



MEETING AGENDA PACKAGE

Policy Makers Liaisons Committee

July 20, 2023
3:15 p.m. to 4:00 p.m.

Meeting Being Held at:

The Vinoy® Renaissance Resort & Golf Club
501 5th Avenue, NE, St. Petersburg, FL 33701

No Dial-In – This is an In-Person Meeting

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Policy Makers Liaisons Committee

- Robert Page, Green Cove Springs –Chair
- Mike Eastburn, Bushnell
- Vacant, Clewiston
- Vacant, Fort Meade
- Michael Broderick, Fort Pierce
- Javier Cisneros, Fort Pierce Alternate
- Vacant, Town of Havana
- George Forbes, Jacksonville Beach
- Tim Root, Key West
- Robert Barrios, Key West Alternate
- Ethel Urbina, Kissimmee
- Rae Hemphill, Kissimmee, Alternate
- Jimmy Burry, Leesburg
- Vacant, Newberry
- Jim Hilty, Ocala – Vice Chair
- Kolby Urban, St. Cloud
- Scott Roberts, Starke

Community Power **+** Statewide Strength

MEMORANDUM

TO: Policy Makers Liaisons Committee
FROM: Susan Schumann
DATE: July 10, 2023
RE: Policy Makers Liaisons Committee Meeting
Thursday, July 20, 2023 at 3:15 p.m. [NOTE TIME]
PLACE: The Vinoy® Renaissance St. Petersburg Resort & Golf Club
501 5th Avenue NE, St. Petersburg, FL 33701
DIAL-IN: In-Person and Telephonic – 855-831-5534 or 407-404-7556
Conference ID 13244#

Chair Bob Page, Presiding

The mission of the Committee is to facilitate the education of elected or appointed governing body members of FMPA's member utility systems, and to foster opportunities for greater communication and knowledge among governing body members regarding the business and projects of FMPA.

AGENDA

1. Call to Order, Roll Call, Declaration of Quorum
2. Set Agenda (by vote)
3. Consent Agenda
 - a. Approval of the Minutes for the Meeting Held April 19, 2023
4. Action Items
 - a. Nominate and Elect a Chair and Vice Chair (Susan Schumann)
 - b. Approve Meeting Schedule for 2023-2024 (Susan Schumann)
5. Report from the General Manager and CEO (Jacob Williams)
6. Information Items
 - a. FMPA Comments on EPA's Proposal for Emissions from Power Generators (Jacob Williams)
 - b. Natural Gas Outlook (TEA - The Energy Authority)
7. Member Comments

8. Announcements
 - a. Next Meeting (if schedule approved) – October 18, 2023 at FMPA, 8553 Commodity Circle, Orlando, FL 32819
9. Adjourn

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 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements.

**QUORUM REQUIREMENT
(MAJORITY OF AVERAGE NUMBER OF MEMBERS PRESENT FROM LAST
4 PMLC MEETINGS)**

April 20, 2022 – 6 present

July 14, 2022 – 8 present

October 19, 2022 – No Quorum

January 18, 2023 – 7 present

July 20, 2023 – 8 present

Quorum needed: 7 Members

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

**Policy Makers Liaisons Committee Meeting
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**AGENDA ITEM 2 – SET AGENDA (by
vote)**

**Policy Makers Liaisons Committee Meeting
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AGENDA ITEM 3 – CONSENT AGENDA

- a. Approval of Minutes for the Meeting
Held April 19, 2023**

**Policy Makers Liaisons Committee Meeting
July 20, 2023**

MINUTES
FMPA POLICY MAKERS LIAISONS COMMITTEE MEETING
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819
DATE: WEDNESDAY, APRIL 19, 2023
TIME: 12:30 P.M.

**MEMBERS
PRESENT**

Mike Eastburn, Bushnell (virtual)
Javier Cisneros, Fort Pierce (virtual)
Bob Page, Green Cove Springs
George Forbes, Jacksonville Beach
Robert Barrios, Key West (virtual)
Manny Ortega, Kissimmee
Jimmy Burry, Leesburg
Jim Hilty, Ocala

**OTHERS
PRESENT**

Nicole Albers, FMEA (virtual)

**STAFF
PRESENT**

Jacob Williams, General Manager & CEO
Ken Rutter, Chief Operating Officer
Sharon Adams, Chief People and Member Services Officer
Linda Howard, Chief Financial Officer
Jody Finklea, General Counsel & CLO
Mike McCleary, Member Services Manager
Sue Utley, Executive Assistant to CEO / Asst. Secretary to Board
Ryan Dumas, Senior Public Relations Specialist
Wayne Koback, IT Manager
Susan Schumann, Public Relations and External Affairs
Manager

Item 1 – Call to Order, Roll Call, Declaration of Quorum

Chair Bob Page called the meeting to order at 12:30 p.m. on Wednesday, April 19, 2023, at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. A roll call was taken and 8 Members were present. A quorum was met.

Item 2 – Set Agenda (By Vote)

MOTION: George Forbes, Jacksonville Beach, moved to set the agenda as presented. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 8 – 0.

Item 3 – Consent Agenda

- a. Approval of the Minutes for the Meeting Held January 18, 2023

MOTION: George Forbes, Jacksonville Beach, moved to approve the minutes of the January 18, 2023 Meeting. Manny Ortega, Kissimmee, seconded the motion. Motion Carried 8 – 0.

Item 4 – Action Items

- a. None

Item 5 – Report from the General Manager and CEO

Jacob Williams presented the Goals Scorecard and Gas Price fluctuations.

