



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

THURSDAY, FEBRUARY 15, 2024

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

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

Meeting ID Number: 249 631 548 250#

Committee Members

Howard McKinnon, Havana - Chair

Lynne Tejeda, Key West – Vice Chair

Christina Simmons, Bushnell

Lynne Mila, Clewiston

Vacant, Fort Meade

Javier Cisneros, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Brian Horton, 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: February 08, 2024
 RE: FMPA Executive Committee Meeting
Thursday, February 15, 2024 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, 249 631 548 250**
[Click here to join the meeting](#)

(If you have trouble connecting via phone or internet, call 407-355-7767)

Chairperson Howard McKinnon, Havana, Presiding

AGENDA

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***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
February 15, 2024**

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

**Executive Committee
February 15, 2024**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
February 15, 2024**

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

**Executive Committee
February 15, 2024**

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

**Executive Committee
February 15, 2024**

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

**Executive Committee
February 15, 2024**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of Meeting Minutes –
Meetings Held January 18, 2024
and ARP Telephonic Rate
Workshop Held January 16, 2024**

**Executive Committee
February 15, 2024**

CLERKS DULY NOTIFIED JANUARY 11, 2024
AGENDA PACKAGES POSTED JANUARY 11, 2024

MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY, JANUARY 18, 2024
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT: Christina Simmons, Bushnell (virtual)
Lynne Mila, Clewiston
Javier Cisneros, Fort Pierce (virtual)
Bob Page, Green Cove Springs
Allen Putnam, Jacksonville Beach (virtual)
Lynne Tejeda, Key West (virtual)
Jason Terry, Kissimmee
Brad Chase, Leesburg (virtual)
Doug Peebles, Ocala

OTHERS PRESENT Daniel Retherford, Fort Pierce (virtual)
Anthony Carroll, Gainesville (virtual)
Barbara Quinones, Homestead
Brian Horton, Kissimmee (virtual)
Larry Mattern, Kissimmee
Kevin Crawford, Kissimmee (virtual)
Ed Liberty, Lake Worth Beach
Terry Torrens, OUC (virtual)
Robert Szostak, Hilltop Securities
Shawn, Szydluk, Quanta Technologies (virtual)
Tim Westgate, Purvis Gray & Company
Mike Mace, PFM
Craig Dunlap, Dunlap & Associates, Inc.

STAFF PRESENT Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and Chief Legal Officer
Ken Rutter, Chief Operating Officer
Rich Popp, Chief Financial Officer
Chris Gowder, Vice President, IT/OT and System Ops
Dan O'Hagan, Deputy General Counsel and Manager of Regulatory Compliance
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Sharon Adams, Chief People and Member Services Officer
Mike McCleary, Member Services Manager
Danyel Sullivan-Marrero, Controller
LaKenya VanNorman, Senior Regulatory Compliance Specialist
David Schumann, Generation Fleet Engineering Director
Navid Nowakhtar, Resource and Strategic Planning Director
Susan Schumann, Public Relations and External Affairs Manager

Mike McCleary, Member Services Manager
Emily Maag, Public Relations Specialist
Mary Kathryn Patterson, Senior Public Relations Specialist
Wayne Koback, IT Manager
Jan Bagnall, Manager of Member Services
Lindsay Jack, Senior Administrative & Member Services Assistant

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

Secretary, Bob Page, Green Cove Springs, called the FMPA Executive Committee meeting to order at 11:00 a.m., Thursday January 18, 2024, 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 9 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Lynne Mila, Clewiston, moved approval of the agenda as presented. Doug Peebles, Ocala, seconded the motion. Motion carried 9-0.

ITEM 3 – RECOGNITION OF GUESTS

None.

ITEM 4 – PUBLIC COMMENTS

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN

None.

ITEM 6 – REPORT FROM GENERAL MANAGER

No additional comments.

ITEM 7 – CONSENT AGENDA

- a. Approval of Meeting Minutes – Meetings Held December 14, 2023, and ARP Telephonic Rate Workshop Held December 12, 2023
- b. Approval of Treasury Reports – As of November 30, 2023
- c. Approval of the Agency and All-Requirements Project Financials as of November 30, 2023
- d. ARP 12-month Capacity Reserve Margin Report

MOTION: Jason Terry, Kissimmee, moved approval of the Consent Agenda as presented. Lynne Mila, Clewiston, seconded the motion. Motion carried 9-0.

ITEM 8 – ACTION ITEMS:

a. Approval to Renew and Expand Gas Storage Agreement

Rich Popp presented the Gas Storage Agreement.

MOTION: Doug Peebles, Ocala, moved to approve staff executing a natural gas storage agreement for no more than a 6-year term of 250,000/MMBtu capacity, not to exceed an annual reservation charge of \$750,000. Lynne Mila, Clewiston, seconded the motion. Motion carried 9-0.

b. Approval of Audited Financial Statements.

Danyel Sullivan-Marrero & Tim Westgate of Purvis Gray & Co. presented the Audited Financial Statements at the Board of Directors meeting. There was no further discussion.

MOTION: Doug Peebles, Ocala, moved approval of the FY2023 external audit report and audited financial statements. Lynne Mila, Clewiston, seconded the motion. Motion carried 9-0.

ITEM 9 – INFORMATION ITEMS:

a. New Smyrna Beach UFLS Request

Navid Nowakhtar presented the Under Frequency Load Shedding request from New Smyrna Beach.

b. Natural Gas Price Stability Program

Rich Popp presented the Natural Gas Price Stability Program.

Larry Mattern, Kissimmee, advises these are not places we “need” to get to. It’s not a target, more of a cap. We need a timeline that keeps it current quarterly showing cost/benefit.

Lynne Tejada, Key West, comments to provide consistency in rates for customers is it possible to do a look-back, if we had this in place in 2020, what would it have looked like, to reflect on how it could have helped us.

Javier Cisneros, Fort Pierce, maximum percent or minimum percent range?

Bob Page, Green Cove Springs, are we trying to institutionalize a percent? How are we buying insurance then? Every quarter we will make changes if they want.

Larry Mattern, Kissimmee, we need to ask, how much am I willing to bet it will be wrong?

Brian Horton, Kissimmee, is this a strategic goal? Can staff develop a goal or plan working backward from where we want to be?

This item will be brought back as an Information Item at the next meeting in February or March for further discussion.

ITEM 10 – Member Comments

None.

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 11:50 a.m.

Howard McKinnon
Chairman, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS..... January 10, 2024
AGENDA PACKAGES SENT TO MEMBERS January 10, 2024

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATES MEETING
TUESDAY, JANUARY 16, 2024
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Marie Carter, Leesburg
Dallas Lee, Newberry

OTHERS PRESENT

Jason Terry, Kissimmee

STAFF PRESENT

Jacob Williams, General Manager and CEO
Rich Popp, Chief Financial Officer
Ken Rutter, Chief Operating Officer
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Lindsay Jack, Senior Administrative and Member Services Assistant
Jason Wolfe, Financial Planning, Rates and Budget Director
Jody Finklea, General Counsel and Chief Legal Officer
Denise Fuentes, Financial Planning, Budget and Financial Analyst II

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, January 16, 2024, 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 December 2023 ARP Rate Calculation

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

Item 3 – Member Comments

Jody Finklea, FMPA, commented on the transmission rate increase from FPL. The \$3.66 per kW month rate does go into effect January 1 but is subject to refund, so when at the end of the transmission rate case and have a settlement or a decision that yields a lower rate, then we will get a refund or credit back to January 1, plus interest. We are incurring higher costs now, but will be or can result in a lower rate.

Larry Mattern, Kissimmee, asked if we purchased enough gas to cover our load at the beginning of January at a locked-in price since we have that in storage. Did we get any opportunities with the current high gas price since the staff has that authority?

FMPA staff explained that we were not exposed to the run-up of gas prices to the ARP system. For gas in storage, we used a little for ARP and sold off the remaining for market opportunity.

Item 4 - Adjournment

There being no further business, the meeting was adjourned at 2:11 p.m.

Approved

LT/lj

**AGENDA ITEM 7 – CONSENT
AGENDA**

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

**Executive Committee
February 15, 2024**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Melissa Cain
DATE: February 8, 2024
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of December 31, 2023

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

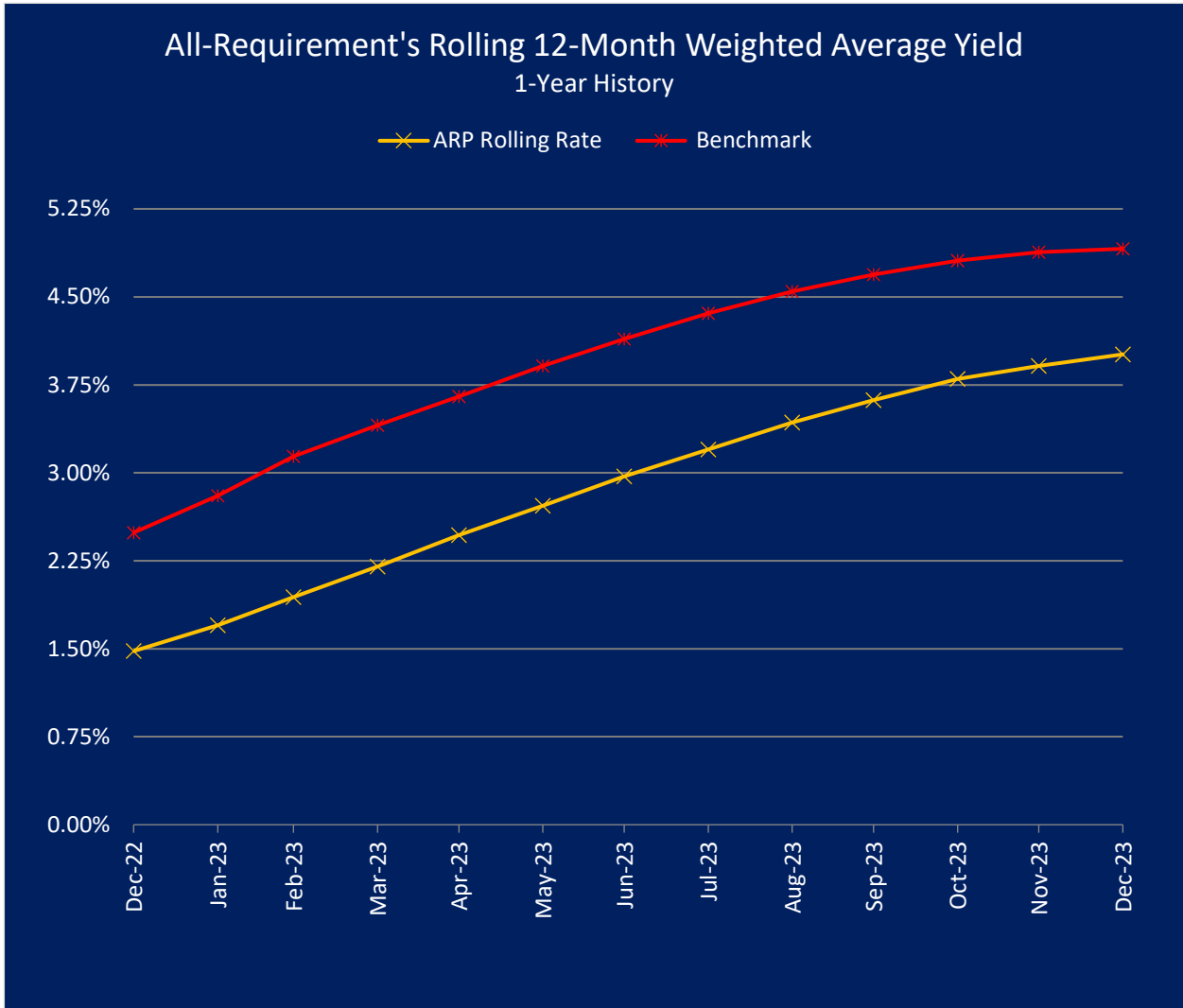
Debt Discussion

The All-Requirements Project has variable rate and fixed rate debt. The variable rate and fixed rate percentages of total debt are 2.01% and 97.99% respectively. The estimated debt interest funding for fiscal year 2024 as of December 31, 2023, is \$32,204,631.59. The total amount of debt outstanding is \$747,410,000.

