



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

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**December 8, 2022  
9:00 a.m. [NOTE TIME]  
Dial-in info: 1-321-299-0575  
Conference ID Number: 839 908 335#**

### **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  
Traci Hall, Blountstown  
Christina Simmons, Bushnell  
Robert Presnell, Chattahoochee  
Lynne Mila, Clewiston  
Jan Bagnall, Fort Meade  
Javier Cisneros, Fort Pierce  
Dino DeLeo, Gainesville  
Robert Page, Green Cove Springs  
Howard McKinnon, Havana  
Ed Liberty, Lake Worth Beach

Joey Curry, Lakeland  
Brad Chase, Leesburg  
Vacant, Moore Haven  
Steve Langley, Mount Dora  
Mike New, Newberry  
Joe Bunch, New Smyrna Beach  
Doug Peebles, Ocala  
Claston Sunanon, Orlando  
Vacant, Quincy  
Keith Trace, St. Cloud  
Drew Mullins, Starke  
Tony Guillen, Tallahassee  
James Braddock, Wauchula  
Jackie Gorman, 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:** December 6, 2022  
**RE:** **FMPA Board of Directors Meeting – 9:00 a.m., December 8, 2022**  
**PLACE:** Florida Municipal Power Agency  
8553 Commodity Circle, Orlando, FL 32819  
**DIAL-IN:** **DIAL-IN INFO 321-299-0575**  
**Meeting Number 839 908 335#**  
**Link:** [Click here to join the meeting](#)  
(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 November 17, 2022** ..... 21
  - b. **Approval of the Projects’ Preliminary Financials as of October 31, 2022** ..... 27
  - c. **Approval of the Treasury Reports as of October 31, 2022** ..... 29
  - d. **Acceptance of Annual Report of Late Payments as of September 30, 2022** .33

**8. Action Items**

- a. Poinsett Termination and Release Agreement (Susan Schumann) \* ..... 37

**9. Information Items**

- a. Florida Municipal Solar Project Update (Susan Schumann) \* ..... 41
- b. Human Resources Quarterly Update (Sharon Adams) \* ..... 47
- c. Regulatory Compliance Quarterly Update (LaKenya VanNorman/  
Dan O’Hagan) \* ..... 53
- d. Annual Risk Inventory (Rich Popp) \* ..... 63

**10. Member Comments..... 66**

**11. Adjournment..... 67**

**\*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  
December 8, 2022**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Board of Directors Meeting  
December 8, 2022**

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

**Board of Directors Meeting  
December 8, 2022**

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

**Board of Directors Meeting  
December 8, 2022**

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

**Board of Directors Meeting  
December 8, 2022**



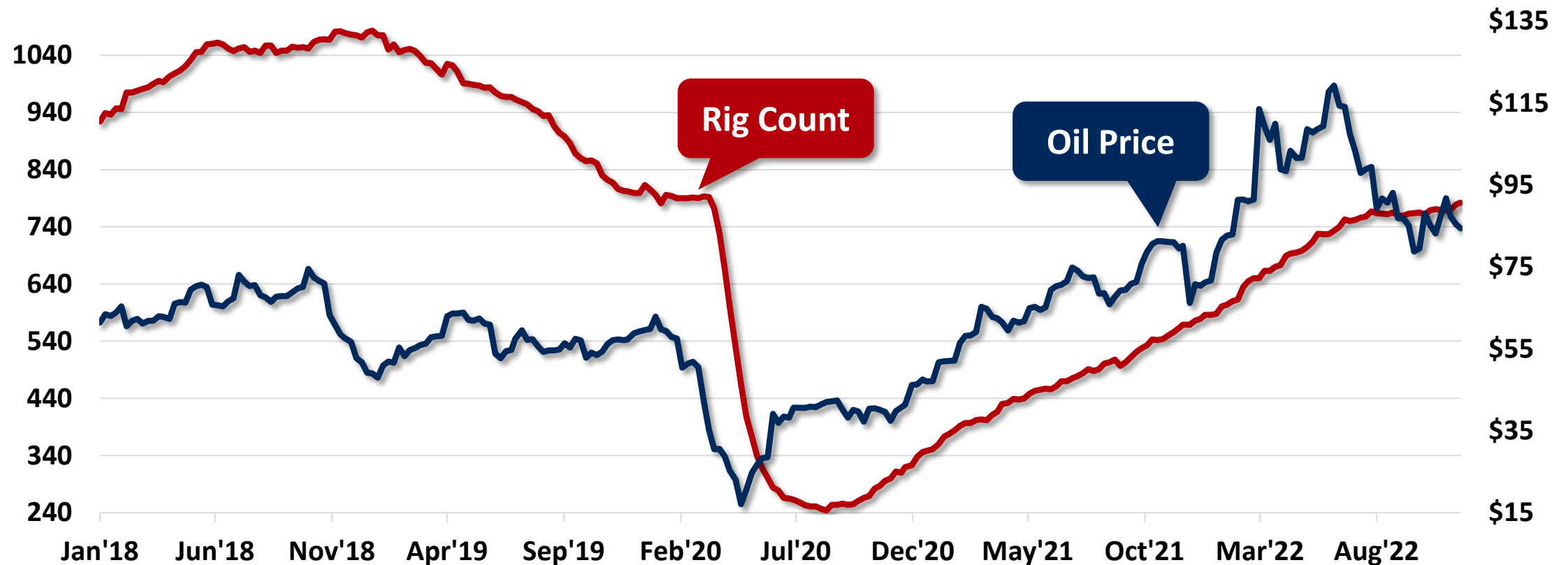
# Fiscal Year 2023 Management Goals – November Data

Goal		Status	Actual	YTD Actual	YTD Target	FY 2023 Target	Comment
<b>1. Safety</b>	Lost-time Accidents		0	0	0	0	No lost-time accidents
	OSHA Recordables		0	0	0	0	
<b>2. Compliance</b>	Environmental		0	0	0	0	
	Financial		0	0	0	0	
	Regulatory		0	0	0	0	
<b>3. Low Cost (\$/MWh)</b>	Fiscal 2023 Rate Objective		121.85	121.85	122.22	< \$105.99	<ul style="list-style-type: none"> <li>Managed fuel and non-fuel costs &gt; target due to MWh sales 6.6% &lt; budget</li> <li>Market-exposed fuel 52% &lt; target due to lower spot prices</li> <li>3<sup>rd</sup> party sales margin \$800k &gt; target</li> </ul>
	Managed Fuel		58.60	58.60	50.19	\$29.40	
	Market-Exposed Fuel		11.06	11.06	22.88	\$26.92	
	Non-Fuel		52.19	52.19	49.15	\$49.67	
<b>4. Natural Gas Rate Stability Plan</b>	Discuss need & goals for a structured plan					Complete by June	Workshop conducted on programmatic effort for natural gas/power price stability. Will revisit in the spring after strategic plan and winter impacts are clear.

