



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

March 16, 2023

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

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

Meeting ID Number: 226 154 168 665#

Committee Members

Howard McKinnon, Havana - Chair

Lynne Tejeda, Key West – Vice Chair

Christina Simmons, 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: March 07, 2023
RE: FMPA Telephonic Executive Committee Meeting
Thursday, March 16, 2023, 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 226 154 168 665#
(If you have trouble connecting via phone or internet, call 407-355-7767)

Chairman Howard McKinnon, Presiding

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum
2. Set Agenda (by vote)
3. Recognition of Guests
4. Public Comments (Individual public comments limited to 3 minutes)
5. Comments from the Chairman (Howard McKinnon)
6. Report from the General Manager (Jacob Williams)
7. Consent Agenda
 - a. Approval of Meeting Minutes – Meetings Held February 16, 2023 and ARP Telephonic Rate Workshop Held February 14, 2023
 - b. Approval of Treasury Reports – As of January 31, 2023
 - c. Approval of the Agency and All-Requirements Project Financials as of January 31, 2023
 - d. ARP 12-month Capacity Reserve Margin Report

8. Action Items

- a. Approval of ARP Capacity Acquisition (Ken Rutter)

9. Information Items

- a. Florida Municipal Solar Project Update * (Susan Schumann)
- b. Updates to FMPA's Financial Commitment Authority Levels Table (Denise Fuentes)
- c. Quarterly Compliance Update * (LaKenya VanNorman)
- d. 2023 Strategic Planning Workshop Report * (Jacob Williams)

10. Member Comments

11. Adjournment

*** 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
March 16, 2023**

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

**Executive Committee
March 16, 2023**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
March 16, 2023**

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

**Executive Committee
March 16, 2023**

**AGENDA ITEM 5 – COMMENTS
FROM THE CHAIR**

**Executive Committee
March 16, 2023**

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

**Executive Committee
March 16, 2023**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of Meeting Minutes –
Meetings Held February 16, 2023
& ARP Telephonic Rate Workshop
Held February 14, 2023**

**Executive Committee
March 16, 2023**

CLERKS DULY NOTIFIED FEBRUARY 07, 2023
AGENDA PACKAGES POSTED FEBRUARY 07, 2023

**MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY FEBRUARY 16, 2023
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819**

**PARTICIPANTS
PRESENT:**

Lynne Mila, Clewiston (virtual)
Javier Cisneros, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach (virtual)
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Drew Mullins, Starke

**OTHERS
PRESENT**

Ed Liberty, Lake Worth Beach
James Hughes, Starke
Daniel Retherford, Fort Pierce
Steve Stein, nFront Consulting

**STAFF
PRESENT**

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and Chief Legal Officer
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Dan O'Hagan, Assistant General Counsel and Manager of
Regulatory Compliance
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Lindsay Jack, Administrative Specialist
Mike McCleary, Manager of Member Services Development
Sharon Adams, Chief People and Member Services Officer
Susan Schumann, Manager of External Affairs and Solar Projects
Rich Popp, Treasurer and Risk Director
Rachel Ilardi, Public Relations Specialist
Wayne Koback, IT Manager
LaKenya VanNorman, Regulatory Compliance Specialist
David Schumann, Power Generation Fleet Director
Ryan Dumas, Senior Public Relations Specialist

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

Chair Howard McKinnon, Havana, called the FMPA Executive Committee meeting to

order at 10:46 a.m., Thursday, February 16, 2023, 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 8 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Lynne Mila, Clewiston, moved approval of the agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion Carried 8-0.

ITEM 3 – RECOGNITION OF GUESTS

Steve Stein, nFront Consulting
Norm Krise, Enercom

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chair Howard McKinnon, Havana, thanked everyone for participation and a very good Strategic Planning session yesterday. He also thanked FMPA for the time and preparation for all of yesterday's activities and events.

ITEM 6 – REPORT FROM GENERAL MANAGER

Nothing further.

ITEM 7 – CONSENT AGENDA

- a. Approval of Meeting Minutes – Meetings Held January 19, 2023, ARP Telephonic Rate Workshop Held January 12, 2023, & Special Called EC Meeting Held February 02, 2023
- b. Approval of Treasury Reports – As of December 31, 2022
- c. Approval of the Agency and All-Requirements Project Financials as of December 31, 2022
- d. ARP 12-month Capacity Reserve Margin Report

MOTION: Javier Cisneros, Fort Pierce, moved approval of the Consent Agenda as presented. Bob Page, Green Cove Springs, seconded the motion. Motion Carried 8-0.

ITEM 8 – ACTION ITEMS:

a. Harmony Substation Cost Reimbursement

Susan Schumann presented the Harmony Substation Cost Reimbursement plan.

MOTION: Allen Putnam, Jacksonville Beach, moved to table this item until the March meeting. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 8–0.

b. Poinsett Facility Termination Fund Distribution

Susan Schumann presented the Poinsett Facility Termination Fund Distribution plan.

MOTION: Lynne Tejada, Key West, moved approval of Poinsett Termination proceeds be used toward repayment of Project Development funds associated with Solar Project expenditures, with no remaining balance expected. If EC subsequently approves additional pending Harmony substation expenses, Poinsett Termination proceeds will be used toward those costs first, to avoid an additional request for Development Funds. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 8-0.

c. Approval of Debt Risk Management Policy

Rich Popp had nothing to add from the earlier Board presentation.

MOTION: Larry Mattern, Kissimmee, move approval of the presented Debt Risk Management Policy with recommended changes. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 8-0.

d. Approval of Financial Advisors' Contracts

Linda Howard had nothing to add from the earlier Board presentation.

MOTION: Javier Cisneros, Fort Pierce, moved approval of the contracts with Financial Advisors as follows: 3-year contract with PFM with total fees of \$570,000, with opportunity to extend contract and 2-year contract with Dunlap & Associates with total fixed fees of \$180,000. Larry Mattern, Kissimmee, seconded the motion. Motion carried 8-0.

ITEM 9 – INFORMATION ITEMS:

a. Annual Debt Report

Ed Nunez presented the Annual Debt Report as of September 2022 at the Board of Directors meeting earlier. There were no further questions.

b. Florida Municipal Solar Project Update

Susan Schumann had nothing further to report.

c. Potential Capacity Addition Due Diligence

Ken Rutter provided updates on the Potential Capacity Addition Due Diligence.

d. Update on Stanton Energy Center

Ken Rutter reported on this item at the Board of Directors meeting. There was nothing further to report.

ITEM 10 – Member Comments

Larry Mattern, Kissimmee, thanked members for Strategic Planning & EC participation.

Howard McKinnon, Havana, Thanked everyone and FMPA staff, especially Mike McCleary who helped Havana during Hurricane Ian and they appreciated that help.

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 12:23p.m.

Howard McKinnon
Chairman, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS..... February 07, 2023
AGENDA PACKAGES SENT TO MEMBERS February 07, 2023

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATES WORKSHOP
TUESDAY, FEBRUARY 14, 2023
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Javier Cisneros, Fort Pierce
Robert C. Page, Green Cove Springs
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Marie Brooks, Ocala

STAFF PRESENT

Jacob Williams, General Manager and CEO
Linda S. Howard, Chief Financial Officer
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Lindsay Jack, Administrative Specialist
Jason Wolfe, Financial Planning, Rates and Budget Director
Denise Fuentes, Financial Planning, Budget and Financial Analyst II
Danyel Sullivan-Marrero, Controller
Sharon Adams, Chief People and Member Services Officer

Item 1 – Call to Order and Roll Call

Lynne Tejeda, Key West, Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, February 14, 2023, 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 January ARP Rate Calculation

Denise Fuentes gave an update on the January, 2023 natural gas markets, provided an overview of the January, 2023 loads, and reviewed the January 2023 ARP rate calculation.