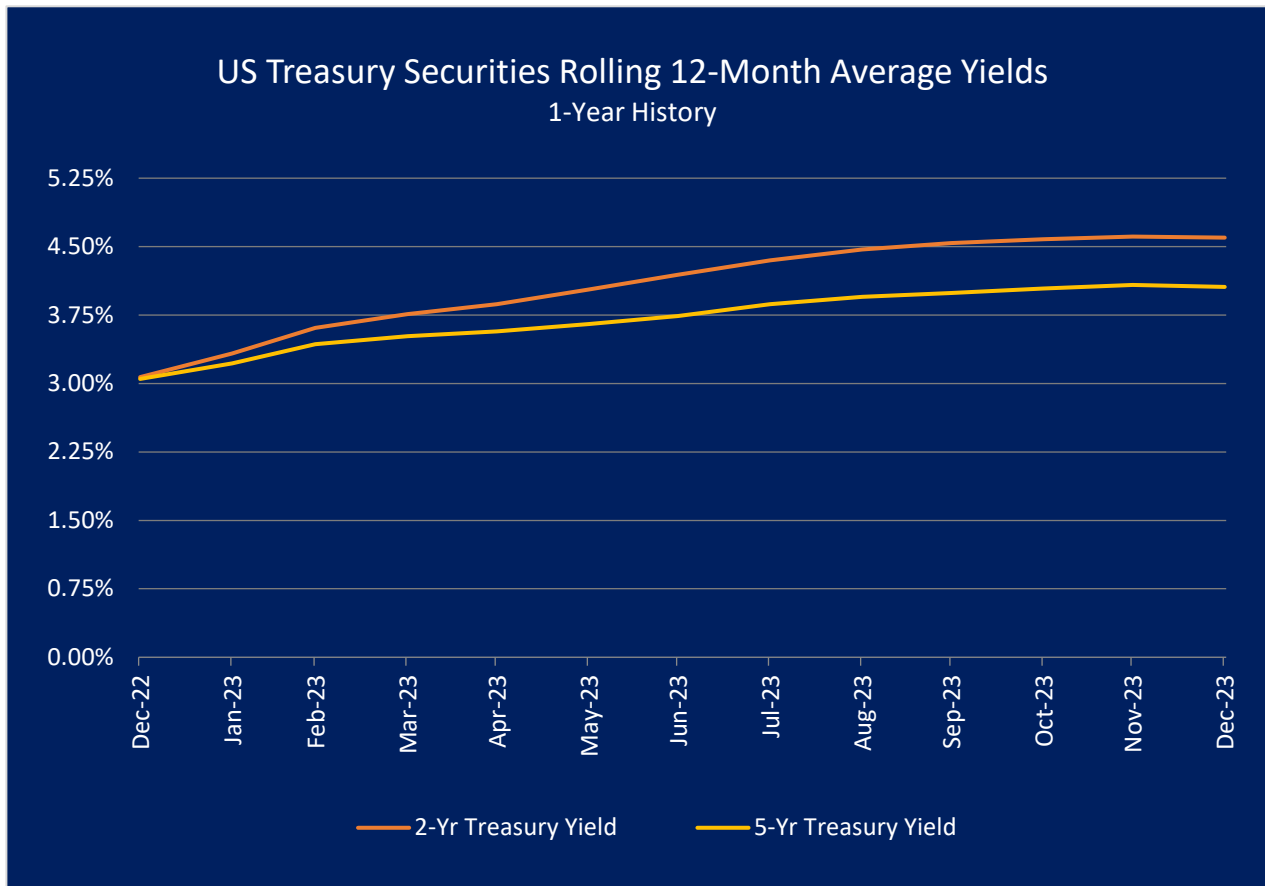
Investment Discussion

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 December 31, 2023, the All-Requirements Project investment portfolio had a rolling 12-month weighted average yield of 4.01 %, 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 December 31, 2023 of 4.60%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 4.06%.



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

Recommended
Motion

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

**AGENDA ITEM 7 – CONSENT
AGENDA**

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

**Executive Committee
February 15, 2024**



Rich Popp
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Rich Popp
DATE: February 8, 2024
SUBJECT: EC 7c– Approval of the Agency and All Requirements Project Financials as of the period ended December 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 December 31, 2023, are posted on the Document Portal section of FMPA’s website.

Recommended: Move approval of the Agency and All-Requirements Project Financial Reports for the month ended December 31, 2023.

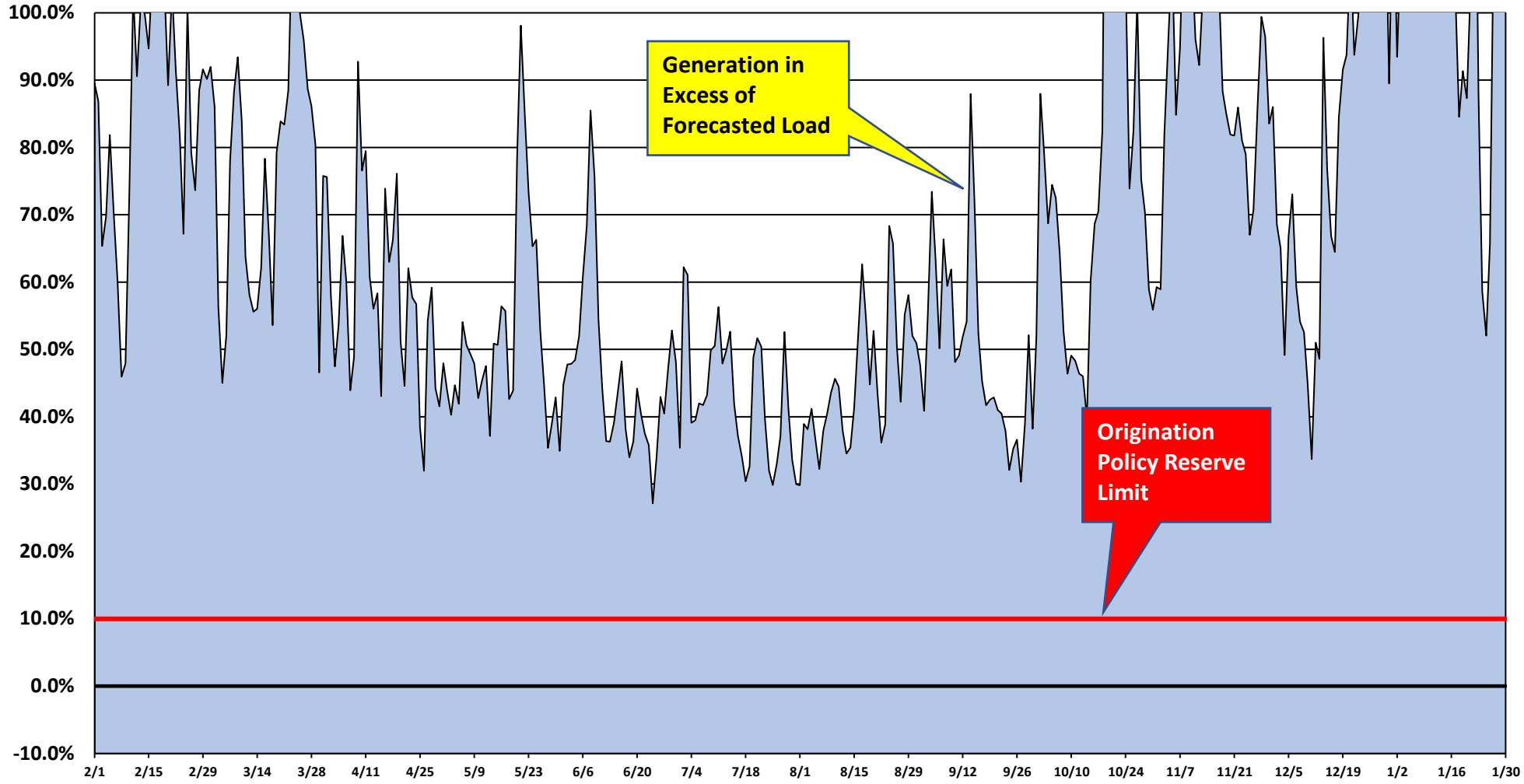
RP/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

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

**Executive Committee
February 15, 2024**

ARP Daily Reserve Margins February 2024 through January 2025



**AGENDA ITEM 7 – CONSENT
AGENDA**

- e. FMPA Financial Commitment
Authority Levels Update**

**Executive Committee
February 15, 2024**

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
Generation Fleet Engineering Director and Generation Fleet Operations 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	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
Chief Financial Officer	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$20,000	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$20,000	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month
Generation Support & Environmental Manager and Power Generation Engineer & Project Manager	Up to \$5,000	Up to \$20,000	N/A
Managers, Directors, Deputy General Counsel [4] and Cybersecurity Operations & Project Supervisor	Up to \$5,000	Up to \$5,000	N/A

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
FMPP Executive Director	N/A	\$10,000	N/A
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 FMPP'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 FMPP'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 FMPP 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 FMPP 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.

