



MEETING AGENDA PACKAGE

# Policy Makers Liaisons Committee

October 18, 2023  
12:30 p.m. to 2:00 p.m.

**Meeting Being Held at:**

Florida Municipal Power Agency  
8553 Commodity Circle, Orlando, FL 32819

**Dial-in information: 321-299-0575, Access Code 285 806 515 69#**

**Link:** [Click here to join the 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: October 10, 2023  
RE: Policy Makers Liaisons Committee Meeting  
Wednesday, October 18, 2023 at 12:30 p.m. [NOTE TIME]  
PLACE: FMPA, 8553 Commodity Circle, Orlando, FL, Board Room  
DIAL-IN: In-Person and Telephonic – 321-299-0575  
Meeting ID - 285 806 515 69#  
LINK: [Click here to join the meeting](#)

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 July 20, 2023
4. Action Items
  - a. None
5. Report from the General Manager and CEO (Jacob Williams)
  - a. 2023 Goals Results
  - b. Proposed 2024 Goals
6. Information Items
  - a. Update on EPA Greenhouse Gas Rulemaking (Jacob Williams)
  - b. Strategy for Retail Customer Base Rates (Navid Nowakhtar)
  - c. Update on FMPA New Generation Projects (Ken Rutter/Susan Schumann)

7. Member Comments
8. Announcements
  - a. Next Meeting (if schedule approved) – January 17, 2024 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

October 18, 2023 – 8 present

\*\*\*\*\*

**Quorum needed: 8 Members**

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

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

**AGENDA ITEM 2 – SET AGENDA (by  
vote)**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

**AGENDA ITEM 3 – CONSENT AGENDA**

- a. Approval of Minutes for the Meeting  
Held July 20, 2023**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

**MINUTES**  
**FMPA POLICY MAKERS LIAISONS COMMITTEE MEETING**  
**THE VINOY® RESORT AND GOLF CLUB**  
**501 5<sup>TH</sup> AVENUE, NE, ST. PETERSBURG, FLORIDA**  
**DATE: THURSDAY, JULY 20, 2023**  
**TIME: 3:15 P.M.**

**MEMBERS  
PRESENT**

Jimmy Pittman, Clewiston  
Javier Cisneros, Fort Pierce  
Bob Page, Green Cove Springs  
George Forbes, Jacksonville Beach  
Robert Barrios, Key West  
Ethel Urbina, Kissimmee  
Jim Hilty, Ocala  
Kolby Urban, St. Cloud  
Scott Roberts, Starke

**OTHERS  
PRESENT**

Randy Martin, Clewiston  
Linda Hudson, Fort Pierce  
Barbara Bennett, Fort Pierce  
Caroline Valentin, Fort Pierce  
Danny Retherford, Fort Pierce  
Kristina Gibbons, Fort Pierce  
Lynne Tejada, Key West  
Mona Clark, Key West  
Rae Hemphill, Kissimmee  
Larry Mattern, Kissimmee  
Ed Liberty, Lake Worth Beach  
Lillian Conrad, New Smyrna Beach  
Janice Mitchell, Ocala  
Doug Peebles, Ocala  
James Braddock, Wauchula  
Dan D'Alessandro, Winter Park  
Mourad Belfakih, Winter Park  
Nicole Albers, FMEA  
Jim Headle, Lineworks  
Kyle Rooker, Seminole Electric  
Mike Gehring, TEA

**STAFF  
PRESENT**

Jacob Williams, General Manager & CEO  
Susan Schumann, Public Relations and External Affairs  
Manager  
Linda S. Howard, Chief Financial Officer  
Sue Utley, Executive Assistant to CEO / Asst. Secretary to Board  
Lindsay Jack, Senior Administrative & Member Services Assistant  
Wayne Koback, IT Manager  
Navid Nowakhtar, Resource and Strategic Planning Director  
Rich Popp, Treasurer and Risk Director  
Mary Kathryn Patterson, Senior Public Relations Specialist  
Chris Gowder, Vice Pres., IT/OT and System Ops

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

Chair Bob Page, called the meeting to order at 3:15 p.m. on Thursday, July 20, 2023, at The Vinoy® Resort and Golf Club, 501 5<sup>th</sup> Avenue, NE, St. Petersburg, Florida. A roll call was taken and 8 Members were present.

## **Item 2 – Set Agenda (By Vote)**

**MOTION:** George Forbes, Jacksonville Beach, moved to set the agenda as presented. Jim Hilty, Ocala, seconded the motion. Motion carried 8 – 0.

## **Item 3 – Consent Agenda**

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

**MOTION:** Jim Hilty, Ocala, moved to approve the minutes of the April 19, 2023 meeting. Ethel Urbina, Kissimmee, seconded the motion. Motion carried 8 – 0.

## **Item 4 – Action Items**

- a. Nominate and Elect a Chair and Vice Chair

George Forbes, Jacksonville Beach, nominated Bob Page as Chair and Jim Hilty as Vice Chair. Robert Barrios, Key West, seconded the motion. Motion carried 8 – 0.

## **Item 5 – Report from the General Manager and CEO**

Jacob Williams presented the Goals Scorecard with June data.

## **Item 6 – Information Items**

- a. FMPA Comments on EPA's proposal

Jacob Williams presented the comments FMPA submitted on the EPA's proposal for admissions from power generators.

- b. Natural Gas Outlook

The Energy Authority's (TEA) Mike Gehring presented the natural gas outlook.

## **Item 7 – Member Comments**

Javier Cisneros, Fort Pierce, said their Board is raising their power cost adjustment over three months. Asked what other cities are doing?

Dan D'Alessandro, Winter Park, said if they get too far over they refund the month. He wants to go to every quarter and pay it back over 4 to 6 months.

Bob Page, Green Cove Springs, encouraged everyone to participate in the October 18 meeting.



**Item 8 – Announcements**

- a. Next Meeting: October 18, 2023, at FMPA, 8553 Commodity Circle, Orlando, Florida at 12:30 p.m.

**Item 9 - Adjourn**

There being no further business, the meeting was adjourned at 4:18 p.m.

\_\_\_\_\_  
Bob Page  
Chairman

\_\_\_\_\_  
Sue Utley  
Assistant Secretary

Date Approved \_\_\_\_\_

BP/su

**AGENDA ITEM 4 – ACTION ITEMS**

- a. None**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

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

**a. 2023 Goals Results**

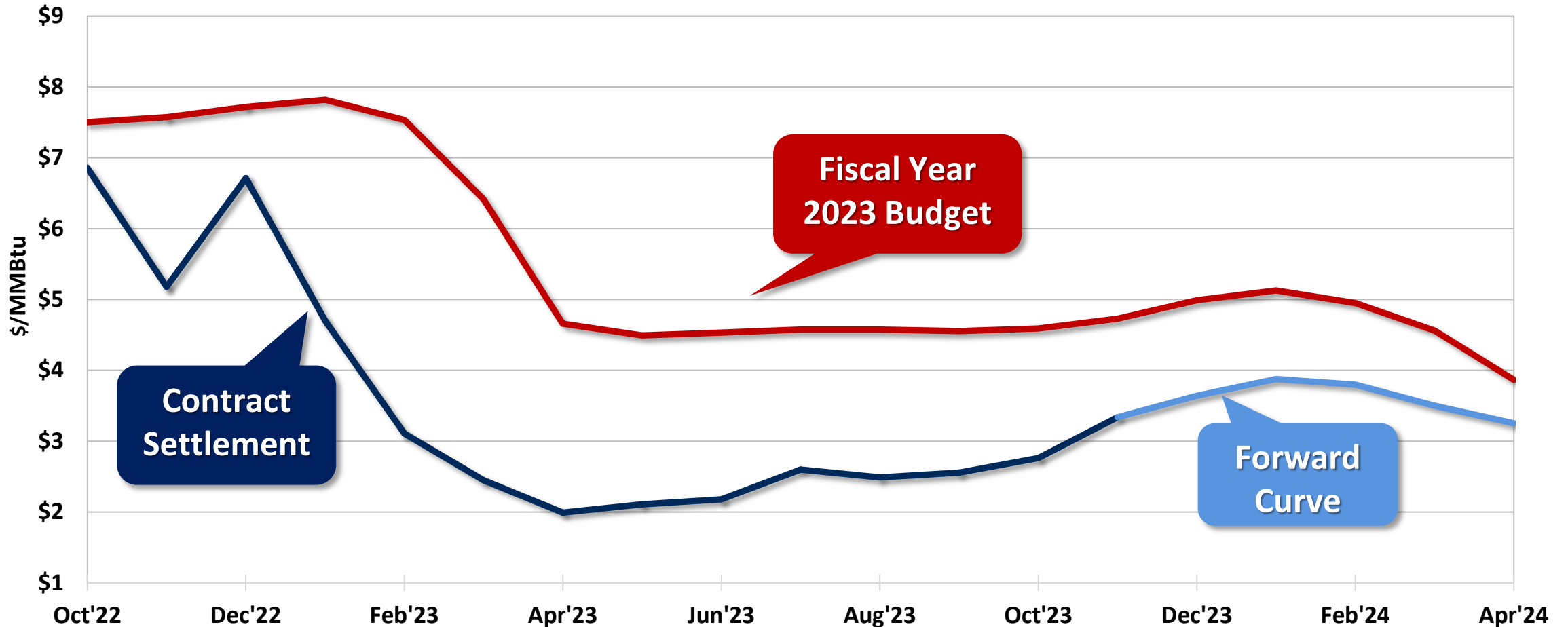
**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

