



## FMPA BOARD OF DIRECTORS AGENDA PACKAGE

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**AUGUST 22, 2024**

**9:00 a.m. [NOTE TIME]**

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

**Conference ID Number: 291 336 119 741#**

### **Board of Directors**

Barbara Quiñones, Homestead –Chair  
Lynne Tejada, Key West – Vice Chair  
Robert C. Page, Green Cove Springs – Secretary  
Allen Putnam, Jacksonville Beach – Treasurer  
Rodolfo Valladares, Alachua  
Laura Simpson, Bartow  
Traci Hall, Blountstown  
Christina Simmons, Bushnell  
Robert Presnell, Chattahoochee  
Lynne Mila, Clewiston  
Steve Doyle, Fort Meade  
Javier Cisneros, Fort Pierce  
Dino DeLeo, Gainesville  
Howard McKinnon, Havana  
Raynetta Curry Marshall, Jacksonville  
Brian Horton, Kissimmee

Ed Liberty, Lake Worth Beach  
Mike Beckham, Lakeland  
Brad Chase, Leesburg  
Vacant, Moore Haven  
Steve Langley, Mount Dora  
Mike New, Newberry  
Efren Chavez, New Smyrna Beach  
Janice Mitchell, Ocala  
Ken Zambito, Orlando  
Rob Nixon, Quincy  
Kolby Urban, St. Cloud  
Drew Mullins, Starke  
Tony Guillen, Tallahassee  
James Braddock, Wauchula  
Terry Bovaird, Williston  
Jamie England, Winter Park

### **Meeting Location**

**Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando, FL 32819  
(407) 355-7767**



# MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Jacob A. Williams, General Manager and CEO  
**DATE:** August 15, 2024  
**RE:** **FMPA Board of Directors Meeting – 9:00 a.m., August 22, 2024**  
**PLACE:** Florida Municipal Power Agency  
 8553 Commodity Circle, Orlando, FL 32819  
**DIAL-IN:** **DIAL-IN INFO 321-299-0575, 291 336 119 741**  
 (If you have trouble connecting via phone or internet, call 407-355-7767)  
**LINK:** [Click here to join the meeting](#)

## AGENDA

**Chairperson Barbara Quiñones, Presiding**

- 1. **Call to Order, Roll Call, Declaration of Quorum** ..... 4
- 2. **Recognition of Guests**..... 5
- 3. **Public Comments (Individual public comments limited to 3 minutes)**..... 6
- 4. **Set Agenda (by vote)** ..... 7
- 5. **Report from the General Manager (Jacob Williams)**..... 8
- 6. **Sunshine Law Update (Dan O’Hagan)**..... 9
- 7. **Consent Agenda**
  - a. **Approval of the Minutes for the Meeting Held Wednesday July 31, 2024**..... 11
  - b. **Approval of the Projects’ Preliminary Financials as of June 30, 2024** ..... 17
  - c. **Approval of the Treasury Reports as of June 30, 2024** ..... 19
  - d. **Approval of Depository Bank Contract Extension \*** ..... 23

**8. Action Items**

- a. None.....27

**9. Information Items**

- a. FMSP Amendments to Phase II and Phase III PPA's \* (Susan Schumann) 29
- b. Notice of Annual Continuing Disclosure Report of the Fiscal Year Ended September 30, 2023 \* (Ed Nunez) ..... 166
- c. Pooled Loan Program New Credit Provider (Sena Mitchell) .....366
- d. Proposed Procurement Modifications FY 2025 \* (Danyel Sullivan-Marrero)371

**10. Member Comments ..... 376**

**11. Adjournment ..... 377**

**\*Also on the Executive Committee agenda.**

JW/su

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**

**Board of Directors Meeting  
August 22, 2024**

**AGENDA ITEM 2 – RECOGNITION OF  
GUESTS**

**Board of Directors Meeting  
August 22, 2024**

**AGENDA ITEM 3 – PUBLIC  
COMMENTS (Individual Public  
Comments Limited to 3 Minutes)**

**Board of Directors Meeting  
August 22, 2024**

**AGENDA ITEM 4 – SET AGENDA (By  
Vote)**

**Board of Directors Meeting  
August 22, 2024**

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

**Board of Directors Meeting  
August 22, 2024**



**AGENDA ITEM 6 – SUNSHINE LAW  
UPDATE**

**Board of Directors Meeting  
August 22, 2024**

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of the Minutes for the  
Meeting Held July 31, 2024**

**Board of Directors Meeting  
August 22, 2024**

**MINUTES**  
**FMPA BOARD OF DIRECTORS MEETING**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**WEDNESDAY, JULY 31, 2024**  
**1 SOUTH COUNTY ROAD**  
**PALM BEACH, FL 33480**  
**8:00 A.M.**

**MEMBERS PRESENT** Michael Poucher, Bartow  
Lynne Mila, Clewiston  
Javier Cisneros, Fort Pierce  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana  
Barbara Quiñones, Homestead  
Raynetta Curry Marshall, Jacksonville  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West  
Jason Terry, Kissimmee  
Ed Liberty, Lake Worth Beach  
Mike Beckham, Lakeland  
Steve Langley, Mount Dora  
Efren Chavez, New Smyrna Beach  
Janice Mitchell, Ocala  
Drew Mullins, Starke  
Tony Guillen, Tallahassee  
Jonathen Bishop, Williston  
Jamie England, Winter Park

**OTHERS PRESENT** Danny Williams, Clewiston  
Daniel Retherford, Fort Pierce  
Barbara Mika, Fort Pierce  
Rachel Tennant, Fort Pierce  
Monserrath Martinez, Fort Pierce  
Barbara Bennett, Fort Pierce  
Billy Branch, Homestead  
Ricky Erixton, Jacksonville  
Kurt Wilson, Jacksonville  
Wayne Young, Jacksonville  
Kevin Crawford, Kissimmee  
Scott Bishop, Lakeland  
Doug Peebles, Ocala  
Jim Hilty, Ocala  
Scott Roberts, Starke  
Michael Miller, Williston  
Miguel Cruz, Winter Park

Lisa Vedder, Winter Park  
Aaron Castro, FMPP  
Robert Taylor, GDS  
Terry Torrens, OUC  
Scott Corwin, APPA  
Craig Dunlap, Dunlap and Associates Inc.  
Filipp Khosh, NUARI  
Matthew Eckhart, nFront Consulting  
Jonathan Nunes, nFront Consulting  
Steven Stein, nFront Consulting  
Phil Kramer, Open International  
Robert Shostak, Hilton Securities  
Liz Columbo, Nixon Peabody  
Alana Stuart, Enercon Services  
Kristina Angiulli, Enercon Services  
Rafael Couret, Power Engineers Inc.  
Robert Patrylak, Patrylak Energy Advisors

**STAFF PRESENT** Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and CLO  
Ken Rutter, Chief Operating Officer  
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, Public Relations and External Affairs Manager  
Chris Gowder, Vice President IT/OT and System Ops  
Emily Maag, Public Relations Specialist  
Rich Popp, Chief Financial Officer  
Lindsay Jack, Senior Administrative & Member Services Assistant  
Wayne Koback, IT Manager  
Jose Bravo, Manager of Member Services Development - Substation

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

Chair, Barbara Quiñones, Homestead, called the Board of Directors meeting to order at 8:00 a.m. on Wednesday, July 31, 2024, at The Breakers, 1 South County Road, Palm Beach, Florida. The roll was taken, and a quorum was declared with 18 members present representing 28 votes out of a possible 48.5 votes.

Allen Putnam, Jacksonville Beach, joined after roll call bringing the quorum to 19 members present representing 30 votes out of a possible 48.5.

## **ITEM 2 – Recognition of Guests**

None

## **ITEM 3 – PUBLIC COMMENTS (Individual Public Comments Limited to 3 Minutes)**

None

## **ITEM 4 – SET AGENDA (by vote)**

**MOTION:** Howard McKinnon, Havana, moved approval of the agenda as presented. Lynne Tejeda, Key West, seconded the motion. Motion carried 31-0.

## **ITEM 5 – REPORT FROM THE GENERAL MANAGER**

Jacob Williams reported on the following items:

1. Goals Score Card
2. US Supreme Court decision on Chevron deference doctrine
3. FMPA's Policy Makers Liaisons Committee – Encourage your policy makers to attend the session at the Annual Conference tomorrow, Thursday August 1, 2024 at 3:15.
4. General Fund Transfer survey will be going out in August.

## **ITEM 6 – SUNSHINE LAW UPDATE**

Dan O'Hagan reported on gift law limits for Form 1 reporting individuals.

## **ITEM 7 – CONSENT AGENDA**

- a. Approval of Minutes – Meeting Held June 20, 2024
- b. Approval of the Projects' Preliminary Financials as of May 31, 2024
- c. Approval of the Treasury Reports as of May 31, 2024

**MOTION:** Lynne Tejeda, Key West, moved approval of the consent agenda. Bob Page, Green Cove Springs, seconded the motion. Motion carried 30-0.

## **ITEM 8 – ACTION ITEMS**

### **a. Nomination and Election of Officers**

Howard McKinnon, Havana, Chair of the Nominating Committee said the Committee met and discussed the recommendation for Officers for 2024-2025. The following slate of Officers is what the Nominating Committee is recommending to the Board.

|                                  |            |
|----------------------------------|------------|
| Barbara Quiñones, Homestead      | Chair      |
| Lynne Tejada, Key West           | Vice Chair |
| Bob Page, Green Cove Springs     | Secretary  |
| Allen Putnam, Jacksonville Beach | Treasurer  |

**MOTION:** Javier Cisneros, Fort Pierce, moved approval of the Nominating Committee recommendation of Board of Directors Officers for the 2024-2025 term as presented. Drew Mullins, Starke, seconded the motion. Motion carried 30-0.

## **ITEM 9 – INFORMATION ITEMS**

### **a. Florida Municipal Solar Project Update**

Susan Schumann provided an update on the Florida Municipal Solar Project.

### **b. FMPA Communications and Social Media Analytics**

Emily Maag provided an update on FMPA communications and social media analytics.

### **c. Human Resources Quarterly Update**

Sharon Adams presented the Quarterly Human Resources Update.

### **d. Member Services Update**

Mike McCleary presented the Quarterly Member Services Update.

## **ITEM 10 – MEMBER COMMENTS**

Chair, Barbara Quiñones, Homestead, advised that Sue Utley will be scheduling a call/Teams meeting for input from the Board of Directors for Jacob's and Jody's evaluations. She encouraged everyone to attend the Board of Directors luncheon tomorrow.

**ITEM 11 – ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:07 a.m.

\_\_\_\_\_  
Barbara Quiñones  
Chairperson, Board of Directors

\_\_\_\_\_  
Bob Page  
Secretary

Approved: \_\_\_\_\_

Seal

BQ/su

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- b. Approval of the Projects'  
Preliminary Financials as of June  
30, 2024**

**Board of Directors Meeting  
August 22, 2024**





**Rich Popp**  
Chief Financial Officer

## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Board of Directors  
**FROM:** Rich Popp  
**DATE:** August 15, 2024  
**SUBJECT:** 7b – Approval of Projects’ Financials as of June 30, 2024

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**Discussion:** The summary financial statements and detailed financial statements, which include GASB #62 transactions, of the Projects for the period ended June 30, 2024 are posted on the Document Portal section of FMPA’s website.

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**Recommended:** Move approval of the Projects’ Financial Reports for the month ended June 30, 2024.

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RP/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Treasury Reports  
as of June 30, 2024**

**Board of Directors Meeting  
August 22, 2024**



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Board of Directors  
 FROM: Melissa Cain  
 DATE: August 15, 2024  
 ITEM: BOD 7(c) – Approval of Treasury Reports as of June 30, 2024

**Introduction** This agenda item is a quick summary update of the Treasury Department’s functions.

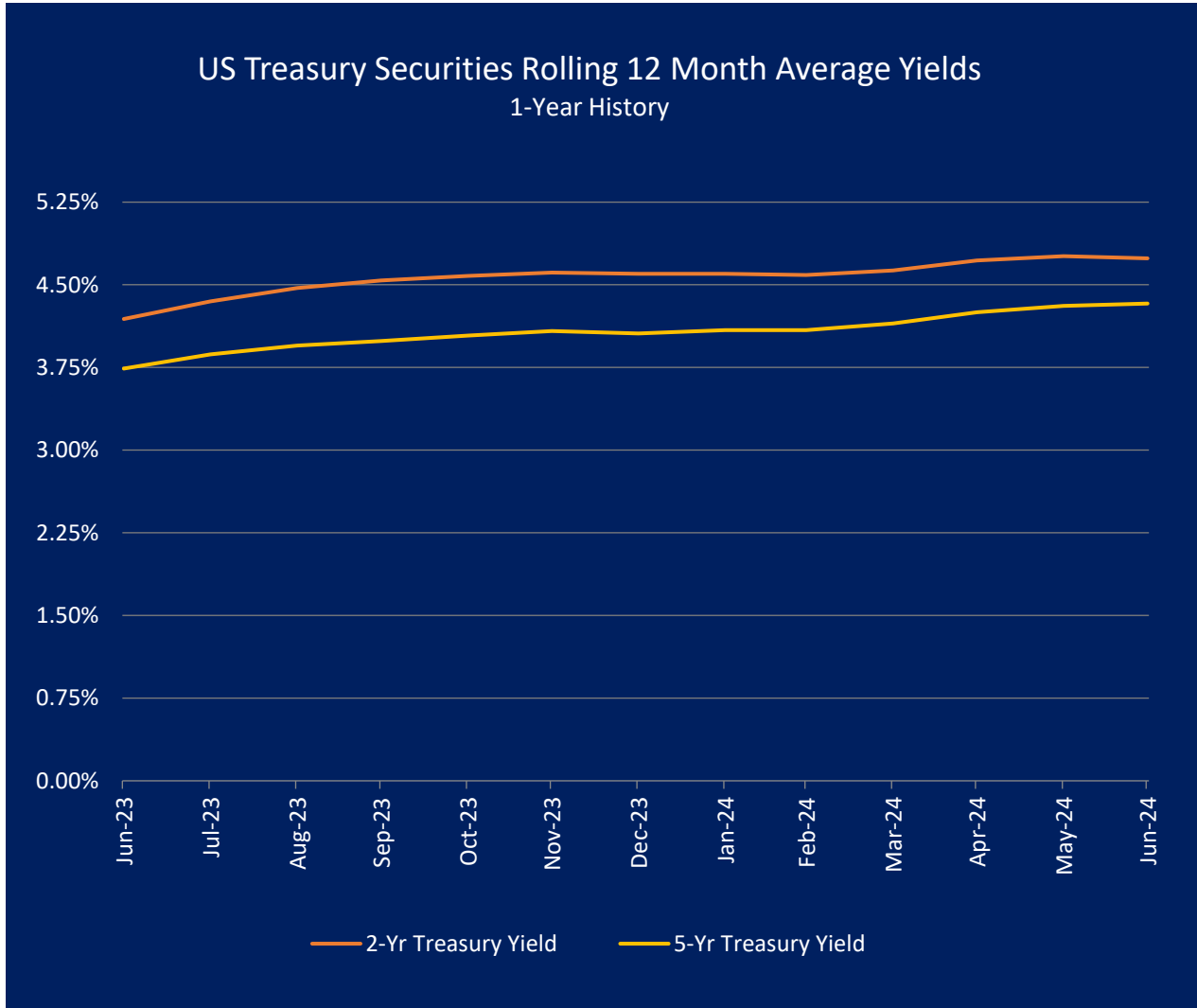
The Treasury Department reports for June are posted in the member portal section of FMPA’s website.

**Debt Discussion** Below is a summary of the total debt outstanding and the percentage of debt that was fixed, variable or synthetically fixed with interest rate swaps as of June 30, 2024.

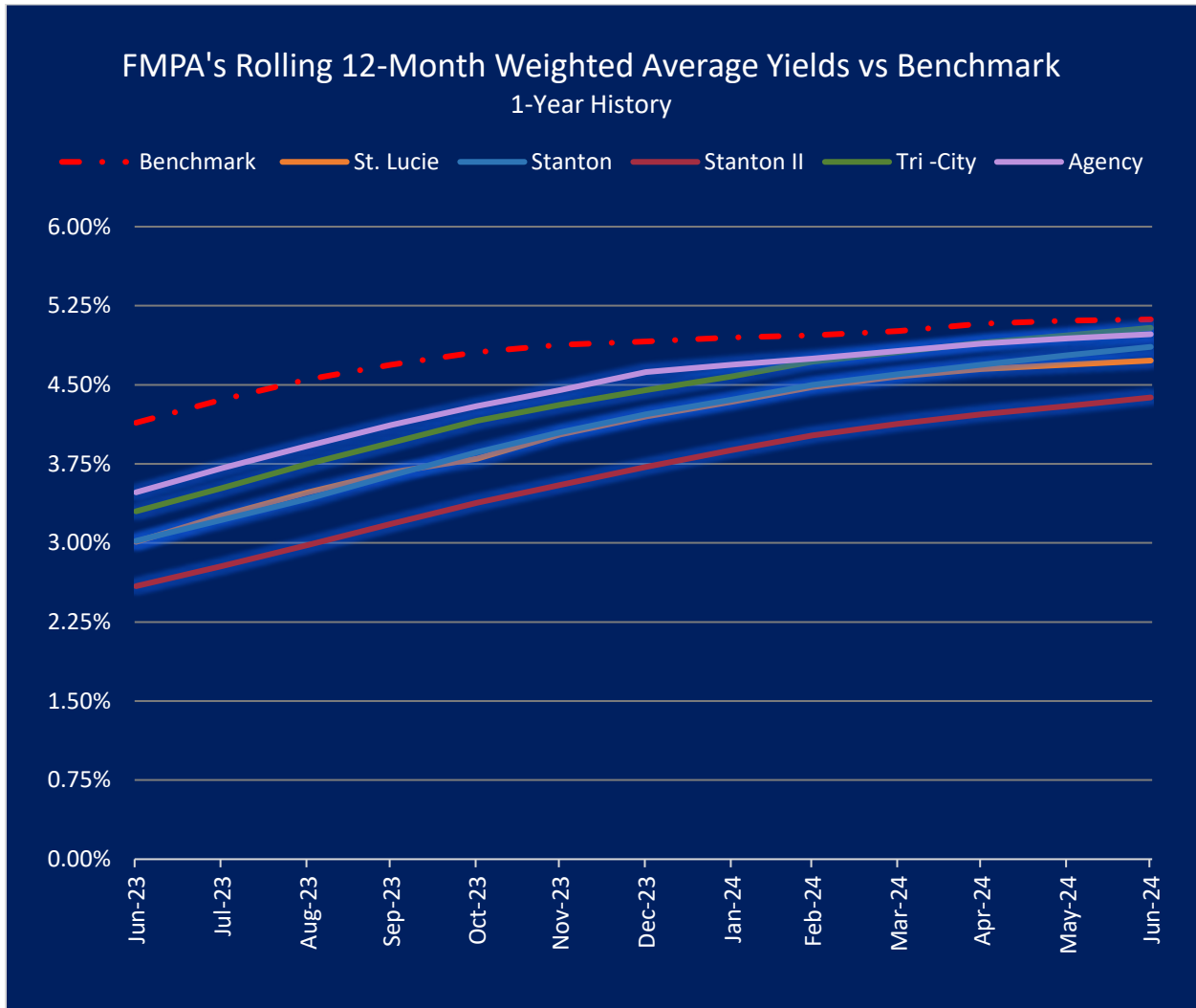
|            | <b>Total debt<br/>Outstanding</b> | <b>Fixed Rate</b> | <b>Variable<br/>Rate</b> | <b>Synthetically<br/>Fixed</b> |
|------------|-----------------------------------|-------------------|--------------------------|--------------------------------|
| Agency     | 1,000,000.00                      | 100%              | 0%                       | 0%                             |
| St Lucie   | 50,600,000.00                     | 100%              | 0%                       | 0%                             |
| Stanton    | 0.00                              | 0%                | 0%                       | 0%                             |
| Stanton II | 61,638,500.11                     | 100%              | 0%                       | 0%                             |
| Tri City   | 0.00                              | 0%                | 0%                       | 0%                             |

**Investment Discussion** The investments in the Projects 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, Certificates of Deposits, Commercial Paper, Municipal Bonds, Corporate Notes, Local Government Investment Pools, and Money Market Mutual Funds.

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 June 30, 2024, of 4.74%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 4.33%.



The rolling 12- month weighted average yields on investments earned as of June 30, 2024, in the Projects, along with their benchmark (Average of Florida Prime Fund and 2-year treasury), are as follows:



Recommended  
Motion

Move approval of the Treasury Reports for June 30, 2024.

**AGENDA ITEM 7 – CONSENT  
AGENDA**

**d. Approval of Depository Bank  
Contract Extension**

**Board of Directors Meeting  
August 22, 2024**



# **7d – Approval of Depository Bank Contract Extension with Wells Fargo**

Board of Directors

August 22, 2024

# Current Provider Overview

## *The Advantages of Wells Fargo*

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- Switched to Wells Fargo in October 2019
  - Contract valid through October 2024 with two one-year extension options
- FMPA has saved over \$47,000 a year since switching to WF
  - Current costs ~\$8,000/year for all accounts
- Robust banking platforms with same day ACH and real time data
- Recent Integration with Acumatica enhanced payment process
- Integration with Principal Custody services with no cost (grandfathered)
- Supports the Corporate Card program



# Sticking with Stability

## *Why Wells Fargo remains the right choice*

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- Integration with a new bank would be resource-intensive and time
- Wells Fargo has some of the best pricing, capabilities, and financial strength in the industry
- Earnings Credit Rate (ECR) increased recently by .70% to 2.35%.  
(fluctuations can also be based off market conditions)
- Future bank fees anticipated to be nearly zero, reducing operational costs
- Finance Committee supports extension

# Recommended Motion

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- Move approval to exercise both one-year extensions available in the Wells Fargo contract, setting the new contract expiration date to October 15, 2026.

**AGENDA ITEM 8 – ACTION  
ITEMS**

**a. None**

**Board of Directors Meeting  
August 22, 2024**

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- a. FMSP Amendments to Phase II  
and Phase III PPA's**

**Board of Directors Meeting  
August 22, 2024**



# 9a – FMSP Amendments to Phase II and Phase III PPA's

Board of Directors

August 22, 2024

# Whistling Duck Amendment Requested by Origis

*Reconfiguration of Phase III facilities allows optimal allocation of shares*

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- Whistling Duck Amendments requested - regulation, inflation and interconnection concerns:
  - Extension of Commercial Operation Date
  - Increase to contract price
- Eight of twelve Whistling Duck participants (~41.6MW) will exit project due to increase
- Reconfiguration of Whistling Duck and Phase III PPA's to optimize participation. Assumes:
  - Reallocation of member participation to reduce from five to four total facilities
  - Whistling Duck, Leyland, Hampton, and New River PPA's will require amendments.
  - Penholoway will require mutual termination agreement.
  - Optimization of member allocations between FPL and Duke interconnected facilities.
    - Energy Exchange Agreements between ARP, Homestead and Mount Dora will be required.
  - ARP reduces Phase III allocation (from 70.85 MW to ~31 MW)
  - All affected facilities will have equal pricing in \$/MWh

# Current Allocations for All Five Facilities

*Red numbers indicate 8 participants planning to exit Whistling Duck*

*Blue indicates Leesburg's plan to exit Leyland and Phase III Individual Share*

| Participant        | Whistling Duck (DEF) | Leyland (DEF) | Penholoway (DEF) | Hampton (FPL) | New River (FPL) | Total  |
|--------------------|----------------------|---------------|------------------|---------------|-----------------|--------|
| ARP                |                      | 49.3          | 21.55            |               |                 | 70.85  |
| Fort Pierce        | 7.5                  |               |                  |               |                 | 7.5    |
| Havana             | 0.125                |               |                  |               |                 | 0.125  |
| Homestead          | 2.5                  |               |                  | 10            |                 | 12.5   |
| Jacksonville Beach | 7.5                  |               |                  |               |                 | 7.5    |
| JEA                |                      |               |                  | 64.9          | 74.9            | 139.8  |
| Key West           | 12.5                 | 12.6          |                  |               |                 | 25.1   |
| Kissimmee          | 10                   |               |                  |               |                 | 10     |
| Lake Worth Beach   | 13.275               |               | 33.35            |               |                 | 46.625 |
| Leesburg           |                      | 10            |                  |               |                 | 10     |
| Mount Dora         | 1                    |               |                  |               |                 | 1      |
| New Smyrna Beach   | 5                    |               |                  |               |                 | 5      |
| Newberry           | 0.5                  |               |                  |               |                 | 0.5    |
| Ocala              | 10                   | 3             |                  |               |                 | 13     |
| Winter Park        | 5                    |               | 20               |               |                 | 25     |
| Total              | 74.9                 | 74.9          | 74.9             | 74.9          | 74.9            | 374.5  |

# Revised Participant Allocations by Facility

*Weighted toward Whistling Duck for earlier solar delivery*

| Participant      | Whistling Duck (DEF) | Leyland (DEF) | Penholoway (terminate) | Hampton (FPL) | New River (FPL) | Total  |
|------------------|----------------------|---------------|------------------------|---------------|-----------------|--------|
| ARP              |                      | 31.175        |                        |               |                 | 31.175 |
| JEA              |                      |               |                        | 74.9          | 74.9            | 149.8  |
| Homestead        | 9                    | 3.5           |                        |               |                 | 12.5   |
| Key West         | 27                   | 9.5           |                        |               |                 | 36.5   |
| Lake Worth Beach | 20.900               | 20.725        |                        |               |                 | 41.625 |
| Ocala            |                      | 3             |                        |               |                 | 3      |
| Winter Park      | 18                   | 7             |                        |               |                 | 25     |
| Total            | 74.9                 | 74.9          |                        | 74.9          | 74.9            | 299.6  |



# Five PPA's Will Be Impacted by This Action

## *Required Reconfigure and Reduce from Five to Four Facilities*

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- Whistling Duck Amendments
  - Amend project pricing
  - Extend Commercial Operation Date
  - Increase Daily Damages
  - Update Participants and Shares
- Leyland and Hampton Amendments
  - Update Participants and Shares, minor corrections, and update to attached Power Sales Contract
  - Leyland credit downgrade event revised to make consistent with Whistling Duck language
- New River Amendment
  - Minor corrections and update to attached Power Sales Contract
- Penholoway Mutual Termination and Release Agreements

# Other Agreements / Enabling Documents

## *Participation Agreements, Power Sales Contracts, Energy Exchange*

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No substantive changes to these documents; only revisions to enable PPA Amendments:

- ARP Individual participants will approve revised Participation Agreements, including revised Schedule B-1, or Mutual Termination & Release
- Solar II and III Project participants will approve revised Power Sales Contracts
- Energy Exchange Agreements between ARP, Homestead and Mount Dora will be required to avoid transmission wheeling

# Target September BOD and EC Approval and Execution

## *Local approvals scheduled in August / September*

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- Phase II and III Committees approve PPA Amendments at July 22 meeting
- Following Committee approvals, Phase II and III participants receiving local governing board approvals for PPA Amendments and enabling documents
  - Includes Power Sales Contracts, Participation Agreements (ARP Individual participants), and Exchange Agreements (Mount Dora and Homestead)
  - Target date for local approvals is **September 18, 2024**
  - FMPA Staff available for support
- Board and EC to approve Amendments to all affected PPA's and enabling documents at **September 19 meetings**

# Recommended Motions (August – No Action)

*For Approval at September Board and Executive Committee Meetings*

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## Board of Directors:

- Move for approval of:
  - Amendment Number 2 to Whistling Duck Solar PPA
  - Amendment Number 1 to Hampton Solar PPA
  - Amendment Number 1 to New River Solar PPA
  - New Leyland Solar PPA
  - Mutual Termination & Release of Penholoway Solar PPA
  - Amendment Number 2 to Solar II Project Power Sales Contract
  - Amendment Number 1 to Solar III Project Power Sales Contract

Such approval to be conditioned upon receipt of all required local governing board approvals. Authorize execution of all documents necessary to effect the same.

# Recommended Motions (August – No Action)

## *For Approval at September Board and Executive Committee Meetings*

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### **Executive Committee:**

- Move for approval of:
  - Amendment Number 2 to Whistling Duck Solar PPA
  - Amendment Number 1 to Leyland Solar PPA
  - Mutual Termination & Release of Penholoway Solar PPA
  - First Amended and Restated Solar II Participation Agreements, including amendment to ARP Contract Rate Schedule B-1:
    - Fort Pierce, Havana, Jacksonville Beach, Key West, KUA, Newberry, Ocala
  - First Amended and Restated Solar III Participation Agreements, including amendment to ARP Contract Rate Schedule B-1:
    - Key West, Leesburg, Ocala
  - Mutual Termination & Release of Leesburg Solar III Participation Agreement
  - Energy Exchange Agreement with the City of Homestead
  - Energy Exchange Agreement with the City of Mount Dora

Approvals conditioned upon receipt of all required local governing board approvals. Authorize execution of all documents necessary to effect the same

**Amendment Number Two to the  
Solar Power Purchase Agreement  
between Florida Municipal Power Agency, as Buyer,  
and FL Solar 8, LLC, as Seller, dated as of December 12, 2019.**

This Amendment Number Two to the Solar Power Purchase Agreement between Florida Municipal Power Agency (Solar II Project), as Buyer, and FL Solar 8, LLC, as Seller, dated as of December 12, 2019 (“Amendment Number Two”), is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2024 (the “Second Amendment Effective Date”), by and between the Florida Municipal Power Agency, a separate governmental legal entity creating and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“Buyer”) and FL Solar 8, LLC, a Delaware limited liability company (“Seller”). Buyer and Seller are each individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Parties entered into that certain Solar Power Purchase Agreement for the Whistling Duck solar project, dated as of December 12, 2019, as amended by Amendment Number One to the Solar Power Purchase Agreement, dated as of March 2, 2023 (the “PPA”); and

**WHEREAS**, the Parties desire to further amend the PPA as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants in the PPA as amended and herein contained, the Parties hereby mutually agree as follows:

1. Amendments.
  - a. Section 1.1 of the PPA is amended by deleting the definition of “Buyer’s Share” in its entirety and replacing it with the following definition:

**“Buyer’s Share”** means 63.952%.
  - b. Section 1.1 of the PPA is amended by deleting the definition of “Commercial Operation Date” in its entirety and replacing it with the following definition:

**“Commercial Operation Date”** means the earlier of (a) the date on which Commercial Operation has occurred with respect to the full Expected Project Capacity and Seller has provided written notice of the Commercial Operation Date to Buyer; and (b) 180 days after the Target Commercial Operation Date (after giving effect to Permitted Extensions).
  - c. Section 1.1 of the PPA is amended by deleting the definition of “Continuation Option” in its entirety.

- d. Section 1.1 of the PPA is amended by deleting the definition of “Daily Delay Damages” in its entirety and replacing it with the following definition:

**“Daily Delay Damages”** means an amount equal to the number of MWs of Capacity Shortfall multiplied by (a) [REDACTED] per day for each of the first ninety (90) days such damages are due, and (b) [REDACTED] per day for each day thereafter that such damages are due.

- e. Section 1.1 of the PPA is amended by deleting the definition of “Default Commercial Operation Date” in its entirety and replacing it with the following definition:

**“Default Commercial Operation Date”** means one hundred eighty (180) days after the Target Commercial Operation Date, as the Target Commercial Operation date may be extended pursuant to Section 4.2(b).

- f. Section 1.1 of the PPA is amended by deleting the definition of “ITC Extension” in its entirety.

- g. Section 1.1 of the PPA is amended by deleting the definition of “Option Price” in its entirety.

- h. Section 1.1 of the PPA is amended by deleting the definition of “Target Commercial Operation Date” in its entirety and replacing it with the following definition:

**“Target Commercial Operation Date”** means December 31, 2025.

- i. Section 1.1 of the PPA is amended by deleting the definition of “Termination Option” in its entirety.

- j. The PPA is amended by adding a new Section 2.2 immediately following Section 2.1, as follows:

## **2.2 Renewal Term Pricing**

The Contract Price during any Renewal Term shall be determined according to the Renewal Term Option Pricing Table in Exhibit A, Section I.B, which Table shall be applied as follows:

(a) The “Contract Price” pricing in such Table shall apply to the corresponding Contract Year during any five (5) year Renewal Term that is mutually agreed to in writing by Buyer and Seller.

(b) The “Option 1” pricing in such Table shall apply to the corresponding Contract Year during any five (5) year Renewal Term that has been elected by Buyer at Buyer’s sole discretion; provided, however, that Option 1 pricing shall only apply to the extent that: (a) Seller has not mutually agreed to extend the Agreement under the “Contract Price” pricing; and (b) Buyer elects and commits to two (2), five (5) year Renewal Terms by providing Notice of extension for both such Renewal Terms no less than 365 days prior to the end of the Initial Term in accordance with Section 2.1. To the extent necessary, pursuant to Section 19.2 of the Agreement, the Parties waive any contrary interpretation that the “Option 1” pricing applies if Buyer commits to less than 10 years of Renewal Terms prior to 365 days prior to the end of the Initial Term.

(c) The “Option 2” pricing shall apply to the corresponding Contract Year during any five (5) year Renewal Term that has been elected by Buyer at Buyer’s sole discretion; provided, however, that Option 2 pricing shall only apply to the extent that: (a) Seller has not mutually agreed to extend the Agreement under the “Contract Price” pricing; and (b) Buyer elects one (1), five (5) year Renewal Term, or subsequent five (5) year Renewal Term after the first Renewal Term, if applicable, by providing Notice(s) of renewal in accordance with Section 2.1.

- k. Section 4.2(b)(i) of the PPA is amended by deleting “three hundred sixty (360) days” and replacing it with “one hundred eighty (180) days”.
- l. Section 4.2(b)(iii) of the PPA is amended by deleting “three hundred sixty (360) days” and replacing it with “one hundred eighty (180) days”.
- m. Section 4.3(a) of the PPA is deleted in its entirety and replaced with the following in lieu thereof:

(a) If the Project does not achieve Commercial Operation on or before December 31, 2025, then:

(i) If there are no Permitted Extensions pursuant to Section 4.2(b), or if there is an Interconnection Delay or Permitting Delay pursuant to Section 4.2(b)(i) and 4.2(ii), respectively, then Buyer shall be entitled to draw upon the Seller’s Performance Assurance for liquidated damages equal to Daily Delay Damages for each day or portion of a day that the Project does not achieve the Commercial Operation Date after December, 2025, until the earlier of (x) the date that is one hundred and eighty (180) days after such date, and (y) the Commercial Operation Date; or

(ii) If there is a Force Majeure Extension pursuant to Section 4.2(b)(iii), then Buyer shall be entitled to draw upon the Seller’s Performance Assurance for



liquidated damages equal to Daily Delay Damages for each day or portion of a day that the Project does not achieve the Commercial Operation Date after the Target Commercial Operation Date as it may be extended by such Force Majeure Extension until the earlier of (i) the date that is one hundred and eighty (180) days after such extended Target Commercial Operation Date, and (ii) the Commercial Operation Date (in the case of either Section 4.3(a)(i) or (ii), the “**Project Cure Period**”).

- n. Section 4.4 of the PPA is deleted in its entirety and replaced with the following in lieu thereof:

**4.4 Project Capacity, Default Commercial Operation Date, and Capacity Shortfall**

(a) Seller shall provide Notice to Buyer no later than thirty (30) days prior to the Default Commercial Operation Date if it anticipates a Capacity Shortfall. Seller shall then provide Notice to Buyer no later than ten (10) Business Days after the Commercial Operation Date of the actual Capacity Shortfall, if any.

(b) Seller shall pay Buyer, as liquidated damages and not as a penalty, an amount (the “**Capacity Shortfall Damages**”) equal to (i) (1) the Capacity Shortfall as of the Commercial Operation Date, in MW, multiplied by (2) [REDACTED], minus (ii) all Daily Delay Damages previously paid by Seller to Buyer for such amount of Capacity Shortfall. Subject to Seller’s payment of both the Capacity Shortfall Damages and all applicable Daily Delay Damages pursuant to Section 4.3, the Seller’s Performance Assurance will be reduced to reflect the Installed Capacity and all of Seller’s Performance Assurance posted in excess of such Installed Capacity shall be promptly returned to Seller. If the Capacity Shortfall as of the Commercial Operation Date is equal to the Expected Project Capacity, then, Buyer may terminate this Agreement upon written Notice to Seller; provided, however, that Seller’s total liability for such a termination shall be limited to any applicable Daily Delay Damages or Capacity Shortfall Damages, or both, payable to Buyer pursuant to this Agreement that are incurred prior to such Notice.

(c) Each Party agrees and acknowledges that (i) the damages that Buyer would incur due to the Capacity Shortfall would be difficult or impossible to predict with certainty, and (ii) the Capacity Shortfall Damages is an appropriate approximation of such damages. In order to satisfy the Capacity Shortfall Damages, Buyer shall have the right to immediately draw upon and apply the Seller’s Performance Assurance to the payment of the Capacity Shortfall Damages. Seller’s payment of the Capacity Shortfall Damages hereunder shall constitute Buyer’s sole remedy for Seller’s failure to achieve Commercial Operation of the Capacity Shortfall.

- o. Exhibit A of the PPA is hereby revised, restated, and superseded in its entirety with the Exhibit A attached to this Amendment Number 2.

- p. Exhibit K of the PPA is hereby revised, restated, and superseded in its entirety with the Exhibit K attached to this Amendment Number 2.
- q. Exhibit M of the PPA is hereby revised, restated, and superseded in its entirety with the Exhibit M attached to this Amendment Number 2.
2. Definitions. Capitalized terms used in this Amendment Number Two that are not otherwise defined herein shall have the meaning set forth in the PPA.
3. Representations Regarding this Amendment Number Two. By its execution of this Amendment Number Two, each Party represents and warrants that it is authorized to enter into this Amendment Number Two, that this Amendment Number Two does not conflict with any contract, lease, instrument, or other obligation to which it is a party or by which it is bound, which conflict could reasonably be expected to have a material adverse effect on the ability of such Party to perform its obligations hereunder, and that this Amendment Number Two represents its valid and binding obligation, enforceable against it in accordance with its terms.
4. Governing Law; Disputes. This Amendment Number Two shall be governed by Section 19.7 (Governing Law) of the PPA. The Parties agree to comply with Article 17 (Dispute Resolution) of the PPA with respect to any dispute relating to this Amendment Number Two.
5. Conforming References. Upon the Second Amendment Effective Date, each reference in the PPA to “this Agreement,” “hereunder,” “hereto,” “herein,” or words of like import, shall mean and be a reference to the PPA as amended by this Amendment Number Two.
6. No Other Amendments; Ratification of Remaining Terms and Conditions. Except to the extent modified in this Amendment Number Two, all other terms and conditions of the PPA remain unchanged and in full force and effect.
7. Counterparts. This Amendment Number Two may be executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment Number Two by facsimile or other electronic means (e.g., email or PDF) will be effective as delivery of an original counterpart to this Amendment Number Two.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have hereunder executed this Amendment Number Two as of the Second Amendment Effective Date.

**FL SOLAR 8, LLC**

**FLORIDA MUNICIPAL POWER AGENCY**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A (FL Solar 8 – Whistling Duck 1)**

**CONTRACT PRICE & OPTION PRICE**

**I. CONTRACT PRICE**

**A. Initial Term**

| PERIOD  | CONTRACT PRICE (\$/MWh) |
|---|-------------------------|
| From and including the Initial Energy Delivery Date through the remainder of the Initial Term | [REDACTED]              |

**B. Renewal Term Option Pricing**

| Contract Year | Contract Price (\$/MWh)<br><small>(Buyer and Seller Agreement Required)</small> | Option 1 (\$/MWh)<br><small>(Buyer's discretion)</small> | Option 2 (\$/MWh)<br><small>(Buyer's discretion)</small> |
|---------------|---|--|--|
| 21            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 22            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 23            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 24            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 25            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 26            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 27            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 28            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 29            | [REDACTED]  | [REDACTED]   | [REDACTED]   |
| 30            | [REDACTED]  | [REDACTED]   | [REDACTED]   |

## EXHIBIT K

### PARTICIPANT LIST

| <b>FMPA Solar II Project Participants</b> | <b>Share of Whistling Duck Solar</b> |
|---|--------------------------------------|
| Homestead Public Services                 | 12.016%                              |
| City of Lake Worth Beach Utilities        | 27.904%                              |
| Winter Park Electric Utility              | 24.032%                              |
| <b>Total</b>                              | <b>63.952%</b>                       |

#### For reference only:

| <b>FMPA All-Requirements Power Supply Project Participants</b> | <b>Share of Whistling Duck Solar</b> |
|--|--------------------------------------|
| Keys Energy Services   | 36.048%                              |
| <b>Total</b>   | <b>36.048%</b>                       |

**EXHIBIT M**

**Amendment Number Two to the  
Power Sales Contract  
between Florida Municipal Power Agency  
and the [MEMBER NAME]**

This Amendment Number Two to the Power Sales Contract between Florida Municipal Power Agency and [MEMBER NAME], dated as of December 12, 2019, as amended, (“Amendment Number Two”), is entered into as of this \_\_\_ day of \_\_\_\_\_, 2024 (the “Second Amendment Effective Date”), by and between the Florida Municipal Power Agency, a separate governmental legal entity creating and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“FMPA”) and [MEMBER NAME] a public agency of the State of Florida and a member of FMPA (“Project Participant”). FMPA and Project Participant are each individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Parties entered into that certain Power Sales Contract between Florida Municipal Power Agency and [MEMBER NAME] dated as of December 12, 2019, as amended by Amendment Number One to the Solar Power Purchase Agreement, which was memorialized in the form of a letter agreement between FMPA and Project Participant dated as of March 2, 2023, (the “Power Sales Contract”); pursuant to which FMPA has agreed to sell and deliver and Project Participant has agreed to purchase and receive Solar Product;

**WHEREAS**, FMPA and Project Participant have agreed to certain amendments to the Solar PPAs, which necessitate corresponding amendments to this Power Sales Contract;

**WHEREAS**, the Parties desire to further amend the Power Sales Contract as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants in the Power Sales Contract as amended and herein contained, the Parties hereby mutually agree as follows:

1. Amendments.

- a. Section 1 of the Power Sales Contract is amended by deleting the definition of “Energy Share” in its entirety and replacing it with the following definition:

“Energy Share shall mean FMPA's 26.775 MW share under the Rice Creek Solar PPA and FMPA’s 47.9 MW share under the Whistling Duck Solar PPA in the Solar Product produced by or associated with the Solar Facility.”