Item 3 – Member Comments

Javier Cisneros, Fort Pierce, asked: in reference to January not using 60-day cash support, are we still paying back money borrowed from the 2021 bonds?

Jacob, Yes, we are still paying back the 2021 bonds borrowed but not using any additional funding from the cash support. I don't expect gas prices to move for the next 4-6 months because of the weather, so now moving to a monthly rate and cash standpoint.

Lynne Tejeda, Key West, agrees. She added that if anything dramatic changes you will let us know.

Jacob Reminders: Tomorrow is the Strategic Planning meeting at 9:30am followed by the tour of the new Orlando plant. Appetizers and dinner to follow at the office.

Item 4 - Adjournment

There being no further business, the meeting was adjourned at 2:08 p.m.

Approved

LT/lj

**AGENDA ITEM 7 – CONSENT
AGENDA**

- b. Approval of Treasury Reports as
of January 31, 2023**

**Executive Committee
March 16, 2023**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Sena Mitchell
DATE: March 7, 2023
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of January 31, 2023

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

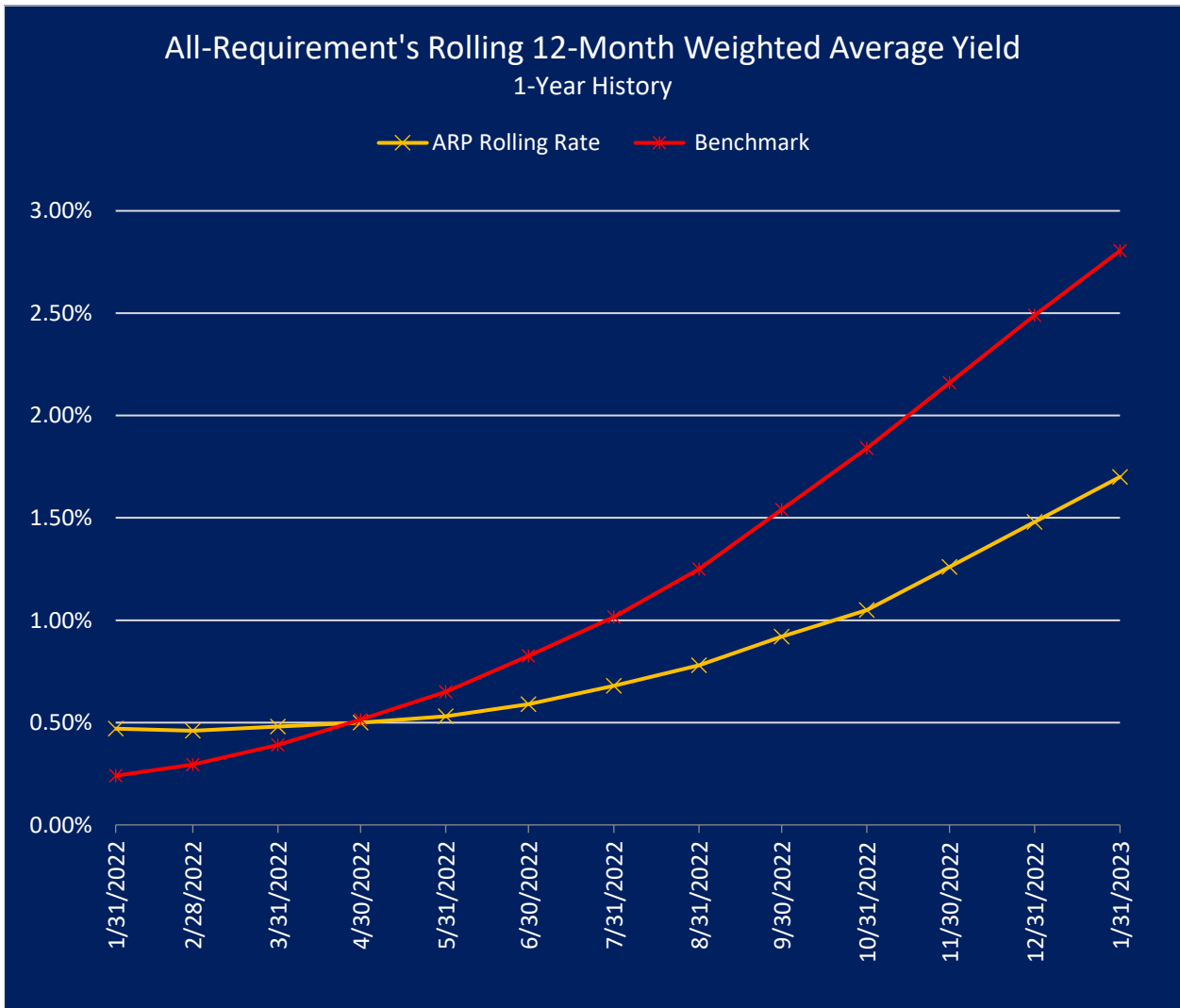
Debt Discussion

The All-Requirements Project has variable rate and fixed rate debt. The variable rate and fixed rate percentages of total debt are 1.90% and 98.10% respectively. The estimated debt interest funding for fiscal year 2023 as of January 31, 2023, is \$33,367,236. The total amount of debt outstanding is \$791,395,000.

