ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

April 18, 20244

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

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

Meeting ID Number: 227 064 230 847#

Committee Members

Howard McKinnon, Havana - Chair

Lynne Tejeda, Key West – Vice Chair

Christina Simmons, Bushnell
Lynne Mila, Clewiston
Fred Hilliard, 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: April 11, 2024

RE: FMPA Executive Committee Meeting
Thursday, April 18, 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, Meeting Number 227 064 230 847**

LINK: Click here to join the meeting

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

Chairman Howard McKinnon, Presiding

AGENDA

1. **Call to Order, Roll Call, Declaration of Quorum**
2. **Set Agenda (by vote)**
3. **Recognition of Guests**
4. **Public Comments (Individual public comments limited to 3 minutes)**
5. **Comments from the Chairman (Howard McKinnon)**
6. **Report from the General Manager (Jacob Williams)**
7. **Consent Agenda**
   - **a.** Approval of Meeting Minutes – Meetings Held March 21, 2024 and ARP Telephonic Rate Workshop Held March 12, 2024
   - **b.** Approval of Treasury Reports – As of February 29, 2024
   - **c.** Approval of the Agency and All-Requirements Project Financials as of February 29, 2024
   - **d.** ARP 12-month Capacity Reserve Margin Report

e. Approval of FMPA Financial Commitment Authority Levels Update

8. Action Items

a. Approval of Natural Gas Price Stability Program (Rich Popp)

9. Information Items

a. Solar Project Update * (Susan Schumann)

b. Annual Environmental Program Update ***** (Daniela Delpino)

c. Mulberry Update (Ken Rutter)

d. GRIP Grant Update (Navid Nowakhtar)

e. FMPA-KUA Transmission Owner Registration for Cane Island North Bay Substation (Dan O'Hagan/LaKenya VanNorman)

f. Update Solar and Natural Gas Prepays (Rich Popp)

10. Member Comments

11. Adjournment

***Item also on the Board of Directors Agenda.**

**** Item(s) Subject to Super Majority Vote**

NOTE: One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or (888) 774-7606, at least two (2) business days in advance to make appropriate arrangements.

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

Executive Committee
April 18, 2024

AGENDA ITEM 2 – Set Agenda (by Vote)

Executive Committee
April 18, 2024

AGENDA ITEM 3 – RECOGNITION OF GUESTS

Executive Committee
April 18, 2024

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

Executive Committee
April 18, 2024

AGENDA ITEM 5 – COMMENTS FROM THE CHAIR

Executive Committee
April 18, 2024

AGENDA ITEM 6 – REPORT FROM THE GENERAL MANAGER

Executive Committee
April 18, 2024

AGENDA ITEM 7 – CONSENT AGENDA

a. Approval of Meeting Minutes – Meetings Held March 21, 2024 and ARP Telephonic Rate Workshop Held March 12, 2024

Executive Committee
April 18, 2024

CLERKS DULY NOTIFIED ..... MARCH 14, 2024
AGENDA PACKAGES POSTED ..... MARCH 14, 2024

MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY, MARCH 21, 2024
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT:
Christina Simmons, Bushnell (virtual)
Lynne Mila, Clewiston
Javier Cisneros, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach (virtual)
Lynne Tejeda, Key West (virtual)
Jason Terry, Kissimmee
Jim Williams, Leesburg (virtual)
Doug Peebles, Ocala * (virtual)
Drew Mullins, Starke

* Joined After Roll Call

OTHERS PRESENT
Brad Hiers, Bartow (virtual)
Randy Martin, Clewiston (virtual)
Fred Hilliard, Fort Meade
Danny Retherford, Fort Pierce
Anthony Carroll, Gainesville (virtual)
Larry Mattern, Kissimmee (virtual)
Jeffrey Thompson, Kissimmee
Mike Wagner, Kissimmee
Kevin Crawford (virtual)
James Braddock, Wauchula (virtual)
John Bishop, Williston (virtual)
Rob Taylor, GDS Associates

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
David Schumann, Power Generation Fleet Director
Dan O'Hagan, Deputy General Counsel and Manager of Regulatory Compliance
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Mike McCleary, Member Services Manager
Sharon Adams, Chief People and Member Services Officer

Susan Schumann, Manager of External Affairs and Solar Projects
John Bradley, Business Development Analyst
Emily Maag, Public Relations Specialist
LaKenya VanNorman, Senior Regulatory Compliance Specialist
Mary Kathryn Patterson, Senior Public Relations Specialist
Wayne Koback, IT Manager
Jan Bagnall, Manager of Member Services
Jose Bravo, Manager of Member Services Department
Danyel Sullivan-Marrero, Controller
Melody Read, Accountant III
Lindsay Jack, Senior Administrative & Member Services Assistant

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

Chair Howard McKinnon, Havana, called the FMPA Executive Committee meeting to order at 11:15 a.m., Thursday March 21, 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 10 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Jason Terry, Kissimmee, moved approval of the agenda as presented. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 10-0.

ITEM 3 – RECOGNITION OF GUESTS

Fred Hilliard, Fort Meade, was welcomed back to FMPA as an upcoming Board of Directors and Executive Committee Alternate Member for the City of Fort Meade.

ITEM 4 – PUBLIC COMMENTS

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chair Howard McKinnon had no comments.

Doug Peebles, Ocala, joined the meeting brining the quorum to 11 members present out of a posible 13.

ITEM 6 – REPORT FROM GENERAL MANAGER

Reported to the Executive Committee that the first of the month pricing volumes for natural gas is above the 75% policy limit of total volumes for the month of April. April is a low usage/burn month. We will bring it back as information and action items to change the policy and way it is written.

ITEM 7 –CONSENT AGENDA

a. Approval of Meeting Minutes – Meetings Held February 15, 2024, and ARP Telephonic Rate Workshop Held February 13, 2024

b Approval of Treasury Reports – As of January 31, 2024

c Approval of the Agency and All-Requirements Project Financials as of January 31, 2024

d ARP 12-month Capacity Reserve Margin Report

MOTION: Bob Page, Green Cove Springs, moved approval of the Consent Agenda as presented. Drew Mullins, Starke, seconded the motion. Motion carried 11-0.

ITEM 8 – ACTION ITEMS:

a. Approval of Energy Southeast Renewable Prepay 2024 Series A

MOTION: Javier Cisneros, Fort Pierce, move approval of the General Manager and CEO executing on behalf of FMPA (All-Requirements Power Supply Project) the required Power Supply Agreement and other documents as necessary or requested of FMPA, subject to the review and approval of the General Counsel, to participate in the described prepay transaction if a minimum discount of 7.5% is achieved at pricing. Bob Page, Green Cove Springs, second the motion. Motion carried 11-0.

ITEM 9 – INFORMATION ITEMS:

a. Solar Phase II Update *

Susan Schumann presented the Solar Phase II Update

b. Human Resources Update *

Sharon Adams presented the Human Resources Update

c. Regulatory Compliance Update *

LaKenya VanNorman and Dan O'Hagan presented the Regulatory Compliance Update

d. Natural Gas Price Stability Program

Rich Popp provided an update on the Natural Gas Price Stability Program

e. Mulberry Plant – Rotor Update

Ken Rutter provided an update on the Mulberry Plant-rotor.

Additionally, Ken Rutter said he wanted to give a verbal update on an information item to present because it's not in the current budget and exceeds Jacob's authority. We will not need an ARP budget amendment for it because we have it covered in this budget for this year's overall ARP budget. It's for Cane Island 3 relay project. It was previously budgeted in previous years but was not put in this year's budget.

* Item presented to the Board of Directors. No further questions from members of the Executive Committee.

ITEM 10 – Member Comments

Bob Page, Green Cove Springs, asks about AI and gearing up the same types of AI product data centers and the power that they require, although they are not prominent in Florida. Virginia and Georgia are seeing growth but not us here in Florida.

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 12:21 pm.