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
Generation Fleet Engineering Director and Generation Fleet Operations 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	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
Chief Financial Officer	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$20,000	All insurance expenses, except employee health-related insurance, that are within the approved budget. [3] Any other expenses up to \$20,000	<ul style="list-style-type: none"> Up to \$5 million notional value for transactions ≤ 1 month
Generation Support & Environmental Manager and Power Generation Engineer & Project Manager	Up to \$5,000	Up to \$20,000	N/A
Managers, Directors, Asst.Deputy General Counsel [4] and Cybersecurity Operations & Project Supervisor	Up to \$5,000	Up to \$5,000	N/A

Authority Levels	Agency	ARP (Non-Commodity)	ARP (Commodity) [1]
FMPP Executive Director	N/A	\$10,000	N/A
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 FMPPA'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 FMPPA'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 FMPPA 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 FMPPA 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 7 – CONSENT
AGENDA**

- f. Approval of NSB UFLS Letter
Agreement Execution**

**Executive Committee
February 15, 2024**



7f – Approval of NSB UFLS Letter Agreement Execution

Executive Committee

February 15, 2024

FRCC Requires Entities to Submit UFLS Response Plan

Purpose/Function of UFLS Last Line of Defense for Grid

- New Smyrna Beach requests addition to the ARP & Lake Worth Beach UFLS aggregation annual response due to natural load growth
- Underfrequency load shedding is a critical backstop for a reliable electric system
- Automatic underfrequency load shedding programs provide:
 - Insurance that not all customers will be lost
 - Rapid restoration of service following an underfrequency event
 - Protection of customer and utility equipment from operation at excessively low frequencies for long durations
 - Sharing the pain amongst the interconnected “users” of the system

UFLS Relaying, Settings and Program Requirements

Purpose/Function of UFLS Last Line of Defense For Grid

What happens when he stops peddling?

What happens if the road gets steeper?

What happens if the chain breaks?



Generation

Load

Underfrequency Load Shedding Seeks to Restore Load – Generation Balance

PRC-006 Managed by FRCC, But Requires UFLS Data

UFLS Entities Can Aggregate if Desired But Must Meet The Ask

PRC-006-0 (NERC) Fill
in the Blank Standard

SERC Developed PRC-
SERC-3 (per FERC
Order 693) – RE UFLS
Requirements for PC*

CFR** with FRCC to
Manage/Maintain
Compliance (FRCC-
MS-OPPL-001)

*PC = Planning Coordinator (FRCC)

**CFR = Coordinated Functional Registration

New Smyrna Beach – What is The Ask?

Investigate UFLS Entity Aggregation to Support Load Growth

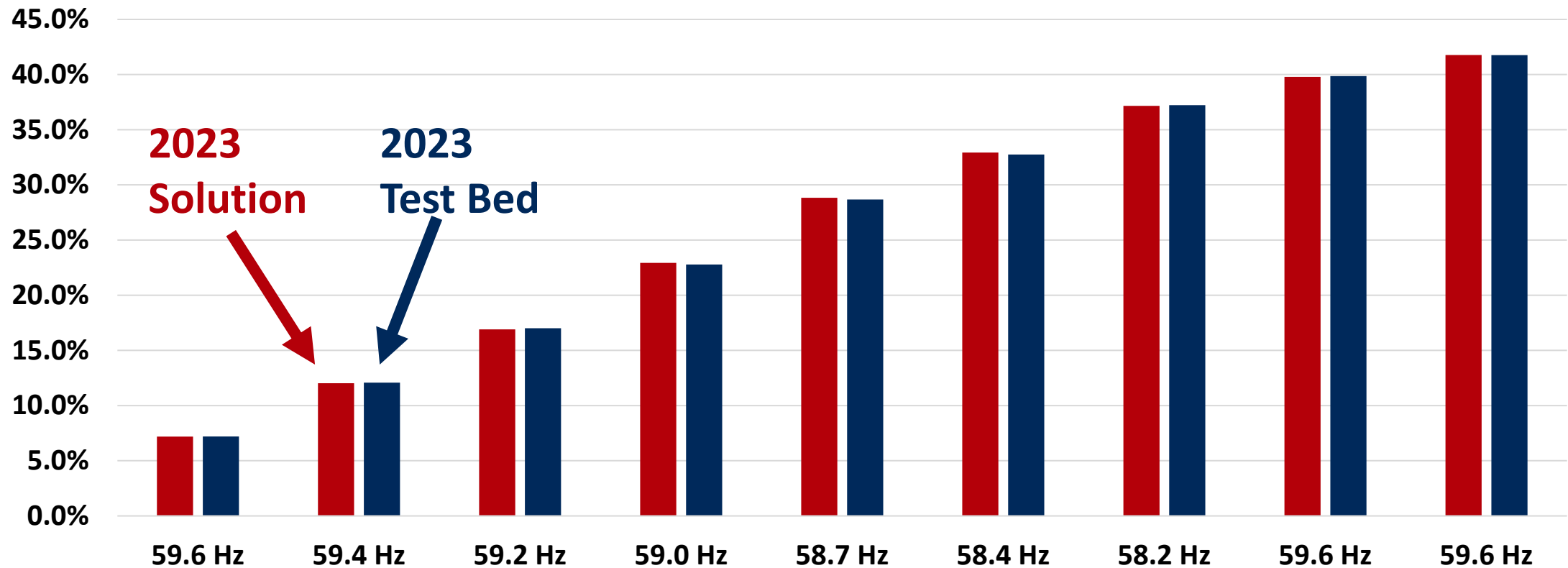
- NSB expecting to be near threshold for requiring multi-step procedure, which is more challenging to comply with alone
 - Feeders are available to be shed per current step F1-a of FRCC requirements, but not divisible easily into higher threshold buckets for each step if peak were projected to grow to above 100 MW
- Reached out to FPL for aggregation, was told no
- Per FRCC procedure section 6.2.1.3, aggregation allowable w/o need for any governing CFR (see below)

6.2.1.3 FRCC UFLS Entities may aggregate UFLS assignments with other FRCC UFLS Entities. When multiple FRCC UFLS Entities are reporting their aggregate UFLS assignments, they must notify the FRCC SPCS and designate a responsible entity for reporting purposes. However, the compliance responsibility for reporting the data still lies with the FRCC UFLS Entity that owns the actual equipment.

Test Bed From Last Year Shows No Impact To Others

New Smyrna Feeders Participate In Each Arrestation Step

Comparison of Percent of Total Load Shed By Frequency Arrestation Step



Letter Agreement Contains Strong Protections

New Smyrna Beach Has Signed Off on Final Documentation

- Annual option to renew with mutual agreement among New Smyrna and existing cohort - not a CFR (redundant with FRCC function)
- Member remains fully responsible for relay settings as directed to support annual solution
- Any incremental cost associated with tethering to be borne by New Smyrna Beach
- 100% allocable fines/fees due to action (or inaction) by New Smyrna Beach
- Current level of effort < 80 hr. Member Service policy, but will be reviewed annually in light of overall compliance uncertainties, with New Smyrna Beach option to continue and be billed time above threshold annually

Recommended Motion

- Authorize FMPA General Manager and CEO to execute letter agreement with Utilities Commission, City of New Smyrna Beach, Florida doing business as New Smyrna Beach Utilities to join aggregated FMPA Automatic Underfrequency Load Shed (“UFLS”) entities pursuant to FRCC MS-OPPL-001, section 6.2.1.3.



Appendix



Automatic Response Ask Differs for Entities >100 MW

Individual Entity Feeder Divisibility Key Threshold Challenge

IF >25 MW AND <=100 MW, single step structure with lower load shed “floor” of 35% of projected demand.

Table A2 FRCC UFLS Schedule for FRCC UFLS Entities with > 25 MW and ≤ 100 MW of Load

UFLS Step	Frequency Set-Points (hertz)	Total Operating Time ³⁶ (seconds)	Acceptable Range for UFLS Load Assignment as % of Total UFLS Entity Peak System Load (%)
F-1a	59.5	<= 0.28	35 - 50

Table A1 – FRCC UFLS Schedule for FRCC UFLS Entities with > 100 MW of Load

UFLS Step	Frequency (hertz) Set-Points	Total Operating Time ³² (seconds)	Load as % of Total UFLS Entity Peak System Load ³³ (%)	Total Cumulative Amount of Load as % of Total UFLS Entity Peak System Load ³⁴ (%)	Acceptable Range for UFLS Load Assignment as % of Total UFLS Entity Peak System Load (%)
F-1	59.6	<= 0.28	7	7	6 – 9
F-2	59.4	<= 0.28	5	12	11 – 14
F-3	59.2	<= 0.28	5	17	16 – 19
F-4	59.0	<= 0.28	5	22	21 – 25
F-5	58.7	<= 0.28	6	28	27 – 31
F-6	58.4	<= 0.28	4	32	31 – 35
F-7	58.2	<= 0.28	4	36	35 – 39
F-8	59.6	15.0 ± 0.5	2	38	37 – 41
F-9	59.6	22.0 ± 0.5	2	40	40 - 44

IF >100 MW, multi-step structure with higher load shed “floor” of 40% of projected demand & more granular acceptable ranges. FMPA has developed a model that “solves” for shed sequence that aligns with FRCC schedule.

Test Bed From Last Year Shows No Impact to Others

Slightly Higher Overall Shedding Within FRCC Boundaries

- NSB was re-engaged to fully understand the request and has provided both legacy (pre 2017*) and new (current approach) feeder information that was used to “test bed” a tethered solution using the 2023 data that FMPA otherwise submitted
 - Can include previously included Smy1* sub with 3 feeders that could participate as required
 - FMPA currently Includes ARP + LWB in UFLS aggregation annual response
 - NSB willing to adjust frequency set points if directed, can perform work internally
- Risks include (i) more challenging “solved” solution, (ii) potential adjustments to frequency set-points for existing cohort to map to FRCC acceptable ranges, and (iii) associated cross-subsidization of the overall requirement – no such risks evident in test bed, but protections in letter

