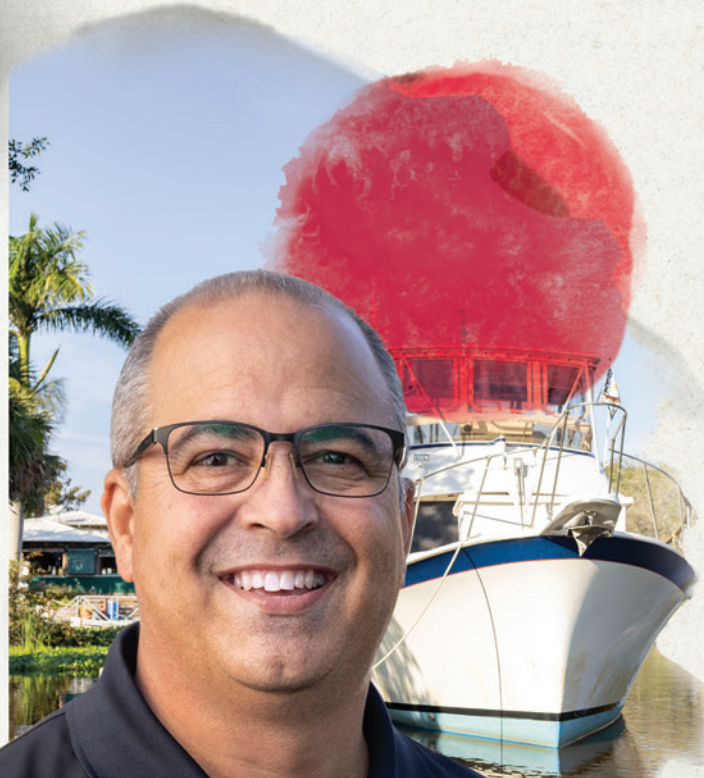


Powering

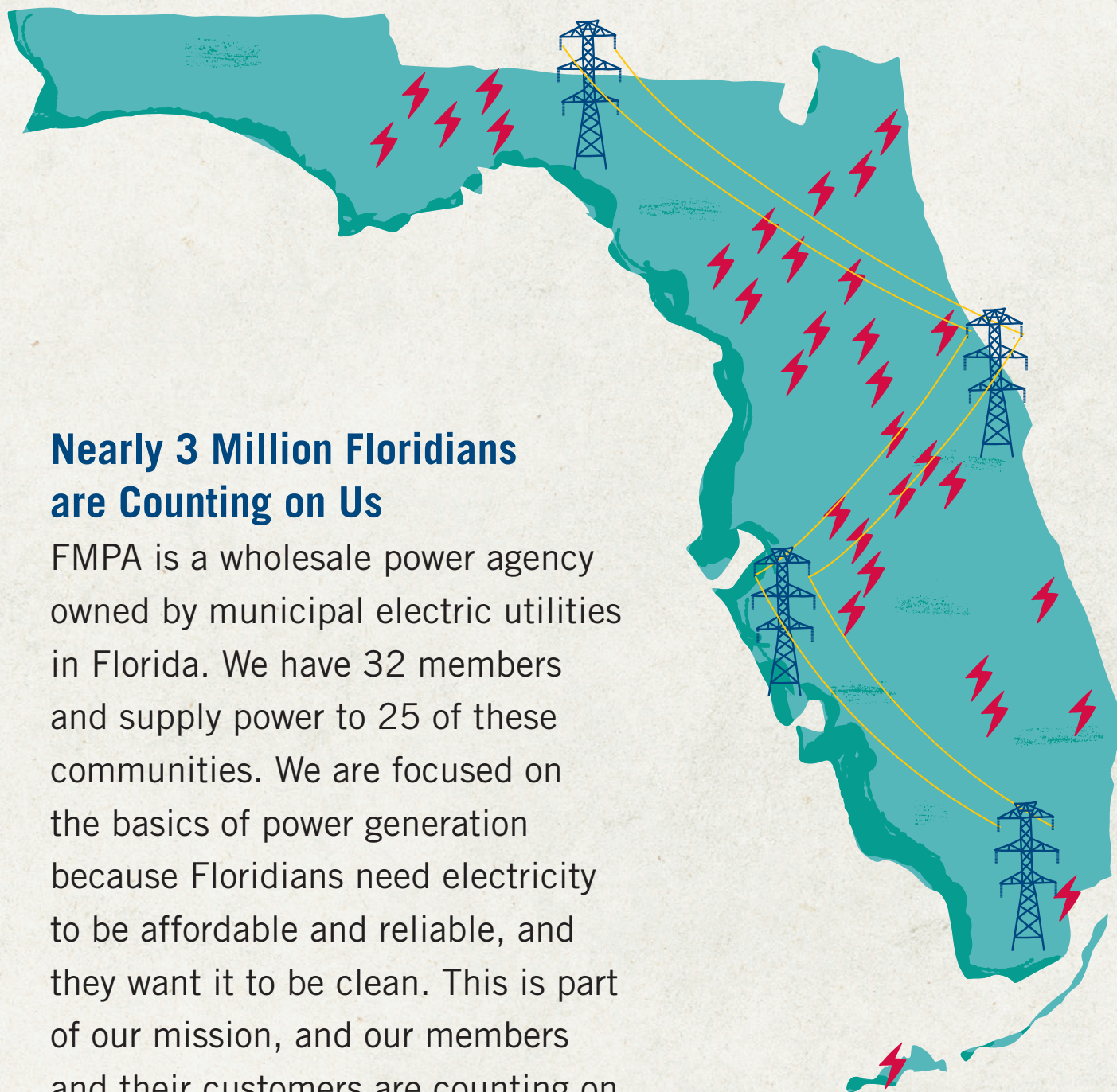
ON

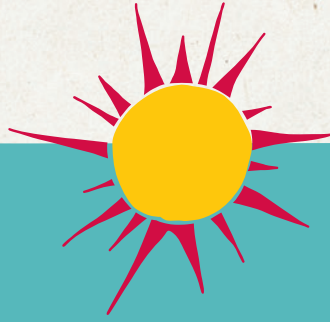
2022 ANNUAL REPORT



Nearly 3 Million Floridians are Counting on Us

FMPA is a wholesale power agency owned by municipal electric utilities in Florida. We have 32 members and supply power to 25 of these communities. We are focused on the basics of power generation because Floridians need electricity to be affordable and reliable, and they want it to be clean. This is part of our mission, and our members and their customers are counting on us to deliver.





You've heard the saying, "When the going gets tough, the tough get going." It means when there are challenges, we pull together and work hard to find solutions.

Over the past 12–18 months, we've faced many challenges: insufficient oil and natural gas production and infrastructure, volatile energy markets, and supply chain issues. As a result, our power costs are up, and customers are struggling to pay their electric bills.

At FMPA, we've rolled up our sleeves, dug deep and are powering on to do everything we can to meet our mission of providing low-cost, reliable and clean power.

Explore this report to see how we are working with our members to ensure electricity prices are affordable today, tomorrow and in the future.

Report From

MANAGEMENT



Ramon Iglesias meets with Lynne Mila, assistant utilities director for Clewiston, to discuss higher energy costs and ways to help customers.

Bing! Ramon Iglesias glances at his cellphone and sighs. It's another text message from a resident asking the Hendry County Commissioner about their utility bill.

"Everyone is upset about the higher costs," he said. "Some people say their power bill is so high they can't afford to pay it and need help. They aren't using more electricity than normal, so they don't understand why their bills have increased."

In addition to serving his community, Ramon manages a local marina and resort in Clewiston. The business is located on the southern shores of Lake Okeechobee and depends on fishermen and tourists that come to relax and unwind. While the municipal electric utility that serves the community has competitive rates, Ramon is concerned about the higher costs.

Utilities Impacted by Higher Costs

The national average price of electricity for residential customers has increased approximately 10% since 2021. In Florida, power bills are up 15–50%. The main reason for higher bills – the cost of natural gas.

We use natural gas to generate most of our electricity because it is reliable, efficient and a relatively clean fuel source. Prior to June 2021, the average monthly price of natural gas was consistently below \$3 per metric million British thermal unit (MMBtu). After that time, the price began to increase and rose to more than \$9 per MMBtu.