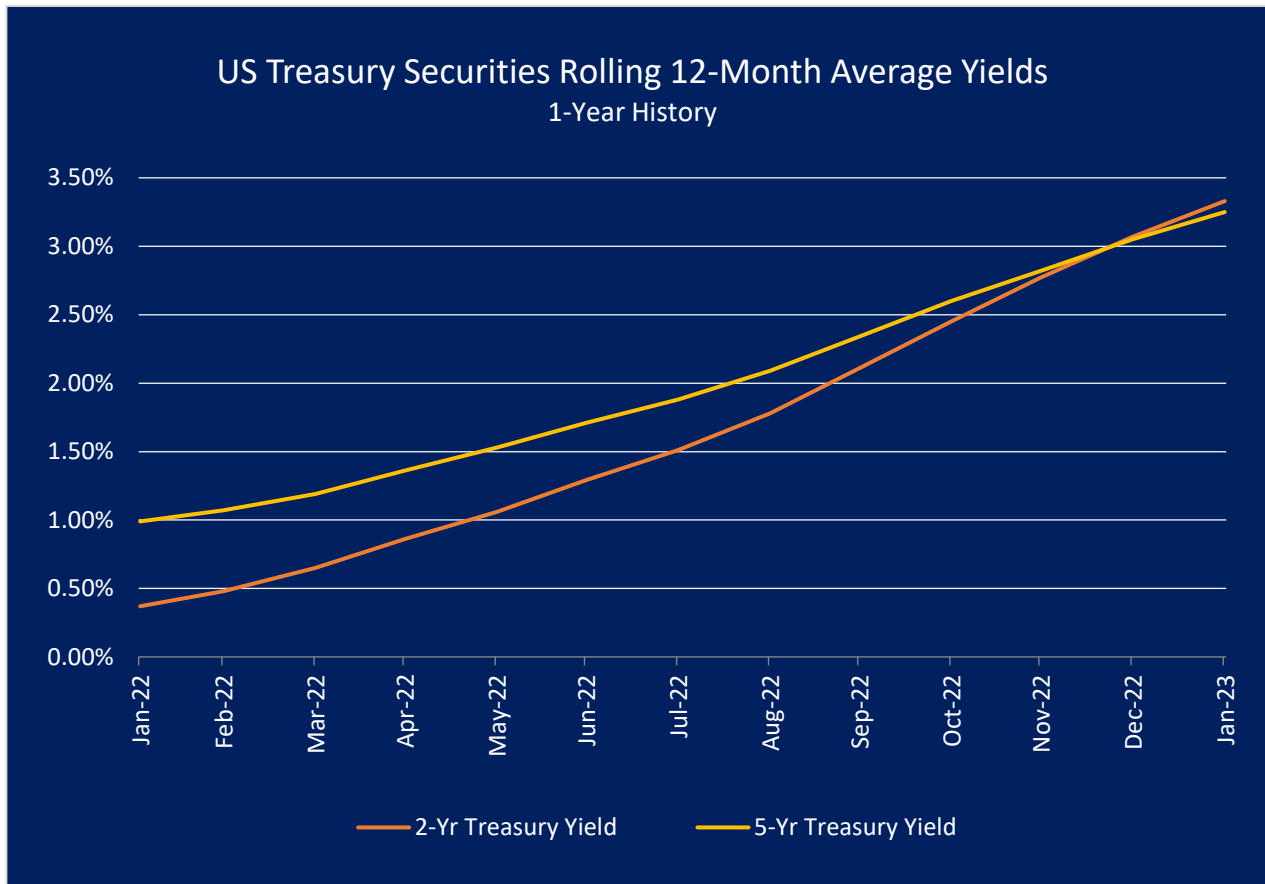
Investment Discussion

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 January 31, 2023, the All-Requirements Project investment portfolio had a rolling 12-month weighted average yield of 1.70%, 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 rolling 12-month weighted average yields are graphed below:



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 January 31, 2023 of 3.33%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 3.25%.



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

Recommended
Motion

Move for approval of the Treasury Reports for January 31, 2023

**AGENDA ITEM 7 – CONSENT
AGENDA**

- c. Approval of the Agency and All-Requirements Project Financials as of January 31, 2023**

**Executive Committee
March 16, 2023**



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: March 14, 2023
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended January 31, 2023

Discussion: The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All- Requirements Project for the period ended January 31, 2023 are posted on the Document Portal section of FMPA’s website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of January 31, 2023.

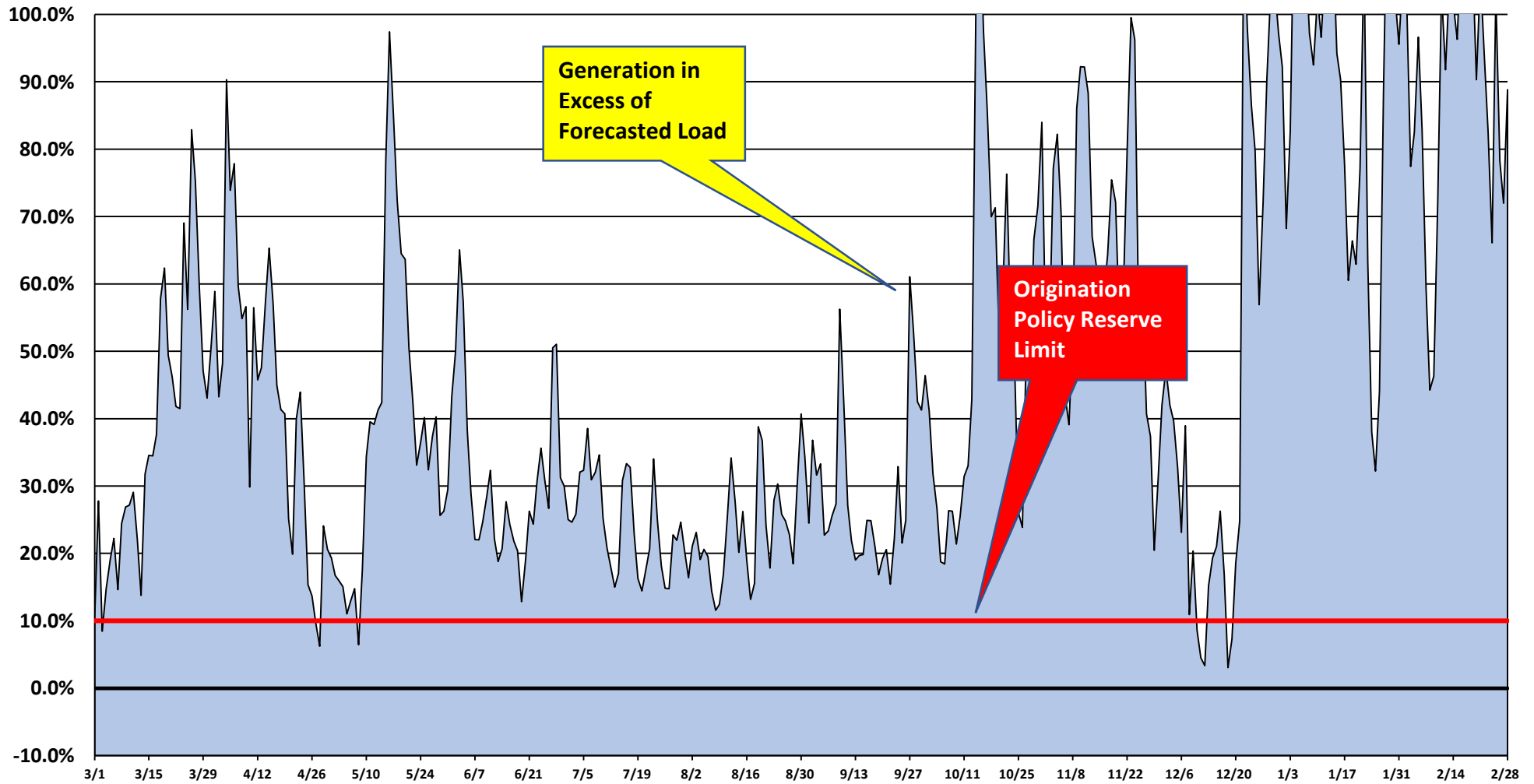
LH/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

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

**Executive Committee
March 16, 2023**

ARP Daily Reserve Margins March 2023 through February 2024



AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of ARP Capacity Acquisition**

**Executive Committee
March 16, 2023**



8a – ARP Capacity Acquisition

Executive Committee

March 16, 2022

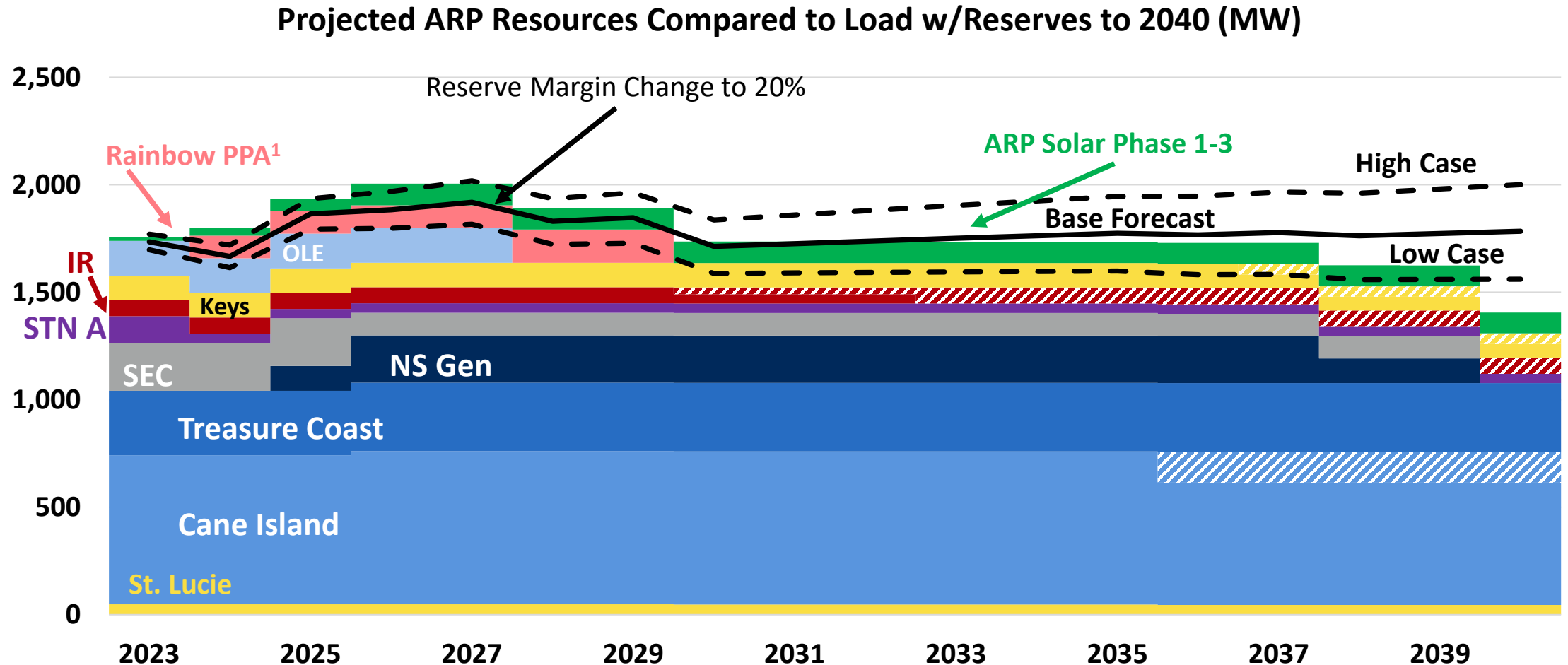
Orlando Generation Best Mid-Term Value For ARP