Item 6 – Information Items

a. Review of Board of Directors and Executive Committee Strategic Plan

Jacob Williams presented the Board of Directors and Executive Committee Strategic Plan.

b. Energy Markets & Regulatory Update

Jacob Williams presented the Energy Markets & Regulatory Update.

c. Florida Municipal Solar Project Update

Susan Schumann presented the Florida Municipal Solar Projects Update.

d. Power Plant Acquisition

Ken Rutter presented the Power Plant Acquisition

e. Florida State Legislative Update and Opportunity for Utility Boards and Governing Bodies

Jody Finklea presented the Florida State Legislative Update and Opportunity for Utility Boards and Governing Bodies.

Item 7 – Member Comments

None

Item 8 – Announcements

- a. Next Meeting: Thursday, July 20, 2023, at FMEA Annual Conference, The Vinoy Renaissance St. Petersburg Resort & Golf Club, 501 5th Ave. NE St. Petersburg FL 33701.

Item 9 - Adjourn

There being no further business, the meeting was adjourned at 1:40 p.m.

Bob Page
Chairman

Sue Utley
Assistant Secretary

Date Approved _____

BP/su

AGENDA ITEM 4 – ACTION ITEMS

- a. Nominate and Elect a Chair and Vice Chair**

**Policy Makers Liaisons Committee Meeting
July 20, 2023**



4a – Election of 2023-2024 Committee Officers

Policy Makers Liaisons Committee

July 20, 2023

Committee Charter Describes Officer Election Process

Nominations and Elections by the Committee from the Floor

- Committee elects two officers annually: Chair and Vice Chair
- Elections held every July or when there is a vacancy
- Officers serve until the next July election
- Nominations come from the Committee prior to an elective vote
- Quorum Requirement: Majority of appointed Liaisons (or their alternate) present in person or by electronic means
- Majority vote; one vote per city on the Committee

Current Officers as Elected in 2022

Existing Officers Willing to Serve 2023-2024 Term, If Nominated

Current Officers Elected 2022

- Chair
Bob Page
City of Green Cove Springs
- Vice Chair
Jim Hilty
City of Ocala

Nomination Considerations

- Historically, PMLC has maintained officers for at least two years to promote leadership continuity
- Both current officers willing to serve again, if nominated

Recommended Motions

- Nominate a Chair and Vice Chair
- Elect a Chair and Vice Chair

AGENDA ITEM 4 – ACTION ITEMS

- b. Approve Meeting Schedule for 2023-2024**

**Policy Makers Liaisons Committee Meeting
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4b – Approval of 2023-2024 Meeting Schedule

Policy Makers Liaisons Committee
July 20, 2023

Charter States PMLC Shall Meet at Least Annually

Historically, Committee Has Opted to Meet Quarterly

- Committee required to meet at least annually at FMEA Annual Conference
- Over the years, Committee has decided to meet quarterly
- Meetings typically held day before FMPA governing board meetings
- Policy Makers meet informally at noon for lunch (when at FMPA)
- Business meetings held starting at 12:30 p.m.
- FMEA Annual Conference Meetings are on Thursday at 3:15pm

Recommended Meeting Schedule for 2023-2024

Meeting Dates Day Before FMPA Governing Board Meetings

- Wednesday, October 18, 2023
- Wednesday, January 17, 2024
- Wednesday, April 17, 2024
- At FMEA Annual Conference in July 2024 (TBD)

Recommended Motion

Move approval of the Policy Makers Liaisons Committee's meeting schedule for 2023-2024, as recommended.

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

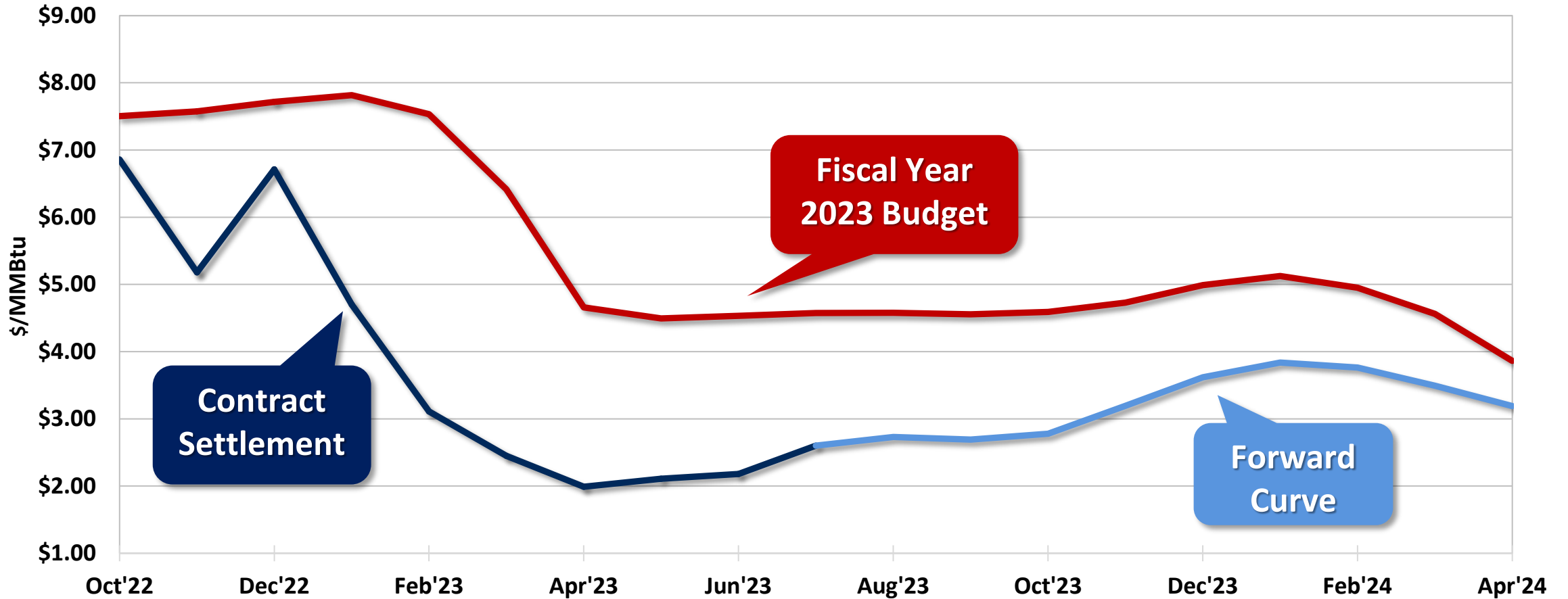
**Policy Makers Liaisons Committee Meeting
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Fiscal Year 2023 Management Goals – June Data