AGENDA ITEM 8 – ACTION ITEMS

- a. None**

**Executive Committee
February 15, 2024**

**AGENDA ITEM 9 – INFORMATION
ITEMS**

a. Annual Debt Report

**Executive Committee
February 15, 2024**



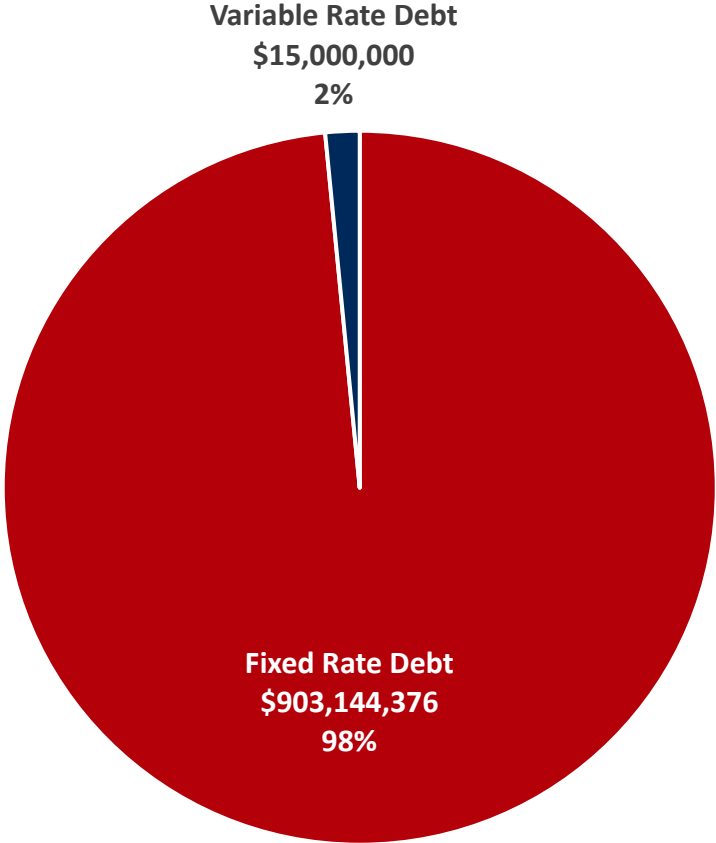
EC 9a – Annual Debt Report as of Sept. 30, 2023

Executive Committee

February 15, 2024

98% of Project Debt is Fixed and 2% is Variable Rate

The 2% Variable Rate portion is the ARP Pooled Loan



Includes All of FMPA Debt

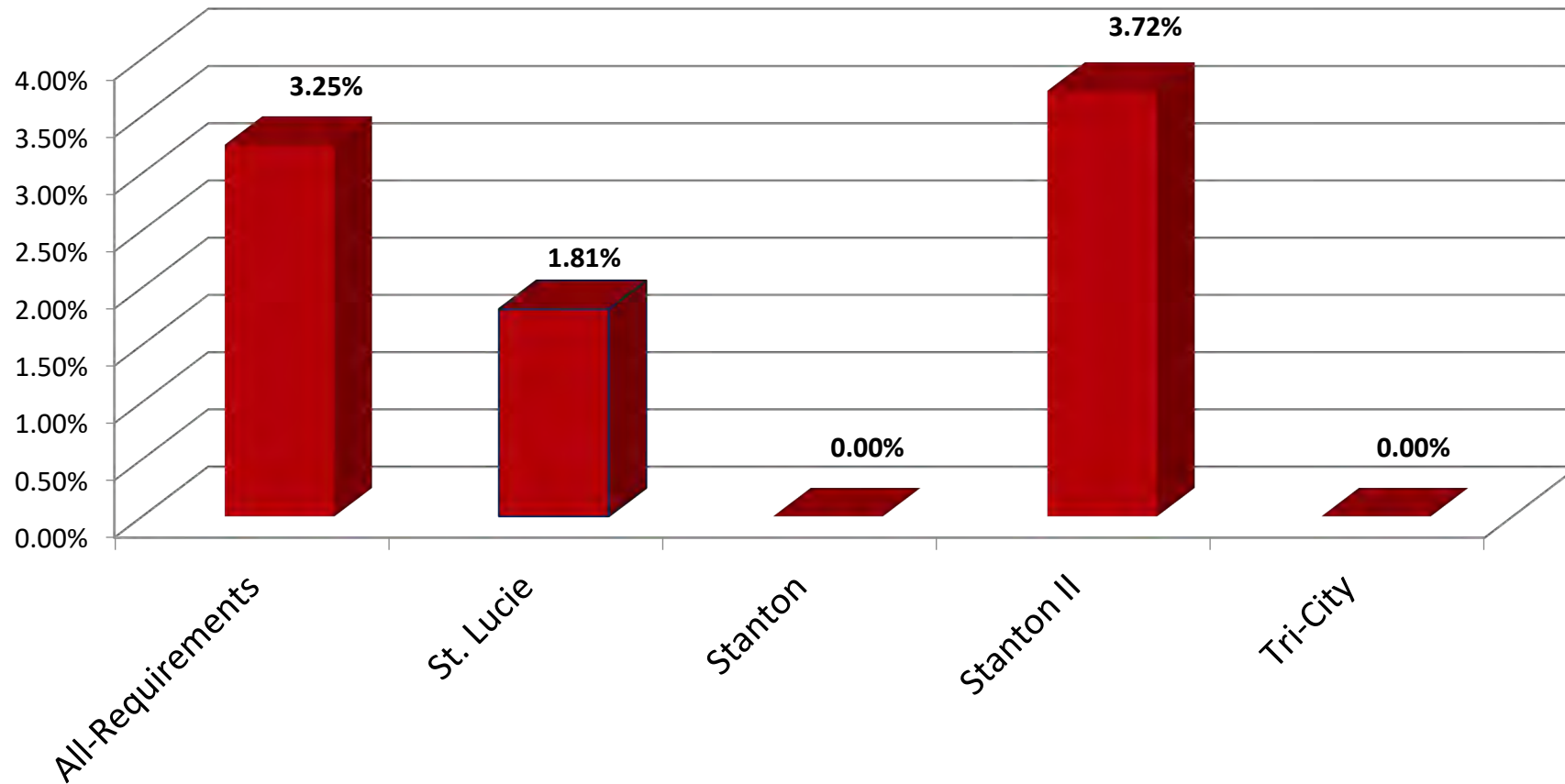
FMPA's Total Debt Decreased By \$50.7M in 2023

No New Debt Issued during the FY23

Project	9/30/23 \$'s in 000's	9/30/22 \$'s in 000's	Debt Reduction \$'s in 000's
All-Requirements	791,395	833,585	(42,190)
St. Lucie	53,285	55,840	(2,555)
Stanton	0	0	0
Stanton II	73,464	79,401	(5,937)
Tri-City	0	0	0
Total	\$918,144	\$968,826	(\$50,682)