Near Term Capacity Reserves, Mid-Term Bridge To Next Resource <\$3.50 kW-mo.

- Orlando reliable asset that can add value for ARP with capacity & energy as needs for reserves grow with intermittent generation
- Overall cost for acquisition results in financing (if needed) below \$18 million
 - Negotiating resolution to potential high value inventory items
- Permitted site with growth potential for reciprocating engines or simple cycle unit
- Up to 500MW of other long-term municipal sale opportunities exist after 2027
- Significant due diligence performed by external subject matter experts
- Asset has strong reliability & performance with existing PPA offtake agreement
- Purchase contract in negotiation for “as-is” purchase at the agreed pricing

ARP Projected Position through 2040

Asset Replacement Decisions Not Expected for 10 Years



Orlando Strong Performing Asset in Optimal Location

Acquisition Timing Aligns with SEC Unit 1 Retirement and Need

- 119 MW Asset (125MW Actual Perf) went online in 1993 and operates in full baseload output with 98% capacity factor in 2022
- 2022 availability was 100%
- 8150 Btu/MWh heat rate positioned well in pool stack
- Unique for South enclosed combined cycle
- Last major outage occurs immediately before close
- Planned capital investments fit within target operating fixed costs
- Available March 1, 2024
- Permitted site with east leg FGT gas interconnection
- Environmental upgrade exposure similar to Cane Island units, AECOM identified no issues during Environmental Phase 1 review



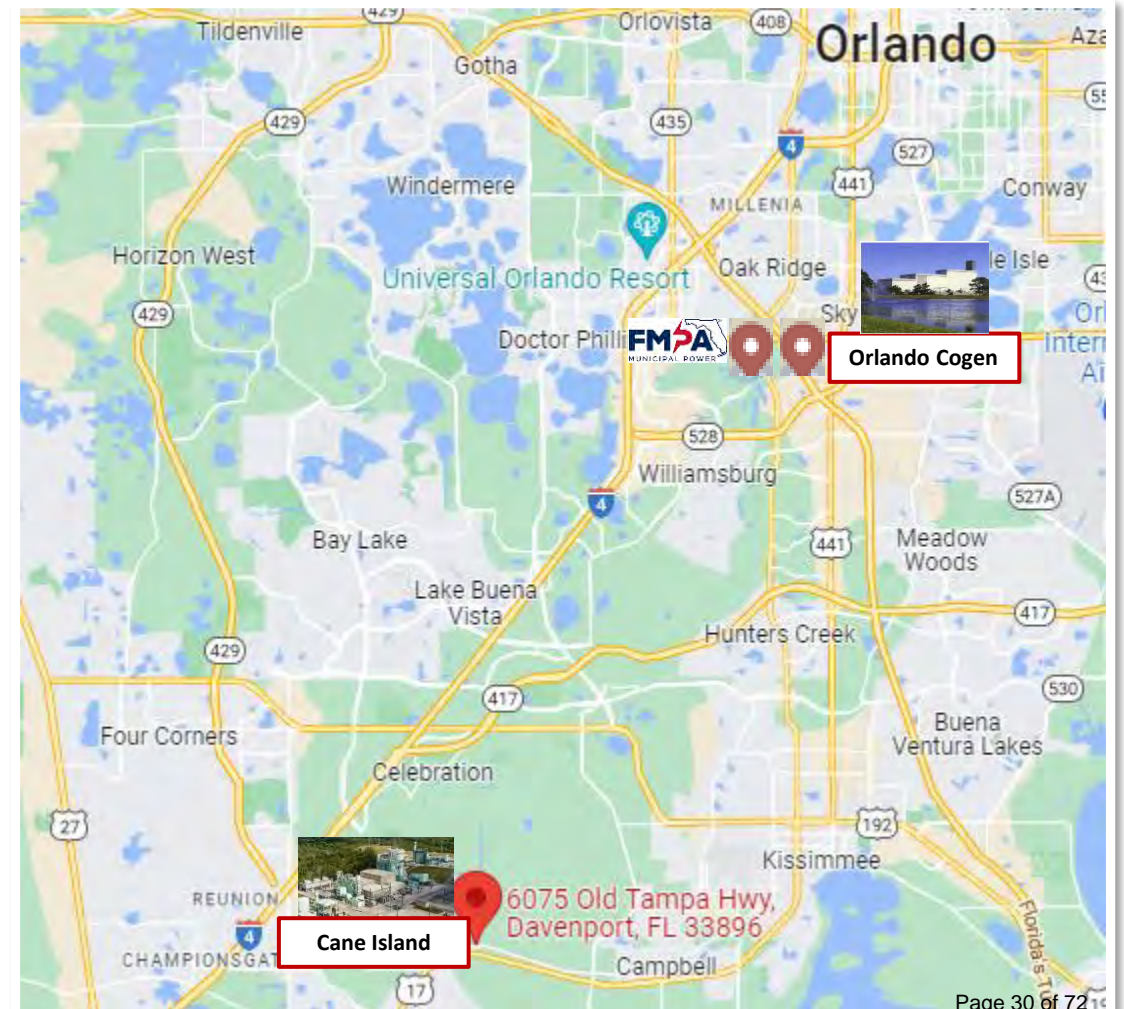
Orlando Cogeneration Facility



Location Near Orlando with Duke 69kV Connection

Site Provides Multiple Options Related to Admin & Operations

- Due to interconnection site is not subject to NERC compliance
- Location optimal for joint operation with Cane Island
- Site within 2 miles of Orlando HQ and administration could be facilitated from this location
- Site well positioned with existing staff to continue reliable operation





Operational Due Diligence Overview

Above Average Performance Results In Healthy Condition

Orlando Cogen Should Meet FMPA Needs with Forecasted Investment

- Orlando Cogen has performed better than peers with ~96% availability factor over the past five years
- The maintenance philosophy and intervals at the plant are in line with industry standards and most major equipment at the plant is in good condition
- Orlando Cogen has historically been a base-loaded unit and has experienced steady generation over its lifetime
- Orlando Cogen has 11, experienced full-time staff who operate and maintain the facility effectively
- As operating profile changes, operations and maintenance strategies will need to adapt
- Facility does not have any significant existing or historical environmental issues
- Facility will require some capital and major maintenance expenditures to continue reliable service

Review of Major Equip Condition, Items to be Addressed

Appropriate Costs are Incorporated in FMPA Forecasts

- In general, Orlando Cogen is in very good condition for its age and years of operations.
- The cooling tower had an inspection in 2020 where major recommendations for structural repairs and fill replacement were made.
- The Combustion Turbine is currently under a CSA with GE. Upon expiration of the CSA, sourcing parts may be a concern in the future. 1898 & Co. recommends entering/continuing conversations with GE, or other third party, to negotiate a parts agreement to cover the CT upon CSA termination.
- The GSU low voltage cable shielding is not currently grounded in accordance with the manufacturer recommendation. 1898 & Co. recommends replacing these cables within the next five years.
- Major pumps and other BOP equipment will require more frequent overhauls with the change in operating profile.
- The HRSG superheater drains currently have manual valves and it is recommended to replace with automated valves, controlled by the DCS, as cycling increases to ensure reliable operation.
- Since FMPA may no longer maintain the relationship with Air Products, an additional air compressor and dryer may need to be installed at the Facility.
- The Steam Turbine governor is obsolete and will need to be replaced.
- No significant environmental concerns were noted.