| Goal | Status | Actual | YTD Actual | YTD Target | FY 2023 Target | Comment |
|---|--|--------|------------|------------|------------------|--|
| 1. Safety | Lost-time Accidents | 0 | 0 | 0 | 0 | No lost-time accidents |
| | OSHA Recordables | 0 | 0 | 0 | 0 | |
| 2. Compliance | Environmental | 0 | 0 | 0 | 0 | |
| | Financial | 0 | 0 | 0 | 0 | |
| | Regulatory | 0 | 0 | 0 | 0 | |
| 3. Low Cost (\$/MWh) | Fiscal Year 2023 Rate Objective | 73.31 | 107.72 | 116.51 | < \$105.99 | <ul style="list-style-type: none"> Overall fuel costs below target YTD managed fuel costs > target due to margin recovery Market-exposed fuel < target is a combination of low gas prices and margins on external sales Non-fuel costs < YTD target |
| | Managed Fuel | 15.16 | 39.71 | 34.12 | \$29.40 | |
| | Market-Exposed Fuel | 12.22 | 14.19 | 28.25 | \$26.92 | |
| | Non-Fuel | 45.92 | 53.81 | 54.14 | \$49.67 | |
| 4. Natural Gas Rate Stability Plan | Discuss need & goals for a structured plan | | | | Complete by June | Workshop conducted on programmatic effort for natural gas/power price stability. Followed up in May. Will discuss in Fall before Winter Gas Season |

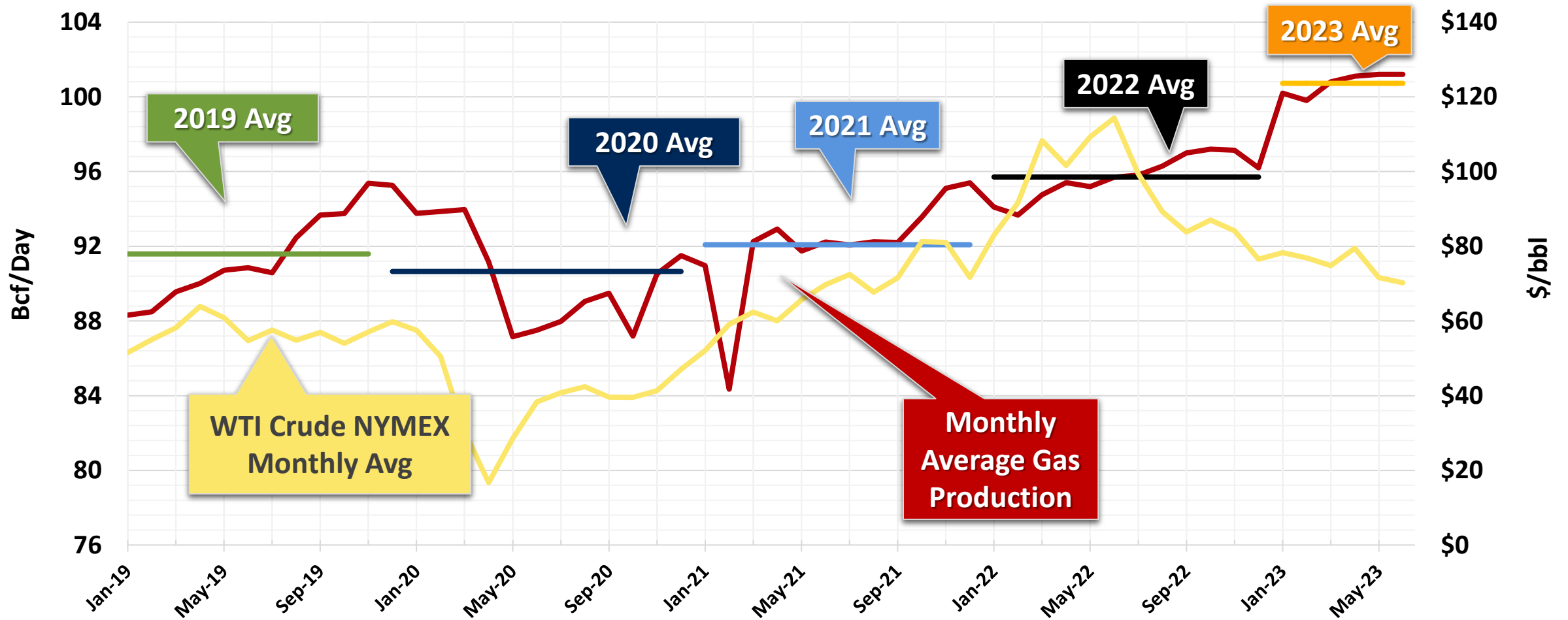
NYMEX Settlement \$1.97/MMBtu Below Budget FYTD