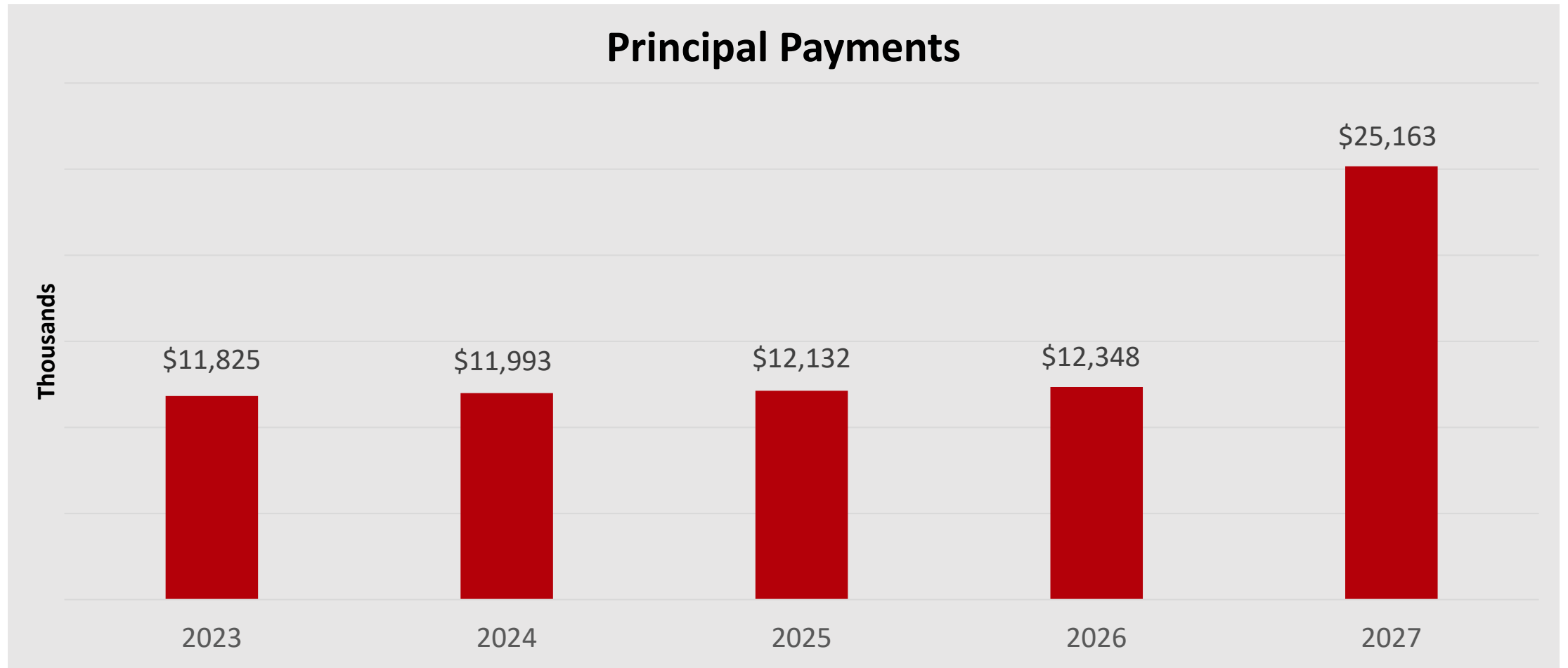
True Interest Cost of Debt by Project

TIC Consistent With Prior Year Due To No New Financings



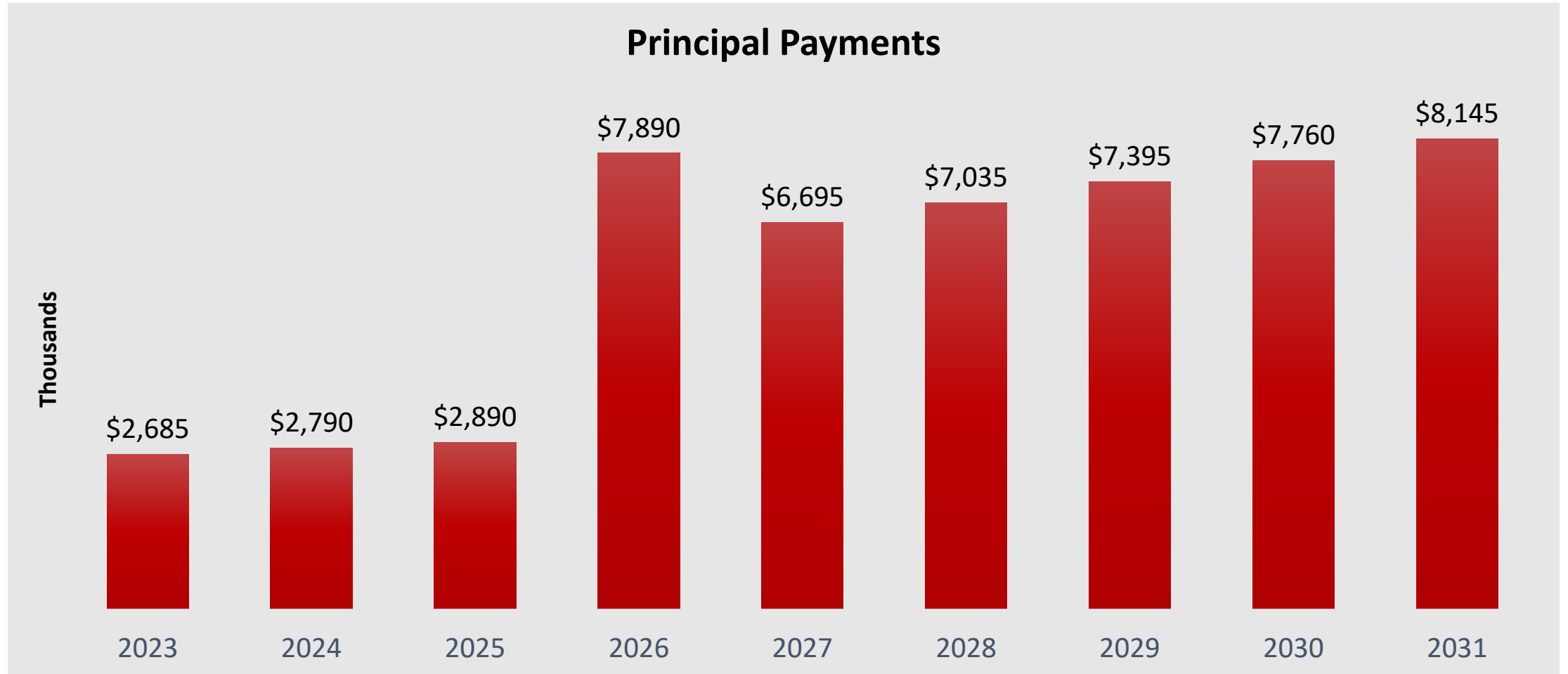
Stanton II General Reserve Will Fund Final Payment

No Additional Rate Impact In 2027 For Balloon Payment



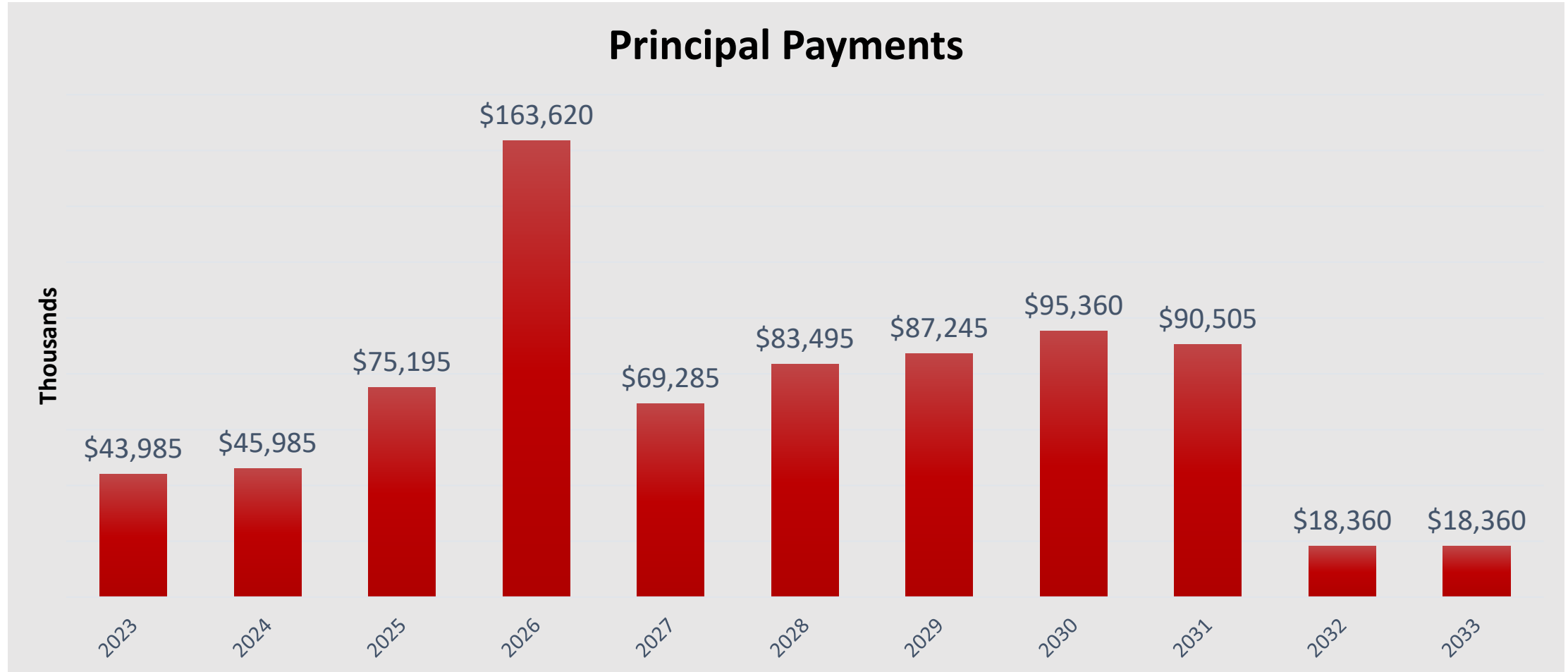
St. Lucie's Principal Structure

2021B Transaction Amortized Principal Payments 2026 to 2031



ARP Principal Structure Trends with MWh Sales

\$100M Liquidity Funds Due in 2026





QUESTIONS

ARP Bonds Purpose of Bonds Summary

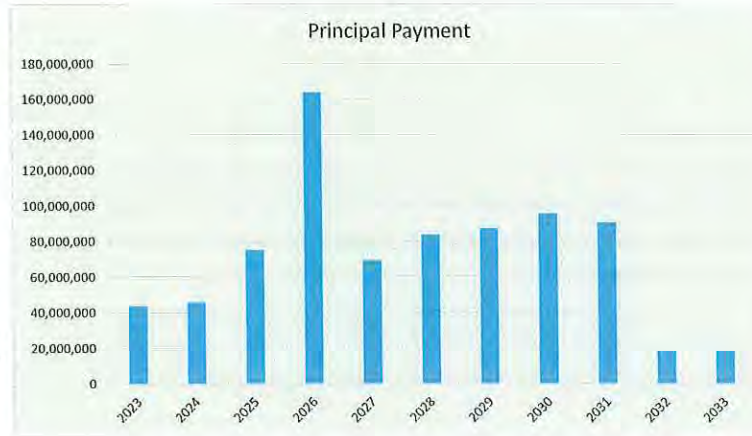
	Total Amount Issued (millions)	Purpose	Amount Outstanding as of 9/30/2023
ARP 2015B	\$115,770,000	Pay off 100% of the Taylor Swap termination fees and draws under the credit agreement	\$79,155,000
ARP 2016A	\$424,120,000	Refunded portion of 2008A and 2009A bonds	\$318,655,000
ARP 2017A	\$69,625,000	Refund 2011A-1, 2011B and interest rate swaps associated with the bonds	\$69,625,000
ARP 2017B	\$52,925,000	Refund 2011A-2 and interest rate swap associated with the bond	\$37,015,000
ARP 2018A	\$57,790,000	Refund all outstanding 2008A Bonds maturing on and after October 1, 2020	\$57,790,000
ARP 2019A	\$75,220,000	Refund 2008C and interest rate swaps associated with the bonds	\$75,220,000
ARP 2019B	\$6,670,000	Refund 2013A bonds	\$1,720,000
ARP 2021A	\$36,720,000	To fund a portion of the ARP Project capital program for the next 3 years	\$36,720,000
ARP 2021B	\$100,495,000	To provide liquidity to FMPA to replace the liquidity provided from existing lines of credit	\$100,495,000
ARP 2022-1	\$15,000,000	To provide additional liquidity for transportation of fuel, working capital, reserves, fuel hedging costs, and related collateral posting	\$15,000,000
Total	<u>\$954,335,000</u>		<u>\$791,395,000</u>

Non-ARP Bonds Purpose of Bonds Summary

Series	Total Amount Issued (millions)	Purpose	Amount Outstanding as of 9/30/2023
St Lucie 2013A	\$24,305,000	Finance capital improvements	\$5,790,000
St Lucie 2021A	\$14,775,000	Refund 2011B bonds	\$13,575,000
St Lucie 2021B	<u>\$33,920,000</u>	Refund 2012A bonds	<u>\$33,920,000</u>
Total	<u>\$73,000,000</u>		<u>\$53,285,000</u>
Stanton II 2017A	\$21,888,000	Refund 2000 auction rate securities and interest rate swaps	\$19,953,000
Stanton II 2017B	\$50,019,000	Refund 2004 auction rate securities and interest rate swaps	\$25,537,000
Stanton II 2020-1	\$3,921,350	Pooled Loan refunded 2009A bonds	\$2,464,376
Stanton II 2022A	<u>\$25,510,000</u>	Refund 2012A bonds	<u>\$25,510,000</u>
Total	<u>\$101,338,350</u>		<u>\$73,464,376</u>

ARP - CALCULATION BASED ON AVERAGE FY24 BILLING DEMAND

	Average Monthly Billing Demand (MW) FY 2024	% of Total	Bonds, Notes and Loans Outstanding as of 9/30/2023 ¹
Bushnell	11.800	0.9%	7,478
Clewiston	19.133	1.5%	12,125
Fort Meade	9.347	0.7%	5,923
Fort Pierce	100.740	8.1%	63,840
Green Cove Springs	21.453	1.7%	13,595
Havana	4.714	0.4%	2,987
Jacksonville Beach	151.161	12.1%	95,793
KUA	366.549	29.4%	232,287
Key West	138.948	11.1%	88,053
Lake Worth	0.000	0.0%	0
Leesburg	110.518	8.8%	70,037
Newberry	9.283	0.7%	5,883
Ocala	293.099	23.5%	185,741
Starke	12.075	1.0%	7,652
Total	1,248.820	100.0%	791,395