Major Equipment Items of Note

Cooling Tower Structure and Fill

Combustion Turbine CSA

GSU Low Voltage Cables

Major Pumps Low Cycling

HRSG Manual Valves

Work Management System

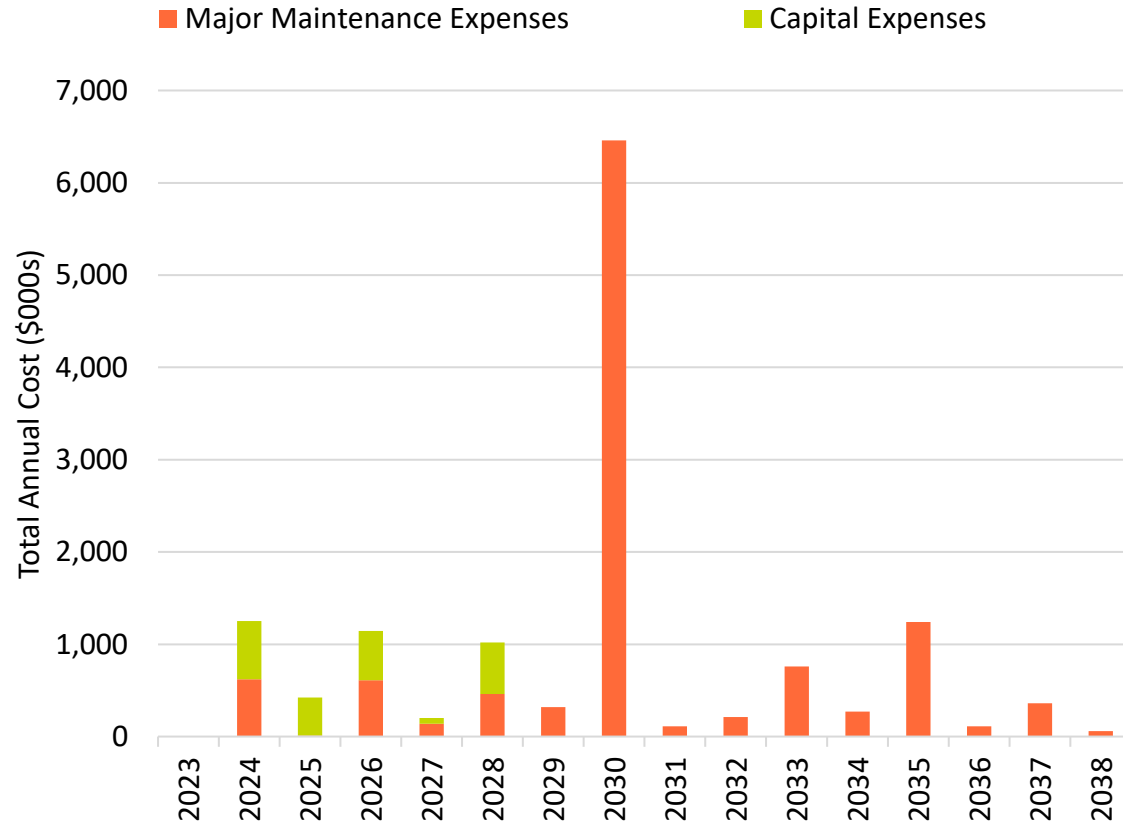
Air Compressor and Dryer

Steam Turbine Governor

Forecasted Capital and Major Maintenance are Reasonable

Projects Enable Continued Reliable Service Through Expected Life

Forecasted Capital and Major Maintenance Expenses



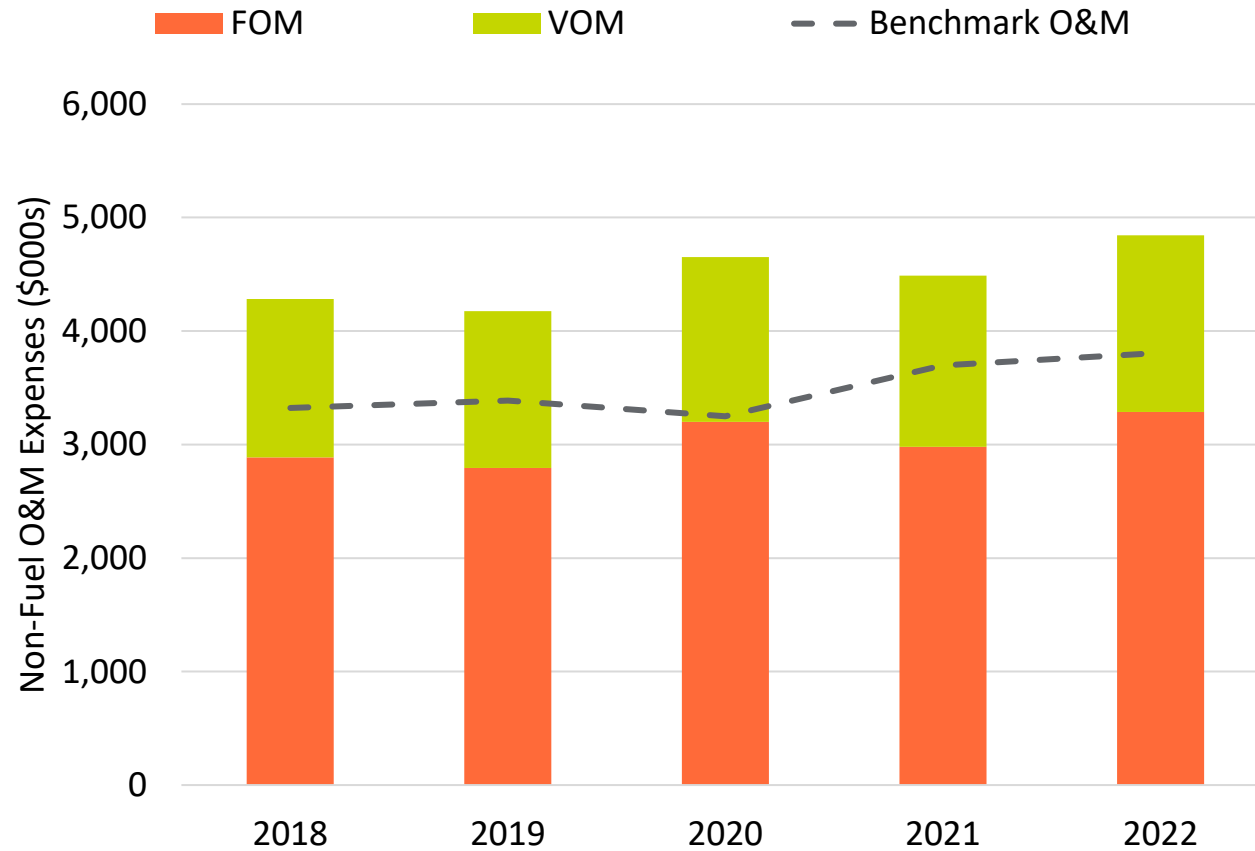
Capital & Major Maintenance Expenses Summary