- b. Attachment A of the Power Sales Contract is hereby revised, restated, and superseded in its entirety with the Attachment A attached to this Amendment Number Two.

- c. Schedule 1 of the Power Sales Contract is hereby revised, restated, and superseded in its entirety with the Schedule 1 attached to this Amendment Number Two.
2. Definitions. Capitalized terms used in this Amendment Number Two that are not otherwise defined herein shall have the meaning set forth in the Power Sales Contract.
3. Representations Regarding this Amendment Number Two. By its execution of this Amendment Number Two, each Party represents and warrants that it is authorized to enter into this Amendment Number Two, that this Amendment Number Two does not conflict with any contract, lease, instrument, or other obligation to which it is a party or by which it is bound, which conflict could reasonably be expected to have a material adverse effect on the ability of such Party to perform its obligations hereunder, and that this Amendment Number Two represents its valid and binding obligation, enforceable against it in accordance with its terms.
4. Conforming References. Upon the Second Amendment Effective Date, each reference in the Power Sales Contract to “this Agreement,” “hereunder,” “hereto,” “herein,” or words of like import, shall mean and be a reference to the Power Sales Contract as amended by this Amendment Number Two.
5. No Other Amendments; Ratification of Remaining Terms and Conditions. Except to the extent modified in this Amendment Number Two, all other terms and conditions of the Power Sales Contract remain unchanged and in full force and effect.
6. Counterparts. This Amendment Number Two may be executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment Number Two by facsimile or other electronic means (e.g., email or PDF) will be effective as delivery of an original counterpart to this Amendment Number Two.

*[signature page follows]*



IN WITNESS WHEREOF, the Parties hereto have hereunder executed this Amendment Number Two as of the Second Amendment Effective Date.

**FLORIDA MUNICIPAL POWER AGENCY**

(SEAL)

By: \_\_\_\_\_  
General Manager & CEO

Attest:

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary or Assistant Secretary

**[MEMBER NAME]**

(SEAL)

\_\_\_\_\_  
By:

Title:

Attest:

Date: \_\_\_\_\_

\_\_\_\_\_  
By:

Approved as to form and legal sufficiency:

\_\_\_\_\_  
By:

**ATTACHMENT A**  
**POWER PURCHASE AGREEMENTS**

**SCHEDULE 1**  
**SCHEDULE OF PROJECT PARTICIPANTS**

| <u>Name of Project Participant</u>    | <u>Rice Creek Solar Entitlement Share (MW)</u> | <u>Rice Creek Solar Entitlement Share (%)</u> | <u>Whistling Duck Solar Entitlement Share (MW)</u> | <u>Whistling Duck Solar Entitlement Share (%)</u> |
|---------------------------------------|--|---|--|---|
| Homestead Public Services             | 2.500  | 9.337%  | 9.000  | 18.789%   |
| City of Lake Worth Beach              | 13.275   | 49.580%                                       | 20.900   | 43.633%   |
| City of Mount Dora                    | 1.000  | 3.735%  | 0.000  | 0.000%  |
| New Smyrna Beach Utilities Commission | 5.000  | 18.674%                                       | 0.000  | 0.000%  |
| Winter Park Electric Utility          | 5.000  | 18.674%                                       | 18.000   | 37.578%   |
| <b>Total</b>                          | <b>26.775</b>                                  | <b>100%</b>                                   | <b>47.900</b>                                      | <b>100%</b>                                       |

Notice Information of Project Participants

|   |  |
|---|--|
| <p><b><u>Homestead Public Services</u></b><br/>George Gretsas, City Manager<br/>The City of Homestead<br/>100 Civic Court<br/>Homestead, FL 33033</p>             | <p><b><u>City of Lake Worth Beach</u></b><br/>City of Lake Worth Beach<br/>Electric Utilities Director<br/>1900 2<sup>nd</sup> Avenue North<br/>Lake Worth, FL 33461<br/>Tel: (561) 586-1670</p> <p>With a copy to:<br/>City of Lake Worth<br/>Attn: City Attorney<br/>7 N. Dixie Highway<br/>Lake Worth, FL 33460</p> |
| <p><b><u>City of Mount Dora</u></b><br/>City of Mount Dora City Hall<br/>510 Baker Street<br/>Mount Dora, FL 32757</p>  | <p><b><u>City of New Smyrna Beach Utilities Commission</u></b><br/>Utilities Commission, City of New Smyrna Beach<br/>200 Canal Street<br/>New Smyrna Beach, FL 32168</p>  |
| <p><b><u>Winter Park Electric Utility</u></b><br/>City of Winter Park<br/>Randy Knight, City Manager<br/>401 South Park Avenue<br/>Winter Park, FL 32789-4386</p> |  |

# **SOLAR POWER PURCHASE AGREEMENT**

**between**

**Florida Municipal Power Agency  
(Solar III Project)**

**as Buyer**

**and**

**FL SB 9, LLC**

**as Seller**

**dated as of**

\_\_\_\_\_, 2024

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**SOLAR POWER PURCHASE AGREEMENT  
(Solar III Project)**

This SOLAR POWER PURCHASE AGREEMENT (this “**Agreement**”) is made this \_\_\_ day of June, 2023, (the “**Effective Date**”), by and between **the Florida Municipal Power Agency**, a separate governmental legal entity creating and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“**Buyer**” or “**FMPA**”) and FL SB 9, LLC, a Delaware limited liability company (“**Seller**”). Buyer and Seller are each individually referred to herein as a “**Party**” and collectively as the “**Parties**.”

**RECITALS**

WHEREAS, Seller intends to develop a photovoltaic solar energy generation facility of approximately 74.9 MW aggregate nameplate capacity on a site located in Levy County, Florida, as further described in Exhibit B (the “**Project**”); and

WHEREAS, Seller desires to sell, and Buyer desires to purchase and receive, all of the electric Energy and associated Capacity Attributes and Environmental Attributes from Buyer’s Share of the Project, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants herein set forth, and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties hereto, intending to be legally bound, do hereby agree as follows:

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Definitions.**

“**AC**” means alternating current.

“**Abandon**” means after having commenced construction of the Project, Seller stops construction of the Project for more than ninety (90) consecutive days excluding cessation of construction work caused by the occurrence of a Force Majeure Event, Permitting Delay, or Transmission Delay and because of such stoppage Seller cannot reasonably demonstrate to Buyer that it will nonetheless be able to complete the Facility within the timeframe contemplated by this Agreement.

“**Adjustment Period**” has the meaning set forth in Section 5.2.

“**Affiliate**” means, with respect to any Person, any entity controlled, directly or indirectly, by such Person, any entity that controls, directly or indirectly, such Person or any entity directly or indirectly under common control with such Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession,



directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

**“Agreement”** has the meaning set forth in the first paragraph hereof.

**“Annual Energy Output Guarantee”** has the meaning set forth in Exhibit D.

**“Applicable Law”** means, with respect to any Person or the Project, all laws, statutes, codes, acts, treaties, ordinances, orders, judgments, writs, decrees, injunctions, rules, regulations, Governmental Approvals, directives and requirements of all regulatory and other Governmental Authorities, in each case applicable to or binding upon such Person or the Project (as the case may be).

**“Applicable REC Program”** means, except as otherwise agreed by the Parties, the Green-e Renewable Energy Standard for the United States published by the Center for Resource Solutions, as may be amended, restated, supplemented, or otherwise modified from time to time, and any successor voluntary renewable energy program established as a replacement for such program.

**“Bankrupt”** means, with respect to a Party, such Party (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) is generally unable to pay its debts as they fall due, (v) been adjudicated bankruptcy or has filed a petition or an answer seeking an arrangement with creditors, (vi) taken advantage of any insolvency law or shall have submitted an answer admitting the material allegations of a petition in bankruptcy or insolvency proceeding, (vii) become subject to an order, judgment or decree for relief, entered in an involuntary case, without the application, approval or consent of such Party by any court of competent jurisdiction appointing a receiver, trustee, assignee, custodian or liquidator, for a substantial part of any of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of one hundred eighty (180) consecutive Days, (viii) failed to remove an involuntary petition in bankruptcy filed against it within one hundred eighty (180) Days of the filing thereof, or (ix) become subject to an order for relief under the provisions of the United States Bankruptcy Act, 11 U.S.C. § 301.

**“Business Day”** means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day commences at 8:00 a.m. and ends at 5:00 p.m. local time for the location of the Site.

**“Buyer”** has the meaning set forth in the first paragraph of this Agreement.

**“Buyer Curtailment Cap”** means ■% of the Buyer’s Share of the Annual Energy Output listed in Table A of Exhibit D.

**“Buyer Curtailment Order”** means the instruction from Buyer to Seller to reduce Buyer’s Share of generation from the Project by the amount, and for the period of time set forth in such order, for reasons unrelated to a Planned Outage, Forced Outage, Force Majeure and/or Curtailment Period.

**“Buyer Curtailment Period”** means the period of time during which Seller reduces generation from the Project pursuant to a Buyer Curtailment Order. The Buyer Curtailment Period shall be inclusive of the time required for the Project to ramp down and ramp up.

**“Buyer Excuses”** has the meaning set forth in Section 3.5(b).

**“Buyer’s Share”** means ██████%.

**“Capacity Attributes”** means any current or future defined characteristic, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Project intended to value any aspect of the capacity of the Project to produce Energy or ancillary services. Notwithstanding any other provision hereof, Capacity Attributes do not include Environmental Attributes or Tax Attributes.

**“Capacity Shortfall”** means the difference between Buyer’s Share of the Expected Project Capacity and Buyer’s Share of the amount of Project capacity that has achieved Commercial Operation as of the applicable date.

**“Capacity Shortfall Damages”** has the meaning set forth in Section 4.4(b).

**“Change of Law”** means any enactment, adoption, promulgation, modification or repeal of any Applicable Law, or in the administration, interpretation or application thereof by any Governmental Authority occurring on or after the Effective Date.

**“Commercially Reasonable”** or **“Commercially Reasonable Efforts”** means, with respect to any purchase, sale, decision, or other action made, attempted or taken by a Party, such efforts as a reasonably prudent business would undertake for the protection of its own interest under the conditions affecting such purchase, sale, decision or other action, consistent with Prudent Operating Practices, including, without limitation, electric system reliability and stability, state or other regulatory mandates relating to renewable energy portfolio requirements, the cost of such action (including whether such cost is reasonable), the amount of notice of the need to take a particular action, the duration and type of purchase or sale or other action, and the commercial environment in which such purchase, sale, decision or other action occurs. “Commercially Reasonable” or “Commercially Reasonable Efforts” shall be reviewed and determined based upon the facts and circumstances known, or which could have been known with the exercise of reasonable efforts, at the time that a sale, purchase, or other action is taken and shall not be based upon a retroactive review of what would have been optimal at such time.

**“Commercial Operation”** means that (a) Seller has delivered to Buyer the Performance Assurance required under Section 9.3; (b) Seller has received all material Governmental

Approvals as may be required prior to commencing commercial operations by Applicable Law for the construction, operation and maintenance of the Project; and (c) the Project or any portion thereof, as applicable, is operating and able to produce and deliver, or make available for delivery, Energy at the Delivery Point.

**“Commercial Operation Date”** means the earlier of (a) the date on which Commercial Operation has occurred with respect to the full Expected Project Capacity and Seller has provided written notice of the Commercial Operation Date to Buyer; (b) 180 days after the Target Commercial Operation Date (as may be extended by Permitted Extensions); and (c) the date the Termination Option is exercised.

**“Compliance Cost Cap”** has the meaning set forth in Section 3.18.

**“Compliance Costs”** means all reasonable out-of-pocket costs and expenses, including registration fees, volumetric fees, license renewal fees, external consultant fees and capital costs necessary for compliance, incurred by Seller and paid directly to third parties in connection with Seller’s compliance with obligations under any Applicable Law in connection with, as applicable, the qualification of the Project as a renewable energy resource, the certification and transfer of Environmental Attributes, and compliance with the Transmission Owner and Transmission Provider regulations and requirements applicable to the Project due to a Change of Law after the Effective Date which requires Seller to incur additional costs and expenses in connection with any of such obligations, in excess of the costs and expenses incurred for such obligations under Applicable Law in effect as of the Effective Date.

**“Confidential Information”** has the meaning set forth in Section 13.1.

**“Connecting Utility”** means the Person that owns the portion of the electric transmission system at the Interconnection Point.

**“Continuation Option”** has the meaning set forth in Section 4.4.

**“Contract Price”** has the meaning set forth in Exhibit A.

**“Contract Year”** means, after the Commercial Operation Date, a calendar year commencing HE 0100 on January 1 and ending on HE 2400 on December 31 of the same year; provided that, if this Agreement is terminated prior to its expiration, the Contract Year in which such termination occurs will end at HE 2400 on the termination date and if the Commercial Operation Date occurs a date other than January 1, the first Contract Year shall commence HE 0100 on the Commercial Operation Date, and all related provisions of this Agreement shall be adjusted for such condensed Contract Years on a pro rata basis.

**“Costs”** means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and all

reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with such Terminated Transaction.

***“Credit Rating”*** means, (a) with respect to Seller, the rating then assigned to Seller's unsecured, senior long-term debt obligations (not supported by third-party credit enhancements) or if Seller does not have a rating for its senior unsecured long-term debt, then the rating then assigned to Seller as an issues rating by the Rating Agencies; and (b) with respect to Buyer, the rating then assigned to Buyer's long-term bonds secured by revenues of the FMPA Solar III Project or, if Buyer does not have a rating for its long-term bonds or no such bonds are issued and outstanding, then either (i) the rating then assigned to the electric or integrated utility system of each FMPA Solar III Project Participant or (ii) the rating then assigned to the municipality of which the FMPA Solar III Project Participant is a department.

***“Creditworthy Entity”*** means an entity has a Credit Rating of BBB- from S&P or Baa3 from Moody's with a stable outlook.

***“Curtailment Period”*** means the period of time during which there is any curtailment of delivery of the Product resulting from a reduction (including curtailment to zero output or non-dispatch) of the net electrical output of the Project from levels of net electrical output the Project would otherwise be capable of producing, including during a Transmission Interruption that prevents Buyer from receiving Energy at or Seller from delivering Energy to the Delivery Point, as directed or caused by the Transmission Provider, a Governmental Authority, or Transmission Owner not due to actions or omissions of Seller or an Affiliate of Seller.

***“Daily Delay Damages”*** [REDACTED]

***“Damages Rate”*** has the meaning set forth in Exhibit D.

***“Day” or “day”*** means a period of twenty-four (24) consecutive hours beginning at 00:00 hours local time at the Site location on any calendar day and ending at 24:00 hours local time at the Site location on the same calendar day.

***“Deemed Delivered Energy”*** means the amount of Energy expressed in MWh that the Project would have produced and delivered to the Delivery Point, but that is not produced by the Project and delivered to the Delivery Point during a Buyer Curtailment Period, which amount shall be determined using relevant Project availability, weather and other pertinent data for the period of time during the Buyer Curtailment Period.

***“Default Commercial Operation Date”*** means [REDACTED].

***“Delivered Energy”*** means Buyer's Share of all Energy produced from the Project and delivered or made available at the Delivery Point, which shall be net of all Station Service and electrical losses associated with the transmission of the Energy to the Delivery Point,

including, if applicable, any transmission or transformation losses between the Metering System and the Delivery Point.

**“Delivery Term”** means the period of time commencing upon the Initial Energy Delivery Date and terminating at the end of the Term.

**“Delivery Point”** means the point, more specifically described in Exhibit C, where Seller’s Interconnection Facilities connect to the Transmission Owner’s Interconnection Facilities, which shall be the point of interconnection under the Interconnection Agreement.

**“Disclosing Party”** has the meaning set forth in Section 13.1.

**“Dispute”** has the meaning set forth in Section 17.1.

**“Downgrade Event”** refers to any point in time (a) with respect to either Party or its Guarantor’s Credit Rating falls below Investment Grade; and (b) with respect to Buyer, (i) any Credit Rating of Buyer’s long-term bonds secured by the revenues of the FMPA Solar III Project falls below Investment Grade; (ii) if Buyer does not have a Credit Rating for its long-term bonds or no such bonds are issued and outstanding, then (A) less than 65% of the FMPA Solar III Project Participant Entitlement Shares are held by FMPA Solar III Project Participants that have a Credit Rating, or (B) the Credit Ratings then assigned to the electric or integrated utility systems of FMPA Solar III Project Participants with Credit Ratings equal to at least thirty five percent (35%) of the Expected Project Capacity or Installed Capacity, as applicable, falls below Investment Grade; or (iii) if the FMPA Solar III Project Participant Covenants in any FMPA Solar III Project Power Sales Contract are amended, modified or altered in a manner which materially adversely impacts the ability of the FMPA Solar III Project to perform and pay its obligations under this Agreement and Seller does not consent thereto, such consent not to be unreasonably withheld, conditioned or delayed.

**“Early Termination Date”** has the meaning set forth in Section 7.2(a).

**“Effective Date”** has the meaning set forth in the first paragraph of this Agreement.

**“Energy”** means electric energy generated by the Project, which shall be in the form of three (3)-phase, sixty (60) Hertz, alternating current and expressed in units of megawatt-hours.

**“Environmental Attribute”** means any and all presently existing or future benefits, emissions reductions, environmental air quality credits, emissions reduction credits, greenhouse gas emissions, Renewable Energy Credits, offsets and allowances, green tag or other transferable indicia attributable to the Project during the Term, howsoever entitled or named, resulting from the generation of renewable energy or the avoidance, reduction, displacement or offset of the emission of any gas, chemical or other substance, including any of the same arising out of presently existing or future legislation or regulation concerned with oxides of nitrogen, sulfur or carbon, with particulate matter, soot or

mercury, or implementing the United Nations Framework Convention on Climate Change (“UNFCCC”) or the Kyoto Protocol to the UNFCCC or crediting “early action” emissions reduction, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency, or any successor state or federal agency given jurisdiction over a program involving transferability of Environmental Attributes, and any renewable energy certificate reporting rights to such Environmental Attributes. Notwithstanding any other provision hereof, Environmental Attributes do not include: (a) any Tax Attributes, (b) state, federal or private grants related to the Project, (c) Energy, or (d) Capacity Attributes.

“**Equitable Defenses**” means any bankruptcy, insolvency, reorganization or other laws affecting creditors’ rights generally and, with regard to equitable remedies, the discretion of the court before which proceedings may be pending to obtain same.

“**Event of Default**” has the meaning set forth in Section 7.1.

“**Executives**” has the meaning set forth in Section 17.2(a).

“**Expected Project Capacity**” has the meaning set forth in Section 3.4.

“**Fair Market Value**” means the amount that would be paid in an arm’s length, free market transaction, for cash, between an informed, willing seller and an informed willing buyer, neither of whom is under compulsion to complete the transaction, taking into account, among other things, the age, condition and performance of the Project and advances in solar technology, provided that installed equipment shall be valued on an installed basis, shall not be valued as scrap if it is functioning and in good condition and costs of removal from a current location shall not be a deduction from the valuation.

“**FMPA Solar III Project**” means the joint-action solar project created by the FMPA Board of Directors pursuant to FMPA Resolution 2023-B2, dated May 18, 2023.

“**FMPA Solar III Project Participant Covenants**” means the covenants by each FMPA Solar III Project Participant in the applicable FMPA Solar III Project Power Sales Contract: (a) that the payments which the FMPA Solar III Project Participant is required to make under the applicable FMPA Solar III Project Power Sales Contract constitute an obligation payable as an operating expense of the FMPA Solar III Project Participant's electric utility system solely from the revenues and other available funds of the electric utility system; (b) that upon the failure of any other FMPA Solar III Project Participant(s) to make payments owed to FMPA under the applicable FMPA Solar III Project Power Sales Contract, to pay to Buyer such non-defaulting FMPA Solar III Project Participant’s pro rata share of the amounts owed by the defaulting FMPA Solar III Project Participant(s), and (c) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric utility system, which rents, rates, and other charges shall be at least sufficient to meet the operation and maintenance expenses of such electric utility system, including all sums owed to Buyer pursuant to the FMPA Solar III Project Power Sales Contract.

**“FMPA Solar III Project Participant”** means a municipality or municipal electric utility that is a member of Buyer and a member of the FMPA Solar III Project, all of which are listed on Exhibit K, as may be updated from time to time in accordance with this Agreement.

**“FMPA Solar III Project Participant Entitlement Share”** means, as to each FMPA Solar III Project Participant, the participant’s individual undivided pro rata entitlement share of the Expected Project Capacity or Installed Capacity, as applicable.

**“FMPA Solar III Project Power Sales Contract”** means a Power Sales Contract between a FMPA Solar III Project Participant and Buyer or the sale of FMPA Solar III Project Participant Entitlement Share by Buyer to such FMPA Solar III Project Participant, substantially in the form of Exhibit N.

**“Forced Outage”** means any unplanned reduction or suspension of the electrical output from the Project or unavailability of the Project in an amount greater than [REDACTED] of the Installed Capacity in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction, or any other unavailability of the Project for maintenance or repair that is not a Planned Outage, due to a Buyer Curtailment Order or during a Curtailment Period, or the result of a Force Majeure Event.

**“Force Majeure Event”** means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, other than the obligation to pay amounts due, but only to the extent (1) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (2) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations under this Agreement and which, by the exercise of due diligence, such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (3) such event is not the direct or indirect result of the fault or negligence of the Party seeking to have its performance obligations excused thereby.

- (a) Subject to the foregoing, events that could qualify as a Force Majeure Event include, but are not limited to the following:
  - (i) acts of God, flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, volcano, other natural disaster or unusual or extreme adverse weather-related events;
  - (ii) war (declared or undeclared), riot or similar civil disturbance, acts of the public enemy (including acts of terrorism), sabotage, blockade, insurrection, revolution, expropriation or confiscation;

- (iii) except as set forth in subpart (b)(vi) below, strikes, work stoppage or other labor disputes (in which case the affected Party shall have no obligation to settle the strike or labor dispute on terms it deems unreasonable);
- (iv) environmental and other contamination at or affecting the Project;
- (v) accidents of navigation or breakdown or injury of vessels, accidents to harbors, docks, canals or other assistances to or adjuncts of shipping or navigation, or quarantine;
- (vi) nuclear emergency, radioactive contamination or ionizing radiation or the release of any hazardous waste or materials;
- (vii) air crash, shipwreck, train wrecks or other failures or delays of transportation;
- (viii) vandalism beyond that which could be reasonably prevented by Seller;
- (ix) the discovery of Native American burial grounds not evidenced in Seller's Phase I environmental assessment of the Site;
- (x) the discovery of endangered species, as defined by Law; and
- (xi) breakdown or failure of equipment as a result of a serial manufacturer defect or flaw.

(b) A Force Majeure Event shall not be based on:

- (i) Buyer's inability economically to use or resell the Product purchased hereunder;
- (ii) Seller's ability to sell the Product at a price greater than the price set forth in this Agreement;
- (iii) Seller's inability to obtain Governmental Approvals or other approvals of any type for the construction, operation, or maintenance of the Project, except to the extent caused by a Force Majeure Event;
- (iv) Seller's inability to obtain [REDACTED], except to the extent Seller's inability to obtain sufficient labor, equipment, materials, or other resources is caused by a Force Majeure Event;
- (v) Seller's failure to [REDACTED] pursuant to this Agreement; or
- (vi) a strike, work stoppage or labor dispute limited only to any one or more of Seller or Seller's Affiliates.



***“Force Majeure Extension”*** has the meaning set forth in Section 4.2(b)(iii).

***“Gains”*** means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Delivery Term, determined in a commercially reasonable manner. Factors used in determining economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties, including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remaining term of this Agreement and include the value, if any, of Environmental Attributes.

***“Governmental Approvals”*** means all authorizations, consents, certifications, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority and shall include those siting and operating permits and licenses, and any of the foregoing under any applicable environmental law, that are required for the use and operation of the Project.

***“Governmental Authority”*** means any national, state, provincial, local, tribal or municipal government, any political subdivision thereof or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity having jurisdiction over either Party, the Project, the Site, Seller’s Interconnection Facilities, the Transmission Owner’s Interconnection Facilities, or the Transmission System, including the Transmission Provider and NERC; *provided, however,* that “Governmental Authority” will not in any event include any Party.

***“Governmental Charges”*** has the meaning set forth in Section 12.2.

***“Guarantor”*** means an entity which at the time it is to provide a Guaranty (a) has a Credit Rating of at least BBB from S&P or Baa2 from Moody’s if rated by only one Ratings Agency or at least BBB- from S&P and Baa3 from Moody’s if rated by both Ratings Agencies, and (b) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction.

***“Guaranty”*** means a Guaranty substantially in the form of Exhibit E.

***“Initial Energy Delivery Date”*** means the first date that Seller delivers or makes available Energy from the Project to Buyer at the Delivery Point.

***“Initial Negotiation End Date”*** has the meaning set forth in Section 17.2(a).

***“Initial Term”*** has the meaning set forth in Section 2.1.

***“Installed Capacity”*** has the meaning set forth in Section 3.4.

**“Interconnection Agreement”** means the interconnection service agreement or agreements entered into by and among, as applicable, the Transmission Provider, the Transmission Owner, and the Seller (or Seller’s Affiliate and made available to Seller) pursuant to which the Project will be interconnected with the Transmission System.

**“Interconnection Delay”** has the meaning set forth in Section 4.2(b)(i).

**“Interest Payment Date”** means the last Business Day of each calendar month.

**“Interest Rate”** means the lower of (i) annual rate equal to the Prime Rate then in effect plus ten percent (10%) and (ii) the maximum interest permitted by Applicable Law.

**“Interlocal Agreement”** means the Interlocal Agreement creating the Florida Municipal Power Agency, as amended and supplemented to date, and as the same may be amended or supplemented in the future.

**“Investment Grade”** means a Credit Rating of BBB- from S&P or Baa3 from Moody’s with a stable outlook.

**“Letter(s) of Credit”** means one or more irrevocable, transferable standby letters of credit, substantially in the form of Exhibit F, issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a Credit Rating of at least A- from S&P or A3 from Moody’s, with a “stable outlook” by either S&P or Moody’s and having assets of at [REDACTED], in a form acceptable to the Party in whose favor the letter of credit is issued.

**“Losses”** means with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from a Terminated Transaction for the remaining term of this Agreement, determined in a commercially reasonable manner. Factors used in determining the loss of economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g. NYMEX), all of which should be calculated for the remaining term of this Agreement and include the value, if any, of Environmental Attributes and, if applicable, the value of any resulting loss or recapture of Tax Attributes.

**“Manager”** has the meaning set forth in Section 17.2(a).

**“Metering System”** means all meters, metering devices and related instruments used to measure and record Energy and to determine the amount of such Energy that is being made available or delivered to Buyer at the Delivery Point for the purpose of this Agreement.

**“Meter Owner”** shall be the Party or other Person that owns the Metering System.

**“Moody’s”** means Moody’s Investor Service, Inc. or any successor thereto, or in the event that there is no such successor, a nationally recognized credit rating agency.

**“MW”** means a megawatt (or 1,000 kilowatts) of AC electric generating capacity.

**“MWh”** means a megawatt hour of Energy.

**“NERC”** means the North American Electric Reliability Corporation.

**“Non-Defaulting Party”** has the meaning set forth in Section 7.2.

**“Notice”** has the meaning set forth in Section 18.1.

**“Operating Procedures”** has the meaning set forth in Section 3.11.

**“PA Beneficiary”** has the meaning set forth in Article 9.

**“PA Provider”** means the Party that has provided or is required to provide the applicable Performance Assurance.

**“Parties”** has the meaning set forth in the first paragraph of this Agreement.

**“Party”** has the meaning set forth in the first paragraph of this Agreement.

**“Performance Assurance”** means collateral provided by a Party to secure such Party’s obligations hereunder. Performance Assurance may be in the form of (i) Letter(s) of Credit, (ii) Cash, (iii) Surety Bond and/or (iv) a Guaranty.

**“Permitted Extensions”** means the extensions to the Target Commercial Operation Date set forth in Section 4.2.

**“Permitting Delay”** has the meaning set forth in Section 4.2(b)(ii).

**“Person”** means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental entity, municipality, limited liability company or any other entity of whatever nature.

**“Planned Outage”** means the removal of the all or a portion of the Project from service availability for inspection and/or general overhaul of one or more major equipment groups. To qualify as a Planned Outage, the maintenance (a) must actually be conducted during the Planned Outage, and in Seller’s sole discretion must be of the type that is necessary to reliably maintain the Project, (b) cannot be reasonably conducted during the Project’s operations, and (c) causes the generation level of the Project to be reduced by at least ten

percent (10%) of the Installed Capacity. To the extent there are multiple Project Offtakers, any reduction in generation will be allocated to Buyer pro rata based on Buyer's Share.

**"Prime Rate"** means the interest per annum equal to the prime rate as published in The Wall Street Journal or comparable successor publication under "Money Rates," as applied on a daily basis, determined as of the date the obligation to pay interest arises, but in no event more than the maximum rate permitted by Applicable Law.

**"Product"** has the meaning set forth in Section 3.1.

**"Production Guarantee Damages"** has the meaning set forth in Exhibit D.

**"Production Shortfall"** has the meaning set forth in Exhibit D.

**"Project"** has the meaning set forth in the Recitals to this Agreement.

**"Project Cure Period"** has the meaning set forth in Section 4.3(a).

**"Project Investor"** or **"Project Investors"** means any and all Persons or successors in interest thereof (a) lending money, extending credit or providing loan guarantees (whether directly to Seller or to an Affiliate of Seller) as follows: (i) for the construction, interim or permanent financing or refinancing of the Project; (ii) for working capital or other ordinary business requirements of the Project (including the maintenance, repair, replacement or improvement of the Project); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Project; (iv) for any capital improvement or replacement related to the Project; or (v) for the purchase of the Project and the related rights from Seller; or (b) participating (directly or indirectly) as an equity investor (including a Tax Equity Investor) in the Project; or (c) any lessor under a lease finance arrangement relating to the Project.

**"Project Offtaker"** means the counterparty to a contract for the purchase of Energy. For the avoidance of doubt, the same entity may be deemed separate Project Offtakers to the extent it is party to multiple contracts for the purchase of Energy.

**"Prudent Operating Practices"** means the practices, methods and standards of professional care, skill and diligence engaged in or approved by a significant portion of the electric generation industry for solar facilities of similar size, type, and design, that, in the exercise of reasonable judgment, in light of the facts known at the time, would have been expected to accomplish results consistent with Applicable Law, reliability, safety, environmental protection and standards of economy and expedition. Prudent Operating Practices is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the industry.

**"Purchase Option Price"** means the applicable price set forth in the Purchase Option Price Table in Exhibit A.

**“Qualified Transferee”** means any person or entity that (a) has an equal or better credit rating than the Seller and satisfies the collateral requirements of the Seller set forth in the Agreement, (b) provides replacement Performance Assurance from a PA Provider with an Investment Grade Credit Rating and assets of at least [REDACTED], (c) has (or has contracted with for the purpose of this Agreement), or is the subsidiary of an entity that has, a record of owning and/or operating, for a period of at least [REDACTED] years, solar photovoltaic generating facilities with an aggregate nameplate capacity of no less than [REDACTED] MW, and (d) that expressly assumes in writing all obligations of the Seller under this Agreement.

**“Ratings Agency”** means either of S&P or Moody’s.

**“Receiving Party”** has the meaning set forth in Section 13.1.

**“Referral Date”** has the meaning set forth in Section 17.2(a).

**“Renewable Energy Credits”** or **“RECs”** means any credits, certificates, green tags or similar environmental or green energy attributes associated with one MWh of electricity generated by the Project created by the Applicable REC Program.

**“Renewal Term”** has the meaning set forth in Section 2.1.

**“S&P”** means Standard & Poor’s Rating Group or any successor thereto, or in the event that there is no such successor, a nationally recognized credit rating agency.

**“Sales Price”** means to the extent Seller, acting in a Commercially Reasonable manner, sells any Product that Buyer does not receive, (i) the price Seller actually receives for such Product, or at Seller’s option, the market price at the Delivery Point for such Product not received as determined by Seller in a Commercially Reasonable manner; *less* (ii) any costs reasonably incurred by Seller in reselling such Product; provided, however, in no event shall the Sales Price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability.

**“SEC”** means the U.S. Securities and Exchange Commission.

**“Seller”** has the meaning set forth in the first paragraph of this Agreement.

**“Seller Excuses”** has the meaning set forth in Section 3.5(a).

**“Seller’s Interconnection Facilities”** means the interconnection facilities, control and protective devices and metering facilities required to connect the Project with the Transmission System up to, and on Seller’s side of, the Delivery Point.

**“Seller’s Replacement Costs”** has the meaning set forth in Section 3.5(c).

**“Settlement Amount”** means the Non-Defaulting Party’s Costs and Losses, on the one hand, netted against its Gains, on the other.

**“Site”** has the meaning set forth in the Recitals.

**“Station Service”** means the electric energy from the Transmission System or produced by the Project that is used by the Project to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for testing or operation of the Project.

**“Surety Bond”** means a bond, substantially in the form of Exhibit H, which provides for payment to the other Party upon demand and which is issued by a commercial entity with (i) a Credit Rating from one or both of S&P and Moody’s, which Credit Rating is at least “A-” from S&P (if such entity has a Credit Rating from S&P) and “A3” from Moody’s (if such entity has a Credit Rating from Moody’s), in each case not on negative credit watch, and (ii) having a net worth of at least [REDACTED] at the time of issuance of the bond.

**“System Emergency”** means a condition on the Transmission System, at the Project, or on Seller’s Interconnection Facilities or Transmission Owner’s Interconnection Facilities, which condition is likely to result in imminent significant disruption of service to Transmission System customers or is imminently likely to endanger life or property, and includes any condition during which Seller is directed by Transmission Provider to reduce or cease generation for any period of time on account of an emergency.

**“Target Commercial Operation Date”** means the date that is the latter of (a) 365 days after the Transmission Service Deadline and (b) December 31, 2025.

**“Tax Attributes”** means (a) investment tax credits (including any grants or payments in lieu thereof) and any other tax deductions or benefits under federal, state or other Law available as a result of the ownership and operation of the Project or the output generated by the Project (including, without limitation, tax credits, payments in lieu thereof and accelerated and/or bonus depreciation); and (b) present or future (whether known or unknown) cash payments, grants under Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 or outright grants of money relating in any way to the Project.

**“Tax Equity Investor”** means an investor that has acquired an equity interest in Seller pursuant to a financing structure that assigns such investor all rights, title and benefits to the Tax Attributes of Seller.

**“Term”** means the Initial Term plus any Renewal Terms.

**“Terminated Transaction”** means the termination of this Agreement in accordance with Section 7.2 of this Agreement.

**“Termination Option”** has the meaning set forth in Section 4.4.

**“Termination Payment”** has the meaning set forth in Section 7.3.

**“Test Energy”** means Buyer’s Share of the Energy generated by the Project and delivered to the Delivery Point prior to the Commercial Operation Date.

**“Transfer Taxes”** has the meaning set forth in Section 3.3(d).

**“Transmission Delay Damages”** means the liquidated damages Buyer shall owe Seller in the event Buyer is unable to receive any Delivered Energy due to a failure of obtaining transmission service by the Transmission Service Deadline, as calculated pursuant to Section 4.3.

**“Transmission Interruption”** means a transmission outage or curtailment directed or caused by the Transmission Owner, Transmission Provider or a Governmental Authority in connection with a System Emergency on the Transmission System that prevents or limits Buyer’s ability to receive Energy at the Delivery Point not due to actions or omissions of Buyer or an Affiliate of Buyer.

**“Transmission Owner”** means the entity that owns the transmission or distribution system to which the Project interconnects.

**“Transmission Owner’s Interconnection Facilities”** means the interconnection facilities and related assets that are or will be owned by the Transmission Owner that are required to connect the Project with the Transmission System, as further described in the Interconnection Agreement.

**“Transmission Provider”** means the regional transmission organization with jurisdiction over the location of the Site or, if none, then the applicable balancing authority for the Site. For the avoidance of doubt, the Transmission Provider and the Transmission Owner may be the same entity.

**“Transmission Service Deadline”** means the date that is one-hundred and twenty (120) days from Buyer’s receipt from Seller of a copy of the final interconnection facilities study report for the interconnection of the Project.

**“Transmission System”** means the distribution or transmission system to which the Project interconnects.

## **1.2 Interpretation.**

The following rules of construction shall be followed when interpreting this Agreement except to the extent the context otherwise requires:

(a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine, and neuter;

- (b) words used or defined in the singular include the plural and vice versa;
- (c) references to Articles and Sections refer to Articles and Sections of this Agreement;
- (d) references to Annexes, Exhibits and Schedules refer to the Annexes, Exhibits and Schedules attached to this Agreement, each of which is made a part hereof for all purposes;
- (e) references to Applicable Laws refer to such Applicable Laws as they may be amended from time to time, and references to particular provisions of an Applicable Law include any corresponding provisions of any succeeding Applicable Law and any rules and regulations promulgated thereunder;
- (f) terms defined in this Agreement are used throughout this Agreement and in any Annexes, Exhibits and Schedules hereto as so defined;
- (g) references to money refer to legal currency of the United States of America;
- (h) the words “includes” or “including” shall mean “including without limitation;”
- (i) the words “hereof,” “hereby,” “herein,” “hereunder” and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular Article or Section in which such words appear, unless otherwise specified;
- (j) all references to a particular entity shall include a reference to such entity’s successors and permitted assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;
- (k) references to any agreement, document or instrument shall mean a reference to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time;
- (l) the word “or” will have the inclusive meaning represented by the phrase “and/or;”
- (m) the words “shall” and “will” mean “must”, and shall and will have equal force and effect and express an obligation; and
- (n) the words “writing,” “written” and comparable terms refer to printing, typing, and other means of reproducing in a visible form.

## **ARTICLE 2**

### **TERM**

#### **2.1 Term.**

The “**Initial Term**” of this Agreement shall commence on the date hereof and continue until the latter of (a) the date the Agreement is terminated in accordance with its terms, or (b) the date that is 20 Contract Years following the Commercial Operation Date. Buyer shall have the option to



request an extension of the term of this Agreement twice (each, a “**Renewal Term**”) by providing Seller written request for extension no less than 425 days prior to the end of the Initial Term or the first Renewal Term, as applicable. Upon such request, Buyer and Seller shall commence good faith negotiations for the Contract Price for any such Renewal Term(s). Seller shall provide Buyer with written proposed Contract Price for such Renewal Term(s) no less than 395 days prior to the end of the Initial Term or the first Renewal Term, as applicable. Seller may extend the term of this Agreement by providing Seller written notice of extension no less than 365 days prior to the end of the Initial Term or the first Renewal Term, as applicable. If Buyer does not provide such written notice of extension, then Seller proposed Contract Price shall be deemed rejected and this Agreement shall terminate. Notwithstanding the foregoing, Seller shall provide Buyer a right of first refusal prior to selling the Product to a third party with substantially similar terms and conditions of purchase and sale available to such third party. Seller shall provide Buyer with at least sixty (60) days advance notice of such right of first refusal, which Buyer shall accept or reject in writing within such sixty (60) days. If Buyer accepts, then this Agreement shall continue, as it may be amended to incorporate such new terms and conditions. If Buyer does not provide such written notice exercising its right of first refusal, then it shall be deemed rejected by Buyer. Each Renewal Term shall commence at HE 0100 on the date immediately following the last day of the Initial Term or first Renewal Term, as applicable, and extend for a period of 5 years, unless sooner terminated in accordance with the terms hereof.

### **ARTICLE 3 OBLIGATIONS AND DELIVERIES**

#### **3.1     *Product.***

The “Product” to be delivered and sold by Seller and received and purchased by Buyer under this Agreement is the Delivered Energy and all associated Environmental Attributes and Capacity Attributes.

#### **3.2     *Purchase and Sale.***

Unless specifically excused by the terms of this Agreement during the Delivery Term, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Product at the Delivery Point, and Buyer shall pay Seller for the Product in accordance with the terms hereof.

#### **3.3     *Contract Price.***

(a) Seller shall provide no less than ten (10) days’ notice prior to the Initial Energy Delivery Date, which shall not occur prior to the Transmission Service Deadline without the prior written consent of Buyer.

(b) Buyer shall pay Seller the Contract Price for all Test Energy.

(c) On and after the Commercial Operation Date, Buyer shall pay Seller for the Product an amount equal to the Contract Price for each MWh of Delivered Energy.

(d) In addition to the amounts otherwise payable by Buyer in accordance with this Section 3.3, Buyer shall pay all applicable sales, use excise, ad valorem, transfer and other similar taxes associated with the sale of Product by Seller to Buyer (“**Transfer Taxes**”), but excluding in all events taxes based on or measured by net income, that are imposed by any taxing authority arising out of or with respect to the purchase or sale of Product (regardless of whether such Transfer Taxes are imposed on Buyer or Seller), together with any interest, penalties or additions to tax payable with respect to such Transfer Taxes.

### **3.4 Project Capacity.**

The “**Expected Project Capacity**” is the expected nameplate capacity of the Project as of the Effective Date, as set forth in Exhibit B. The “**Installed Capacity**” shall be the actual capacity of the Project that is able to generate and deliver Energy to the Delivery Point and has otherwise achieved Commercial Operation as of the Commercial Operation Date. Throughout the Delivery Term, Seller shall sell all Product solely to Buyer, except in the case of an Event of Default of Buyer or other failure of Buyer to receive the Product, or during a Force Majeure Event where Buyer is prevented from accepting delivery of the Product.

### **3.5 Performance Excuses.**

(a) The obligations of Seller to deliver or make available the Product to Buyer at the Delivery Point shall be excused only (i) during periods of Force Majeure, (ii) by Buyer’s failure to perform its obligation to receive the Product at the Delivery Point or other Buyer Event of Default, (iii) during Curtailment Periods, (iv) during Buyer Curtailment Periods, and (v) during Planned Outages (“**Seller Excuses**”).

(b) The obligations of Buyer to receive and pay for the Product shall be excused only (i) during periods of Force Majeure, (ii) by Seller’s failure to perform its obligations to generate and deliver Product to the Delivery Point or other Seller Event of Default, or (iii) during a Transmission Interruption event (“**Buyer Excuses**”).