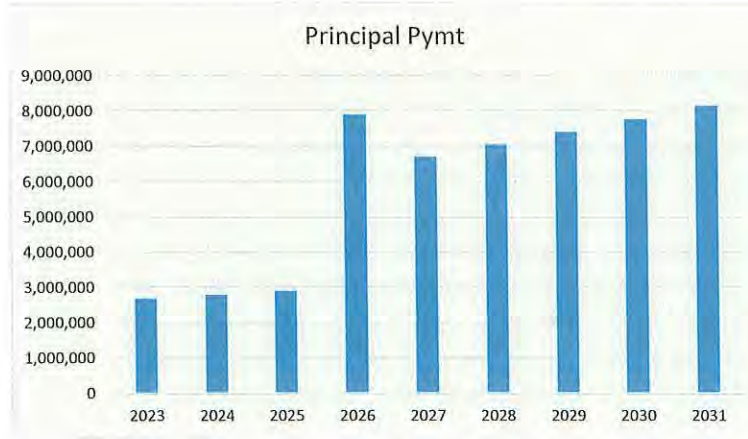


Year	Payment October 1	Principal Payment
2023		43,985,000
2024		45,985,000
2025		75,195,000
2026		163,620,000
2027		69,285,000
2028		83,495,000
2029		87,245,000
2030		95,360,000
2031		90,505,000
2032		18,360,000
2033		18,360,000
		<u>791,395,000</u>

Footnote: ARP Participants' percent of share of ARP debt payments are not fixed and will vary according to the process set forth in the then-current Rate Schedule B-1. Under the current rate mechanism approved by the Executive Committee, annual debt service payments are recovered as part of the ARP demand charge and are allocated to Participants based on the average of their respective monthly peak demands (less Excluded Resource capacity, if any) during the hour of the ARP system peak for the months of June through September over the previous three fiscal years. This allocation methodology is designed to stabilize the ARP demand charge during the year and limit the impact of isolated weather events, varying levels of load growth, and other factors. Amounts shown are for illustrative purposes only and are based on each Participants' average monthly ARP billing demand during Fiscal Year 2023. It is important to note that this calculation is not the same as the calculation of outstanding ARP debt that each Participant would be required to pay in the event it exercised its right to withdraw from the ARP pursuant to Section 29 of the ARP Contract.

ST. LUCIE - Entitlement share by participant

Entitlement Share %	Bonds, Notes and Loans Outstanding as of 9/30/2023 ¹		FY2023 Debt Service Related Budget ^{2,3,4} (\$000)
	(\$000)	(\$000)	
ALACHUA	0.431%	230	22
CLEWISTON	2.202%	1,173	115
FORT MEADE	0.336%	179	18
FORT PIERCE	15.206%	8,103	793
GREEN COVE SPRINGS	1.757%	936	92
HOMESTEAD	8.269%	4,406	431
JAX BEACH	7.329%	3,905	382
KISSIMMEE	9.405%	5,011	491
LEESBURG	2.326%	1,239	121
LAKE WORTH	24.870%	13,252	1,298
MOORE HAVEN	0.384%	205	20
NEWBERRY	0.184%	98	10
NEW SMYRNA BEACH	9.884%	5,267	516
STARKE	2.215%	1,180	116
ARP	15.202%	8,100	793
	100.000%	53,285	5,218



Payment October 1	Principal Pymt
2023	2,685,000
2024	2,790,000
2025	2,890,000
2026	7,890,000
2027	6,695,000
2028	7,035,000
2029	7,395,000
2030	7,760,000
2031	8,145,000
	<u>53,285,000</u>

¹ Makes no assumption about any new debt needs.

² Annual debt-service-related budget amounts may vary by year.

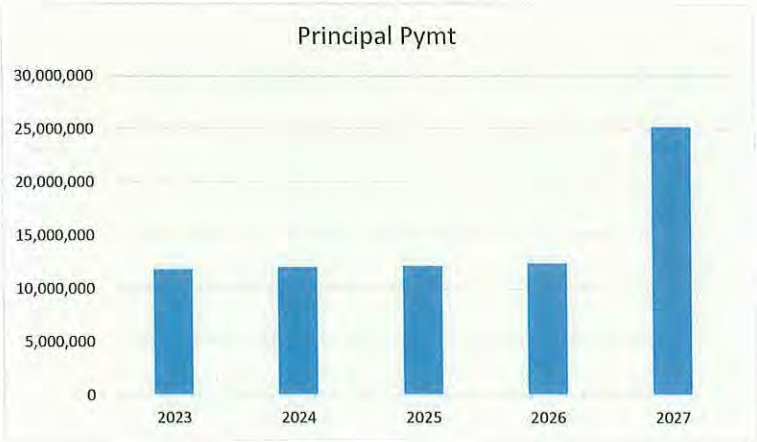
³ Use of monies on hand may reduce total debt service budget amounts collected from rates. As of 9/30/2023, \$39,368,053 (par amt) of investments in the General Reserve, and Contingency related accounts.

⁴ Final debt service payment is October 1, 2031. Plant licensed by NRC to operate until 2043.

Indicates the partial assignment taken from the City of Vero Beach

STANTON II - Entitlement share by participant

Entitlement Share %	Bonds, Notes and Loans Outstanding as of 9/30/2023 ¹		FY2023 Debt Service Related Budget ^{2,3,4}
	(\$000)	(\$000)	(\$000)
ARP	16.489%	12,114	2,110
FORT PIERCE	16.489%	12,114	2,110
HOMESTEAD ^A	8.244%	6,056	1,055
KUA ^A	32.977%	24,226	4,219
ST. CLOUD	14.671%	10,778	1,877
KEY WEST	9.893%	7,268	1,266
STARKE	1.237%	909	158
100.000%	73,464	12,795	



Payment October 1	Principal Pymt
2023	11,825,876
2024	11,993,314
2025	12,132,920
2026	12,348,697
2027	25,163,569 ⁵
	<u>73,464,376</u>

^A Reflects impact of 100% and 50% Entitlement Share assignments respectively from Lake Worth and Homestead to KUA.

¹ Makes no assumption about any new debt needs.

² Annual debt-service-related budget amounts may vary by year.

³ Use of monies on hand may reduce total debt service budget amounts collected from rates. As of 9/30/2023, \$30,798,027 (par amt) of investments in the General Reserve, and Contingency related accounts.

⁴ Final debt service payment is October 1, 2027.

⁵ Funds on hand in 2027 will be used to reduce payment amount to typical amount level.

See note ³ above.

Indicates amounts paid by ARP due to Participant being in the ARP
 Indicates the partial assignment taken from the City of Vero Beach

**AGENDA ITEM 9 – INFORMATION
ITEMS**

b. Sand Lake Energy Center Update

**Executive Committee
February 15, 2024**



9b – Sand Lake Energy Center Update

Executive Committee

February 15, 2024

ARP Completes Acquisition of Sand Lake Energy Center

Transaction Closed Effective Midnight Today, 2/15, After Perf Testing

- After completing a major outage with successful performance testing FMPA ARP takes possession of 125MW combined cycle plant
- Unit available and ready for dispatch by FMPP
- First ARP MW were generated Saturday, Feb 3 during outage return testing
- Performance testing conducted Monday, Feb 12 exceeding heat rate & max capacity requirements
- Jim Murray, plant manager, and staff welcomed by FMPA leadership team this morning
- Additional value discovered during inventory reconciliation
- Thanks to Cane Island for resources supporting FMPA needs at SLEC during close
- Staff to continue SLEC efforts while beginning Mulberry integration in earnest
- Opportunity during April Board Meetings to participate in group tour of facilities

Most FMPA Team Involved In Integration Efforts

Structured Cross Functional Approach Helped Achieve Day 1 Goals

Plant and Agency staff supported many aspects of integration:

- Legal / Contractual / real estate
- Regulatory compliance and permitting
- Human Resources and onboarding
- Environmental permitting
- Operational oversight & preparation
- Financing
- Accounting setup
- Internal system setup, i.e. Maximo
- Informational and Operational Technology
- Metering
- FMPP integration and setup
- Public Relations / Messaging
- Duke network
- Procurement of essential items for day 1 readiness

First FMPA MW Produced at
SLEC 2/3/2024



Unit exceeded contractual requirements for maximum capacity and heat rate during performance test:

Contract Capacity: 120MW

Perf Test Capacity: 123MW

Contract Heat Rate: 8150
Btu/kWh

Perf Test Heat Rate: 7,865
Btu/kWh

**AGENDA ITEM 9 – INFORMATION
ITEMS**

c. Gas Price Stability Program

**Executive Committee
February 15, 2024**



EC 9c– Natural Gas/Power Price Stability Program What-If Scenarios

Executive Committee

February 15, 2024

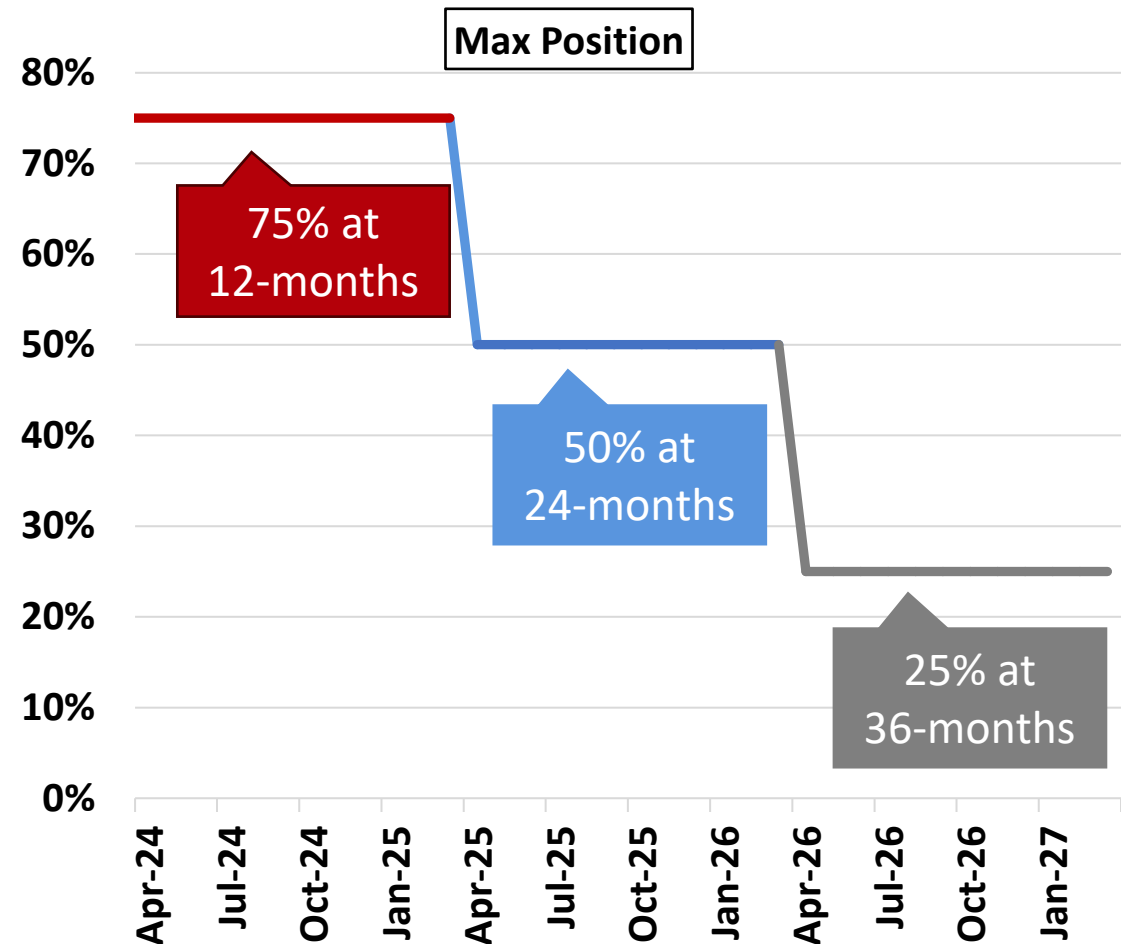
\$70/MWh Cost Target in 2019 Does Not Consider Inflation