# Fiscal Year 2023 Management Goals – September 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 Year 2023 Rate Objective            |        | 67.32  | 95.28      | 107.33     | < \$105.99       | <ul style="list-style-type: none"> <li>Overall fuel costs below target</li> <li>YTD managed fuel costs &gt; target due to margin recovery</li> <li>Market-exposed fuel &lt; target is a combination of low gas prices and margins on external sales</li> <li>Non-fuel costs &lt; YTD target</li> </ul> |
|   | Managed Fuel                               |        | 11.39  | 30.99      | 30.16      | \$29.40          |  |
|   | Market-Exposed Fuel                        |        | 21.97  | 15.15      | 27.05      | \$26.92          |  |
|   | Non-Fuel                                   |        | 33.96  | 49.14      | 50.12      | \$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. Followed up in May. Will discuss in Sept./Oct. before Winter Gas Season   |

# NYMEX Settlement \$1.83/MMBtu Below Budget FYTD

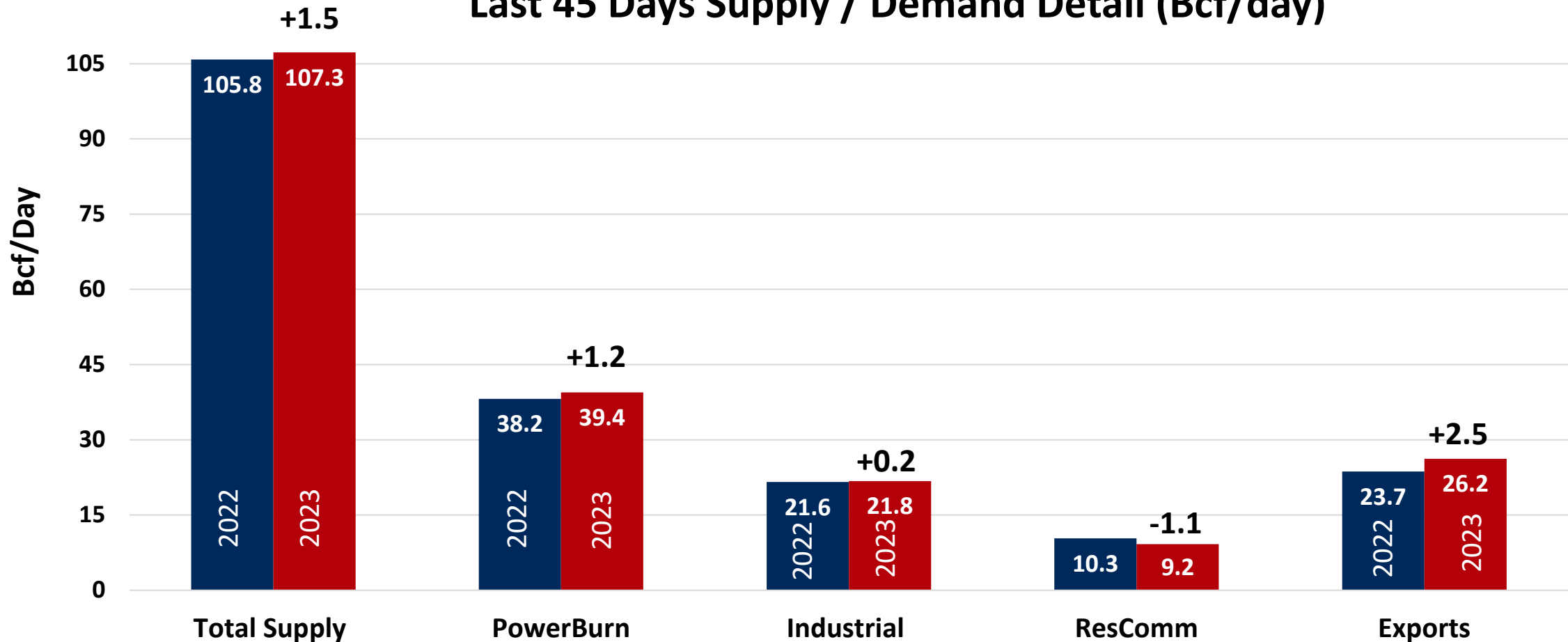
## Forward Natural Gas Curve as of October 5th



# Natural Gas Supply Continued Expansion

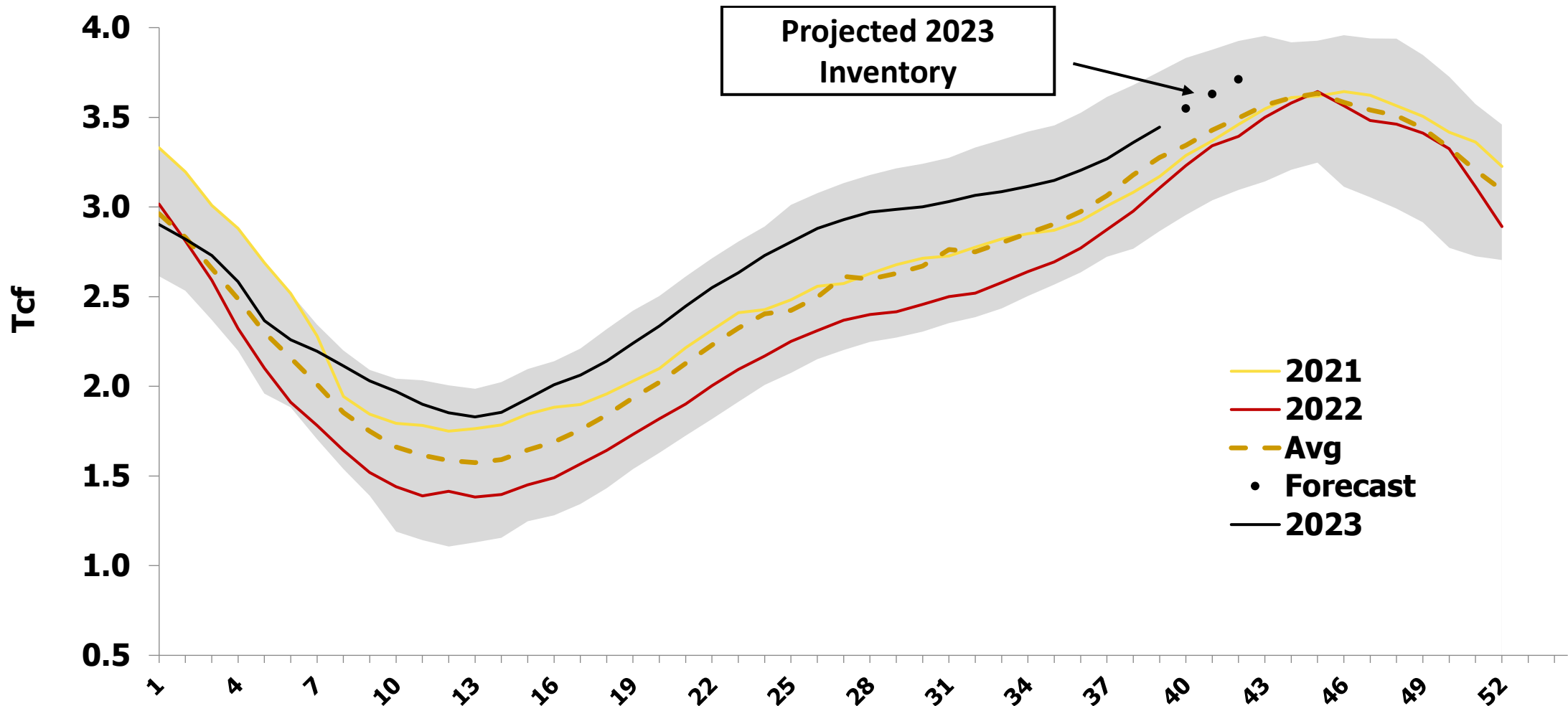
*Power/LNG Demand Offsetting Supply Growth in August*

Last 45 Days Supply / Demand Detail (Bcf/day)