(c) If Buyer fails to receive all or part of the Product and such failure is not excused due to Buyer Excuses, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the Month in which the failure occurred, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price (“**Seller’s Replacement Costs**”).

(d) Seller shall include in a monthly invoice delivered to Buyer pursuant to Section 8.1 the amounts owed by Buyer pursuant to Section (a) and a description, in reasonable detail, of the calculation of Seller’s Replacement Costs.

### **3.6 Offsets, Allowances and Environmental Attributes.**

(a) Buyer shall be entitled to all Environmental Attributes resulting from the generation of Energy that is actually purchased by Buyer pursuant to this Agreement. Buyer shall not be entitled to any Environmental Attributes resulting from the generation of Energy that Buyer, for any reason, does not accept and purchase under this Agreement. Upon no less than twenty (20)

Business Days' advance notice, Buyer may request Seller provide Buyer or Buyer's designee evidence of the transfer of the RECs on a quarterly basis during the Delivery Term in an Environmental Attributes Attestation and Bill of Sale substantially in the form attached as Exhibit I or, as applicable, an attestation that is the then-currently required attestation of the Applicable REC Program.

(b) Seller shall be entitled to all (i) federal and state production tax credits, investment tax credits and any other tax credits which are or will be generated by the Project, (ii) any cash payments, grants under Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 or outright grants of money relating in any way to the Project or Environmental Attributes, and (iii) any Environmental Attributes that the Buyer is not entitled to pursuant to the provisions of Section 3.6(a). Buyer acknowledges that Seller has the right to sell any Environmental Attributes to which it is entitled pursuant to this Section 3.6(b) to any Person other than Buyer at any rate and upon any terms and conditions that Seller may determine in its sole discretion without liability to Buyer hereunder. Buyer shall have no claim, right or interest in such Environmental Attributes or in any amount that Seller realized from the sale of such Environmental Attributes.

(c) Seller shall bear all risks, financial and otherwise throughout the Term, associated with Seller's or the Project's eligibility to receive any Tax Attributes, or to qualify for accelerated or bonus depreciation for Seller's accounting, reporting or tax purposes, except to the extent Buyer incurs liability under this Agreement in connection with relevant Losses and indemnification obligations. The obligations of the Parties hereunder, including those obligations set forth herein regarding the sale, purchase and price for and Seller's obligation to generate and deliver the Product and Environmental Attributes, shall be effective regardless of whether the generation of Product or sale and delivery of any Delivered Energy from the Project is eligible for, or receives Tax Attributes or to qualify for accelerated or bonus depreciation during the Term.

### **3.7 Station Service.**

If Buyer or any of its Affiliates provides retail electric service in the service territory in which the Project is located, then if requested by Seller, Buyer or such Affiliate shall provide Station Service to the Project (including Seller's Interconnection Facilities) as requested by Seller during construction and operation of the Project at the rates and on the terms set forth in the applicable tariff(s) on a non-discriminatory basis with other customers in the same rate class as Seller.

### **3.8 Transmission.**

(a) Seller shall be responsible for obtaining interconnection service for the Project so that Seller can deliver the Product to the Delivery Point in accordance with applicable Transmission Provider interconnection requirements. Seller shall be responsible for all costs to design, equip, construct and maintain the interconnection facilities necessary to deliver Energy from the Project to the Delivery Point. Seller shall be responsible for receiving Network Resource Interconnection Service (or its equivalent) from the Transmission Provider in accordance with the Transmission Provider's Large Generator Interconnection Procedures ("LGIP") including funding of any Network Upgrades, as defined in therein. In the event that Seller is not repaid all Seller-funded amounts for such Network Upgrades within five (5) years after the Commercial Operation Date, Seller may, subject to Buyer's consent, such consent not to be unreasonably withheld, assign to

Buyer its rights under the LGIP and Interconnection Agreement to repayment of such unpaid amounts. For the avoidance of doubt, Buyer's consent may be withheld if, without otherwise limiting its right to reasonably withhold consent, Buyer is not reasonably satisfied with the terms and conditions of the Interconnection Agreement or other relevant agreement between Buyer and the Transmission Provider with regard to the Network Upgrade refunding or transmission credit procedures. If Buyer consents to such assignment, then Buyer shall pay to Seller each month an amount equal to the amount Buyer receives from Transmission Provider as a transmission credit or other form of reimbursement for such Network Upgrades during the preceding month until such time as Seller has been fully reimbursed for its Network Upgrade finding. Notwithstanding anything in this Section 3.8(a), Buyer shall not be obligated to pay Seller any amount related to the Network Upgrades for which Buyer has not received a related transmission credit or other form of reimbursement from the Transmission Provider.

(b) Buyer shall be responsible for arranging for all transmission services required to effectuate Buyer's receipt of the Product at and from the Delivery Point, including, without limitation, obtaining firm transmission service, in an amount of capacity equal to the Expected Project Capacity, and shall be responsible for the payment of any charges related to such transmission services hereunder, including, without limitation, charges for transmission or wheeling services, ancillary services, imbalance, control area services, congestion charges, transaction charges and line losses. The Parties acknowledge that the Contract Price does not include charges for such transmission services, all of which shall be paid by Buyer.

(c) In the event that the Transmission Provider or any other properly authorized Person exercising control over the Transmission Owner's Interconnection Facilities or the Transmission System takes any action or orders Seller or Buyer to take any action that affects Buyer's ability to take delivery of Energy hereunder not caused by or resulting from Seller's act or omission, a Curtailment Period, Transmission Interruption, or Force Majeure, Buyer shall use its Commercially Reasonable Efforts to attempt (at its own cost and expense) to mitigate the adverse effects of such action(s) on Buyer's ability to perform its obligations hereunder, including, without limitation, redispatching its other generation resources, if any.

### **3.9 Scheduling.**

Buyer shall be responsible for the scheduling of all Delivered Energy during the Delivery Term, including, without limitation, arranging any Open Access Same Time Information Systems (OASIS), tagging, transmission scheduling or similar protocols with the Transmission Provider, Transmission Owner, or any other Persons. Buyer shall be responsible for the payment of all charges associated with such scheduling activities, including, without limitation, any imbalance charges.

### **3.10 Sales for Resale.**

All Delivered Energy delivered to Buyer hereunder shall be sales for resale. Buyer shall provide Seller with any documentation reasonably requested by Seller to evidence that the deliveries of Delivered Energy hereunder are sales for resale.

### **3.11 *Operating Procedures.***

Seller and Buyer will endeavor to develop written operating procedures (“**Operating Procedures**”) not less than sixty (60) days before the Initial Energy Delivery Date, which Operating Procedures shall only be effective if made by mutual written agreement of Seller and Buyer. The Parties agree that the Operating Procedures that they will endeavor to establish will cover the protocol under which the Parties will perform certain obligations under this Agreement and will include, but will not be limited to, procedures concerning the following: (1) the method of day-to-day communications; (2) key contacts for Seller and Buyer; and (3) reporting of scheduled maintenance, maintenance outages, Buyer Curtailment Orders, Force Majeure Events, and Forced Outages of the Project.

### **3.12 *Regulatory Approvals.***

(a) Seller and Buyer each agree to use their Commercially Reasonable Efforts to apply for promptly and to pursue diligently any required acceptances or approvals from Governmental Authorities for the consummation of the transactions contemplated by this Agreement or for the giving of effect to the expiration of this Agreement or any termination of this Agreement. This provision is not intended to subject this Agreement to the jurisdiction of any Governmental Authority that does not have such jurisdiction over this Agreement as of the Effective Date.

(b) Buyer shall apply for and shall diligently pursue designation of the Expected Project Capacity as a network resource or otherwise secure a firm delivery path for the Delivered Energy from the Delivery Point to and over the Transmission System. Buyer shall use Commercially Reasonable Efforts to submit an application to obtain a network resource designation or similar firm transmission rights for the Expected Project Capacity not later than thirty (30) Business Days following the Effective Date and to secure such rights no later than the Transmission Service Deadline. Notwithstanding anything to the contrary herein, Seller shall not incur liability for any delays hereunder to the extent such delays are caused by Buyer’s failure or inability to secure transmission service in accordance with this Section 3.13(b). Upon Buyer’s request, Seller shall use Commercially Reasonable efforts to cooperate with Buyer and provide such information as necessary to assist Buyer in obtaining firm transmission service.

(c) Following the Effective Date of this Agreement, each Party shall promptly seek to obtain all other licenses, permits and approvals necessary to perform its obligations hereunder.

### **3.13 Standards of Care.**

(a) Seller shall comply with all applicable requirements of Applicable Law, the Transmission Provider and NERC relating to the Project (including those related to construction, ownership, interconnection and operation of the Project).

(b) As applicable, each Party shall perform all generation, scheduling and transmission services in compliance with all applicable operating policies, criteria, rules, guidelines, tariffs and protocols of the Transmission Provider and Prudent Operating Practices.

(c) Seller agrees to abide by all applicable (i) NERC reliability requirements, including all such reliability requirements for generator owners and generator operators, and (ii) all applicable requirements regarding interconnection of the Project, including the requirements of the interconnected Transmission Owner and the Transmission Provider.

### **3.14 Buyer Curtailment.**

Except to the extent compliance would directly cause loss or recapture of any Tax Attributes, Seller shall reduce Buyer's Share of generation from the Project as required pursuant to a Buyer Curtailment Order, provided that (a) the Buyer Curtailment Period shall not exceed the Buyer Curtailment Cap cumulatively per Contract Year (which may be consecutive or non-consecutive); and (b) Buyer shall pay Seller the Contract Price for Deemed Delivered Energy associated with a Buyer Curtailment Period. If multiple Project Offtakers issue overlapping Buyer Curtailment Orders, then any Deemed Delivered Energy during such period shall be allocated to Buyer on a pro rata basis in accordance with its Buyer's Share.

### **3.15 Outage Notification.**

(a) Seller shall schedule Planned Outages for the Project in accordance with Prudent Operating Practices and with the prior written consent of Buyer, which consent may not be unreasonably withheld, conditioned or delayed. The Parties acknowledge that in all circumstances, Prudent Operating Practices shall dictate when Planned Outages should occur. Seller shall notify Buyer of its proposed Planned Outage schedule for the Project for the following calendar year by submitting a written Planned Outage schedule no later than August 1st of each year during the Delivery Term. The Planned Outage schedule is subject to Buyer's approval, which approval may not be unreasonably withheld, conditioned or delayed. Buyer shall promptly respond with its approval or with reasonable modifications to the proposed Planned Outage schedule and Seller shall use its best efforts in accordance with Prudent Operating Practices to accommodate Buyer's requested modifications and deliver the final Planned Outage schedule to Buyer. Seller shall contact Buyer with any requested changes to the Planned Outage schedule if Seller believes the Project must be shut down to conduct maintenance that cannot be delayed until the next scheduled Planned Outage consistent with Prudent Operating Practices. Seller shall not change its Planned Outage schedule without Buyer's approval, not to be unreasonably withheld, conditioned or delayed. . Seller shall not substitute Energy from any other source for the output of the Project during a Planned Outage.

(b) In addition to Planned Outages, Seller shall use Commercially Reasonable Efforts to

promptly notify Buyer of any Forced Outage lasting for more than sixty (60) consecutive minutes. Such Notices shall contain information describing the nature of the Forced Outage, the beginning date and time of such Forced Outage, the expected end date and time of such Forced Outage, the amount of Energy that Seller expects will be provided to the Delivery Point during such Forced Outage, and any other information reasonably requested by Buyer. With respect to any such Forced Outage, Seller shall provide Buyer with such Notice by any reasonable means requested by Buyer, including by telephone or electronic mail.

(c) The Parties may agree to modify the procedures for coordinating outage notices from time to time and will codify such changes in the Operating Procedures. If the Operating Procedures conflict with this Section 3.15, then the Operating Procedures will control.

### **3.16 Operations Logs and Access Rights.**

(a) Seller shall maintain a complete and accurate log of all material operations and maintenance information on a daily basis. Such log shall include, but not be limited to, information on power production, efficiency, availability, maintenance performed, Planned Outages, Forced Outages, results of inspections, manufacturer recommended services, replacements, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices. Seller shall maintain this information for at least two (2) years and, to the extent consistent with Applicable Law, shall provide this information electronically to Buyer within fifteen (15) days of Buyer's reasonable request.

(b) Buyer, its authorized agents, employees or inspectors shall have the right to visit the Site up to five (5) times per calendar year during normal business hours upon reasonable advance Notice and for any purposes reasonably connected with this Agreement; *provided*, that Buyer shall observe all applicable Project safety rules that Seller has communicated to Buyer; provided further, that Buyer, subject to and without waiving its rights to sovereign immunity under Florida Statutes, shall indemnify Seller for damage to property or injury to persons to the extent caused by the negligent or wrongful act or omission of Buyer, its authorized agents, employees, contractors, inspectors and other representatives while Buyer or such authorized individuals are at the Site or the Project. Buyer may request additional Site visits with Seller's consent, which shall not be unreasonably withheld, conditioned, or delayed.

### **3.17 Forecasting.**

(a) Seller shall provide Buyer with forecasts of the delivery of Energy under this Agreement as described below. Such forecasts shall include the updated status of all Project equipment that may impact availability and production of Product, and other information reasonably requested by Buyer. Seller shall use Commercially Reasonable Efforts to forecast daily by 5:00 a.m. (EDT) the hourly delivery of Energy under this Agreement accurately and to transmit such information in the format agreed to by the Parties as set forth in the Operating Procedures. Buyer and Seller shall agree upon reasonable changes to the requirements and procedures set forth below from time-to-time, as necessary to accommodate changes to operating and scheduling procedures of Buyer and will document such updated requirements and procedures in the Operating Procedures.

(b) No later than: (i) forty-five (45) Days prior to the commencement of the first Contract Year; and (ii) September 1 of each calendar year for every subsequent Contract Year, Seller shall provide to Buyer a non-binding forecast of the hourly delivery of Energy under this Agreement for an average day in each month of the following calendar year in a form reasonably acceptable to Buyer.

(c) Ten (10) Business Days before the commencement of the first Contract Year, and thereafter ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer a non-binding forecast of the hourly energy deliveries under this Agreement for each day of the following month in a form reasonably acceptable to Buyer.

(d) No later than 5:00 a.m. of each day, Seller shall provide Buyer a non-binding forecast of hourly Energy deliveries under this Agreement for the remainder of such day and the following seven (7) days in a form reasonably acceptable to Buyer. Each such Notice shall clearly identify, for each hour, Seller's forecast of all deliveries of Energy pursuant to this Agreement. In the event that Seller foresees that actual deliveries under this Agreement for any hour will be materially different than a forecast previously provided for such day, Seller shall, as soon as reasonably possible, provide Notice to Buyer of such change and an updated forecast.

### **3.18 Weather Station.**

(a) No later than sixty (60) Days prior to the Commercial Operation Date, Seller, at its own expense, shall install and maintain at least one stand-alone meteorological station at the Site to monitor, measure, communicate and report the meteorological data required under Section 3.18(b). Seller shall maintain and replace the meteorological station as necessary to provide accurate data with respect to the location of the Project.

(b) Upon the Commercial Operation Date, and continuing through the end of the Delivery Term, Seller shall record and maintain the following data:

(i) real and reactive power production by the Project for each hour;

(ii) changes in operating status, outages and maintenance events;

(iii) any unusual conditions found during inspections;

(iv) any significant events related to the operation of the Project; and

(v) fifteen (15) minute and hourly time-averaged measurements from data samples at sixty (60) seconds or greater frequency for the following parameters at the Project: total global horizontal irradiance, total global radiation within the plane of the array, air temperature, relative humidity, wind direction and speed, back of module surface temperature, and other pertinent meteorological conditions.

(c) Buyer shall have real-time access to the required meteorological data at a frequency not to exceed every fifteen (15) minutes. Seller shall provide Buyer a report within thirty (30) days after the end of each month that provides the foregoing information for such month as well as any



other additional information that Buyer reasonably requests regarding conditions at the Site and the operation of the Project that is collected and maintained by Seller in the ordinary course of Project operations.

(d) Seller shall make available to Buyer all data from any weather monitoring portals Seller elects to install at the Site.

(e) Subject to procedures agreed upon in the Operating Procedures, Buyer shall have the right to install equipment and associated communication infrastructure to enable Buyer to monitor, measure and communicate pertinent operation and weather data.

### **3.19 Compliance Cost Cap.**

Costs applicable to the Compliance Cost Cap are only those costs applicable under the definition of “Compliance Costs” and are new costs associated with a Change of Law occurring after the Effective Date. The Parties agree that the Compliance Costs Seller shall be required to bear during the Delivery Term [REDACTED]

[REDACTED] (collectively, the “**Compliance Cost Cap**”). In the event and to the extent that the Compliance Costs incurred by Seller exceed the Compliance Cost Cap, Buyer shall either reimburse Seller for such Compliance Costs that exceed the Compliance Cost Cap, or excuse Seller from performing the obligations of this Agreement that would otherwise cause it to incur Compliance Costs in excess of the Compliance Cost Cap. Within sixty (60) Days after the Change of Law that Seller anticipates will cause it to incur Compliance Costs in excess of the Compliance Cost Cap, Seller shall provide to Buyer Notice with an estimate of the expected annual Compliance Costs caused by such Change of Law. Within thirty (30) Days of the delivery of such Notice with the estimate, Buyer shall provide Seller Notice of (i) Buyer’s request for Seller to incur the Compliance Costs in excess of the Compliance Cost Cap, (ii) Buyer’s initiation of dispute resolution under ARTICLE 17, or (iii) Buyer’s waiver of Seller’s performance of such obligations.

### **3.20 Production Guarantee.**

Seller shall cause the Project to be operated in accordance with Prudent Operating Practices. Seller guarantees that the Delivered Energy will equal or exceed the Annual Energy Output Guarantee of Energy in at least one of every two rolling Contract Years. If there is a Production Shortfall in any two rolling consecutive Contract Years, then Seller shall owe Buyer liquidated damages in an amount equal to (i) the Production Shortfall that occurred in the later of the two relevant Contract Years, multiplied by (ii) the Damages Rate (the “**Production Guarantee Damages**”).

### **3.21 Purchase Option.**

(a) At the end of the tenth (10<sup>th</sup>), fifteenth (15<sup>th</sup>) and twentieth (20<sup>th</sup>) Contract Years, Buyer may elect to purchase the Project from Seller for a purchase price equal to the greater of (i) Fair Market Value or (ii) the Purchase Option Price that corresponds to the applicable Contract Year, as specified in Exhibit A.

(b) If Buyer intends to exercise the purchase option, Buyer shall notify Seller of its intent at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the applicable Contract Year and the Parties shall endeavor to complete the purchase and transfer by the end of the applicable Contract Year. Seller will provide in a timely manner, information regarding the Project which is reasonably requested by Buyer to allow Buyer to perform due diligence for the purchase of the Project.

(c) If Buyer has notified Seller of its intent to purchase the Project in accordance with Section 3.21(b), then the Parties shall determine Fair Market Value within forty-five (45) days of Buyer's notice. Within fifteen (15) days of Buyer's notice, Seller shall give written notice to Buyer of its determination of Fair Market Value, along with a full explanation of the calculation of Fair Market Value, including without limitation, an explanation of all assumptions, figures and values used in such calculation. If Buyer reasonably objects to Seller's determination of Fair Market Value, the Parties shall select a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to determine the Fair Market Value of the Project. Such appraiser shall act reasonably and in good faith to determine the Fair Market Value of the Project, and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser shall be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by the Parties equally.

(d) Any purchase pursuant to this Section 3.21 shall be on an as-is, where-is basis, and Seller shall not provide any warranty or other guarantee regarding the performance of the Project; provided, however, that Seller shall assign to Buyer all manufacturer warranties that are in effect as of the purchase date. Without limiting the foregoing, the purchase shall occur pursuant to a form of purchase and sale agreement with customary representations, warranties and covenants and in form reasonably acceptable to the Parties.

(e) Any purchase pursuant to this Section 3.21 shall be for the entire Project – either as an undivided ownership interest by Buyer, or in conjunction with the purchase by the FMPA All-Requirements Power Supply Project (“**ARP**”) of the remaining ownership interest of the Project not purchased by Buyer, provided that any joint purchase by Buyer and the FMPA ARP shall be a simultaneous purchase of 100% ownership interest in the Project, with each such purchase by Buyer and the FMPA ARP being expressly conditioned upon successful purchase of the remaining ownership share by FMPA ARP and Buyer, respectively.

## **ARTICLE 4 PROJECT DESIGN AND CONSTRUCTION**

### **4.1 *Project Development.***

Seller, at no cost to Buyer shall:

- (a) Design and construct the Project.
- (b) Establish and maintain interconnection rights for the Project that permit the full Expected Project Capacity to interconnect to the Transmission System in compliance with the Transmission Provider's transmission tariff and the Interconnection Agreement.

(c) Acquire all material Governmental Approvals for the construction, operation, and maintenance of the Project.

(d) Complete any environmental impact studies necessary for the construction, operation, and maintenance of the Project.

(e) At Buyer's reasonable request, provide to Buyer Seller's electrical specifications and design drawings pertaining to the Project.

(f) Within thirty (30) days after each calendar quarter following the Effective Date until the Commercial Operation Date, provide to Buyer a construction progress report substantially in the form attached in Exhibit L advising Buyer of the current status of the Project, the status of obtaining required Governmental Approvals, any significant developments or delays along with an action plan for making up delays, and Seller's best estimate of the Commercial Operation Date.

#### **4.2 Commercial Operation.**

(a) Seller shall cause the Project to achieve the Commercial Operation Date by the Target Commercial Operation Date, unless extended in accordance with Section 4.2(b).

(b) Permitted Extensions to the Target Commercial Operation Date are as follows (the "**Permitted Extensions**"):

(i) The Target Commercial Operation Date may be extended on a day-for-day basis for a cumulative period equal to no more than [REDACTED] days if Seller has used Commercially Reasonable Efforts to have the Project physically interconnected to the Transmission System and to complete all Transmission Owner's Interconnection Facilities, if any, but such interconnection or Transmission Owner's Interconnection Facilities cannot be completed by the Target Commercial Operation Date for reasons beyond Seller's reasonable control and Seller has worked diligently to resolve the delay ("**Interconnection Delay**");

(ii) The Target Commercial Operation Date may be extended on a day-for-day basis for a cumulative period equal to no more than [REDACTED] days if Seller has used commercially reasonable efforts to obtain permits necessary for the construction and operation of the Project, but is unable to obtain such permits and Seller has worked diligently to resolve the delay ("**Permitting Delay**");

(iii) The Target Commercial Operation Date may be extended on a day-for-day basis for a cumulative period equal to no more than [REDACTED] days in the event of Force Majeure ("**Force Majeure Extension**"); provided that Seller works diligently to resolve the effect of the Force Majeure and provides evidence of its efforts promptly to Buyer upon Buyer's written request; and

(iv) The Target Commercial Operation Date may be extended on a day-for-day basis for each day Buyer is liable to Seller for Transmission Delay Damages pursuant to Section 4.3(b).

(c) Notwithstanding the foregoing, if Seller claims more than one Permitted Extension under Section 4.2(b)(i)-(iii), such extensions cannot cumulatively exceed [REDACTED] days and all Permitted Extensions taken shall be concurrent, rather than consecutive, during any overlapping days.

(d) If Seller claims a Permitted Extension, Seller shall provide Buyer Notice sixty (60) Days prior to the Target Commercial Operation Date, which Notice must clearly identify the Permitted Extension being claimed and include information necessary for Buyer to verify the length and qualification of the extension; provided that, in the event sixty (60) Days is impracticable or impossible, Seller shall provide as much advanced Notice as is reasonably possible.

### **4.3 Cure Period and Delay Damages.**

(a) Seller shall cause the Project to achieve the Commercial Operation Date by the Target Commercial Operation Date. If the Commercial Operation Date occurs after the Target Commercial Operation Date after giving effect to Permitted Extensions and for reasons other than Buyer's failure to obtain transmission service by the Transmission Service Deadline in accordance with Section 3.8(b), then Buyer shall be entitled to draw upon the Seller's Performance Assurance for liquidated damages equal to Daily Delay Damages for each day or portion of a day that the Commercial Operation Date occurs after the Target Commercial Operation Date after giving effect to Permitted Extensions until the earlier of (i) the date that [REDACTED] days after such date, and (ii) the Commercial Operation Date (the "**Project Cure Period**").

(b) Beginning on the Transmission Service Deadline, in the event that Buyer's failure to obtain transmission service in accordance with Section 3.8(b) results in Buyer's inability to receive Delivered Energy, then, subject to Section 4.3(c), Buyer shall owe Seller liquidated damages equal to the Transmission Delay Damages for each day or portion of a day that Buyer fails to receive such Delivered Energy.

(c) Notwithstanding Buyer's failure to obtain transmission service pursuant to Section 3.8(b) and resulting inability to receive all or part of the Delivered Energy, Seller shall use Commercially Reasonable Efforts to commence operations and deliver electricity from the Project, which shall include, if available, selling the Project output to a utility pursuant to the Public Utility Regulatory Policies Act.

(d) Transmission Delay Damages shall be calculated as follows: (i) to the extent Seller sells electricity from the Project to a third party in accordance with Section 4.3(c), Buyer shall pay Seller only the positive difference between the Contract Price and sums received from the utility for any electricity sold pursuant to this Section 4.3; (ii) to the extent Seller is unable to deliver or sell any electricity that the Project is capable of generating despite using Commercially Reasonable Efforts as a result of Buyer's failure to obtain transmission service, Buyer shall pay Seller the full Contract Price for such electricity. In addition, in calculating the Transmission Delay Damages, Buyer shall pay Seller any reasonably incurred and documented costs corresponding to its efforts to sell the Delivered Energy to a third party. For the avoidance of doubt, Buyer shall also be liable to Seller pursuant to Section 11.3 to the extent Buyer's failure to obtain transmission service results in the full or partial loss or recapture of Tax Attributes.

(e) Each Party agrees and acknowledges that (i) the damages that the other Party would incur due to the delays described in this Section 4.3 would be difficult or impossible to predict with certainty and (ii) the Daily Delay Damages and Transmission Delay Damages are an appropriate approximation of such damages.

#### **4.4 Project Capacity, Default Commercial Operation Date, and Termination Option.**

(a) Seller shall provide Notice to Buyer no later than thirty (30) days prior to the Default Commercial Operation Date if it anticipates a Capacity Shortfall. Seller shall then provide Notice to Buyer no later than ten (10) Business Days after the Default Commercial Operation Date of the actual Capacity Shortfall, if any. Buyer shall have twenty (20) days after receipt of such notice to either: (i) elect to waive the obligation of Seller to complete the Capacity Shortfall, and neither Party shall have any further obligations with respect to the development, sale, delivery, receipt, or purchase of the Capacity Shortfall (the “**Termination Option**”); or (ii) elect to purchase any amount of Capacity Shortfall that achieves Commercial Operation in accordance with the terms of this Agreement after the Default Commercial Operation Date at the Contract Price (the “**Continuation Option**”). For avoidance of doubt, the Agreement shall remain in full force and effect at the Contract Price with respect to any Project capacity that achieved Commercial Operation as of the Default Commercial Operation Date.

(b) If Buyer elects the Continuation Option, then Seller shall continue to pursue Commercial Operation of any Capacity Shortfall. If there remains a Capacity Shortfall as of the Commercial Operation Date, Seller shall then provide Notice to Buyer no later than ten (10) Business Days after the Commercial Operation Date specifying the Installed Capacity. Subject to Seller’s payment of both the Capacity Shortfall Damages as provided below and all applicable Daily Delay Damages pursuant to Section 4.3, the Seller’s Performance Assurance will be reduced to reflect the Installed Capacity and all of Seller’s Performance Assurance posted in excess of such Installed Capacity shall be promptly returned to Seller. Seller shall pay Buyer, as liquidated damages and not as a penalty, an amount (the “**Capacity Shortfall Damages**”) equal to

(c) Each Party agrees and acknowledges that (i) the damages that Buyer would incur due to the Capacity Shortfall would be difficult or impossible to predict with certainty, and (ii) the Capacity Shortfall Damages is an appropriate approximation of such damages. In order to satisfy the Capacity Shortfall Damages, Buyer shall have the right to immediately draw upon and apply the Seller’s Performance Assurance to the payment of the Capacity Shortfall Damages. Seller’s payment of the Capacity Shortfall Damages hereunder shall constitute Buyer’s sole remedy for Seller’s failure to achieve Commercial Operation of the Capacity Shortfall.

## **ARTICLE 5 METERING AND MEASUREMENT**

### **5.1 Metering System.**

The Parties shall ensure the Metering System is designed, located, constructed, installed, owned, operated and maintained in accordance with the Interconnection Agreement and Prudent Operating Practices in order to measure and record the amount of Energy delivered from the Project to the Delivery Point. The meters shall be of a mutually acceptable accuracy range and type. Seller shall be responsible for the cost of all metering that will be installed, owned, operated and maintained by the Meter Owner for the purpose of determining the amount of Energy delivered to the Delivery Point. Except in the event of a System Emergency or any order of a Governmental Authority, no one other than the Meter Owner shall make adjustments to the Metering System without the written consent of Meter Owner, which consent shall not be unreasonably withheld, conditioned or delayed. If Buyer is the Meter Owner, then Seller, may, at its own cost, install additional meters or other such facilities, equipment or devices on Seller's side of the Delivery Point as Seller deems necessary or appropriate to monitor the measurements of the Metering System; provided, however, that in all cases Buyer will be entitled to rely upon its own Metering System.

## **5.2 Inspection and Adjustment.**

(a) The Meter Owner shall inspect and test the Metering System at such times as will conform to Prudent Operating Practices, but not less often than every Contract Year. Upon reasonable written request to the Meter Owner, the other Party may request, at its own expense, inspection or testing of any such meters more frequently than once every Contract Year.

(b) If any seal securing the metering is found broken, if the Metering System fails to register, or if the measurement made by a metering device is found upon testing to vary by more than one percent (1.0%) from the measurement made by the standard meter used in the test, an adjustment shall be made correcting all measurements of energy made by the Metering System during: (i) the actual period when inaccurate measurements were made by the Metering System, if that period can be determined to the mutual satisfaction of the Parties; or (ii) if such actual period cannot be determined to the mutual satisfaction of the Parties, the second half of the period from the date of the last test of the Metering System to the date such failure is discovered or such test is made ("**Adjustment Period**"). If the Parties are unable to agree on the amount of the adjustment to be applied to the Adjustment Period, the amount of the adjustment shall be determined: (A) by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or (B) if not so ascertainable, by estimating on the basis of deliveries made under similar conditions during the period since the last test. Within thirty (30) Days after the determination of the amount of any adjustment, Buyer shall pay Seller any additional amounts then due for deliveries of Energy during the Adjustment Period or Buyer shall be entitled to a credit against any subsequent payments for Energy, as the case may be.

(c) The Parties and their representatives shall be entitled to be present at any test, inspection, maintenance, adjustments and replacement of any part of the Metering System relating to obligations under this Agreement and the Meter Owner shall use commercially reasonable efforts to provide no less than ten (10) Business Days' prior notice of any such test, inspection or other event.

## **ARTICLE 6 EARLY TERMINATION**

## 6.1 *Early Termination.*

(a) In addition to applicable termination rights otherwise expressly provided in this Agreement, this Agreement may be terminated prior to the expiration of the Term as follows:

(i) By Seller within thirty (30) days after receipt of the final facilities study report from the Transmission Owner, if the estimated cost of Transmission Owner's Interconnection Facilities (as identified by the Transmission Owner) exceeds [REDACTED] and Buyer has not agreed in writing to reimburse Seller for any overages;

(ii) By Seller if an Interconnection Agreement in form and substance satisfactory to Seller, in its sole commercially reasonable discretion, is not executed on or before [REDACTED] or

(iii) By Seller, in the event that Seller has not obtained the necessary fee, leasehold or other title to or interest in the Site and all Governmental Approvals necessary to construct and operate the Project in the manner contemplated by this Agreement and which are final and no longer subject to appeal or legal challenge, on or before [REDACTED]; *provided* that Seller gives Buyer Notice of such termination within fifteen (15) Days after such date.

(b) Notwithstanding any provision of this Agreement to the contrary, in the event of termination pursuant to this Section 6.1, the Parties shall be released and discharged from any obligations arising or accruing hereunder from and after the date of such termination and shall not incur any additional liability to each other as a result of such termination, *provided* that such termination shall not discharge or relieve either Party from any obligation that has accrued prior to such termination or otherwise limit the survival provisions set forth in Section 19.1.

## ARTICLE 7 EVENTS OF DEFAULT

### 7.1 *Events of Default.*

An "**Event of Default**" shall mean,

(a) with respect to a Party that is subject to the Event of Default the occurrence of any of the following:

(i) the failure by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within ten (10) Business Days after Notice thereof;

(ii) the failure by such Party to satisfy, when due, any Performance Assurance requirements within ten (10) Business Days after receipt of Notice of such failure;

(iii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) Days after Notice thereof;

(iv) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) and such failure is not remedied within thirty (30) Days after Notice thereof; provided, however, that if such failure is not reasonably capable of being remedied within the thirty (30) Day cure period, such Party shall have such additional time (not exceeding an additional ninety (90) Days) as is reasonably necessary to remedy such failure, so long as such Party promptly commences and diligently pursues such remedy;

(v) such Party becomes Bankrupt;

(vi) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Section 14.1;

(vii) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party; or

(b) with respect to Buyer as the Defaulting Party, the failure to obtain firm transmission service sufficient to receive the Delivered Energy at the Delivery Point in accordance with Section 3.13(b) by the Transmission Service Deadline, except to the extent Buyer secures interim transmission service sufficient to receive the Delivered Energy from the Transmission Service Deadline at the Delivery Point that becomes firm transmission service no later than the Default Commercial Operation Date; or

(c) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) if at any time, Seller delivers or attempts to deliver to the Delivery Point for sale under this Agreement Energy or Environmental Attributes that was not generated by or associated with the Project; or

(ii) Seller Abandons the Project.

## **7.2 Remedies; Declaration of Early Termination Date.**

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (“**Non-Defaulting Party**”) shall have the right to one or more of the following:

(a) send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement (“**Early Termination Date**”);



- (b) collect in connection with such Early Termination Date a Termination Payment;
- (c) accelerate all amounts owing between the Parties and end the Delivery Term effective as of the Early Termination Date;
- (d) withhold any payments due to the Defaulting Party under this Agreement;
- (e) suspend performance; and
- (f) exercise its rights pursuant to Section 9.3 to draw upon and retain Performance Assurance.

### **7.3 Termination Payment.**

On or as soon as reasonably practicable following the occurrence of an Early Termination Date, the Non-Defaulting Party will calculate the Termination Payment, which shall equal the Settlement Amount, net of any sums owed by the Non-Defaulting Party to the Defaulting Party. If the Termination Payment calculation yields a positive number, then the Defaulting Party shall owe the Termination Payment to the Non-Defaulting Party. If the Termination Payment calculation results in a negative number, then the Termination Payment shall be zero. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, the Settlement Amount as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages; provided, however, that any lost Environmental Attributes shall be deemed direct damages covered by this Agreement. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (a) the actual damages that the Non-Defaulting Party would incur in connection with the termination of this Agreement would be difficult or impossible to predict with certainty, (b) the Termination Payment described in this section is a reasonable and appropriate approximation of such damages, and (c) the Termination Payment described in this section is the exclusive remedy of the Non-Defaulting Party in connection with the termination of this Agreement but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect to terminate this Agreement as its remedy for an Event of Default by the Defaulting Party.

### **7.4 Notice of Payment of Termination Payment.**

As soon as practicable after a designation of the Early Termination Date, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment shall be made to the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

**7.5 *Disputes with Respect to Termination Payment.***

If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment shall be determined in accordance with ARTICLE 17. The Defaulting Party shall pay all undisputed portions of the Termination Payment and provide Performance Assurance equal to the disputed portion until final resolution of the dispute.

**7.6 *Rights and Remedies Are Cumulative.***

Except where liquidated damages are provided as the exclusive remedy, the rights and remedies of a Party pursuant to this ARTICLE 7 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

**7.7 *Mitigation.***

Any Non-Defaulting Party shall be obligated to use Commercially Reasonable efforts to mitigate its Costs and Losses resulting from any Event of Default of the other Party under this Agreement.

**ARTICLE 8  
PAYMENT**

**8.1 *Billing and Payment.***

By the tenth (10<sup>th</sup>) day of each month beginning with the month following the Initial Energy Delivery Date and every month thereafter, and continuing through and including the first month following the end of the Delivery Term, Seller shall provide to Buyer an invoice covering the Product delivered in the preceding month determined in accordance with Article 4 (which may include preceding months), with all component charges and unit prices identified and all calculations used to arrive at invoiced amounts described in reasonable detail. Buyer shall pay the undisputed amount of such invoices on or before thirty (30) Days after Buyer receipt of the invoice. If either the invoice date or payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any undisputed amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full. Invoices shall be sent by e-mail to address specified by Buyer, initially [accounts.payable@fmpa.com](mailto:accounts.payable@fmpa.com).

**8.2 *Disputes and Adjustments of Invoices.***

A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the

invoice shall be required to be made when due. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the original due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived if the other Party is not notified in accordance with this Section 8.2 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from a third party not Affiliated with any Party and such third party corrects its information after the twelve-month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

## **ARTICLE 9 INSURANCE, CREDIT AND COLLATERAL REQUIREMENTS**

### **9.1 Insurance.**

In connection with Seller's performance of its duties and obligations under this Agreement, during the Delivery Term, Seller shall maintain insurance in accordance with Exhibit G.

### **9.2 Grant of Security Interest.**

To the extent a PA Provider delivers Performance Assurance hereunder, it hereby grants to the other Party (the "**PA Beneficiary**") a present and continuing first priority security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, the PA Beneficiary, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the PA Beneficiary's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence and during the continuation of an Event of Default by the PA Provider or an Early Termination Date as a result thereof, the PA Beneficiary may do any one or more of the following: (i) exercise any of the rights and remedies of a secured party with respect to all Performance Assurance, including any such rights and remedies under Applicable Law then in effect; (ii) exercise its rights of setoff against such collateral and any and all proceeds resulting therefrom or from the liquidation thereof; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all or any portion of any Performance Assurance then held by or for the benefit of the PA Beneficiary free from any claim or right of any nature whatsoever of PA Provider, including any equity or right of purchase or redemption. PA Beneficiary shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the PA Provider's obligations under the Agreement (the PA Provider remaining liable for any amounts owing to the PA Beneficiary after such application), subject to PA Beneficiary's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

### 9.3 *Performance Assurance.*

(a) Seller's Performance Assurance. Seller agrees to deliver to Buyer and thereafter maintain in full force and effect for the remainder of the Term, Performance Assurance in the amount [REDACTED], as applicable, within thirty (30) Days following the Effective Date.

(b) Buyer's Performance Assurance. If Buyer is not a Creditworthy Entity as of the Effective Date or at any time after the Effective Date is subject to a Downgrade Event, then, within sixty (60) days after the Effective Date or Downgrade Event, as applicable, and for such periods as Buyer is not a Creditworthy Entity, Buyer shall provide Seller with Performance Assurance in the amount [REDACTED], as applicable.

(i) If at any time during the Term Buyer becomes a Creditworthy Entity, then Buyer will not be required to provide Buyer's Performance Assurance and Seller shall refund any unused portion of Buyer's Performance Assurance within thirty (30) Days of receipt of Notice and verification of its status as a Creditworthy Entity.

(c) Any sum due under this Agreement (other than disputed amounts) and not satisfied within thirty (30) Days of becoming due and owing may be satisfied by a Party by a draw on Performance Assurance until such Performance Assurance has been exhausted. In addition, upon termination, a Party shall have the right to draw upon Performance Assurance for any undisputed amounts owed under this Agreement if not paid when due pursuant to Section 8.1. Performance Assurance shall not be subject to replenishment.

(d) A PA Beneficiary shall prudently invest any cash held as Performance Assurance in a manner that is the same or substantially similar to the manner in which such Party invests its own cash and shall pay interest equivalent to the interest earned on such cash held. Any interest earned will be returned annually prior to January 31<sup>st</sup> following each calendar year.

(e) If, during the Term, there shall occur a Downgrade Event in respect to a Party's Guarantor, then the applicable PA Provider shall deliver to the PA Beneficiary replacement Performance Assurance within ten (10) Business Days of such Downgrade Event.

(f) A Party's obligation to maintain Performance Assurance shall terminate upon the occurrence of the following: (i) the Term of the Agreement has ended, or an the Agreement has been terminated pursuant to Section 7.2, as applicable; and (ii) all payment obligations of the PA Provider arising under this Agreement, Termination Payment, indemnification payments or other damages are paid in full. Upon the occurrence of the foregoing, each Party shall promptly return to the other Party the unused portion of the applicable Performance Assurance, including the payment of any interest due thereon.

(g) Any Letter of Credit provided pursuant to this Agreement must provide, among other things, that the PA Beneficiary is entitled to draw the full amount of such Letter of Credit if: (i) the Letter of Credit has not been renewed or replaced within thirty (30) days prior to the expiration

date of the Letter of Credit; or (ii) the issuer of the Letter of Credit fails to maintain a credit rating of at least A- from S&P and a rating of at least A3 from Moody's and the Party required to provide the Letter of Credit has failed, within ten (10) Business Days after receipt of Notice thereof by the PA Beneficiary to replace such Letter of Credit with another Letter of Credit, in a form reasonably acceptable to the issuer of the Letter of Credit and PA Beneficiary. Costs of a Letter of Credit shall be borne by the PA Provider.

## **ARTICLE 10 REPRESENTATIONS, WARRANTIES AND COVENANTS**

### **10.1 *Representations and Warranties.***

On the Effective Date, each Party represents and warrants to the other Party that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has or will obtain in accordance herewith all Governmental Approvals necessary for it to perform its obligations under this Agreement, other than those Governmental Approvals that are not required to be obtained, and, as to Seller, all Governmental Approvals and all rights, title and interest in and to the Site and as otherwise necessary to construct, operate and maintain the Project and related interconnection facilities, as of the Effective Date;

(c) the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Applicable Law;

(d) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

(e) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

(f) except as may be set forth in its reports filed with the SEC, there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could reasonably be expected to materially adversely affect its ability to perform its obligations under this Agreement; and

(g) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement.