Forward Natural Gas Curve as of July 12th



Natural Gas Production Well Above 2019 Peaks

Gas Demand Up 9 Bcf/Day Over 2019, Continued Tight Market

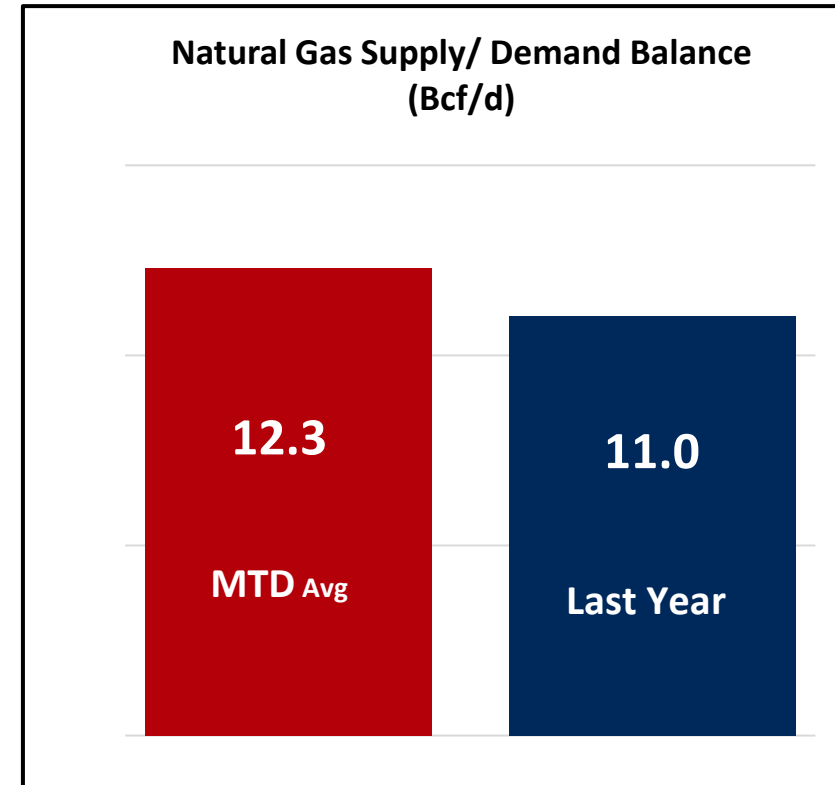


Natural Gas Supply Continued Expansion

June Supply Up 2.5 Bcf/Day, Demand Down 1.3 Bcf/Day

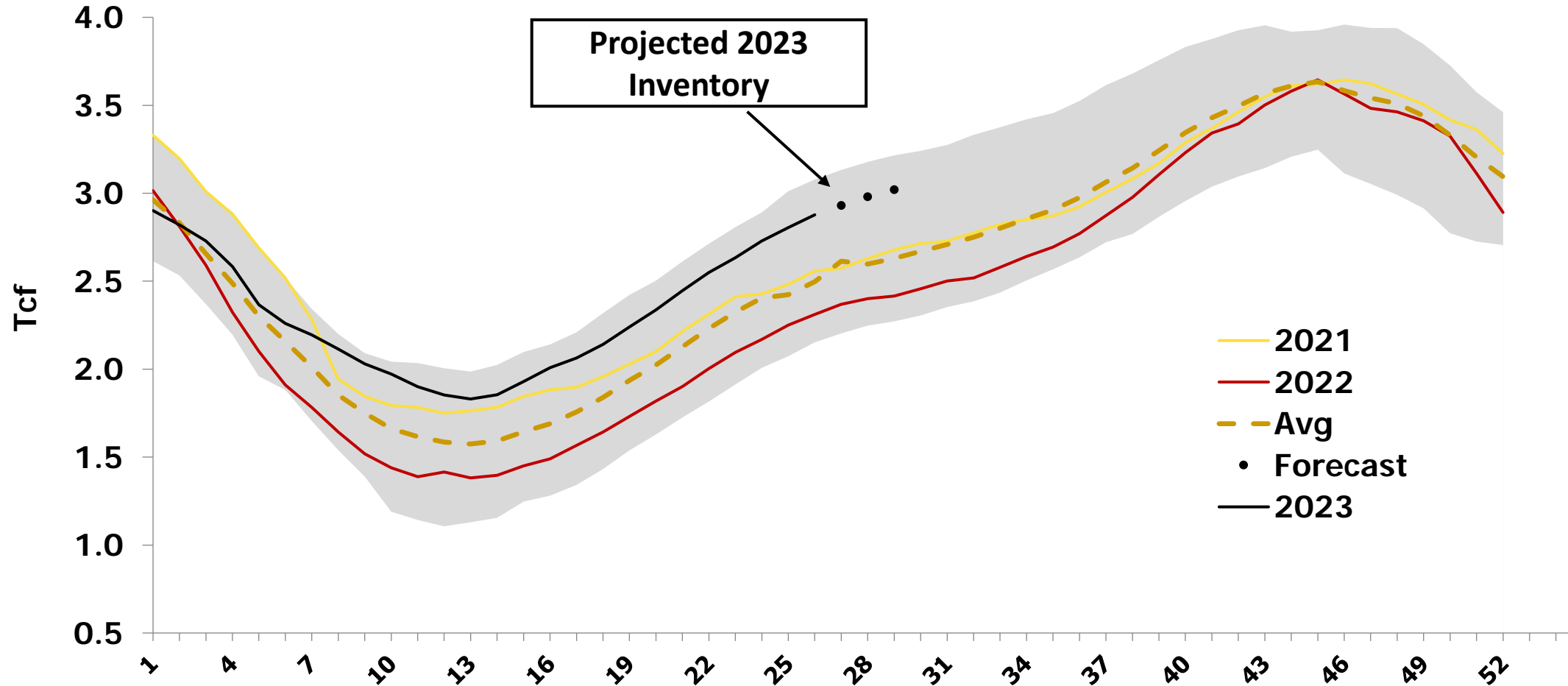
U.S. Gas Generation Increase Driving Growth

