

- c. Approval of the Preliminary
Agency and All-Requirements
Project Financials as of February
28, 2022**

**Executive Committee
April 21, 2022**



Linda S. Howard, CPA, CFP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: April 12, 2022
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended February 28, 2022

Discussion: The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All- Requirements Project for the period ended February 28, 2022 are posted on the Document Portal section of FMPA’s website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Preliminary Financial reports for the month of February 28, 2022.

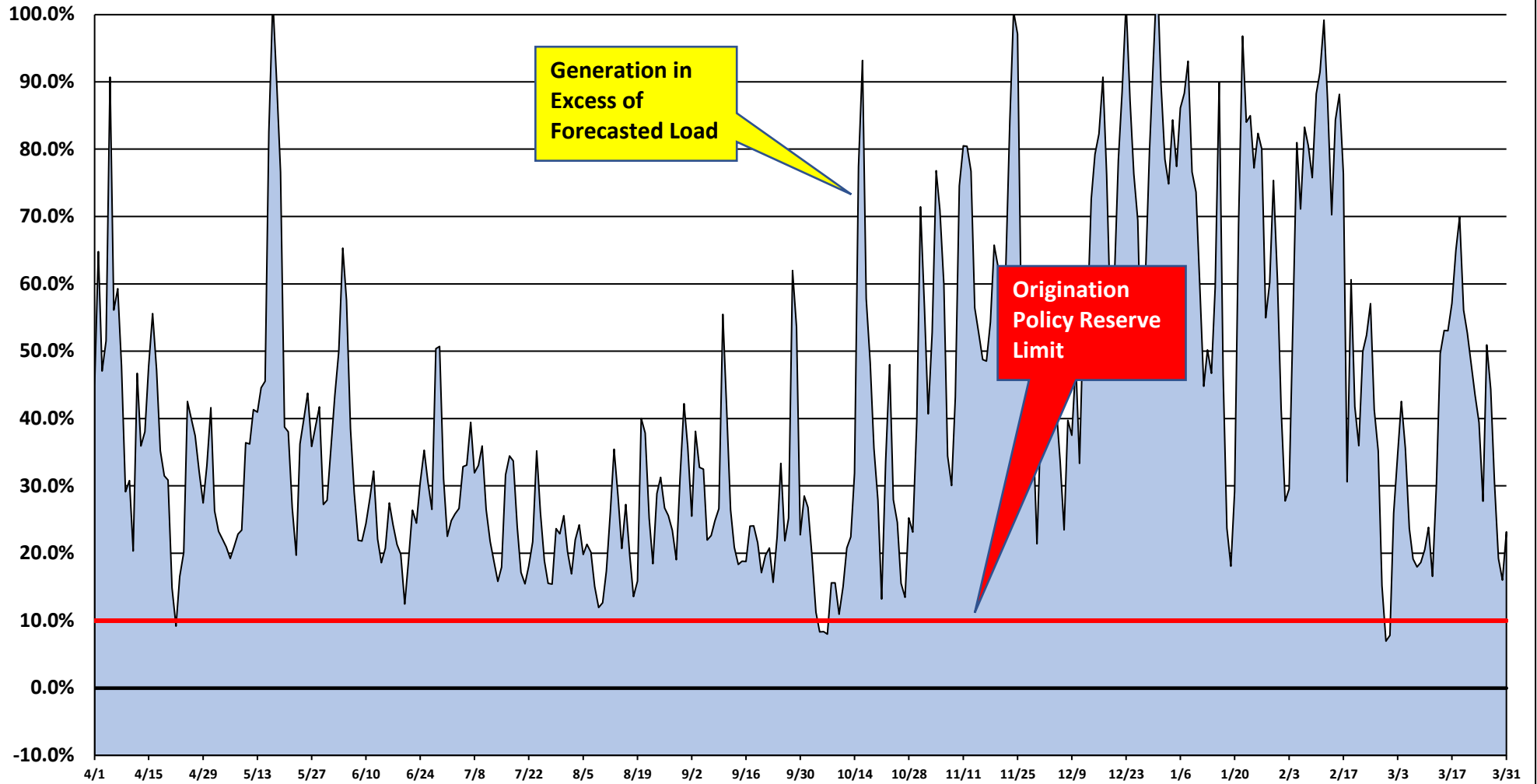
LH/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

- d. ARP 12-month Capacity Reserve
Margin Report**

**Executive Committee
April 21, 2022**

ARP Daily Reserve Margins April 2022 through March 2023



AGENDA ITEM 8 – ACTION ITEMS

- a. Stock Island Fuel Inventory Strategy**

**Executive Committee
April 21, 2022**



8a – Stock Island Fuel Inventory Strategy

Executive Committee

April 21, 2022

Enhance Fuel Availability, While Reducing Environmental Risk

Current Policy Requires 50% Capacity or ~1.9M Gallons Onsite

- Analysis shows FMPA should increase minimum inventory to supply 17-22 days of operations with 2.8M gallons inventory
- Today's 50% storage supports ~12 days of worst-case hurricane recovery operations
- Also targeting overall reduced future environmental risk exposure
 - Retirement of an existing large diesel fuel tank
 - Retirement of barge offloading capability
- Tanks 1, 3, 4, 6 and 7 rated capacity can support this level of inventory while providing required operational flexibility

Proposed Inventory Policy Solves Multiple Constraints

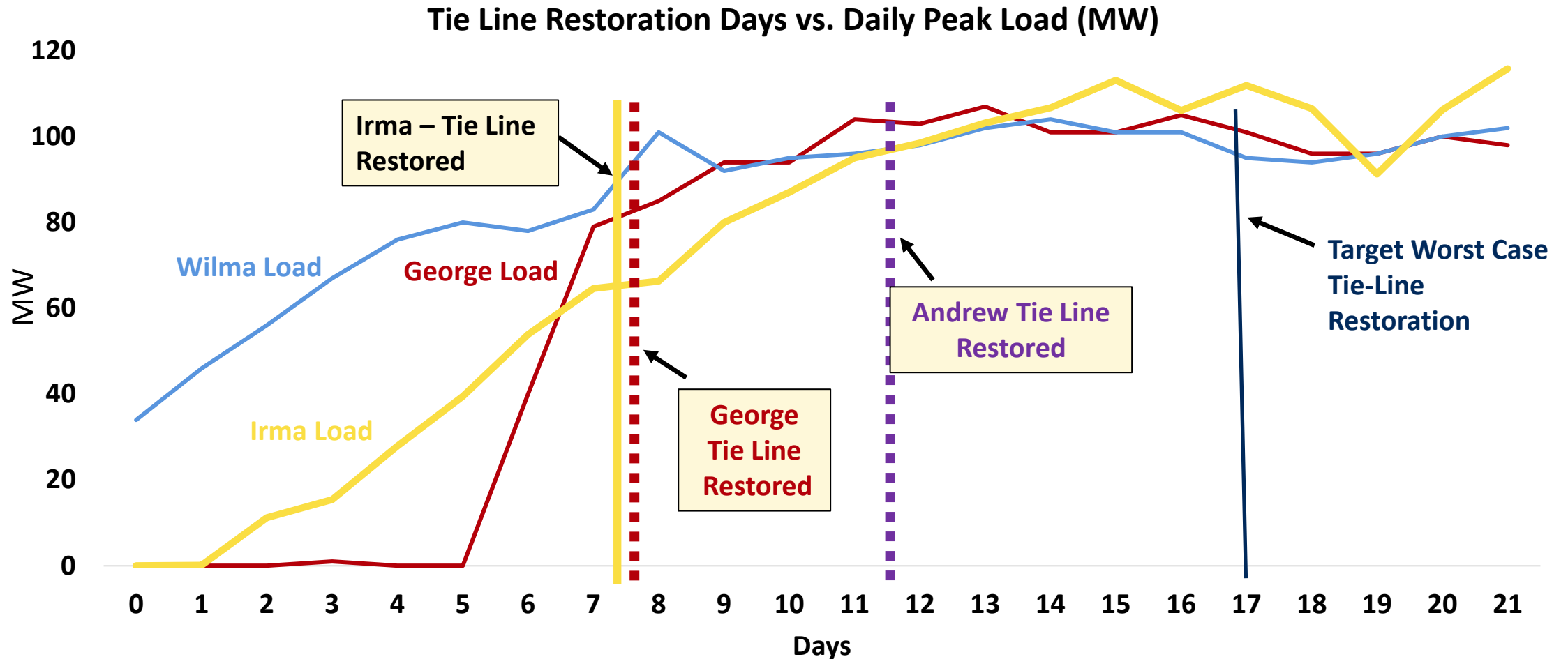
Would Increase Fuel Inventory and Reduce Risks