### **10.2 *General Covenants.***

Each Party covenants that throughout the Term:

(a) it shall continue to be duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its formation;

(b) it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement; and

(c) it shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any material contracts to which it is a party or any Applicable Law or Governmental Approval.

### **10.3 *Seller Covenants.***

Seller covenants as follows:

(a) that, from the Initial Energy Delivery Date through the expiration or termination of this Agreement, the Project shall be operated and maintained in all material respects in accordance with this Agreement, Applicable Laws, Governmental Approvals and Prudent Operating Practices; and

(b) throughout the Term that it, or its permitted successors or assigns, shall maintain ownership of a fee, easement, long-term leasehold interest, or other similar asset ownership interest in the Project.

### **10.4 *Buyer's Covenants.***

Buyer covenants as follows:

(a) from the date hereof through the expiration or termination of this Agreement, Buyer shall comply in all material respects with this Agreement and Applicable Laws.

(b) Buyer will, at Seller's expense, reasonably cooperate with Seller in opposing, and will not support any action of any regulatory body having jurisdiction thereover that could result in the modification or vitiation of any of the terms or conditions hereof or have any other material adverse effect on Seller, the Project or this Agreement.

(c) Buyer shall not treat this Agreement for tax purposes as a lease of the Project rather than a service contract; Buyer shall not take an ownership interest in the Project during the first five (5) Contract Years following the Commercial Operation Date (for the avoidance of doubt, nothing in this Agreement permits Buyer to take an ownership interest in the Project); and Buyer shall not take any action or inaction in breach of this Agreement or otherwise fail to obtain transmission service in a manner that would prevent the Project from being placed in service for tax purposes prior to the Default Commercial Operation Date.

(d) Buyer covenants that from the date hereof through the expiration or termination of this Agreement, Buyer shall (i) establish and maintain FMPA Solar III Project Participant payment obligations pursuant to the FMPA Solar III Project Power Sales Contracts at amounts sufficient to meet FMPA's costs and liabilities lawfully owed under this Agreement; (ii) deliver

written Notice to Seller of (A) any defaults occurring under any FMPA Solar III Project Power Sales Contract that are not cured by the applicable cure period and (B) any changes to the list of FMPA Solar III Project Participants set forth in Exhibit K; and (iii) not agree to any amendment, modification or alteration of any FMPA Solar III Project Power Sales Contract that would materially adversely affect the FMPA Solar III Project Participant Covenants without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed.

(e) Buyer shall enforce the provisions of the FMPA Solar III Project Power Sales Contracts and duly perform its covenants and agreements thereunder; provided, however, that notwithstanding any provision of this Agreement to the contrary, in the event of the failure of an FMPA Solar III Project Participant to observe the FMPA Solar III Project Participant Covenants, such failure shall be considered a Downgrade Event (without limiting Events of Default) and the sole and exclusive remedy of Seller for such failure shall be the delivery by Buyer to Seller of Performance Assurance in the form of a Letter of Credit or cash in an amount equal to the then applicable amount of Buyer's Performance Assurance.

## **ARTICLE 11 TITLE, RISK OF LOSS, INDEMNITIES**

### **11.1 *Title and Risk of Loss.***

Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to or at the Delivery Point.

### **11.2 *Indemnities by Seller.***

Seller shall release, indemnify, defend, and hold harmless Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives against and from any and all actions, suits, losses, costs, damages, injuries, liabilities, claims, demands, penalties and interest, including reasonable costs and attorneys' fees ("**Claims**") resulting from, or arising out of or in any way connected with (i) any event, circumstance, act, or incident relating to the Product delivered under this Agreement up to and at the Delivery Point, (ii) Seller's development, permitting, construction, ownership, operation and/or maintenance of the Project, (iii) the failure by Seller or the failure of the Project to comply with Applicable Laws, (iv) any Governmental Charges for which Seller is responsible hereunder, or (v) any liens, security interests, encumbrances, or other adverse claims against the Product delivered hereunder made by, under, or through Seller, in all cases including, without limitation, any Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such Claim to the extent caused by the willful misconduct or gross negligence of Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

### **11.3 *Indemnities by Buyer.***

To the fullest extent permitted by Florida law, subject to and without waiving its rights to sovereign immunity under Florida law, Buyer shall release, indemnify, defend, and hold harmless Seller, its Affiliates, and its and their directors, officers, employees, agents, and representatives against and from any and all Claims resulting from, or arising out of or in any way connected with (i) any event, circumstance, act, or incident relating to the Product received by Buyer under this Agreement after the Delivery Point, (ii) the failure by Buyer to comply with Applicable Laws, (iii) Buyer's breach of this Agreement, or (iv) any Governmental Charges for which Buyer is responsible hereunder, in all cases including, without limitation, any Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such Claim to the extent caused by the willful misconduct or gross negligence of Seller, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

## **ARTICLE 12 GOVERNMENTAL CHARGES**

### **12.1 Cooperation.**

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party incurs any cost, expense, risk, obligation or liability or is otherwise materially adversely affected by such efforts.

### **12.2 Governmental Charges.**

Seller shall pay or cause to be paid all taxes imposed by any governmental authority ("**Governmental Charges**") on or with respect to the Product or the transaction under this Agreement arising prior to and at the Delivery Point, including, but not limited to, ad valorem taxes and other taxes attributable to the Project, land, land rights or interests in land for the Project. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or the transaction under this Agreement at and after the Delivery Point. In the event Seller is required by Applicable Law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by Applicable Law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller with respect to payments under the Agreement; if Buyer elects not to deduct such amounts from Seller's payments, Seller shall promptly reimburse Buyer for such amounts upon request. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under Applicable Law.



**ARTICLE 13**  
**CONFIDENTIAL INFORMATION**

**13.1 Confidential Information.**

(a) The Parties have and will develop certain information, processes, know-how, techniques and procedures concerning the Project that they consider confidential and proprietary (together with the terms and conditions of this Agreement, the “Confidential Information”). Notwithstanding the confidential and proprietary nature of such Confidential Information, the Parties (each, the “**Disclosing Party**”) may make such Confidential Information available to the other (each, a “**Receiving Party**”) subject to the provisions of this Section 13.1.

(b) Upon receiving or learning of Confidential Information, the Receiving Party shall:

(i) Treat such Confidential Information as confidential and use reasonable care not to divulge such Confidential Information to any third party except as required by law, subject to the restrictions set forth below;

(ii) Restrict access to such Confidential Information to only those employees, subcontractors, suppliers, vendors, and advisors whose access is reasonably necessary for the development, construction, operation or maintenance of the Project and for the purposes of this Agreement who shall be bound by the terms of this Section 13.1;

(iii) Use such Confidential Information solely for the purpose of developing the Project and for purposes of this Agreement; and

(iv) Upon the termination of this Agreement, destroy or return any such Confidential Information in written or other tangible form and any copies thereof; provided, however, that either Party shall be entitled to keep a record copy of such information to the extent required by Florida law.

(c) The restrictions of this Section 13.1 do not apply to:

(i) Release of this Agreement or Confidential Information to any Governmental Authority required for obtaining any approval or making any filing pursuant to Sections 3.12 or 12.2, *provided* that each Party agrees to cooperate in good faith with the other to maintain the confidentiality of the provisions of this Agreement and the Confidential Information by requesting confidential treatment with all filings to the extent appropriate and permitted by Applicable Law;

(ii) Information which is, or becomes, publicly known or available other than through the action of the Receiving Party in violation of this Agreement;

(iii) Information which is in the possession of the Receiving Party prior to receipt from the Disclosing Party or which is independently developed by the Receiving Party, *provided* that the Person or Persons developing such information have not had access to any Confidential Information;

(iv) Information which is received from a third party which is not known (after due inquiry) by Receiving Party to be prohibited from disclosing such information pursuant to a contractual, fiduciary or legal obligation; and

(v) Information which is, in the reasonable written opinion of counsel of the Receiving Party, required to be disclosed pursuant to Applicable Law (including, without limitation, any request pursuant to Chapter 119 of the Florida Statutes, or other state or federal public records law, freedom of information act, or other similarly title law); *provided, however*, that the Receiving Party, prior to such disclosure, shall provide reasonable advance Notice to the Disclosing Party of the time and scope of the intended disclosure in order to provide the Disclosing Party an opportunity to obtain, at its sole expense, a protective order or otherwise seek to prevent, limit the scope of, or impose conditions upon such disclosure.

(d) Notwithstanding the foregoing, Seller may disclose Confidential Information to the Project Investors and any other financial institutions expressing an interest in providing equity or debt financing or refinancing and/or credit support to Seller, and the agent or trustee of any of them, any advisors, consultants, insurance providers, brokers of Seller, Project Investors or other financial institutions.

(e) Neither Party shall issue any press or publicity release or otherwise release, distribute or disseminate any information, with the intent that such information will be published (other than information that is, in the reasonable written opinion of counsel to the Disclosing Party, required to be distributed or disseminated pursuant to Applicable Law, *provided* that the Disclosing Party has given Notice to, and an opportunity to prevent disclosure by, the other Party as provided in Section 13.1(c)(v)), concerning this Agreement or the participation of the other Party in the transactions contemplated hereby without the prior written approval of the other Party, which approval will not be unreasonably withheld or delayed. This provision shall not prevent the Parties from releasing information which is required to be disclosed in order to obtain permits, licenses, releases and other approvals relating to the Project or as are necessary in order to fulfill such Party's obligations under this Agreement.

(f) The obligations of the Parties under this Section 13.1 shall remain in full force and effect for three (3) years following the expiration or termination of this Agreement.

## **ARTICLE 14 ASSIGNMENT**

### **14.1 *Successors and Assigns; Assignment.***

(a) This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. This Agreement shall not be assigned or transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Notwithstanding the foregoing, no consent shall be required for the following:

(i) Any assignment of this Agreement by Seller to any Project Investors as collateral security for obligations under the financing documents entered into with such Project Investors;

(ii) Any assignment by the Project Investors to a third party after the Project Investors have exercised their foreclosure rights with respect to this Agreement or the Project;

(iii) Any assignment or transfer of this Agreement by Seller to an Affiliate of Seller; or

(iv) Any assignment or transfer of this Agreement by Seller to a Person succeeding to all or substantially all of the assets of Seller, provided that such Person is a Qualified Transferee.

(c) An assignee shall be afforded no additional rights, interests or remedies beyond those specifically granted to the assignor in this Agreement. The Party seeking to assign or transfer this Agreement shall be solely responsible for paying all costs and expenses, including attorney's and advisor fees of any such assignment.

(d) Buyer acknowledges that upon an event of default under any financing documents relating to the Project, subject to receipt by Buyer of Notice, any of the Project Investors may (but shall not be obligated to) assume, or cause its designee or a new lessee or buyer of the Project [REDACTED] to assume, all of the interests, rights and obligations of Seller thereafter arising under this Agreement, provided that Buyer's interests, rights and obligations under this Agreement will remain in full force and effect.

(e) If the rights and interests of Seller in this Agreement shall be assumed, sold or transferred as herein provided, and the assuming party shall agree in writing to be bound by and to assume, the terms and conditions hereof and any and all obligations to Buyer arising or accruing hereunder from and after the date of such assumption, then Seller shall be released and discharged from the terms and conditions hereof and each such obligation hereunder from and after such date, and Buyer shall continue this Agreement with the assuming party as if such Person had been named as Seller under this Agreement. Notwithstanding any such assumption by any of the Project Investors or a designee thereof, Seller shall not be released and discharged from and shall remain liable for any and all obligations to Buyer arising or accruing hereunder prior to such assumption.

(f) The provisions of this ARTICLE 14 are for the benefit of the Project Investors as well as the Parties hereto, and shall be enforceable by the Project Investors as express third-party beneficiaries hereof. Buyer hereby agrees that none of the Project Investors, nor any bondholder or participant for whom they may act or any trustee acting on their behalf, shall be obligated to perform any obligation or be deemed to incur any liability or obligation provided in this Agreement on the part of Seller or shall have any obligation or liability to Buyer with respect to this Agreement except to the extent any of them becomes a party hereto pursuant to this ARTICLE 14.

## 14.2 *Collateral Assignment.*

(a) Seller, without approval of Buyer, may, by security, charge or otherwise encumber its interest under this Agreement in favor of a Project Investor for the purposes of financing the development, construction and/or operation of the Project and the Seller's Interconnection Facilities.

(b) Promptly after making such encumbrance, Seller shall notify Buyer in writing of the name, address, and telephone and facsimile numbers of each Project Investor to which Seller's interest under this Agreement has been encumbered. Such Notice shall include the names of the account managers or other representatives of the Project Investors to whom all written and telephonic communications should be addressed.

(c) After giving Buyer such initial Notice, Seller shall promptly give Buyer Notice of any change in the information provided in the initial Notice or any revised Notice.

(d) If Seller encumbers its interest under this Agreement as permitted by this Section 14.2, the following provisions shall apply:

(i) The Parties, except as provided by the terms of this Agreement, shall not modify or cancel this Agreement without the prior written consent of the Project Investors;

(ii) The Project Investors or their designees shall have the right, but not the obligation, to perform any act required to be performed by Seller under this Agreement to prevent or cure an Event of Default by Seller and such act performed by the Project Investors or their designees shall be as effective to prevent or cure an Event of Default as if done by Seller, provided that, if any such Project Investor or its designee elects to perform any act required to be performed by Seller under this Agreement to prevent or cure an Event of Default by Seller, Buyer will not be deemed to have waived or relinquished its rights and remedies as provided in this Agreement;

(iii) Buyer shall upon request by Seller execute statements certifying that this Agreement is unmodified (or, modified and stating the nature of the modification), in full force and effect and, to the knowledge of Buyer, the absence or existence (and the nature thereof) of Events of Default hereunder by Seller and documents of consent to such assignment to the encumbrance and any assignment to such Project Investors; and

(iv) Upon the receipt of a written request from Seller or any Project Investor, Buyer shall use Commercially Reasonable Efforts to execute, or arrange for the delivery of, such certificates, opinions and other documents as may be reasonably necessary in order for Seller to consummate any financing or refinancing of the Project or any part thereof and will enter into reasonable agreements with such Project Investor, which agreements will grant certain rights to the Project Investors as more fully developed and described in such documents, including (a) this Agreement shall not be terminated (except for termination pursuant to the terms of this Agreement) without the consent of Project Investor, which consent is not to be unreasonably withheld or delayed, (b) Project Investors shall be given notice of, and the opportunity to cure as provided in Section 14.2(d)(ii), any

breach or default of this Agreement by Seller, (c) that if the Project Investor forecloses, take a deed in lieu of foreclosure or otherwise exercise its remedies pursuant to any security documents, then (i) Buyer shall, at Project Investor's request, continue to perform all of its obligations hereunder, and Project Investor or its nominee may perform in the place of Seller, and may assign this Agreement to another Person in place of Seller, provided that such other Person is a Qualified Transferee, (ii) Project Investor shall have no liability under this Agreement except during the period of such Project Investor's ownership or operation of the Project and (iii) that Buyer shall accept performance in accordance with this Agreement by Project Investor or its nominee, and (d) that Buyer shall make the same representations and warranties to Project Investor as Buyer made to Seller pursuant to this Agreement. The Parties agree that an agreement substantially in the form of Exhibit J shall be reasonable.

### **14.3 *Buyer Limited Assignment Right.***

Buyer may from time to time, but on no less than fifteen (15) Business Days' prior notice, assign to a third party the right to receive at the Delivery Point all or a portion of the Energy that would otherwise be delivered to Buyer hereunder. As a condition to such assignment, Seller and Buyer (and Seller's financing parties) shall first agree on the terms and conditions of a written assignment and consent agreement based on the form attached hereto as Exhibit M, such agreement not to be unreasonably delayed or withheld unless Seller (in consultation with its financing parties) reasonably determines such assignment would adversely affect Seller's economics, security, or rights under the Agreement or it would adversely affect Seller's ability to obtain or retain financing or Tax Attributes. For the avoidance of doubt, Buyer will remain responsible for all its obligations under this Agreement related to such assigned Energy, including (a) the obligation to pay for such Energy within three (3) Business Days after FMPA's receipt of Notice of nonpayment from Seller, to the extent the assignee thereof does not make such payment when due and (b) any damages associated with such assignee's failure to take any such Energy.

## **ARTICLE 15 FORCE MAJEURE**

### **15.1 *Force Majeure Events.***

To the extent either Party is prevented by a Force Majeure Event from carrying out, in whole or part, its obligations under this Agreement and such Party gives Notice and details of the Force Majeure Event to the other Party as detailed below, then, the Party impacted by the Force Majeure Event shall be excused from the performance of its obligations to the extent impacted. As soon as practicable after commencement of a Force Majeure Event, the non-performing Party shall provide the other Party with oral notice of the Force Majeure Event, and within two (2) weeks of the commencement of a Force Majeure Event (or such longer period as reasonably required given the nature of the Force Majeure Event), the non-performing Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure Event claim and the anticipated impact on the non-performing Party's ability to perform its obligations and the non-performing Party's anticipated plan to resume full performance of the obligations impacted by the Force Majeure Event. Seller shall not substitute Product from any other source for Buyer's Share of the output of the Project during an outage resulting from a

Force Majeure Event. The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event. Buyer shall not be required to make any payments for any Product that Seller fails to schedule, deliver or provide as a result of a Force Majeure Event during the term of such Force Majeure Event.

### **15.2 *Extended Force Majeure Events.***

This Agreement may be terminated by either Party with no further obligation to the other Party if a Force Majeure Event prevents the performance of a material portion of the obligations hereunder and such Force Majeure Event is not resolved and full performance is resumed within [REDACTED] months after the commencement of such Force Majeure Event, subject to Seller's right to extend in this Section 15.2. If Seller is the non-performing Party due to damage to the Project caused by a Force Majeure Event, Seller shall have up to [REDACTED] Days following the start of such Force Majeure Event to obtain a report from an independent, third party engineer stating whether the Project is capable of being repaired or replaced within [REDACTED] additional months from the date of the report. Seller shall promptly provide Buyer a copy of the engineer's report at no cost to Buyer. If such engineer's report concludes that the Project is capable of being repaired or replaced within such [REDACTED] month period and Seller undertakes and continues such repair or replacement with due diligence, then Buyer shall not have the right to terminate this Agreement pursuant to this Section until the expiration of the period deemed necessary by the engineer's report (not to exceed [REDACTED] months), after which time, either Party may terminate by Notice to the other Party unless the Project has been repaired or replaced, as applicable, and the Seller has resumed and is satisfying its performance obligations under this Agreement. If the Parties resume performance following a Force Majeure Event that lasted more than [REDACTED] consecutive months, then the Term will automatically extend for the duration of such Force Majeure Event.

## **ARTICLE 16 LIMITATIONS ON LIABILITY**

### **16.1 *Disclaimer of Warranties.***

EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

### **16.2 *Limitations on Liability.***

THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN

ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. EXCEPT FOR A PARTY'S INDEMNITY OBLIGATION IN RESPECT OF THIRD PARTY CLAIMS OR AS OTHERWISE EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF ARTICLE 11, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

### **16.3 Buyer Liability.**

(a) This Agreement is a liability and financial obligation of the FMPA Solar III Project only. No liability or obligation under this Agreement shall inure to or bind any of the funds, accounts, monies, property, instruments, or rights of the Florida Municipal Power Agency generally, any individual FMPA member, or any of any other project designated by FMPA in accordance with Article II of the Interlocal Agreement.

(b) Each FMPA Solar III Project Participant has commitments under the FMPA Solar III Project Power Sales Contracts with regard to the payment obligations to the FMPA Solar III Project for all costs related to this Agreement in the event of a default by one or more other FMPA Solar III Project Participants, as more fully described in the Power Sales Contracts.

## **ARTICLE 17 DISPUTE RESOLUTION**

### **17.1 Intent of the Parties**

Except as provided in the next sentence, the sole procedure to resolve any claim arising out of or relating to this Agreement or any related agreement (a "**Dispute**") is the dispute resolution procedure set forth in this Article 12. Either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case both Parties nonetheless will continue to pursue resolution of the Dispute by means of the dispute resolution procedure set forth in this ARTICLE 17.

## **17.2 Management Negotiations**

(a) The Parties will attempt in good faith to resolve any Dispute by prompt negotiations between each Party's authorized representative designated in writing as a representative of the Party (each a "**Manager**"). Either Manager may, by Notice to the other Party, request a meeting to initiate negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place (either in person or telephonically). If the matter is not resolved within fifteen (15) Business Days of their first meeting ("**Initial Negotiation End Date**"), the Managers shall refer the matter to the designated senior officers of their respective companies that have authority to settle the dispute ("**Executives**"). Within five (5) Business Days of the Initial Negotiation End Date ("**Referral Date**"), each Party shall provide one another Notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(b) Within five (5) Business Days of the Referral Date, the Executives shall establish a mutually acceptable location and date, which date shall not be greater than thirty (30) Days from the Referral Date, to meet. After the initial meeting date, the Executives shall meet, as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute.

(c) All communication and writing exchanged between the Parties in connection with these negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process or judicial proceeding between the Parties. The Parties shall bear their respective costs, expenses and fees relating to the activities under this Section 17.2.

(d) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the Notice to meet, pursuant to Section 17.2(a) above, refuses or does not meet within the ten (10) Business Day period specified in Section 17.2(a) above, and subject to Sections 16.2, 19.7 and 19.8 of this Agreement, either Party may pursue all remedies available to it at law or in equity. Venue for any action or proceeding shall be state and federal courts in Leon County, Florida.

## **17.3 Specific Performance and Injunctive Relief.**

Each Party shall be entitled to seek a decree compelling specific performance with respect to, and shall be entitled, without the necessity of filing any bond, to seek the restraint by injunction of, any actual or threatened breach of any material obligation of the other Party under Article 13. The Parties in any action for specific performance or restraint by injunction agree that they shall each request that all expenses incurred in such proceeding, including, but not limited to, reasonable counsel fees, be apportioned in the final decision based upon the respective merits of the positions of the Parties.

## **ARTICLE 18 NOTICES**

### **18.1 Notices.**



Whenever this Agreement requires or permits delivery of a “**Notice**” (or requires a Party to “notify”), the Party with such right or obligation shall provide a written communication in the manner specified in herein and to the addresses set forth below; provided, however, that Notices of Outages or other Scheduling or dispatch information or requests, shall be provided in accordance with the terms set forth in the relevant section of this Agreement or the Operating Procedures, as applicable. Invoices may be sent by facsimile or e-mail in addition to overnight mail or courier. A Notice sent by facsimile transmission or e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5:00 p.m. (and if received after 5:00 p.m., on the next Business Day) and a Notice of overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Each Party shall provide Notice to the other Party of the persons authorized to nominate and/or agree to a Schedule or Dispatch Order for the delivery or acceptance of the Product or make other Notices on behalf of such Party and specify the scope of their individual authority and responsibilities, and may change its designation of such persons from time to time in its sole discretion by providing Notice.

If to Seller:

FL SB 9, LLC  
Attn: Management Team  
800 Brickell Avenue, Suite 1000  
Miami, FL 33131  
Email: [OrigisManagement@origisenergy.com](mailto:OrigisManagement@origisenergy.com)

With a copy to:

FL SB 9, LLC  
Attn: General Counsel  
800 Brickell Avenue, Suite 1000  
Miami, FL 33131  
Email: [alfredo.gracian@origisenergy.com](mailto:alfredo.gracian@origisenergy.com)

If to Buyer: Florida Municipal Power Agency

Chief Operating Officer  
8553 Commodity Circle  
Orlando, FL 32819  
Telephone: 407-355-7767  
Email: [ken.rutter@fmpa.com](mailto:ken.rutter@fmpa.com)

With a required copy to:

Florida Municipal Power Agency  
Office of the General Counsel  
2061-2 Delta Way (32303)

Post Office Box 3209  
Tallahassee, Florida 32315-3209  
T. 850-297-2011  
F. 850-297-2014  
Email: jody.finklea@fmpa.com  
dan.ohagan@fmpa.com

## **ARTICLE 19 MISCELLANEOUS**

### **19.1 *Effectiveness of Agreement; Survival.***

This Agreement shall be in full force and effect, enforceable and binding in all respects as of the Effective Date until the conclusion of the Term or earlier termination pursuant to the terms of this Agreement; provided however, that the relevant provisions of this Agreement shall remain in effect until (i) the Parties have fulfilled all obligations under this Agreement, including payment in full of amounts due for the Product delivered prior to the end of the Term, the Settlement Amount, indemnification payments or other damages (whether directly or indirectly such as through set-off or netting) and (ii) the undrawn portion of Performance Assurance is released and/or returned as applicable (if any is due). Notwithstanding any provisions herein to the contrary, the obligations set forth in Sections 6.1(b) and 13.1 and ARTICLE 16, the indemnity obligations set forth in ARTICLE 11, and the limitations on liabilities set forth herein shall survive (in full force) the expiration or termination of this Agreement.

### **19.2 *Audits.***

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived except to the extent any misinformation was from a third party not affiliated with any Party and such third party corrects its information after such twelve (12)-month period.

### **19.3 *Amendments.***

This Agreement shall not be modified nor amended unless such modification or amendment shall be in writing and signed by authorized representatives of both Parties.

### **19.4 *Waivers.***

Failure to enforce any right or obligation by any Party with respect to any matter arising in connection with this Agreement shall not constitute a waiver as to that matter nor to any other

matter. Any waiver by any Party of its rights with respect to a breach or default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing. Such waiver shall not be deemed a waiver with respect to any subsequent breach or default or other matter.

### **19.5 Severability.**

If any of the terms of this Agreement are finally held or determined to be invalid, illegal or void, all other terms of the Agreement shall remain in effect; *provided* that the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any Applicable Law and the original intent and original economic benefit of the Parties.

### **19.6 Standard of Review.**

(a) Absent the agreement of the Parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a Person or the FERC acting sua sponte shall be the “public interest” application of the “just and reasonable” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008) (the “Mobile-Sierra” doctrine).

(b) Notwithstanding any provision of Agreement, and absent the prior written agreement of the Parties, each Party, to the fullest extent permitted by Applicable Laws, for itself and its respective successors and assigns, hereby also expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205, 206, or 306 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation, supporting a third party seeking to obtain or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any Section of this Agreement specifying any rate or other material economic terms and conditions agreed to by the Parties.

### **19.7 Governing Law.**

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE SOLE AND EXCLUSIVE VENUE FOR ANY DISPUTE, CLAIM OR CONTROVERSY RELATING TO THIS AGREEMENT SHALL BE THE STATE AND FEDERAL COURTS IN LEON COUNTY, FLORIDA.

### **19.8 Waiver of Trial by Jury.**

EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY DISPUTE

ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT.

**19.9 Attorneys' Fees.**

In any proceeding brought to enforce this Agreement or because of the breach by any Party of any covenant or condition herein contained, the prevailing Party shall be entitled to reasonable attorneys' fees (including reasonably allocated fees of in-house counsel) in addition to court costs and any and all other costs recoverable in said action.

**19.10 No Third-Party Beneficiaries.**

Except as set forth in Article 14, this Agreement is intended solely for the benefit of the Parties hereto and nothing contained herein shall be construed to create any duty to, or standard of care with reference to, or any liability to, or any benefit for, any Person not a Party to this Agreement.

**19.11 No Agency.**

This Agreement is not intended, and shall not be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act as or be an agent or representative of, or otherwise bind, the other Party.

**19.12 Cooperation.**

The Parties acknowledge that they are entering into a long-term arrangement in which the cooperation of both of them will be required. If, during the Term, changes in the operations, facilities or methods of either Party will materially benefit a Party without detriment to the other Party, the Parties commit to each other to make Commercially Reasonable Efforts to cooperate and assist each other in making such change, including engaging in good-faith negotiations to revise or supplement this Agreement as appropriate.

**19.13 Further Assurances.**

Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary and desirable to carry out the terms and intent hereof. Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this Section. No Party shall be required to take any action or execute any document under this Section 19.13 that would negatively change that Party's risk or benefit under this Agreement.

**19.14 Captions; Construction.**

All indexes, titles, subject headings, section titles, and similar items are provided for the purpose of reference and convenience and are not intended to affect the meaning of the content or scope of this Agreement. This Agreement was prepared jointly by the Parties, each Party having had access to advice of its own counsel, and not by either Party to the exclusion of the other Party, and shall not be construed against one Party or the other as a result of the manner in which this Agreement was prepared, negotiated or executed.

**19.15 *Entire Agreement.***

This Agreement shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter of this Agreement.

**19.16 *Forward Contract.***

The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code.

**19.17 *Service Contract.***

Each Party intends this Agreement to be a “service contract” within the meaning of Section 7701(e) of the Internal Revenue Code of 1986.

**19.18 *Counterparts.***

This Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –  
SIGNATURES APPEAR ON FOLLOWING PAGE]**

IN WITNESS WHEREOF the Parties have executed this Agreement in the manner appropriate to each as of the Effective Date set forth above.

**FL SB 9, LLC**

**Florida Municipal Power Agency**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**CONTRACT PRICE & PURCHASE OPTION PRICE**

**I. CONTRACT PRICE**

| <b>PERIOD</b>   | <b>CONTRACT PRICE (\$/MWh)</b> |
|---|--------------------------------|
| From and including the Initial Energy Delivery Date through the remainder of the Initial Term | [REDACTED]                     |

**II. PURCHASE OPTION PRICE TABLE**

|            |            |
|------------|------------|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |

## EXHIBIT B

### DESCRIPTION OF PROJECT

Seller intends to build, own and operate a single axis tracking photovoltaic solar energy generation facility on a site located in Levy County, Florida, which may be referred to at times in this Agreement as the “Leyland” solar facility. As presently planned, the Expected Project Capacity will be 74.9 MW, and will consist of:

- 74.9 MWac solar PV plant with single-axis tracker, (1) 53/70/88MVA 69/34.5/13.8 kV, three-winding transformer (Ynynd)
- (24) PE HEM FS350M inverters, each with an integrated pad mount transformer 3465 kVA, 34.5/0.63-kV Dy
- 1x17 MVAR capacitor bank at the 34.5kV bus of the substation to which the Project interconnects

**Point(s) of Interconnection:** The Project will interconnect with the transmission facilities of Duke Energy Florida at a point to be determined in the interconnection study process.

**Real Property Description which shall be subject to adjustment to reflect the final survey and any modifications made in accordance with Prudent Operating Practices:** Located in the County of Levy, Florida (to be updated by Seller in accordance with the Interconnection Agreement).

Nothing in this Agreement or Exhibit B is intended to either (i) limit the right of Seller to make any changes to the Project it determines to undertake, or (ii) grant any rights to Buyer regarding the description, nature or components of the Project.

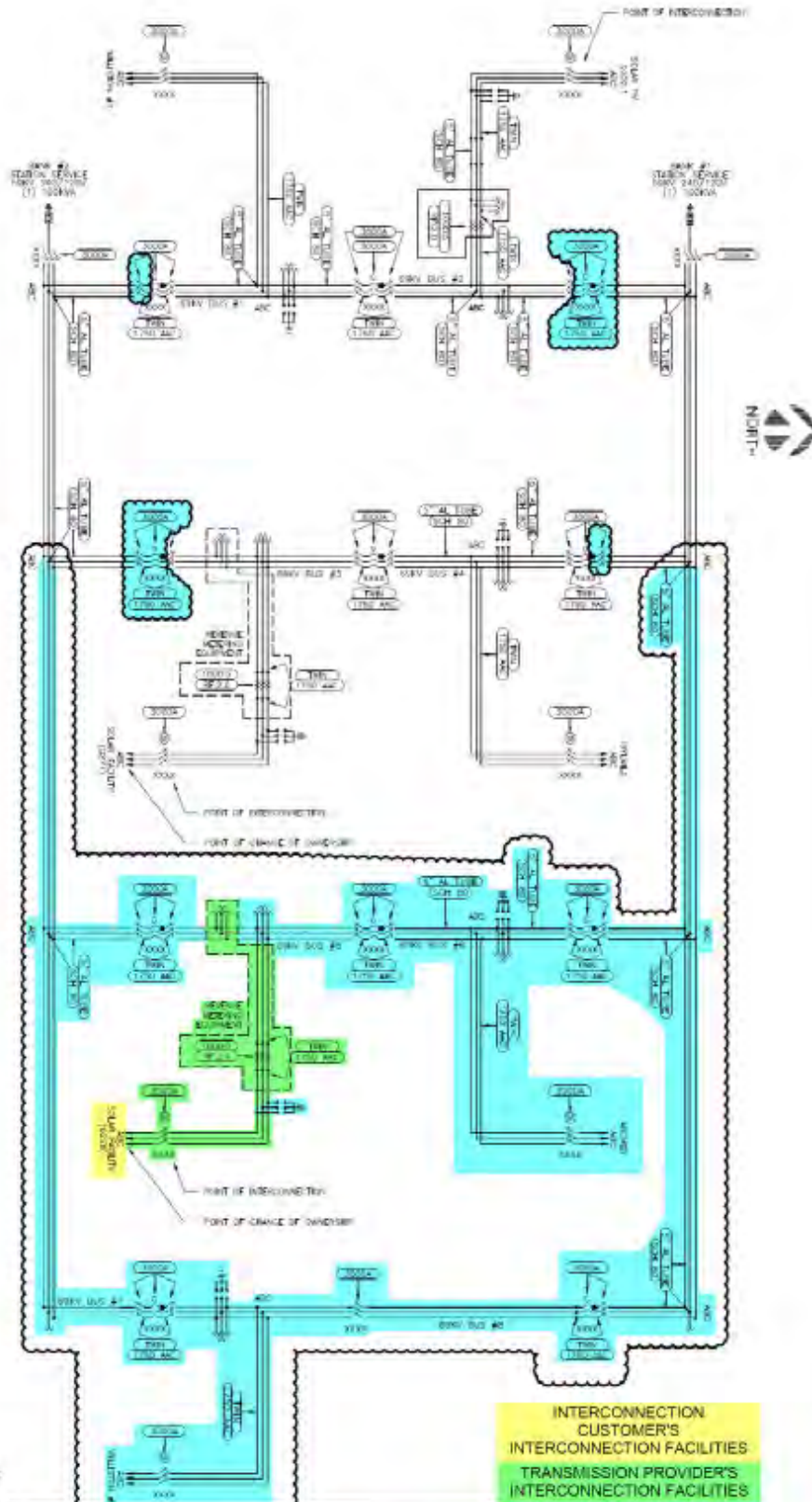


## **EXHIBIT C**

### **DESCRIPTION OF DELIVERY POINT**

Following is a preliminary description of the Delivery Point. Seller shall update as necessary.

The Delivery Point will be the Point of Interconnection (POI) as defined in the Interconnection Agreement, which is expected to be at the proposed Duke Energy Florida's Q202.1 Switching Station.



- REVISIONS:**
1. NORTH GROUP OVERLAP TO BE DETERMINED
  2. THRESHOLD TO BE DETERMINED

**PRELIMINARY**

- NOTE:**
1. POINT OF CHANGE OF OWNERSHIP IS BY THE FIRST CUSTOMER FENCE OUTSIDE OF THE SUBSTATION FENCE (NOT SHOWN IN THIS DRAWING). FINAL LINE POSITION AND OWNERSHIP TO BE DETERMINED BY DETAIL DESIGN TEAM.

**INTERCONNECTION CUSTOMER'S INTERCONNECTION FACILITIES**  
**TRANSMISSION PROVIDER'S INTERCONNECTION FACILITIES**

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**EXHIBIT D**

**PRODUCTION GUARANTEE**

**I. Definitions.** The following defined terms shall apply to this Exhibit D. Capitalized terms used in this Exhibit D and not defined herein will have the meaning assigned in Section 1.1 of the Agreement.

“Actual Energy Output” means, for any Contract Year, the amount of Energy the Seller delivered or made available to Buyer at the Delivery Point during such Contract Year, measured in MWh.

“Annual Energy Output Guarantee” means, for any Contract Year, (i) Buyer’s Share of the amount set forth in the following Table A for the first Contract Year, degrading at a rate of [REDACTED] for each subsequent Contract Year, less (ii) any Excused Energy.

| <b>Table A</b>       |                                   |
|----------------------|-----------------------------------|
| <b>Contract Year</b> | <b>Annual Energy Output (MWh)</b> |
| 1                    | [REDACTED]                        |

“Damages Rate” means an amount equal to [REDACTED] per MWh of Production Shortfall.

“Excused Energy” means (a) any Energy, measured in MWh, that Seller is unable to schedule or deliver to the Delivery Point as a result of Buyer Curtailment Orders, Buyer’s failure to obtain transmission service or Buyer’s failure to perform, including for reasons outside its control, as contemplated in Section 3.8(c) (other than due to a breach by Seller of its obligations under the Agreement); plus (b) Buyer’s Share of any Energy, measured in MWh, that Seller is unable to schedule or deliver to the Delivery Point as a result of a (i) Curtailment Period, (ii) System Emergency (other than a System Emergency caused by Seller’s breach of the Interconnection Agreement), (iii) Force Majeure Event, or (iv) Planned Outages [REDACTED]

“Production Shortfall” means, for any Contract Year, the positive difference (if any) between the Annual Energy Output Guarantee and the Actual Energy Output for that Contract Year.

**II. Guarantee and Damages.**

a. Production Guarantee Damages. If there is a Production Shortfall in any two rolling consecutive Contract Years, then Seller shall owe Buyer liquidated damages in an amount equal

to (i) the Production Shortfall that occurred in the later of the two relevant Contract Years, multiplied by (ii) the Damages Rate (the “**Production Guarantee Damages**”).

b. Annual Report. No later than 45 days after each Contract Year, Seller shall deliver to Buyer: (i) a calculation showing Seller’s computation of the Actual Energy Output for the previous two Contract Years and the Production Guarantee Damages, if any, owed to Buyer, and (ii) payment in full of any Production Guarantee Damages owed to Buyer. Production Guarantee Damages shall be Buyer’s sole remedy for the failure of Seller to satisfy the production guarantee set forth in this Exhibit D.

**EXHIBIT E**  
**FORM OF GUARANTY**

THIS SOLAR POWER PURCHASE AGREEMENT GUARANTY, dated as of \_\_\_\_\_ (this “Guarantee”), is issued by [name of guarantor], a \_\_\_\_\_ (“Guarantor”) in favor of [\_\_\_\_\_] (“Guaranteed Party”). [BENEFICIARY], a Delaware limited liability company (“Obligor”) is a wholly owned subsidiary of Guarantor.

**A. RECITALS**

Obligor and Guaranteed Party have entered into a Solar Power Purchase Agreement, dated as of \_\_\_\_\_ (the “Agreement”).

This Guarantee is delivered to Guaranteed Party by Guarantor pursuant to the Agreement. All terms defined in the Agreement and not otherwise defined in this Guarantee have the meanings given to them in the Agreement.

**AGREEMENT**

Guarantee.

Guarantee of Obligations Under the Agreement. For value received, Guarantor absolutely, unconditionally and irrevocably, as primary Obligor and not as surety, subject to the express terms hereof, guarantees the payment and performance when due of all obligations, whether now in existence or hereafter arising, by Obligor to Guaranteed Party pursuant to the Agreement (the “Obligations”). This Guarantee is one of payment and not of collection and shall apply regardless of whether recovery of all such Obligations may be or become discharged or uncollectible in any bankruptcy, insolvency or other similar proceeding, or otherwise unenforceable.

Maximum Guaranteed Amount. Notwithstanding anything to the contrary, Guarantor’s aggregate obligation to Guaranteed Party hereunder is limited to [**insert applicable Required Security Amount**] (the “Maximum Guaranteed Amount”) (it being understood for purposes of calculating the Maximum Guaranteed Amount of Guarantor hereunder that any payment by Guarantor either directly or indirectly to the Guaranteed Party, pursuant to a demand made upon Guarantor by Guaranteed Party or otherwise made by Guarantor pursuant to its obligations under this Guarantee, including any indemnification obligations, shall reduce Guarantor’s maximum aggregate liability hereunder on a dollar-for-dollar basis), excluding costs and expenses incurred by Guaranteed Party in enforcing this Guarantee, and shall not either individually or in the aggregate be greater or different in character or extent than the obligations of Obligor to Guaranteed Party under the terms of the Agreement.

Payment; Currency. All sums payable by Guarantor hereunder shall be made in freely transferable and immediately available funds and shall be made in the currency in which the Obligations were due.

Waiver of Certain Defenses. Guarantor waives: (a) notice of acceptance of this Guarantee and of the Obligations and any action taken with regard thereto; (b) presentment, demand for payment,

protest, notice of dishonor or non-payment, suit, or the taking of any other action by Guaranteed Party against Obligor, Guarantor or others; (c) any right to require Guaranteed Party to proceed against Obligor or any other person, or to require Guaranteed Party first to exhaust any remedies against Obligor or any other person, before proceeding against Guarantor hereunder; and (d) any defense based upon (i) an election of remedies by Guaranteed Party; (ii) a change in the financial condition, corporate existence, structure or ownership of the Guarantor or Obligor; (iii) the institution by or against Obligor or any other person or entity of any bankruptcy, winding-up, liquidation, dissolution, insolvency, reorganization or other similar proceeding affecting Obligor or its assets or any resulting release, stay or discharge of any Obligations; (iv) any lack or limitation of power, incapacity or disability on the part of Obligor or of its directors, partners or agents or any other irregularity, defect or informality on the part of Obligor in the authorization of the Obligations; (v) any lack of validity or enforceability of the Obligations; (vi) any amendment, release, discharge, substitution or waiver of the Agreement or any of the Obligations and (v) any duty of Guaranteed Party to disclose to Guarantor any facts concerning Obligor, the Agreement or the Project, or any other circumstances that might increase the risk to Guarantor under this Guarantee, whether now known or hereafter learned by Guaranteed Party, it being understood that Guarantor is capable of and assumes the responsibility for being and remaining informed as to all such facts and circumstances.

Without limitation to the foregoing, Guaranteed Party shall have the right to at any time and from time to time without notice to or consent of Guarantor and without impairing or releasing the obligations of Guarantor hereunder: (a) renew, compromise, extend, accelerate or otherwise change, substitute or supersede the Obligations; (b) take or fail to take any action of any kind in respect of any security for the Obligations, or impair, exhaust, exchange, enforce, waive or release any such security; (c) exercise or refrain from exercising any rights against Obligor or others in respect of the Obligations; or (d) compromise or subordinate the Obligations, including any security therefor, or grant any forbearances or waivers, on one or more occasions, for any length of time, or accept settlements with respect to Obligor's performance of any of the Obligations.