Howard McKinnon Chairman, Executive Committee	Sue Utley Assistant Secretary

Approved: _____ Seal

PUBLIC NOTICE SENT TO CLERKS..... MARCH 06, 2024
AGENDA PACKAGES SENT TO MEMBERS .....MARCH 11, 2024

MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATES MEETING
TUESDAY, MARCH 12, 2024
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
Barbara Mika, Fort Pierce
Javier Cisneros, Fort Pierce
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Marie Carter, Leesburg
Charlene Pollett, Ocala

STAFF PRESENT

Jacob Williams, General Manager and CEO
Rich Popp, Chief Financial Officer
Lindsay Jack, Senior Administrative & Member Services Assistant
Jason Wolfe, Financial Planning, Rates and Budget Director
Denise Fuentes, Financial Planning, Budget and Financial Analyst II
Jody Finklea, General Counsel and Chief Legal Officer

Item 1 – Call to Order and Roll Call

Lynne Tejeda, Key West, Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, March 12, 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 February ARP Rate Calculation

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

Item 3 – Member Comments

None.

Item 4 - Adjournment

There being no further business, the meeting was adjourned at 2:07 p.m.

_____

Approved

LT/lj

AGENDA ITEM 7 – CONSENT AGENDA

b. Approval of Treasury Reports as of February 29, 2024

Executive Committee
April 18, 2024

AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee

FROM: Melissa Cain

DATE: April 11, 2024

ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of February 29, 2024

Introduction

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

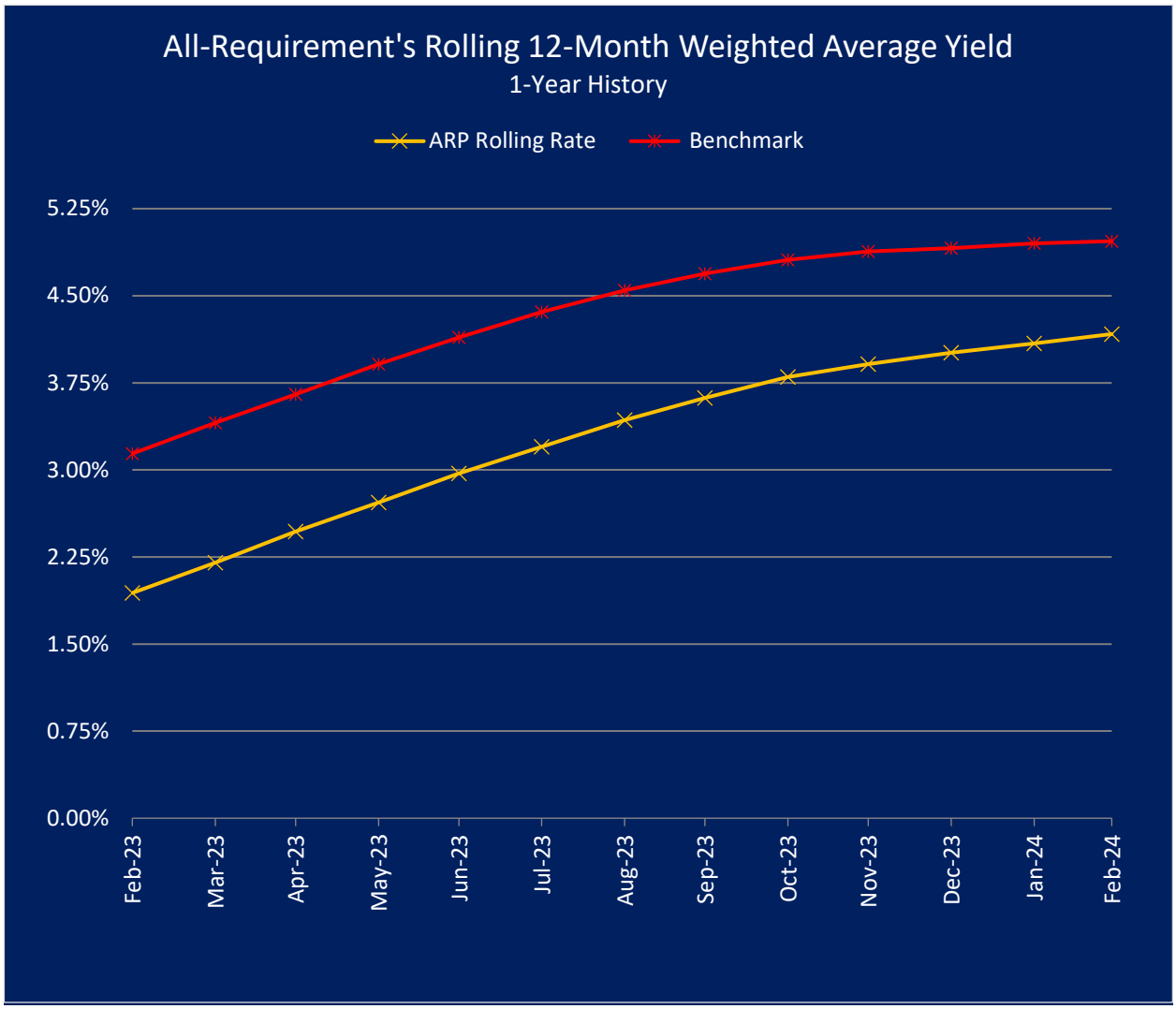
Debt Discussion

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 February 29, 2024, is $32,204,631.59. The total amount of debt outstanding is $747,410,000.

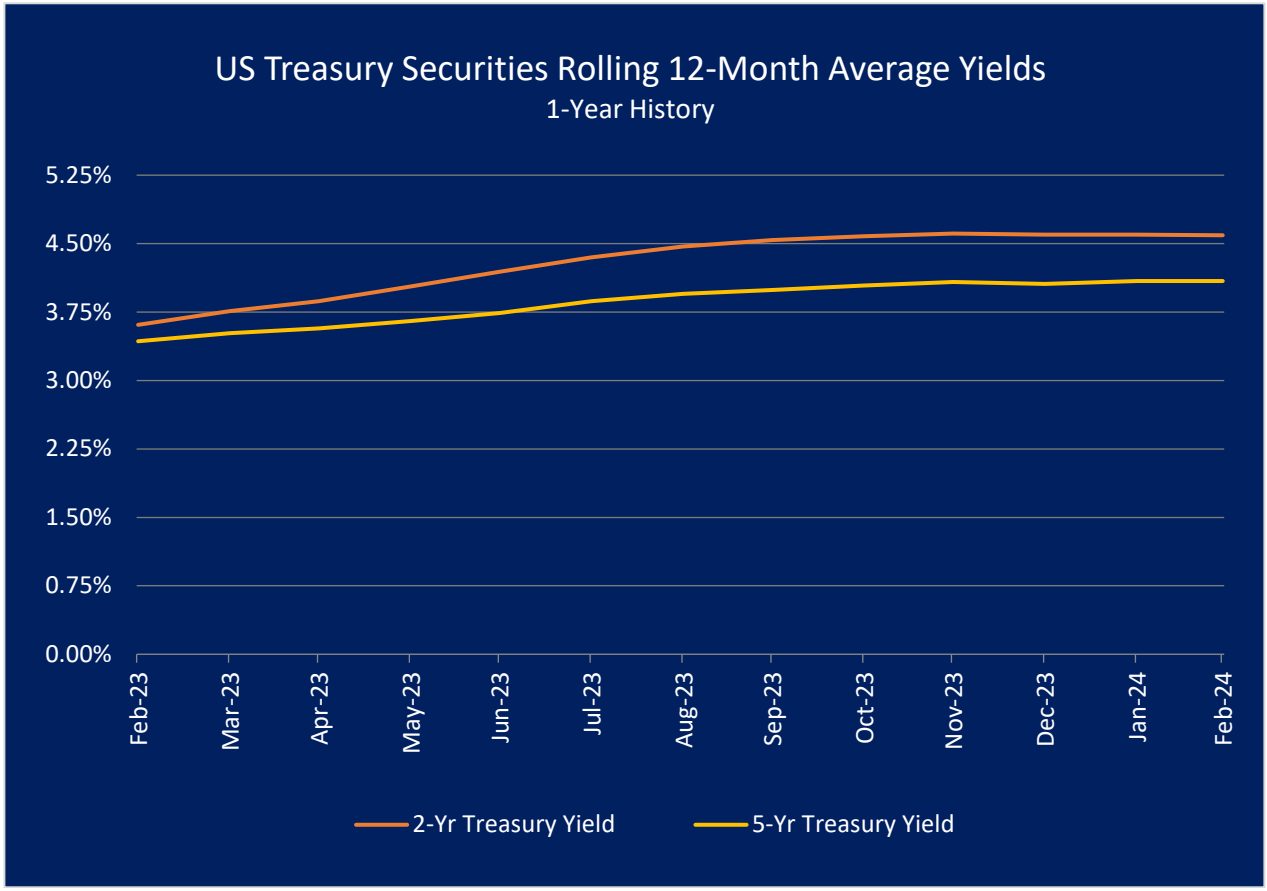
Investment Discussion

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 February 29, 2024, the All-Requirements Project investment portfolio had a rolling 12-month weighted average yield of 4.17%, 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 February 29, 2024 of 4.59%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 4.09%.