# Gas Storage Inventory as of Week Ending September 29th

*Last 30 days, storage excess decreased by 47 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                                  | 5.4%   | 3.3%       | <10%       | < 10%          | We had 4 click on the campaign. We had 47% report the Phish. We will finish the year at 3.3% for a goal of 10%. We sent 847 emails through the year we only clicked on 28 of them. |
| 6. Reliability        | Large CC EAF  | 89.3%  | 87.8%      | 90%        | 90%            | CI4 tripped due to lightning strike.   |
|                       | SI EAF  | 99.8%  | 87.7%      | 92%        | 92%            | Brief outages for CT4 and an MSD.  |
|                       | SI black start and trans. backup                        | 0      | 33         | 100%       | 100%           | 33 for the year  |
| 7. Member Reliability | Project recommendations Major >8 hrs                    | 1      | 12         | 11         | 12             | Keys Min/Max substation asset management   |
|                       | Projects recommendations Minor < 8 hrs                  | 3      | 18         | 16.5       | 18             | Bartow power quality support<br>Tallahassee, assisted with LTC training vendor<br>Lakeland transmission planning software  |
| 8. Member Services    | Leadership member visits                                | 2      | 78         | 75         | 75             | 2 Member visits in September   |
|                       | Member/Community presentations, communications & social | 1      | 22         | 18         | 20             | Total: 21 presentations<br>1 communication support   |

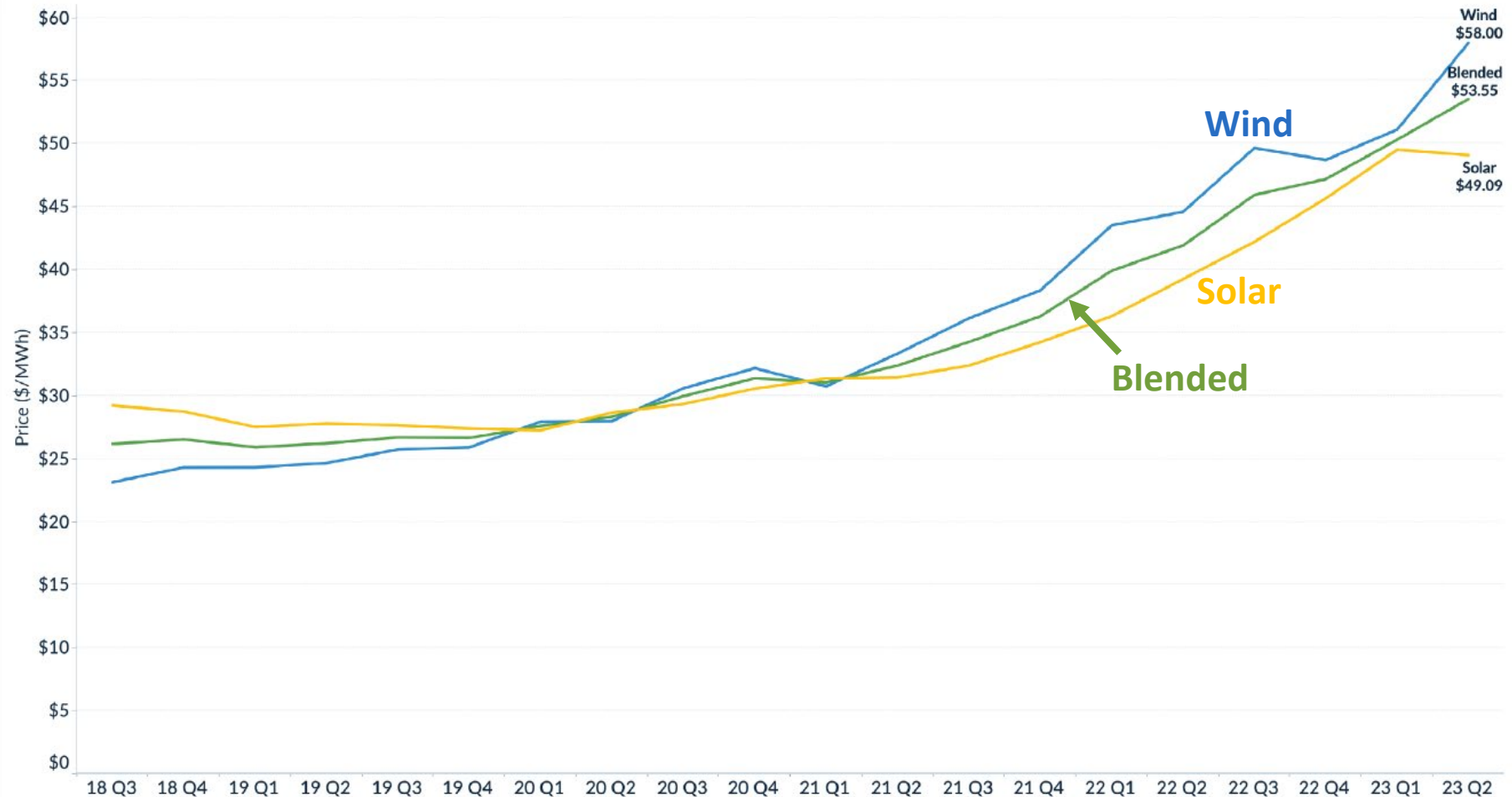


| Goal   | Status | Actual | YTD Actual | YTD Target | FY 2023 Target   | Comment   |
|--|--------|--------|------------|------------|------------------|---|
| <b>9. Strategic Plan &amp; IRP</b><br>Staff will complete IRP for 20-year planning horizon |        |        |            |            | Complete by EOFY | <ul style="list-style-type: none"> <li>IRP assumptions agreed upon during strategic plan (Phase 1)</li> <li>Phase 2 complete w/August EC Update</li> <li>Working with TEA on QC of Final Results</li> </ul> |
| <b>10. Financing</b><br>Complete Member Pooled Loans<br>Complete Gas Prepays               |        | 1<br>1 | 1<br>3     |            | 1<br>0           | Signed 3 contracts in FY23<br>Annual savings: \$4.3M<br>1 Additional approved.<br>Total annualized pre-pay savings: \$11.7M   |
| <b>11. Solar Phase III</b><br>Complete contract negotiations on Phase III sites            |        |        |            |            | Complete by EOFY | Final execution August 15.  |
| <b>12. People</b><br>Complete All Team In-House Training Sessions                          |        | 1      | 3          | 1          | 3                | Managers - "Managing a remote workforce".<br>20 Team member at 7 Habits<br>Managers Leadership in Oct.  |

# Intermittent Wind/Solar Prices Doubling Since 2020

## *IRA - Inflationary Prices as Developers Bid for Scarce Materials*

Market-Averaged P25 Continental Index for North America – Quarterly Power Purchase Agreement Prices



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

**b. Proposed 2024 Goals**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

# Fiscal 2024 Management Goals – FINAL

| Goal   | Status                                   | Actual | YTD Actual | YTD Target | FY 2024 Target | Comment   |
|--|--|--------|------------|------------|----------------|---|
| <b>1. Safety</b>   | Lost-time Accidents                      |        |            |            | 0              |   |
|  | OSHA Recordables                         |        |            |            | 0              |   |
| <b>2. Compliance</b>   | Environmental                            |        |            |            | 0              | Complete Playbook in FY24   |
|  | Financial                                |        |            |            | 0              |   |
|  | <u>Regulatory</u><br>Compliance Playbook |        |            |            | 0              |   |
| <b>3. Low Cost</b><br>(\$/MWh)   | FY24 Rate Objective                      |        |            |            | 78.72          | Non-fuel target includes \$8.5M assumed margin on capacity and energy sales to others |
|  | Fuel                                     |        |            |            | 29.97          |   |
|  | Non-Fuel                                 |        |            |            | 48.75          |   |
| <b>4. Strategic LT Cost Reductions</b><br>Pool Expansion Decision or<br>Alternative Structure<br><br>Reduce Cost Exposure to Stanton |  |        |            |            |                | Complete by FY24  |

| Goal                  | Status  | Actual | YTD Actual | YTD Target | FY 2024 Target | Comment |
|-----------------------|---|--------|------------|------------|----------------|---------|
| 5. Cyber-security     | Breaches  |        |            |            | 0              |         |
|                       | Phishing tests<br>% Acknowledge Phishing              |        |            |            | <7.5%<br>>60%  |         |
| 6. Reliability        | CC EAF  |        |            |            | 90%            |         |
|                       | SI black start and trans.<br>backup                   |        |            |            | 100%           |         |
|                       | SI EAF  |        |            |            | 92%            |         |
| 7. Member Reliability | Reliability Major<br>Minor<br>Aiding Reporting & Doc. |        |            |            | 12<br>18<br>6  |         |
| 8. Member Services    | Leadership<br>member visits                           |        |            |            | 75             |         |
|                       | Community/Stakeholder<br>Presentations/Support        |        |            |            | 20             |         |

| Goal  | Status | Actual | YTD Actual | YTD Target | FY 2024 Target     | Comment                      |
|---|--------|--------|------------|------------|--------------------|------------------------------|
| <b>9. Day 1 Plant Integrations</b><br>Operating Vendor Integration Team Members Payroll       |        |        |            |            |                    |                              |
| <b>10. Financing</b><br>Pre-pay Gas/Solar   |        |        |            |            | 2                  |                              |
| Debt vs R&R Guidelines  |        |        |            |            |                    | Develop Board Level Guidance |
| <b>11. People</b><br>Day 1 Offers to Everyone<br>Minimum Acceptance<br>Agency-wide Engagement |        |        |            |            | 100%<br>80%<br>82% |                              |
| <b>12. Nuclear</b><br>Explore expansion at existing FL sites                                  |        |        |            |            |                    |                              |