Except as expressly set forth in this paragraph, Guarantor shall be entitled to assert any and all rights, setoffs, counterclaims and other defenses that Obligor may have to payment or performance of any of the Obligations and also shall be entitled to assert any and all rights, setoffs, counterclaims and other defenses that the Guarantor may have against the Guaranteed Party, other than (a) defenses arising from the insolvency, reorganization or bankruptcy of Obligor, (b) defenses expressly waived in this Agreement by Guarantor, (c) defenses arising by reason of (i) Guarantor's direct or indirect ownership interests in Obligor or (ii) legal requirements applicable to Obligor that prevent the payment by Obligor of its payment obligations that constitute Obligations, and (d) defenses previously asserted by Obligor against such claims to the extent such defenses have been resolved in favor of Guaranteed Party by a court of last resort.

Term. This Guarantee shall continue in full force and effect until the earlier to occur of (a) the substitution of an alternative form of Security by Obligor, (b) the satisfaction of all Obligations of Obligor under the Agreement, or (c) the payment by Guarantor, without reservation of rights, of an aggregate amount equal to the Maximum Guaranteed Amount, together with any other amounts required to be paid by Guarantor pursuant to this agreement. Guarantor further agrees that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment,



or any part thereof, of any Obligation is rescinded or must otherwise be restored or returned due to bankruptcy or insolvency laws or otherwise.

Subrogation. Until all Obligations are indefeasibly paid in full, unless otherwise provided herein, Guarantor waives all rights of subrogation, reimbursement, contribution and indemnity from Obligor with respect to this Guarantee and any collateral held therefor, and Guarantor subordinates all rights under any debts owing from Obligor to Guarantor, whether now existing or hereafter arising, to the prior payment of the Obligations. Any amount paid to Guarantor on account of any purported subrogation rights prior to the termination of this Guaranty shall be held in trust for the benefit of Guaranteed Party and shall immediately thereafter be paid to Guaranteed Party.

Expenses. Whether or not legal action is instituted, Guarantor agrees to reimburse Guaranteed Party on written demand for all reasonable attorneys' fees and all other reasonable costs and expenses incurred by Guaranteed Party in enforcing its rights under this Guarantee. Notwithstanding the foregoing, the Guarantor shall have no obligation to pay any such costs or expenses if, in any action or proceeding brought by Guaranteed Party giving rise to a demand for payment of such costs or expenses, it is finally adjudicated that the Guarantor is not liable to make payment.

Assignment. Guarantor shall not be permitted to assign its rights or delegate its obligations under this Guarantee in whole or part without written consent of Guaranteed Party. Guaranteed Party shall not be permitted to assign its rights hereunder except in connection with a permitted assignment of its rights and obligations under the Agreement.

Non-Waiver. The failure of Guaranteed Party to enforce any provisions of this Guarantee at any time or for any period of time shall not be construed to be a waiver of any such provision or the right thereafter to enforce same. All remedies of Guaranteed Party under this Guarantee shall be cumulative and shall be in addition to any other remedy now or hereafter existing at law or in equity. The terms and provisions hereof may not be waived, altered, modified or amended except in a writing executed by Guarantor and Guaranteed Party.

Entire Agreement. This Guarantee and the Agreement are the entire and only agreements between Guarantor and Guaranteed Party with respect to the guarantee of the Obligations of Obligor by Guarantor. All prior or contemporaneous agreements or undertakings made, which are not set forth in this Guarantee, are superseded.

Notice. Any demand for payment, notice, request, instruction, correspondence or other document to be given hereunder by Guarantor or by Guaranteed Party shall be in writing and shall be deemed received (a) if given personally, when received; (b) if mailed by certified mail (postage prepaid and return receipt requested), five (5) days after deposit in the U.S. mails; (c) if given by facsimile, when transmitted with confirmed transmission; or (d) if given via overnight express courier service, when received or personally delivered, in each case with charges prepaid and addressed as follows (or such other address as either Guarantor or Guaranteed Party shall specify in a notice delivered to the other in accordance with this Section):



If to Guarantor:

Attn: \_\_\_\_\_

If to Guaranteed Party:

Attn: \_\_\_\_\_

Counterparts. This Guarantee may be executed in counterparts, each of which when executed and delivered shall constitute one and the same instrument.

Governing Law; Jurisdiction. This Guarantee shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to principles of conflicts of law. Guarantor and Guaranteed Party submit to the jurisdiction and venue of the Superior Court of the District of Columbia or of any federal district court located in the District of Columbia over any disputes relating to this Guarantee.

Further Assurances. Guarantor shall cause to be promptly and duly taken, executed, acknowledged and delivered such further documents and instruments as Guaranteed Party may from time to time reasonably request in order to carry out the intent and purposes of this Guarantee.

Limitation on Liability. Except as specifically provided in this Guarantee, Guaranteed Party shall have no claim, remedy or right to proceed against Guarantor or against any past, present or future stockholder, partner, member, director or officer thereof for the payment of any of the Obligations, as the case may be, or any claim arising out of any agreement, certificate, representation, covenant or warranty made by Obligor in the Agreement.

Effectiveness. This Guarantee shall be effective as of the date set forth in the first paragraph hereof upon its execution by both Guarantor and Guaranteed Party.

IN WITNESS WHEREOF, Guarantor and Guaranteed Party have executed and delivered this Guarantee.

**[Guarantor]**

By: \_\_\_\_\_

—  
Name:

Title:

Acknowledged and agreed

**[Guaranteed Party]**

By: \_\_\_\_\_

Name:

Title:

**EXHIBIT F**  
**FORM OF IRREVOCABLE LETTER OF CREDIT**

Irrevocable Standby Letter of Credit No.

Date of Issuance:

Beneficiary:

[Buyer Name]

Applicant/Account Party:

Amount: USD Amount ([Amount] and 00/100)

Initial expiration date at our counter (unless evergreen):

Final expiration date at our counter:

Ladies and Gentlemen:

We, [Bank Name]

(“Issuer”), do hereby issue this Irrevocable Transferable Standby Letter of Credit No. {\_\_\_\_\_} by order of, for the account of, and on behalf of [\_\_\_\_\_] (“Account Party”) and in favor of [Buyer Name] (“Beneficiary”). The term “Beneficiary” includes any successor by operation of law of the named beneficiary including without limitation any liquidator, receiver or conservator.

This Letter of Credit is issued, presentable and payable at the office of the Issuing Bank located at [Bank Address] and we hereby engage with YOU that drafts and documents drawn under and in compliance with the terms of this Letter of Credit will be honored on presentation pursuant to the terms of this Letter of Credit.

This Letter of Credit is available for payment in one or more drafts drawn on [Bank Name] and may be drawn hereunder up to an aggregate amount not exceeding [\$Amount] when accompanied by a drawing certificate (i) signed by an officer of the Beneficiary; (ii) dated the date of presentation; and (iii) the following statement:

“The undersigned hereby certifies to [Bank Name] (“Issuer”), with reference to its Irrevocable Transferable Standby Letter of Credit No.[\_\_\_\_], dated \_\_\_\_\_, issued on behalf of [\_\_\_\_\_] (“Account Party”) and in favor of the [Buyer Name], (“Beneficiary”) that:

[said Account Party has failed to perform in accordance with the terms and provisions of the Solar Power Purchase Agreement dated [ ] to which Account Party and Beneficiary are parties, as such agreement may be amended and supplemented from time to time, and any replacements or substitutions thereof, (collectively, the “Agreement”).]

--or--

[(i) Beneficiary has received notice from the Issuing Bank pursuant to the terms of the Letter of Credit that Issuing Bank elects not to extend the Letter of Credit for an additional one-year period, and (ii) the Letter of Credit will expire in fewer than thirty (30) days from the date hereof. As such, as of the date hereof Beneficiary is entitled to draw under the Letter of Credit.]

The Beneficiary hereby draws upon the Letter of Credit in an amount equal to \$[insert amount in figures] (United States Dollars [insert amount in words] ).”

If presentation of any drawing certificate is made on a Business Day and such presentation is made on or before 10:00 a.m. Eastern Time, Issuer shall satisfy such drawing request on the second Business Day. If the drawing certificate is received after 10:00 a.m. Eastern Time, Issuer will satisfy such drawing request on the third Business Day.

It is a condition of the letter of credit that it will be automatically extended without amendment for additional one-year periods until [ ] (the “Final Expiration Date”), unless at least one hundred twenty (120) days prior to any expiration date we send you written notice at the above address by registered mail or overnight courier service that we elect not to consider this Letter of Credit extended for any such period.

This Letter of Credit is transferable in its entirety, but not in part, and may be successively transferred upon our receipt of instruction in the form attached hereto as Exhibit A, accompanied this original Letter of Credit and any amendments hereto. Transfer charges are for the account of the applicant. This Letter of Credit may not be transferred to any person with which U.S. persons are prohibited from doing business under U.S. foreign assets control regulations or other applicable U.S. laws and regulations. Payments under the Letter of Credit shall be in accordance with the following terms and conditions:

All commissions and charges will be borne by the Account Party.

This Letter of Credit shall be governed by the International Standby Practices Publication No. 590 of the International Chamber of Commerce, (the “ISP”), except to the extent that terms hereof are inconsistent with the provisions of the ISP, in which case the terms of the Letter of Credit shall govern. This Letter of Credit shall be governed by the internal laws of the State of Florida to the extent that the terms of the ISP are not applicable; provided that, in the event of any conflict between the ISP and such Florida laws, the ISP shall control.

This Letter of Credit may not be amended, changed or modified without the express written consent of the Beneficiary and the Issuer.

The Beneficiary shall not be deemed to have waived any rights under this Letter of Credit, unless the Beneficiary shall have signed a written waiver.

No such waiver, unless expressly so stated therein, shall be effective as to any transaction that occurs subsequent to the date of the waiver, nor as to any continuance of a breach after the waiver.

Partial drawings and multiple drawings are permitted.

A failure to make any drawing at any time shall not impair or reduce the availability of this Letter of Credit in any subsequent period or our obligation to honor your subsequent demands for payment made in accordance with the terms of this Letter of Credit.

Original Letter of Credit and all amendments need to be presented for a drawing. If it's a partial drawing, we will endorse the drawing amount on the back of the Original Letter of Credit and return the same to beneficiary.

EXHIBIT A UNDER STANDBY LETTER OF CREDIT NO.

REQUEST FOR TRANSFER OF LETTER OF CREDIT IN ITS ENTIRETY

Date: \_\_\_\_\_

[Bank Name and Address]

Re: Standby Letter of Credit No.

For value received, the undersigned beneficiary hereby irrevocably transfers to:

NAME OF TRANSFEREE \_\_\_\_\_

ADDRESS OF TRANSFEREE \_\_\_\_\_

CITY, STATE/COUNTRY ZIP \_\_\_\_\_

(hereinafter, the “transferee”) all rights of the undersigned beneficiary to draw under above letter of credit, in its entirety.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary hereof, including sole rights relating to any amendments of the Letter of Credit, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments of the Letter of Credit are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

The original of such letter of credit and all amendment(s), if any, are returned herewith, and we ask you to endorse the within transfer on the reverse thereof, and forward it directly to the transferee with your customary notice of transfer.

Very truly yours, [BENEFICIARY NAME]

\_\_\_\_\_  
Authorized Signature

The signature(s) of \_\_\_\_\_ with title(s) as stated conforms to those on file with us; are authorized for the execution of such instrument; and the beneficiary has been approved under our bank's Customer Identification Program.

\_\_\_\_\_  
\_\_\_\_\_  
(Signature of Authenticating Bank)

(Name of Bank)

\_\_\_\_\_  
\_\_\_\_\_  
(Printed Name/Title) (Date)

\_\_\_\_\_  
\_\_\_\_\_

|   |
|---|
| (1) FOR BANK USE ONLY   |
| Confirmation of Authenticating Bank's signature performed by: _____ |
| Date: _____ Time: _____ a.m./p.m.                                   |
| Add Info.: _____  |

**EXHIBIT G**  
**INSURANCE REQUIREMENTS**

**General Liability Insurance.** Seller must obtain the following insurance coverage, which can be exceeded by Seller and may be met through any combination of primary insurance and following form excess or umbrella insurance so long as the combined limits meet requirements of this Agreement:

Commercial general liability insurance in an “occurrence” form with bodily injury and property damage combined liability limits of not less [REDACTED] per occurrence; provided, however: (i) Seller may use any combination of primary or excess policies to satisfy the overall limit requirements; and (ii) if Seller uses a “claims-made” policy, it must maintain continuous coverage in effect for at least two (2) years beyond termination of this Agreement, through continuous renewal of the original policy or by purchasing extended discovery period or retroactive insurance dated back to the Effective Date of this Agreement.

Specific coverage for broad form contractual liability and a separation of insured provision.

**Additional Insurance.** In addition to the requirements above, Seller must acquire and maintain throughout the Term, the following additional types of insurance:

**Workers’ Compensation.** Workers’ compensation insurance in accordance with statutory requirements including employer’s liability insurance with limits not less than [REDACTED] per occurrence and endorsement providing insurance for obligations under the U.S. Longshoremen’s and Harbor Worker’s Compensation Act and the Jones Act, where applicable.

**Auto Liability.** Automobile liability insurance including owned, non-owned and hired automobiles with combined bodily injury and property damage limits of at least [REDACTED]

**All Risk Property.** All Risk Property insurance covering the Facility against physical loss or damage, with a minimum limit sufficient to cover replacement of the Facility, including sublimits for physical loss or damage caused by flood, wind, or earthquake, which shall be insured up to [REDACTED]



**EXHIBIT H**  
**FORM OF SURETY BOND**

**BOND NUMBER** \_\_\_\_\_

**POWER PURCHASE AGREEMENT BOND**

**KNOW ALL MEN BY THESE PRESENTS**, That we \_\_\_\_\_  
(hereinafter called "Principal"), and [\_\_\_\_\_] authorized to do business in the State of \_\_\_\_\_  
\_\_\_\_\_ (hereinafter called "Surety") are held and firmly bound unto \_\_\_\_\_  
\_\_\_\_\_ (hereinafter called "Obligee") as Obligee, for such monetary amount as incurred by the Obligee, not to exceed the penal sum of \_\_\_\_\_  
\_\_\_\_\_ (\$ \_\_\_\_\_) DOLLARS, good and lawful money of the United States of America, the payment of which, well and truly to be made, we do bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

**WHEREAS** the above bounded Principal has entered into a certain written agreement with the above named Obligee, effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, for the

\_\_\_\_\_ (hereinafter called "Agreement") which Agreement is hereby referred to and made a part hereof as fully and to the same extent as if copies at length were attached herein.

The obligation of this Bond shall be null and void unless: (1) the above Agreement is in writing, and has been fully executed by both the Principal and the Obligee; (2) the Principal is actually in Default under the above Agreement (hereinafter called "Default"), and is declared by the Obligee thereafter to be in Default; and (3) the Obligee has provided written notice of the Default to the Surety as promptly as possible, and in any event, within fifteen (15) days after such Default.

The Surety, at the sole election and discretion of the Surety, may take any of the following actions:

1. Determine the amount for which the Surety may be liable to the Obligee, and as soon as practicable thereafter, tender payment thereof to the Obligee; or
2. Pay the full amount of the above penal sum in complete discharge and exoneration of this Bond, and of all liabilities of the Surety relating hereto.

**PROVIDED HOWEVER**, that this Bond is executed by the Surety and accepted by the Obligee subject to the following expressed conditions:

1. This bond may be cancelled by providing sixty days (60) written notice of cancellation given by certified mail to the Obligee and to the Principal at the addresses stated below. Such cancellation shall in no way limit the liability of the Surety for subsequent defaults of the Principal's obligation incurred prior to such termination. In the event of cancellation, the Principal is responsible for providing alternate security to the Obligee thirty (30) days prior to the termination date, otherwise to be considered in Default under the Agreement and the Obligee shall be entitled to submit a Demand and receive payment under this Bond.
2. A reorganization under Chapter 11 of the US Bankruptcy Code by the Principal shall not constitute an event of Default recoverable under this Bond if they continue to perform their obligations under the Agreement.
3. In the event the Principal fails to make any payments due to the Obligee which would constitute the basis of a Default, within Ten (10) business days of Surety's receipt of a Demand for payment under this Bond (hereinafter called "Demand"), Surety shall pay to the Obligee the amount of such Demand. The Surety shall cause to be paid all payments then past due, and in so doing cure any Default under the Agreement. The Obligee may present one or more Demands at any time in its sole discretion, provided however, Surety shall not be obligated to pay an aggregate amount in excess of the penal sum of the Bond less any amounts previously paid by the surety.

4. Surety's liability under this Bond issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto.
5. No claim, action, suit or proceeding, except as herein set forth, shall be had or maintained against the Surety on this Bond unless same be brought or instituted and process served upon the Surety within six (6) months following the effective cancellation date of this Bond.
6. Any notice given or required under this Agreement will be made to the following representatives of the Parties:
  - a. To: {Principal}
  - b. To: {Obligee}
  - c. To: {Surety}

In the event of conflict or inconsistency between the provisions of this Bond and the provisions of the above Agreement, the provisions of this Bond shall control. The Obligee's acceptance of this Bond and reliance upon it as security constitutes its acknowledgement and agreement as to the explicit terms stated herein under which it is offered and issued by the Surety.

Sealed with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

**WITNESS:**

**PRINCIPAL:**

\_\_\_\_\_  
(Name & Title)

\_\_\_\_\_  
(Signature) (SEAL)

\_\_\_\_\_  
(Name & Title)

**WITNESS:**

**SURETY:**

\_\_\_\_\_  
(Name & Title)

\_\_\_\_\_  
(Signature) (SEAL)

\_\_\_\_\_  
(Name, as Attorney-in-Fact)

**EXHIBIT I**

**ENVIRONMENTAL ATTRIBUTES ATTESTATION AND BILL OF SALE**

**I. Seller Information**

Name of Seller: \_\_\_\_\_

Address of Seller: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

**II. Declaration**

I, **[NAME AND TITLE]** , declare that the Environmental Attributes listed below were sold in accordance with that **[AGREEMENT]** dated as of **[DATE]** (“Agreement”) exclusively from: \_\_\_\_\_ (“Seller”) to [\_\_\_\_\_] (“Buyer”).

| # MWs Environmental Attributes Transferred | Period of Generation (mm/yy) |
|--|------------------------------|
|  |                              |

I further declare that:

- 1) all the Environmental Attributes were generated by Seller;
- 2) to the best of my knowledge, the Environmental Attributes were not sold, marketed or otherwise claimed by a third party;
- 3) Seller transferred the Environmental Attributes only once, to Buyer;
- 4) the Environmental Attributes were not used to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate by Seller, nor, to the best of my knowledge, by any other entity;
- 5) all of the Environmental Attributes transferred to Buyer (as listed above) were generated at the [\_\_\_\_\_] facility, a [\_\_\_\_\_-]powered generation facility located in [County, State]; and
- 6) Environmental Attributes transferred to Buyer include RECs which shall be registered and eligible under the Applicable REC Program specified in the Agreement.

As an authorized agent of Seller, I attest that the above statements are true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Place of Execution

## **EXHIBIT J**

### **FORM OF LENDER CONSENT**

In the event Seller collaterally assigns its rights hereunder to the Lender as security, any related Lender Consent will contain provisions substantially as follows:

Buyer will not terminate the Agreement other than as provided therein, without the prior written consent of the Lender.

In connection with the exercise of its rights under the Financing Documents, the Lender shall have the right, but not the obligation, to do any act required to be performed by Seller under the Agreement, and Buyer shall accept any such performance by the Lender to the same extent as if such performance was rendered by Seller itself.

Lender shall not assume, sell or otherwise dispose of the Agreement (whether by foreclosure sale, conveyance in lieu of foreclosure or otherwise) unless, on or before the date of any such assumption, sale or disposition, Lender or any third party, as the case may be, assuming, purchasing or otherwise acquiring the Agreement (a) executes and delivers to Buyer a written assumption of all of Seller's rights and obligations under the Agreement in form and substance reasonably satisfactory to Buyer, which include the obligation to cure any and all defaults of Seller under the Agreement which are capable of being cured and which are not personal to Seller; (b) satisfies and complies with all requirements of the Agreement; (c) if applicable, delivers to Buyer a replacement for any Credit Support that is required to be delivered and maintained by Seller under the Agreement; and (d) is a Permitted Transferee (as defined below). Lender further acknowledges that the assignment of the Agreement to Lender is for security purposes only and that Lender has no rights under the Agreement to enforce the provisions of the Agreement unless and until an event of default has occurred and is continuing under the Financing Documents (a "Financing Default") or under this Agreement, in which case Lender shall be entitled to all of the rights and benefits and subject to all of the obligations which Seller then has or may have under the Agreement to the same extent and in the same manner as if Lender were an original party to the Agreement.

"Permitted Transferee" means any person or entity who (i) meets the Required Credit Rating set forth in the Agreement, (ii) has, or is the subsidiary of an entity that has, a record of owning and/or operating, for a period of at least three (3) years, solar photovoltaic generating facilities with an aggregate nameplate capacity of no less than 200 MW, and (iii) is not a Prohibited Person or Entity. Lender may from time to time, following the occurrence of a Financing Default, notify Buyer in writing of the identity of a proposed transferee of the Agreement, which proposed transferee may include Lender, in connection with the enforcement of Lender's rights, which notice shall include evidence reasonably acceptable to Buyer that the proposed transferee satisfies the criteria set forth above. Upon receipt of such notice, Buyer shall, within thirty (30) Days of its receipt of such written notice, confirm to Lender whether or not such proposed transferee is a "Permitted Transferee" (together with a written statement of the reason(s) for any negative determination) it being understood that if Buyer fails to so respond within such thirty (30) Day period such proposed transferee shall be deemed to be a "Permitted Transferee".

If Buyer becomes entitled to terminate the Agreement due to an uncured Event of Default by Seller, Buyer shall not terminate the Agreement unless it has first given notice of such uncured Event of Default to the Lender and has given the Lender an Additional Cure Period to cure such Event of Default. For the purposes of this Agreement, “Additional Cure Period” means (i) with respect to a monetary default, ten (10) Business Days in addition to the cure period (if any) provided to Seller in the Agreement, and (ii) with respect to a non-monetary default, thirty (30) Days in addition to the cure period (if any) provided to Seller in the Agreement. However, if the Lender requires possession of the Project in order to cure the Event of Default and commences foreclosure proceedings against Seller within thirty (30) Days of receiving notice of an Event of Default from Buyer or Seller, whichever is received first, Lender shall be allowed a reasonable additional period to complete such foreclosure proceedings, such period not to exceed ninety (90) Days; provided, however, that Lender shall provide a written notice to Buyer that it intends to commence foreclosure proceedings with respect to Seller within ten (10) Business Days of receiving a notice of such Event of Default from Buyer or Seller, whichever is received first.

Neither the Lender nor any other participant in the Project Debt shall be obligated to perform or be liable for any obligation of Seller under the Agreement until and unless any of them assumes the Agreement.

Any party taking possession of the Project through the exercise of the Lender’s rights and remedies shall remain subject to the terms of the Agreement and shall assume all of Seller’s obligations under the Agreement, both prospective and accrued, including the obligation to cure any then-existing defaults capable of cure by performance or the payment of money damages. In the event that the Lender or its successor assumes the Agreement in accordance with this paragraph, Buyer shall continue the Agreement with the Lender or its successor, as the case may be, substituted wholly in the place of Seller.

Within sixty (60) Days of any termination of the Agreement in connection with any bankruptcy or insolvency Event of Default of Seller, upon the request of Lender, the Lender (or its successor) and Buyer shall enter into a new power purchase agreement on the same terms and conditions as the Agreement and for the period that would have been remaining under the Agreement but for such termination.

Buyer agrees to execute an estoppel certificate substantially in the form of Attachment A.

**[ATTACHMENT A TO EXHIBIT J]**

**[Buyer shall have the right to qualify and/or revise any representation, warranty and other statement that such representation, warranty or other statement is a true statement as of the date of this certificate.]**

**[Date]**

Reference is made to that certain Power Purchase Agreement dated as of [\_\_\_\_] (the “PPA”), by and between [\_\_\_\_], a [\_\_\_\_] organized and existing under the laws of [\_\_\_\_] (“Buyer”); and [\_\_\_\_], LLC, a [\_\_\_\_] (“Seller”). Terms used herein but not defined herein have the same meanings as in the PPA.

Buyer hereby confirms and agrees as of the date hereof as follows:

1. Buyer is a [\_\_\_\_] duly organized, validly existing and in good standing (if applicable) under the laws of the State of [\_\_\_\_]. The execution and delivery by Buyer of this Estoppel Certificate have been duly authorized by all necessary action on the part of Buyer and do not require any further internal approval or consent of Buyer and do not violate any provision of any law, regulation, order, judgment, injunction or similar matters or breach any agreement presently in effect with respect to or binding on Buyer.

The copy of the PPA, as amended, attached as Exhibit [\_\_\_\_], constitutes a true and complete copy of the PPA.

To Buyer’s knowledge, as of the date hereof, the PPA is in full force and effect and the PPA has not been assigned or amended by Buyer. All representations and warranties of Buyer under the PPA were true and correct (as may be qualified by the terms of the Agreement) when made, and, to Buyer’s knowledge, remain true and correct in all material respects as of the date hereof, except for those that, by their nature or terms, apply only as of the date originally made[, except: \_\_\_\_\_].

As of the date hereof, (A) no default or event of default with respect to Buyer nor, to the Buyer’s knowledge, Seller, has occurred under the PPA, and (B) to Buyer’s knowledge, there are no material defaults (including breach(es) of the PPA existing as of the date hereof that are not yet defaults under the PPA because applicable cure periods have not yet expired) or circumstances which with the passage of time and/or giving of notice would constitute a default.

To Buyer’s knowledge, there is no event, act, circumstance or condition constituting an event of force majeure under the PPA.

To Buyer’s knowledge, Buyer has no existing counterclaims, offsets or defenses against Seller under the PPA. Buyer has no present knowledge of any facts entitling Buyer to any material claim, counterclaim or offset against Seller in respect of the PPA. As of the date hereof, there is no pending or, to Buyer’s knowledge, threatened action or proceeding involving or relating to Buyer before any court, tribunal, governmental authority or arbitrator which purports to materially affect the legality, validity or enforceability of the PPA. There exist no pending or to the Buyer’s

knowledge, threatened disputes or legal proceedings under the PPA or otherwise between Buyer and Seller.

All payments due, if any, under the PPA by Buyer have been paid in full through the period ending on the date hereof.

*[Signature page follows]*

IN WITNESS WHEREOF, Buyer has caused this Certificate to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

---

By:

Title:

Name:



## EXHIBIT K

### PARTICIPANT LIST

| <b>FMPA Solar III Project Participants</b> | <b>Share of<br/>Leyland Solar</b> |
|--|-----------------------------------|
| Homestead Public Services                  | 4.673%                            |
| Jacksonville Electric Authority (JEA)      | 0.000%                            |
| City of Lake Worth Beach Utilities         | 27.670%                           |
| Winter Park Electric Utility               | 9.346%                            |
| <b>Total</b>                               | <b>41.689%</b>                    |

**EXHIBIT L**

**FORM OF PROGRESS REPORT**

**Project:**  
**Recipient:**

**PROJECT PROGRESS REPORT**

Pursuant to Section 4.1(f) of the Agreement, after the Effective Date and before the Commercial Operation Date, Seller will provide Buyer with quarterly progress reports advising Buyer of the current status of the Project, the status of obtaining required Governmental Approvals, any significant developments or delays along with an action plan for making up delays, and Seller's best estimate of the Commercial Operation Date.

**I. Overview**

| <b>Milestone</b>                          | <b>Expected Completion</b> | <b>Status</b> | <b>Notes</b> |
|---|----------------------------|---------------|--------------|
| Interconnect Screening Study              |                            | Pending       |              |
| Start of Permitting                       |                            | Pending       |              |
| Completion of Site Studies                |                            | Pending       |              |
| Interconnection Application               |                            | Pending       |              |
| System Impact Study                       |                            | Pending       |              |
| Local Permitting Complete                 |                            | Pending       |              |
| Facilities Study                          |                            | Pending       |              |
| Interconnection Agreement                 |                            | Pending       |              |
| Construction NTP                          |                            | Pending       |              |
| Start of Major Equipment Delivery to Site |                            | Pending       |              |
| 85% Capacity Available                    |                            | Pending       |              |
| Back Feed Available                       |                            | Pending       |              |
| COD                                       |                            | Pending       |              |

## **II. Status Updates**

- **Interconnection Agreement**
  - Status update
    -
  - Discussion of any foreseeable disruptions or delays
    -
- **Permits, Licenses, Easements and Approvals to Construct**
  - Status update
    -
  - Discussion of any foreseeable disruptions or delays
    -
- **Construction Notice To Proceed**
  - Status update
    -
  - Discussion of any foreseeable disruptions or delays
    -
- **Major Equipment Delivered to Site**
  - Status update
    -
  - Discussion of any foreseeable disruptions or delays
    -
- **Commercial Operation Date**
  - Status update
    -
  - Discussion of any foreseeable disruptions or delays
    -

*Report Completed: [Date, Sender Initials]*

## EXHIBIT M

### FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “Assignment Agreement” or “Agreement”) is entered into as of \_\_\_\_\_, 20\_\_ by and among [Origis Energy, LLC] , a limited liability company (“Seller”), Florida Municipal Power Agency, a separate governmental legal entity creating and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“Buyer”), and \_\_\_\_\_, a [ ] (“Prepay Partner”), and relates to that certain Solar Power Purchase Agreement, dated as of \_\_\_\_\_ (the “PPA”) between Buyer and Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, Seller, Buyer and Prepay Partner (the “Parties” hereto; each is a “Party”) agree as follows:

#### **1. Limited Assignment and Delegation.**

a) Buyer hereby assigns, transfers and conveys to Prepay Partner all right, title and interest in and to the rights of Buyer under the PPA to receive delivery of the products described on Appendix 1 (the “Assigned Products”) during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the “Further Information” section on Appendix 1 (the “Assigned Product Rights”). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of Buyer under the PPA are expressly reserved for Buyer.

b) Buyer hereby delegates to Prepay Partner the obligation to pay for all Assigned Products that are actually delivered to Prepay Partner pursuant to the Assigned Product Rights during the Assignment Period (the “Delivered Product Payment Obligation” and together with the Assigned Product Rights, collectively the “Assigned Rights and Obligations”). All other obligations of Buyer under the PPA are expressly retained by Buyer. To the extent Prepay Partner fails to pay for any Assigned Products by the due date for payment set forth in the PPA, Buyer agrees that it will remain responsible for such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from Seller.

c) Prepay Partner hereby accepts and Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.

d) All scheduling of Assigned Products and other communications related to the PPA shall take place between Buyer and Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from Seller to Prepay Partner upon delivery by Seller of Assigned Product in accordance with the PPA; (ii) Buyer is hereby authorized by Prepay Partner to and shall act as Prepay Partner’s agent with regard to scheduling Assigned Product; (iii) Buyer will provide copies to Prepay Partner of any Notice (as defined in the PPA) of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable

grace period, could result in an Event of Default contemporaneously upon delivery thereof to Seller and promptly after receipt thereof from Seller; (iv) Seller will provide copies to Prepay Partner of annual forecasts of Delivered Energy and monthly forecasts provided pursuant to Section 3.17 of the PPA; (v) Seller will provide copies to Prepay Partner of all invoices and supporting data provided to Buyer pursuant to Section 8.1 of the PPA, provided that any payment adjustments or subsequent reconciliations occurring after the date that is ten (10) days prior to the payment due date for a monthly invoice, including pursuant to Section 8.2 of the PPA, will be resolved solely between Buyer and Seller and therefore Seller will not be obligated to deliver copies of any communications relating thereto to Prepay Partner; and (vi) Buyer and Seller, as applicable, will provide copies to Prepay Partner of any other information reasonably requested by Prepay Partner relating to Assigned Products.

e) Seller acknowledges that (i) Prepay Partner intends to immediately transfer title to any Assigned Products received from Seller through one or more intermediaries such that all Assigned Products will be re-delivered to Buyer, and (ii) Prepay Partner has the right to purchase receivables due from Buyer for any such Assigned Products. To the extent Prepay Partner purchases any such receivables due from Buyer, Prepay Partner may transfer such receivables to Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation.

## **2. Assignment Early Termination.**

a. The Assignment Period may be terminated early upon the occurrence of any of the following:

1. delivery of a written notice of termination by either Prepay Partner or Buyer to each of the other Parties hereto;

2. delivery of a written notice of termination by Seller to each of Prepay Partner and Buyer following Prepay Partner's failure to pay when due any amounts owed to Seller in respect of any Delivered Product Payment Obligation and such failure continues for ten (10) Business Days following receipt by Prepay Partner of written notice thereof;

3. delivery of a written notice by Seller if Prepay Partner becomes Bankrupt (as defined in the PPA); or

b. The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause (a)(1) or (a)(2) above. All Assigned Rights and Obligations shall revert from Prepay Partner to Buyer upon the early termination of the Assignment Period, provided that (i) Prepay Partner shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to Prepay Partner prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period

c. The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from Prepay Partner to Buyer upon the expiration of or early termination of the PPA, provided that (i) Prepay Partner shall remain responsible for all payment obligations with respect to any Assigned Product delivered to Prepay Partner prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

### **3. *Representations and Warranties.***

The Seller and the Buyer represent and warrant to Prepay Partner that (a) the PPA is in full force and effect; (b) no event or notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; and (c) all of its obligations under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

### **4. *Notices.***

Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with Section 18.1 of the PPA and to the addresses of each of Seller and Buyer specified in the PPA. Buyer agrees to notify Prepay Partner of any updates to such notice information, including any updates provided by Seller to Buyer. Notices to Prepay Partner shall be provided to the following address, as such address may be updated by Prepay Partner from time to time by notice to the other

Parties:

Prepay Partner:

### **5. *Miscellaneous.***

Sections 10.1-10.4 (Representations, Warranties and Covenants), 13.1 (Confidential Information), 19.1 (Effectiveness of Agreement, Survival) 19.3 (Amendments), 19.4 (Waivers), 19.5 (Severability), 19.6 (Standard of Review), 19.11 (No Agency), 19.14 (Captions, Construction), and 19.18 (Counterparts) of the PPA are incorporated by reference into this Agreement, mutatis mutandis, as if fully set forth herein.

### **6. *U.S. Resolution Stay Provisions.***

The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol (“ISDA U.S. Stay Protocol”), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and for the purposes of such incorporation, (i) Prepay Partner shall be deemed to be a Regulated Entity, (ii) each of Buyer and Seller shall be deemed to be an Adhering Party, and (iii) this Agreement shall be deemed a Protocol Covered Agreement. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

### **7. *Governing Law, Jurisdiction.***

a. Governing Law.

THIS ASSIGNMENT AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS ASSIGNMENT AGREEMENT WILL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS PROVISIONS THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAWS.

b. Waiver of Right to Trial by Jury.

EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS NOVATION AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF EITHER OF THE OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH A SUIT ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND EACH OF THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS ASSIGNMENT AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7(B).

## Appendix 1

### **Assigned Rights and Obligations**

PPA: “PPA” means that certain Solar Power Purchase Agreement, dated as of \_\_\_\_\_, by and between Buyer and Seller, as amended from time to time.

“Assignment Period” means the period beginning on [ ] and extending until [ ], provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

Assigned Product: “Assigned Products” include the Product, as defined in the PPA.

Further Information: Seller shall continue to transfer the Environmental Attributes Attestation and Bill of Sale associated with all Renewable Energy Credits corresponding to all Delivered Energy under the PPA pursuant to Section 3.6 of the PPA, provided that the transferee of such Environmental Attributes Attestation and Bill of Sale may be changed from time to time in accordance with the written instructions of both Prepay Partner and [ ] upon twenty (20) Business Days’ notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by Seller to Prepay Partner shall be a sale made at wholesale, with Prepay Partner reselling all such Assigned Product.



**Appendix 2**

**Assigned Prepay Quantity**

[NOTE: To be set forth in a monthly volume schedule.]

**EXHIBIT N**

**FORM OF FMPA SOLAR III PROJECT POWER SALES CONTRACT**

**Amendment Number One to the  
Solar Power Purchase Agreement  
between Florida Municipal Power Agency, as Buyer,  
and FL SB 5, LLC, as Seller, dated as of August 15, 2023.**

This Amendment Number One to the Solar Power Purchase Agreement between Florida Municipal Power Agency (Solar III Project), as Buyer, and FL SB 5, LLC, as Seller, dated as of August 15, 2023 (“Amendment Number One”), is entered into as of this \_\_\_ day of \_\_\_\_\_, 2024 (the “Amendment Effective Date”), by and between the Florida Municipal Power Agency, a separate governmental legal entity creating and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“Buyer”) and FL SB 5, LLC, a Delaware limited liability company (“Seller”). Buyer and Seller are each individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Parties entered into that certain Solar Power Purchase Agreement for the Hampton solar project, dated as of August 15, 2023 (the “PPA”); and

**WHEREAS**, the Parties desire to further amend the PPA as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants in the PPA as amended and herein contained, the Parties hereby mutually agree as follows:

1. Amendments.

- a. Section 1.1 of the PPA is amended by deleting the definition of “Default Commercial Operation Date” in its entirety and replacing it with the following definition:

***“Default Commercial Operation Date”*** means [REDACTED].

- b. Section 3.21 (e) of the PPA is amended by deleting “– either as an undivided ownership interest buy Buyer, or in conjunction with the purchase by the FMPA Solar III Project of the remaining ownership interest of the Project not purchase by Buyer, provided that any joint purchase by Buyer and the FMPA ARP shall be a simultaneous purchase of 100% ownership interest in the Project, with each such purchase by Buyer and the FMPA Solar III Project being expressly conditioned upon successful purchase of the remaining ownership share by FMPA Solar III Project and Buyer, respectively.”
- c. Exhibit K of the PPA is hereby revised, restated, and superseded in its entirety with the Exhibit K attached to this Amendment Number One.

- d. Exhibit N of the PPA is hereby revised, restated, and superseded in its entirety with the Exhibit N attached to this Amendment Number One.
2. Definitions. Capitalized terms used in this Amendment Number One that are not otherwise defined herein shall have the meaning set forth in the PPA.
  3. Representations Regarding this Amendment Number One. By its execution of this Amendment Number One, each Party represents and warrants that it is authorized to enter into this Amendment Number One, that this Amendment Number One does not conflict with any contract, lease, instrument, or other obligation to which it is a party or by which it is bound, which conflict could reasonably be expected to have a material adverse effect on the ability of such Party to perform its obligations hereunder, and that this Amendment Number One represents its valid and binding obligation, enforceable against it in accordance with its terms.
  4. Governing Law; Disputes. This Amendment Number One shall be governed by Section 19.7 (Governing Law) of the PPA. The Parties agree to comply with Article 17 (Dispute Resolution) of the PPA with respect to any dispute relating to this Amendment Number One.
  5. Conforming References. Upon the Amendment Effective Date, each reference in the PPA to “this Agreement,” “hereunder,” “hereto,” “herein,” or words of like import, shall mean and be a reference to the PPA as amended by this Amendment Number One.
  6. No Other Amendments; Ratification of Remaining Terms and Conditions. Except to the extent modified in this Amendment Number One, all other terms and conditions of the PPA remain unchanged and in full force and effect.
  7. Counterparts. This Amendment Number One may be executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment Number One by facsimile or other electronic means (e.g., email or PDF) will be effective as delivery of an original counterpart to this Amendment Number One.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have hereunder executed this Amendment Number One as of the Amendment Effective Date.

**FL SB 5, LLC**

**FLORIDA MUNICIPAL POWER AGENCY**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT K**

**PARTICIPANT LIST**

| <b>FMPA Solar III Project Participants</b> | <b>Share of<br/>Hampton Solar</b> |
|--|-----------------------------------|
| Homestead Public Services                  | 0.000%                            |
| Jacksonville Electric Authority (JEA)      | 100.000%                          |
| City of Lake Worth Beach Utilities         | 0.000%                            |
| Winter Park Electric Utility               | 0.000%                            |
| <b>Total</b>                               | <b>100.000%</b>                   |

**EXHIBIT N**

**Amendment Number One to the  
Solar Power Purchase Agreement  
between Florida Municipal Power Agency, as Buyer,  
and FL SB A, LLC, as Seller, dated as of August 15, 2023.**

This Amendment Number One to the Solar Power Purchase Agreement between Florida Municipal Power Agency (Solar III Project), as Buyer, and FL SB A, LLC, as Seller, dated as of August 15, 2023 (“Amendment Number One”), is entered into as of this \_\_\_ day of \_\_\_\_\_, 2024 (the “Amendment Effective Date”), by and between the Florida Municipal Power Agency, a separate governmental legal entity creating and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“Buyer”) and FL SB A, LLC, a Delaware limited liability company (“Seller”). Buyer and Seller are each individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Parties entered into that certain Solar Power Purchase Agreement for the New River solar project, dated as of August 15, 2023 (the “PPA”); and

**WHEREAS**, the Parties desire to further amend the PPA as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants in the PPA as amended and herein contained, the Parties hereby mutually agree as follows:

1. **Amendments.**
  - a. Section 3.21 (e) of the PPA is amended by deleting “– either as an undivided ownership interest buy Buyer, or in conjunction with the purchase by the FMPA Solar III Project of the remaining ownership interest of the Project not purchase by Buyer, provided that any joint purchase by Buyer and the FMPA ARP shall be a simultaneous purchase of 100% ownership interest in the Project, with each such purchase by Buyer and the FMPA Solar III Project being expressly conditioned upon successful purchase of the remaining ownership share by FMPA Solar III Project and Buyer, respectively.”
  - b. Exhibit N of the PPA is hereby revised, restated, and superseded in its entirety with the Exhibit N attached to this Amendment Number One.
2. **Definitions.** Capitalized terms used in this Amendment Number One that are not otherwise defined herein shall have the meaning set forth in the PPA.
3. **Representations Regarding this Amendment Number One.** By its execution of this Amendment Number One, each Party represents and warrants that it is authorized to enter



into this Amendment Number One, that this Amendment Number One does not conflict with any contract, lease, instrument, or other obligation to which it is a party or by which it is bound, which conflict could reasonably be expected to have a material adverse effect on the ability of such Party to perform its obligations hereunder, and that this Amendment Number One represents its valid and binding obligation, enforceable against it in accordance with its terms.