The Investment Report for February is posted in the "Member Portal" section of FMPA's website.

Recommended Motion

Move for approval of the Treasury Reports for February 29, 2024

AGENDA ITEM 7 – CONSENT AGENDA

c. Approval of the Agency and All-Requirements Project Financials as of February 29, 2024

Executive Committee
April 18, 2024

Rich Popp
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: **FMPA Executive Committee**

FROM: **Rich Popp**

DATE: **April 11, 2024**

SUBJECT: **EC 7c– Approval of the Agency and All Requirements Project Financials as of the period ended February 29, 2024**

Discussion: The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All Requirements Project for the period ended February 29, 2024, 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 February 29, 2024.

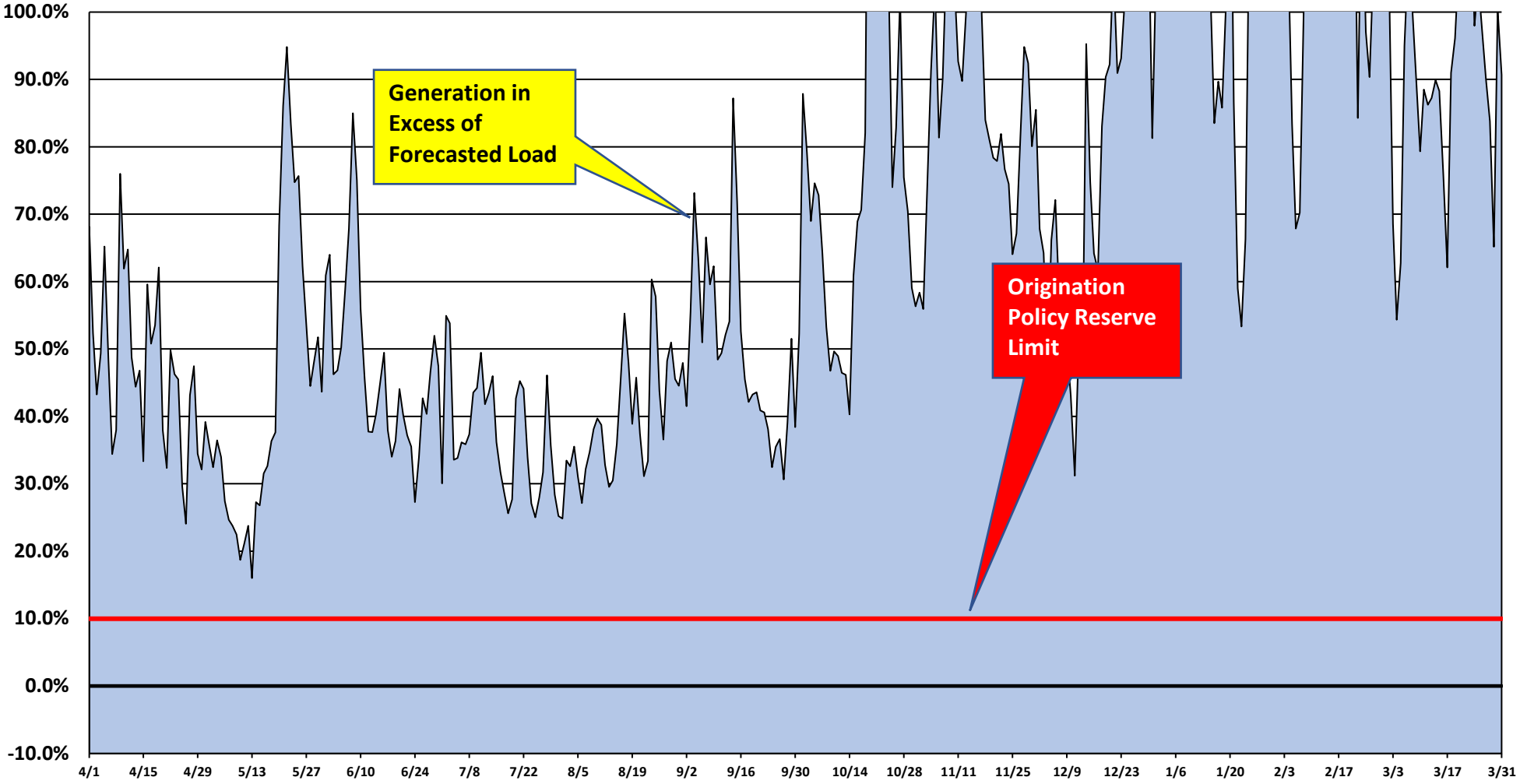
RP/GF

AGENDA ITEM 7 – CONSENT AGENDA

d. ARP 12-month Capacity Reserve Margin Report

Executive Committee
April 18, 2024

ARP Daily Reserve Margins
April 2024 through March 2025



AGENDA ITEM 7 – CONSENT AGENDA

e. Approval of FMPA Financial Commitment Authority Levels Update

Executive Committee
April 18, 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	• 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	• 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	• 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 $20,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to $20,000	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	• 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 FMPA's Origination Transaction Policy.

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

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

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

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

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

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

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

a. If the goods and services provided are in accordance with work orders/contracts/agreements and do not result in expenditures or financial commitments exceeding the financially committed amount and 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 (e.g., for a change order or other amendment to the existing 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.

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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	• 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 $2~~1~~0,000	All benefit, health care and payroll related expenses that are within the approved budget. Any other HR related expenses up to $2~~1~~0,000	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	• 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

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b. Should there be any desired change in the financial commitment (e.g., for a change order or other amendment to the existing financial commitment) that results in a higher total financial commitment, then the "Financial Commitment Authority" limits are reapplied to determine authority.