Overall Fuel Management Objective: **Maximize unit availability, while minimizing environmental risk**

- Multiple risks create constraints on solution
 - Loss of tie-line from hurricane or another incident
 - Loss of bridge fuel transport capabilities from hurricane/bridge event
 - Environmental spill from upland event
 - Environmental spill from barge unloading event
 - Optimize overall value inclusive of fixed and O&M costs

Tie Line Historically Recovers Before Full Load Restored

*Storm Cleanups Vary and Can Delay Load Restoration**

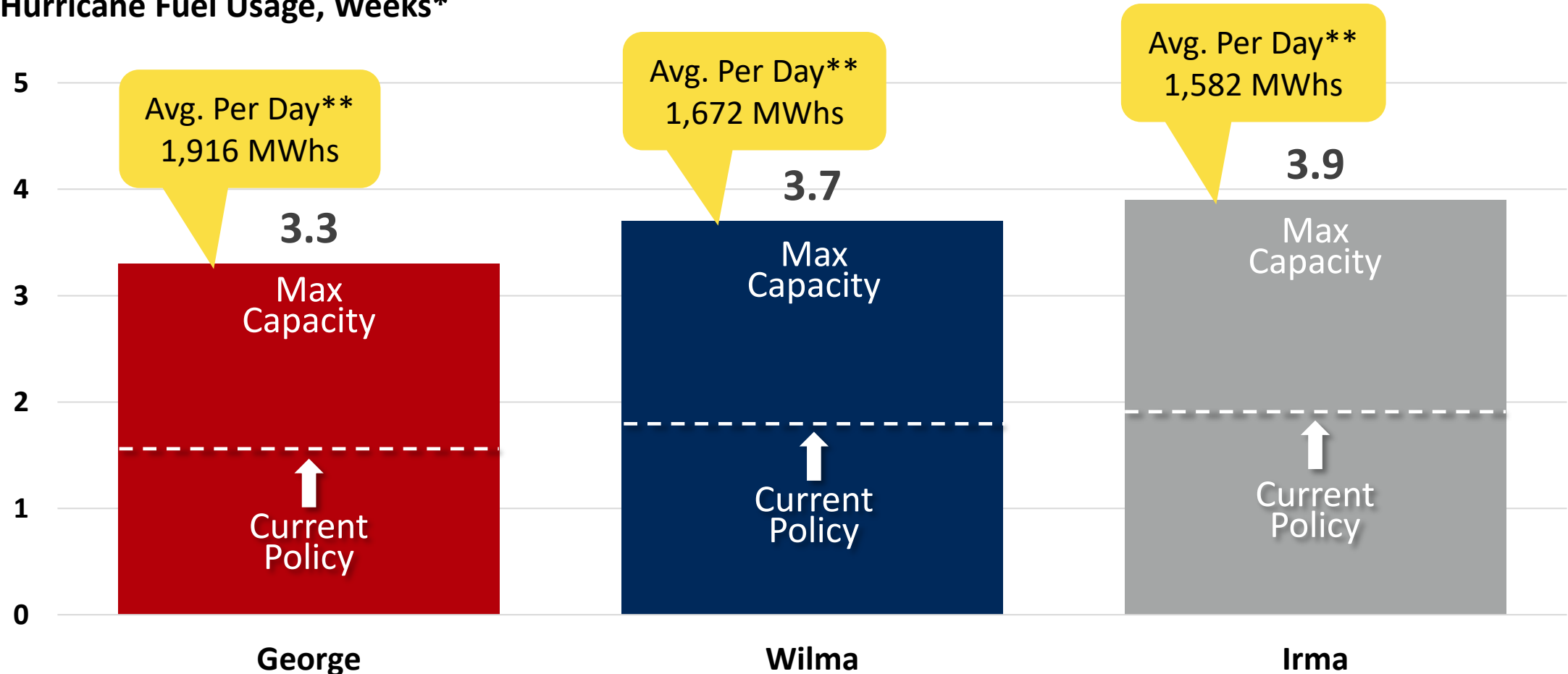


*Hourly loads from hurricane George were zero from 9/26 – 10/2. For conservatism, fuel usage calculations start on the first day of load, 10/3 (7 days later, Tie line restored the night of 10/2).

Current Fuel Policy Supports <2 Weeks Operation

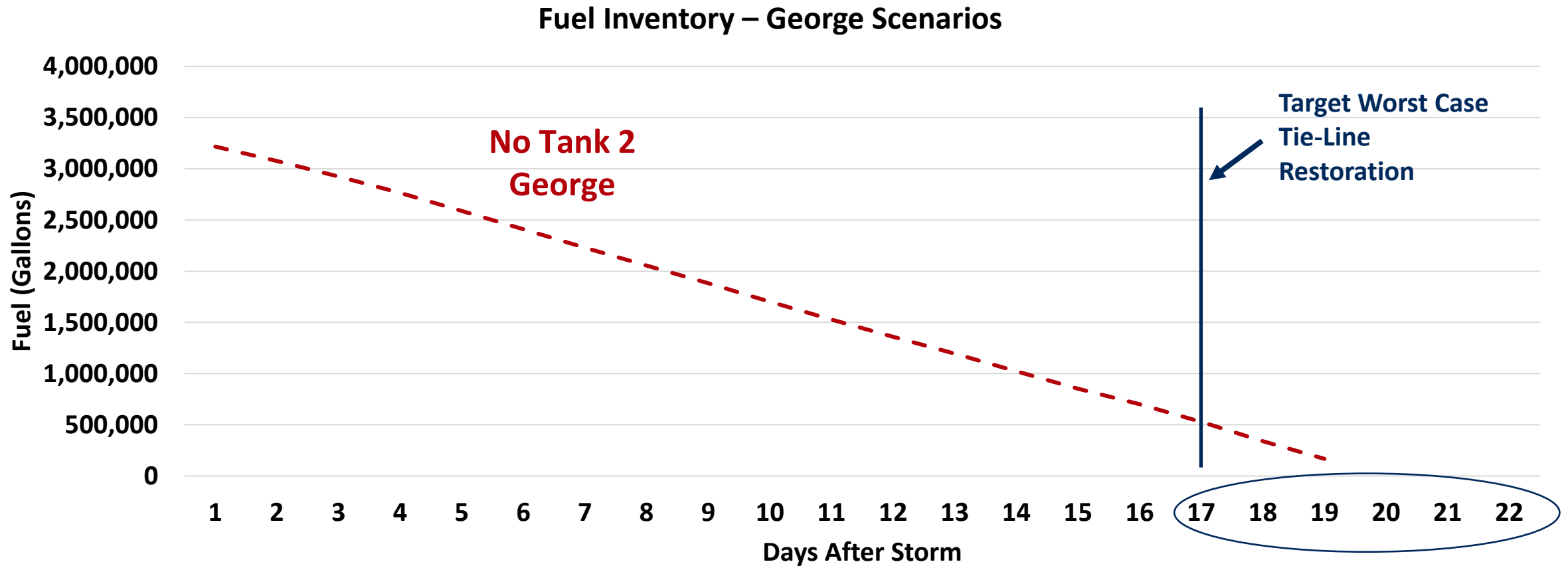
Tanks Haven't Been Full, or Significantly Full, for Over 10 Years

Hurricane Fuel Usage, Weeks*



~6 Days More Inventory with Tank 2 Retirement

Most Conservative View of Hurricane Load Still Above Capacity



Optimal Solution: Increase Inventory with Less Tanks

Adopt Fuel Strategy Supporting ~17-22 Days Inventory

- Proposed motion: ARP will develop fuel policy that supports a strategy with the following components:
 - Increase minimum inventory requirement during hurricane season that supports at least 17 days of hurricane restoration site operation
 - Retire and remove Tank 2 from operation
 - Eliminate capability for barge fuel delivery