| Supply / Demand Detail (Bcf/day) | | |
|----------------------------------|--------------|--------------|
| Updated as of 6/29/2023 | | |
| | MTD Avg | Last Year |
| Production | 101.2 | 98.4 |
| Imports | 5.3 | 5.6 |
| Total Supply | 106.6 | 104.0 |
| | | |
| Power Demand | -39.0 | -38.5 |
| Industrial Demand | -21.7 | -21.6 |
| Res / Com Demand | -8.8 | -8.8 |
| Exports | -24.7 | -24.1 |
| Total Demand | -94.3 | -93.0 |
| | | |
| Net Surplus for Storage | 12.3 | 11.0 |



Gas Storage Inventory as of Week Ending June 30th

June storage averaged 348 bcf over its 5-year average.



| Goal | Status | Actual | YTD Actual | YTD Target | FY 2023 Target | Comment |
|-----------------------|---|--------|------------|------------|----------------|--|
| 5. Cyber-security | Breaches | 0 | 0 | 0 | 0 | |
| | Advance phishing tests | 4.3% | 3.2% | 7.5% | < 10% | 3 clicks in June campaign Random emails |
| 6. Reliability | Large CC EAF | 99.3% | 84.9% | 86.9% | 90% | TCEC 14 hours forced outage, low gas pressure in the breaker |
| | SI EAF | 96.8% | 88.2% | 90.3% | 92% | |
| | SI black start and trans. backup | 2 | 2 | 100% | 100% | 2 Runs in June, Pool requested unit operation and local system support |
| 7. Member Reliability | Project recommendations Major >8 hrs | 2 | 11 | 9 | 12 | <ul style="list-style-type: none"> Bartow – TripSaver Deployment Chattahoochee – Post event storm support |
| | Projects recommendations Minor < 8 hrs | 2 | 15 | 13.5 | 18 | <ul style="list-style-type: none"> Clewiston – Station Relay mis-operation Newberry – Long term planning study SME support |
| 8. Member Services | Leadership member visits | 10 | 67 | 56.25 | 75 | 10 Member visits in June |
| | Member/Community presentations, communications & social media support | 4 | 17 | 16 | 20 | Total: 16 presentations 1 communication support (July: Ocala, MEAG, State of the Agency, |

| Goal | Status | Actual | YTD Actual | YTD Target | FY 2023 Target | Comment |
|--|--------|--------|------------|------------|------------------|--|
| 9. Strategic Plan & IRP Staff will complete IRP for 20-year planning horizon | | | | | Complete by EOFY | <ul style="list-style-type: none"> Key assumptions for IRP agreed upon by EC during strategic plan (Phase 1) Phase 2 nearly complete; EC update forthcoming Phase 3 kickoff in July |
| 10. Financing Complete Member Pooled Loans Complete Gas Prepays | | 1 1 | 1 3 | | 1 0 | Signed 3 contracts in FY23 Annual savings: \$4.3M 1 Additional approved. Total annualized pre-pay savings: \$11.5M |
| 11. Solar Phase III Complete contract negotiations on Phase III sites | | | | | Complete by EOFY | All approvals received. Final execution of documents in progress. |
| 12. People Complete All Team In-House Training Sessions | | 1 | 2 | 1 | 3 | All managers at "Managing a remote workforce". 20 Team member at 7 Habits |

**AGENDA ITEM 6 – INFORMATION
ITEMS**

- a. FMPA Comments on EPA’s Proposal
for Emissions from Power Generators**

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6a – FMMPA Comments on EPA’s Proposal on CO2 Emissions from Power Generators

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EPA Proposal Poses High Risk for Gas Dependent FL

Complete Transformation of the Bulk Power System by 2032

- Florida most impacted state in U.S.
- Close most coal units and dramatically impact natural gas, together 60% of U.S. generation
- Potential 100% - 250% increase in electricity prices
- Based on technologies not economically available
 - Carbon Capture & Storage (CCS) very high cost and only operating facility
 - "Green" hydrogen requires significant overbuild of solar generation, new hydrogen production and onsite hydrogen storage - huge permitting issues
- Ignores permitting, construction lead times and costs
- Force large, low-cost and low-emitting gas units to run less, displaced by smaller, higher-emitting gas and diesel generation