AGENDA ITEM 8 – ACTION ITEMS

a. Approval of Natural Gas Price Stability Program

Executive Committee
April 18, 2024

EC 8a – Natural Gas Price Stability Program

Executive Committee

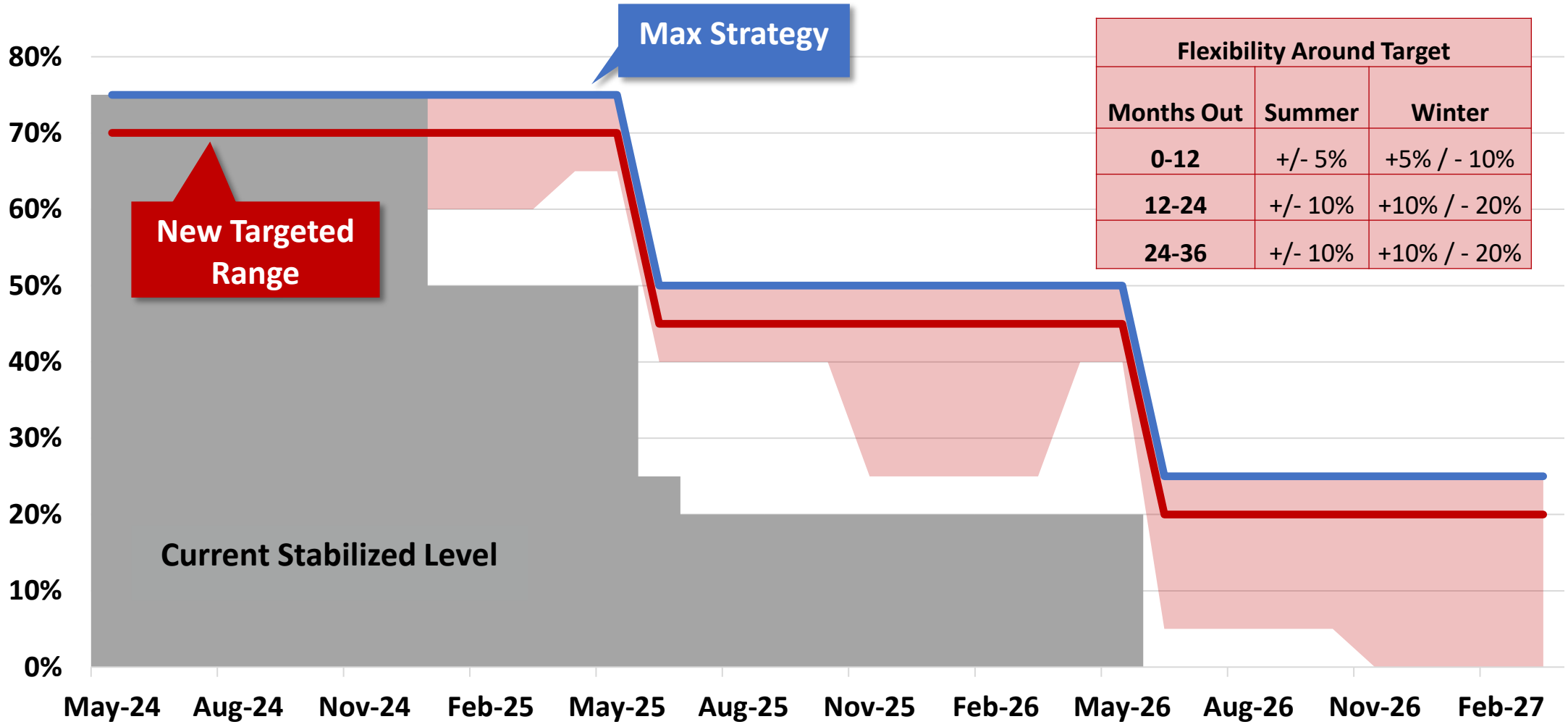
April 18, 2024

Programmatic Long Term Power Price Stability Effort

- **Goal to Manage Power Prices at or Below Acceptable Price Targets**
- **Quarterly Review and Alignment:**
  - Provide EC review of positions market dynamics on a quarterly basis
  - Review value of price stability actions taken
  - Actively align with EC's strategic rate goals
- **Target and Maximum Volume to Be Managed:**
  - Define maximum percentage to manage risk by period and avoid overexposure
  - Establish target percentage linked to market price/power rates
- **Tiered Certainty based on price mitigation:**
  - Target: Baseline of the established program
  - Expects action when minimum thresholds met
  - Allows for discretion after minimum thresholds met till maximum level reached

Proposed Option With +/- Percent of Target

Greater Flexibility In Winter Season, Less Impact To Annual Energy Rate



Flexibility Around Target		
Months Out	Summer	Winter
0-12	+/- 5%	+5% / - 10%
12-24	+/- 10%	+10% / - 20%
24-36	+/- 10%	+10% / - 20%

FMPA MUNICIPAL POWER

Future Rate Projections Targets with 2% Escalation

Seasonal Pricing Targeting Rates

Summer Date Ranges	Target Gas Price ($/MMBtu)	Target Rate ($/MWh)
Apr 24 – Oct 24	N/A (75% Fixed)	
April 25 - Oct 25	$3.33	$73.30
April 26 - Oct 26	$3.50	$76.40

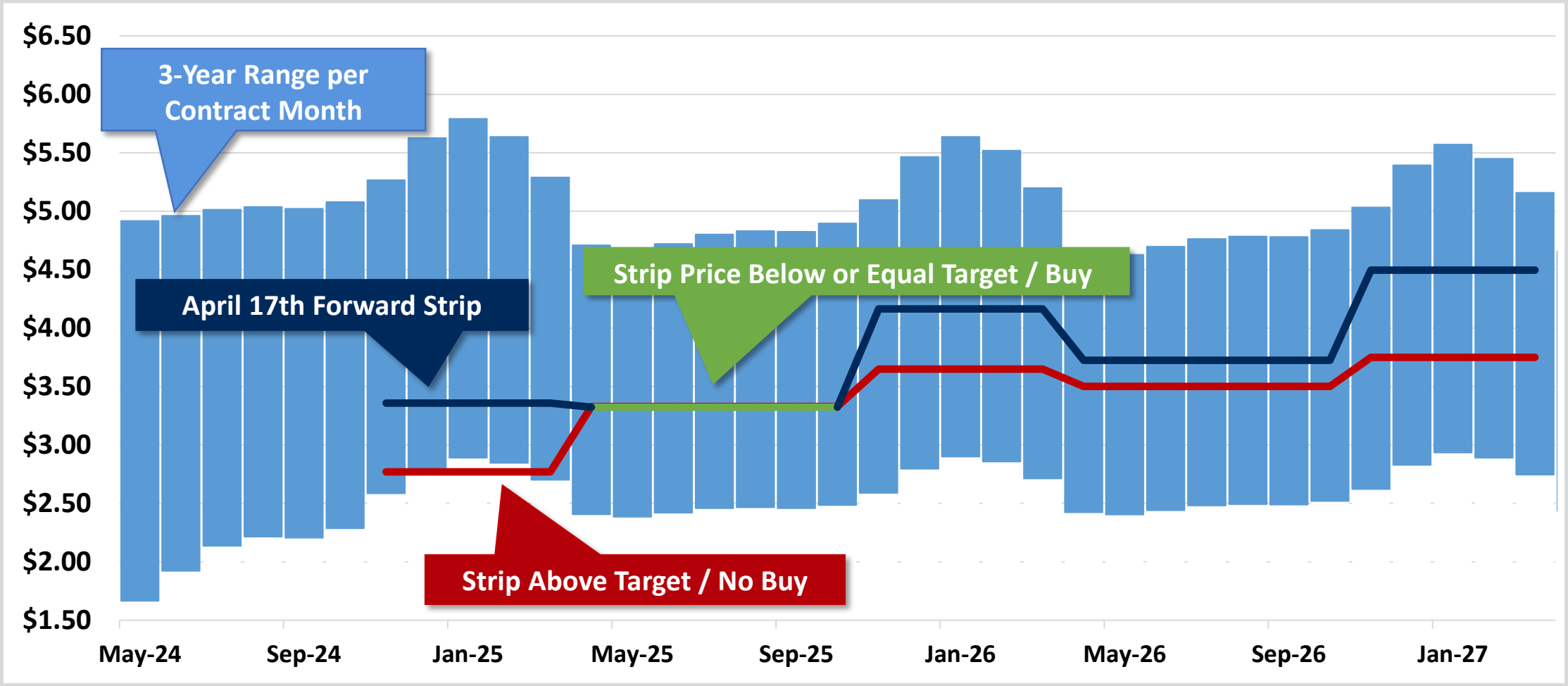
Winter Date Ranges	Target Gas Price ($/MMBtu)	Target Rate ($/MWh)
Nov 24 - Mar 25	$2.77	$82.37
Nov 25 - Mar 26	$3.65	$88.70
Nov 26 - Mar 27	$3.75	$89.60