Unfortunately, the higher fuel prices contributed to a significant increase in wholesale power costs in fiscal 2022. At \$99.48 per megawatt hour, this is the first time in eight years that the average cost for FMPA's All-Requirements Project is above \$80. Power costs for FMPA's Stanton, Stanton II and Tri-City projects also increased. The only FMPA project that saw power costs decline in fiscal 2022 was the St. Lucie Project, which decreased 16% due to lower fixed costs and the refinancing of debt.

The higher costs are a concern for FMPA and its members, since Floridians use large amounts of electricity and earn less than people in other states.

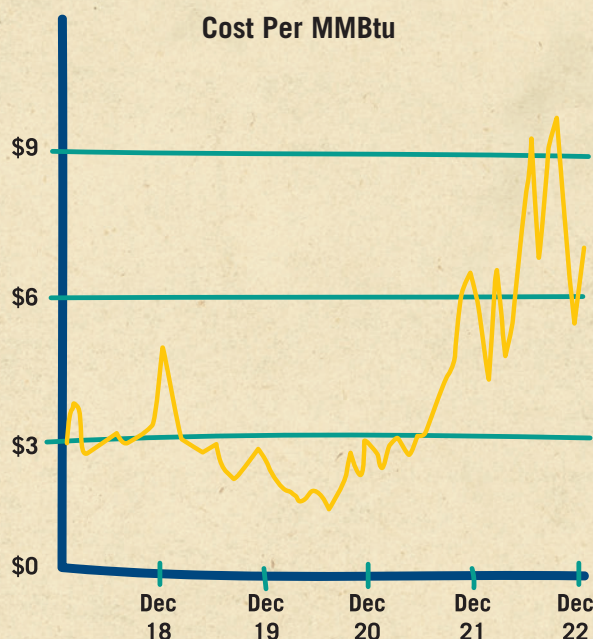
To stabilize rates and keep power affordable, we sold excess generating capacity, executed prepaid contracts for natural gas, refinanced debt and operated efficient power plants. These efforts saved more than \$33 million, or just under \$6 per megawatt hour; however, it was not enough to offset the additional \$188 million needed to operate our power plants.

While our costs are up, Florida's municipal electric utilities are competitive with the large utilities. And in 2023, we will be even more competitive as the investor-owned utilities increase their base rates and begin to recover storm hardening and higher-than-expected fuel costs from this past year.



Natural Gas Prices Have Increased Significantly

Average Price in 2022 is Double 2018



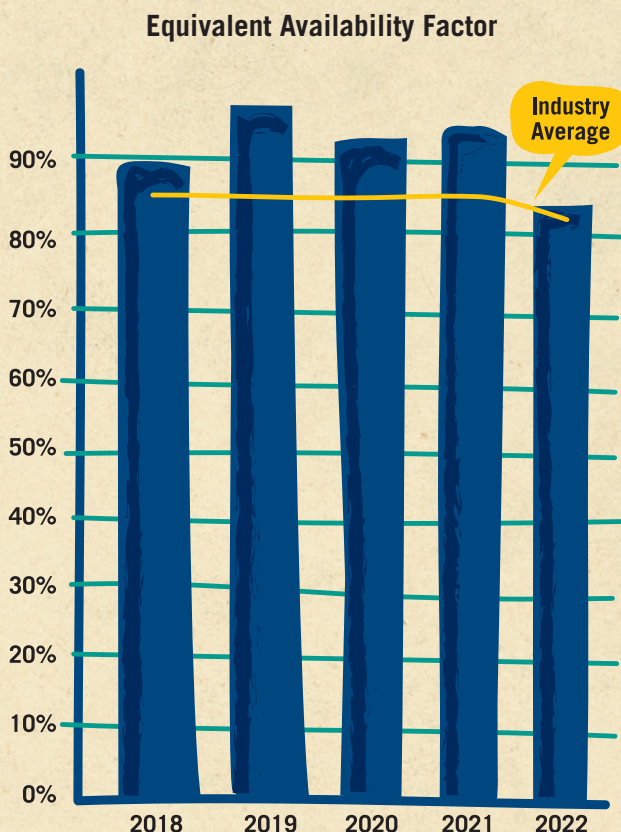
Generating Facilities Among Top Plants

Operating reliable power plants enables us to keep the electricity flowing and customers' lights on. We are proud to report that our three baseload generating units had a combined equivalent availability factor that exceeded the industry average for the eleventh consecutive year. This means our generation fleet was available and ready to operate with minimal outages.