**AGENDA ITEM 6 – INFORMATION  
ITEMS**

- a. Update on EPA Greenhouse Gas  
Rulemaking**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**



# **6a Update on EPA's Proposal GHG Rules Great Risk to Reliable and Affordable Power**

Kiwanis Club of Wauchula

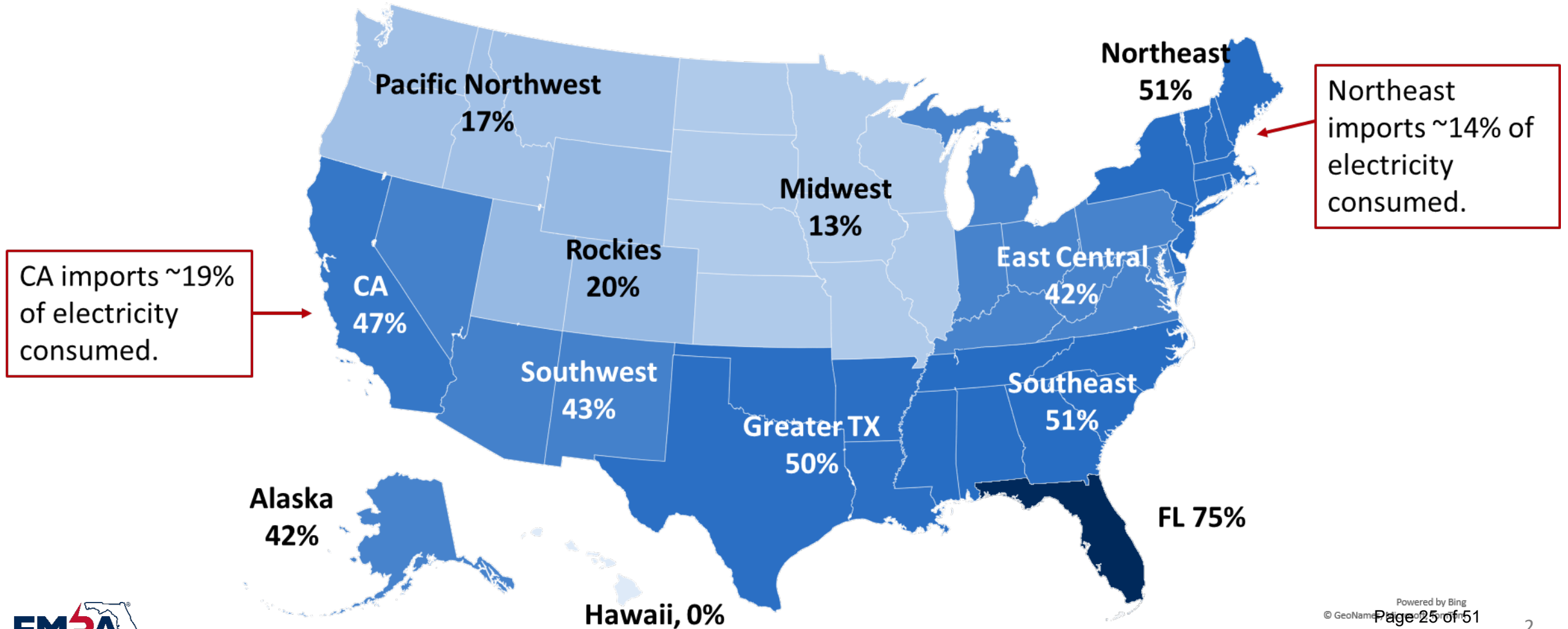
August 29, 2023



# 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 (2022<sup>1</sup>) (%)



# EPA Proposal High Risk for Natural Gas Dependent FL

## *Risk to Power Reliability and Affordability by 2032*

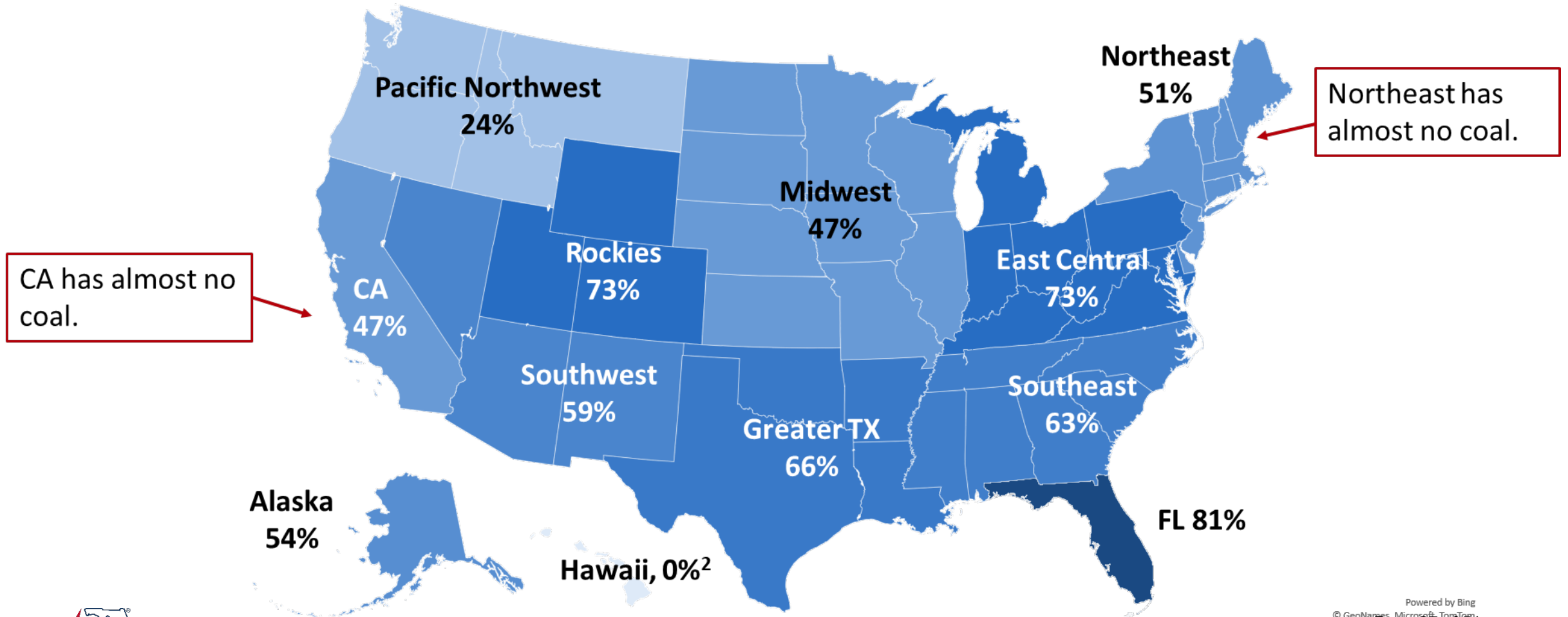
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- Complete transformation of the bulk power system by 2032
- Florida most impacted state in U.S. both reliability and affordability
- Close most coal and dramatically reduce natural gas, 60% of U.S. generation
- EPA reductions based on technologies not economical nor available in large scale
  - Carbon Capture & Storage (CCS) very high cost and only 1 operating facility
  - "Green" hydrogen blend for natural gas – in Florida, solar powered electrolysis of water for hydrogen, requiring hydrogen production facilities, pipelines and onsite hydrogen storage
- Insurmountable permitting, construction and costs implications for 2032 target
- In Florida, higher emissions - low-cost, low-emitting units (Treasure Coast) to run less, displaced by higher-cost, higher-emitting natural gas & diesel generation
- U.S. already leads the world in CO<sub>2</sub> emission reductions without any federal laws

# Challenges Ahead – EPA Proposal Restructures Grid

## *Close Most Coal Plants and Dramatically Reduce Gas Energy*

Regional Electricity Generation from Natural Gas and Coal as % of Total Generation (2022<sup>1</sup>) (%)



# **FRCC Utilities Note Significant Reliability Concerns**

## *Potential for 8% Unserved Energy in 2032*

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**"FRCC estimates that, in 2032, the Proposed Rules could require the replacement of 23 million MWh of annual energy supply needed to serve load. This shortfall represents about 8% of FRCC's total projected demand and is equivalent to blacking out about 1.8 million residential customers for the entire year, or all residential customers for about two months."**