Fiscal Year	Target Rate ($/MWh)
2024	$80.00
2025	$81.00
2026	$83.00

FMPA MUNICIPAL POWER

Setting Achievable Targets for Long-Term Rate Stability

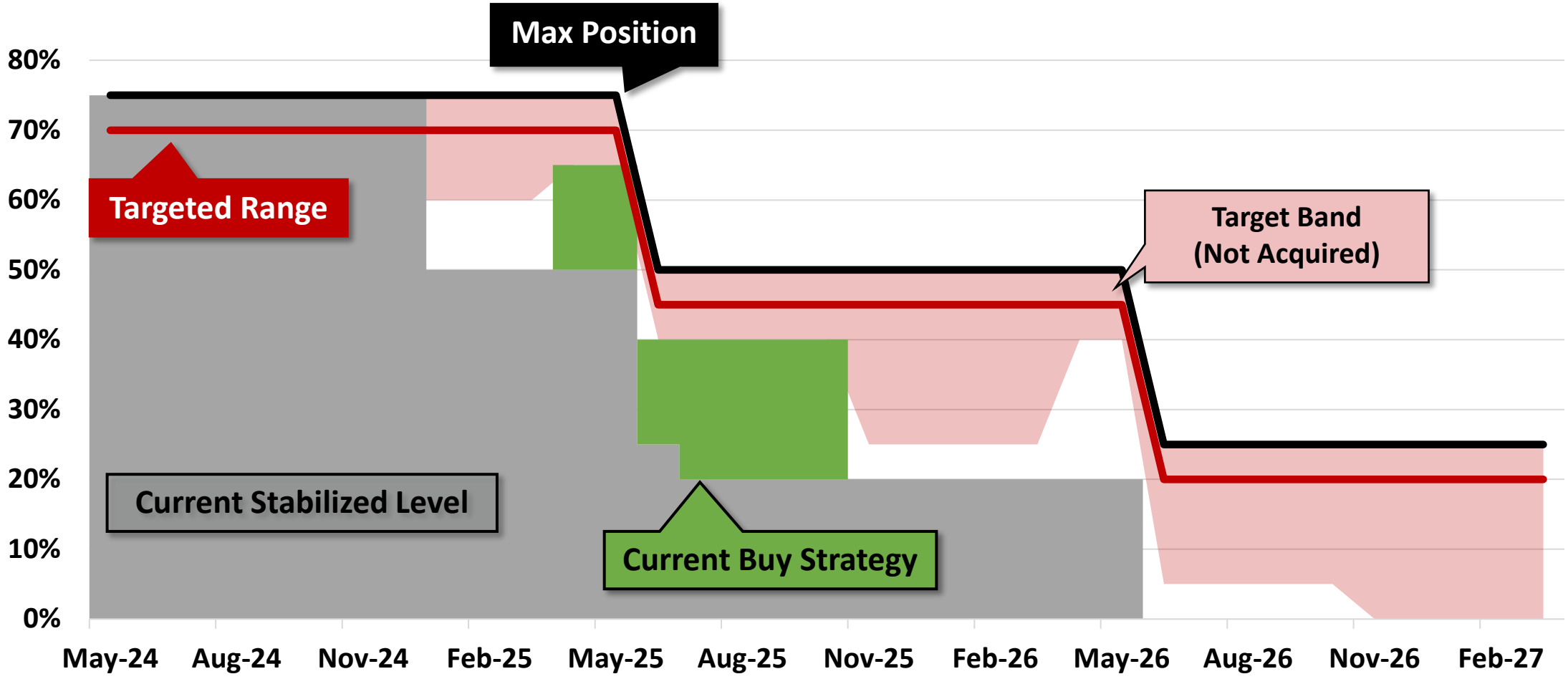
Only Summer '25 Price Currently Less Than Targets, "Buy Signal"



FMPA MUNICIPAL POWER

"Buy Signal" Requires Purchases To Lower Band

Once Targets Reached, Gaps Filled Over Time



FMPA MUNICIPAL POWER

Natural Gas Policy & Procurement Strategy

- **Authority & Responsibility**
  - CFO or designated representative has the authority to execute natural gas transactions
  - Transactions will align with the Targeted Strip Price approved by the EC
- **Decision-Making Criteria**
  - Total number of contracts procured over the minimum will be based on market analysis and current trends
- **Oversight & Segregation of Duties**
  - Strategic Planning provides estimated burn forecast for Finance to calculate percent procured
  - Audits on price stability contracts and market activity buy Finance, Accounting, and Audit
- **Reporting & Transparency**
  - Quarterly reports to EC on transactions, strategy effectiveness, and recommendations
  - Report includes outcomes and adjustments to the procurement approach and ranges

Motion To Approve

- Move Approval of Natural Gas Price Stability Plan, setting seasonal price targets as presented for up to 36 months, authorizing staff to purchase natural gas positions, within the natural gas exposure percentage band.

AGENDA ITEM 9 – INFORMATION ITEMS

a. Solar Project Update

Executive Committee
April 18, 2024

9a - Solar Project Update

Executive Committee

April 18, 2024

Whistling Duck Amendment Requested by Origis

Additional Concerns Identified for Phase II Development

- Origis Cited Industry-Wide Concerns - Cost Increases and Schedule Delay
  - IRA Impacts and Credit Monetization Shifts
  - Higher Interest Rates and Cost of Capital
  - Higher Execution & Construction Costs – IRA leading to inflation of project costs
- Impacts to Whistling Duck Development
  - Requested December 31, 2025 as revised Commercial Operation Date
  - Requested ~$7/MWh increase to current PPA flat 20-year contract price
- Potential Impacts to Phase III Development
  - Leyland and Penholoway (Duke facilities): Potential 6+ month delay from December 2025
  - Hampton and New River (FPL facilities): Potential 1 to 2+ year delay from December 2026
  - No official revisions indicated/requested yet

FMPA MUNICIPAL POWER

Solar Phase II and III Joint Committee Meetings

No Consensus Yet for Path Forward

- Participants to reconvene in upcoming weeks with direction for staff to pursue, reject, or counter Origis' proposal for Amendment to Whistling Duck PPA
- Some Whistling Duck participants likely to exit
- Path forward may include reconfiguring Whistling Duck participants and likely downsizing of Phase III effort

Member Participation – Three Phases of FMSP

Eight facilities to provide ~600MW to twenty cities

	Phase I (149 MW)		Phase II (149.8 MW)		Phase III (299.8 MW)				
City (ARP*)	Taylor Creek	Harmony	Rice Creek	Whistling Duck	Hampton	New River	Penholoway	Leyland	Total MW
Bushnell*							0.2	.44	0.7
Clewiston*							0.36	.84	1.2
Fort Meade*							0.15	.34	.5
Fort Pierce*		2.1	7.5	7.5			2.07	4.7	23.9
Green Cove Springs*							0.39	0.89	1.2
Havana*			0.125	0.125			0.09	0.2	.5
Homestead			2.5	2.5	10				15
Jacksonville Beach*		7	7.5	7.5			2.54	5.8	30.3
JEA					64.9	74.9			139.8
Key West*		3.5	12.5	12.5			2.69	6.16(ARP) + 12.6 = 18.76	50
Kissimmee*		20.9	10	10			6.12	14	61.1
Lake Worth Beach			13.25	13.25			33.4		59.9
Leesburg*							1.81	4.1(ARP) + 10 = 14.1	16
Mount Dora			1	1					2
New Smyrna Beach			5	5					10
Newberry*			0.5	0.5			0.15	0.34	1.5
Ocala*		7	10	10			4.74	10.8(ARP) + 3 = 13.8	45.6
OUC	74.5	34							108.5
Starke*							0.24	0.54	.8
Winter Park			5	5			20		30
Total	74.5	74.5	74.9	74.9	74.9	74.9	74.9 (ARP 21.55)	74.9 (ARP 49.25)	598.6

FMPA MUNICIPAL POWER

AGENDA ITEM 9 – INFORMATION ITEMS

b. Annual Environmental Program Update

Executive Committee
April 18, 2024

9b Annual Environmental Program Update

Executive Committee

April 18, 2024

Agenda

- Emissions Summary
- Acid Rain Compliance Summary
- Air Emissions Test Results
- Greenhouse Gas (GHG) Emissions Reporting
- Stock Island Fuel Tanks Update
- Regulatory Inspections
- Regulatory Updates

Emissions Summary

Emissions Follow the Capacity Factor of the Units

2023 Emissions (tons)	Cane Island	Treasure Coast	Stock Island	Total
CO	103.5	14.7	1.5	119.7
NO_x	166.3	37.7	22.8	226.8
PM	30.9	20.1	0.7	51.7
SO_2	2.7	4.0	0.01	6.7

Acid Rain Compliance Summary

Allowances were Submitted On-Time

Unit & Parameter	2023 Emissions	Allowances
Cane Island Units 1, 2, 3, 4 – SO_2	9	754
Stock Island CT4 – SO_2	0	25,097*
Treasure Coast Unit 1 – SO_2	4	337

*The large number of allowances in Stock Island is due to the retained ownership of allowances that were initially allocated to the retired Ralph Garcia facility