Project	Year	Total (\$000s)
Cooling Tower – Fill and Structure Refurbishment	2024, 2025	825
Steam Turbine Governor Overhaul	2028	500
Air Compressor and Dryer Installation	2024	330
Automated Blowdown System Upgrade	2024	250
Replace GSU LV Cable with Copper Tape Shield Cables	2024	50
Combustion Turbine Class “A” Inspection	2026, 2033	100 EA
Combustion Turbine Class “B” Inspection	2028, 2035	150 EA
Combustion Turbine Class “C” Inspection	2030	3,000
Steam Turbine Major Inspection	2030	1,800
Generator Major Inspection	2030	600

Historical O&M Costs Above Industry Peers, Comparable to CI2

Historical Investment Drove Reliability Greater than Benchmark Group

Projected Fixed and Variable O&M



National Benchmark: Combined Cycle Facilities between 50-200 MW

15-Year Cost Projection

Item	Cost (\$000s)
Purchase Price	\$17,500
Fixed* O&M (Including Labor)	\$48,714
MM & CAPX	\$13,935
TOTAL	\$80,149
TOTAL (\$/kW-month)	\$3.65

*1898 Definition of Fixed O&M may vary from FMPA

Due Diligence Assessing Value & Risks Nearing Completion

Due Diligence Must Complete By April, Or Resolve in Purchase Agreement

- FMPA relied on Burns & McDonnell (1898 & Co.) for mechanical and electrical deep dive due diligence
- AECOM performed environmental Phase 1 assessment & review of air permits
- External legal review of property, real estate and title issues
- All due diligence expected to be completed at a cost less than \$225,000
- Existing cash from bonds would be utilized to fund due diligence with no requirement to utilize development fund

Asset Purchase Agreement Nearing Completion

Acquisition Will Be An As-Is Asset Sale, Limited Recourse Post Close

- Current ownership divided, Bank & Investment Management Firm
- Ownership desires a close similar to an equity sale (sale of a business), with no liability to the Seller after closing
- FMPA will complete a capacity performance test prior to close to assess condition of assets with some walk-away rights
- Expectation to utilize existing FMPA gas pipeline capacity until Mulberry close
- Staff would immediately begin process to secure Duke network transmission
- ARP has ability to walk-away should there be material degradation of assets

Integration Efforts Will Commence Immediately

Less Than 12 Months Until Close & Potential FMPP Dispatch

Integration Objective: Safely & successfully integrate new Teammates & Orlando asset as a fully available site capable of FMPP dispatch upon close with long-term reliable, economic & compliant operation

- Anticipated close date 3/1/2024
- Staff estimating pre-close integration costs under \$650k
 - \$150-\$200k for IT/OT long-lead items
 - \$100-\$150k for metering and FGT equipment
 - \$200-300k for critical day 1 equipment and supplies
- Anticipated kickoff of integration efforts 4/10/2023 (10.6 months)
- All areas of FMPP impacted by integration
- Monthly reporting to LT & EC on status

Recommended Motion

- Move approval of the General Manager and CEO to execute asset purchase agreement for the Orlando Cogeneration facility (as described) for a total purchase price not to exceed \$18 million with anticipated closing to occur on or about 3/1/2024,
 - Prior to close a confirmatory capacity performance test will be conducted, where FMPA can decline to close on the facility, without financial obligation to Sellers, for material adverse findings, as set forth in the asset purchase agreements.
- Move approval to authorize a FY23 capital budget variance of \$650,000 for long-lead integration costs
- Move approval to complete all due diligence at a cost less than \$225,000