- EC set \$70/MWh cost goal in 2019
- Inflation from 2019 through 2023 was ~22% (CPI)
- \$70 in 2019 equivalent to \$85 today
- ARP seeing significant increases in O&M and transmission costs
- With inflation, \$70/MWh no longer a realistic target
- Wholesale power costs in the \$77 – 82/MWh range competitive

Proposed Max Mitigation Position

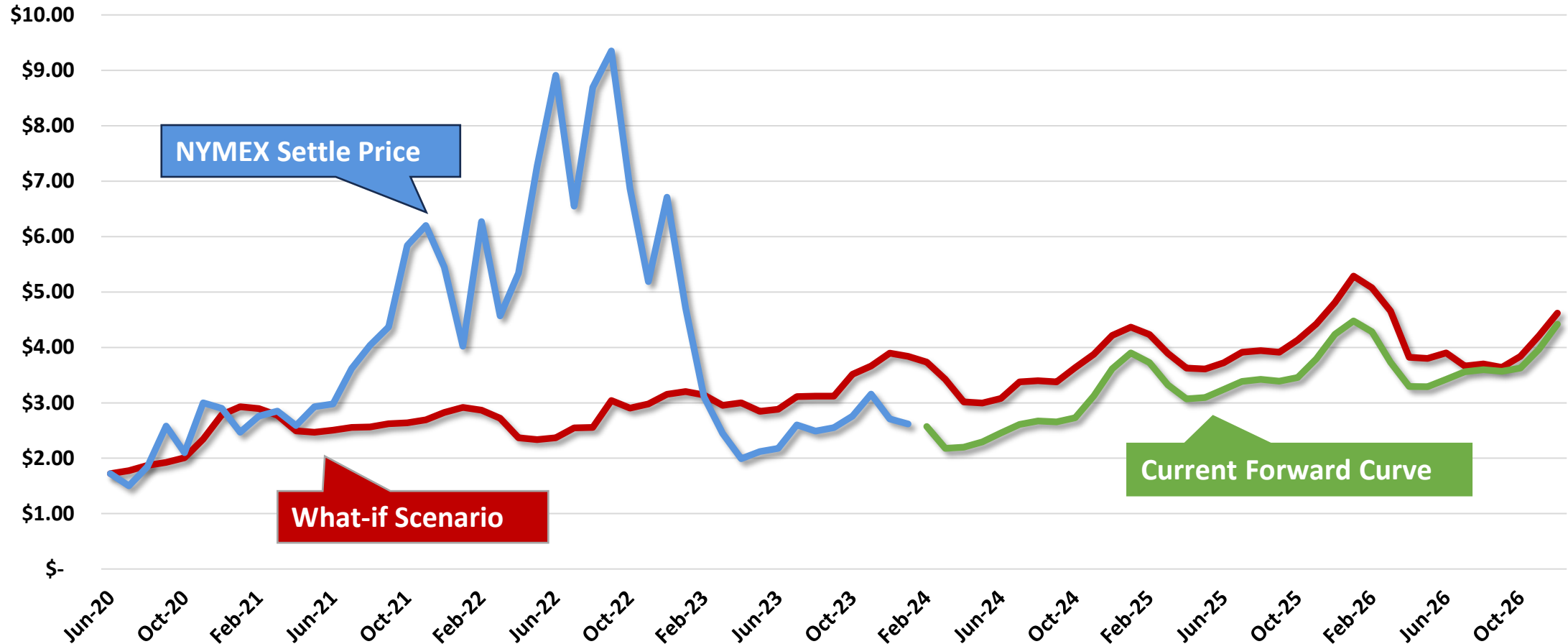
Conservative Percentages

- **Long-Term Vision:**
 - Plan strategically with a focus on a 3-year horizon for robust long-term planning.
- **Structured Cycles:**
 - Implement rolling 12-month cycles for agile and focused management
- **Controlled Implementation:**
 - Each tier considered the maximum mitigated



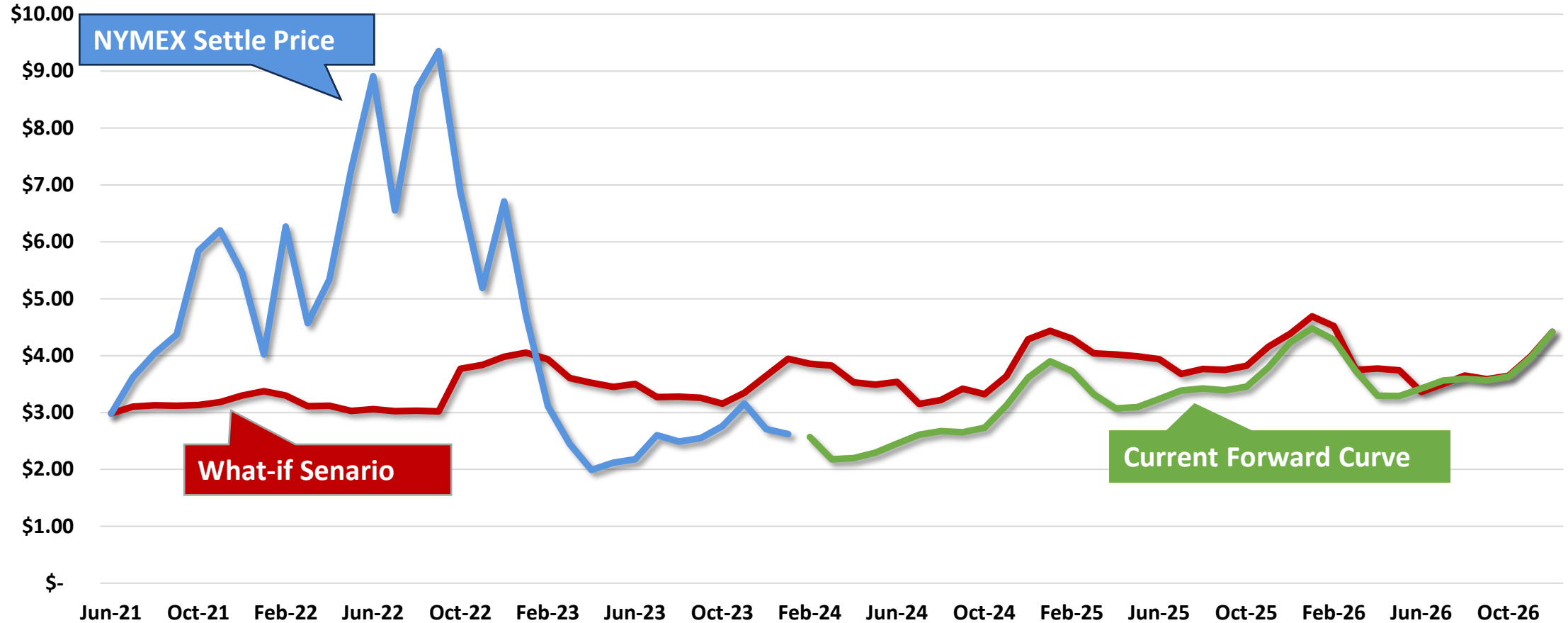
Results of “What-if” Price Stability After Budget Approved

Program Started June 2020 Shows Savings of \$87 Million



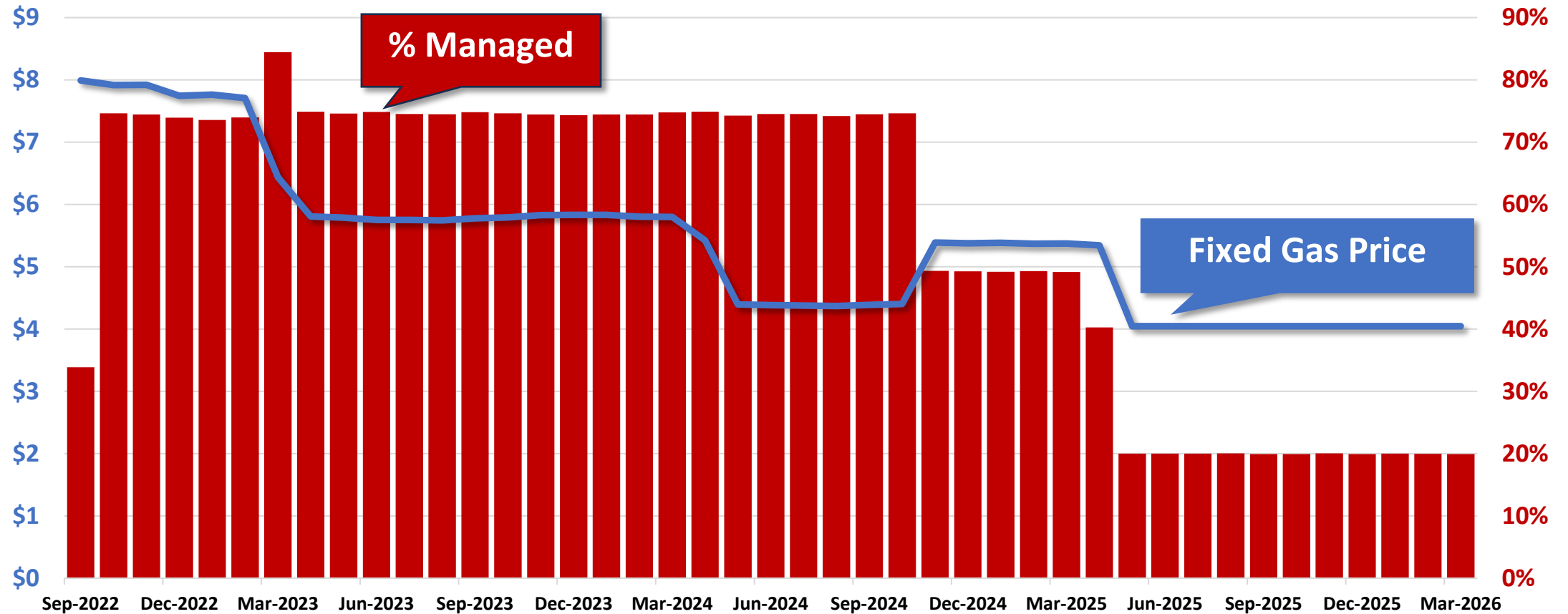
Results of “What-if” Price Stability After Budget Approved