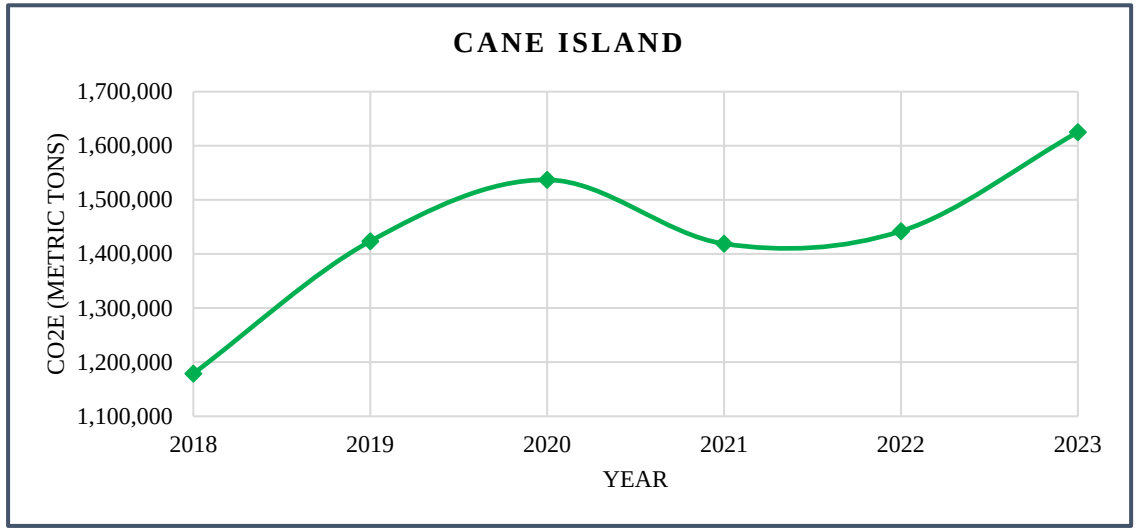
Air Emissions Test Results

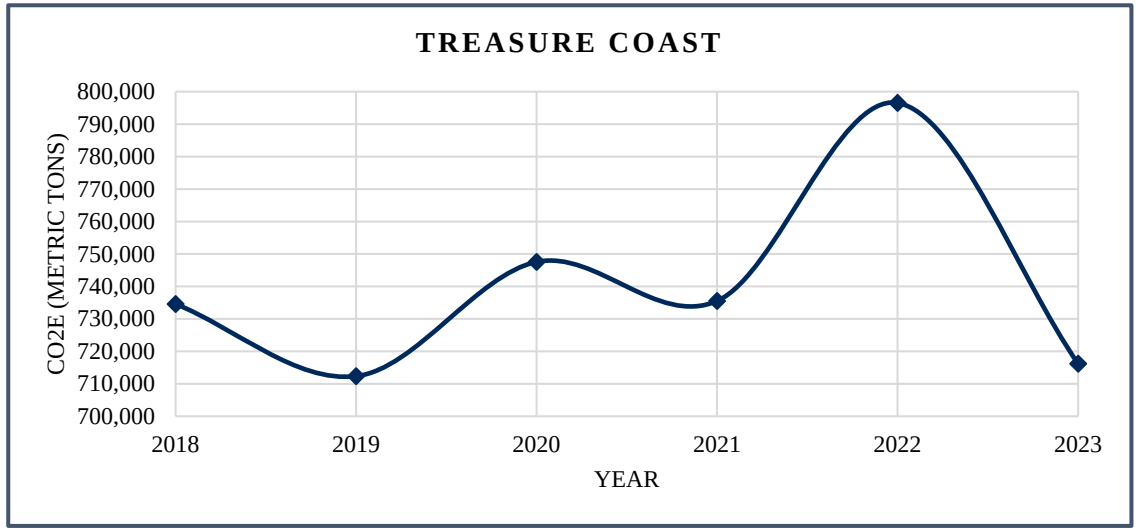
All Units Complied with their Title V Permits and 40 CFR 75

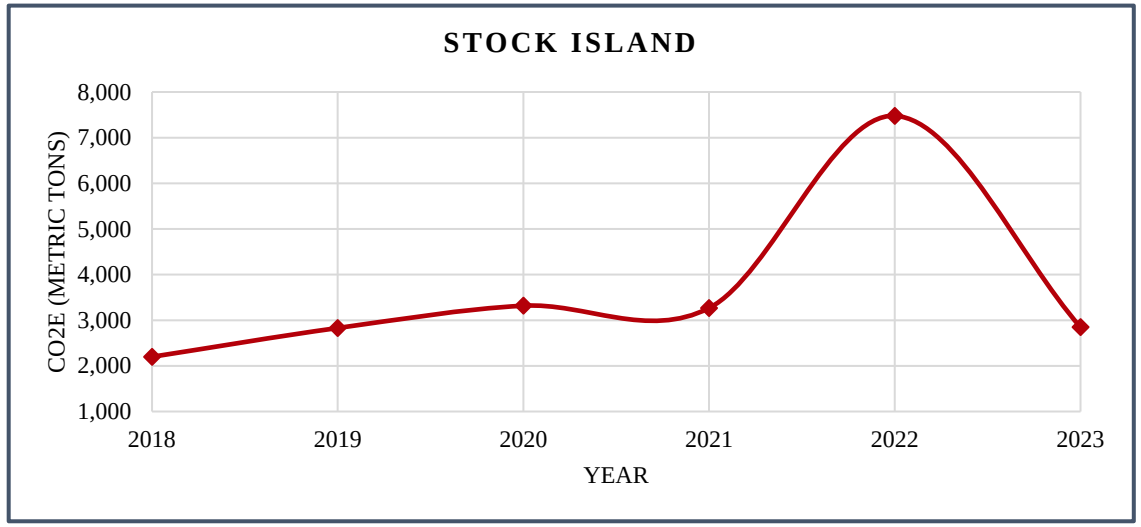
- Which units were tested?
  - CIPP: Unit 1, Unit 2 Main, Unit 3 Main, Unit 4
  - TCEC: Unit 1
  - SIGF: MSD1, MSD2
- Which tests were performed?
  - NOx and CO Relative Accuracy Test Audits (RATA)
  - CO Performance Tests
  - Visual Emission (VE) Tests