# Oil and Gas Rigs Not Keeping Pace with Demand

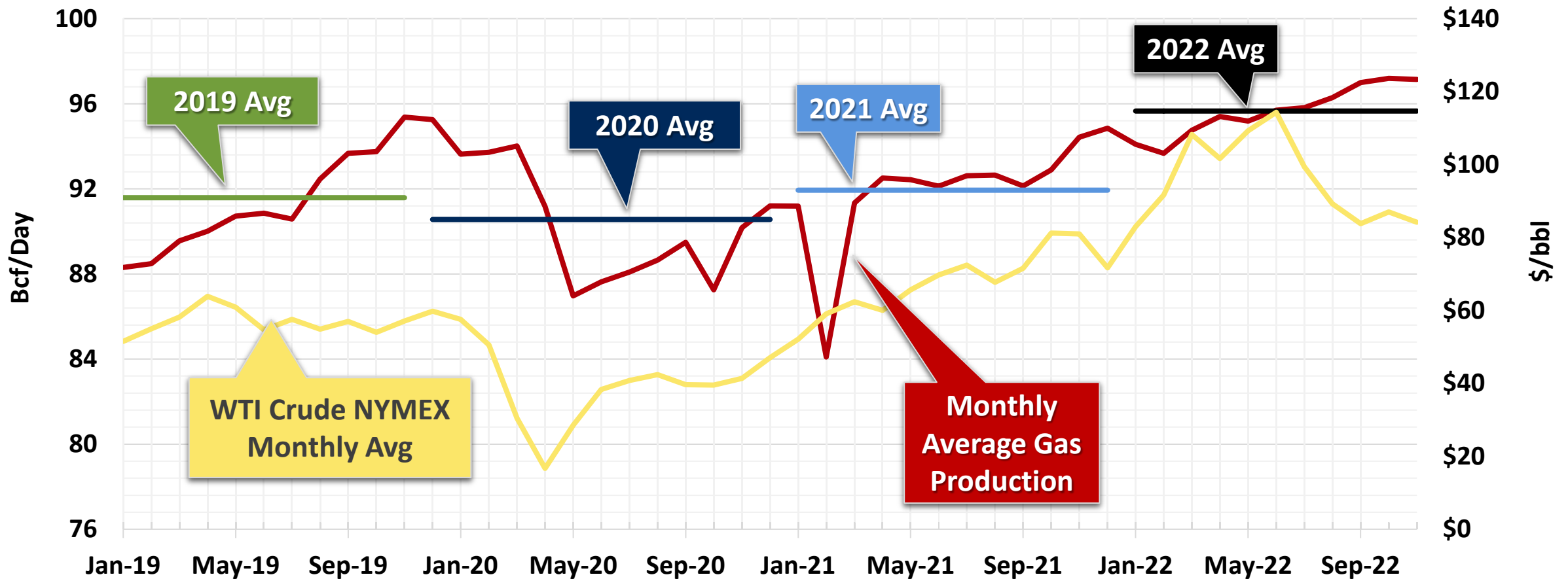
*U.S. Rigs at Only 73% of 2019 Levels*

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



# Natural Gas Production Finally Above 2019 Peaks

*Gas Demand Up 6 Bcf/Day Over 2019, Continued Tight Market*

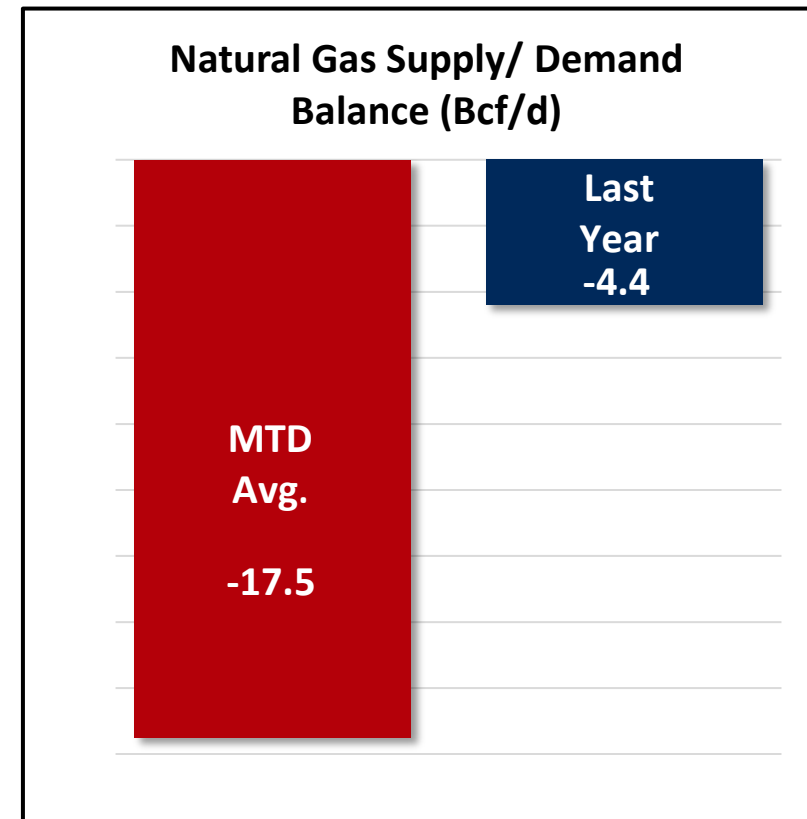


# Natural Gas Demand Growth Outpacing Supply

*Supply Up 1.1 Bcf/Day over 2021, Demand Up 14.2 Bcf/Day*

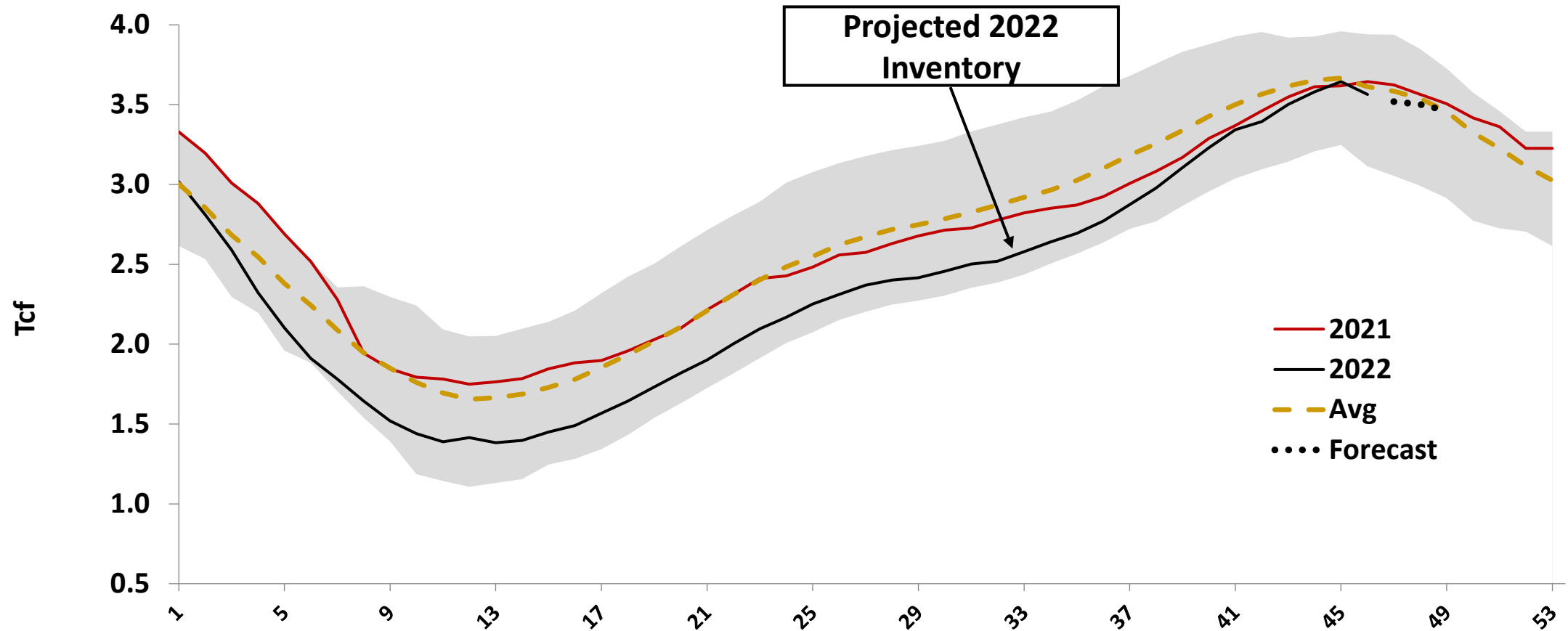
## U.S. Gas Generation Increase Driving Growth