4. Governing Law; Disputes. This Amendment Number One shall be governed by Section 19.7 (Governing Law) of the PPA. The Parties agree to comply with Article 17 (Dispute Resolution) of the PPA with respect to any dispute relating to this Amendment Number One.
5. Conforming References. Upon the Amendment Effective Date, each reference in the PPA to “this Agreement,” “hereunder,” “hereto,” “herein,” or words of like import, shall mean and be a reference to the PPA as amended by this Amendment Number One.
6. No Other Amendments; Ratification of Remaining Terms and Conditions. Except to the extent modified in this Amendment Number One, all other terms and conditions of the PPA remain unchanged and in full force and effect.
7. Counterparts. This Amendment Number One may be executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment Number One by facsimile or other electronic means (e.g., email or PDF) will be effective as delivery of an original counterpart to this Amendment Number One.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have hereunder executed this Amendment Number One as of the Amendment Effective Date.

**FL SB A, LLC**

**FLORIDA MUNICIPAL POWER AGENCY**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT N**

**NON-PUBLIC DOCUMENT – CONTAINS INFORMATION EXEMPT FROM PUBLIC DISCLOSURE PURSUANT TO FLORIDA PUBLIC RECORDS LAW**

**MUTUAL TERMINATION & RELEASE**

**THIS MUTUAL TERMINATION AND RELEASE** (this “**Termination**”) is entered into as of \_\_\_\_\_, 2024, by and between Penholoway Solar, LLC, a Delaware limited liability company (“**Seller**”) and the Florida Municipal Power Agency (Solar III Project), a separate governmental legal entity created and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“**Buyer**”). Seller and Buyer are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

A. WHEREAS, Seller and Buyer are parties to that certain Solar Power Purchase Agreement, effective as of August 15, 2023 (as it may be amended and/or modified from time to time, the “**PPA**”); and

B. WHEREAS, the Parties now desire to terminate the PPA and release each other of all further obligations thereunder.

NOW, THEREFORE, in consideration of the foregoing and the promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Defined Terms and Phrases. The capitalized terms and phrases used in this Termination but not defined herein shall have the meaning stated in the PPA.

2. Termination of PPA. Each party hereby (a) terminates the PPA, and (b) states and confirms that, except as otherwise expressly provided in this Termination, each of the parties’ rights or obligations under the PPA are hereby terminated, in each case as of the date of this Termination.

3. Mutual Release. Each Party specifically releases, waives, and forever discharges the other Party, and its successors in interest, past, present and future assigns, officers, directors, current and former employees, agents, subsidiaries, affiliates, attorneys, insurers and underwriters, from any and all claims, demands, judgments, actions, liabilities, liens, indebtedness, and causes of actions, of every kind and character, whether asserted or unasserted, whether known or unknown, suspected or unsuspected, in law or in equity, for or by reason of any matter, cause or thing whatsoever pursuant to the PPA or any disputes thereunder as of the date of this Termination, excepting only the obligations created by and the representations, warranties and covenants made in this Termination.

4. Performance Assurance. Consistent with Section 9.3(f) of the PPA, each Party shall promptly take all actions necessary to return any and all Performance Assurance provided pursuant to the PPA, including, to the extent required, directing any issuer or custodian of such Performance Assurance to release it to the other Party.

**NON-PUBLIC DOCUMENT – CONTAINS INFORMATION EXEMPT FROM PUBLIC DISCLOSURE PURSUANT TO FLORIDA PUBLIC RECORDS LAW**

5. Parties to bear their own fees and costs. Each of the Parties agrees to bear its own attorneys' fees and costs for all matters related to the termination of the PPA and to the negotiation, drafting and execution of this Termination.

6. Non-Disparagement. The Parties expressly agree that they shall not make any written or oral statements about the other Party that are of a critical, disparaging, or defamatory nature relating to the PPA or this Termination. This Section does not, in any way, restrict or impede either Party from making any truthful, non-confidential statement related to the PPA or this Termination as (a) required by law, legal process or required or requested by any court, arbitrator, mediator or administrative, regulatory, or legislative body (including any committee thereof) with jurisdiction over the Party or (b) necessary to comply with any of the Party's obligations under a valid, pre-existing contract, for the purpose of obtaining or renewing insurance, or as part of due diligence for a contemplated sale of or investment in any business impacted by the Termination.

7. Drafting. Each Party agrees that it (and/or its counsel) has completely read, fully understands, and voluntarily accepts every provision, term, and condition of this Termination. Each Party agrees that this Termination shall be considered for all purposes as prepared through the joint efforts of the Parties, and no Party shall have any provision hereof construed against such Party by reason of such Party drafting, negotiating, or proposing any provision hereof, or execution of this Termination.

8. Headings. All section headings herein are included herein for convenience of reference only and shall not constitute a part of this Termination for any other purpose.

9. Severability. Any provision or section hereof that is declared or rendered unlawful by any applicable court of law or deemed unlawful because of a statutory change, shall not, to the extent practicable, affect other lawful obligations under this Termination.

10. Entire Agreement. This Termination represents the entire understanding and agreement of the parties with respect to the subject matter hereof and may only be amended or modified in a writing signed by both parties and evidencing their mutual agreement thereto.

11. Governing Law; Disputes. This Termination and the rights and duties of the Parties arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the state of Florida, without regard to principles of conflicts of law, and, as applicable, by the Federal laws of the United States of America. Any legal proceeding of any nature brought by either Party against the other to enforce any right or obligation under this Termination, or arising out of any other matter pertaining to this Termination, shall be brought in the state and federal courts in Leon County, Florida. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, PUBLICITY, REPUTATIONAL, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES IN CONNECTION WITH THIS TERMINATION, EVEN IF SUCH DAMAGES ARE ALLOWED OR PROVIDED BY STATUTE, STRICT LIABILITY, ANY TORT, CONTRACT, OR OTHERWISE. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY

**NON-PUBLIC DOCUMENT – CONTAINS INFORMATION EXEMPT FROM PUBLIC DISCLOSURE PURSUANT TO FLORIDA PUBLIC RECORDS LAW**

IN RESPECT OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS TERMINATION, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS TERMINATION.

12. Counterparts. This Termination may be executed by facsimile or PDF (electronic copy) and in multiple counterparts, all of which taken together shall have the same force and effect as one and the same original instrument.

13. Representations, warranties, and covenants. By its execution of this Termination, each Party represents and warrants that it is authorized to enter into this Termination, that this Termination does not conflict with any contract, lease, instrument, or other obligation to which it is a party or by which it is bound, which conflict could reasonably be expected to have a material adverse effect on the ability of such Party to perform its obligations hereunder, and that this Termination represents its valid and binding obligation, enforceable against it in accordance with its terms.

*[Signature page follows]*

**NON-PUBLIC DOCUMENT – CONTAINS INFORMATION EXEMPT FROM PUBLIC DISCLOSURE PURSUANT TO FLORIDA PUBLIC RECORDS LAW**

**IN WITNESS WHEREOF**, the Parties hereto have caused this Termination to be executed by their respective authorized representatives as of the date first written above.

**PENHOLOWAY SOLAR , LLC**

**FLORIDA MUNICIPAL POWER  
AGENCY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Alfredo Gracian-Silva

Name: Jacob A. Williams

Title: Secretary

Title: General Manager and CEO

**Amendment Number One to the  
Power Sales Contract  
between Florida Municipal Power Agency  
and [MEMBER NAME]**

This Amendment Number One to the Power Sales Contract between Florida Municipal Power Agency and [MEMBER NAME] dated as of August 15, 2023 (“Amendment Number One”), is entered into as of this \_\_\_ day of \_\_\_\_\_, 2024 (the “First Amendment Effective Date”), by and between the Florida Municipal Power Agency, a separate governmental legal entity creating and existing pursuant to Section 163.01, Florida Statutes, and exercising powers under that provision or Part II, Chapter 361, Florida Statutes or both (“FMPA”) and [MEMBER NAME] a public agency of the State of Florida and a member of FMPA (“Project Participant”). FMPA and Project Participant are each individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Parties entered into that certain Power Sales Contract between Florida Municipal Power Agency and [MEMBER NAME] dated as of August 15, 2023 (the “Power Sales Contract”); pursuant to which FMPA has agreed to sell and deliver and Project Participant has agreed to purchase and receive Solar Product;

**WHEREAS**, FMPA and Project Participant have agreed to certain amendments to the Solar PPAs, which necessitate corresponding amendments to this Power Sales Contract;

**WHEREAS**, the Parties desire to further amend the Power Sales Contract as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants in the Power Sales Contract as amended and herein contained, the Parties hereby mutually agree as follows:

1. Amendments.
  - a. Section 1 of the Power Sales Contract is amended by deleting the definition of “Energy Share” in its entirety and replacing it with the following definition:

“Energy Share shall mean FMPA's 181.025 MW share under the Solar PPA in the Solar Product produced by or associated with the Solar Facility.”
  - b. Attachment A of the Power Sales Contract is hereby revised, restated, and superseded in its entirety with the Attachment A attached to this Amendment Number One.



- c. Schedule 1 of the Power Sales Contract is hereby revised, restated, and superseded in its entirety with the Schedule 1 attached to this Amendment Number One.
2. Definitions. Capitalized terms used in this Amendment Number One that are not otherwise defined herein shall have the meaning set forth in the Power Sales Contract.
3. Representations Regarding this Amendment Number One. By its execution of this Amendment Number One, each Party represents and warrants that it is authorized to enter into this Amendment Number One, that this Amendment Number One does not conflict with any contract, lease, instrument, or other obligation to which it is a party or by which it is bound, which conflict could reasonably be expected to have a material adverse effect on the ability of such Party to perform its obligations hereunder, and that this Amendment Number One represents its valid and binding obligation, enforceable against it in accordance with its terms.
4. Conforming References. Upon the First Amendment Effective Date, each reference in the Power Sales Contract to “this Agreement,” “hereunder,” “hereto,” “herein,” or words of like import, shall mean and be a reference to the Power Sales Contract as amended by this Amendment Number One.
5. No Other Amendments; Ratification of Remaining Terms and Conditions. Except to the extent modified in this Amendment Number One, all other terms and conditions of the Power Sales Contract remain unchanged and in full force and effect.
6. Counterparts. This Amendment Number One may be executed in one or more counterparts, each of which, when executed, shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment Number One by facsimile or other electronic means (e.g., email or PDF) will be effective as delivery of an original counterpart to this Amendment Number One.

*[signature page follows]*

IN WITNESS WHEREOF, the Parties hereto have hereunder executed this Amendment Number One as of the First Amendment Effective Date.

**FLORIDA MUNICIPAL POWER AGENCY**

(SEAL)

By: \_\_\_\_\_  
General Manager & CEO

Attest:

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary or Assistant Secretary

**[MEMBER NAME]**

(SEAL)

\_\_\_\_\_  
By:

Title:

Attest:

Date: \_\_\_\_\_

\_\_\_\_\_  
By:

Approved as to form and legal sufficiency:

\_\_\_\_\_  
By:

**ATTACHMENT A**  
**POWER PURCHASE AGREEMENTS**

**SCHEDULE 1**  
**SCHEDULE OF PROJECT PARTICIPANTS**

- **Hampton Solar Facility (74.9 MW)**
  - JEA – 100%
  
- **New River Solar Facility (74.9 MW)**
  - JEA – 100%
  
- **Leyland Solar Facility (74.9 MW)**
  - Homestead Public Services - 4.673%
  - City of Lake Worth Beach – 27.670%
  - City of Winter Park – 9.346%

Notice Information of Project Participants

|  |   |
|--|---|
| <p><b><u>Homestead Public Services</u></b><br/> George Gretsas, City Manager<br/> The City of Homestead<br/> 100 Civic Court<br/> Homestead, FL 33033</p>                          | <p><b><u>City of Lake Worth Beach</u></b><br/> City of Lake Worth Beach<br/> Electric Utilities Director<br/> 1900 2<sup>nd</sup> Avenue North<br/> Lake Worth, FL 33461<br/> Tel: (561) 586-1670</p> <p>With a copy to:<br/> City of Lake Worth<br/> Attn: City Attorney<br/> 7 N. Dixie Highway<br/> Lake Worth, FL 33460</p> |
| <p><b><u>JEA</u></b><br/> Ricky Erixton<br/> 21 W Church St.<br/> Jacksonville, FL 32202<br/> T: (904) 665-7110<br/> Email: <a href="mailto:erixrd@jea.com">erixrd@jea.com</a></p> | <p><b><u>Winter Park Electric Utility</u></b><br/> City of Winter Park<br/> Randy Knight, City Manager<br/> 401 South Park Avenue<br/> Winter Park, FL 32789-4386</p>   |

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

- b. Notice of Annual Continuing  
Disclosure Report of the Fiscal  
Year Ended September 30, 2023**

**Board of Directors Meeting  
August 22, 2024**



# **9b – Notice of Annual Continuing Disclosure Report of the Fiscal Year**

Board of Directors

August 22, 2024

# Notice of Annual Continuing Disclosure Report 9/30/2023

## *Requirement per Bond Documents*

---

- The Annual Continuing Disclosure Report (CDR) is due on or before June 28<sup>th</sup>
  - Obligation when issuing tax-exempt bonds through an underwriter
  - Large team effort: FMPA Staff, CFO, CLO, Bond Disclosure Counsel, Bond Attorneys, and Financial Advisors
- The report is filed on EMMA (Electronic Municipal Market Access)
- The CDR was completed and submitted **before deadline** for filing on June 27, 2024
  - Follow up item – financial statements for Lake Worth Beach
- No further action is needed by the BOD



**CONTINUING DISCLOSURE REPORT**

**FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

Relating to:

All-Requirements Power Supply Project Revenue Bonds  
St. Lucie Project Revenue Bonds  
Stanton Project Revenue Bonds  
Stanton II Project Revenue Bonds  
Tri-City Project Revenue Bonds

Dated: June 27, 2024

This Continuing Disclosure Report (the “Report” or the “Continuing Disclosure Report”) provides certain information and updates pertaining to the power supply projects of FMPA that have been financed with bonds and is not intended to be an all-inclusive report regarding FMPA’s operations or financial position. This Report is delivered as required by FMPA pursuant to continuing disclosure undertakings entered into in connection with the issuance of its bonds and pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission. Nothing contained in the undertakings or this Report shall be deemed to be a representation by FMPA that the financial information and operating data included in this Report constitutes all of the information that may be material to a decision to invest in, hold or sell any securities of FMPA. The financial data and operating data presented in this Report speak only as of the dates shown.



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**FLORIDA MUNICIPAL POWER AGENCY**

Operational Offices  
8553 Commodity Circle  
Orlando, Florida 32819  
(407) 355-7767

**OFFICERS OF THE BOARD OF DIRECTORS  
OF FLORIDA MUNICIPAL POWER AGENCY**

Barbara Quiñones, Chair  
Lynne Tejada, Vice Chair  
Robert Page, Secretary  
Allen Putnam, Treasurer

**OFFICERS OF THE EXECUTIVE COMMITTEE  
OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT**

Howard McKinnon, Chairperson  
Lynne Tejada, Vice Chairperson

**MANAGEMENT**

Jacob A. Williams, General Manager and Chief Executive Officer  
Jody Lamar Finklea, General Counsel and Chief Legal Officer  
Richard Popp, Chief Financial Officer  
Ken Rutter, Chief Operating Officer  
Sharon Adams, Chief People and Member Services Officer

**TRUSTEE FOR THE  
ALL-REQUIREMENTS POWER SUPPLY PROJECT  
AND INITIAL POOLED LOAN PROJECT**

TD Bank, National Association  
Cherry Hill, New Jersey

**TRUSTEE FOR THE STANTON PROJECT,  
STANTON II PROJECT, ST. LUCIE PROJECT  
AND TRI-CITY PROJECT**

The Bank of New York Mellon Trust Company, N.A.  
Jacksonville, Florida

**MANAGING FINANCIAL ADVISOR**

PFM Financial Advisors, LLC  
Charlotte, North Carolina

**INDEPENDENT ACCOUNTANTS**

Purvis Gray & Company  
Ocala, Florida

**BOND COUNSEL**

Nixon Peabody LLP  
New York, New York

**DISCLOSURE COUNSEL**

Bryant Miller Olive P.A.  
Miami, Florida

**CO-FINANCIAL ADVISOR**

Dunlap & Associates, Inc.  
Orlando, Florida

**PARTICIPANTS IN THE  
ALL-REQUIREMENTS  
POWER SUPPLY PROJECT<sup>(1)</sup>**

City of Bushnell  
City of Clewiston  
City of Fort Meade  
Fort Pierce Utilities Authority  
City of Green Cove Springs  
Town of Havana  
City of Jacksonville Beach  
Utility Board of the City of Key West, Florida  
Kissimmee Utility Authority  
City of Lake Worth Beach  
City of Leesburg  
City of Newberry  
City of Ocala  
City of Starke

**PARTICIPANTS IN THE  
STANTON PROJECT <sup>(4)</sup>**

Fort Pierce Utilities Authority  
City of Homestead<sup>(2)</sup>  
Kissimmee Utility Authority  
City of Lake Worth Beach<sup>(2)</sup>  
City of Starke  
All-Requirements Power Supply Project<sup>(3)</sup>

**PARTICIPANTS IN THE  
ST. LUCIE PROJECT**

City of Alachua  
City of Clewiston  
City of Fort Meade  
Fort Pierce Utilities Authority  
City of Green Cove Springs  
City of Homestead  
City of Jacksonville Beach  
Kissimmee Utility Authority  
City of Lake Worth Beach  
City of Leesburg  
City of Moore Haven  
Utilities Commission, City of New Smyrna Beach  
City of Newberry  
City of Starke  
All-Requirements Power Supply Project<sup>(3)</sup>

**PARTICIPANTS IN THE  
STANTON II PROJECT**

Fort Pierce Utilities Authority  
City of Homestead<sup>(2)</sup>  
Utility Board of the City of Key West, Florida  
Kissimmee Utility Authority  
City of Lake Worth Beach<sup>(2)</sup>  
City of St. Cloud  
City of Starke  
All-Requirements Power Supply Project<sup>(3)</sup>

**PARTICIPANTS IN THE  
TRI-CITY PROJECT <sup>(4)</sup>**

Fort Pierce Utilities Authority  
City of Homestead  
Utility Board of the City of Key West, Florida

- (1) Certain Participants in the All-Requirements Power Supply Project have elected to limit their All-Requirements Service, not continue the automatic extension of the term of their All-Requirements Power Supply Contract or given notice to withdraw from the All-Requirements Power Supply Project. See "PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Participants – Elections of Certain Participants".
- (2) The City of Homestead and the City of Lake Worth Beach have entered into a transfer agreement with Kissimmee Utility Authority ("KUA") to transfer and assign all or a portion of their respective power entitlement shares in each Project to KUA. See "PART III – STANTON PROJECT – Participants" and "PART IV – STANTON II PROJECT – Participants" for more information regarding such transfers.
- (3) On December 17, 2018, the City of Vero Beach, Florida ("Vero Beach") completed the sale of its electric utility system to Florida Power & Light Company ("FPL") and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, the power sales and project support contracts between Vero Beach and FMPA relating to each of the Stanton Project, Stanton II Project and St. Lucie Project, as amended.
- (4) There are no Bonds outstanding for the Stanton Project and the Tri-City Project.

## INTRODUCTION

### General

This Continuing Disclosure Report for the Fiscal Year Ended September 30, 2023 (together with the Appendices hereto, this “Report” or this “Continuing Disclosure Report”) is furnished by Florida Municipal Power Agency (“FMPA” or the “Agency”) to provide information concerning (a) FMPA, (b) FMPA’s projects and operations, and (c) outstanding debt of FMPA relating to its projects. This Continuing Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the “MSRB”), through the MSRB’s Electronic Municipal Market Access (“EMMA”) website currently located at <http://emma.msrb.org> pursuant to certain continuing disclosure undertakings made by FMPA in accordance with the provisions of Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated by the United States Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended. Nothing contained in the undertakings or this Report shall be deemed to be a representation by FMPA that the financial information and operating data included in this Report constitutes all of the information that may be material to a decision to invest in, hold or sell any securities of FMPA. The financial data and operating data presented in this Report speak only as of the dates shown.

### FMPA

FMPA was created on February 24, 1978 and is a governmental legal entity, organized and existing under (i) Section 163.01 of the Florida Statutes (the “Florida Interlocal Cooperation Act”), (ii) and exercising the power and authority granted by the Florida Interlocal Cooperation Act or Part II Chapter 361, of the Florida Statutes (the “Joint Power Act”), or both provisions, and (iii) an interlocal agreement creating FMPA among the 33 members of FMPA (each individually a “Member” and collectively, the “Members”) executed pursuant to the foregoing statutory authority (the “Interlocal Agreement”). As of September 30, 2023, the Members of FMPA were 33 Florida city commissions, city and town councils, utility commissions, utility authorities, a special district and a utility board. Under Florida law, FMPA has authority to undertake and finance specified projects and, among other things, to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend, or otherwise participate jointly in those projects. FMPA has the authority to issue bonds or bond anticipation notes for the purpose of financing or refinancing the costs of these projects.

As of September 30, 2023, FMPA has seven power supply projects and one pooled loan project that provides for the financing and refinancing of eligible utility-related projects (each, a “Project”) in which various Members participate (each being a “Participant”). A brief description of each Project is described below:

**All-Requirements Power Supply Project** – the All-Requirements Power Supply Project (the “All-Requirements Power Supply Project”) is a power supply project under which FMPA provides to each of the active Participants in the All-Requirements Power Supply Project their individual “All-Requirements Services,” which is all of its needed electric power and energy, transmission and associated services, unless limited to a contract rate of delivery, except for certain excluded resources. Each active participating Member in the All-Requirements Power Supply Project purchases its All-Requirements Services pursuant to an All-Requirements Power Supply Project Contract with FMPA collectively, as amended (the “All-Requirements Power Supply Contracts”). See “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT.”

**St. Lucie Project** – the St. Lucie Project (the “St. Lucie Project”) consists of an 8.806% undivided ownership interest of FMPA in St. Lucie Unit No. 2, a pressurized water nuclear generating unit which is part of Florida Power & Light Company’s (“FPL”) two-unit nuclear generating station located in St. Lucie County, Florida. See “PART II – ST. LUCIE PROJECT.”

**Stanton Project** – the Stanton Project (the “Stanton Project”) consists of a 14.8193% undivided ownership interest of FMPA in Stanton Unit No. 1, one of the two-unit coal fired electric generators at the Stanton Energy Center of the Orlando Utilities Commission (“OUC”) in Orange County, Florida. See “PART III – STANTON PROJECT.”

**Stanton II Project** – the Stanton II Project (the “Stanton II Project”) consists of a 23.2367% undivided ownership interest of FMPA in the Stanton Energy Unit No. 2, the second of the two-unit coal fired electric generators at the Stanton Energy Center of OUC in Orange County, Florida. See “PART IV – STANTON II PROJECT.”

**Tri-City Project** – the Tri-City Project (the “Tri-City Project”) consists of a 5.3012% undivided ownership interest of FMPA in Stanton Unit No. 1. See “PART V – TRI-CITY PROJECT.”

**Solar Project** – The Solar Project (the “Solar Project”) consisted of a solar power purchase agreement to purchase a total of 57 MW-AC of solar energy from a larger 74.5 MW-AC facility which was planned for commercial operation in mid-2023, but such agreement was terminated by mutual agreement of the parties in December 2022, and the Solar Project was terminated as a power supply project of FMPA in June 2023. See “PART VI – SOLAR PROJECT.”

**Solar II Project** – The Solar II Project (the “Solar II Project”) consists of a solar power purchase agreement to purchase a total of 53.55 MW-AC of solar energy from two larger 74.9 MW-AC facilities currently planned for commercial operation in 2024 and 2025. See “PART VII – SOLAR II PROJECT.”

**Solar III Project** - The Solar III Project (the “Solar III Project”) consists of a solar power purchase agreement to purchase a total of 203.15 MW-AC of solar energy from three larger 74.9 MW-AC facilities currently planned for commercial operation in 2025 and 2026. See “PART VIII – SOLAR III PROJECT.”

**Pooled Loan Project** – The Initial Pooled Loan Project (the “Pooled Loan Project”) is a vehicle for the financing and refinancing of eligible utility-related projects by FMPA’s Members, FMPA, and FMPA’s Projects. Each Member of FMPA, FMPA itself, and the Projects, as agent for any of its other Projects, are eligible to participate in the Pooled Loan Project. The Pooled Loan Project has a credit facility from First Horizon Bank (successor by conversion to First Tennessee Bank National Association, successor by merger to Capital Bank) which is used to fund the Participant loans. See “PART IX – “INITIAL POOLED LOAN PROJECT.”

Except for the Solar Projects (which have no debt), each Project described herein has been financed by FMPA through senior and, in some cases, subordinated debt. All debt for a particular Project has been issued under and pursuant to the terms of a resolution of FMPA that is applicable only to that particular Project. All debt incurred for a particular Project is secured only by the revenues of that Project. Therefore, the revenues of a particular Project are not security for the FMPA debt issued for any other Project, and no obligation of one Project is an obligation of any other Project.

As of the date hereof, two of the Projects – the All-Requirements Power Supply Project and the St. Lucie Project– have bonds outstanding that are subject to continuing disclosure undertakings made by

FMPA. Two of the Projects – the Stanton Project and Tri-City Project – no longer have any bonds or debt outstanding and are no longer subject to continuing disclosure undertakings made by FMPA. The Stanton II Project and the Pooled Loan Project have debt outstanding, but such debt is not subject to the continuing disclosure requirements of Rule 15c2-12. Two additional Projects – the Solar II Project and Solar III Project (collectively, the “Solar Projects”) – which are to receive solar energy based on Power Purchase Agreement (PPA) arrangements, have no bonds or debt outstanding and therefore are not subject to continuing disclosure undertakings made by FMPA. One additional Project – the Pooled Loan Project – which finances and refinances eligible utility-related projects of the members of FMPA, FMPA itself, and the Projects, through loans made by FMPA, as agent for the Pooled Loan Project, is not subject to continuing disclosure requirements of Rule 15c2-12. **The information on the Stanton Project, Stanton II Project, Tri-City Project, Solar Projects, and the Pooled Loan Project is provided on a voluntary basis. In the future, FMPA may choose not to provide information on such Projects, unless required by a continuing disclosure undertaking.**

### **Power Sales Contracts, Project Support Contracts and All-Requirements Power Supply Contracts**

For each of the Stanton, Stanton II, St. Lucie, and Tri-City Projects in which a Member is a Participant, each Member has executed a Power Sales Contract and Project Support Contract between FMPA and the Participant, as amended. Each Power Sales Contract and Project Support Contract provides for payments by the Participant of amounts sufficient to pay debt service on the applicable Bonds, the applicable subordinated debt, if any, and all other payments required by the applicable Resolution, such as operation and maintenance costs of the applicable Project and deposits to reserves. Each Participant has agreed in its Power Sales Contract and its Project Support Contract to fix, charge, and collect rates and charges for the services of its electric or integrated utility system in each year sufficient to pay costs and expenses of its utility system for that year, including all amounts payable to FMPA under its Power Sales Contract and Project Support Contract for that year. APPENDIX A shows each Member’s participation in each FMPA Project.

In the case of the Stanton, Stanton II, St. Lucie and Tri-City Projects Power Sales Contracts and Project Support Contracts, the obligation of a Participant for its share of the costs of a Project under the Power Sales Contract for that Project is payable solely from the Participant’s electric or integrated utility system revenues and are operating expenses of such system, payable on a parity with the system’s operation and maintenance expenses and before debt service on the system’s senior and subordinated debt. Payment by a Participant of its share of the costs of a Project under the Project Support Contract (for any month in which the Project provides no power) for a Project will be made only after payment of all of its system’s current operating and maintenance expenses and debt service on the system’s senior and subordinated debt.

Each Member who is a Participant in the All-Requirements Power Supply Project has executed an All-Requirements Power Supply Contract between FMPA and such Participant, as amended. Under each All-Requirements Power Supply Contract with a particular Participant, FMPA agrees to sell and deliver to that Participant, and that Participant agrees to purchase and take from FMPA, that Participant’s “All-Requirements Services.” For a particular Participant, its All-Requirements Services are all of its needed electric power and energy, transmission, and associated services (unless limited by CROD, see “PART I – ALL – REQUIREMENTS POWER SUPPLY PROJECT – Contract Rate of Delivery” for further explanation) other than energy supplied by resources excluded by the All-Requirements Power Supply Contract, which consist of entitlement shares in the St. Lucie Project.



Payments made under the All-Requirements Power Supply Contracts are payable solely from the Participants' electric or integrated utility system revenues. Payments by a Participant under its Power Supply Contract are operating expenses of the Participant's electric or integrated utility system, payable on parity with the system's operation and maintenance expenses and before debt service on each Participant's senior and subordinated debt.

The descriptions of and references to the Stanton Resolution, the Stanton II Resolution, the Tri-City Resolution, the St. Lucie Resolution, the All-Requirements Resolution, the Power Sales Contracts, the Project Support Contracts and the All-Requirements Power Supply Contracts (as such terms are hereinafter defined), where applicable, and certain statutes and documents included in this Continuing Disclosure Report do not purport to be comprehensive or definitive; and such descriptions and references are qualified in their entirety by references to each such resolution, statute, contract, and document, as any of them may be subsequently amended at any time. Copies of the resolutions and the other documents referred to in this Report may be obtained from FMPA, provided that a reasonable charge may be imposed for the cost of reproduction.

## **Organization and Management**

*Board of Directors.* Effective May 24, 2007, the FMPA Board of Directors (the "Board") reorganized the governance structure of FMPA to give the Participants in an All-Requirements Power Supply Project more control over the business and affairs of such All-Requirements Power Supply Project. The Board is FMPA's governing body generally, except as regards to the All-Requirements Power Supply Project. The Board has the responsibility for hiring a General Manager and General Counsel and establishing bylaws, which govern how FMPA operates, and policies which implement such bylaws. The Board also authorizes all debt issued by FMPA, except for debt of the All-Requirements Power Supply Project. Each of the 33 Members, except a Wholesale Purchasing Member, appoints its director to the Board and the Board annually elects a Chair, a Vice-Chair, a Secretary, and a Treasurer.

*Executive Committee.* The Executive Committee is the governing body of the All-Requirements Power Supply Project. The Executive Committee consists of one representative for each All-Requirements Power Supply Participant, unless a Participant has elected CROD (as defined herein; see "PART I ALL-REQUIREMENTS POWER SUPPLY PROJECT - Contract Rate of Delivery" for further explanation) and the CROD is established at less than 15% of the Participant's demand. The Executive Committee adopts bylaws and has policy making authority and control over all the business and affairs of the All-Requirements Power Supply Project, including the authorization of All-Requirements Power Supply Project debt. The All-Requirements Power Supply Project budget and FMPA agency general budget are developed and approved by the Executive Committee. The Executive Committee elects a Chairperson and Vice Chairperson who are in those roles only with regard to the Executive Committee.

The General Manager, General Counsel, Secretary and Treasurer of FMPA serve in their same position for both the Board of Directors and the Executive Committee. The day-to-day operations and expenditures of FMPA for projects other than the All-Requirements Power Supply Project are controlled by the Board of Directors. Control over the same function for the All-Requirements Power Supply Project is vested in the Executive Committee. The Executive Committee makes decisions on a one-vote-one-Participant basis. A majority vote of a quorum present is necessary for the Executive Committee to act, except that on certain matters (generally (i) rate schedule amendments, (ii) approval of power supply or other contracts with a term of seven years or more, and (iii) any approval requiring the issuance of debt),

a supermajority approval of 75% of the quorum present is required for action, if requested by two or more members of the Executive Committee.

*Description of Officers.* The following is a brief description of the officers of the Board of Directors and of the Executive Committee, and the principal staff members of FMPA, as of September 30, 2023:

*Chair, Board of Directors: BARBARA QUIÑONES*

Barbara Quiñones is Director of Electric Utilities for the City of Homestead. She serves as the elected Chair of FMPA's Board of Directors. Ms. Quiñones was elected as FMPA's Chair in July 2019. Prior to that she served as Vice Chair of FMPA's Board of Directors. Ms. Quiñones has been a member of FMPA's Board of Directors since 2009. She is also a member of FMPA's Finance Committee. She has served as Homestead's Director of Electric Utilities since 2009. Ms. Quiñones previously worked 26 years for Florida Power & Light Co. in a variety of positions including Senior Manager of Statewide Distribution Planning and Design and Senior Manager of Statewide Power Restoration and Power Quality. She is a graduate of Leadership Miami. Ms. Quiñones is active in the Florida Municipal Electric Association (FMEA) and is a past President of the association. She was named FMEA's 2014-2015 Member of the Year. Under her leadership, Homestead achieved the American Public Power Association's Reliable Public Power Provider (RP3) designation and was awarded a U.S. Department of Energy Resilient Electricity Delivery Infrastructure (REDI) Grant to improve the city's electrical infrastructure. Ms. Quiñones holds a bachelor's degree in mechanical engineering from Georgia Tech.

*Vice Chair, Board of Directors and Executive Committee Vice Chairperson: LYNNE TEJEDA*

Lynne Tejada is General Manager and CEO of Keys Energy Services. She serves as the elected Vice Chair of FMPA's Board of Directors and the Vice Chairperson of the Executive Committee. Ms. Tejada was elected as FMPA's Vice Chair in July 2019. Prior to that she served as the Secretary of the Board of Directors. She was appointed as her utility's alternate to FMPA's Board of Directors in 2005 and has been a member of the Board since 2013. She was first elected Vice Chairperson of the Executive Committee in December 2014 and has been a member of the Executive Committee since 2007. Ms. Tejada has served as Keys Energy Services' General Manager and CEO since 2005. She has been employed by the utility since 1989 in positions including Assistant General Manager and Chief Operating Officer. Ms. Tejada is active in the Florida Municipal Electric Association (FMEA) and is a past President of the association. She was named FMEA's 2017 Member of the Year. Ms. Tejada currently serves on the American Public Power Association's Board of Directors and was the 2013 recipient of the association's Harold Kramer-John Preston Personal Service Award. She also serves on the Board of the Key West Chamber of Commerce. Ms. Tejada holds a bachelor's degree in journalism from the University of North Carolina at Chapel Hill and a Master of Business Administration from Regis University in Denver, Colorado. She is a Certified Public Manager through Florida State University and a graduate of the Berkeley Executive Leadership Program.

*Secretary, Board of Directors: ROBERT PAGE*

Robert Page is a former Green Cove Springs Council Member and two time mayor. He serves as the elected Secretary of the FMPA Board of Directors and the Chairman of the Policy Makers Liaison Committee. Mr. Page was elected Secretary in July, 2023. He was appointed to FMPA's Board of Directors and Executive Committee in 2013. In addition to the Policy Makers Liaison Committee, Mr. Page has served on the Conservation & Renewable Energy Advisory Committee and CEO Search

Committee. He is a former Naval aviator and General Electric Lighting Business retiree. Mr. Page earned a degree in Economics from Knox College in Galesburg, Illinois.

*Treasurer, Board of Directors: ALLEN PUTNAM*

Allen Putnam is the Managing Director for Beaches Energy Services in Jacksonville Beach. He serves as the elected Treasurer of FMPA's Board of Directors. Mr. Putnam has been a member of FMPA's Board of Directors and the Executive Committee since 2015. He is also a member of FMPA's Member Services Advisory Committee. Mr. Putnam has served as Beaches Energy Services' Managing Director since 2015. Previously, Mr. Putnam worked 17 years for JEA in a variety of positions including Manager of Electric Customer Service Response and Manager of Customer Contacts. Mr. Putnam is active in the Florida Municipal Electric Association and currently serves as Past President of FMEA. Mr. Putnam holds a bachelor's degree in management and marketing and a master's degree in business from the University of North Florida.

*Executive Committee Chairperson: HOWARD MCKINNON*

Howard McKinnon, CPA, is a consultant and the former Town Manager of the Town of Havana, Florida. He serves as the elected Chairperson of the Executive Committee. Mr. McKinnon was first elected as Chairperson in July 2011. He has been a member of FMPA's Board of Directors since 2006 and the Executive Committee since 2007. Mr. McKinnon served as Havana's Town Manager for 13 years prior to his retirement in 2019. When the position became vacant in late 2021, he was asked to temporarily fill the Town Manager position. He joined the Town of Havana as Finance Director in 2005. Mr. McKinnon previously served eight years as County Manager of Gadsden County, Florida. Mr. McKinnon is active in the Florida Municipal Electric Association and is a past President of the association. He is also active in the American Public Power Association and received the association's Larry Hobart Seven Hats Award in 2010. The Florida Rural Water Association selected Mr. McKinnon as Manager of the Year in 2012. He is also a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. Mr. McKinnon holds a bachelor's degree in finance and a master's degree in public administration from Florida State University. Currently, Mr. McKinnon and his wife own an accounting and tax preparation business. He also works with Intuit as a Tax Expert during tax season.

*General Manager and CEO of FMPA: JACOB A. WILLIAMS*

Jacob A. Williams is General Manager and Chief Executive Officer of FMPA and has held the position since 2016. Mr. Williams has over 38 years of experience in the electric utility industry. Prior to joining FMPA, he served as Vice President, Global Energy Analytics at Peabody Energy in St. Louis, Missouri. He also was previously with Alliant Energy (formerly Wisconsin Power & Light). Throughout his career, Mr. Williams has served in various positions including energy marketing, trading, integrated resource planning, and generation planning. Mr. Williams holds a bachelor's degree in electrical engineering from the University of Illinois at Urbana-Champaign and a Master of Business Administration from the University of Wisconsin-Madison.

*General Counsel and CLO of FMPA: JODY LAMAR FINKLEA, ESQUIRE*

Jody Lamar Finklea is General Counsel and Chief Legal Officer for FMPA and has held the position since 2017. Mr. Finklea is a Board appointed officer and responsible for all legal affairs of FMPA, as specified in the Board's by-laws, as well as regulatory compliance. Mr. Finklea joined FMPA in 2001

and has held several positions during his tenure. Most recently, he served as Deputy General Counsel and Manager of Legal Affairs. Mr. Finklea has more than 22 years of experience in municipal utility law. As FMPA's General Counsel, Mr. Finklea also serves as general and regulatory counsel for FMEA. All FMPA's members are also members of FMEA, so this partnership provides value to both organizations. He holds a bachelor's degree in philosophy from The Catholic University of America in Washington, D.C., a master's degree in public administration from the University of North Florida and a Juris Doctor Degree from Florida State University. Mr. Finklea is admitted to The Florida Bar and is board certified as an expert in city, county and local government law. Mr. Finklea is active in the National Association of Bond Lawyers and the American Public Power Association ("APPA") and served as the 2017 Chairman of the APPA Legal Section. In 2011, Mr. Finklea was recognized by APPA as a Rising Star in Public Power. He holds a peer review rating as AV-Preeminent by Martindale Hubble.

*Chief Financial Officer of FMPA: RICHARD POPP, CTP*

Richard Popp is Chief Financial Officer for FMPA, a position he was promoted to on August 1, 2023. Mr. Popp previously served as Treasurer and Risk Director for FMPA. Prior to that he served as Contract Compliance Audit and Risk Manager. Mr. Popp has more than 31 years of experience in municipal utility accounting. He began his career with FMPA in 1994 as an accountant, and served until 1996. After his departure from FMPA, he was employed by Kissimmee Utility Authority for nearly six years as Senior Financial Analyst. Mr. Popp returned to FMPA in April 2002 as Accounting Supervisor. Mr. Popp holds a bachelor's degree in accounting from the University of Central Florida and a master's degree in accounting from Nova Southeastern University.

*Chief Operating Officer of FMPA: KEN RUTTER*

Ken Rutter is Chief Operating Officer for FMPA and has held the position since 2019. Mr. Rutter manages the FMPA's power resources division. Prior to joining FMPA, Mr. Rutter worked with the Basin Electric Cooperative and Dakota Gasification in Bismarck, North Dakota, where he served for more than six years as senior vice president of marketing and asset management. Among other responsibilities, he led a team that restructured short-term power and natural gas management contracts, as well as created many value enhancements and commercial transactions for Basin and Dakota Gasification. He also spent more than 12 years with Ameren in St. Louis, Missouri, serving in several roles, most notably Director of Risk Management and a short period as an internal auditor. Mr. Rutter has a bachelor's degree in engineering from Purdue University and a Master of Business Administration from Washington University.

*Chief People and Member Services Officer: SHARON ADAMS*

Sharon Adams is the Chief People and Member Services Officer for FMPA. She joined FMPA in 2001 and has nearly 23 years of experience in the municipal electric utility industry specializing in human resources. Prior to joining FMPA, Ms. Adams worked for more than 10 years in human resources for the non-profit, retail, recruitment, and placement industries. Ms. Adams is a member of the Society of Human Resource Management. She volunteers for several Central Florida organizations, including The Russell Home for Atypical Children and Heart of Florida United Way. Ms. Adams holds a bachelor's degree in marketing with a minor in business administration and management from Troy University. She is a Myers Brigs Type Indicator Certified Practitioner and is certified in Compensation Design and Administration. She also is certified in Executive Leadership from eCornell and in Diversity, Equity and Inclusion in the Workplace from the University of South Florida.

Treasury Manager of FMPA: SENA MITCHELL

Sena Mitchell is Treasury Manager for FMPA. She first joined FMPA in 2018 and has nearly 14 years of experience in the municipal utility sector, with a focus on treasury services. Prior to joining FMPA, Ms. Mitchell worked for eight years at Orlando Utilities Commission, first in customer accounts and analyzing billing, then managing cash, investments and debt. Ms. Mitchell is a member of the Florida Government Finance Officers Association and serves as a board member of Women in Public Finance Florida chapter. She has a bachelor’s degree in finance from the University of Central Florida, and a Master of Business Administration from the Kelly Graduate School of Management. Ms. Mitchell also holds an active Certified Treasury Professional designation.