GHG Emissions Reporting

Scope 1 Emissions

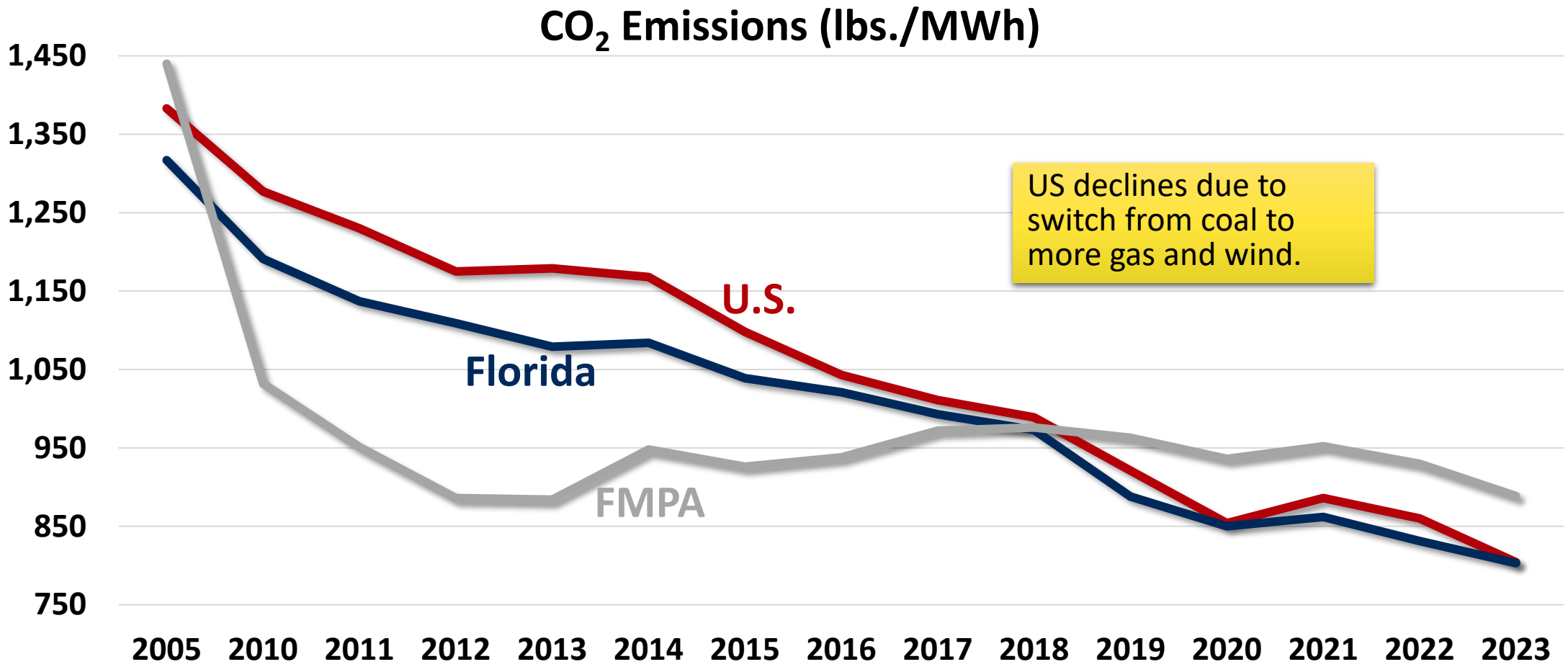






Power Sector CO_2 Declined ~42% Over Last 15 Years

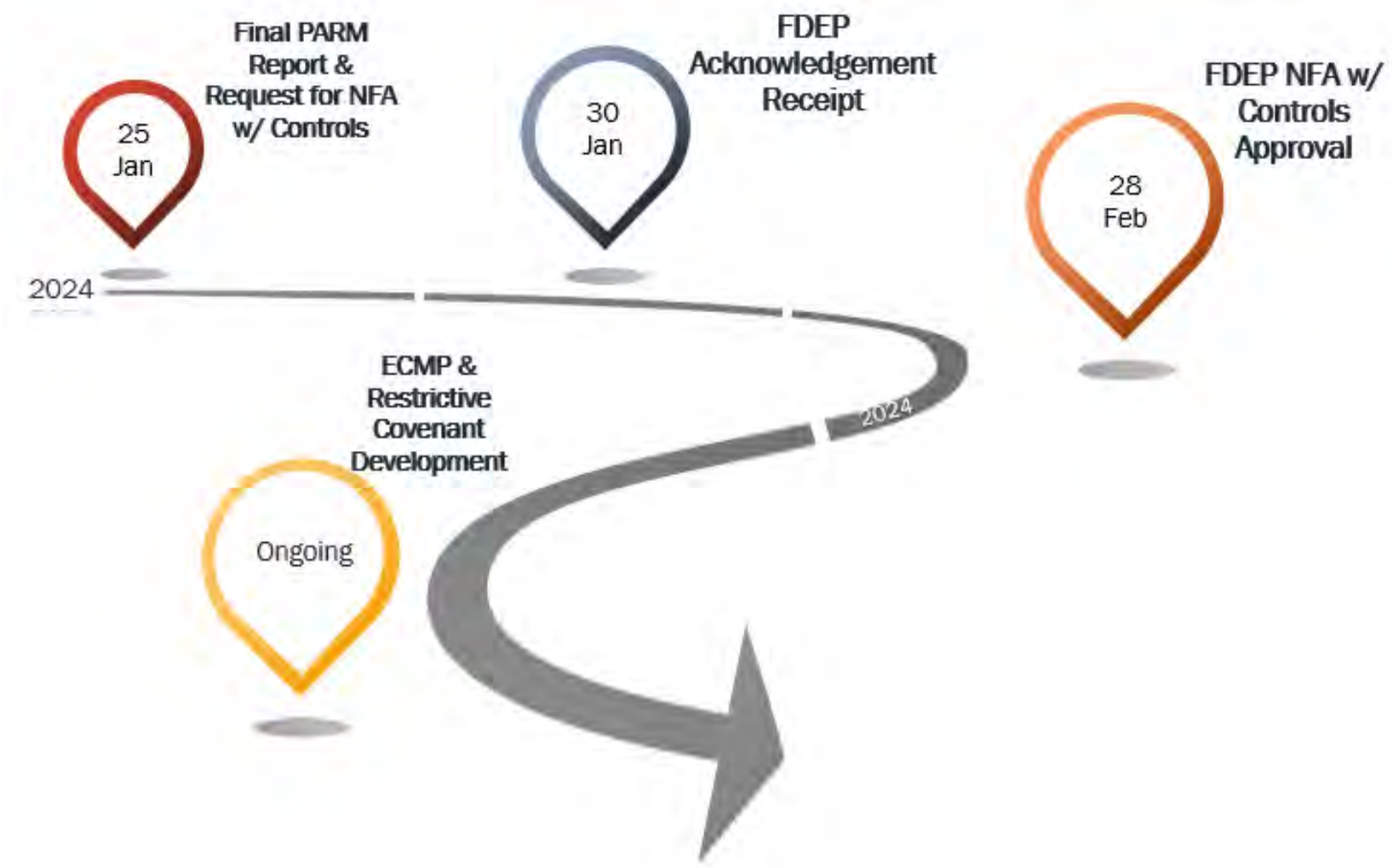
FMPA CO2 Down 38% from 2005 by Switching from Coal/Oil to Gas



SOURCES: EIA and EPA's Acid Rain Program database. Reflects emissions relative to total estimated generation w/renewables. US and FL 2023 are preliminary. ARP 2023 is calendar year.

Stock Island Tank #2 Discharge Progress Update

Case Closed (Conditionally)



Stock Island Fuel Oil Tanks Update

- In-Kind Project on Tanks #6,#7,#8
  - Rosemount 5408 level transmitters were installed successfully
  - PM “ENV-A-5408” was established
- Tank #2 Closure in Place
  - Registered as closed on March 15th

In-Kind Project Completed
March 6th

→

Notification to FDEP & Completion Report Submitted
March 12th

→

Tank #2 Closure Report Submitted
March 20th

→

Case Closed Letter Issued
April 1st

Regulatory Inspections

No Deficiencies were Found – ZERO Violations ✓

5 inspections

1 inspection

1 inspection

Regulatory Updates

Continuous Collaboration with the Florida Coordinating Group

- Proposed GHG Rule
- Environmental Justice
- 404 State Assumption
- Waters of the US (WOTUS)
- Stormwater Rulemaking
- Per- and poly-fluoroalkyl substances (PFAS)
- Universal Waste – Solar Panels
- Used Oil Storage Rulemaking

Thank you.

AGENDA ITEM 9 – INFORMATION ITEMS

c. Mulberry Update

Executive Committee
April 18, 2024

EC 9c – Mulberry Update

FMPA Executive Committee

April 18, 2024

Mulberry Rotor Replacement Cancelled Due to Risks

FMPA and Northern Star Could Not Agree on Appropriate Risk Allocation

- Mulberry close set to Occur August 7, 2024
- The Mulberry Asset Purchase Agreement (APA) provided for acquisition of a spare steam turbine rotor
  - $4M cost for new rotor was split between NS and FMPA
  - Previous cracking resulted in machining and repair of existing rotor, acquiring a spare was in unit's long term operation best interests
  - GE assessed lifespan to 2026
- Verbal agreement reached regarding FMPA & NS partnering on utilization of the spare rotor for replacement during Spring 2024 outage
- FMPA drafted contractual agreement to protect Members for three forms of risk:
  - Onsite outage damage to rotor not allowing installation
  - Post installation rotor not performing as expected due to poor installation but acceptable
  - Rotor installed, operated for a period, but ultimately must be removed by FMPA shortly after taking ownership
- Upon considering the remedies for these risks, reviewing the contractor warranty and insurance coverage, Northern Star could not financially justify taking on the outage, even for their initial intended benefit
- Northern Star also benefits financially through their existing PPA be returning to capacity and energy availability two weeks early

FMPA Now Working With NS On Protections for Rotor

Rotor Installation Timing Now Dependent On Discussions with GE

- Mulberry Purchase Agreement required FMPA to pay 50% of rotor cost if not materially damaged in transit
  - Rotor arrived from GE with no damage to crate, but still sealed in packing
- GE warranty on rotor expires 18 months after delivery or 12 months after installation
- FMPA will seek storage of the rotor in an appropriate semi-permanent container to prevent any corrosion or warping
- NS had already purchased all supporting hardware to allow for installation.
  - The purchase agreement did not require FMPA to pay for any of these parts
  - FMPA and NS will negotiate the outcome of the parts
- Secondary due diligence has begun with the outage starting 4/4