Supply / Demand Detail (Bcf/day)			
		MTD Avg	Last Year
Production		97.2	96.3
Imports		5.3	5.2
<b>Total Supply</b>		<b>102.6</b>	<b>101.5</b>
Power Demand		-28.7	-29.6
Industrial Demand		-24.9	-24.1
Res / Com Demand		-45.3	-32.5
Exports		-21.0	-19.7
<b>Total Demand</b>		<b>-120.1</b>	<b>-105.9</b>
<b>Net Surplus for Storage</b>		<b>-17.5</b>	<b>-4.4</b>



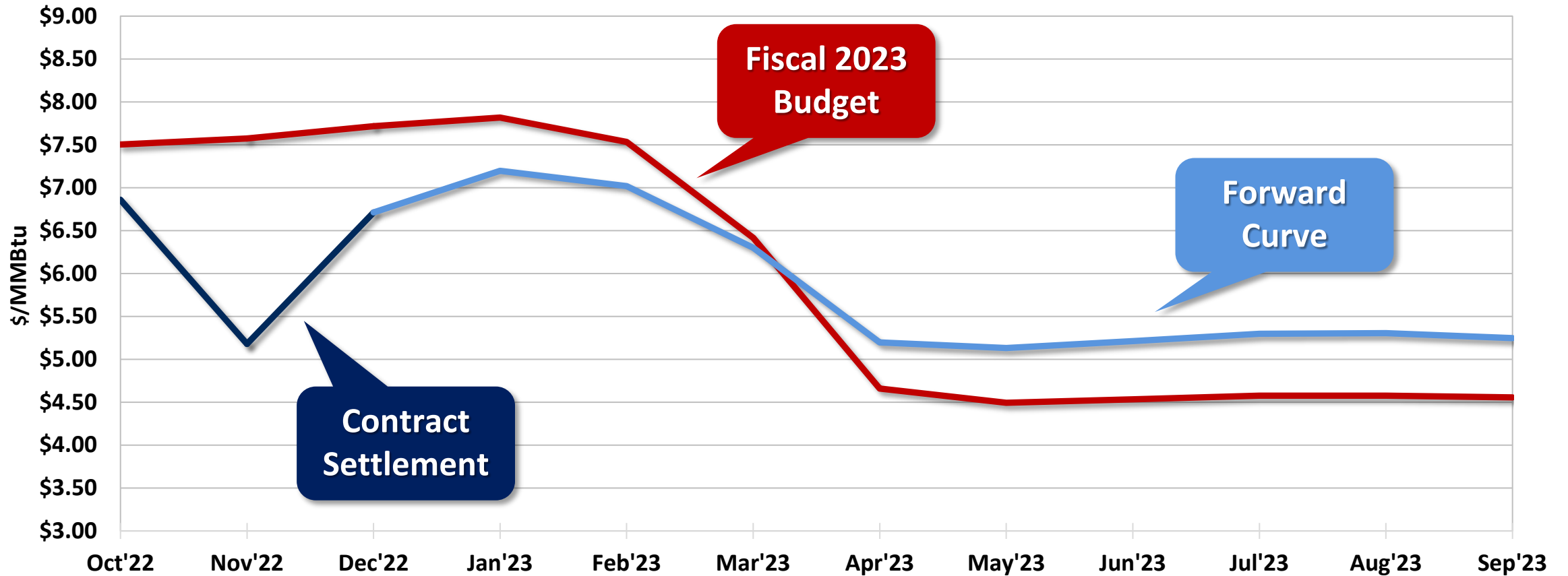
# Gas Storage Inventory as of Week Ending Nov. 25

## *2022 Storage Season Forecast to Cross Median 5-year Avg.*



# NYMEX Settlement \$1.35/MMBtu Below Budget FYTD

*Forward Natural Gas Curve as of Nov. 28*



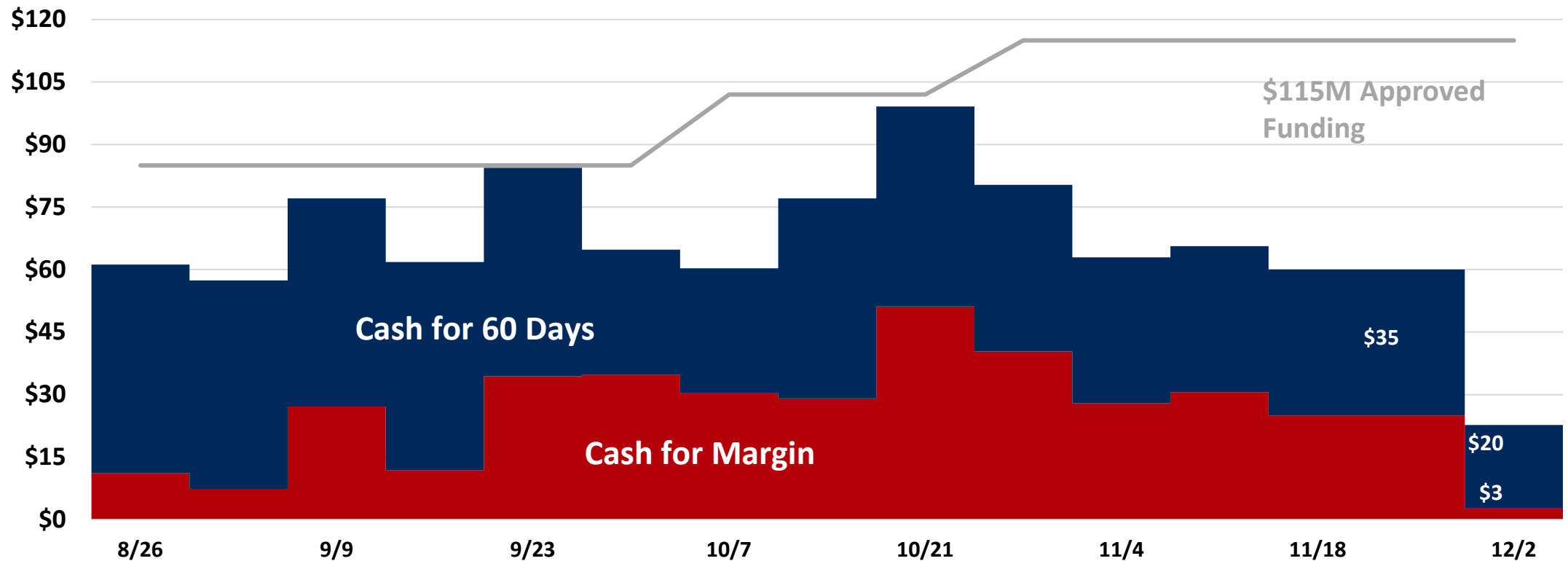
# Projected ARP Avg. Monthly Participant Costs & Rates Based on Current Gas Curve (\$/MWh)