Cane Island Power Park received a Top Plant Award from POWER Magazine for its operating record in providing affordable, reliable and clean power. In fiscal 2022, Unit 3 completed its first major performance upgrade and the second quadruple major outage since the unit came online in 2001. This work will enable us to supply power to more customers and help ensure the unit operates beyond its 30-year life expectancy.

FMPA's Baseload Units Are Efficient Power Plants

Consistently Exceed Industry Average



Treasure Coast Energy Center Unit 1 had a great year in reliability. The unit was available 97% of the time with no major outages and generated nearly 2.1 million megawatt hours. This was 400 megawatt hours more than Cane Island Unit 4, which performed well, too. Combined, the two units accounted for approximately 50% of the total generation for the All-Requirements Project.

We can't talk about great reliability without mentioning Stock Island Generating Facility near Key West. While the city gets its power from FMPA via a 120-mile, high-voltage transmission line, we occasionally must operate the units at Stock Island to supply power to the Lower Keys. These units were called on to operate a record 23 times in fiscal 2022 and performed well.

Our commitment to reliable power also includes doing it in an environmentally responsible way. For the past 18 months, FMPA has been working with responding agencies on the cleanup of a discharge at Stock Island. Work to contain, recover and clean up a sheen on Safe Harbor is nearing completion, and monitoring efforts to ensure there is no new discharge continue.

In addition to operating safe and clean power plants, we continued to support our members with distribution projects and customer communications. During fiscal 2022, we managed substation improvements, supported deployments of Advanced Metering Infrastructure, developed or updated system maps for cities, and helped customers understand the rising costs and impacts on their bills. These efforts will continue in the coming year.

Continuing to Provide Clean Energy

In 2020, FMPA created a goal to reduce its carbon emissions by 50% from 2005 levels by 2027. We are proud to report that our emissions rate today is the lowest it has been since 2014. We accomplished this by shifting away from coal and to cleaner sources of power generation.

To reduce emissions further, we are working with the majority owner of the Stanton Energy Center coal units on a plan to retire Unit 1 and convert Unit 2 to natural gas. This conversion in energy resources would support FMPA's goal to keep power costs affordable and to reduce carbon emissions.



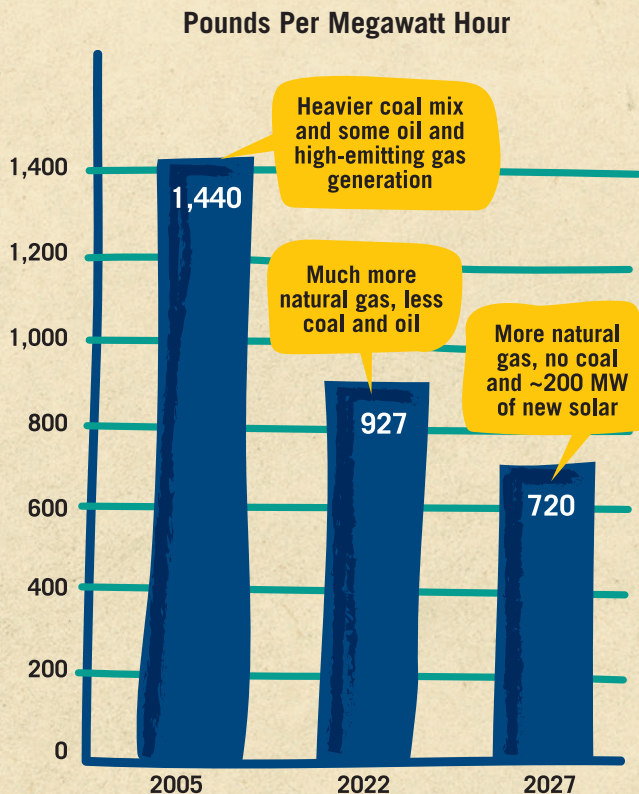
FMPA's Jose Molina Bravo, Steve Hayes and Dwight Ricketts with the City of Clewiston examine control system equipment inside a local substation to ensure electricity flows to customers. The management of substation improvement projects is one of several ways FMPA regularly supports its members.