*FRCC Comments - EPA's Proposed CO<sub>2</sub> Rule Power Sector – July 18, 2023*

# Nationwide Concern for EPA's Proposed CO<sub>2</sub> Rule

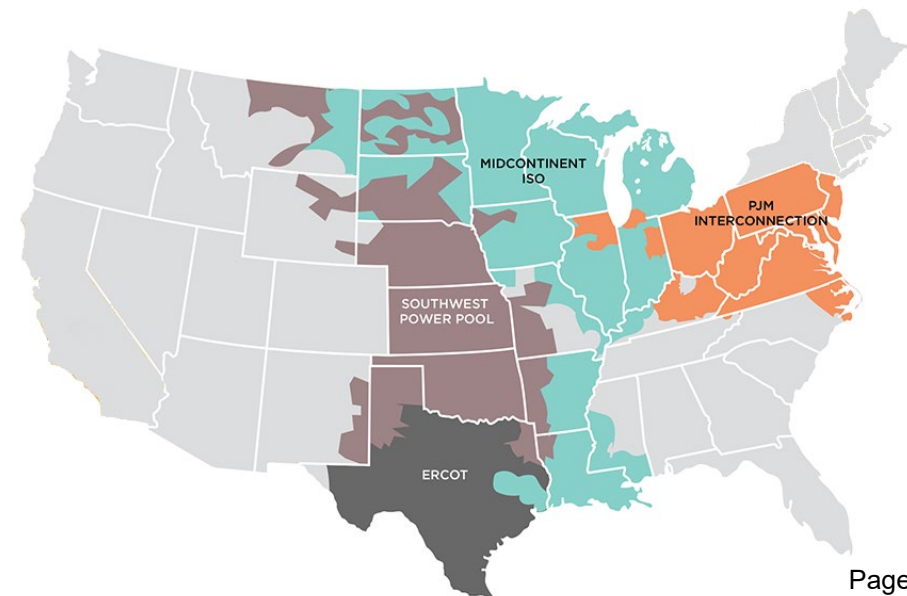
## *"In Summary, Hope Is Not an Acceptable Strategy"*

- During summer heat and winter cold peaks, fossil fuel generation is 65-75% of the generation
  - Winter storm Uri in February 2021 rolling blackouts in Louisiana, Oklahoma and Texas
  - Winter storm Elliot in December 2022 rolling blackouts in North Carolina, South Carolina and Tennessee
  - August/Early September – natural gas and coal generation often 70+% of U.S. generation

Major U.S. Power Regions  
PJM, MISO, SPP and ERCOT  
serves 154 million

***"In summary, hope is not an acceptable strategy."***

Comments to EPA CO<sub>2</sub> rule 8/8/23

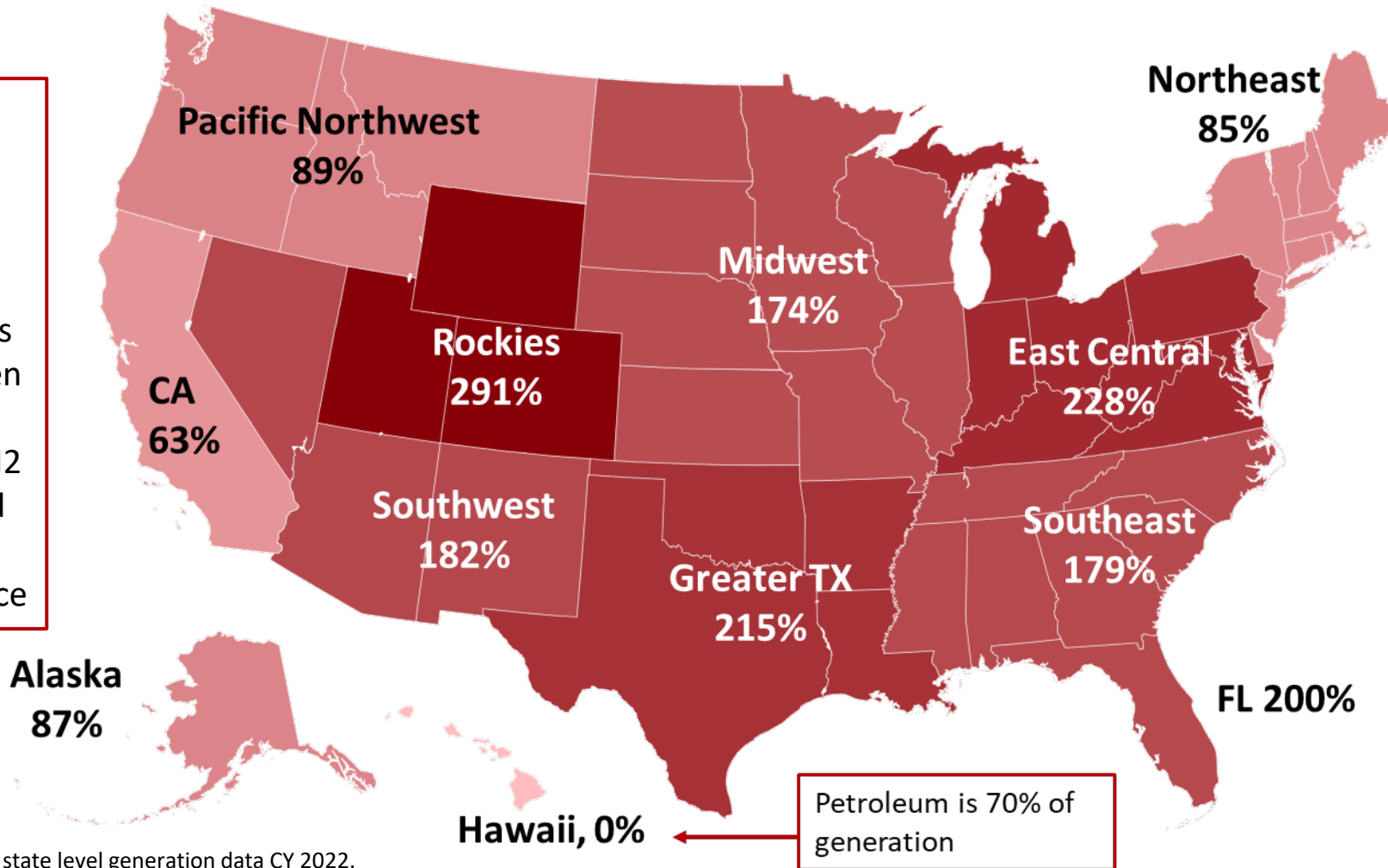


# EPA Proposal Drives High Cost for Most US Regions

## *Significant Overbuild to Replace Coal, Create Hydrogen Fuel*

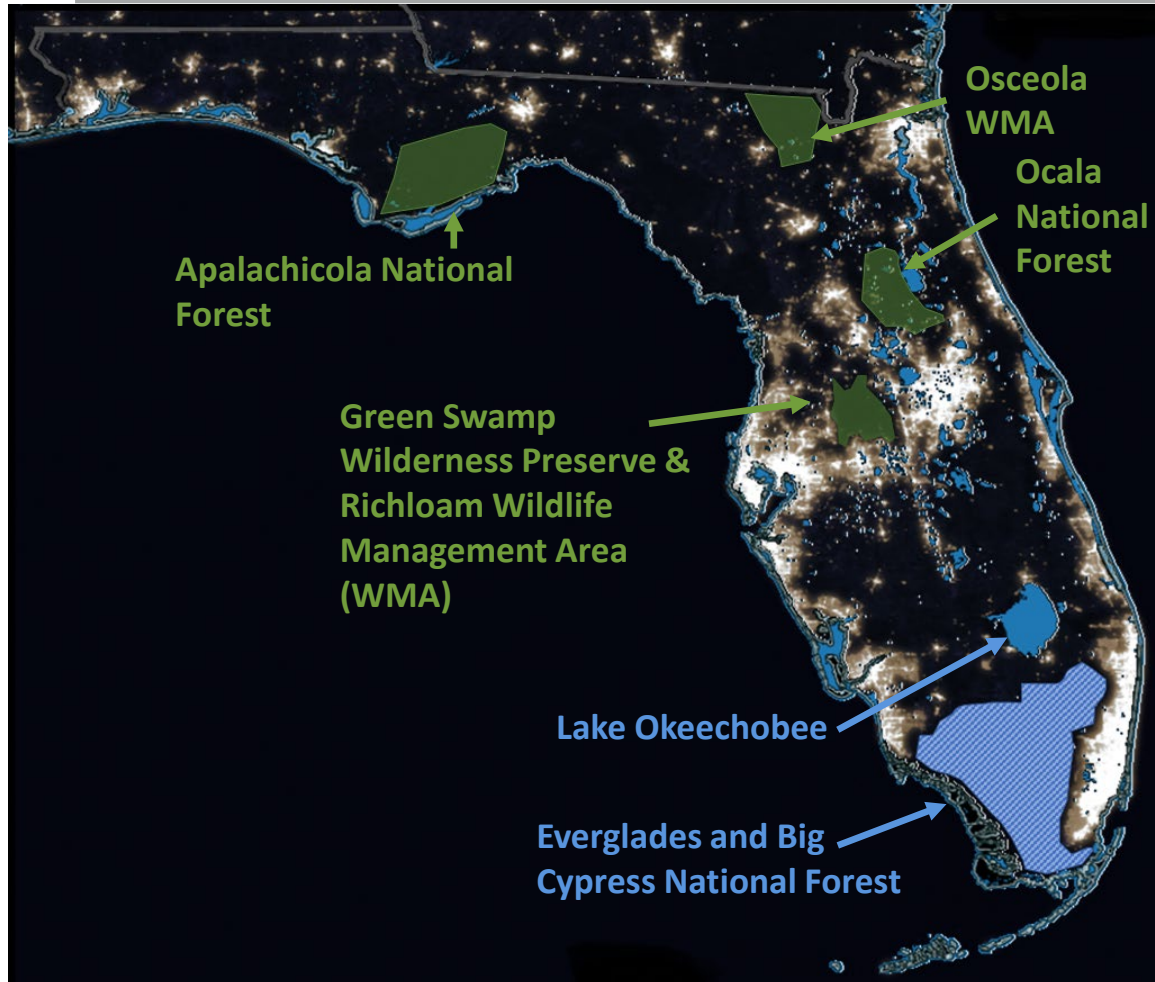
Projected Regional Residential Price Increases (%)