Focus on FMPA Comments on EPA CO2 Rule

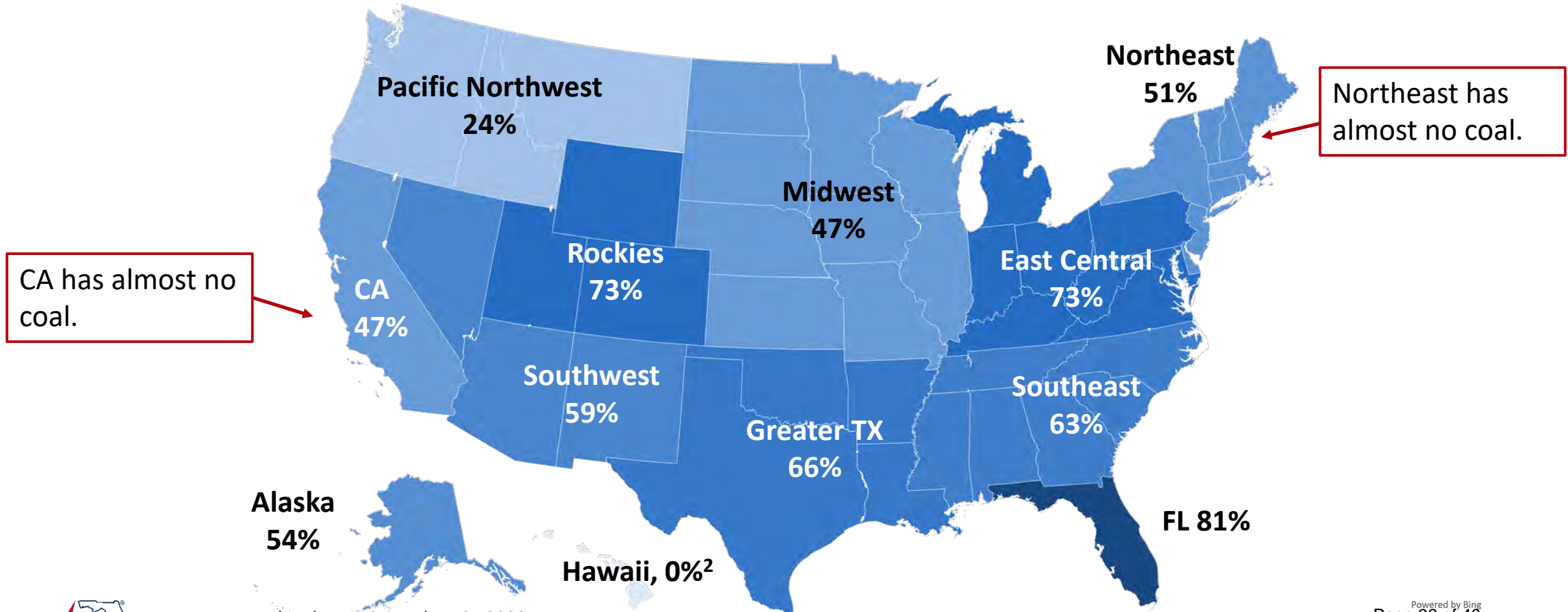
Unrealistic Assumptions - Large Price Increases and Unreliable Power

- FMPA focusing on Florida/FMPA specific issues
 - Florida uniquely impacted by rule with 80% of the generation impacted; FMPA 90%
 - Only access to solar as alternative, but FL solar intermittent at peak and land use becoming challenging
- Affordability main focus of FMPA comments
 - Florida costs one of the most impacted regions in U.S. with ~200% increase in costs
 - Cooperatives and municipals uniquely focused on affordable electricity
- Rules based on technologies not economically available
 - "Green" hydrogen requires overbuild of solar generation, hydrogen production and onsite storage
- Hydrogen production/storage ignores permitting, construction lead times and costs
- Many parties will focus on Reliability concerns of EPA CO2 rule – FL more exposed
- Proposal in Florida leads to higher emissions and/or much higher costs - force large, low-cost and low-emitting units to run less, displaced by smaller, higher-emitting gas and diesel generation

Coal/Gas Represent ~60% of US Generation, 80% FL

Dispatchable Generation Plays Vital Role in Reliability

Regional Electricity Generation from Natural Gas and Coal as % of Total Generation (2022¹) (%)