AGENDA ITEM 8 – ACTION ITEMS

**b. Stock Island Discharge Update &
Spending Authorization Request**

**Executive Committee
April 21, 2022**



8b–Stock Island Discharge Update and Spending Authorization Request

Executive Committee

April 21, 2022

Efforts to Define Closure Endpoints Continue

Reduction of Sheen in Harbor, Open Trench and Borings

- Progress toward overall objectives continues
 - Permanent free product recovery system and hydraulic control system under construction
 - Injection well system contractor selected
 - Technical site assessment continues, with anticipated FDEP filing in early May
 - FMPA assuming financial responsibility for ongoing monitoring and skimming efforts
- Proposed three critical endpoints that will help define requirements to bring closure
- Updated expense estimates and specific damages claim was provided to insurer
- Fuel management strategy and tank reconditioning underway



Area
of discharge



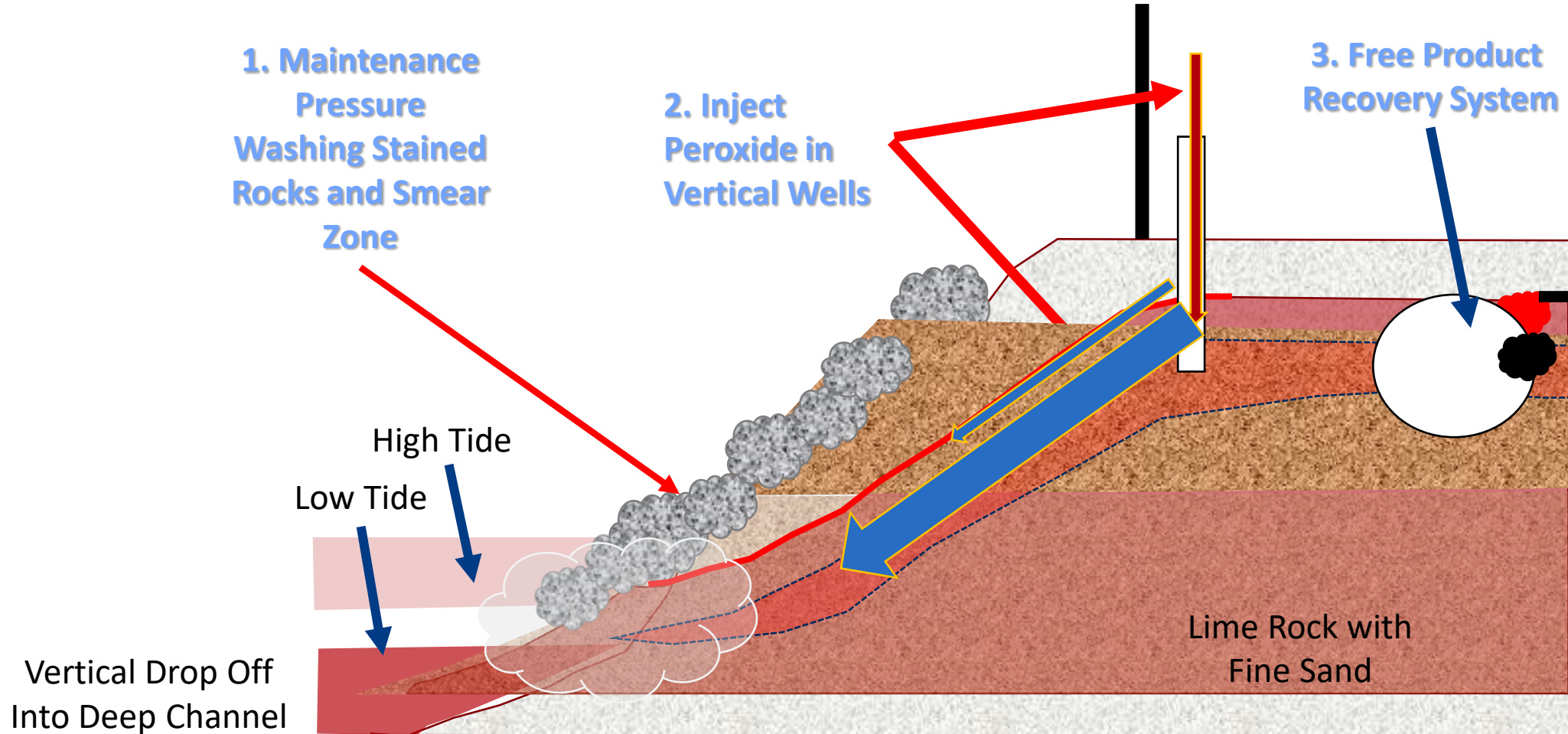
Open Excavation Trench Performing As Intended

Minimal Sheen Observed Over Last Several Weeks



Hydraulic Control and Injection Well Work Underway

Contractor Efforts Began Week of April 4

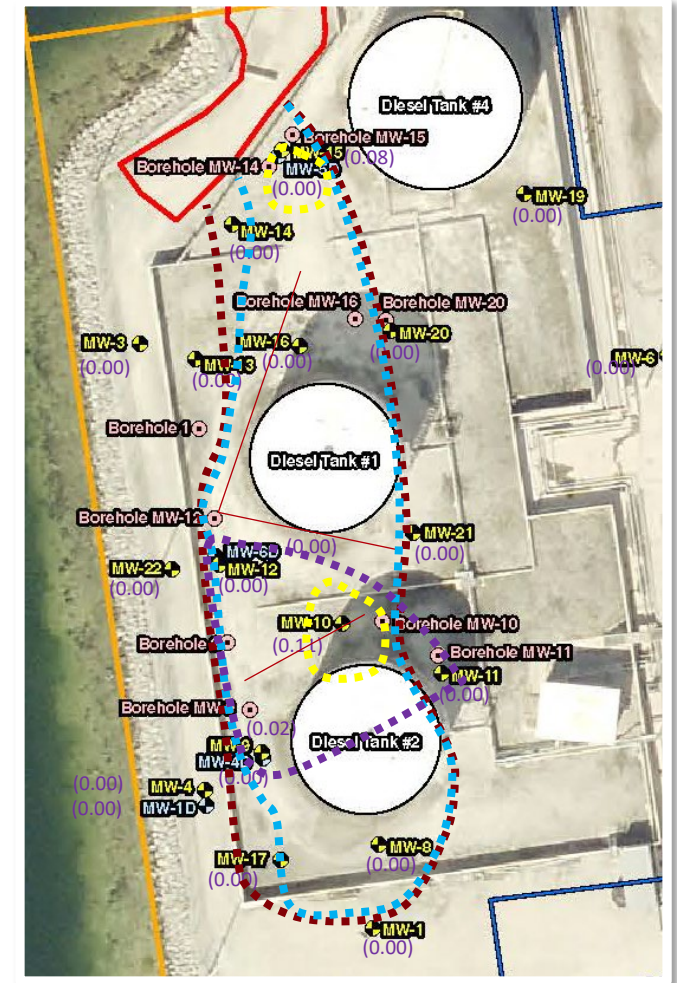


FP Stable/Shrinking, Significant Decrease in Wells

- Significant progress in free product (FP) recovery since Feb. 25, with eight wells initially containing FP
- MW-10 (north of Tank 2) is the only well with free product greater than 0.01 ft., during each of the 10 measuring events

Date	MWs w/ FP	Avg. Thickness (ft.)
March 3	8	0.15
March 15	6	0.19
March 21	2	0.30
March 28	4	0.12
April 4	2	0.10

- Free product thickness in boreholes consistently meets FDEP rules for no measurable free product (meaning ≤ 0.01 ft.)
- Approved work plan indicates free product recovery complete when thickness ≤ 0.01 ft. for three consecutive days



Endpoints will Define Remaining Scope and Expenses

Stakeholder Input and Approval Critical to Future Efforts

Proposed endpoints subject to adjustment

- **Endpoint 1: Cease Free Product Recovery**
 - Stop skimming open boreholes if free product thresholds achieved
 - Two-week monitoring period
 - Statistical analysis on monitoring well thickness and plume stability
- **Endpoint 2: Backfill Boreholes**
 - Another two-week monitoring period
 - Additional statistical analysis of wells
- **Endpoint 3: No Threat of Discharge**
 - Monitoring of Safe Harbor
 - Monitoring of wells
 - Completion of planned projects