# ARP Funding to Manage Margin/Cash Now \$115 Million

## *Approved Funding Sufficient To Manage Margin + 60 Days*

Approved Funding vs. Actual Margin Cash and Cash Allocated for 60 Day Target





Goal	Status	Actual	YTD Actual	YTD Target	FY 2023 Target	Comment
5. Cyber-security	Breaches	0	0	0	0	
	Advance phishing tests	0	5	6.9%	10% or <	Advanced phishing tests based on real-world phishing attempts
6. Reliability	Large CC EAF	88.4%	88.3%	90.5%	90%	Cane 3 planned outage
	SI EAF	97.7%	98.8%	97.1%	92%	MSD1 and EP2 forced outages
	SI black start and trans. backup	-	-	-	100%	No units operated
7. Member Reliability	Project recommendations Major >8 hrs	3	3	1	12	<ul style="list-style-type: none"> <li>Fort Meade MinMax</li> <li>Keys Breaker</li> <li>Tallahassee Recloser Coord.</li> </ul>
	Projects recommendations Minor < 8 hrs	2	2	1.5	18	<ul style="list-style-type: none"> <li>Havana Recloser Transport</li> <li>Clewiston PQ review</li> </ul>
8. Member Services	Leadership member visits	4	10	12.5	75	4 visits in November
	Member/Community presentations, communications & social media support	1	5	3	20	Leesburg, Fort Pierce (2), KUA, Ocala

Goal	Status	Actual	YTD Actual	YTD Target	FY 2023 Target	Comment
<b>9. Strategic Plan &amp; IRP</b> Staff will complete IRP for 20-year planning horizon					Complete by EOFY	<ul style="list-style-type: none"> <li>• Key assumptions for IRP agreed upon by EC during strategic plan</li> <li>• Significant preparation work underway</li> </ul>
<b>10. Financing</b> Complete pooled loans for Members/projects		1	1		1	Homestead pooled loan closed Nov. 18.
<b>11. Solar Phase III</b> Complete contract negotiations on Phase III sites					Complete by EOFY	Potential for 265+ MW with two developers
<b>12. People</b> Complete All Team In-House Training Sessions					3	Leverage scale of facilitating more staff with an in-house presenter

**AGENDA ITEM 6 – SUNSHINE LAW  
UPDATE**

**Board of Directors Meeting  
December 8, 2022**

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of the Minutes for the  
Meeting Held November 17, 2022**

**Board of Directors Meeting  
December 8, 2022**

**MINUTES**  
**FMPA BOARD OF DIRECTORS MEETING**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**THURSDAY NOVEMBER 17, 2022**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**  
**9:00 A.M.**

**MEMBERS PRESENT** Brad Hiers, Bartow (virtual)  
Lynne Mila, Clewiston (virtual)  
Javier Cisneros, Fort Pierce (virtual)  
Dino DeLeo, Gainesville (virtual)  
Bob Page, Green Cove Springs (virtual)  
Howard McKinnon, Havana  
Barbara Quinones, Homestead (virtual)  
Allen Putnam, Jacksonville Beach (virtual)  
Lynne Tejada, Key West (virtual)  
Larry Mattern, Kissimmee  
Ed Liberty, Lake Worth Beach (virtual)  
Joey Curry, Lakeland (virtual) \*  
Brad Chase, Leesburg (virtual) \*  
Steve Langley, Mount Dora  
Joe Bunch, New Smyrna Beach (virtual)  
Doug Peebles, Ocala  
Claston Sunanon, Orlando (virtual)  
Drew Mullins, Starke  
Tony Guillen, Tallahassee (virtual)

\*Joined after roll call.

**OTHERS PRESENT** Bobby Whitehead, Ocala  
Matt O’Cull, Ocala  
Craig Dunlap, Dunlap & Associates, Inc.

**STAFF PRESENT** Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and CLO  
Ken Rutter, Chief Operating Officer  
Dan O’Hagan, Assistant General Counsel and Regulatory Compliance Counsel  
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  
Susan Schumann, Manager of External Affairs and Solar Projects  
David Schumann, Power Generation Fleet Director  
Carter Manucy, IT/OT & Cybersecurity Director  
LaKenya VanNorman, Regulatory Compliance Specialist

Rich Popp, Treasurer and Risk Director  
Lindsay Jack, Administrative Specialist  
Ryan Dumas, Senior Public Relations Specialist  
Chris Gowder, Business Development and System Operations Director  
Jason Wolfe, Financial Planning Rates and Budget Director  
John Bradley, Business Development Analyst  
Amy Deese, Environmental Engineer  
Darren Pressey, FMPP Operations Analyst  
Kyle Thompson, Infrastructure Systems Administrator  
Jose C. Molina-Bravo, Manager of Member Services Development  
Danyel Sullivan-Marrero, Controller  
Maya Garcia-Hector Public Relations Assistant  
Rachel Ilardi, Public Relations Specialist  
Amy Deese, Environmental Engineer

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

Acting Chair Larry Mattern, Kissimmee, called the Board of Directors meeting to order at 9:00 a.m. on Thursday, November 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 17 members present representing 28 votes out of a possible 47.5 votes. Mike Beckham, Lakeland and Brad Chase, Leesburg, joined after roll call bringing the total members present to 19 representing 31 votes out of a possible 47.5 votes.

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

Doug Peebles, Ocala, introduced Matt O’Cull and Bobby Whitehead with the City of Ocala Electric Utilities and Councilmen James P. Hilty, Sr. Acting Chair Larry Mattern welcomed the guests.

### **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., Doug Peebles, Ocala, seconded the motion. Motion carried 31-0.

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

Jacob Williams reported on the following items:

1. Goals Score Card
2. Gas Prices
3. Cane Island received the Top Plant Award from POWER Magazine. The article featuring Cane Island is available here if anyone would like to take one.

4. Ryan Dumas and Rachel Ilardi received an award for FMPA at the APPA Customer Connections Conference for FMPA's "Behind the Switch" campaign.
5. APPA has a Florida spot available on their Policy Makers Council. Let us know if one of your policy makers would be interested in participating.
6. January 18, 2023 Robert Bryce who is the author of "A Question of Power: Electricity and the Wealth of Nations" will give a presentation at FMPA's Policy Makers Liaisons Committee meeting.

Doug Peebles, Ocala, commented to members that to your community, you are the energy experts, and having more knowledge of our industry and why prices are the way they are is important. He encouraged his colleagues to have Jacob and the team come to your city and give a presentation on the topic.

Barbara Quiñones thanked the FMPA team for help with the Homestead Pooled Loan.

### **ITEM 6 – SUNSHINE LAW UPDATE**

Dan O'Hagan presented FMPA's reminder of gift laws during the Holiday season.

### **ITEM 7 – CONSENT AGENDA**

- a. Approval of Minutes – Meeting Held October 20, 2022
- b. Approval of the Projects' Preliminary Financials as of September 30, 2022
- c. Approval of the Treasury Reports as of September 30, 2022
- d. Approval of the Accounting and Internal Controls Risk Management Policy

**MOTION:** Howard McKinnon, Havana, moved approval of the consent agenda. Doug Peebles, Ocala, seconded the motion. Motion Carried 31-0.

### **ITEM 8 – ACTION ITEMS**

#### **a. Amendments to Interlocal Agreement and By-Laws**

Jody Finklea presented the Amendments to Interlocal Agreement and By-Laws.

**MOTION:** Howard McKinnon, Havana, moved approval of (i) the amendments to the Interlocal Agreement and (ii) the Third Amended and Restated By-Laws, the signing and certification of the Third Amended and Restated By-Laws, and the filing the amendments to the Interlocal Agreement pursuant to Florida law. Drew Mullins, Starke, seconded the motion. Motion Carried 31-0.

**b. Approval of Reedy Creek Improvement District as a Wholesale Purchasing Member and Consent to Power Sales Contract**

Chris Gowder presented on the Board of Directors approval of Reedy Creek Improvement District as a Wholesale Purchasing Member and giving the Board's consent to the Power Sales Contract between FMPA and Reedy Creek.