Edgar Ruiz changes out an electric meter at a customer's home in Clewiston, in preparation for an Advanced Metering Infrastructure coming to the city in 2023. FMPA is supporting the city with the deployment of the new system, which will provide customers more control over their utility bill.

FMPA Carbon Emissions Projected to Decline Significantly

50% Decline from 2005 Levels by 2027



**Emissions data relative to total estimated generation with renewables*

To ensure we have enough cost-efficient and clean power in the future, FMPA has secured up to 155 megawatts of capacity from Plant Oleander beginning in 2024. We also signed an agreement with Northern Star Generation to purchase the Orange and Mulberry Cogeneration Facilities, which will provide additional capacity beginning in 2025 when Stanton Unit 1 is retired.

We also are adding more solar power. Approximately 1% of our energy currently comes from the sun, and that number will increase to around 7% in the next five years. This includes the first two solar sites in the Florida Municipal Solar Project that came online in June 2020. Two more solar sites will come online by the end of 2024, and we are discussing a Phase III for 2025 that could double the size of the project to 600 megawatts.

Powering On

As an elected official, Ramon Iglesias has a unique perspective of the impacts from the higher costs.

"I understand where people are coming from, because I've also seen the impacts at work and at home," he said. "As a county commission, we regularly discuss how this is a national issue and ways we can help customers. While our situations vary, we all have one thing in common – the desire to spend less money on electricity and bills and more on things that we enjoy."

The challenges that utilities face today are forcing customers to make difficult decisions. We don't want people to have to decide whether to pay their electric bill or put food on the table, so FMPA has made affordability its top priority.

As we mark our 45th anniversary on Feb. 24, 2023, we continue to focus on a mission that has been our beacon since 1978. The commitment to low-cost, reliable and clean power still rings true, and everything we do today and tomorrow is for the 2.9 million Floridians that FMPA and its members serve.

Barbara Quiñones

Barbara Quiñones

Chair, Board of Directors

Jacob A. Williams

Jacob Williams

General Manager and CEO



Jacob Williams, Barbara Quiñones and Clewiston City Manager Randy Martin discuss FMPA's support with ongoing projects in the city.

Financial

HIGHLIGHTS



Energy Supplied in a
Single Hour on June 16

1,559 MW



Prepaid Natural Gas
Transactions Saved

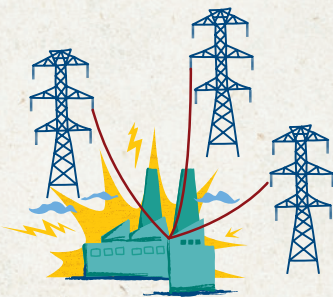
\$4.5 M



Debt Refinancing
Saved

\$9 M

Efforts to stabilize rates and keep electricity affordable saved members more than \$33 million.