### Litigation

As of the date hereof, there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of FMPA or its Projects or, to the knowledge of FMPA, threatened in any court to restrain or enjoin the collection of revenues pledged or to be pledged to pay the principal of and interest on any of FMPA’s Bonds, or in any way contesting or affecting the validity of FMPA’s Bonds or its Bond Resolutions or the power of FMPA to collect and pledge revenues to pay the principal of and interest on FMPA’s Bonds.

### Vero Beach Withdrawal

On December 17, 2018, Vero Beach completed the sale of its electric utility system to Florida Power & Light Company (“FPL”) and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, the power sales and project support contracts between Vero Beach and FMPA relating to each of the Stanton Project, Stanton II Project, and St. Lucie Project, as amended. See “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Withdrawal of Vero Beach” for additional information regarding the withdrawal of Vero Beach as a participant in the All-Requirements Power Supply Project and as a member of FMPA.

### Ratings

As of June 1, 2024, the ratings on the Bonds of each Project by Moody’s Investors Service, Inc. (“Moody’s”) and Fitch Ratings (“Fitch”) are as follows:

| <u>Project</u> <sup>(1)</sup>                            | <u>Moody’s</u> | <u>Fitch</u> |
|--|----------------|--------------|
| All-Requirements Power Supply Project Senior Bonds       | A2             | AA-          |
| All-Requirements Power Supply Project Subordinated Bonds | A3             | AA-          |
| St. Lucie Project  | A2             | A            |

<sup>(1)</sup> No Stanton Project Bonds or Tri-City Project Bonds are listed in this table because there are no such bonds outstanding. No Stanton II Project Bonds are listed because all outstanding bonds are unrated.

The respective ratings by Fitch and Moody’s of the Bonds of each applicable Project reflect only the views of such organizations and any desired explanation of the significance of such ratings and any outlooks or other statements given by the rating agencies with respect thereto should be obtained from

the rating agency furnishing the same. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such ratings for the Bonds of a particular Project will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely by any of the rating agencies, if, in the judgment of such rating agency or agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

#### **Event Notices**

Event notices have been filed, by or on behalf of FMFA, in accordance with paragraph (b)(5)(i)(C) of Rule 15c2-12 on EMMA and they can be viewed at <https://emma.msrb.org/>.

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**PART I**  
**ALL-REQUIREMENTS POWER SUPPLY PROJECT**

The information in this Part I is intended to provide information with respect to the Agency's All-Requirements Power Supply Project.

**All-Requirements Power Supply Project**

The All-Requirements Power Supply Project is a power supply project under which FMPA provides to each of the active Participants in the All-Requirements Power Supply Project their individual "All-Requirements Service." For a particular Participant, its All-Requirements Service is all of its needed electric power and energy, transmission, and associated services, unless limited by a contract rate of delivery("CROD"), except for certain excluded resources. See "- Election of Certain Participants – Contract Rate of Delivery (CROD)." A Participant purchases its All-Requirements Service pursuant to an All-Requirements Power Supply Project Contract with FMPA, as amended.

The power supply assets of the All-Requirements Power Supply Project include (i) undivided interests in generating facilities that are owned in whole or in part by FMPA; (ii) power supply resources under long-term and short-term contracts of FMPA; (iii) generation assets owned by some of the Participants or in which some Participants have Power Entitlement Shares (the percentage of the amount of net capacity and energy to which such Participant is entitled at any given point in time whether the unit is operating or not), the capacity and energy of which are sold to the All-Requirements Power Supply Project; and (iv) transmission arrangements.

**All-Requirements Power Supply Project Generating Facilities Owned by FMPA**

| <u>Name of Unit</u>                  | <u>In-Service Date</u> | <u>Primary Fuel Source</u> | <u>Net Summer Capability Rating (MWs)</u> | <u>Percentage of Ownership</u> |
|--------------------------------------|------------------------|----------------------------|---|--------------------------------|
| Stanton Unit No. 1                   | July 1, 1987           | Coal                       | 455                                       | 6.51%                          |
| Stanton Unit No. 2                   | June 1, 1996           | Coal                       | 467                                       | 5.17                           |
| Stanton Unit A                       | October 1, 2003        | Natural Gas                | 639                                       | 3.50                           |
| Cane Island Unit 1                   | January 1, 1995        | Natural Gas                | 35  | 50.00                          |
| Cane Island Unit 2                   | June 1, 1995           | Natural Gas                | 109                                       | 50.00                          |
| Cane Island Unit 3                   | January 25, 2001       | Natural Gas                | 250                                       | 50.00                          |
| Cane Island Unit 4                   | July 12, 2011          | Natural Gas                | 300                                       | 100.00                         |
| Indian River Unit A                  | July 1, 1989           | Natural Gas                | 32  | 39.00                          |
| Indian River Unit B                  | July 1, 1989           | Natural Gas                | 32  | 39.00                          |
| Indian River Unit C                  | October 1, 1992        | Natural Gas                | 105                                       | 21.00                          |
| Indian River Unit D                  | October 1, 1992        | Natural Gas                | 105                                       | 21.00                          |
| Stock Island Unit 1                  | January 1, 1996        | Fuel Oil                   | 19  | 100.00                         |
| Stock Island Unit 2                  | June 21, 1998          | Fuel Oil                   | 16  | 100.00                         |
| Stock Island Unit 3                  | August 1, 1998         | Fuel Oil                   | 14  | 100.00                         |
| Stock Island Unit 4                  | July 1, 2006           | Fuel Oil                   | 46  | 100.00                         |
| Stock Island MSD 1                   | April 1, 1991          | Fuel Oil                   | 8   | 100.00                         |
| Stock Island MSD 2                   | April 1, 1991          | Fuel Oil                   | 8   | 100.00                         |
| Stock Island EP2                     | August 10, 2010        | Fuel Oil                   | 2   | 100.00                         |
| Treasure Coast Energy Unit 1         | May 31, 2008           | Natural Gas                | 300                                       | 100.00                         |
| Sand Lake Energy Center <sup>1</sup> | February 15, 2024      | Natural Gas                | 120                                       | 100.00                         |

**Stanton Units**

As part of the All-Requirements Power Supply Project, FMPA owns a 6.5060% undivided ownership in Stanton Unit No. 1, a coal-fired electric generating unit with a net summer capability rating of 455 MW (“Stanton Unit No. 1”), and a 5.1724% undivided ownership interest in Stanton Unit No. 2, a coal-fired electric generating unit with a net summer capability rating of 467 MW (“Stanton Unit No. 2” and, together with Stanton Unit No. 1, the “Stanton Units”) at the Stanton Energy Center of the Orlando Utilities Commission (“OUC”) located in Orange County, Florida. The Stanton Units were constructed and are operated by OUC.

KUA also owns a 4.8193% undivided ownership interest in Stanton Unit No. 1, which is contractually committed to the All-Requirements Power Supply Project through the Revised, Amended, and Restated Capacity and Energy Sales Contract between KUA and FMPA. See “- Status of Certain Generation Units Owned by Participants-KUA” for more information.

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<sup>1</sup> Sand Lake Energy Center was acquired after September 30, 2023. The in-service date shown is FMPA’s acquisition date.



Stanton Unit No. 1 began commercial operation on July 1, 1987. The availability factor has averaged 84.5% since that time. For the last five fiscal years, the availability factor has ranged from a low of 78.1% in 2020 to a high of 89.1% in 2022. The availability factor in fiscal year 2023 was 87.6%.

Stanton Unit No. 2 began commercial operation on June 1, 1996. The availability factor has averaged 84.0% since that time. For the past five fiscal years, the availability factor ranged from a low of 74.6% in 2019 to a high of 95.5% in 2020. The availability factor in fiscal year 2023 was 94.7%.

Cooling water for the Stanton Units is provided by the Orange County, Florida Eastern Sub-Regional Wastewater Treatment Plant under an agreement between OUC and Orange County.

During calendar years 2019 through 2023, the Stanton Units combined to burn an average of approximately 1.6 million tons of coal per year. Coal is supplied to the Stanton Units under contracts between OUC and Crimson Coal Corporation (“Crimson”) and Foresight Coal Sales, LLC (“Foresight”). The contracts will supply approximately 965,000 tons and 200,000 tons for 2024 from Crimson and Foresight, respectively. OUC notified FMPA that Foresight intends to amend its contract using force majeure to reduce supply obligations by 50% due to economic conditions. As of May 31, 2022, the Stanton Project and the Tri-City Project’s projected fuel expenses were over their original project budgets by \$5.0 million and \$1.7 million, respectively. In May 2022, the Board approved budget amendments for the Stanton Project and the Tri-City Project for \$14.4 million and \$5.2 million, respectively, to cover anticipated fuel increases. As of August 31, 2022, the Stanton II Project’s projected fuel expense was over its original projected budget by \$0.7 million. In August 2022, the Board approved a budget amendment for the Stanton II Project for \$6.4 million to cover anticipated fuel increases.

On December 14, 2021, OUC decided to retire Stanton Unit No. 1 from operation no later than the end of 2025 and convert Stanton Unit No. 2 to natural gas fuel operation no later than the end of 2027.

OUC continues to monitor environmental requirements that will be applicable to the Stanton Units in the future and has stated that it currently believes it can meet known environmental laws and regulations regarding NOx emissions through, among other means, implementation of capital projects with a significantly lower total cost than the selective catalytic reduction project.

Additional ownership interests by FMPA and other entities in the Stanton Units are described below under “PART III – STANTON PROJECT,” “PART IV – STANTON II PROJECT” and “PART V – TRI-CITY PROJECT.”

*Stanton Unit A.* As part of the All-Requirements Power Supply Project, FMPA owns a 3.5% undivided ownership interest in a 639 MW (summer rating), gas-fired combined cycle unit located at OUC’s Stanton Energy Center site (“Stanton Unit A”). The remaining ownership interests in Stanton Unit A are held by KUA (3.5%), OUC (28%) and Stanton Clean Energy LLC, a NextEra Energy, Inc. subsidiary (“SCE”) (65%). FMPA is purchasing 20% of SCE’s ownership share in Stanton Unit A until 2023. See “– Purchased Power and Other Contracts” for additional information. KUA’s 3.5% ownership interest, and KUA’s purchase of 6.5% of SCE’s ownership share in Stanton Unit A until 2023, are contractually committed to the All-Requirements Power Supply Project through the Revised, Amended, and Restated Capacity and Energy Sales Contract. See “– Status of Certain Generation Units Owned by Participants -- KUA” for more information. Gas transportation is supplied via the Florida Gas Transmission (“FGT”) interstate gas line. Stanton Unit A also has fuel oil as a back-up capability. See “– Member Contributed Resources” below.

Stanton Unit A began commercial operation on October 1, 2003. The availability factor has averaged 86.2% since that time. For the last five fiscal years, the availability factor has ranged from a low of 84.0% in 2021 to a high of 95.6% in 2019. The availability factor in fiscal year 2023 was 94.1%.

### **Cane Island Units**

As part of the All-Requirements Power Supply Project, FMPA owns a 50% undivided ownership interest in each of Cane Island Unit No. 1 (“Cane Island Unit 1”), Cane Island Unit No. 2 (“Cane Island Unit 2”) and Cane Island Unit No. 3 (“Cane Island Unit 3” and, together with Cane Island Unit 1 and Cane Island Unit 2, “Cane Island Units 1-3”) and owns a 100% undivided ownership interest in Cane Island Unit No. 4 (“Cane Island Unit 4” and together with Cane Island Units 1-3, the “Cane Island Units”). The Cane Island Units are located at KUA’s Cane Island Power Park site in Osceola County, Florida. The Cane Island Units are natural gas-fired electric generating units with No. 2 oil as a backup capability for Cane Island Unit 1 and Cane Island Unit 2. Cane Island Unit 1 is a combustion turbine, and Cane Island Unit 2, Cane Island Unit 3, and Cane Island Unit 4 are combined cycle units. Cane Island Units 1-3 were constructed, and are operated, by KUA. Cane Island Unit 4 was constructed by FMPA and is operated by KUA. KUA owns the remaining 50% of Cane Island Units 1-3. See “-Elections of Certain Participants” and “- Status of Certain Generation Units Owned by Participants.”

Cane Island Unit 1 has a summer rating of 35 MW and was placed in service in January 1995. Cane Island Unit 1’s availability factor has averaged 93.0% since that time. For the last five fiscal years, the availability factor has ranged from a low of 81.3% in 2021 to a high of 98.8% in 2022. The availability factor in fiscal year 2023 was 98.3%.

Cane Island Unit 2 has a summer rating of 109 MW and was placed in service in June 1995. Cane Island Unit 2’s availability factor has averaged 85.0% since that time. For the last five fiscal years, the availability factor has ranged from a low of 58.6% in 2023 to a high of 98.0% in 2022. The availability factor in fiscal year 2023 was 58.6%, due to an extended planned outage to remove, refurbish and replace combustion hardware during the overhaul.

Cane Island Unit 3 has a summer rating of 250 MW and was placed in service in June 2002. Cane Island Unit 3’s availability factor has averaged 85.3% since that time. For the last five fiscal years, the availability factor has ranged from a low of 67.2% in 2022 to a high of 95.9% in 2019. The availability factor in fiscal year 2023 was 85.2%. The relatively low availability factor in 2022 was due to a major outage caused by a major overhaul of the steam turbine, the steam turbine generator field, and the steam turbine generator stator.

Cane Island Unit 4 has a summer rating of 300 MW and was placed in service in July 2011. Cane Island Unit 4’s availability factor has averaged 84.9% since it was placed in service. For the last five fiscal years, the availability factor has ranged from a low of 88.4% in 2022 to a high of 95.4% in 2019. The availability factor in fiscal year 2023 was 91.7%.

### **Indian River Units**

As part of the All-Requirements Power Supply Project, FMPA owns a 39% undivided ownership interest in each of the Indian River Combustion Turbine Units A & B (“Indian River Units A & B”) and a 21% undivided ownership interest in each of the Indian River Combustion Turbine Units C & D (“Indian River Units C & D” and, together with Indian River Units A & B, the “Indian River Units”) located in

Brevard County, Florida. The remaining ownership interests in Indian River Units A & B are held by (i) OUC (48.8%) and (ii) KUA, (12.2%), and the remaining ownership interests in Indian River Units C & D are held by OUC (79%). The Indian River Units were constructed and are operated by OUC on behalf of the co-owners.

KUA's 12.2% ownership interests in Indian River Units A & B are contractually committed to the All-Requirements Power Supply Project through the Revised, Amended, and Restated Capacity and Energy Sales Contract. See "-- Status of Certain Generation Units Owned by Participants -- KUA" for more information.

All four Indian River Units are used as peaking units. The Indian River Units burn either natural gas or No. 2 fuel oil, with gas transportation supplied via FGT.

Indian River Units A & B each have a summer rating of 32 MW and were placed in service on July 1, 1989. Indian River Unit A's availability factor has averaged 93.3% since that time. For the last five fiscal years, the availability factor of Indian River Unit A has ranged from a low of 93.9% in 2022 to a high of 97.2% in 2021. Indian River Unit B's availability factor has averaged 92.7% since it was placed in service. For the last five fiscal years, the availability factor of Indian River Unit B has ranged from a low of 95.3% in 2020 to a high of 97.2% in 2021. The availability factor in fiscal year 2023 was 95.7% and 96.6% for Indian River Units A & B, respectively.

Indian River Units C & D each have a summer rating of 105 MW and were placed in service on October 1, 1992. Indian River Unit C's availability factor has averaged 86.8% since that time. For the last five fiscal years, the availability factor of Indian River Unit C has ranged from a low of 64.7% in 2022 to a high of 98.1% in 2020. Indian River Unit D's availability factor has averaged 89.9% since it was placed in service. For the last five fiscal years, the availability factor of Indian River Unit D has ranged from a low of 88.6% in 2021 to a high of 98.3% in 2020. The availability factor in fiscal year 2023 was 96.1% for Indian River Unit C. The availability factor in fiscal year 2023 was 96.1% for Indian River Unit D.

### **Stock Island Units**

As part of the All-Requirements Power Supply Project, FMPA owns a 100% undivided ownership interest in each of four combustion turbines at the Stock Island Generating Facility near Key West. Stock Island Unit 1 was built by Key West, however, in 2020 Key West conveyed its interest in its generation assets to FMPA. Please see "--Status of Certain Generation Units Owned by Participants-Keys TARP" herein for additional information. Stock Island Unit 1 is a refurbished GE Frame 5 units that burns No. 2 oil. Stock Island Units 2 & 3 are refurbished GE Frame 5 units, constructed by FMPA, that burn No. 2 oil. Stock Island Unit 4 is a GE LM6000 PC-Sprint aeroderivative unit, constructed by FMPA, that burns No. 2 oil. Stock Island Units 1, 2, 3 and 4 are operated by Key West and provides peaking supply and on island reliability for Key West.

Stock Island Unit 1 has a summer rating of 19 MW and was placed in service in January 1996. For the last five fiscal years, the availability factor of Stock Island Unit 1 has ranged from a low of 87.0% in 2021 to a high of 99.3% in 2019. The availability factor in fiscal year 2023 was 95.3%.

Stock Island Unit 2 has a summer rating of 16 MW and was placed in service in June 1998. For the last five fiscal years, the availability factor of Stock Island Unit 2 has ranged from a low of 85.7% in 2021 to a high of 96.9% in 2022. The availability factor in fiscal year 2023 was 87.3%.

Stock Island Unit 3 has a summer rating of 14 MW and was placed in service in August 1998. For the last five fiscal years, the availability factor of Stock Island Unit 3 has ranged from a low of 81.8% in 2023 to a high of 99.5% in 2019. The availability factor in fiscal year 2023 was 81.8%.

Stock Island Unit 4 was placed in service in 2006. Stock Island Unit 4's availability factor has averaged 90.6% since that time. For the last five fiscal years, the availability factor of Stock Island Unit 4 has ranged from a low of 89.7% in 2022 to a high of 98.9% in 2019. The availability factor in fiscal year 2023 was 98.6%.

FMPA is contractually obligated to meet approximately 60% (or lower, as mutually agreed to by FMPA and Key West) of Key West's weather normalized firm load with on-island generation over the term of the Key West All-Requirements Power Supply Project Contract, as amended, so long as Key West is purchasing its full-requirements from the All-Requirements Power Supply Project (the "60% On-Island Requirement"). During fiscal year 2013, FMPA commissioned a study of the 60% On-Island Requirement that was designed to set forth the steps and processes to be taken by FMPA and other related parties, including Key West, to (1) initially develop a long-term generation plan for meeting the 60% On-Island Requirement, and (2) monitor and update the long-term generation plan over time to address changing circumstances. Based on the information available at the time of the study, which was completed in 2014, (i) FMPA found no evidence to refute that the life of the units at the Stock Island Plant could be extended through at least 2033 (based on 20-year study period) at reasonable cost using a condition based and preventive maintenance strategy and (ii) there were no known operational limitations of maintaining the current capacity ratings over the 20-year study period. FMPA updated its analysis in 2022 and found no change in circumstances that would change FMPA's conclusion from the prior study.

In August of 2021, Key West operations' employees at the Stock Island Generating Facility notified the United States Coast Guard that an oil sheen was visible in Safe Harbor. Subsequent observations of oil sheens appeared to be sourced from the Stock Island Generating Plant Facility, through leaks in a seawall and rip-rap barrier on the western edge of the Stock Island Generating Facility. FMPA and Key West immediately took emergency response actions. It was subsequently decided that the likely source of the oil sheen, based on United States Coast Guard fuel oil testing, is a diesel fuel discharge from Stock Island's Diesel Storage Tank 2. Following that conclusion, the two major diesel tanks (Tanks 1 and 4) that share the same containment area have been drained, cleaned, and inspected. Additionally, Tank 3 which is located in a distinct containment area has also been drained, cleaned and inspected. Since September 2021, FMPA and Key West has expended great effort to contain and remediate the discharge and to stop the fuel from reaching the harbor. All efforts are being conducted with full transparency and have been under the review of the Florida Department of Environmental Protection, Florida Keys National Marine Sanctuary (NOAA) and the United States Coast Guard. Remediation efforts have been completed and the work has now shifted to routine inspections of monitoring wells and the harbor for any new signs of contamination.

### **Treasure Coast Energy Center**

*Treasure Coast Energy Center Unit 1.* As part of the All-Requirements Power Supply Project, FMPA owns a 100% undivided ownership interest in a 300 MW natural gas-fired combined cycle unit located in Fort Pierce (the "Treasure Coast Energy Center Unit 1"). The unit is operated under contract by Fort Pierce Utilities Authority ("FPUA"), with gas transportation supplied by FGT.

The Treasure Coast Energy Center Unit 1 was placed in service in May 2008. The Treasure Coast Energy Center Unit 1's availability factor has averaged 86.8% since that time. For the last five fiscal years, the availability factor of Treasure Coast Energy Center Unit 1 has ranged from a low of 86.7% in 2023 to a high of 97.1% in 2022. The availability factor in fiscal year 2023 was 86.7%.

### **Sand Lake Energy Center**

*Sand Lake Energy Center.* As part of the All-Requirements Power Supply Project, FMPA owns a 100% undivided ownership interest in a 120 MW natural gas-fired combined cycle unit located in Orlando (the "Orlando Unit 1"). The unit is operated by FMPA.

### **Purchased Power and Other Contracts**

FMPA has several long-term contracts with respect to the All-Requirements Power Supply Project to purchase power and energy from various counterparties related to NextEra Energy, Inc. ("NextEra"), the parent company of FPL, which acquired assets previously owned and operated by Southern Power Company ("Southern") or its subsidiaries. FMPA and Oleander Power Project, L.P. (a NextEra subsidiary) have an agreement pursuant to which FMPA purchases the entire output (approximately 160 MW) from Oleander Unit No. 5, a natural gas-fired simple cycle generating unit at the Oleander natural gas peaking plant. Generation from the unit is dedicated to FMPA. The initial term of the agreement runs through December 16, 2027. FMPA entered an agreement with Power Holding, LLC, a wholly-owned subsidiary of the General Electric Company who is party to an agreement with Oleander Power Partners, L.P. for the lease of the Plant Oleander combustion turbine units, for the purchase of 106 MW up to 155MW from Oleander Unit No. 1. The agreement commences on January 1, 2024 and runs through December 31, 2029. FMPA's contract with Stanton Clean Energy, LLC ("SCE", also a NextEra subsidiary) for approximately 81 MW summer/87 MW winter of purchased power from SCE's ownership interest in Stanton Unit A (including KUA's purchase power commitment) expired as of September 30, 2023.

In 2018, FMPA and OUC entered into purchase agreements with subsidiaries of Florida Renewables Partners, LLC ("FRP"), a subsidiary of NextEra Florida Renewables Holdings, LLC for a total of 223.5 MW-AC from three 74.5 MW-AC solar sites in Florida. Two of the solar facilities for a total of 149 MW-AC, began commercial operation in 2020. The third solar facility was terminated prior to reaching commercial operation due to site condition and cost pressures. FMPA entered into two solar power purchase agreements with FRP to purchase a total of 58 MW-AC of solar energy on behalf of five Participants in the All-Requirements Power Supply Project: Jacksonville Beach, FPUA, Key West, KUA and Ocala (the "ARP Solar Participants"). In December 2022, FMPA terminated one of the agreements representing 17.5 MW-AC out of the total 58 MW-AC. The ARP Solar Participants currently receive 40.5 MW-AC from one facility and those participants have the first obligation in the All-Requirements Power Supply Project to pay all purchased power costs for solar energy. See "PART VI - SOLAR PROJECT" for additional information.

In 2019, FMPA entered into solar power purchase agreements with Origis Energy ("Origis") to purchase a total of 96.25 MW-AC of solar energy on behalf of seven Participants in the All-Requirements Power Supply Project: FPUA, Havana, Jacksonville Beach, Key West, KUA, Newberry, and Ocala (the "ARP Solar Phase II Participants"). The ARP Solar Phase II Participants will take a portion of the solar energy from two (2) 74.9 MW-AC facilities, which are estimated to achieve commercial operation in 2024 and 2025. The ARP Solar Phase II Participants will have the first obligation in the All-Requirements

Power Supply Project to pay all purchased power costs for solar energy. See “PART - VII SOLAR II PROJECT” for additional information.

FMPA has also entered into additional solar power purchase agreements with Origis to purchase a total of 96.45 MW-AC of solar energy including 70.85 MW-AC as an All-Requirements Power Supply Project resource and 25.60 MW-AC on behalf of three Participants: Key West, Leesburg, and Ocala (the “ARP Solar Phase III Participants”). One 74.9 MW-AC facility will supply both the ARP Solar Phase III Participants and the All-Requirements Power Supply Project as a whole with solar energy. The ARP Solar Phase III Participants will have the first obligation to pay for purchase power costs of their share from the facility, while the All-Requirements Power Supply Project will have the obligation to pay the purchase power costs of the remainder of the facility. The All-Requirements Power Supply Project will take a portion of the solar energy from a second 74.9 MW-AC facility. Both facilities are expected to achieve commercial operation in 2026. See “PART – VIII SOLAR III PROJECT” for additional information.

FMPA believes that it will be able to replace these resources when the contracts expire, on an as-needed basis, with either new resources under contracts that will be at market-based rates or with jointly-owned or self-built generation.

### **Member Contributed Resources**

Pursuant to their joining the All-Requirements Power Supply Project, KUA, Lake Worth Beach, Fort Pierce and Key West entered into a Capacity and Energy Sales Contract whereby these Participants sell the capacity and energy from their generating units to the All-Requirements Power Supply Project. These Participants also agreed to sell to the All-Requirements Power Supply Project any capacity and energy from any Power Entitlement Shares they have in the Stanton Project, Stanton II Project, and Tri-City Project. In addition, Starke assigned to the All-Requirements Power Supply Project its capacity and energy in the Stanton Project and Stanton II Project. The price paid by the All-Requirements Power Supply Project to these Participants is equal to each month’s billing from FMPA to each of these Participants for their Power Entitlement Shares in the Projects. The Capacity and Energy Sales Contract with Lake Worth Beach has been terminated upon the effectiveness of its CROD. Additionally, effective October 1, 2008, and January 1, 2011, respectively, KUA and Key West entered into Revised, Amended and Restated Capacity and Energy Sales Contracts, which among other things, waived KUA’s and Key West’s rights to elect a CROD. See “- Status of Certain Generation Units Owned by Participants” for more information.

FMPA, as a cost of the All-Requirements Power Supply Project, pays the monthly costs for these Participants under their Power Sales Contracts and, under certain circumstances under the Project Support Contracts, with respect to their Power Entitlement Shares, and collects these costs through the billings to the Participants in the All-Requirements Power Supply Project.

### **Net Metering**

In order to promote the development of customer-owned renewable generation and to comply with the statutory requirements of Section 366.91, Florida Statutes, and other requirements, FMPA has developed a net metering policy for the All-Requirements Power Supply Project Participants, pursuant to which Participants may offer their customers net metering service whereby a customer may install and operate in parallel customer-owned renewable generation in order to offset all or part of the customer’s electricity needs with renewable energy. Pursuant to the FMPA policy, the All-Requirements Power

Supply Project will purchase excess customer-owned renewable generation from its Participants' customers that have chosen to take part in the net metering program and are interconnected to a Participant's electric system. Customer-owned renewable generation is first used to offset the demand for electricity at a particular premise from a Participant and any excess customer-owned renewable generation that is not used to offset the demand for electricity is simultaneously sold to the All-Requirements Power Supply Project and delivered to the Participant through the Participant's electric distribution system.

As of May 31, 2024, more than 6,019 solar power installations in 13 Florida cities are part of the All-Requirements Power Supply Project's net metering program. These customer-owned installations are capable of producing approximately 52,884 kW-AC in total.

## **Fuel Supply**

*Coal Supply.* For a description of the coal supply to the All-Requirements Power Supply Project generating facilities, see "- All-Requirements Power Supply Project Generating Facilities Owned by FMPA-Stanton Units" above.

*Gas Supply.* Natural gas for Stanton Unit A is obtained by OUC for itself, KUA and FMPA. All other physical supplies of natural gas used at FMPA-owned or Participant-owned All-Requirements Power Supply Project generating facilities are purchased by Florida Gas Utilities ("FGU") for FMPA under a service agreement between FMPA and FGU. Typically, these supplies are purchased on a month-to-month basis; priced at a NYMEX less basis, a "first-of-the-month" index, or a daily index. Adjustments are made by FGU, on a daily basis, to balance supply with fuel needs required to serve forecasted load by either purchasing incremental volumes or selling surplus volumes. FGU also handles all-natural gas transportation scheduling and settlement functions for FMPA and ensures reliable fuel deliveries for the All-Requirements Power Supply Project. In 2019, FGU, on behalf of FMPA, entered into the first thirty-year pre-paid natural gas supply agreement. Since then, FMPA via FGU has committed to thirteen long-term pre-paid natural gas supply agreements from April 2026 to May 2053. The average annual gas supply is 77,750 MMBtu per day with an average discount of \$0.367 per MMBtu. The average daily discounted gas scheduled in 2023 for the All-Requirements Power Supply Project was \$0.30 MMBtu per day, which represents approximately 70% of the All-Requirements Power Supply Project's average daily need.

As of April 2023, the All-Requirement Power Supply Project has an obligation to FGU for 15,000 MMBtu per day of physical natural gas until April 2025 for an average price of \$5.59 per MMBtu. The impact on the highest natural gas prices has worked through the All-Requirements Power Supply Project.

*Florida Gas Transmission Transportation Contracts.* Natural gas for the Cane Island Units, the Treasure Coast Energy Center Unit 1, the Indian River Units, and the Oleander PPA (a tolling structured power purchase deal where FMPA delivers natural gas) is transported under long-term firm transportation contracts with FGT. The annual average daily capacity is 94,014 MMBtu per day. FMPA also has firm call rights for an additional annual average of 42,016 MMBtu per day of firm transportation capacity through a long-term capacity release arrangement. Firm capacity demand charges are only incurred when this daily capacity call is exercised. FMPA also has 44,200 MMBtu per day of contracted firm capacity on Transco Gas Pipeline from Transco's Station 85 to FGT to achieve a percentage of supply source diversity; taking advantage of the development of production from shale sourced gas supplies available at Station 85. FMPA has also contracted with the Southern Pines Storage facility currently for

250,000 MMBtu of firm gas storage capacity for operational balancing flexibility as a part of daily gas scheduling. FGU acts as FMPA's agent in the daily management of these natural gas capacity commitments.

*Oil Supply.* All physical fuel oil purchases are centrally administered by FMPA. Purchases of fuel oil are typically only made to maintain back-up inventories at a level consistent with FMPA's fuel management policies. These inventories provide an alternate fuel source to enhance generator reliability in the event of a natural gas fuel interruption, except at Stock Island, where fuel oil is the primary fuel. The purchases are made on a spot basis and at the then effective market price.

*Public Gas Partners, Inc.* In November 2004, FMPA signed an agreement for the benefit of the All-Requirements Power Supply Project with the other current contract parties consisting of six public gas utilities in five different states to form a gas supply agency called Public Gas Partners, Inc. ("PGP"). PGP is formed under Georgia law as a not-for-profit corporation and is tax-exempt for federal tax purposes. PGP was created to secure economical, long-term wholesale natural gas supplies for its seven members, in order to stabilize and reduce the cost of natural gas. Current members of PGP, along with FMPA, include Municipal Gas Authority of Georgia, National Public Gas Agency, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation.

FMPA entered into a Production Sharing Agreement ("PSA") as a participant in PGP Gas Supply Pool No. 1 ("Pool 1") in November 2004, and entered into a PSA as a participant in PGP Gas Supply Pool No. 2 ("Pool 2") in October 2005 with a 22.04% participant share in Pool 1 and a 25.9% participant share in Pool 2. PGP is presently engaged in divesting the reserve assets of both Pool 1 and Pool 2. It is anticipated that these reserve assets will be sold over time, focusing upon the most valuable first and then followed with lessor valued assets with FMPA receiving its proportional share of net proceeds.

Additionally, the PSAs include a step-up provision that could obligate FMPA to increase its participation share in the pool by 25% in the event of a default by another member.

FMPA does not presently intend to participate in any further acquisition activities through PGP.

### **Transmission and Dispatch Agreements**

*Transmission.* OUC provides transmission service for delivery of power and energy from FMPA's ownership in Stanton Unit No. 1, Stanton Unit No. 2, Stanton Unit A and the Indian River Units for the All-Requirements Power Supply Project to the FPL and Duke Energy of Florida ("DEF") interconnections with OUC for subsequent delivery to the Participants over the life of the Units. Rates for such transmission wheeling service are based upon OUC's costs of providing such transmission wheeling service and under terms and conditions of the OUC-FMPA firm transmission service contracts for the All-Requirements Power Supply Project. Pursuant to a FERC filing, on October 1, 2023, an increase in OUC's OATT transmission rates to FMPA went into effect. OUC's grandfathered transmission rates remained unchanged. FMPA anticipates OUC will continue to file for rate increases over the next several years.

FMPA has contracts with DEF, FPL and OUC to transmit the various All-Requirements Power Supply Project resources over the transmission systems of each of these three utilities. The Network Service Agreement with FPL was executed in March 1996 and was subsequently amended to both conform to the FERC pro forma tariff and to add additional, or in the case of Vero Beach, remove, members to the All-Requirements Power Supply Project. The FPL agreement provides for network



transmission service for the Participants interconnected to FPL's transmission system. The FPL agreement terminates on March 31, 2026, although FMPA has rollover rights to continue service beyond the termination date pursuant to the FPL Open Access Transmission Tariff. The Network Service Agreement with DEF became effective January 1, 2011, and conforms to FERC's pro forma tariff. The DEF agreement provides for network transmission service for the Participants interconnected with DEF's transmission system. The DEF agreement terminates December 31, 2035, subject to successive automatic five-year extensions thereafter, unless at least a one-year notice of termination is provided prior to the end of each term.

On August 2, 2019, FPL provided notice for a transmission rate increase. In September 2019, FMPA filed to intervene in the rate increase with FERC. FERC suspended the effective date of the proposed rates until April 2020. During the course of negotiations, FPL agreed to move away from the formula rate concept to multi-year stated rates. FMPA and other FPL transmission customers concluded negotiations with FPL and a settlement agreement was filed and approved by FERC in April 2021. FPL transmission rates increased as a result of the proceedings with stated increased rates through 2022, but such rates were lower than initially filed and anticipated. On October 31, 2023 FPL filed a new transmission rate for 2024. FMPA intervened in this rate case on behalf of the ARP and its members and is currently pursuing settlement discussions with FPL, along with other Florida intervenors. Each year DEF submits an annual update to its formula transmission rates. Upon submission, FMPA begins the negotiation process to come to an agreement on the updated rates. For the past two years, DEF transmission rates increased as a result of the formula update.

FMPA is a 68% owner of the transmission lines that connect the Cane Island site to the transmission grid with control rights to utilize the full capacity of those transmission lines to serve the All-Requirements Power Supply Project.

### **Florida Municipal Power Pool**

The All-Requirements Power Supply Project is a member of the Florida Municipal Power Pool ("FMPP"). The other members of FMPP are Lakeland and OUC. The FMPP is an operating power pool in which the generating resources of members are centrally dispatched to meet their combined load requirements. The FMPP began operations in 1988. FMPP resources include the members' coal fired generation, gas/oil fired units, ownership interests in a nuclear unit and various firm capacity and partial requirements arrangements with other utilities. Each FMPP member is responsible for maintaining sufficient capacity to serve its own load including an adequate amount of reserves. All FMPP transactions are settled using a "clearing house price" methodology. The resources of FMPP are committed and dispatched by OUC, which handles the day-to-day operations of the FMPP.

The FMPP operates under a three-year agreement that automatically renews until such time as all of the FMPP members elect to terminate the agreement. Any member of FMPP wishing to withdraw must provide at least three years' notice to the other members.

The FMPP Agreement was amended in 2011 to incorporate the dispatch services that were previously supplied to FMPA under contract by OUC. Under the revised agreement, FMPA contracts with FMPP for the dispatch of FMPA's generation resources to serve the loads of the Participants on a continuous real-time basis. The Participant delivery points were removed from the control areas of DEF and FPL, effectively placing the Participants into the FMPP Balancing Authority area, although scheduled power deliveries to the Participants are transmitted to the delivery points over the DEF or FPL

transmission systems. In order to integrate the Participants into the FMPP Balancing Authority area, FMPPA has equipped each delivery point with a Remote Terminal Unit to collect and transmit necessary real-time load data to the OUC automatic generation control system.

The 2011 amended agreement provides for (i) FMPP to dispatch FMPPA's resources to serve the combined loads of the Participants located in DEF's service territory and the Participants located in FPL's service territory; (ii) FMPPA installing and maintaining the necessary equipment on the Participants' systems; (iii) OUC installing and maintaining the necessary equipment on its system; and (iv) pricing and payments for services provided.

The All-Requirements Power Supply Project's membership in the FMPP provides several benefits for the All-Requirements Power Supply Project, including the economies of scale of FMPP Balancing Authority operations, the efficiency gains of joint generation dispatch, and the improved reliability of a larger generation fleet. A FMPP marketing group that interacts with the power market on a daily basis provides some non-Participant revenue for the All-Requirements Power Supply Project through the successful purchase or sale of excess energy outside of the FMPP.

### **Project Operations**

For the fiscal year that ended on September 30, 2023, the coincident peak demand of the All-Requirements Power Supply Project, including demand served from Excluded Power Supply Resources, but excluding mid-term residual sales to other utilities, was 1,413 MW. This peak demand was an 8.1% increase compared to fiscal year 2022.

For fiscal year 2023, the All-Requirements Power Supply Project produced 6,040,569 MWh of billable energy, which was an increase of 1.3% compared to fiscal year 2022.

Sales to the Participants in fiscal year 2023 totaled \$558 million, an 11% decrease compared to fiscal year 2022, due to the decrease in natural gas prices.

For fiscal year 2023, All-Requirements Power Supply Project power costs billed to Participants were 9.2 cents per kWh, a 12% decrease compared to fiscal year 2022, due to the decrease in natural gas prices.

For additional information, see "Summary of Operating Results – HISTORICAL OPERATING RESULTS FOR THE ALL-REQUIREMENTS POWER SUPPLY PROJECT."

### **Sales to Non-Participants**

To increase revenue and, thus, reduce All-Requirements Power Supply Project costs to Participants, FMPPA has a strategic goal of selling excess capacity to non-Participants when it is economically feasible, does not jeopardize reliability, and there is an opportunity to do so.

In 2017, FMPPA won a bid to supply wholesale power to the City of Bartow, having an approximately 62 MW peak demand. FMPPA began supplying the City of Bartow wholesale power on January 1, 2018. For the first three years of the agreement, OUC supplied the first 40 MW of the City of Bartow's power supply needs, and FMPPA supplied peaking power to the City of Bartow for its needs above 40 MW. Since January 1, 2021, and continuing through December 31, 2023, FMPPA has supplied

Bartow's full-requirements power supply needs. The City of Bartow is not a Participant in the All-Requirements Power Supply Project.

Effective January 1, 2019, under a Power Purchase Agreement ("PPA") that will run for nine years, the All-Requirements Power Supply Project began supplying the City of Winter Park wholesale capacity and energy. In 2019, the All-Requirements Power Supply Project provided 10 MW of baseload capacity and energy to the City of Winter Park. Since January 1, 2020 and continuing through 2027, the All-Requirements Power Supply Project continues to serve the City of Winter Park, whose peak demand is approximately 75 MW, on a partial requirements basis, net of other existing City of Winter Park wholesale power purchase agreements. The City of Winter Park is not a Participant in the All-Requirements Power Supply Project.

Pursuant to a tolling agreement (including associated transaction schedules executed March 27, 2019, June 24, 2020, and July 27, 2022) that began on July 1, 2019 and will run through December 31, 2024, the All-Requirements Power Supply Project will supply 53 MW of firm energy to Reedy Creek Improvement District.<sup>2</sup> Reedy Creek Improvement District will provide the gas quantity necessary to supply the firm energy to FMPA for use in the All-Requirements Power Supply Project natural gas fleet. This exchange avoids running more costly Reedy Creek Improvement District generation while rendering a financial benefit to the All-Requirements Power Supply Project via utilization of the All-Requirements Power Supply Project's excess generation to provide economic energy. Reedy Creek Improvement District is not a Participant in the All-Requirements Power Supply Project.

Pursuant to a letter of commitment executed on November 16, 2022, under the terms of the Agreement for Interchange Service between FMPA and TECO dated April 1, 1986, for the period of January 1, 2023, through February 28, 2023, FMPA sold TECO 50 MW of system firm capacity and associated energy, as scheduled by TECO. TECO is not a Participant in the All-Requirements Power Supply Project.

Effective January 1, 2020, under a PPA that will run for seven years (2020 through 2026), the All-Requirements Power Supply Project began supplying the City of Homestead with 15 MW of wholesale peaking capacity and energy, scheduled by the City of Homestead at their discretion in coordination with their other wholesale power purchase agreements. The City of Homestead is not a Participant in the All-Requirements Power Supply Project.

Effective January 1, 2021, under a PPA that will run for five years (2021 through 2025), the All-Requirements Power Supply Project began supplying the City of Williston, whose peak demand is approximately 8 MW, its full-requirements power supply needs. The PPA will automatically extend through 2026 in the event the City of Williston does not provide written notice of its election not to extend by March 31, 2025. The City of Williston is not a Participant in the All-Requirements Power Supply Project.

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<sup>2</sup> On November 17, 2022, the Board of Directors approved Reedy Creek Improvement District joining FMPA as a Wholesale Purchasing Member and gave its consent to the sale of power by the All-Requirements Power Supply Project, pursuant to the Interlocal Agreement. Following the adoption of House Bill 9B by the Florida Legislature in February 2023, and its signature by the Governor, the Reedy Creek Improvement District's charter was amended in a number of ways, including changing the legal name of the district to the Central Florida Tourism Oversight District, although the legislation allows the District to continue to use the Reedy Creek Improvement District name for two years.

Effective April 1, 2022, under a PPA that will run for over five years (through 2027), the All-Requirements Power Supply Project began supplying the City of Alachua, whose peak demand is approximately 36 MW, approximately half of its power supply needs on a partial requirements basis. The City of Alachua is not a Participant in the All-Requirements Power Supply Project.