**MOTION:** Doug Peebles, Ocala, moved approval of granting Reedy Creek Improvement District membership in FMPA as a Wholesale Purchasing Member, as provided in the Interlocal Agreement creating FMPA, pursuant to that certain Agreement for Purchase and Sale of Electric Capacity and Energy between Reedy Creek Improvement District and Florida Municipal Power Agency (All-Requirements Power Supply Project), subject to Executive Committee approval and signature of the agreement by both parties. The Secretary or Assistant Secretary is hereby authorized to issue an FMPA certificate of membership to Reedy Creek Improvement District pursuant to the applicable provisions of the Interlocal Agreement. Drew Mullins, Starke, seconded the motion. Motion carried 31-0.

**ITEM 9 – INFORMATION ITEMS**

**a. Poinsett Termination and Release Agreement**

Susan Schumann provided the Poinsett Termination and Release Agreement update.

**b. Florida Municipal Solar Project Update**

Susan Schumann provided the Solar Project Update

**ITEM 10 – MEMBER COMMENTS**

Barbara Quiñones, Homestead, thanked Larry Mattern for Chairing the meeting in her absence and congratulated Rachel Ilardi and Ryan Dumas on the award they achieved with APPA.

Doug Peebles, Ocala, thanked FMPA and the team for coming to Ocala to present to their Utility Advisory Board to help them understand what is going on in today's markets with high natural gas prices.

Larry Mattern, Kissimmee, wished everyone a nice, safe holiday.



**ITEM 11 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:00a.m.

\_\_\_\_\_  
Barbara Quiñones  
Chair

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

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

Seal

BQ/LM/su

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- b. Approval of the Projects’  
Preliminary Financials as of  
October 31, 2022**

**Board of Directors Meeting  
December 8, 2022**



Linda S. Howard, CPA, CFP  
Chief Financial Officer

## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Linda Howard  
**DATE:** December 13, 2022  
**ITEM:** 7b – Approval of Projects’ Financials as of October 31, 2022

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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 October 31, 2022 are posted on the Document Portal section of FMPA’s website.

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**Recommended:** Move approval of the Projects’ Financial Reports for the month ended October 31, 2022.

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LH/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Treasury Reports  
as of October 31, 2022**

**Board of Directors Meeting  
December 8, 2022**



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
 FROM: Sena Mitchell  
 DATE: November 29, 2022  
 ITEM: BOD 7(c) – Approval of Treasury Reports as of October 31, 2022

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

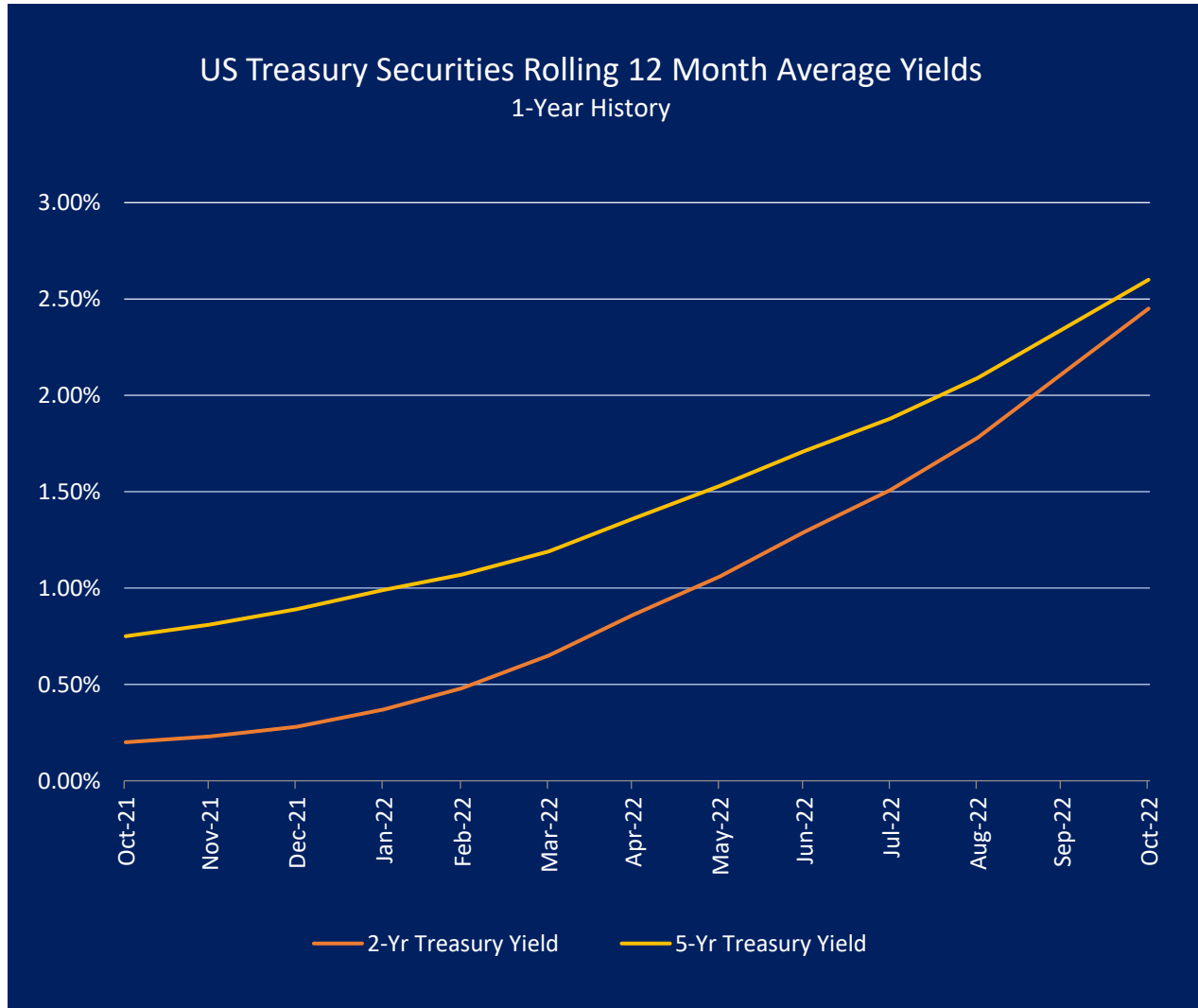
The Treasury Department reports for October are posted in the member portal section of FMPA’s website.