Third-Party Energy, Gas
and Capacity Sales Saved

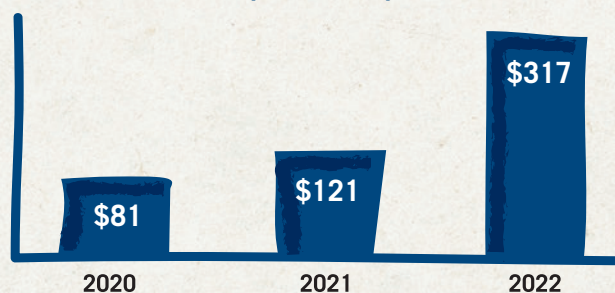
\$15.3 M



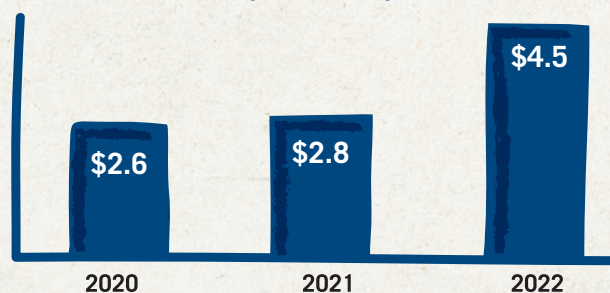
High Generation
Availability Saved

\$4.5 M

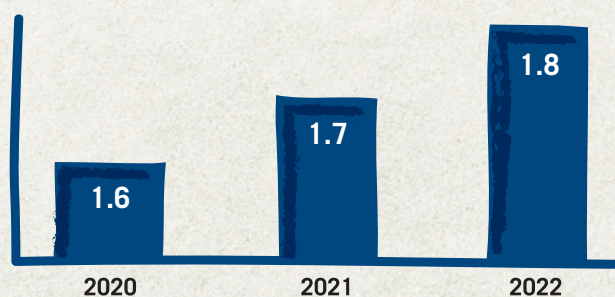
ARP's Net Expense for Natural Gas
(In Millions)



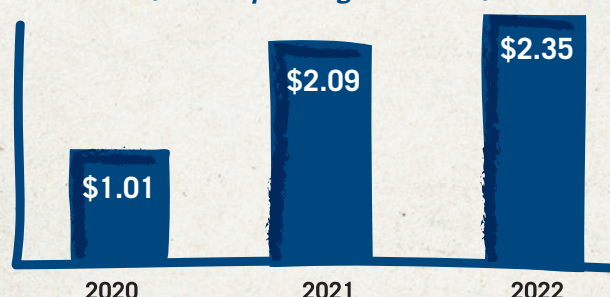
Savings from Prepaid Gas Contracts
(In Millions)



External Energy Sales
(In Million Megawatt Hours)



Net Benefit to ARP from External Sales
(Dollars per Megawatt Hour)



	FISCAL 2021	FISCAL 2022	CHANGE
All-Requirements Project: Provides the wholesale power needs for 13 members			
Megawatt Hours Sold	5,885,763	5,963,224	1%
Billings to Participants	\$419,512,000	\$629,759,000	50%
Cost per Megawatt Hour	\$69.63	\$99.48	43%
St. Lucie Project: An 8.8% ownership interest in St. Lucie Unit 2, a 984 MW nuclear power plant			
Megawatt Hours Sold	688,960	716,436	4%
Billings to Participants	\$46,920,000	\$44,663,000	-5%
Cost per Megawatt Hour	\$68.21	\$57.13	-16%
Stanton Project: A 14.8% ownership interest in Stanton Unit 1, a 441 MW coal-fired power plant			
Megawatt Hours Sold	321,529	284,082	-12%
Billings to Participants	\$15,237,000	\$25,577,000	68%
Cost per Megawatt Hour	\$47.13	\$89.93	91%
Tri-City Project: A 5.3% ownership interest in Stanton Unit 1, a 441 MW coal-fired power plant			
Megawatt Hours Sold	103,371	105,451	2%
Billings to Participants	\$5,657,000	\$10,255,000	81%
Cost per Megawatt Hour	\$51.88	\$97.66	88%
Stanton II Project: A 23.2% ownership interest in Stanton Unit 2, a 453 MW coal-fired power plant			
Megawatt Hours Sold	593,865	375,451	-37%
Billings to Participants	\$45,316,000	\$54,597,000	20%
Cost per Megawatt Hour	\$76.78	\$142.26	85%

Note: Higher fuel prices in fiscal 2022 contributed to significant increases in wholesale power costs. Lower capacity factors and coal management strategies for FMPA's coal-fired units were also drivers for higher costs.