Expect \$4.6 Million in Expenses through August

Seeking \$4.1 Million through Third-party Damages Coverage

- Incurred expenses within current \$3.25 million authorized
- Emergency response, monitoring and skimming account for 41% of requested authorization
- Project management and consultants account for 28% of requested authorization

Existing Obligations	
FMPA Expenses Incurred*	\$1.9 Million
FMPA Commitments	\$600,000
Total	\$2.5 Million

Future Projected Expenses	
Keys Incurred & Projected*	\$700,000
Remediation Projects	\$700,000
Future Skimming	\$200,000
Project Management	\$300,000
Containment Area Work	\$200,000
Total	\$2.1 Million

*Inclusive of \$1.2 million in Keys Energy expenses.
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Recommended Motion

- Move approval to authorize General Manager to execute spending, not to exceed \$4.6 million, to continue containment and remediation of Stock Island oil discharge through August 2022

**AGENDA ITEM 9 – INFORMATION
ITEMS**

a. FGT Contract No. 111700 Rollover

**Executive Committee
April 21, 2022**



9a – FGT Contract No. 111700 Rollover

Executive Committee

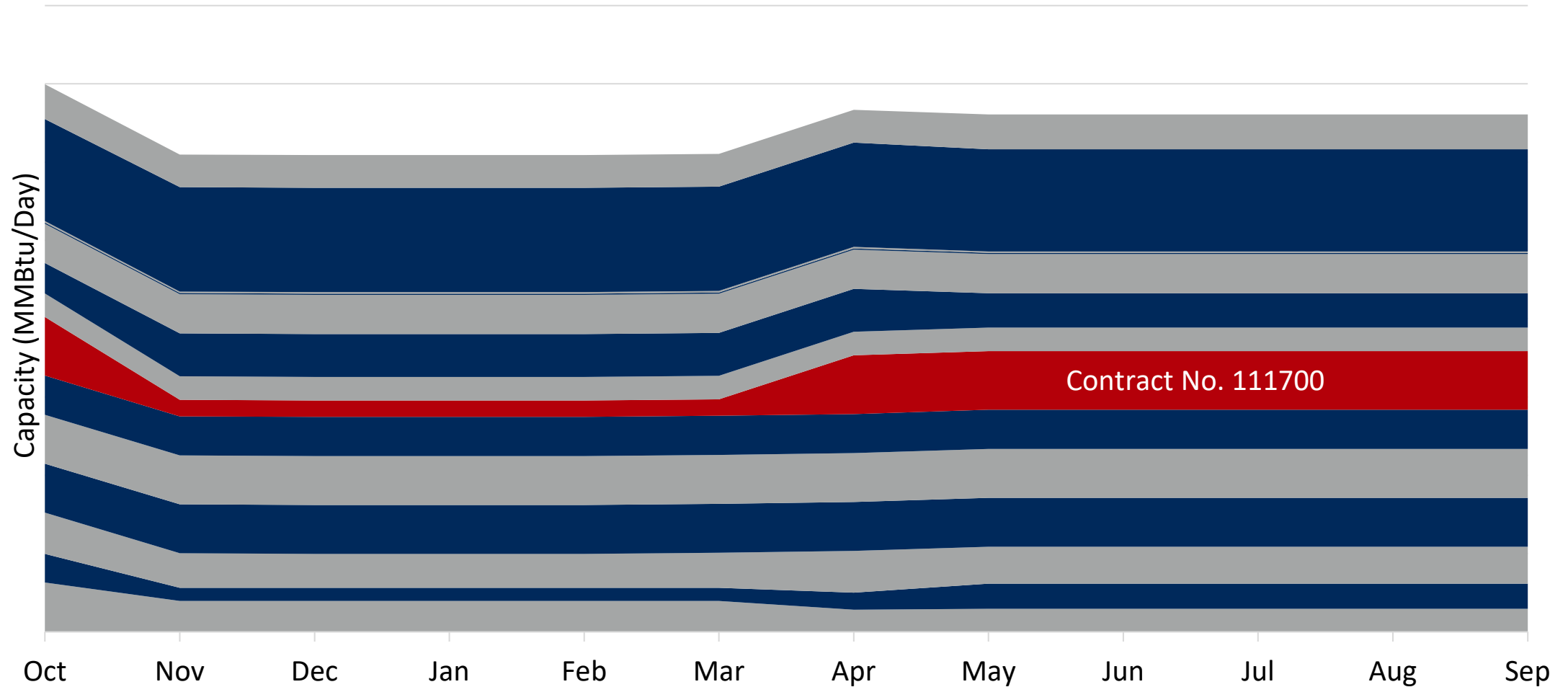
April 21, 2022

FGT Contract No. 111700 Currently Expires May 2023

About 15% of ARP's Total FGT Summer Capacity

- Summer: 15,000 MMBtu/Day Winter: 4,200 MMBtu/Day
- Acquired via release from GenOn in 2011
- East leg capacity that can be utilized by multiple Pool plants
 - Stated delivery points are Indian River and Holopaw (Osceola)
- Subject to Right of First Refusal (ROFR) process if not renewed 12 months prior to expiration
- ROFR bid posting could lead to increased cost or loss of the capacity
- FGU and FMMPA staff recommending a 10-year extension

One of Several Capacity Contracts that Serve Plants



FGT FTS-1 Rate the Most Economic Capacity Available

Staff Recommends Renewing this Valuable Capacity

- Contract currently under FTS-2 rate schedule
- Will move to FTS-1 rate schedule with extension
- Max FTS-1 rate \$0.5150 / MMBtu
 - Compare to FTS-3 at \$0.8900 / MMBtu

Information Only

- Action to be requested in May.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**b. ARP Cost Projections for Fiscal
Year 2022**

**Executive Committee
April 21, 2022**



9b – ARP Cost Projections for Fiscal Year 2022

Executive Committee

April 21, 2022

ARP Summer 2022 Rates Projected ~\$115 Per MWh

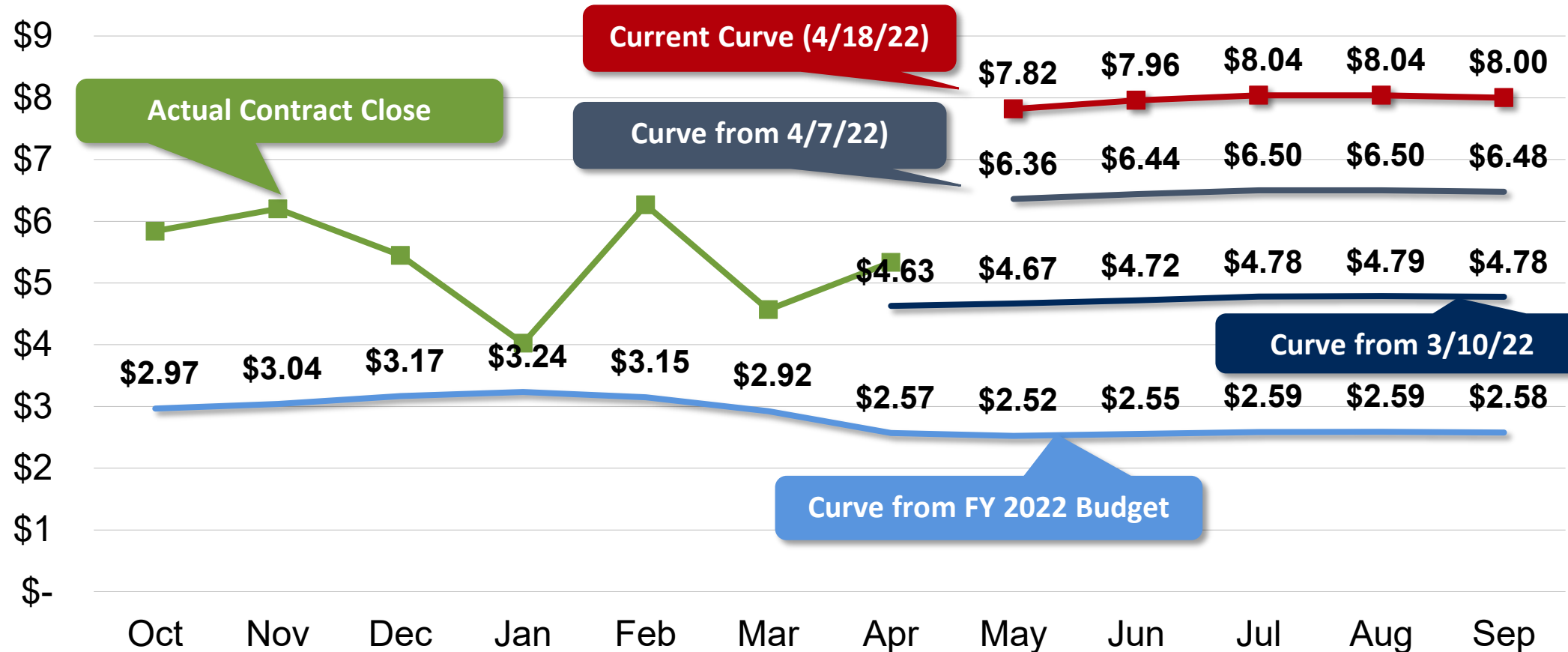
Higher Fuel Costs also Increase 60-Day Cash Need