**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 October 31, 2022.

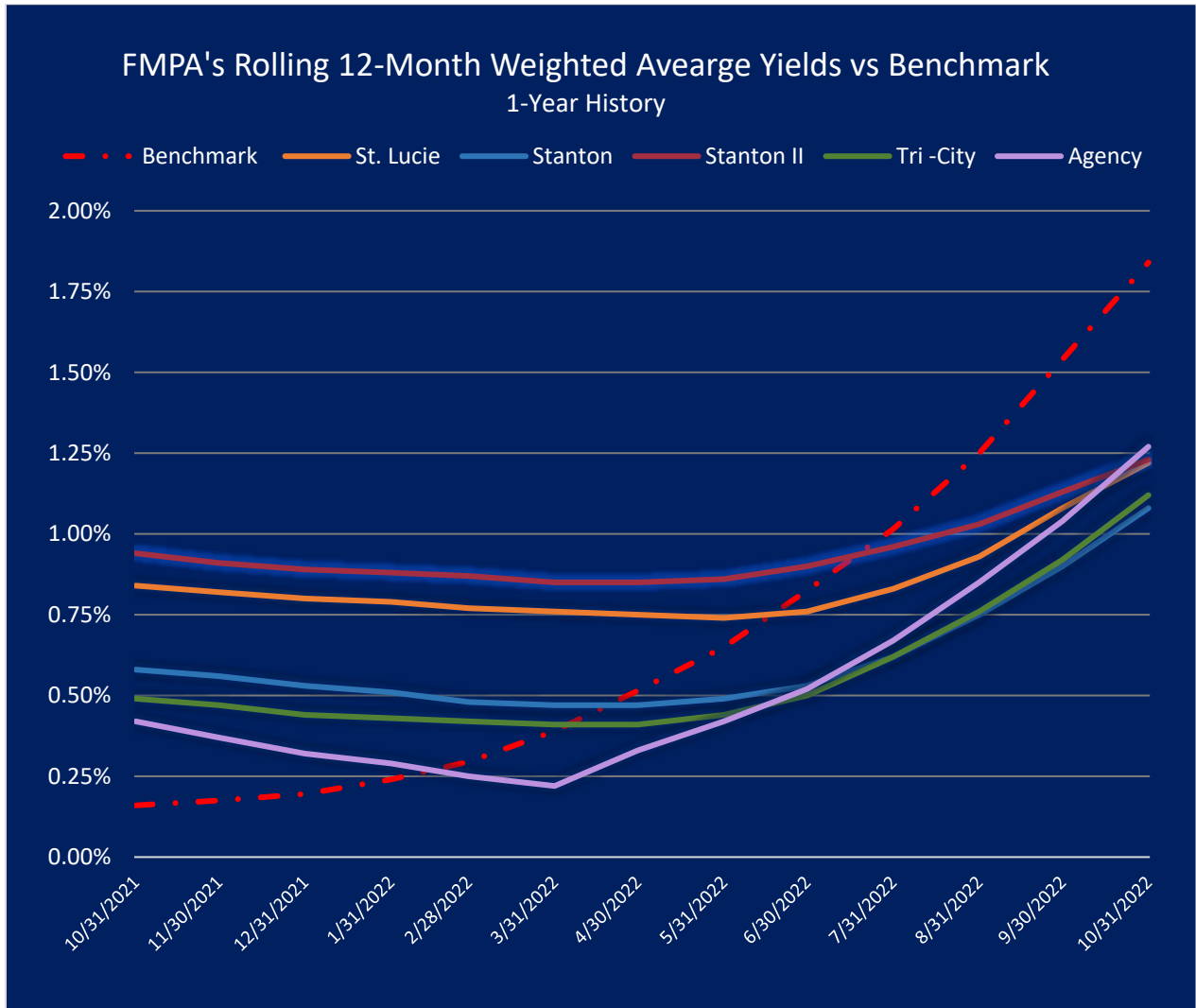
	<b>Total debt Outstanding</b>	<b>Fixed Rate</b>	<b>Variable Rate</b>	<b>Synthetically Fixed</b>
Agency	0.00	0%	0%	0%
St Lucie	53,285,000.00	100%	0%	0%
Stanton	0.00	0%	0%	0%
Stanton II	73,464,376.31	100%	0%	0%
Tri City	0.00	0%	0%	0%

**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 the rolling 12-month average US Treasury yields for the past year. The orange line is the 2-year Treasury which had a rolling 12-month average yield on October 31, 2022 of 2.45%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 2.60%.



The rolling 12- month weighted average yields on investments earned as of October 31, 2022, 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 October 31, 2022.

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- d. Acceptance of Annual Report of  
Late Payments as of September  
30, 2022**

**Board of Directors Meeting  
December 8, 2022**





# **7d– Acceptance of Annual Report of Late Payments as of September 30, 2022**

Board of Directors

December 8, 2021

# Late fees Reporting Policy

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- In accordance with the Accounting and Internal Controls Policy, Section 7.0 Reporting
- The policy requires that the CFO shall report the total amount of interest paid for late fees during the proceeding fiscal year
- Late Fees Paid were minimal

# Detail of Late Fees Paid

Vendor	Period	Late Fee Amount	Explanation
A T & T	01-2022	\$ 30.00	Invoice not received timely Suspected duplicate invoice paid late after researching Check lost in the mail & was reissued
UPS	04-2022	\$ 5.71	
Waste Management	11-2022	\$ 31.84	
Total		\$67.55	

**AGENDA ITEM 8 – ACTION ITEMS**

**a. Poinsett Termination and Release Agreement**

**Board of Directors Meeting  
December 8, 2022**



# **8a – Poinsett Termination and Release Agreement**

Board of Directors

Dec. 8, 2022

# Mutual Agreement to Terminate Poinsett PPA

## *Solar Committees, BOD and EC Approvals Required*

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- Poinsett - Termination and Release Agreement
  - Mutual agreement between FMPA and FRP with confidential terms
  - Parties agree to terminate PPA
  - Parties release each other from any claims regarding Poinsett
- Solar I committees scheduled to approve at Dec. 5 joint committee meeting
- BOD and EC approval in December
- **Execution of Agreement will be subject to member individual participant / governing body approvals in early 2023**

# Recommended Motion

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- Move approval of Poinsett Termination and Release Agreement, authorize CEO and General Manager to execute agreement following approvals by each Poinsett participant

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- a. Florida Municipal Solar Project  
Update**

**Board of Directors Meeting  
December 8, 2022**





# 9a – Florida Municipal Solar Project Update

Board of Directors

Dec. 8, 2022

# Phase I and Phase II Activity

## *Solar Committees, BOD and EC Approvals Required*

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### Phase I

- Solar Phase I joint committee meeting scheduled for Dec. 5
- Poinsett – Termination and Release Agreement approvals pending
- Poinsett participants will be redirected to Phase III facility
- Harmony – Additional costs for substation construction

### Phase II

- Rice Creek and Whistling Duck PPA revisions – participant local approvals in progress (email to participants sent Nov. 18)
- Whistling Duck network upgrade refund received from Duke

### Phase III

- Member visits and commitments ongoing
- PPA development ongoing

# Phase III – Potential to Double Size of FMSP

## *Member Commitments Needed ASAP*

Participant	Megawatts
Poinsett Participants	74.5
All-Requirements Project	100+
Fort Meade	1
JEA	75 - 150
Key West	10
Lake Worth Beach	20
Leesburg	10
Mount Dora	2
New Smyrna Beach	15
Orlando (Harmony swap)	40.5
Starke	1
Winter Park	10
<b>Total</b>	<b>359+</b>

- Power Purchase Agreement
  - <\$40/MWh
    - Final pricing dependent on several factors
  - 20-year term
  - 2% annual escalation OR flat pricing
  - FPL and Duke interconnected sites
- Two developers for risk management
- Potentially 4+ facilities
- COD Dec. 2025 or Dec. 2026

# Phase III Indicative Schedule

*Target: FMPA Approvals at April Board and EC Meetings*

<b>Activity</b>	<b>Date Complete</b>
Negotiation and PPA development with Origis and FRP	Feb. 1
Member Participation Agreement/Enabling Agreement development	Feb. 1
Member governing board approvals	Apr. 1
FMPA Board and Executive Committee approvals	Apr. 20
Final execution of PPAs	May 31

# Next Steps

## *No Action Required at this Time*

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- Phase I

- Solar I Committees approve Poinsett Termination and Release Agreement (Dec. 5)
- ARP Solar I Committee to consider additional Harmony substation cost
- Board and Executive Committee approve Poinsett agreement in December
- Poinsett participants receive individual governing board approvals (as needed) for termination
- Termination agreement executed upon approvals

- Phase II

- Solar II participants receive individual governing board approvals for pricing increase (Nov. 18 email)
- Groundbreaking for Rice Creek early 2023

- Phase III

- Continue informational meetings with potential participants
- PPA negotiation and development with Origis and FRP
- Development of FMPA/member participation agreements
- Member governing board approvals
- FMPA Board and Executive Committee approvals
- Target early 2023 for PPA execution

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. Human Resources Quarterly  
Update**