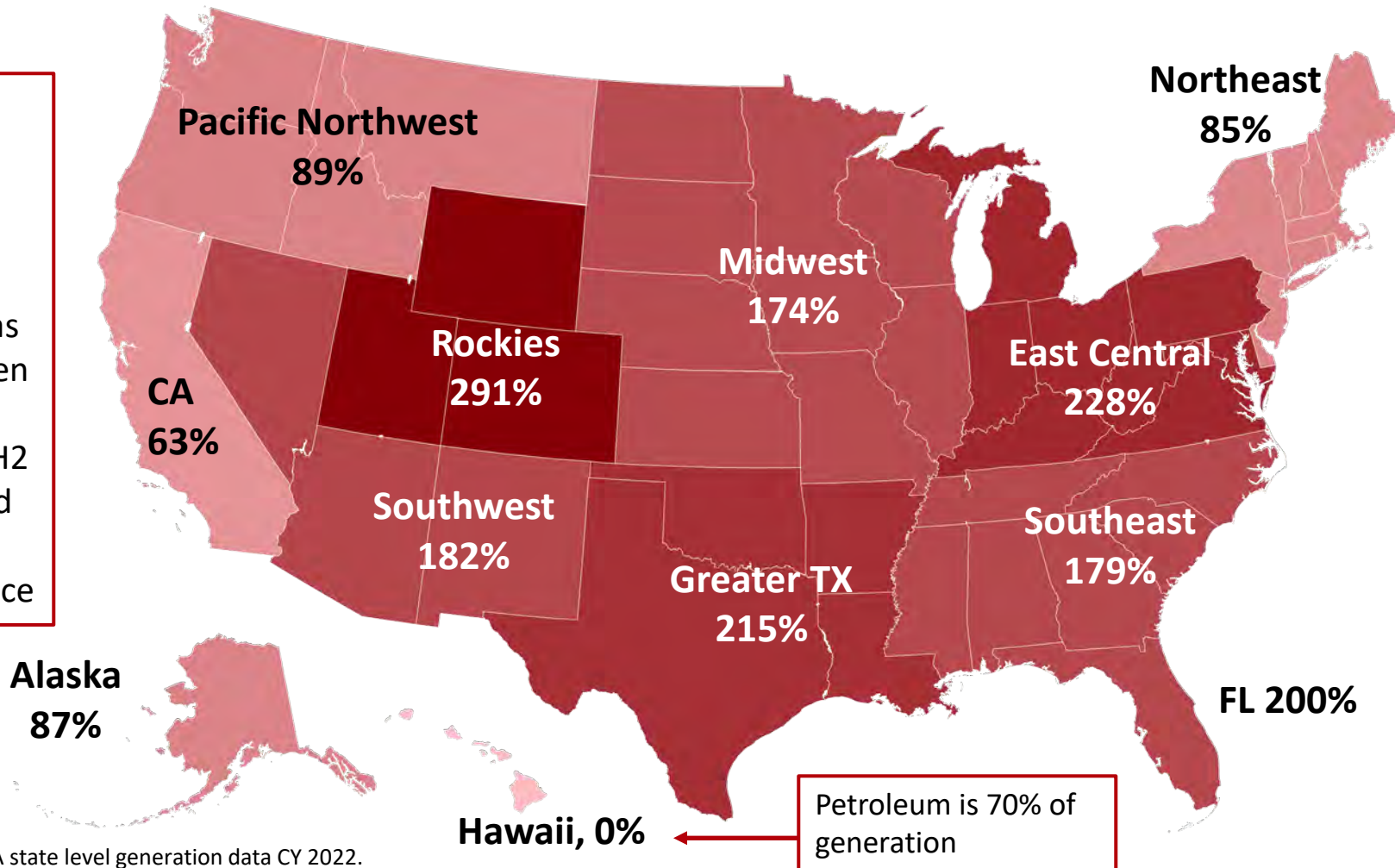


EPA Proposal Drives High Cost for Most US Regions

Significant Overbuild to Replace Coal, Create Hydrogen Fuel

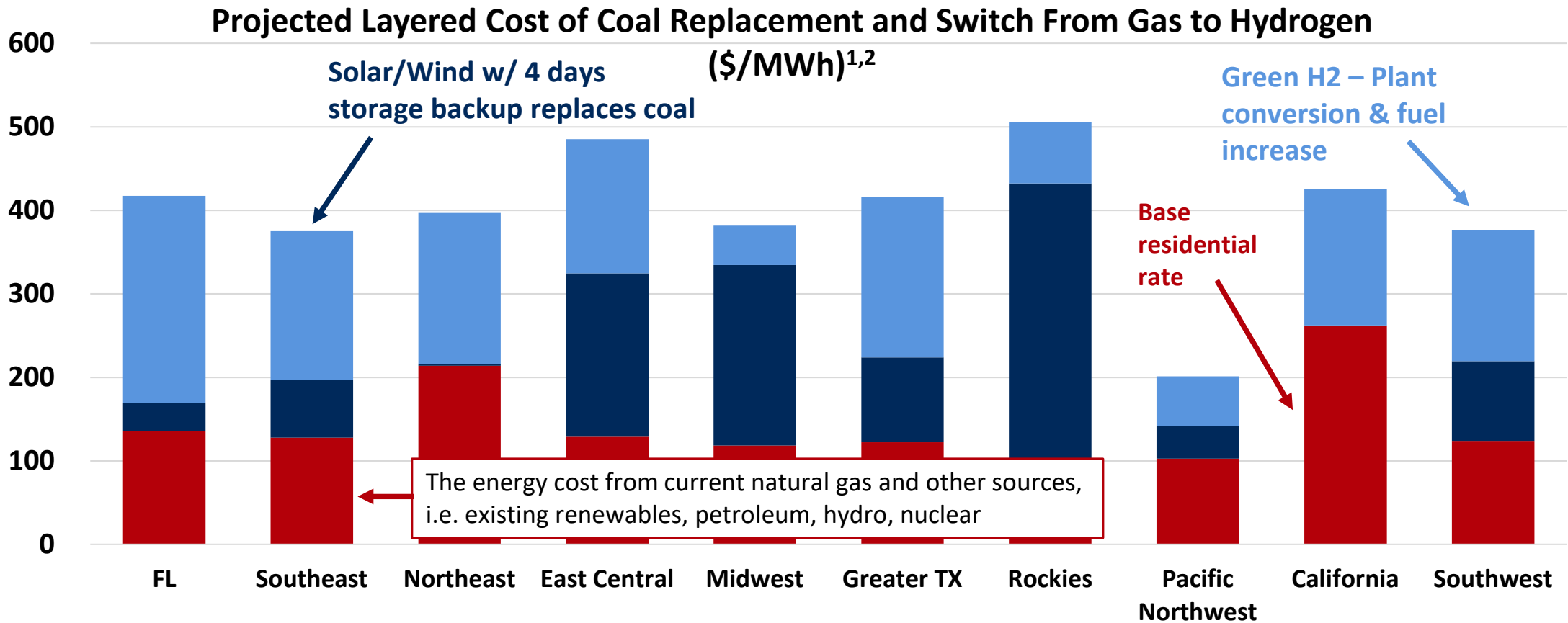
Projected Regional Residential Price Increases (%)