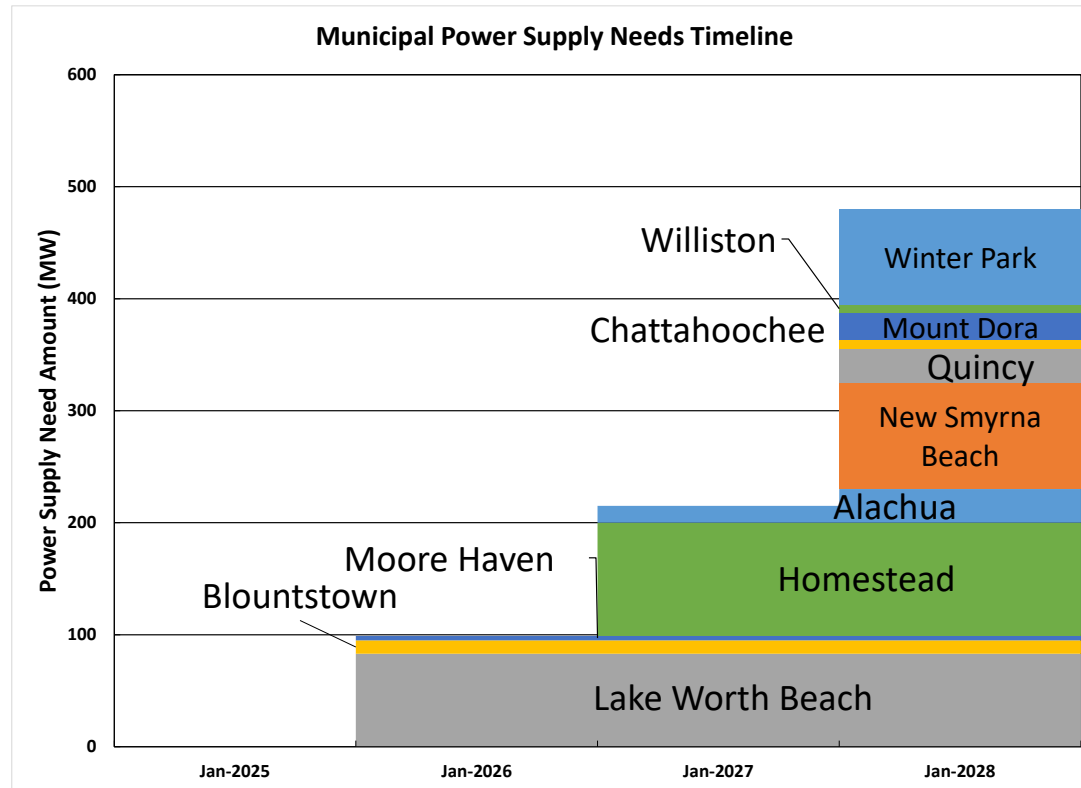


Appendix of Supporting Materials



Municipals Will Seek Nearly 500 MW by 2028

Orlando Provides Flexibility To Support Future Sales



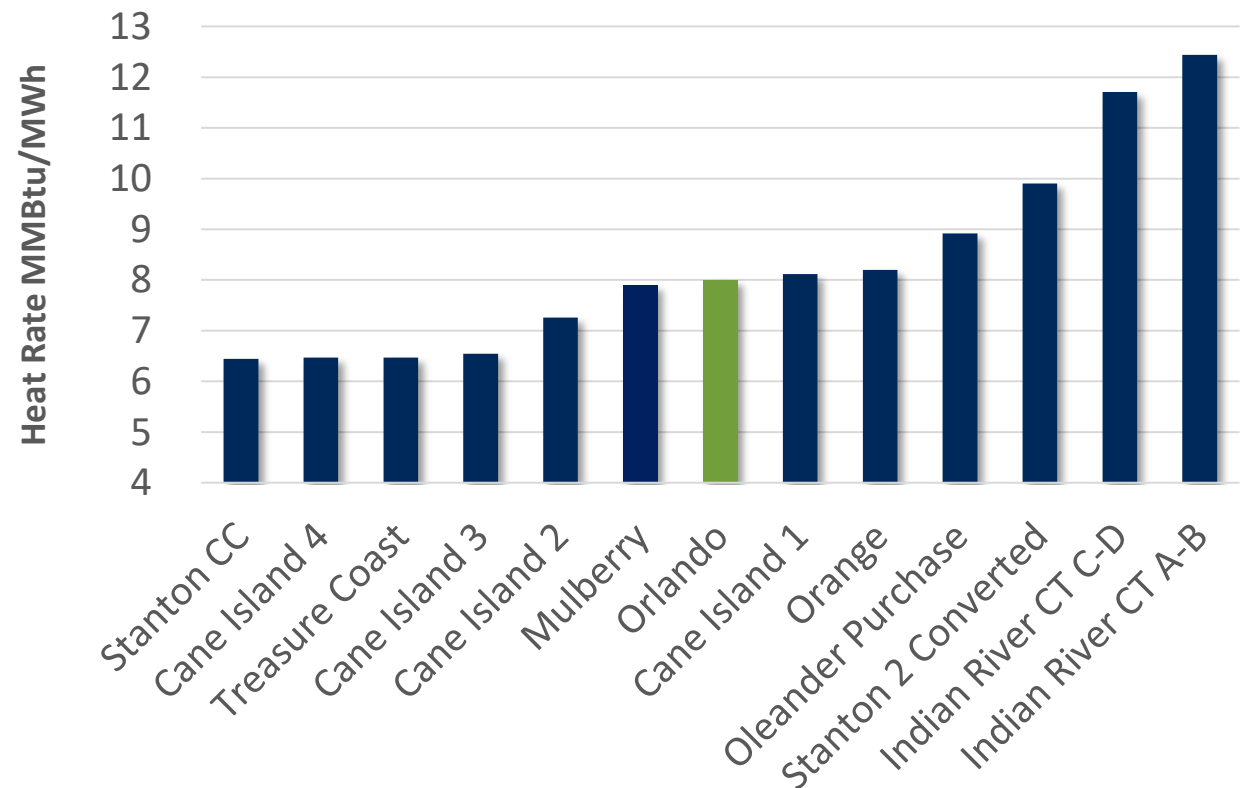
- Municipals' existing mid-term arrangements with ARP and others begin to expire and require new arrangements by mid-decade
- Could present opportunity to strategically add resources to support long term with near to mid term sales offsetting costs
- Seeking feedback on securing resources several years before long term need if cost offsets are available

Multiple Drivers Provide Mid-Term Value to ARP

Overall Fixed Costs Range from \$2.50-\$3.50/kW-month

- Expecting 15-year life of assets post acquisition
- Total cost for acquisition expected to be below \$18 million
- Long-term value for pipeline capacity
- Long-term value for Duke interconnection
- Owning and operating provides multiple options and flexibility vs. power purchase agreement
- Site potentially viable for new generation after existing assets retire
- AECOM identified no issues in environmental phase 1 review

Orlando vs. FMPA Natural Gas Unit
Incremental Heat Rates



Historical Performance is Better than Peers

Capacity Factor, Availability Factor, Forced Outage Factor, and Heat Rate Exceed Benchmarks

Unit	2018	2019	2020	2021	2022	Avg	
Capacity Factor (%)							$\frac{\text{Actual Generation}}{\text{Period Hrs} * \text{Max Capacity}} * 100\%$
Orlando Cogen	94.6	94.2	87.7	94.6	94.6	93.1	
Fleet Benchmark	37.8	37.0	38.8	36.8	No Data	37.6	
Availability Factor (%)							$\frac{\text{Available Hrs}}{\text{Period Hrs}} * 100\%$
Orlando Cogen	98.9	96.3	90.5	97.3	97.7	96.1	
Fleet Benchmark	87.7	88.2	88.6	83.7	No Data	87.1	
Forced Outage Factor (%)							$\frac{\text{Forced Outage Hrs}}{\text{Period Hrs}} * 100\%$
Orlando Cogen	2.7	3.5	1.0	0.9	0.0	1.6	
Fleet Benchmark	2.4	3.1	2.9	4.1	No Data	3.1	
Actual Starts							Successful Starts
Orlando Cogen	10	4	14	5	2	7	
Fleet Benchmark	75.6	59.7	68.8	64.2	No Data	67.1	
Starting Reliability (%)							$\frac{\text{Successful Starts}}{\text{Attempted Starts}}$
Orlando Cogen	52.6	36.4	45.2	83.3	50	53.5	
Fleet Benchmark	99.5	99.2	99.6	99.0	No Data	99.3	
Heat Rate (Btu/kWh)							$\frac{\text{Heat Input}}{\text{Heat Output}}$
Orlando Cogen	8,022	8,057	8,160	8,161	8,267	8,133	
Fleet Benchmark	10,065	9,754	9,696	9,637	No Data	9,788	

Major Maintenance Intervals Dependent on Run Profile

FMPA Must Reassess Further Investment Near 2035

- Above average availability factor (96.1%)
- Maintenance philosophy and intervals in line with industry standard
- Historically base-loaded unit with steady, reliable generation
 - Adaptation to new operating profile will be required
- Experienced full-time staff (11) operate and maintain facility effectively
- No significant existing or historical environmental issues
- Some capital and major maintenance expenditures required

Current Service Life (as of 12/31/2022)		
Unit	EOH	Starts
Alstom GT11NMC	251,417	543

Inspection	Recommended Interval
CT Class "A" Inspection	8,000 hrs
CT Class "B" Inspection	16,000 hrs
CT Class "C" Inspection	24,000 hrs
Generator Minor Inspection	3 Years
Generator Major Inspection	7 Years
ST Minor Inspection	6 Years
ST Major Inspection	12 Years

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. Florida Municipal Solar Project
Update**

**Executive Committee
March 16, 2023**



9a – Florida Municipal Solar Project Update

Executive Committee

March 16, 2023

Phase I and Phase II Activity

Resolution Reached for Several Pending Issues

Poinsett Facility

- Termination Funds distributed to Solar I Participants

Harmony Facility

- Additional substation costs of \$298k issue resolved; No additional action needed

Rice Creek and Whistling Duck

- Amendment One to PPA executed by FMPA and Origis
- Rice Creek Groundbreaking scheduled for May 11, 2023

Phase III Activity – Finalizing Documents and Commitments

Discussions with Members and Developers Continue

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	15-20
Orlando	40.5
Starke	1
Winter Park	10
Total	359+

- Power Purchase Agreement
 - <\$45/MWh
 - Final pricing dependent on several factors
 - FPL Interconnected facilities higher price
 - 20-year term
 - 2% annual escalation OR flat pricing
 - FPL and Duke interconnected sites
- Two developers for risk management
 - Contract negotiations underway
- Potentially 3-5 facilities
- COD Dec. 2025 or Dec. 2026

Phase III Schedule - Workshop Planned

Target: FMPA Approvals at May Board and EC Meetings

Activity	Date Complete
Negotiation and PPA development with Origis and FRP	March 31
Member Participation Agreement/Enabling Agreement development	March 31
Solar III Participant Informational Workshop	Mar. 15
Member governing board approvals	May 17
FMPA Board and Executive Committee approvals	May 18
Final execution of PPAs	May 31

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- b. Updates to FMPA’s Financial
Commitment Authority Levels
Table**

**Executive Committee
March 16, 2023**



9b– Updates to FMMPA’s Financial Commitment Authority Levels Table

Executive Committee

March 16, 2023

Agency Organizational Changes

Updates needed to the authorization levels

- Recent organizational changes lead to updates needed to FMPA's Financial Commitment Authority Levels.
- The General Manager may authorize changes to reflect organizational changes and must report those changes to the Executive Committee.
- These changes do not increase the overall financial commitment authority levels.