**Board of Directors Meeting  
December 8, 2022**



# 9b - HR Quarterly Report

Board Of Directors

Dec. 8, 2022

# 13 Team Members Left FMPA in 2022

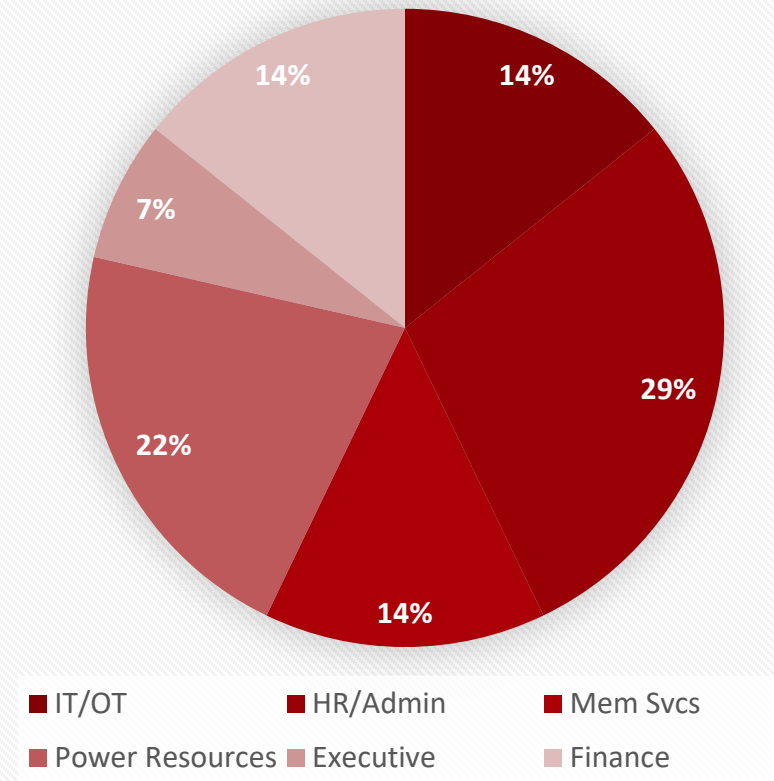
5 - Larger organizations with more upward growth opportunities

1 - Work from home full time

3 - Retirement

4 - Other

Turnover By Division





# Turnover Resulted In Stronger Team

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- Added resources to strengthen fleet support and engagement
- Plant process improvement targeting heat rate improvements
- In house - design engineering, thermal modeling, mechanical fabrication
- Improved maintenance practices and new vendors
- Stronger environmental compliance
- Added more expertise in Human Resources
- More qualified team in admin support to provide back-up for Executive Assistant and Member Services
- Created development opportunities in Finance

# Succession Planning

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- 5 team members currently qualify for retiree benefits
- Development opportunities for future retirements
- No known retirements planned for 2023
- Succession planning for retirements in our generation fleet
- Mulberry & Orange plant acquisitions will add more staffing options

# Significant Milestones

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- Increased power sales and acquired a new FMPA wholesale member
- Team involved in ~150 member projects/services
- Natural Gas/Power Price stabilization
- Completed purchase of new generation facilities
- Top employer for three years
- Employment engagement still strong
- 2 bond closings, 1 new Pooled Loan closing and 1 Pooled Loan pending
- Managed through Stock Island significant environmental event

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Regulatory Compliance Quarterly  
Update**

**Board of Directors Meeting  
December 8, 2022**



# 9c – Regulatory Compliance Update

Board of Directors

Dec. 8, 2022

# FERC Update

## *Notices of Proposed Rulemakings (NOPRs) & Conferences*

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- Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection (Docket RM 21-17, April 21, 2022)
- Improvements to Generator Interconnection Procedures and Agreements (Docket RM 22-14, June 16, 2022)
- Fifth Meeting of the Federal-State Task Force on Electric Transmission (November 15)
  - Focus on “Addressing Regulatory Gaps/Challenges in Oversight of Transmission Development”
- FERC-DEO Technical Conference on Supply Chain Risk Management (Docket AD22-12) (December 7, 2022)
  - Purpose: “to discuss supply chain security challenges related to the Bulk-Power System, ongoing supply chain-related activities, and potential measures to secure the supply chain for the grid’s hardware, software, computer, and networking equipment.”

# FERC Update (cont'd)

## *FERC Visits & Misc.*

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- FERC Technical Conference on Transmission Planning and Cost Management (October 6)
  - FMPA testified on Panel 1 - Development and Use of Local Transmission Planning Criteria
  - **Independent Transmission Monitor**
    - **FMPA leading TAPS non-RTO small group ITM development**
    - **Written ITM proposal for FERC consideration**
- TAPS meetings with FERC commissioners (November 2-3)
- General TAPS Update