- 100% of coal converted to PV/wind and Storage
- 30% of natural gas converted to green hydrogen
 - Increasing H2 blend would further increase price



Regions Most Exposed to Gas and Coal Get High Cost

Hydro Rich Pacific Northwest Naturally Insulated

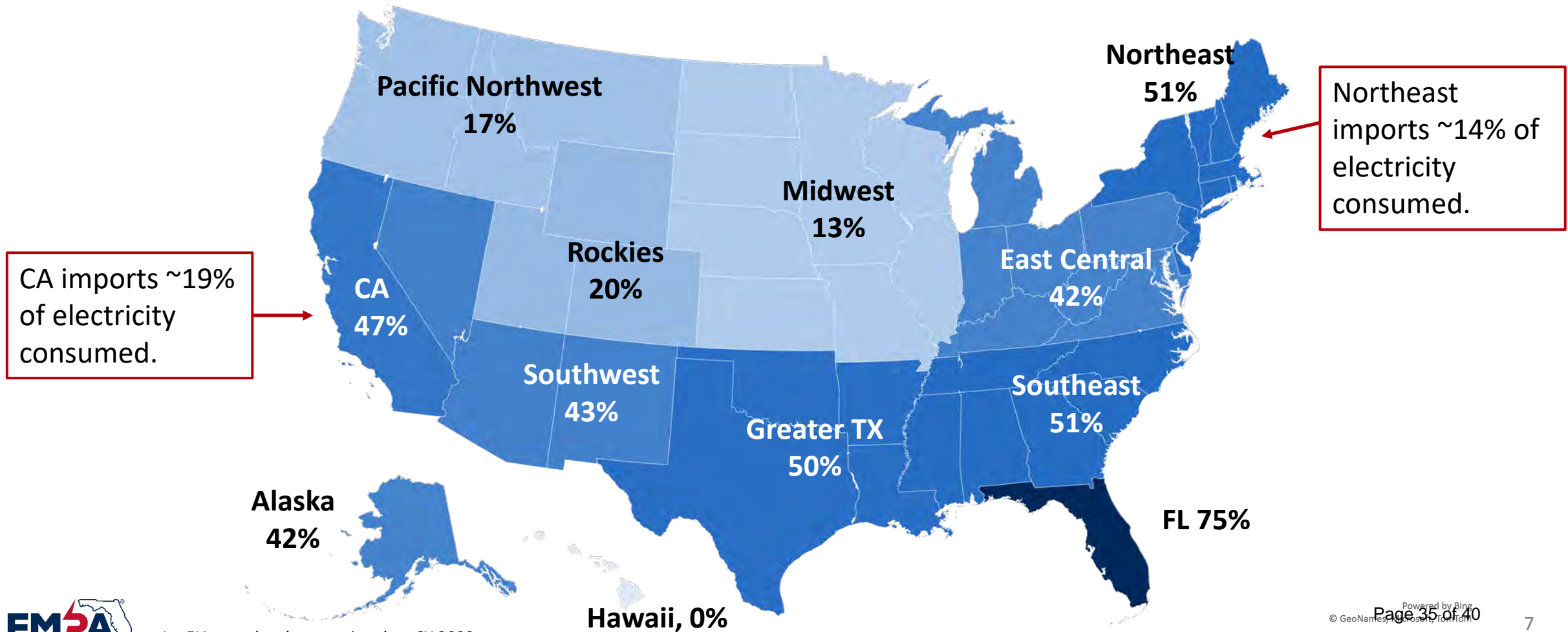


1 – Sources: EIA. Hydrogen and renewable prices data from independent engineer for 2023 FMPA IRP.
 2 – Residential rates shown.

Florida is Most Gas-Dependent State in the Country

In Non-Wind or Hydro Regions, Natural Gas Dominant Fuel

Regional Electricity Generation from Natural Gas as Percentage of Total Generation (2022¹) (%)



EPA's Climate Proposal – Unrealistic, Costly & Rushed

Comments from Utilities and Reliability Regions Required

- EPA's climate proposal effectively retires all coal generation and dramatically reduces gas generation availability representing the majority of power generation
- Initial power cost impact analysis are 100 – 250+% cost increase by 2032
- Florida most exposed state to cost and reliability concerns with 75% gas generation (80+% including coal)
- EPA depends on technology not commercially viable, available and permittable in 8 years
- Plant level implementation by 2032 not achievable and reliability likely seriously jeopardized
 - U.S. economy at great risk
- Modern power grid built over 40 – 60 years, cannot fundamentally change in 8 years, longer time needed
- Stakeholders have 20 days to comment on fundamental transition of bulk power system
- FMPPA filing comments to EPA copying FL delegation and use as basis for FRCC and APPA input

WILL BE PRESENTED AT THE MEETING

**AGENDA ITEM 6 – INFORMATION
ITEMS**

b. Natural Gas Outlook by TEA

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AGENDA ITEM 7 – MEMBER COMMENTS

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AGENDA ITEM 8 – ANNOUNCEMENTS

- a. Next Meeting: Thursday, October 18, 2023 (if approved) at FMPA, 8553 Commodity Circle, Orlando, FL**

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AGENDA ITEM 9 – ADJOURN

**Policy Makers Liaisons Committee Meeting
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