AGENDA ITEM 9 – INFORMATION ITEMS

d. GRIP Grant Update

Executive Committee
April 18, 2024

EC 9d – GRIP Grant Update

Executive Committee

April 18, 2024

Grid Resilience & Innovation Partnership (GRIP) ~$10B

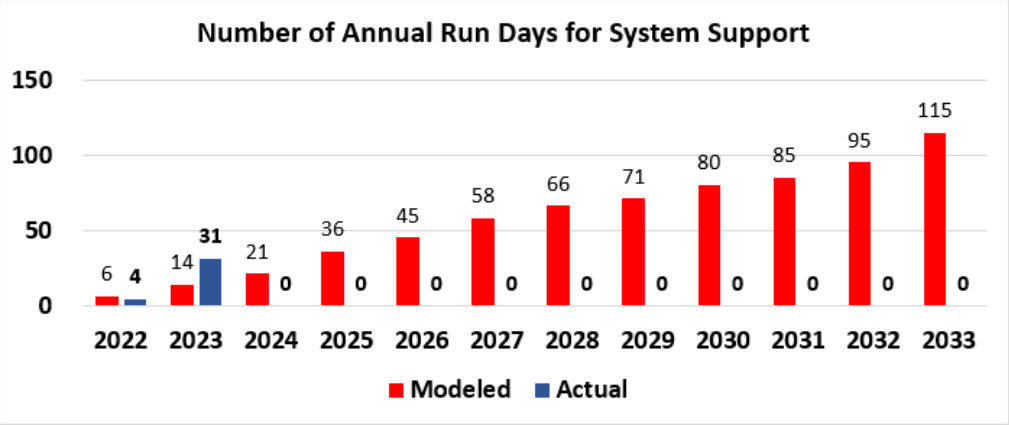
KEYS Concept Paper Accepted for 2nd Round Of Funding

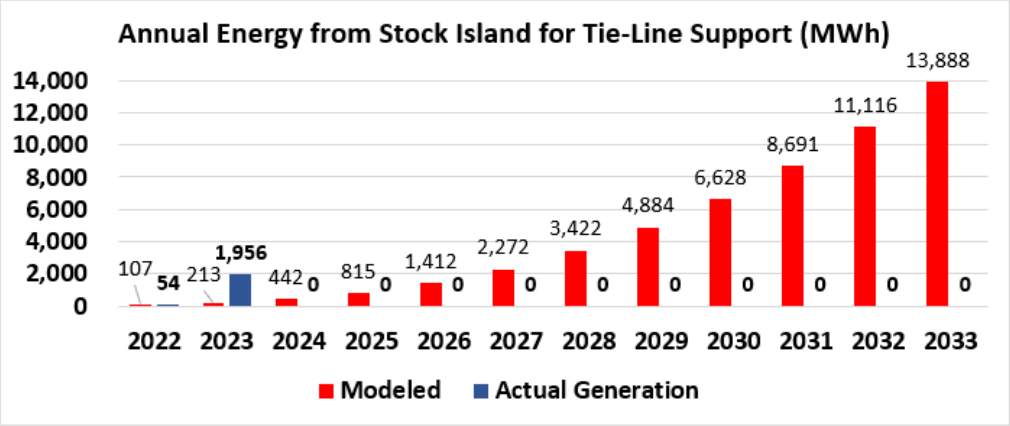
- KEYS is pursuing 2nd round of funding for GRIP grant, which reflects pool of up to $3.9B as driven from Bipartisan Infrastructure Law (50% cost share)
- Goals are to deploy resources to enhance grid flexibility and improve resilience of the power system
- Concept paper due January 2024 was submitted and received with encouragement to prepare full package by May 2024
- KEYS proposal includes key elements such as AMI, Battery Energy Storage System (BESS) deployment, replacement/enlargement of two autotransformers, distribution reclosers, and other related technology components
- FMPA supporting KEYS with package, focusing on BESS benefits (direct and indirect through emissions reductions) and overall value proposition

Tie-Line Support Above Modeled Due to Weather

Weather Normalized Analysis Suggests Gradual Growth

- The Stock Island assets generated 1,956 MWh for tie-line support this year under 31 event days.
- Weather normalizing KEYS and recognizing uncertainty in FKEC weather response and losses, using KEYS' existing normalization model, we would expect ~33-86 MWh over ~4-8 event days
- Suggests strike and energy amounts closer to 2022 actuals, and more gradual pace of change absent weather
- Hot summers persisting can move frequency higher and with 50% cost share reduces uncertainty on BESS value





S&L Feasibility Findings Reflected Value w/Growth

~$1,300 per kW Cost Modeled in Use Case Study

- Recent IRP BESS costs estimated at ~$2,200 per kW by 1898
- Cost increases driven by recent inflation
- 50% cost share and ITC could bring effective capital cost to ~$1,000 or closer to parity with S&L study estimates
- FKEC load growth uncertain – no "perfect" strike time
- Cost share will bring value in avoided energy and reduce long term wear on rest of Stock Island fleet

BESS target of 10-15 MW w/4 hour duration.

Figure ES-2 — Effects on Overall NPV of Load Growth Rate Assumptions

AGENDA ITEM 9 – INFORMATION ITEMS

e. FMPA-KUA Transmission Owner Registration for Cane Island North Bay Substation

Executive Committee
April 18, 2024

9e – FMPA-KUA Transmission Owner Registration for Cane Island Substation North Bay

Executive Committee

April 18, 2024

Revise FMPA-KUA Transmission Owner Registration

Eliminate Unnecessary Compliance Risk with Change in Configuration

- FMPA and KUA are NERC-registered Transmission Owners (TOs) for certain substation facilities at Cane Island
- KUA currently performs compliance related activities for *entire* substation
- Arrangement creates unnecessary risk of double jeopardy, compliance violations.
- **Objective**: Simplify compliance relationship and reduce risk by clearly delineating responsibility for transmission assets vs. generation assets:
  - FMPA registered as sole Generator Owner (complete)
  - KUA registered as sole Transmission Owner, FMPA deregister as TO

Current CIPP Substation Ownership Structure

- FMPA & KUA Shared CIPP Substation Ownership
  - FMPA: 67.8% of 4 bus sections, 12 breakers, 4 transmission lines
  - KUA: 32.2% of 4 bus sections, 12 breakers, 4 transmission lines
- FMPA Sole Ownership of CIPP North Bay
  - 100% of 1 bus section, 2 breakers (North Bay)
    - FMPA installed Special Protection System (SPS) at CI substation North Bay, increasing NERC compliance responsibility - FMPA responsible party
    - However, SPS was retired in May 2021
  - Sole reason why FMPA is registered as a TO

FMPA Deregistration / KUA Registration

Joint Registration Organization (JRO)

- Definition of "Transmission Owner" is the "entity that owns and maintains transmission Facilities."
  - KUA maintains, but does not "own" any portion of the North Bay
- Solution: KUA becomes a Joint Registration Organization (JRO) on behalf of FMPA and KUA for TO function
  - JRO agreement b/n FMPA and KUA (*see* NERC Rules of Procedure, s. 507)
  - No Cane Island asset ownership changes necessary
  - KUA registers with SERC/NERC as JRO TO; FMPA deregisters

Next Steps

- No action requested at this time
- May EC Meeting: Approval of Joint Registration Organization Agreement between FMPA and KUA to be requested

AGENDA ITEM 9 – INFORMATION ITEMS

f. Update Solar and Natural Gas Prepays

Executive Committee
April 18, 2024

EC 9f – Update Solar and Natural Gas Prepays

Executive Committee

April 18, 2024

Prepay Update Solar Paused / Natural Gas Significate Savings

- **Solar Prepay with Energy Southeast**
  - **Loss of Two Participates**
  - **Loss of Two FMPA Solar PPAs**
  - **Dollars size not enough to go to market**
- **Energy Southeast/Goldman and FMPA working on other possible participants**
  - **Deal needs ~$11 million annually of PPA transactions to justify the transaction**

- **16 ARP Natural Gas Prepay Transactions**
  - **The last one comes online in May**
  - **Annual savings at least $12+ million per year**
  - **Annually ~ 75% of current ARP burn**

AGENDA ITEM 10 – MEMBER COMMENTS

Executive Committee
April 18, 2024

AGENDA ITEM 11 – ADJOURNMENT

Executive Committee
April 18, 2024