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



# EPA - FL Adds Almost Double Utilities Planned Solar

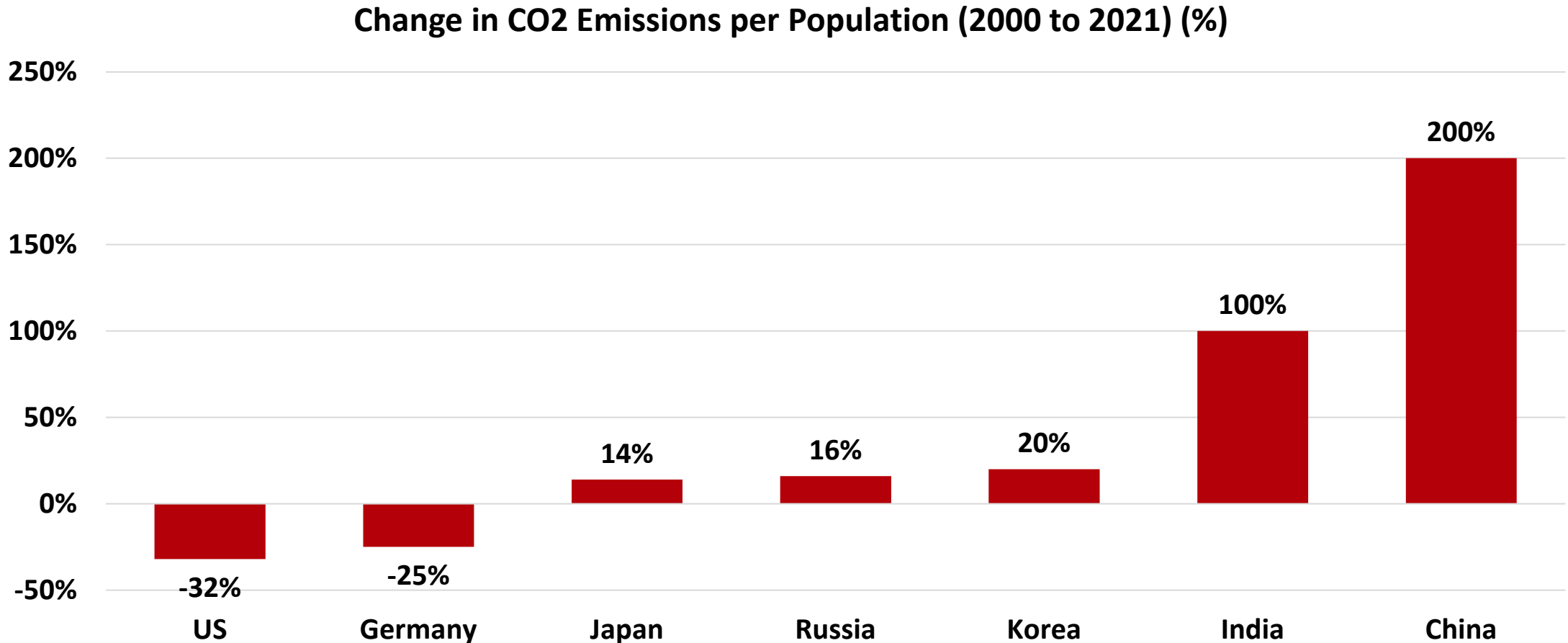
## *Land Utilization Constrains Likely Solar Additions Over Time*



- FL Utilities planning solar growing from 7 to 28% energy by 2032
- EPA assume FL almost doubles that amount
- Solar PV buildout requires dry land
- Florida contains 20% of all wetlands in U.S.
- Florida is 18.5% water
- Florida has 4 million acres of conservation land (10% of FL)
  - 1.14 million acres of National Forest Area
- Expect Florida and local communities to continue to prioritize protecting natural land from large scale solar development

# US Leads World in CO<sub>2</sub> Emission Reduction Since 2000

*Without Federal Mandates, US Outpaces Europe and Others*





# Next Steps

## *Electric Reliability Agency Input and Congressional Action*

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- Comments closed August 8 – 77 days to comment on fundamental transformation of bulk power system
- Final rule targeted to be issued in Spring 2024
- FERC Technical Conference on 11/9 on Reliability and EPA’s proposed GHG rules
- Key Issues
  - Allow extra time to get reliability input from Federal Power entities, FERC, NERC and reliability regions
  - Only use commercially viable and readily available technologies in proposal rule
  - Provide estimate of changes in power cost from today's levels, by region, to show disparate regional impacts
  - Timelines must take into account significant permitting, engineering and procurement timelines
- House inserting REINS Act in Energy and Ag budgets which would stop regulatory overreach like this
- Bulk power system backbone of U.S. economy and enabler of high quality of life for all – low cost & reliable

**AGENDA ITEM 6 – INFORMATION  
ITEMS**

**b. Strategy for Retail Customer Base  
Rates**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**



# 6b Strategy for Retail Customer Base Rates

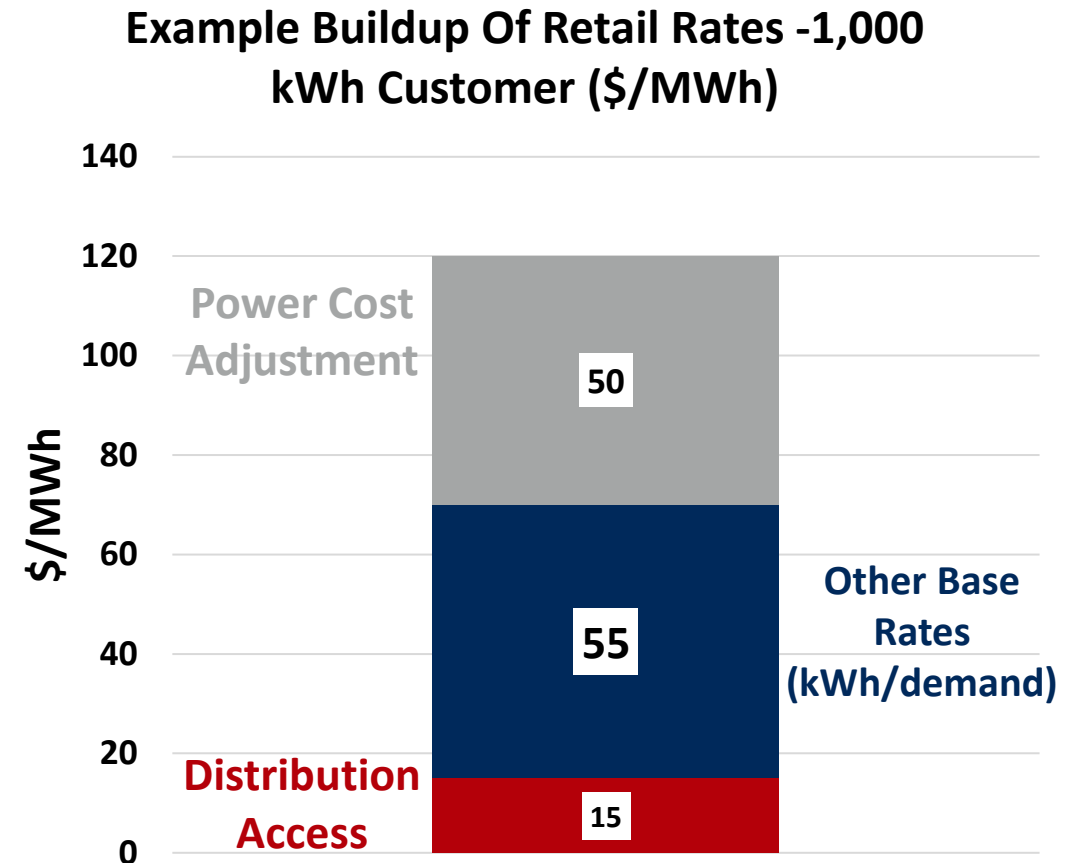
Policymakers Liaisons Committee

October 18, 2023

# Utility Rates Reflect Ability to Manage to Goals

## *Base Rates, Power Cost Adjustment, Rate Stabilization Differ*

- **Base Rates** (distribution access charges, energy charges, demand charges) support (i) the money I need to run the distribution system and (ii) a portion of bulk power cost as of a certain point in time
- **The Power Cost Adjustment** (sometimes known as a “fuel adder”\*) makes up the difference between power costs supported by base rates and actual costs (+/- stabilization)