- Natural gas prices increased more than 67% since last month (23% higher than prices in package), with prices ~\$8/MMBtu through next winter
- Current prices are ~\$2.25/MMBtu above high-cost sensitivity from March update
- ARP's 60-day cash needs higher and may increase above \$120M in summer months (\$40M > last summer)
- Cash adjustments to the energy rate ~\$12/MWh in May - July in addition to \$60-70/MWh energy costs
- Summer ARP energy costs \$30-\$40/MWh higher than last year, with average all-in billed costs ~\$115/MWh
- ARP energy costs now projected up ~\$125M (55%) over last year

Gas Prices ~\$5.40/MMBtu > Budget or ~\$40/MWh

Current Gas Curve 67% > Last Month, 23% > Curve in Package

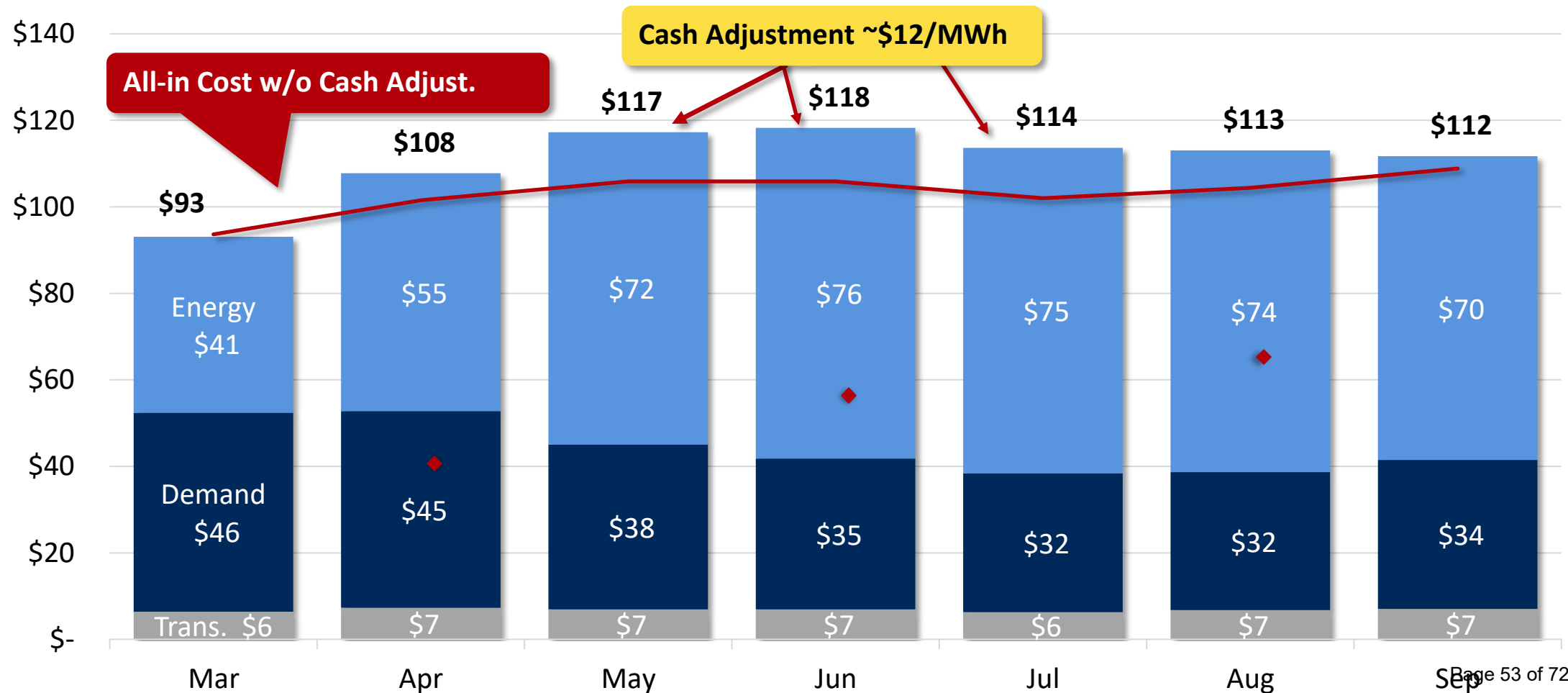
Natural Gas Price Scenarios Compared to FY 2022 Budget and Actual Contract Close (\$/MMBtu)



Summer Rates ~\$115/MWh Based on Current Gas Curve

Cash Adjust. \$12/MWh in May - July w/ Higher 60-Day Need

Projected FY 2022 ARP Avg. All-In Billed Costs Based on Current Gas Curve (\$/MWh)