# Roles of FMPA Regulatory Compliance Department

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**FMPA Compliance**



**Member Support**



**Industry Influence**



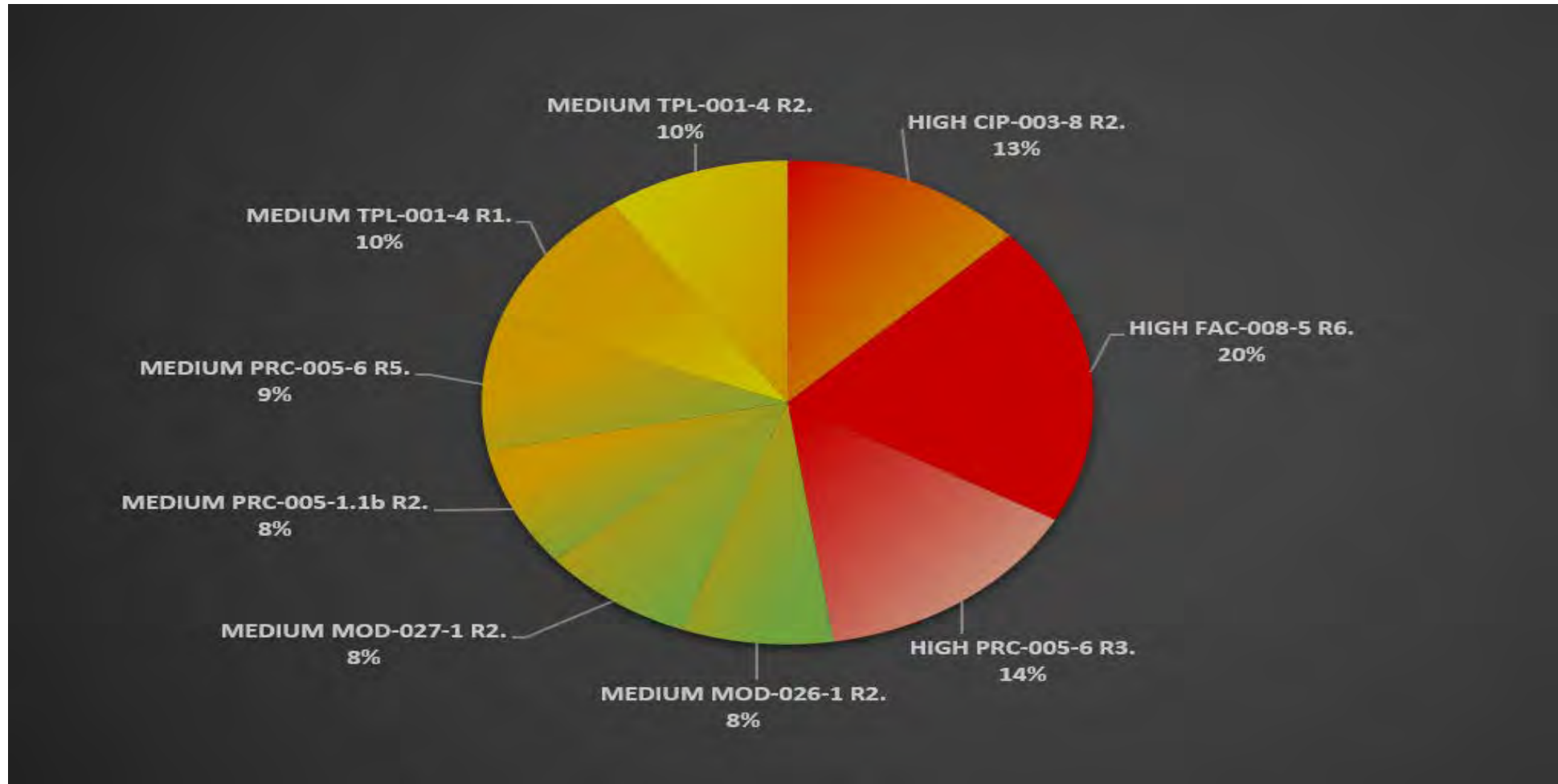
# Internal Compliance

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- 2022 Annual Goal - Regulatory Compliance Update
  - NERC Compliance Steering Committee will review a staff report reviewing all processes and procedures for compliance with all applicable NERC Reliability Standards”.
    - Compliance-SME one-on-one meetings continuous part of compliance program
    - The process began with high risk, new, and plant applicable standards
  - Plant – Compliance Collaboration
    - Training program on NERC Standards

# FMPA NERC Compliance Risk Profile

## *High and Medium Risk Standards and Requirements*



# Internal Compliance

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- FMPA has one self-reportable compliance violation
  - TPL-001 Self-report submitted regarding Correction Action Plan (CAP) protection system being removed
  - TPL-001 Mitigating Tasks accepted and complete
- Plant coordination
  - Working through control system network upgrades with CI plant staff and coordinating on CIP standards

# Member Support

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- Bi-weekly Compliance calls continue to be a consistent success with expectations of growth and evolution
  - More than 65% consistent member city representation from NERC compliance registered member cities
- Compliance Department is available for support and help with peer reviews, spot checks, balloting and commenting, or to answer any compliance questions

# Industry Influence

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- Submitted Comments and/or cast ballots
  - CIP Standards; PRC-002;
- Align release R4.5 training update; Q1 2023
- Cold Weather Standard Development
  - FMPA continues participation in Cold Weather Preparedness standard development & implementation efforts
- Continued APPA and TAPS involvement

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**d. Annual Risk Inventory**

**Board of Directors Meeting  
December 8, 2022**



# 9d – Review of Agency Risk Inventory

Board of Directors

Dec. 8, 2022

# Top Risk Inventory Scores

## *Most Top Risks Decreased, Liquidity & Regulatory New Top Risks*

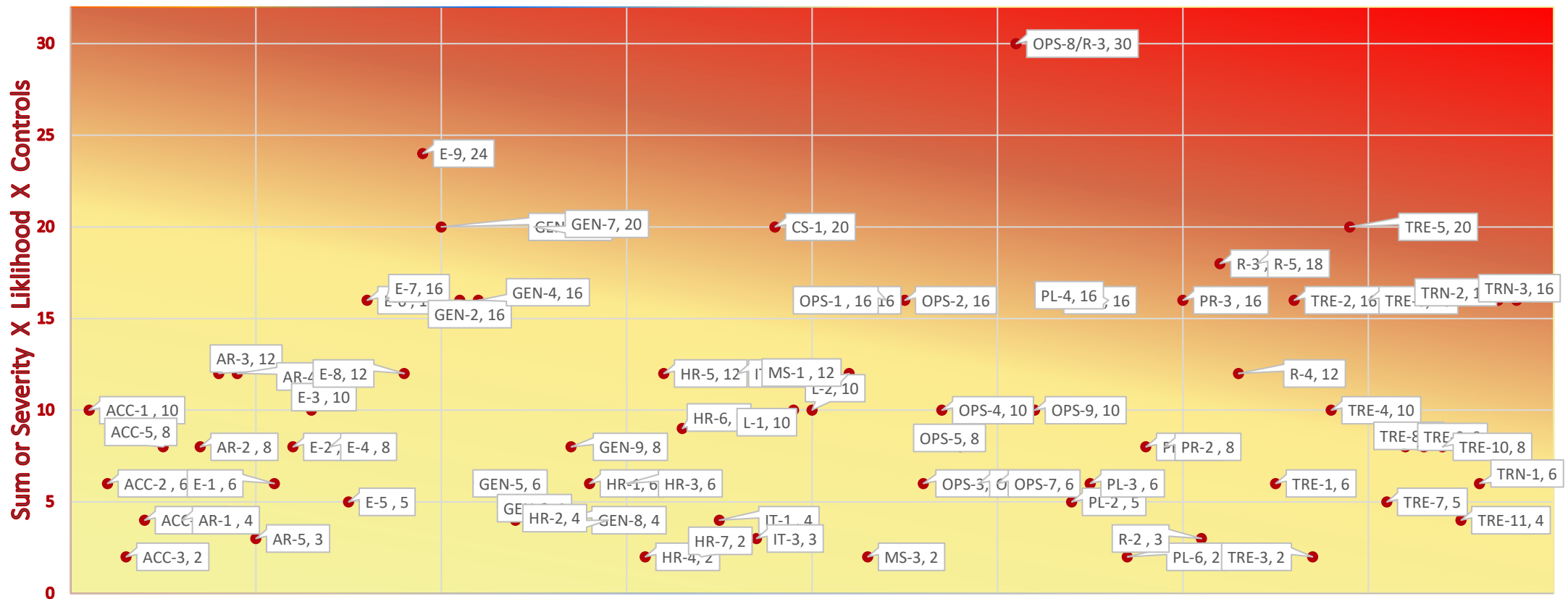
Risk Description	Risk Score FY 2023	Risk Score FY 2022	Summary of Change
Natural Gas Prices/ARP Rates	30	30	EC approved 75% of ARP natural gas exposure for the next 18 months. Remaining volume significant to Energy rate and NG pricing volatility has increased over prior years.
Regulatory	24	N.A.	New Risk for FY 2023 Risk of State and National Regulatory events such as pipelines and exploration of natural gas – National regulatory and Federal Court risk
ARP Generation Partnerships	20	30	Likelihood is now a 2- reasonably possible: Communication has improved with regular meetings and goals to accomplish together.
Cyber Security	20	20	Risk remains high due to environment and number of industry attacks
ARP Generation availability	20	20	Risk continues to be severe especially if there is an outage during peak periods and high gas prices. TCEC outage can cause transmission concerns and increased pool purchases.
Liquidity Position	20	4	Severity, Likelihood and Controls all increased one notch. \$115M Borrowing to fund natural gas stability program using all excess funds. Expect this risk to go down next year as margin posting are collected via rates.
Non-ARP Rates	18	24	Severity decreased from a Very Serious (4) to Serious (3): Impact of out of economic operations and coal delivery costs do not have a very serious impact to members or ARP.
Compliance with Environmental Regulation	16	24	Likelihood changed from an Almost Certain (3) to Reasonably Possible (2). Stock Island Event is now a known event. Regulations can result in fines, require capital improvements/early retirement of existing units and/or changes to operations.
Legislative Affairs	16	20	Risk remains high, but would be higher if all branches of Federal Gov. controlled by one party
Counterparty Credit Extension Credit Risk	8	20	GE delivered on prepaid outage costs. No longer in excess of \$10M with counterparty. GE CDS rating has improved from 160 to 95 less than 10% probability of default.



# Risk Heat Map

*Majority of FMPA's Risks Score Below "20" i.e. High Risks*

Risk Inventory Heat Map



**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Board of Directors Meeting  
December 8, 2022**

**AGENDA ITEM 11 – ADJOURNMENT**

**Board of Directors Meeting  
December 8, 2022**