Program Started June 2021 Shows Savings of \$55 Million



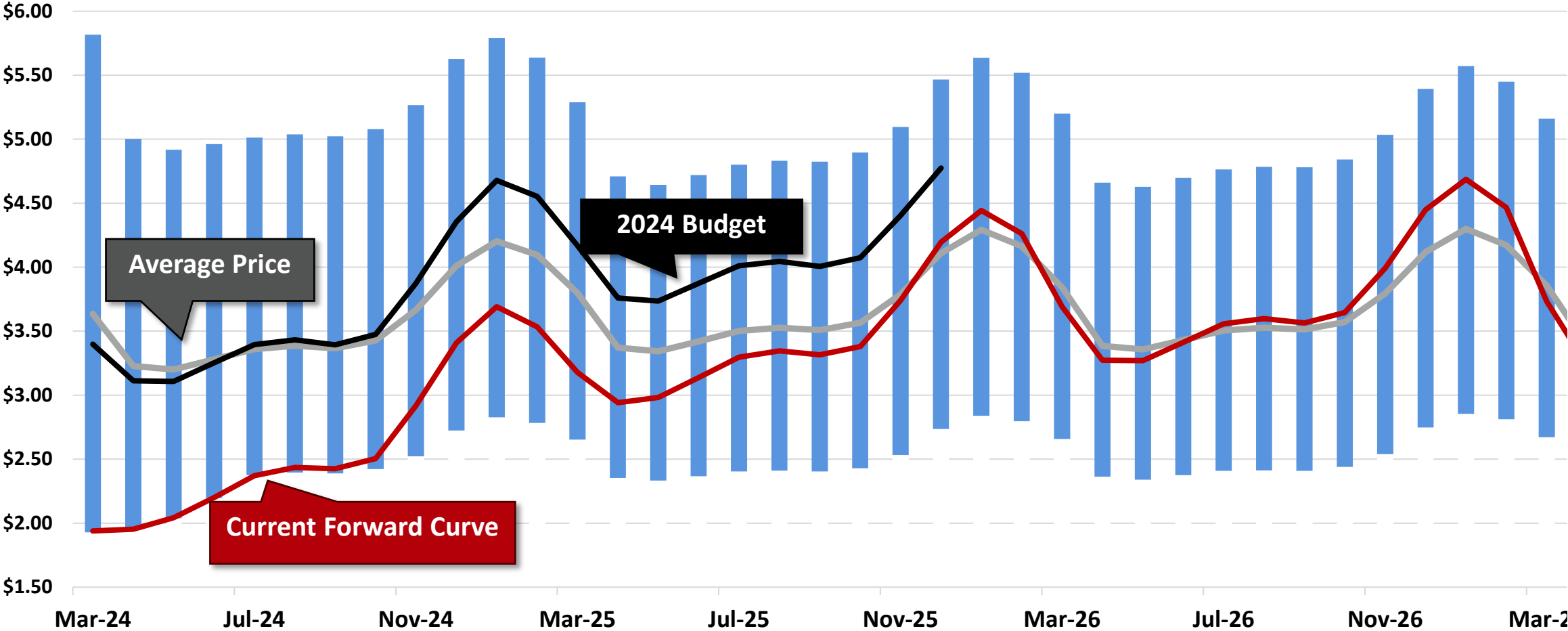
Gas Price Stability Program to date

Premium of \$74M Has Already Been Paid



Short-term Oversupply Drops Prices to Trading Lows

FY 2025 Price Premium Remains



Future Rate Projections

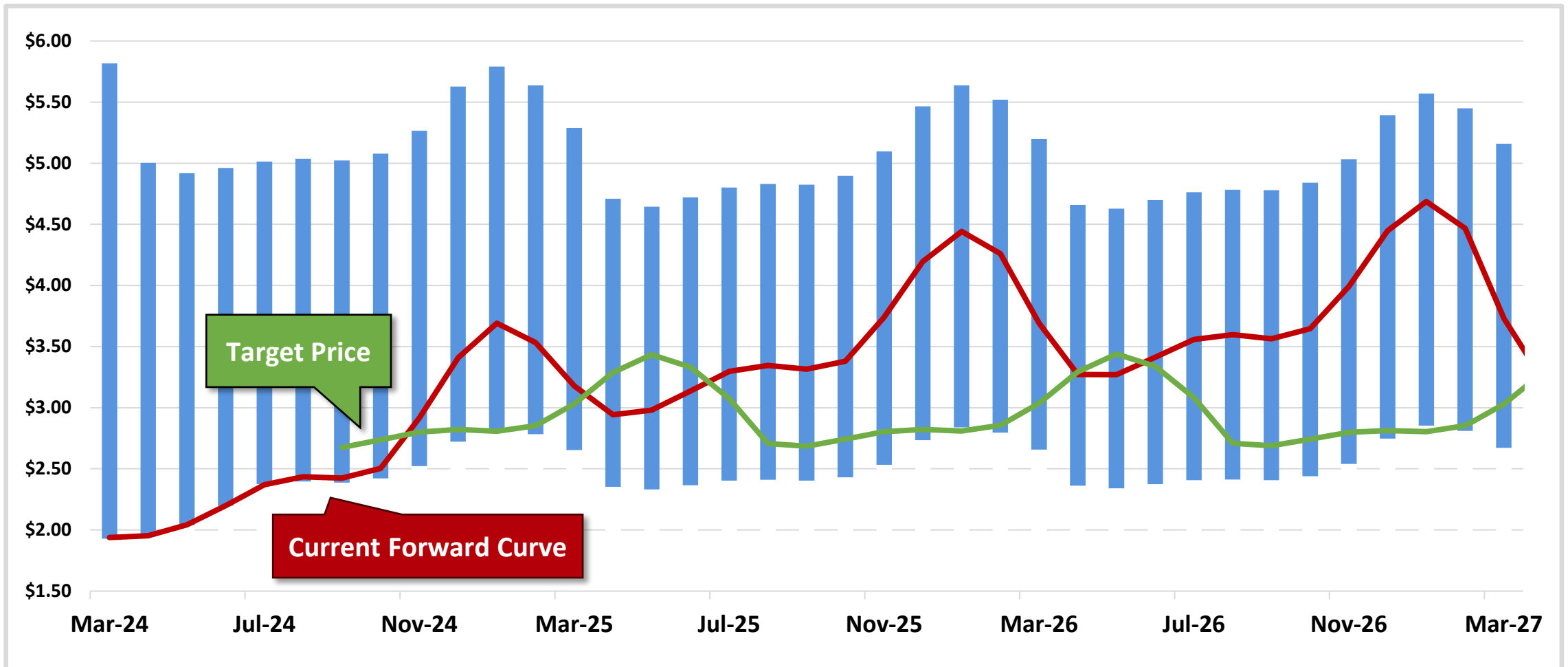
Seasonal overview of pricing affecting rates

Summer Date Ranges	Current / Target Gas Price (\$/MMBtu)	Rate (\$/MWh)
Apr 24 – Oct 24	N/A > 75% Fixed	
April 25 - Oct 25	\$3.20 / \$3.33	\$78.40
April 26 - Oct 26	\$3.48 / \$3.56	\$76.90

Winter Date Ranges	Current / Target Gas Price (\$/MMBtu)	Rate (\$/MWh)
Nov 24 - Mar 25	\$3.35 / \$2.77	\$82.37
Nov 25 - Mar 26	\$4.07 / \$3.04	\$85.00
Nov 26 - Mar 27	\$4.27 / \$2.80	\$85.00

Target Achievable For Next Summer

Long-Term Market Pricing In LNG Risks



**AGENDA ITEM 9 – INFORMATION
ITEMS**

**d. FPL Transmission Rate Filing
Update**

**Executive Committee
February 15, 2024**



EC 9d – FPL Transmission Rate Filing Update

Executive Committee

February 15, 2024

FPL Seeks ~43% Stated Rate Increase (\$3.66/kW-mo.)

Protest Filing Identifies ~\$0.49/kW-mo. of Settlement Issues

- FPL filing seeks significant stated rate increase to \$3.66/kW-mo.
- FMPA and others filed joint protest identifying ~\$0.49/kW-mo. of potential settlement issues with missing data on other key issues
 - Return on equity
 - Cost of service/accounting issues and FPL-NW hold harmless mechanics
 - Expectations for future spend on transmission system
- 5-month suspension of rate not approved by Commission
- Currently slated for in-person meeting with FPL March 7th, with discovery by protest parties and Commission staff ongoing

Protracted Schedule Drives Cost & Scope Uncertainty

Nature Of Interaction, Data Quality, Terms Not Well Known

- FMPA budgeted funds staggered between fiscal years to support consulting/legal, not knowing exact timing of filing or nature of filing
- Current authorization reflects alignment with budgeted funds, with ~18% of 2nd tranche expended (\$118k total spend on consulting services)
- May require additional funding at some point based on pace
- Staff working with consultant and legal counsel to prioritize review, avoid overlap

TENTATIVE PROCEEDINGS SCHEDULE

Event	Date
First Settlement Conference	Thursday, January 25, 2024
Trial Staff 1 st Set of Data Requests to FPL	Tuesday, January 30, 2024
FPL Responses Due to Trial Staff's 1 st Set of DRs	Tuesday, February 20, 2024
Trial Staff 2 nd Set of DRs to FPL	Tuesday, February 27, 2024
FPL Responses to Trial Staff's 2 nd Set	Friday, March 15, 2024
Trial Staff 3 rd Set of DRs to FPL	Wednesday, March 27, 2024
FPL Responses to Staff 3 rd Set	Friday, April 5, 2024
Trial Staff to Circulate Top Sheets	Wednesday, April 24, 2024
FPL Response/Questions to Top Sheets	Week of April 29
Second Settlement Conference	Wednesday, May 8, 2024

Prioritized Scope of Efforts Est. Addl. Cost ~\$200k

Seeking Feedback on Authorization Timing and Boundaries

- Nature of settlement position and offer exchanges uncertain
- Staff worked with consultant to narrow down areas of focus relative to protest filing to topics with highest potential dollar impact
 - Only impacts framing of settlement offer/position, which ultimately may have reduced relationship to actual “math” around a given issue
- Estimated time and materials cost of \$200k (incremental to expended funds), with continued active project management to avoid overlap with other protestor consultants’ efforts
- Staff can come back to EC with action item at desired time

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Executive Committee
February 15, 2024**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
February 15, 2024**