**AGENDA ITEM 9 – INFORMATION
ITEMS**

**c. 2022 Load Forecast, Ten-Year Site
Plan, and IRP Update**

**Executive Committee
April 21, 2022**



9c – 2022 Load Forecast, Ten-Year Site Plan and IRP Update

Executive Committee

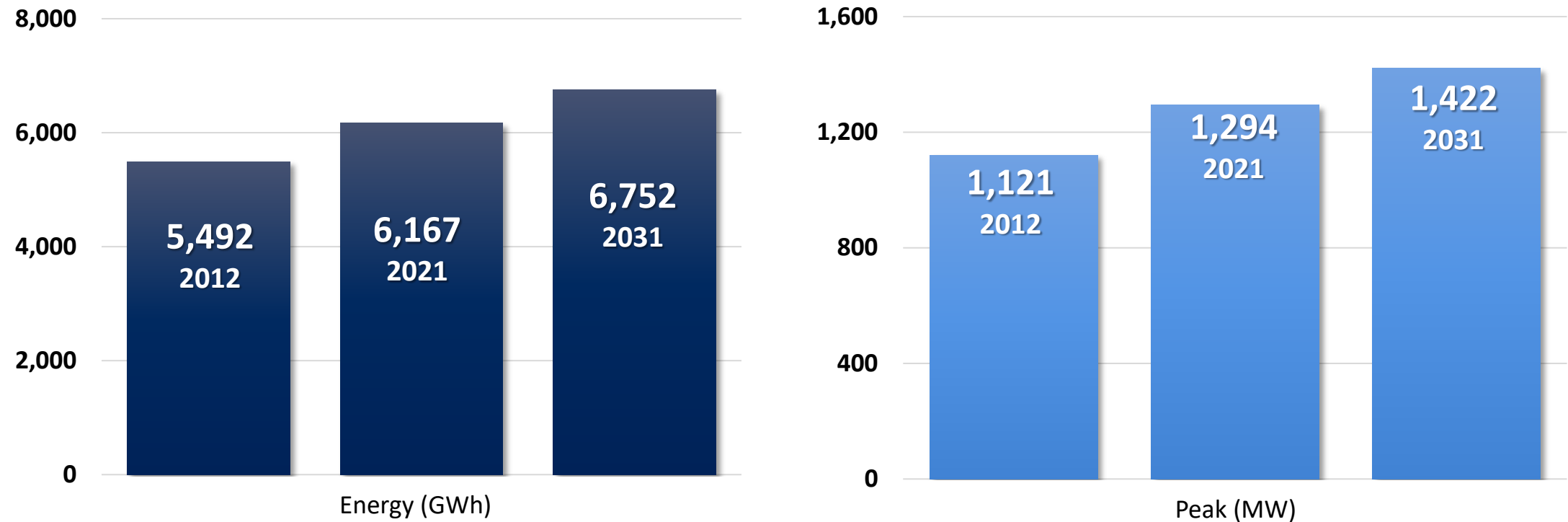
April 21, 2022

Load Growth Projected at ~1% Annually

Post-Recession Energy Growth a Healthy Rate of 1.3% Per Year

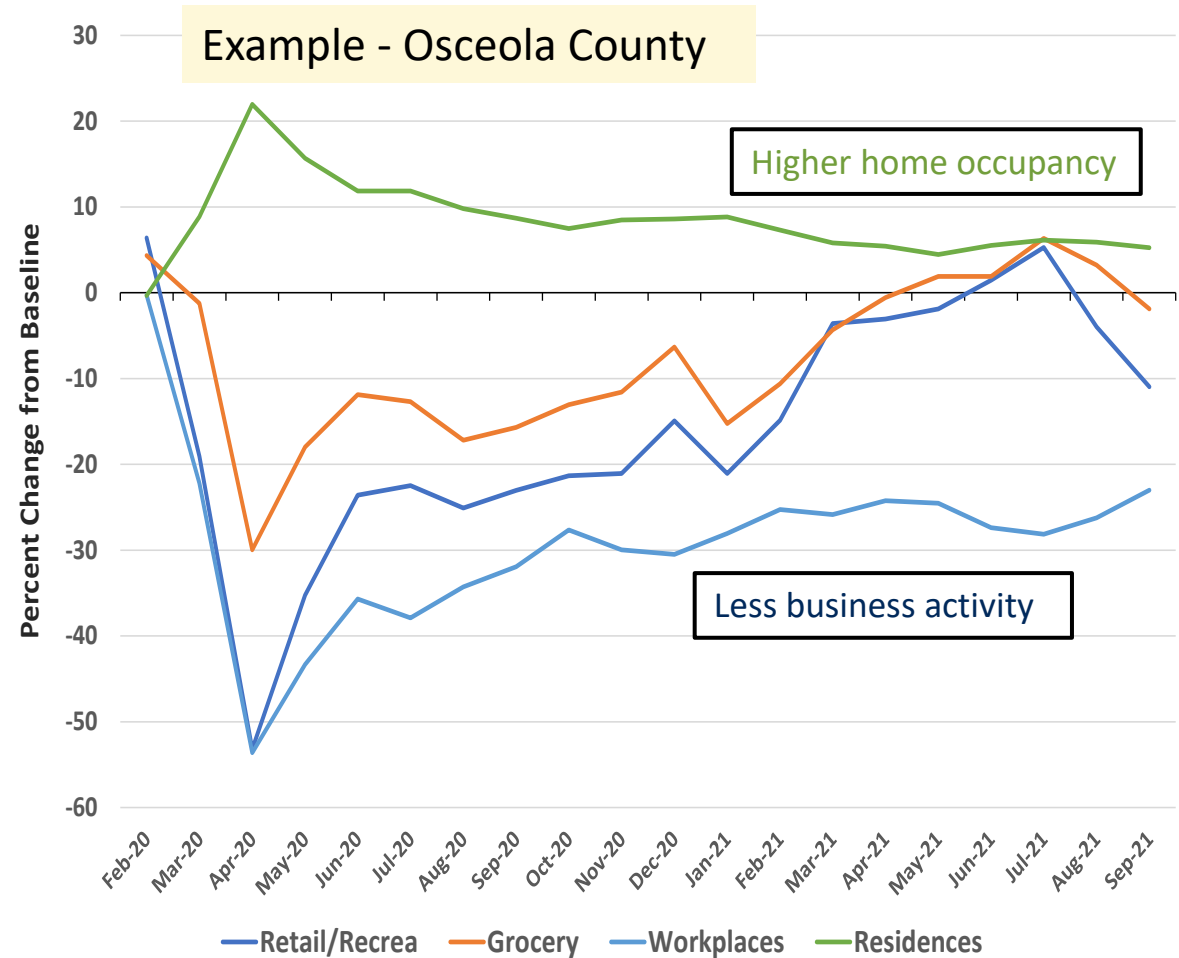
ARP Delivered Net Energy for Load and Peak Demand

Historical (2012-2021) and Projected (2022-2031) by fiscal year, in GWh and MW



Google “Mobility” Data* Shows Gradual Return to Normal *Allows Us to Control for COVID Period Retail Fluctuations*

- Home occupancy trending lower, still above pre-pandemic baselines
- Retail patronage recovering, challenged by price pressure
- Workplace occupancy persistently low, but well above mid-2020 declines



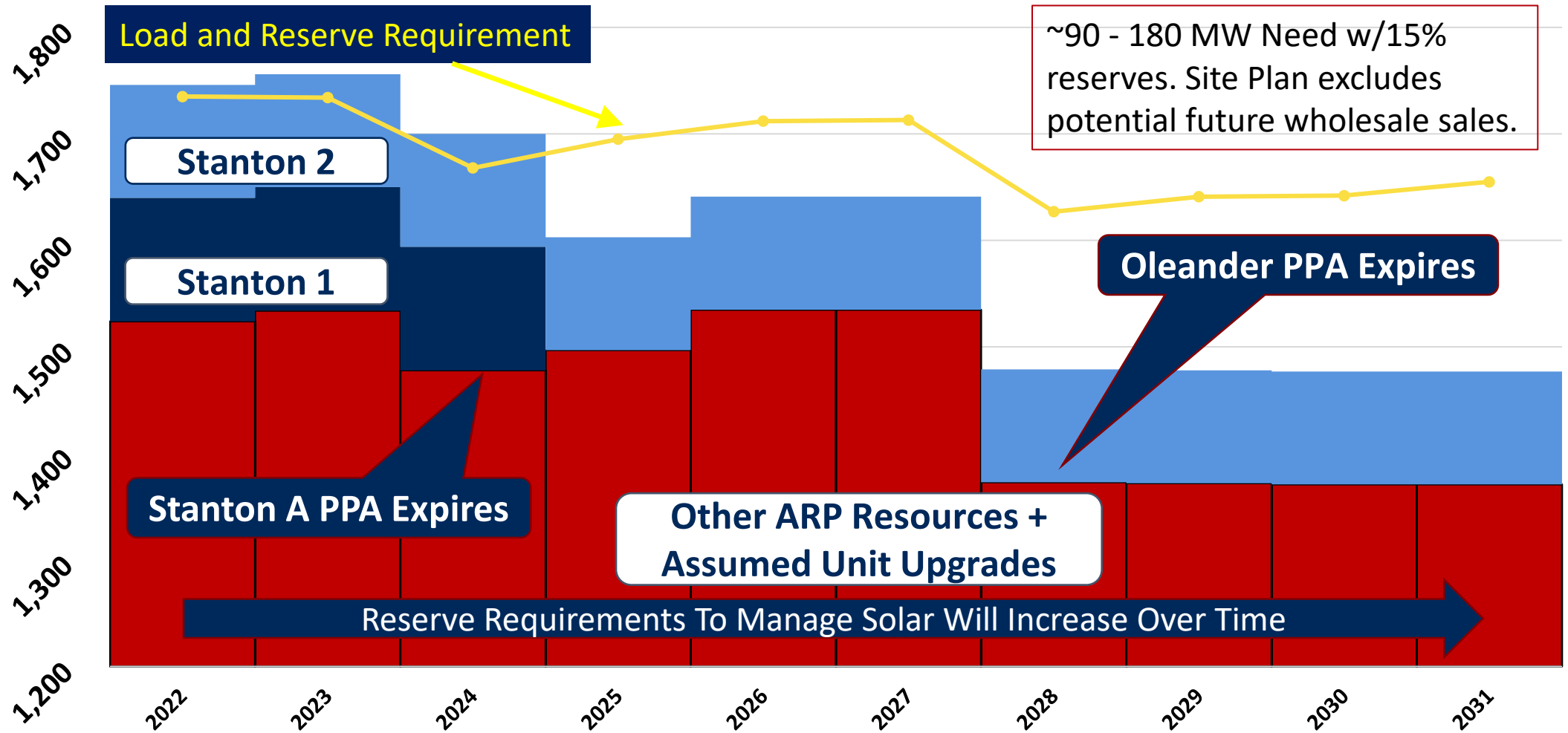
Key Load Forecast Areas of Uncertainty Monitored

FRCC Board Requests Increasing in Volume and Scope

- Transportation electrification (PHEVs & EVs)
 - DMV county data and evaluation of loads do not suggest discernable uptake yet
 - More explicit treatment of impacts likely in future forecasts
- Extreme weather preparedness
 - Extreme winter sensitivity drove FMPA review of dual fuel capabilities
- Pace of uptake for distributed resources – roof-top solar and home batteries
- Cost pressures and geopolitical/market conditions driving inflation and pricing
- Additional FRCC analysis on reserve margins (spin and non-spin) forthcoming
 - Is there enough dispatchable generation across all hours of the peak day?