Title changes and increased authority levels

- Removed: IT/OT & Cybersecurity Director
- Updated title from: Deputy General Counsel to Assistant General Counsel
- Added: up to \$5M notional value for transactions up to 1 month for ARP Commodity to the Chief Financial Officer's and Treasurer and Risk Director's authority
- Added: Cybersecurity Operations & Project Supervisor to the \$5K for Agency and ARP (Non-Commodity) category

Title changes and increased authority levels cont...

- Business Development and System Operations Director
 - Title changed to VP IT/OT and Systems Ops
 - Authority changed from \$5K to \$20K for Agency and ARP (Non-Commodity)
- Newly added category
 - Generation Support Manager
 - Power Generation Engineer & Project Manager
 - Authority levels: \$5K for Agency and \$20K for ARP (Non-Commodity)

Financial Commitment Authority – Defined as the authorized personnel who have the ability to financially commit (sign on behalf of) the Agency (contracts, work orders, purchase orders, etc.). Authority levels are shown in the following table.

FMPA Financial Commitment Authority Levels

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
General Manager	Up to \$200,000. For emergency events declared by the GM, GM has unlimited authority and must report to chairpersons of the EC and BOD within 5 days and the governing bodies at the next scheduled meeting	Up to total non-fuel Operations and Maintenance Budget and total Project Capital Budget, with non-budgeted items over \$200,000 reported at the next EC Meeting	<ul style="list-style-type: none"> Up to \$50 million notional value for transactions > 2 years but ≤ 7 years Up to \$15 million notional value for transactions > 1 month but ≤ 2 years Up to \$5 million notional value for transactions ≤ 1 month
Chief Operating Officer (COO) [2]	Up to \$50,000	Up to \$100,000	<ul style="list-style-type: none"> Up to \$15 million notional value for transactions > 1 month but ≤ 2 years Up to \$5 million notional value for transactions ≤ 1 month
Power Generation Fleet Director	Up to \$5,000	Up to \$50,000	N/A
General Counsel	Up to \$20,000	Up to \$20,000	N/A
VP IT/OT & Systems Ops and Chief Financial Officer	Up to \$20,000	Up to \$20,000	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month
Chief People & Member Services Officer	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to \$10,000	N/A
Treasurer and Risk Director	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$5,000	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month
Generation Support Manager and Power Generation Engineer & Project Manager	Up to \$5,000	Up to \$20,000	N/A
Managers, Directors, Asst. General Counsel [4]and Cybersecurity Operations & Project Supervisor	Up to \$5,000	Up to \$5,000	N/A
FMPA Executive Director	N/A	\$10,000	N/A

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
Approved Agents [5]	N/A	N/A	Up to \$5 million notional value for transactions ≤ 1 month

[1] Amounts shown represent the approval thresholds for spending authority or contract execution for business-related commodity transactions such as fuel, replacement power, and transmission, as set forth in Section 4.1 of FMPA's Origination Transaction Policy.

[2] COO, or the General Manager's designee in the event the COO position is vacant.

[3] Approval thresholds for spending authority or contract execution for insurance transactions as set forth in Section 2.1 of FMPA's Insurance Policy.

[4] Except as may be superseded by higher authority levels for certain manager or director positions elsewhere in this table.

[5] Approved agents include, but may not necessarily be limited to, FGU for transacting of physical natural gas trading activities, FMPP for electricity trading activities less than 8 calendar days, and OUC for non-firm transmission transactions less than 8 days.

The General Manager may authorize changes to the FMPA Financial Commitment Authority Levels table to reflect organizational changes solely to the extent that such changes do not increase the overall financial commitment authority levels set forth therein; however, any such changes must be reported to the Executive Committee at its next regularly scheduled meeting.

Once the Procurement Process has been completed and a vendor and total dollar amount have been negotiated, the above-referenced financial commitment authority determines who is authorized to sign contracts, work orders, purchase orders, etc.

Payment Approval Authority – Defined as managers and above who have the ability to approve vendor invoices and contractual obligations for services rendered. This is an administrative function to verify FMPA has received the good or services it contracted for in accordance with the counterparty's obligations and contract terms.

- a. If the goods and services provided are in accordance with work orders/contracts/agreements and doesn't result in expenditures or financial commitments exceeding the governing body approved budget, then the manager and above can approve and process invoice. Additional budget tests may exist, as further set by management.
- b. Should there be any desired change in the financial commitment that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.

**AGENDA ITEM 9 – INFORMATION
ITEMS**

c. Quarterly Compliance Update

**Executive Committee
March 16, 2023**



9c – Regulatory Compliance Update

Executive Committee

March 16, 2023

FERC Update

Notices of Proposed Rulemakings (NOPRs) & Conferences

- 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.

- 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



FMPA Compliance



Member Support



Industry Influence

Internal Compliance

- FMPA has one self-reportable compliance violation
 - Received an FFT (Find, fix, track) enforcement for TPL-001 self-report
 - Recordable but no fine
- Plant coordination
 - Cold weather preparedness plan
 - Training presentation
 - Upcoming spot checks

Member Support

- Cold weather standards roundtable with member and regional GOs and GOPs
- Observation of member city SERC audit
- Upcoming Hometown Security Workshop focused on physical security through the lens of national and local experts
- Upcoming PRC-005 asset management software demonstration for members with PRC-005 applicability

Industry Influence

- APPA and TAPS
 - Cold Weather Preparedness standard development and implementation efforts
 - Joint trade association comments on the IBR NOPR
 - Proposed changes to Section 300 of the Rules of Procedure

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**d. 2023 Strategic Planning Workshop
Report**

**Executive Committee
March 16, 2023**



9d 2023 Strategic Planning Workshop Report

Executive Committee

March 16, 2023

FMPA's Vision and Mission Statements Reviewed

Great Support for Existing Statements Without Any Changes

VISION

To sustainably be the lowest cost, and a reliable and clean wholesale power provider in Florida.

MISSION

To provide low-cost, reliable and clean power plus value-added services for FMPA's owner-customers that benefit their communities and customers.

FMPA's Value Statements Reviewed and Discussed

Board Chose to Emphasize 'Low Cost' By Adding It to Values

VALUES

- A culture that values both our employees and operating agents and their safety
- Teamwork among our employees and our public power member-owner-customers
- Trust built through honesty, integrity, transparency, open communications and respect
- Employee development, recognition, reward and empowerment
- Low-cost electricity for all customers
- Environmentally responsible operations and consider impacts of raw materials/processing thereof in new resources decisions
- Member and employee diversity and inclusion
- Innovation and excellence
- The individual needs and desires of FMPA's owner-customers shall be given the strongest consideration consistent with the best interests of all owner-customers

Board of Directors' Top-Ranked Strategic Priorities

Top 6 of 8 Strategic Priorities Ranked in Priority Order

	Board of Directors' Top Strategic Priorities	Score
1	Advocate for abundant natural gas supply and pipeline expansions to keep costs low	6.60
2	Begin engaging in discussions to explore viable nuclear resource opportunities	6.27
3	Explore expanding membership in the Florida Municipal Power Pool	4.87
4	Evaluate capital funding strategies that align debt utilization with competitive rates	4.07
5	Continue gradual pursuit of new solar and battery opportunities	3.80
6	Identify our retail customers' energy priorities regarding electricity needs	3.73

15 Board members responded

Executive Committee's Top-Ranked Strategic Priorities

Top 4 of 6 Strategic Priorities Ranked in Priority Order

	Executive Committee's Top Strategic Priorities	Score
1	Develop systematic approach to reducing exposure to natural gas for power-cost stability	5.00
2	Continue high availability for FMMPA's low-cost generating resources	4.18
3	Maximize asset value/minimize costs with significant expansion of the Florida Municipal Power Pool	4.00
4	Pursue more municipal third-party sales that add value to ARP and municipal customers	3.46

11 Executive Committee members responded

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Executive Committee
March 16, 2023**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
March 16, 2023**