# Most Base Rates Outdated Versus Actual Power Cost

## *Not Realistic Relative to Prevailing and Projected Cost Levels*

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- In this example, tariff reflects a bulk power cost base of only \$45/MWh
- In layman's terms, this means that the base rate only covers ***the first \$45/MWh of power cost***, with the rest recovered through the bulk power cost adjustment
- Since bulk power costs are generally higher than this value, this results in higher bulk power cost adjustments
- ***Key Strategy – update/align base rates with reality***
- $$F = \left[ \frac{Fm}{Sm} - \frac{\$0.04550}{kWh} \right] * \left[ \frac{1}{1-L} \right]$$
- F is the monthly adjustment factor in dollars per kWh
- Fm is the total applicable fuel and net interchange cost incurred during the preceding calendar month
- Sm is the total sales in the month applicable to the incurrence of the costs
- L are the system losses (based on actual prior fiscal year losses)

# Why Do This?

## *Benefits Driven From Overcoming Customer Misconceptions*

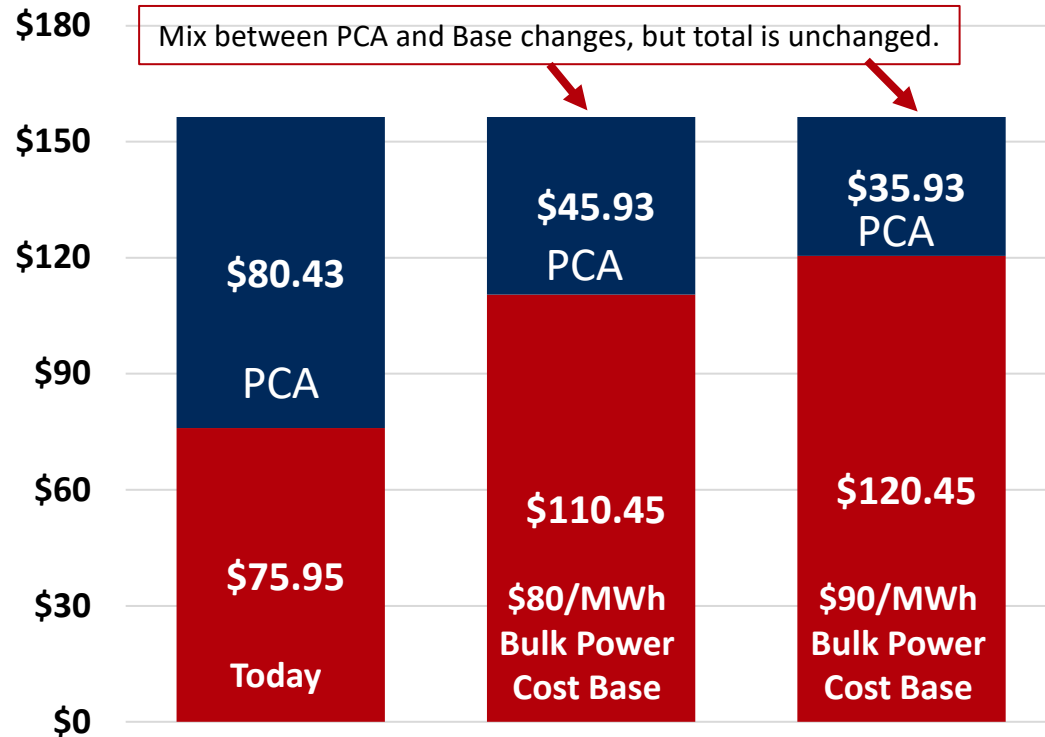
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- Misconception that PCA represents utility “profit”
- False belief that “fuel cost” of utility is way, way higher than neighbors, when PCA is generally all bulk power cost categories
- Since other rates stay “the same”, PCA represents too much volatility, leading to misconceptions about managing cash month to month
- Lower prevailing PCA levels can allow for gradual pick-up of rate stabilization to map to desired targets
- PCA “credits”, even if small, support positive customer sentiment

# Changing Base Rate Collection Doesn't Impact Total

## *Helps Improve Customer Optics and Alignment with Reality*

Comparison of Example Base and PCA Options (1,000 kWh Residential)



- Changing base rate collection level raises base energy rates **AND** the bulk power cost base
- **No impact to the total bill** – simply better aligns base charges with reality
- Improves optics for the customer
- May result in negative power cost adjustment in future years if costs decline
  - Can empower rate stabilization

# Long Term Monitoring Required to Stay Aligned

## *Base Rate Levels Appropriate for Mid-Term Expected Costs*

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### This change does not:

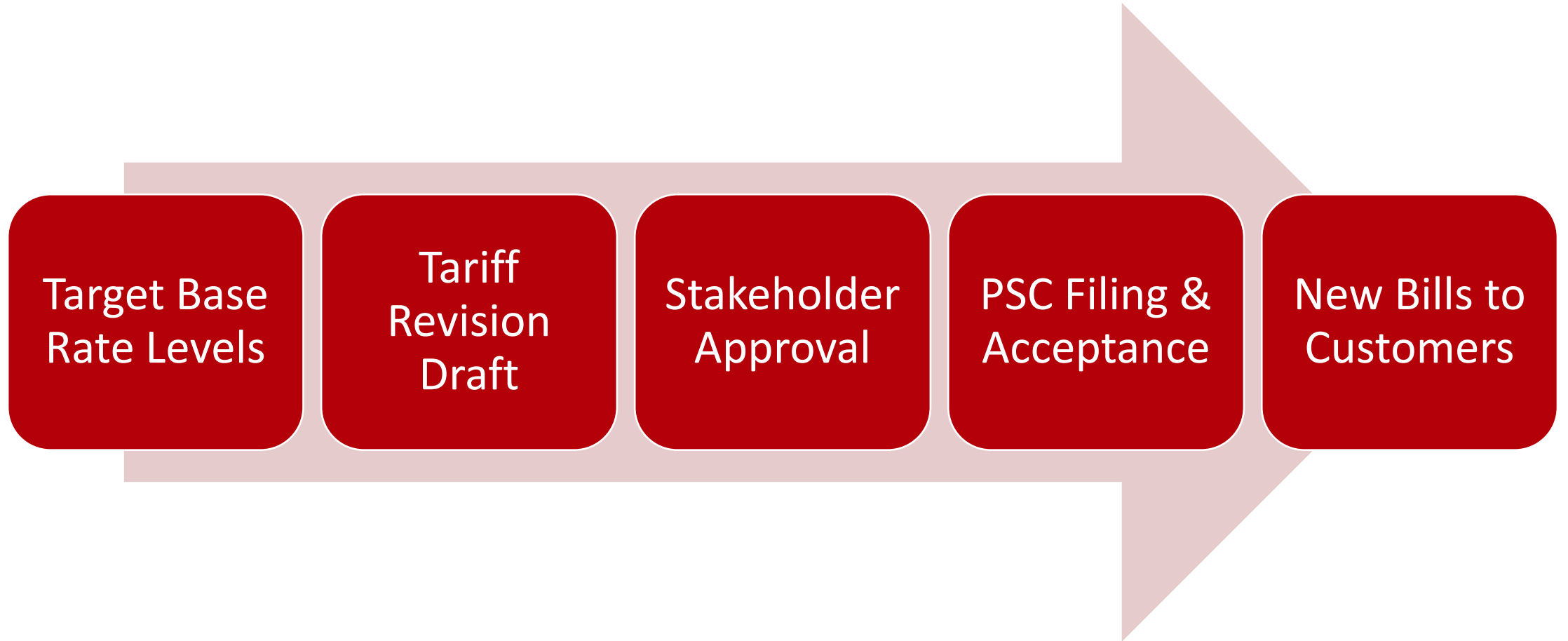
- Eliminate fluctuations in the PCA
  - Those are driven primarily by natural gas prices, which are and will continue to be volatile
- Guarantee that the PCA stays below a certain level
  - This strategy “level sets” the bulk power cost base to be more realistic
- Address any near term under or over collection of PCA revenues or overall revenue sufficiency
  - Utilities should address that month-to-month or at desired frequency by:
    - Working to smooth the PCA while ensuring adequate revenues
    - Monitoring the budget