ARP Peaking Need Aligns w/Stanton 1 Retirement

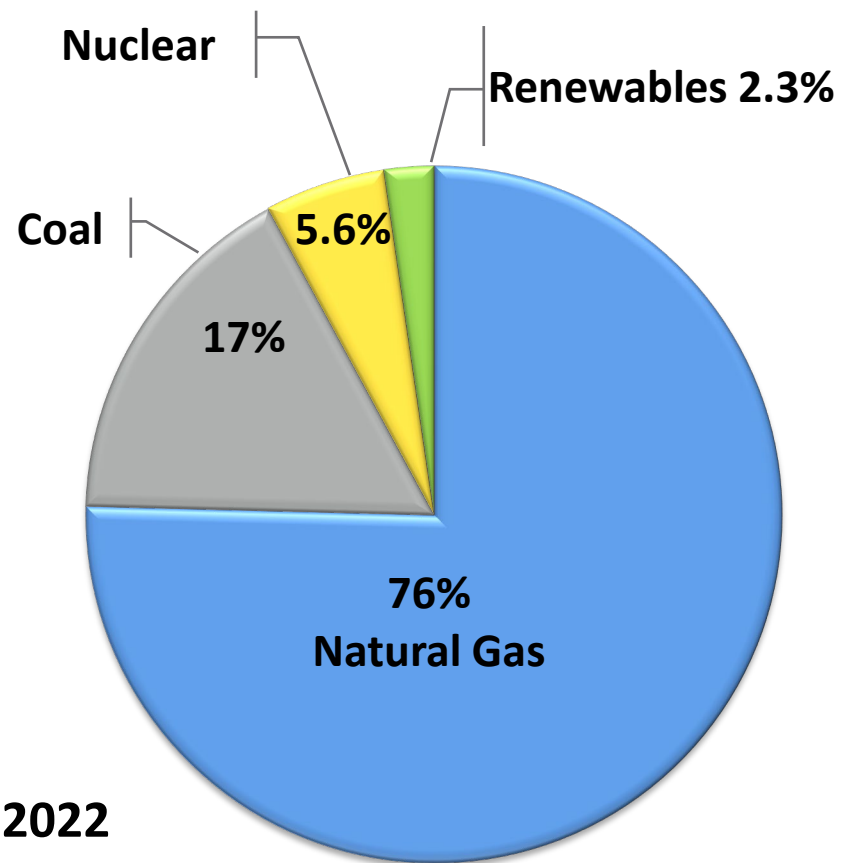
TYSP Conservatively Reflects 2025 Replacement



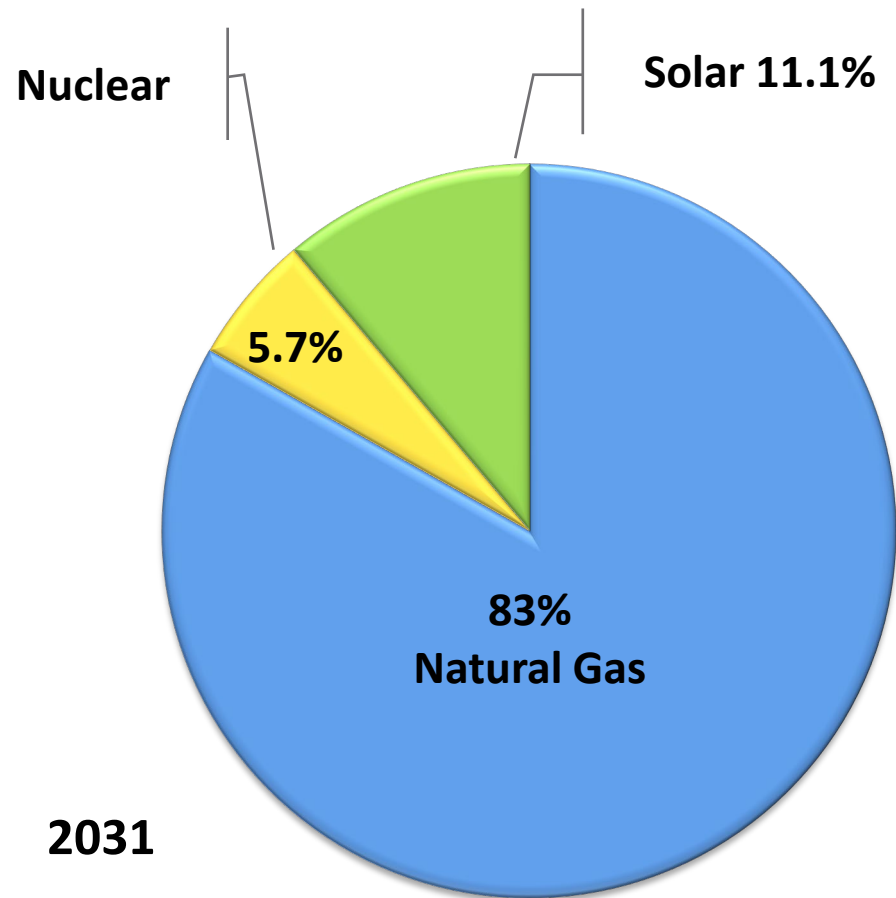
FMPA Increases Solar and Gas Generation

Plan Assumes 100 MW Additional Solar, Generic Peaking Power

Generation Fuel Mix (GWh)



2022



2031

Planning Activities Continue Year-Round

- Financial benchmarking of ARP operated assets
- Capital project evaluations
- Resource opportunities for the future (e.g., battery storage value)
- Life of asset evaluations
- Production cost modeling platform updates
- Public Service Commission supplemental data requests
- FRCC obligations (e.g., Gas Infrastructure Sufficiency Study)

Resource Planning Policy Updated to Annual Feedback

Propose Alignment of Next IRP Update with Strategic Planning

- Revised Power Supply and Resource Planning Policy in March 2022
 - Executive Committee will be asked annually for desire and timing for an IRP
- Ideal timing for next formal IRP likely after February 2023 Strategic Plan
 - Preliminary 20-year horizon load and resource needs presented in strategic plan
 - Leverage analysis of future resource costs for new CC & CTs from Northern Star due diligence
 - Feedback from session informs more detailed scope for IRP
- Determine cost and resource needs and execute IRP in 2023, if desired

**AGENDA ITEM 9 – INFORMATION
ITEMS**

d. Solar Phase III Update

**Executive Committee
April 21, 2022**



9d – Solar Phase III Update

Executive Committee

April 21, 2022

Developer Interest for Project High

Good Response from Credible Developers

- RFP sent to 16 developers
 - Seven responses; 28 potential sites
- Notification of short-listed proposers pending
 - Three potential short-listed proposers; ~18 sites
 - Diverse geographical locations for maximum solar exposure
 - Putnam, Taylor, Levy, Polk, Suwanee, Alachua, Manatee, Leon, Wakulla, Santa Rosa, Columbia and Marion counties
- Cost ceiling <~\$34/MWh (solar only; levelized over 20 years)
- Storage options varied, highly dependent on size and use case
 - Most attractive prices less than \$5 per MWh adder to solar-only pricing