Fiscal Year

HIGHLIGHTS



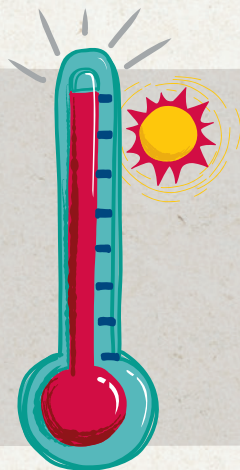
INCREASED POWER SALES

We sold 1.8 million megawatt hours of energy to utilities outside of the All-Requirements Project, which helped reduce costs for members by \$2.35 per megawatt hour. This included selling power to Alachua, Tampa Electric Co. and The Energy Authority for its public power utilities.



REDUCED PROJECT DEBT

We refinanced debt for the St. Lucie and Stanton II projects for a combined net present value savings of \$9 million. The \$7 million in savings for the St. Lucie Project helped provide power costs for participants that were 16% lower in fiscal 2022.



SET NEW SUMMER PEAK

The All-Requirements Project recorded a new summer peak of 1,311 megawatts on June 16, 2022. In addition, FMPA sold another 248 megawatts for a total load of 1,559 megawatts, which was the largest amount of energy supplied during any single hour.



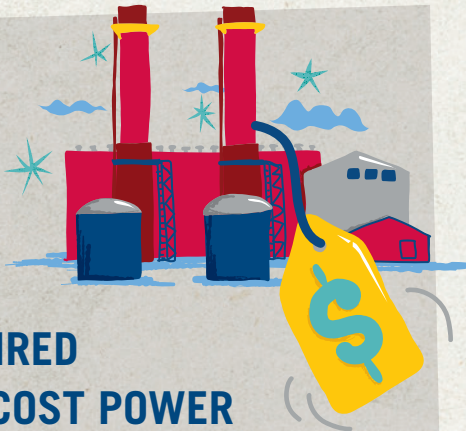
SECURED AFFORDABLE FUEL

FMPA secured 32% of its natural gas needs below market price. This included prepaid contracts with suppliers that saved members approximately \$4.5 million in fiscal 2022 and more than \$10.5 million over the past four years. Additional prepaid contracts are projected to save FMPA and its members at least \$8 million in fiscal 2023.



INCREASED CAPITAL FOR UTILITY PROJECTS

The Board of Directors amended and extended FMPA's Pooled Loan Program, which helps members fund utility projects in a cost-effective way. Approximately \$43 million has been issued for member and FMPA projects since 2019, and there is a potential for more capital improvements in the coming years.



ACQUIRED LOW-COST POWER

FMPA finalized a multi-year power purchase agreement for up to 155 megawatts of capacity from Plant Oleander that will provide cost-efficient power beginning in 2024. We also signed an agreement with Northern Star Generation for the purchase of the Orange and Mulberry Cogeneration Facilities, which will provide additional capacity beginning in 2025 when Stanton Unit 1 is retired.



SUPPORTED MEMBER PROJECTS

The FMPA team supported approximately 150 member projects. This includes services to enhance reliability, review rates, support financial audits, enhance customer communications and more.

Board of Directors and EXECUTIVE COMMITTEE



FMPA's Governing Board Officers

Front left to right: Larry Mattern and Lynne Tejeda

Back left to right: Howard McKinnon, Barbara Quiñones, Allen Putnam

Barbara Quiñones
Chair, Board of Directors
Homestead

Howard McKinnon
Chair, Executive Committee
Havana

Lynne Tejeda
Vice Chair
Key West

Allen Putnam
Treasurer
Jacksonville Beach

Larry Mattern
Secretary
Kissimmee

Rodolfo Valladares
Alachua

Brad 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

Bob Page
Green Cove Springs

Ed Liberty
Lake Worth Beach

Michael Beckham
Lakeland

Brad Chase
Leesburg

Steve Langley
Mount Dora

Mike New
Newberry

Joe Bunch
New Smyrna Beach

Doug Peebles
Ocala

Claston Sunanon
Orlando

Drew Mullins
Starke

Tony Guillen
Tallahassee

James Braddock
Wauchula

Dan D'Alessandro
Winter Park

Vacant
Moore Haven
Quincy
St. Cloud
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

Chief People and Member Services Officer

Sue Utley

Executive Assistant to the CEO and Assistant 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.



8553 Commodity Circle • Orlando, FL 32819-9002
(407) 355-7767 • www.fmpa.com