# Steps in The Process

*Stakeholder Approval Needed With PSC Filing To Follow*

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**AGENDA ITEM 6 – INFORMATION  
ITEMS**

- c. Update on FMPA New Generation  
Projects**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**



# 6c Update on FMIPA New Generation Projects

Policy Makers Liaisons Committee

October 18, 2023

# FMMPA to Provide 20 Cities Low-Cost Solar

*600 total Megawatts of Solar by 2027*

- **Phase I**

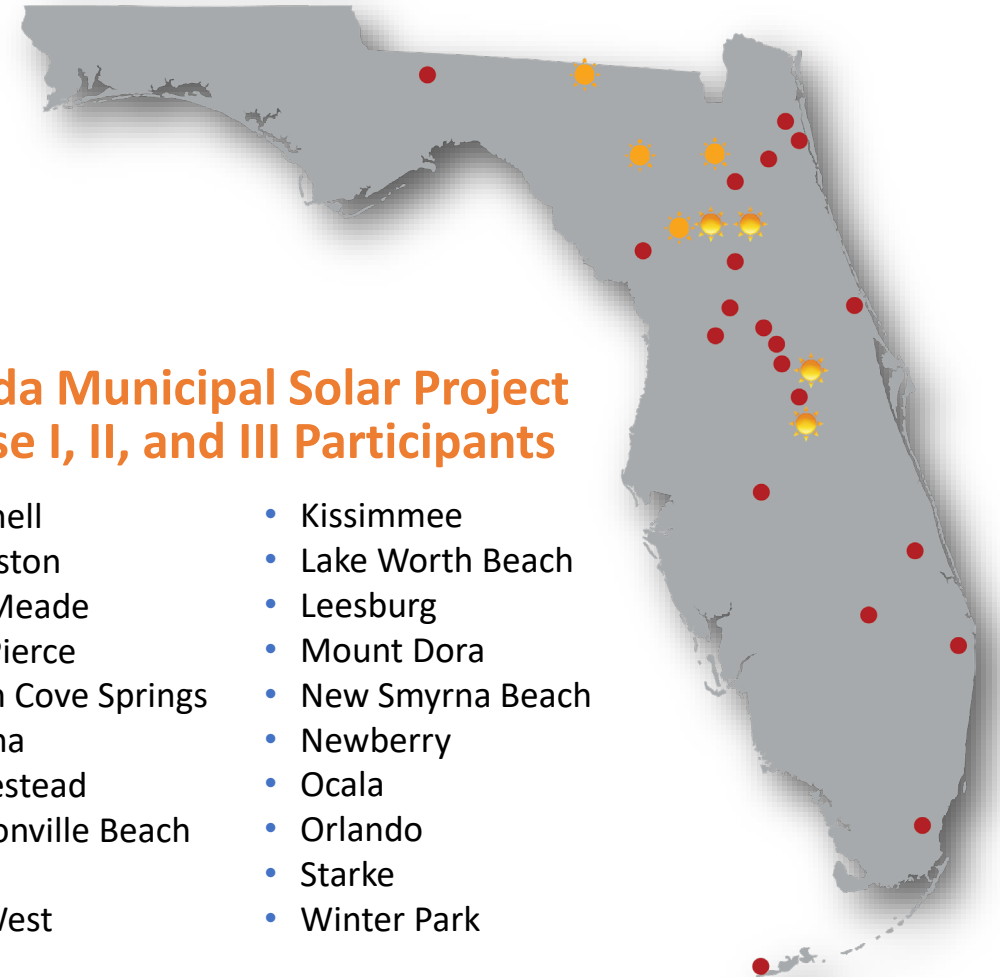
- 149 MW online since June 2020

- Two **Phase II** sites delayed from original COD of December 2023

- Rice Creek (2024) Whistling Duck (2025)
- FPL and Duke claiming delays related to supply chain and procurement process
  - National concerns with similar interconnection backlogs for many planned solar projects

- Four additional **Phase III** solar sites

- Approved by FMMPA Board May 2023
- COD Dec. 2025 and Dec. 2026



## Florida Municipal Solar Project Phase I, II, and III Participants

- |                      |                    |
|----------------------|--------------------|
| • Bushnell           | • Kissimmee        |
| • Clewiston          | • Lake Worth Beach |
| • Fort Meade         | • Leesburg         |
| • Fort Pierce        | • Mount Dora       |
| • Green Cove Springs | • New Smyrna Beach |
| • Havana             | • Newberry         |
| • Homestead          | • Ocala            |
| • Jacksonville Beach | • Orlando          |
| • JEA                | • Starke           |
| • Key West           | • Winter Park      |

| <b>Municipal Utilities<br/>*(ARP member)</b> | <b>Phase I<br/>(MW)</b> | <b>Phase II<br/>(MW)</b> | <b>Phase III<br/>(MW)</b> | <b>Total Power Share (MW)</b> |
|--|-------------------------|--------------------------|---------------------------|-------------------------------|
| Bushnell*                                    |                         |                          | 0.7                       | 0.7                           |
| Clewiston*                                   |                         |                          | 1.2                       | 1.2                           |
| Fort Meade*                                  |                         |                          | 0.5                       | 0.5                           |
| Fort Pierce Utilities Authority*             | 2.1                     | 15                       | 6.8                       | 23.9                          |
| Green Cove Springs*                          |                         |                          | 1.2                       | 1.2                           |
| Havana*                                      |                         | 0.25                     | 0.3                       | 0.5                           |
| Homestead                                    |                         | 5                        | 10                        | 15                            |
| Jacksonville Beach*                          | 7                       | 15                       | 8.4                       | 30.3                          |
| JEA  |                         |                          | 139.8                     | 139.8                         |
| Keys Energy (Key West)*                      | 3.5                     | 25                       | 21.5                      | 50                            |
| Kissimmee Utility Authority*                 | 20.9                    | 20                       | 20.1                      | 61.1                          |
| Lake Worth Beach                             |                         | 26.55                    | 33.4                      | 59.9                          |
| Leesburg*                                    |                         |                          | 16                        | 16                            |
| Mount Dora                                   |                         | 2                        |                           | 2                             |
| New Smyrna Beach                             |                         | 10                       |                           | 10                            |
| Newberry*                                    |                         | 1                        | 0.5                       | 1.5                           |
| Ocala*                                       | 7                       | 20                       | 18.6                      | 45.6                          |
| Orlando Utilities Commission                 | 108.5                   |                          |                           | 108.5                         |
| Starke*                                      |                         |                          | 0.8                       | 0.8                           |
| Winter Park                                  |                         | 10                       | 20                        | 30                            |
| <b>TOTAL</b>                                 | <b>149 MW</b>           | <b>149.8 MW</b>          | <b>299.8 MW</b>           | <b>598.6 MW</b>               |

# ***Acquisition Timing Aligned with SEC Unit 1 Retirement and Need Orange & Mulberry Historically Strong Performing Assets***

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- Mulberry 115MW Combined Cycle
- Orange 105MW Combined Cycle
- Availability continues in mid 90% range
- Good fit for mid-term capacity needs with heat rates slightly higher than Cane Island 2
- Mulberry available 9/1/2024
- Orange available 1/1/2026
- Located in Bartow 40 miles from Cane Island



**Mulberry Cogeneration Facility**



**Orange Cogeneration Facility**

# ***Orlando Strong Performing Asset in Optimal Location***

## ***Very Economically Competitive Asset For Mid-Term Needs***

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- 119 MW Asset went online in 1993 and operates in full baseload output with 98% capacity factor in 2022
- 2022 availability was 100%
- Unique for South; enclosed combined cycle
- Last major outage occurs immediately before close
- Available February 2024
- Recommending renaming to Sand Lake Energy Center – avoids confusing with OUC

**Orlando Cogeneration Facility**



# ***Integration Efforts On Schedule & Within Budget***

## ***Staff Seeking EC Approval for Naming & Identity Options***

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- Orlando plant closing accelerated from March 1 to February 7, 2024
- Staff pursuing day 1 operability and readiness for dispatch
- Integration plan on schedule
- Good interaction between existing plant staff and integration team
- Human Resource offer and onboarding process underway
- Proximity of plant to Turnpike provides low-cost means to highlight Municipal Power and FMPA





**AGENDA ITEM 7 – MEMBER COMMENTS**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

**AGENDA ITEM 8 – ANNOUNCEMENTS**

- a. Next Meeting: Wednesday, January 17, 2024  
at FMPA, 8553 Commodity Circle, Orlando,  
FL**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**

**AGENDA ITEM 9 – ADJOURN**

**Policy Makers Liaisons Committee Meeting  
October 18, 2023**