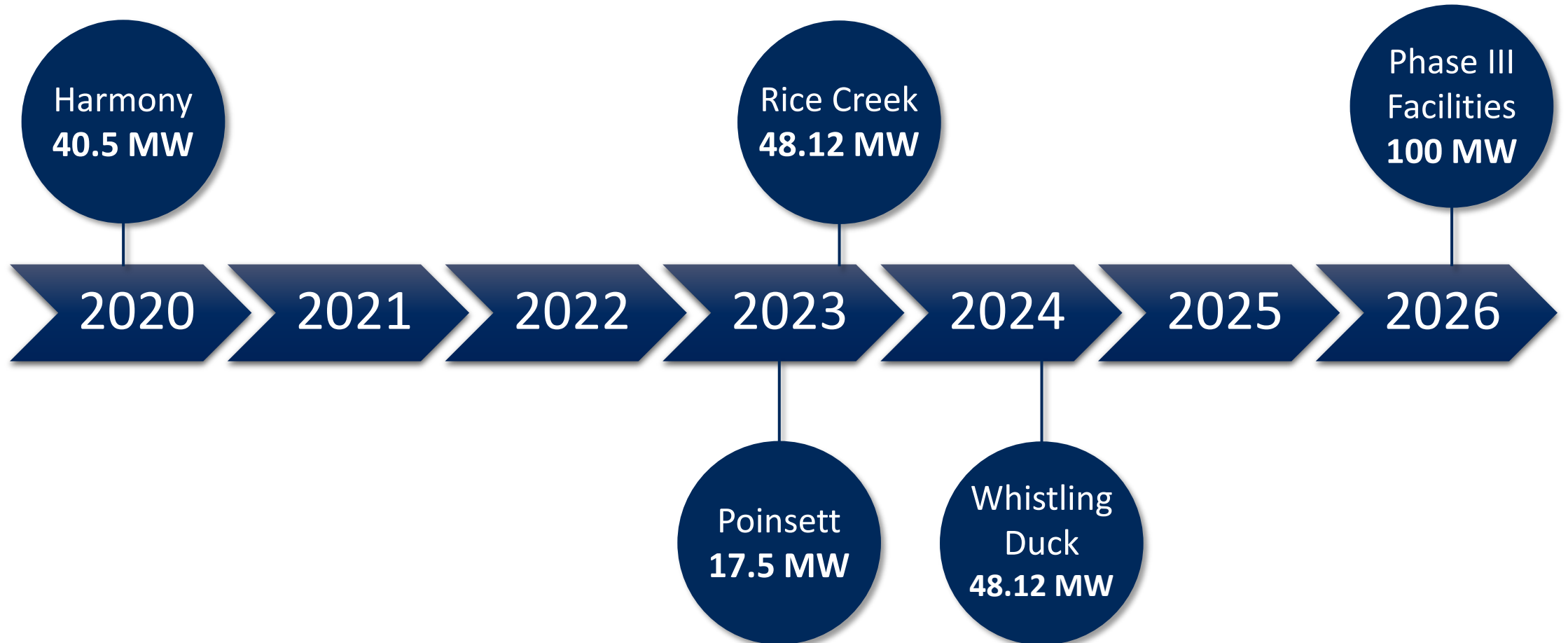
Phase III RFP Schedule – December 2022 Execution

Currently Evaluating and Identifying Short-list

Milestone	Date
RFP Issued	Jan. 14, 2022
Questions Due from Proposers	Feb. 11, 2022
FMPA Provides Responses to All Questions	Feb. 18, 2022
Proposer Responses Due	March 6, 2022
Notify short-listed Proposers	May 3, 2022
Best & Final pricing from short-listed proposers	May 31, 2022
Final Selection	June 21, 2022
Complete negotiations	July 31, 2022
FMPA Board approvals	November 2022
Execution of Agreement(s)	December 2022

Phase I and II Participants to Receive Significant Shares

154 MW by 2024; More Needed For 50% CO₂ Rate Reduction



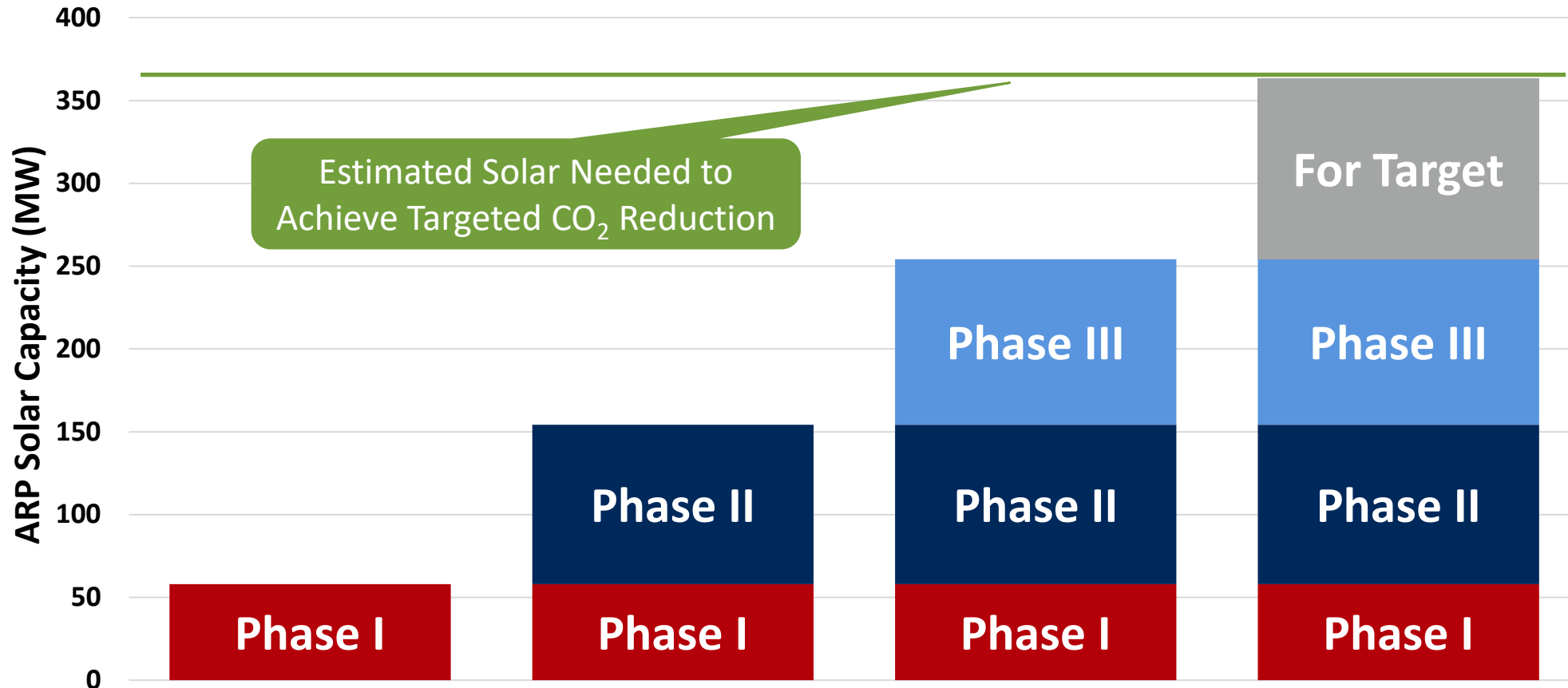
Phase I and Phase II – Total 154 MW by Mid-2024

Individual Participants to Receive Significant Shares

ARP Participant	Phase I	Phase II	Total
Beaches Energy Services	10 MW	15 MW	25 MW
Fort Pierce Utilities Authority	3	15	18
Havana		0.25	0.25
Keys Energy Services	5	25	30
Kissimmee Utility Authority	30	20	50
Newberry		1	1
Ocala Electric Utility	10	20	30
	58 MW	96.25 MW	154.25 MW

More Solar Energy Needed to Achieve Emission Goals

Targeting 50% CO₂ Reduction vs. 2005 Levels by 2027



ARP Participation in Solar III Project

Share With Us Your Thoughts and Expectations

- Phase III energy available in 2025-2026 timeframe
- Are you interested in having the ARP participate as a whole or continue as individual member cities?
 - Current participants not likely to need/want large additional amounts

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Executive Committee
April 21, 2022**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
April 21, 2022**