FMPA entered into a services agreement, effective March 31, 2020, with The Energy Authority (TEA) to assist with short-term optimization of the All-Requirements Power Supply Project resources. The services include assistance with resource portfolio position management and mid-term load forecasting, as well as marketing of excess energy. Informed by the results of analysis performed by TEA pursuant to these services, and supplemented by FMPA's own analysis, FMPA will enter into short-term energy sale transactions with TEA generally on a monthly basis. TEA then markets FMPA's excess energy acting as principal in the transactions utilizing trading agreements between TEA and its counterparties.

## **Participants**

As of September 30, 2023, the thirteen active Participants in the All-Requirements Power Supply Project are nine Florida city councils or commissions, a town council, a utility board and two utility authorities as listed on page v hereof. Among the important economic factors to the Participants are agriculture, tourism, retirement, and light manufacturing. Each Participant owns and operates its own retail electric distribution system. During the calendar year ended December 31, 2023, these systems sold in the aggregate approximately 7,174 GWh of electric services (including sales to other electric utilities), served approximately 286,046 customer accounts and incurred a coincident peak demand of approximately 1,613 MW (including sales to other electric utilities).

Attached hereto as APPENDIX B is certain information for the following Major Participants in the All-Requirements Power Supply Project – City of Jacksonville Beach, doing business as Beaches Energy Services (“Jacksonville Beach”), Utility Board of the City of Key West, Florida, doing business as Keys Energy Services (“Key West”), Kissimmee Utility Authority (“KUA”) and City of Ocala (“Ocala”) – each of which provided to FMPA at least 10.0% of the revenues from the All-Requirements Power Supply Project in fiscal year 2023. As set forth in APPENDIX A hereto, certain of the Participants in the All-Requirements Power Supply Project are also participants in various other projects of FMPA. Based on current power supply needs of the other Participants, no additional Participants account for 10% or more of FMPA's revenues from the All-Requirements Power Supply Project. The aggregate payments to FMPA by the Major Participants with respect to the All-Requirements Power Supply Project as of September 30, 2023 were approximately 75% of all revenues of the All-Requirements Power Supply Project. As the revenues provided to the All-Requirements Power Supply Project by each Participant, change from time to time, the Participants that make up the top revenue-providing Participants may also change accordingly. See “– Elections of Certain Participants.”

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**Participant’s Fiscal Year 2023 Power Supply and Revenue Share**

| Participant                                   | MW <sup>(1)</sup> | % of 2023 Revenues |
|---|-------------------|--------------------|
| Kissimmee Utility Authority                   | 417               | 27.14              |
| City of Ocala                                 | 323               | 23.88              |
| Utility Board of the City of Key West Florida | 155               | 12.47              |
| City of Jacksonville Beach                    | 180               | 11.95              |
| City of Leesburg                              | 127               | 8.84               |
| Fort Pierce Utilities Authority               | 125               | 8.51               |
| City of Green Cove Springs <sup>(2)</sup>     | 27                | 1.75               |
| City of Clewiston                             | 27                | 1.59               |
| City of Starke                                | 16                | 0.95               |
| City of Bushnell                              | 14                | 0.98               |
| City of Newberry                              | 11                | 0.78               |
| City of Fort Meade <sup>(3)</sup>             | 11                | 0.75               |
| Town of Havana                                | 6                 | 0.40               |
| City of Lake Worth Beach <sup>(4)</sup>       | 0                 | 0.00               |
| Total:  | <u>1,439</u>      | <u>100.00</u>      |

<sup>(1)</sup> Participants’ non-coincident peak demand in fiscal year 2023 (rounded) that is served from the All-Requirements Power Supply Project. This amount includes demand served by excluded resources.

<sup>(2)</sup> Green Cove Springs has elected under the Power Supply Contract to exercise its right to modify its All-Requirements Power Supply Project participation and implement a CROD, which was set at 23.608 MW in December 2019 by the Executive Committee. In 2019, Green Cove Springs approved a supplemental power sales agreement with the ARP Project, for a minimum of 10 years, such that the ARP Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated a CROD. The agreement may be extended beyond the initial 10-year term. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs’ Power Supply Contract is now fixed and will terminate on October 1, 2037.

<sup>(3)</sup> See “- Election of Certain Participants-*Fort Meade*” herein for information regarding Fort Meade’s election.

<sup>(4)</sup> Lake Worth Beach has elected under the Power Supply Contract to exercise its right to modify its All-Requirements Power Supply Project participation and implement a CROD, which limitation, pursuant to the terms of its Power Supply Contract, has been calculated as 0 MW. While Lake Worth Beach remains a participant in the All-Requirements Power Supply Project, effective January 1, 2014, it no longer purchases capacity and energy from the All-Requirements Power Supply Project and no longer has a representative on the Executive Committee.

**Major Participants Historical Net Energy Requirements (GWh)  
(for native load)**

| <u>Fiscal Year<br/>(ending 9/30)</u> | <u>Jacksonville Beach</u> | <u>Key West</u> | <u>KUA<sup>(1)</sup></u> | <u>Ocala</u> |
|--------------------------------------|---------------------------|-----------------|--------------------------|--------------|
| 2021                                 | 735                       | 773             | 1,732                    | 1,359        |
| 2022                                 | 738                       | 783             | 1,780                    | 1,377        |
| 2023                                 | 726                       | 805             | 1,821                    | 1,392        |

<sup>(1)</sup>See “– Status of Certain Generation Units Owned by Participants.”

**Major Participants Historical Non-Coincident Peak Demand (MW)**

| <u>Fiscal Year<br/>(ending 9/30)</u> | <u>Jacksonville Beach</u> | <u>Key West</u> | <u>KUA<sup>(1)</sup></u> | <u>Ocala</u> |
|--------------------------------------|---------------------------|-----------------|--------------------------|--------------|
| 2021                                 | 169                       | 145             | 378                      | 298          |
| 2022                                 | 186                       | 145             | 388                      | 311          |
| 2023                                 | 180                       | 155             | 417                      | 323          |

<sup>(1)</sup>See “– Status of Certain Generation Units Owned by Participants.”

**Contract Rate of Delivery (CROD)**

Effective on any January 1 upon at least five years’ prior written notice to FMPA prior to that January 1, a Participant may limit the maximum amount of electric capacity and energy required as All-Requirements Service for the remainder of the term of its Power Supply Contract so as not to exceed the Contract Rate of Delivery (“CROD”). The CROD is the peak demand of a Participant for electric capacity and energy as All-Requirements Service under the Power Supply Contract during the twelve-month period preceding the date one month prior to the date that such limitation shall become effective, adjusted up or down by FMPA by not more than 15%, so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion, and subject to certain other reductions relating to capacity available from the Participant’s own generating facilities and from contractual arrangements under which the Participant is entitled to receive capacity and energy, including contracts relating to other FMPA projects. As discussed below, each of Green Cove Springs, Lake Worth Beach and Fort Meade has limited its obligations under its respective Power Supply Contract to a CROD that became effective January 1, 2020, January 1, 2014, and January 1, 2015, respectively. In the case of Lake Worth Beach, the CROD is zero. For Green Cove Springs the CROD is 23.608 MW and Fort Meade the CROD is now 9.009 MW. See “– Elections of Certain Participants” below.

Generally, because the calculation of a Participant’s CROD involves reducing a Participant’s peak demand for a period by that Participant’s other power generating capacity, including capacity from FMPA’s other projects, a Participant must have other capacity equal to or greater than its peak demand to achieve a 0 MW CROD. Only Lake Worth Beach has achieved a 0 MW CROD. Currently, no other Participant is expected to be able to achieve such a 0 MW CROD based upon each Participant’s current and forecasted demands and available capacity for each Participant. Additionally, KUA and Key West

have each waived their rights to limit their capacity and energy taken from the All-Requirements Power Supply Project to a CROD. See also “– Elections of Certain Participants” below.

### **Election of Certain Participants**

*Starke.* In 2003, Starke gave FMPA notice of its election to not continue the automatic extension of the term of its Power Supply Contract, under Section 2 of its Power Supply Contract. On March 21, 2023, the Starke City Council voted to revoke and rescind its 2003 election and reinstate the term of its Power Supply Contract, as if such election was never made. On April 20, 2023, the Executive Committee approved Starke’s revocation and rescission and, as such, Starke’s Power Supply Contract no longer has a term than is earlier than any other active Participant’s Power Supply Contract, except Green Cove Springs and Fort Meade as noted.

*Green Cove Springs.* Green Cove Springs notified FMPA of its election to limit its All-Requirements Service, as permitted in Section 3 of the Power Supply Contract, to a CROD. Since January 1, 2020, and continuing for the term of the Power Supply Contract, the All-Requirements Power Supply Project’s CROD obligation is to serve Green Cove Springs with a maximum hourly obligation which was calculated in December 2019 as 23.608 MW. However, In 2019, Green Cove Springs approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated a CROD. The agreement may be extended beyond the initial 10-year term. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs’ Power Supply Contract is now fixed and will terminate on October 1, 2037.

*Fort Meade.* Fort Meade has elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract, to a CROD. The limitation commenced January 1, 2015. Based on Fort Meade’s usage between December 2013 and November 2014, the Executive Committee took action in December 2014 to set Fort Meade’s CROD at 10.306 MW, which is the maximum hourly obligation through the remaining term of Fort Meade’s Power Supply Contract. Concurrently with its notice of the CROD limitation, Fort Meade gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract to discontinue the automatic renewal of the term of its Power Supply Contract. The term of Fort Meade’s Power Supply Contract is now fixed and will terminate on October 1, 2041. In 2018, Fort Meade approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Fort Meade as if Fort Meade had not effectuated CROD. Commensurate with this agreement, the FMPA Executive Committee adjusted Fort Meade’s CROD downward to 9.009 MW, in accordance with the Power Supply Contract. The agreement may be extended beyond the initial 10-year term.

*Lake Worth Beach.* Lake Worth Beach has elected to limit its All-Requirements Service to a CROD, as permitted by the Power Supply Contract. The limitation commenced January 1, 2014. The CROD was determined to be 0 MW. In addition, in conjunction with the withdrawal of Vero Beach from the All-Requirements Power Supply Project and as a Member of FMPA, Lake Worth Beach and FMPA have entered an agreement that FMPA will not attribute any associated costs incurred by FMPA, with respect to the Vero Beach withdrawal from the All-Requirements Power Supply Project, to Lake Worth Beach as costs for All-Requirements Services for so long as Lake Worth Beach is a 0 MW CROD Participant, and not purchasing electric capacity and energy from the All-Requirements Power Supply Project.

*Vero Beach.* Vero Beach elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract, to a CROD. The limitation commenced January 1, 2010. In December 2009, the amount of capacity and energy that Vero Beach was obligated to purchase under this limitation of its Power Supply Contract was determined to be 0 MW. Additionally, effective January 1, 2010, the Capacity and Energy Sales Contract between Vero Beach and FMPA terminated.

On October 24, 2017, Vero Beach entered into an agreement (the "Sale Agreement") to sell its electric utility system to FPL (the "Sale"). Vero Beach provided notice to FMPA, in accordance with the terms of the Power Supply Contract, that the terms of the Sale required Vero Beach to terminate its Power Supply Contract and withdraw from the All-Requirements Power Supply Project effective upon the closing of the Sale. On December 17, 2018, Vero Beach completed the Sale and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, its interests as a participant in certain of FMPA's power supply projects. Prior to the Sale, Vero Beach had a 32.521% power entitlement share (21.3 MW) in the Stanton Project, a 16.4887% power entitlement share (17.2 MW) in the Stanton II Project and a 15.202% power entitlement share (13.2 MW) in the St. Lucie Project.

#### **Status of Certain Generation Units Owned by Participants**

*KUA TARP.* Effective October 1, 2008, the All-Requirements Power Supply Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract with KUA whereby the All-Requirements Power Supply Project has assumed all cost liability and operational management of all KUA-owned or purchased generation assets (including KUA's ownership interest in Stanton Unit No. 1 and Indian River Units A & B, and its ownership interest and purchase power entitlements in Stanton Unit A) and agreed to pay to KUA agreed-upon fixed annual capacity payments over preset periods relating to each asset beginning in fiscal year 2009. The contract did not convey ownership interests to FMPA for KUA-owned generation assets, and the contract was amended on July 1, 2019, to extend certain payments with a present value of \$10.7 million. During fiscal year 2023, the contract was amended further to provide additional payments with a present value of \$73.2 million. As of September 30, 2023, the remaining present value liability is \$135.2 million resulting in \$171.3 million in fixed payments remaining to be paid by FMPA. The revised, amended and restated contract provides the All-Requirements Power Supply Project the right to retire KUA's generation assets at any time during the term of the contract, without shortening the applicable fixed payment term. For fiscal year 2027 and after, certain of the fixed annual payments will vary depending on historical utilization for Cane Island Units 1 and 2. If the All-Requirements Power Supply Project elects not to retire Cane Island Units 1-3 after the initial payment period for each unit, payments under the contract will be linked to an agreed-upon capacity price and a calculated service factor that is based on the unit's average annual usage level over the preceding three years. KUA also waived its right to elect CROD in the revised, amended and restated contract.

*Key West TARP.* Effective January 1, 2011, the All-Requirements Power Supply Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for Key West whereby the All-Requirements Power Supply Project has assumed all cost liability and operational management of all Key West-owned generation assets and agreed to pay to Key West \$6.7 million in fixed annual capacity payments of \$670,000 each January 1 from 2011 through 2020, which was paid in full December 2019. Key West conveyed its interest in its generation assets to FMPA, while retaining ownership of the underlying real property. The revised, amended and restated contract provided the All-Requirements Power Supply Project the right to retire Key West's generation assets at any time during the term of the contract (which



initially ends October 1, 2042 and it then automatically renews each October 1 for another year, unless/until: (1) Keys does an earlier section 2 or section 29 withdrawal from the ARP, or (2) retirement of all units subject to the agreement (all the Stock Island units)), subject to the 60% on-island capacity requirement. FMPA is contractually obligated to meet approximately 60% (or lower, as mutually agreed to by FMPA and Key West) of Key West's weather normalized firm load with on-island generation over the term of the Key West Power Supply Contract, so long as Key West is purchasing its full-requirements from the All-Requirements Power Supply Project. Key West also waived its right to elect CROD in the revised, amended and restated contract.

### **Senior Outstanding Indebtedness**

As of October 1, 2023, FMPA has \$631,915,000 principal amount of senior bonds outstanding in the following amounts with respect to the All-Requirements Power Supply Project:

\$71,950,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2015B

\$290,680,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2016A

\$69,625,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A

\$29,930,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable)

\$57,790,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2018A

\$75,220,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2019A

\$36,720,000 of outstanding All-Requirements Power Supply Project Revenue Bonds, Series 2021A

### **Subordinated Indebtedness**

As of October 1, 2023, FMPA has \$115,495,000 principal amount of subordinate bonds outstanding in the following amounts with respect to the All-Requirements Power Supply Project:

\$100,495,000 of outstanding All-Requirements Power Supply Project Subordinate Revenue Bonds, Series 2021B (Federally Taxable)

\$15,000,000 of outstanding All-Requirements Power Supply Project Subordinate Pooled Loan Project Note, Series 2022-1

**Debt Service Requirements for the All-Requirements Power Supply Project**

The following table shows the debt service requirements for the outstanding bonds for the All-Requirements Power Supply Project and includes debt service due for the twelve-month period beginning on October 2 of the preceding year and ending on October 1 of each year indicated:

| <b>Period Ending<br/>October 1,</b> | <b>Aggregate Debt Service<br/>on Outstanding<br/>All-Requirements Power<br/>Supply Senior Bonds</b> | <b>Aggregate Debt Service<br/>on Outstanding<br/>All-Requirements Power<br/>Supply Subordinate Bonds</b> |
|-------------------------------------|---|--|
| 2024                                | \$74,981,255.20   | \$ 2,314,053.76 <sup>(1)</sup>   |
| 2025                                | 87,080,647.85   | 17,314,053.76 <sup>(1)</sup>   |
| 2026                                | 87,430,887.50   | 101,927,053.76   |
| 2027                                | 90,479,637.50   |  |
| 2028                                | 101,255,750.00  |  |
| 2029                                | 101,016,750.00  |  |
| 2030                                | 105,155,900.00  |  |
| 2031                                | 95,731,850.00   |  |
| 2032                                | 19,461,600.00   |  |
| 2033                                | 18,910,800.00   |  |
| <b>Total</b>                        | <b>\$781,505,078.05</b>   | <b>\$121,555,161.28</b>  |

<sup>(1)</sup>Includes debt service for the \$15,000,000 All-Requirements Power Supply Project Subordinate Pooled Loan Project Note, Series 2022-1 with a variable rate interest budgeted at \$882,000 per year.

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## Historical Capacity Requirements and Resources

The historical All-Requirements Power Supply Project capacity requirements and resources for the fiscal years ending September 30 are summarized in the following table.

### HISTORICAL CAPACITY REQUIREMENTS AND RESOURCES\*

| <u>Project Requirements (MW)</u>                    | <u>2021</u>  | <u>2022</u>  | <u>2023</u>  |
|---|--------------|--------------|--------------|
| Coincident Peak Demand <sup>(1)</sup>               | 1,294        | 1,307        | 1,413        |
| <br><u>Project Resources (MW)</u>                   |              |              |              |
| St. Lucie Unit No. 2 <sup>(2)</sup>                 | 48           | 48           | 48           |
| Stanton Unit 1                                      | 116          | 116          | 116          |
| Stanton Unit 2                                      | 106          | 106          | 106          |
| Cane Island Unit 1                                  | 17           | 17           | 17           |
| Cane Island Unit 2                                  | 54           | 54           | 54           |
| Cane Island Unit 3                                  | 120          | 120          | 125          |
| Cane Island Unit 4                                  | 300          | 300          | 300          |
| Indian River Units A & B                            | 25           | 25           | 25           |
| Indian River Units C & D                            | 44           | 44           | 44           |
| Stock Island Unit 1                                 | 19           | 19           | 19           |
| Stock Island Unit 2 & 3                             | 30           | 30           | 30           |
| Stock Island Unit 4                                 | 46           | 46           | 46           |
| Stock Island MSDs 1 & 2                             | 16           | 16           | 16           |
| Stock Island Emergency Diesel                       | 2            | 2            | 2            |
| Treasure Coast Energy Center<br>Unit 1              | 300          | 300          | 300          |
| Kissimmee Native Generation <sup>(3)</sup>          | 200          | 200          | 205          |
| Stanton A <sup>(4)</sup>                            | 125          | 125          | 125          |
| Oleander <sup>(4)</sup>                             | 162          | 162          | 162          |
| All-Requirements Power Supply<br>Solar              | 16           | 16           | 16           |
| Short-term Purchases                                | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total Resources (MW)                                | <u>1,745</u> | <u>1,745</u> | <u>1,755</u> |
| <br>Total Project Reserve Percentage <sup>(5)</sup> | <br>34%      | <br>34%      | <br>24%      |

\*Numbers may not add due to rounding.

- (1) Peak demands are at the delivery point level (summer season) and exclude sales to Non-Participants.
- (2) The capacity represents the aggregate amount of capacity from St. Lucie Unit No. 2 for Participants in the All-Requirements Power Supply Project who are also participants in the St. Lucie Project which capacity is an excluded resource under the Power Supply Contracts. The amount shown also includes approximately 13 MW of capacity for which the All-Requirements Power Supply Project took assignment from Vero Beach.
- (3) Capacity and Energy purchase. See “– Status of Certain Generation Units Owned by Participants.”
- (4) Capacity shown for Stanton A and Oleander includes amounts purchased under contracts from NextEra subsidiaries. The Stanton A power purchase agreement for 81 MW ended on 9/30/2023.
- (5) Reserve Margin calculated as ((Total Resources – Partial Requirements Purchases) – (Total Requirements – Partial Requirements Purchases)) / (Total Requirements – Partial Requirements Purchases). Volatility in the All-Requirements Power Supply Project reserve margin is directly related to volatility in peak demand. Planning for future capacity requires

that resources be added to reflect expected long-term increases in demand. This may cause volatility in the reserve margin, but is more practical than adding smaller resources more frequently. The All-Requirements Power Supply Project has the added complexity of being divided into different transmission areas; providing adequate resources to meet demand in each of the transmission areas can cause some volatility in the reserve margin for the All-Requirements Power Supply Project as a whole.

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## Summary Operating Results

The following table summarizes the historical operating results for the All-Requirements Power Supply Project for the Fiscal Years ending September 30, 2021 through September 30, 2023.

### HISTORICAL OPERATING RESULTS FOR THE ALL-REQUIREMENTS POWER SUPPLY PROJECT<sup>(1)</sup> (Dollars in Thousands)

|   | Fiscal Year Ending September 30, |                          |                  |
|---|----------------------------------|--------------------------|------------------|
|   | <u>2021</u>                      | <u>2022</u>              | <u>2023</u>      |
| <b>REVENUES:</b>  |                                  |                          |                  |
| Participant Billings  | \$419,512                        | \$629,759 <sup>(2)</sup> | \$558,208        |
| Interest Income <sup>(3)</sup>  | 1,075                            | 8,320                    | 6,540            |
| General Reserve Funds used to Payoff Maturities   | 0                                | 0                        | 0                |
| Due from (to) Participants <sup>(4)</sup>   | (9,690)                          | (36,553)                 | (6,537)          |
| Sales to Others <sup>(5)</sup>  | <u>85,989</u>                    | <u>137,442</u>           | <u>113,787</u>   |
| Total Revenues  | <u>\$496,886</u>                 | <u>\$738,968</u>         | <u>\$671,998</u> |
| <b>OPERATING EXPENSES:</b>  |                                  |                          |                  |
| Fixed Payment Obligations   | \$17,330                         | \$17,379                 | \$17,429         |
| Fixed Operating and Maintenance <sup>(6)</sup>  | 64,733                           | 75,310                   | 87,715           |
| Fuel Costs <sup>(7)</sup>   | 220,212                          | 425,903                  | 337,174          |
| Purchased Power   | 37,314                           | 49,849                   | 37,987           |
| General Administrative and Other <sup>(8)</sup>   | 23,837                           | 26,019                   | 26,133           |
| Transmission <sup>(9)</sup>   | <u>35,394</u>                    | <u>43,434</u>            | <u>45,301</u>    |
| Total Operating Expenses  | <u>\$398,820</u>                 | <u>\$637,894</u>         | <u>\$551,739</u> |
| <b>EARNINGS BEFORE INTEREST, DEPRECIATION AND<br/>REGULATORY ADJUSTMENT:</b>                        |                                  |                          |                  |
| Debt Service <sup>(10)(11)</sup>  | \$98,066                         | \$101,074                | \$120,259        |
| Net Available for Other Purposes<br>(including the Series 2021B Subordinated Bonds) <sup>(12)</sup> | <u>83,609</u>                    | <u>90,679</u>            | <u>75,557</u>    |
| Net Sales to Participants (GWh)   | \$14,457                         | \$10,395                 | \$44,702         |
| Net Power Costs to Participants (Cost/MWh) <sup>(13)</sup>  | 5,886                            | 5,963                    | 6,041            |
| Days Cash on Hand   | \$69.63                          | \$99.48                  | \$91.00          |
|   | 178                              | 89                       | 65               |

- (1) This summary is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts. Numbers may not add due to rounding.
- (2) Billings increased in fiscal year 2022 due to the doubling of the price of natural gas.
- (3) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPP's audited financial statements to provide a cash-based amount for this presentation.
- (4) Accounts receivable from/(payable to) Participants due to under/(over) recoveries.
- (5) Sales to Others in 2021 included sales of \$10,615,000 to FMPP, in 2022 it included sales to FMPP of \$29,829,000 and in 2023 it included sales to FMPP of \$22,318,000.
- (6) FMPP's share of operation and maintenance expenses, excluding fuel, allocated to the All-Requirements Power Supply Project.
- (7) This amount was adjusted from the corresponding amount reflected in FMPP's audited financial statement by removing a non-cash amortization for an investment in Public Gas Partners, Inc.
- (8) Administrative and general expenses for OUC, KUA, FMPP and NextEra allocated to the All-Requirements Power Supply Project.
- (9) Includes transmission charges over the transmission systems of FPL, DEF and OUC.
- (10) Amounts paid from Revenues with respect to principal of and interest on Bonds and any other indebtedness issued under the Resolution (excluding Subordinated Debt).

- (11) Amounts funded in fiscal years 2021, 2022 and 2023 for interest and principal on the bonds, also differs from financial statement as all accruals have been removed from this number.
- (12) Net Available for Other Purposes reflects the impact of accrual accounting on a cash-basis rate and budget process and includes amounts available for Subordinated Debt.
- (13) Net power costs are driven primarily by changes in fuel costs.

For condensed balance sheets of the Major Participants, see APPENDIX B – “THE MAJOR PARTICIPANTS”.

## PART II ST. LUCIE PROJECT

The information in this Part II is intended to provide information with respect to FMPA's St. Lucie Project.

### General

The St. Lucie Project consists of an 8.806% undivided ownership interest of FMPA in St. Lucie Unit No. 2, a pressurized water nuclear generating unit with a summer seasonal net capacity of approximately 984 MW ("St. Lucie Unit No. 2"). St. Lucie Unit No. 2 is part of FPL's two-unit nuclear generating station located in St. Lucie County, Florida. St. Lucie Unit No. 2 was constructed and is operated by FPL. In addition to St. Lucie Unit No. 2, FPL also owns and operates, as part of the St. Lucie nuclear generating station, the St. Lucie Unit No. 1 pressurized water nuclear electric generating unit which has a summer net capacity of approximately 978 MW ("St. Lucie No. 1"). St. Lucie Units No. 1 and 2 are similar units.

The St. Lucie Project also is party to a Reliability Exchange Agreement between FMPA and FPL under which FMPA exchanges with FPL 50% of its share of the output from St. Lucie Unit No. 2 for a like amount from St. Lucie Unit No. 1, in order to provide output when St. Lucie Unit No. 2 is out of service. The result of this exchange is that if St. Lucie Unit No. 2 is out of service, FMPA obtains 50% of its entitlement from St. Lucie Unit No. 1, and if St. Lucie Unit No. 1 is out of service 50% of FMPA's entitlement from St. Lucie Unit No. 2 is provided to FPL. The Reliability Exchange Agreement initially expired on the earlier of (a) the retirement of St. Lucie Units No. 1 and No. 2, and (b) October 1, 2017. However, FMPA and FPL agreed to extend the reliability arrangements to October 1, 2022. On October 1, 2022, the reliability exchange agreements were extended until the retirement of St. Lucie Unit No. 1 and St. Lucie Unit No. 2, although either party has the unilateral right to terminate the agreement upon 60 days' notice.

In addition to the ownership of FMPA in St. Lucie Unit No. 2 representing FMPA's St. Lucie Project, the other co-owners of undivided ownership interests in St. Lucie Unit No. 2 are (i) FPL, which owns 85.10449% and (ii) OUC, which owns 6.08951%.

### Availability

*St. Lucie Unit No. 2.* St. Lucie Unit No. 2 began commercial operation in August 1983. The capacity factor has averaged 85.1% since that time. For the last five fiscal years, the capacity factor has ranged from a low of 89.2% in 2021, to a high of 99.2% in 2020. The capacity factor for 2023 was 91%.

*St. Lucie Unit No. 1.* St. Lucie Unit No. 1 began commercial operation in December 1976. The capacity factor has averaged 84% since the Reliability Exchange commenced in August 1983. For the last five fiscal years, the capacity factor has ranged from a low of 79.3% in 2019 to a high of 97% in 2023. The capacity factor in 2023 was 97%.

The term of the operating licenses for St. Lucie Unit No. 1 and St. Lucie Unit No. 2 are currently scheduled to expire in 2036 and 2043, respectively, as the result of the Nuclear Regulatory Commission ("NRC") granting 20-year operating license renewals for each unit. FPL has indicated that it plans to operate into the extended license periods and that it will periodically review the prudence and economics

of continued operations. In August 2021, FPL filed with the NRC for further 20-year operating license renewals for the St. Lucie Unit No. 1 and St. Lucie Unit No. 2.

### **Transmission of Power**

FMPA has contracts with FPL and OUC to transmit power and energy from St. Lucie Units No. 1 and No. 2 to the Participants in the St. Lucie Project. During 2016, the transmission contract with FPL was amended to extend the agreement to October 1, 2042, unless terminated earlier upon mutual agreement of the parties or upon the retirement of St. Lucie No. 2. The transmission contract with OUC ended in 2023. Following expiration of the transmission contract with OUC, FMPA utilized its network transmission service from FPL to deliver output from the St. Lucie Project to Participants. See “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Transmission and Dispatch Agreements” for more details on transmission rate increases.

### **Fuel and Spent Fuel**

FPL is responsible for obtaining the fuel for both St. Lucie Units No. 2 and No. 1. FPL supplements wet storage of spent fuel assemblies for St. Lucie with a dry storage process utilizing dry storage containers encased in concrete. This process extends FPL’s capability to store spent fuel indefinitely.

### **Debt**

All debt of FMPA issued for the St. Lucie Project is payable from amounts payable by the Participants in the St. Lucie Project under Power Sales Contracts and Project Support Contracts as briefly described above under the heading “INTRODUCTION – Power Sales Contracts, Project Support Contracts and All-Requirements Project Power Supply Power Supply Contracts.” Each Participant in the St. Lucie Project is responsible under its respective Power Sales Contract and Project Support Contract for the costs of the St. Lucie Project in the amount of its participation share in the St. Lucie Project as shown in APPENDIX A, subject to applicable step-up provisions.

On December 17, 2018, the All-Requirements Power Supply Project took a transfer and assignment of Vero Beach’s 15.202% Power Entitlement Share (13.2 MW) in the St. Lucie Project. See “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Vero Beach” for additional information regarding the withdrawal of Vero Beach from the All-Requirements Power Supply Project.

### **Participants**

The fifteen Participants in the St. Lucie Project, as of September 30, 2023, are eleven Florida cities, one utility commission and two utility authorities as listed on page v hereof, plus the All-Requirements Power Supply Project, as transferee and assignee of the Power Sales and Project Support Contracts between Vero Beach and FMPA, as described above. Among the important economic factors to the Participants are agriculture, tourism, retirement, and light manufacturing. Each Participant, other than the All-Requirements Power Supply Project, owns and operates a retail electric distribution system. During the fiscal year ended September 30, 2023, these systems sold in the aggregate approximately 9,005 GWh of electric services (including sales to other electric utilities), served approximately 377,629 customers, and incurred a non-coincident peak demand of approximately 1,983 MW. Effective as of December 17, 2018, the All-Requirements Project is now a transferee and assignee of all contracts and associated obligations previously held by Vero Beach related to the St. Lucie Project.



Attached hereto as APPENDIX B is certain information for the following Major Participants in the St. Lucie Project – Fort Pierce Utilities Authority, City of Homestead, Kissimmee Utility Authority, City of Lake Worth Beach, and Utilities Commission of the City of New Smyrna Beach– each of which provided to FMPA at least 10.0% (or in some cases, less than 10%) of the revenues from the St. Lucie Project in fiscal year 2023. Please see Part I for certain information regarding the All-Requirements Power Supply Project, which also provided to FMPA at least 10.0% of the revenues from the St. Lucie Project in fiscal year 2023. As set forth in APPENDIX A hereto, the Participants in the St. Lucie Project are also participants in various other projects of FMPA.

The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of the five Major Participants (the All-Requirements Power Supply Project is excluded) in the St. Lucie Project.

**Major Participants Historical Net Energy Requirements (GWh)  
(for native load)**

| Fiscal Year<br>(ending 9/30) | <u>Fort Pierce</u> | <u>Homestead</u> | <u>KUA</u> | Lake Worth<br><u>Beach</u> | New Smyrna<br><u>Beach</u> |
|------------------------------|--------------------|------------------|------------|----------------------------|----------------------------|
| 2021                         | 596                | 606              | 1,732      | 468                        | 484                        |
| 2022                         | 599                | 623              | 1,780      | 482                        | 484                        |
| 2023                         | 611                | 651              | 1,821      | 512                        | 499                        |

**Major Participants Historical Non-Coincident Peak Demand (MW)**

| Fiscal Year<br>(ending 9/30) | <u>Fort Pierce</u> | <u>Homestead</u> | <u>KUA</u> | Lake Worth<br><u>Beach</u> | New Smyrna<br><u>Beach</u> |
|------------------------------|--------------------|------------------|------------|----------------------------|----------------------------|
| 2021                         | 115                | 116              | 378        | 97                         | 104                        |
| 2022                         | 119                | 119              | 388        | 97                         | 104                        |
| 2023                         | 125                | 125              | 417        | 99                         | 111                        |

**Outstanding Indebtedness**

As of October 1, 2023, FMPA had outstanding \$50,600,000 of senior bonds for the St. Lucie Project, the final maturity of which is October 1, 2031. As of September 30, 2023, FMPA, with respect to the St. Lucie Project, had on deposit securities with a maturity value of approximately \$49,320,000.00 and FMPA anticipates that a portion of these funds will be used to retire the senior bonds issued for the St. Lucie Project on or before October 1, 2031.

As of October 1, 2023, FMPA has outstanding the following principal amounts of bonds related to the St. Lucie Project:

\$4,400,000 of outstanding St. Lucie Project Revenue Bonds, Series 2013A  
 \$12,280,000 of outstanding St. Lucie Project Revenue Bonds, Series 2021A  
 \$33,920,000 of outstanding St. Lucie Project Revenue Bonds, Series 2021B

**Debt Service Requirements for the St. Lucie Project**

The following table shows the debt service requirements for the outstanding bonds for the St. Lucie Project and includes debt service due for the twelve-month period beginning on October 2 of the preceding year and ending on October 1 of each year indicated:

| Period Ending<br><u>October 1,</u> | Debt Service on<br><u>Outstanding St. Lucie Project Bonds</u> |
|------------------------------------|---|
| 2024                               | \$5,220,120.00  |
| 2025                               | 5,213,081.00  |
| 2026                               | 10,101,836.50   |
| 2027                               | 8,546,500.00  |
| 2028                               | 8,551,750.00  |
| 2029                               | 8,560,000.00  |
| 2030                               | 8,555,250.00  |
| 2031                               | <u>8,552,250.00</u>   |
| TOTAL                              | <u>\$63,300,787.50</u>  |

**Summary Operating Results**

Operating results of the St. Lucie Project for the fiscal years ended September 30, 2021, through September 30, 2023, are shown in the following table. This table shows the total historical charges to the Participants and revenues to FMPA for the St. Lucie Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each Participant's point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis, but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the amount paid from Revenues with respect to principal of and interest on Bonds for the St. Lucie Project and any other indebtedness issued under the St. Lucie Resolution.

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**HISTORICAL OPERATING RESULTS<sup>(1)</sup>**  
**FOR THE ST. LUCIE PROJECT\***  
**(Dollars in Thousands)**

|  | Fiscal Year Ending September 30, |                              |                        |
|--|----------------------------------|------------------------------|------------------------|
|  | <u>2021</u>                      | <u>2022</u>                  | <u>2023</u>            |
| <b>REVENUES:</b>   |                                  |                              |                        |
| Participant Payments <sup>(2)</sup>                                      | \$46,920                         | \$44,663                     | \$39,270               |
| Investment Income <sup>(3)</sup>   | 6,855                            | 10,231                       | 5,630                  |
| Debt Service Funds used to Payoff Maturities <sup>(4)</sup>              | 0                                | 0                            | 0                      |
| Sales to Others <sup>(5)</sup>   | 3,860                            | 2,077                        | 3,806                  |
| Amount to be recovered from (refunded to) Participants                   | <u>72<sup>(6)</sup></u>          | <u>(3,735)<sup>(6)</sup></u> | <u>(356)</u>           |
| <b>Total Operating Revenues</b>  | <b><u>\$57,707</u></b>           | <b><u>\$53,236</u></b>       | <b><u>\$48,350</u></b> |
| <b>OPERATING EXPENSES:</b>   |                                  |                              |                        |
| Operating and Maintenance <sup>(7)</sup>                                 | \$11,131                         | \$8,523                      | \$11,249               |
| Purchased Power <sup>(5)</sup>   | 3,435                            | 3,242                        | 3,267                  |
| General and Administrative <sup>(8)</sup>                                | 3,501                            | 2,872                        | 3,351                  |
| Transmission Services <sup>(9)</sup>                                     | <u>429</u>                       | <u>490</u>                   | <u>466</u>             |
| <b>Total Operating Expenses</b>  | <b><u>18,496</u></b>             | <b><u>\$15,127</u></b>       | <b><u>\$18,333</u></b> |
| <b>EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:</b> |                                  |                              |                        |
|  | \$39,211                         | \$38,109                     | \$30,017               |
| Debt Service <sup>(10)(11)</sup>   | <u>28,301</u>                    | <u>7,112</u>                 | <u>4,684</u>           |
| <b>Net Available for Other Purposes</b>                                  | <b><u>\$10,910</u></b>           | <b><u>\$30,997</u></b>       | <b><u>\$25,333</u></b> |
| <b>Transfer to:</b>  |                                  |                              |                        |
| Renewal and Replacement <sup>(12)</sup>                                  | \$6,500                          | \$7,500                      | \$10,000               |
| General Reserve  | 0                                | 0                            | 0                      |
| <b>Overall Participants:</b>   |                                  |                              |                        |
| Project Power Costs (Mills/Kwh) <sup>(13)</sup>                          | \$68                             | \$62                         | \$54                   |
| Energy Generated (GWh)   | 689                              | 716                          | 726                    |
| Capacity Factor of the St. Lucie Power Supply Project                    | 89.0                             | 96.0                         | 91.2                   |

\*Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements. Numbers may not add due to rounding.

- (1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.
- (2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the St. Lucie Project.
- (3) Investment earnings on balances in all funds and accounts, except the Decommissioning Fund. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.
- (4) Debt Service Funds were used to pay maturing debt.
- (5) Reflects sales from and purchases by FPL under the Nuclear Reliability Exchange Agreement.
- (6) Amounts that will be refunded to or collected from the Participants in fiscal years 2021, 2022 and 2023, respectively.
- (7) FMPA's share of operation and maintenance expenses, excluding fuel, allocated to the St. Lucie Project.
- (8) Administrative and general expenses for FPL and FMPA allocated to the St. Lucie Project.
- (9) Includes wheeling charges over the transmission systems of FPL and OUC for the St. Lucie Project.

- (10) Amounts paid from Revenues with respect to principal and interest on the St. Lucie Project Bonds and any other indebtedness issued under the St. Lucie Resolution.
- (11) Amounts funded for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.
- (12) Amounts budgeted to be set aside for FMPA's estimated share of the estimated future costs of renewal and replacements for the St. Lucie Project. Actual amounts may vary from the budget.
- (13) Participant payments (\$) divided by energy generated (GWh).

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## **PART III STANTON PROJECT**

The information in this Part III is intended to provide information with respect to FMPA's Stanton Project.

### **General**

The Stanton Project consists of a 14.8193% undivided ownership interest of FMPA in Stanton Unit No. 1. Stanton Unit No. 1 is one of the two-unit coal fired electric generators at the Stanton Energy Center. Stanton Unit No. 1 was constructed, and is operated, by the Orlando Utilities Commission ("OUC"), a part of the government of the City of Orlando. Power from the Stanton Project is transmitted to the Participants utilizing the transmission systems of OUC and FPL under the respective contracts with each system.

Cooling water for the Stanton Unit No. 1 is provided by the Orange County, Florida Eastern Sub-Regional Wastewater Treatment Plant under an agreement between OUC and Orange County.

### **Stanton Unit No. 1 Ownership**

In addition to the ownership of FMPA in Stanton Unit No. 1 representing FMPA's Stanton Project, the other co-owners of undivided ownership interests in Stanton Unit No. 1 are (i) OUC, which owns 68.5542%, (ii) FMPA, which owns 5.3012% as part of the Tri-City Project discussed below, (iii) FMPA, which owns 6.506% as part of the All-Requirements Power Supply Project, and (iv) KUA, which owns 4.8193%.

### **Availability**

Stanton Unit No. 1 began commercial operation on July 1, 1987. The availability factor has averaged 89.1% since that time. For the last five fiscal years, the availability factor has ranged from a low of 78.1% in 2020 to a high of 89.1% in 2022. The availability factor in fiscal year 2023 was 87.6%. For the last five fiscal years, Stanton Project average power costs billed to its participants have ranged from approximately 4.7 to 9.9 cents per kWh, and were 9.9 cents per kWh for fiscal year 2023.

See also "PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Stanton Units" regarding the retirement of Stanton Unit No. 1 from operation no later than the end of 2025.

### **Fuel**

See "PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Stanton Units."

### **Debt**

All debt of FMPA issued for the Stanton Project is payable from amounts payable by the Participants in the Stanton Project under power sales contracts and project support contracts as briefly described above under the heading "INTRODUCTION – Power Sales Contracts, Project Support Contracts and All-Requirements Power Supply Contracts." Each Participant in the Stanton Project is responsible under its Power Sales Contract and Project Support Contract for the costs of the Stanton

Project in the amount of its participation share in the Stanton Project as shown in APPENDIX A subject to applicable step-up provisions.

## **Participants**

The six Participants in the Stanton Project, as of September 30, 2023, are the three Florida cities and two utility authorities as listed on page v hereof, plus the All-Requirements Power Supply Project, as transferee and assignee of the Power Sales and Project Support Contracts between Vero Beach and FMPA. Among the important economic factors to the Participants are agriculture, tourism, retirement, and light manufacturing. Each Participant, other than the All-Requirements Power Supply Project, owns and operates a retail electric distribution system. During the fiscal year ended September 30, 2023, these systems served approximately 340,283 customers, and incurred a non-coincident peak demand of approximately 1,837 MW. Effective as of December 17, 2018, the All-Requirements Project is now a transferee and assignee of all contracts and associated obligations previously held by Vero Beach related to the Stanton Project.

For a description of the sale by certain Participants to the All-Requirements Power Supply Project of their capacity and energy from the Stanton Project, see “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Member Contributed Resources.” The sales to the All-Requirements Power Supply Project do not relieve such Participants from their direct obligations to FMPA under their respective Power Sales Contracts and Project Support Contracts for the Stanton Project, except for Vero Beach’s transfer and assignment to the All-Requirements Power Supply Project.

After the execution of the original Power Sales Contract and Power Support Contract relating to the Stanton Project, KUA entered into a transfer agreement with Homestead pursuant to which KUA assumed 50% (12.195%) of Homestead’s 24.390% Power Entitlement Share in the Stanton Project (the Power Entitlement Shares transferred to KUA from Homestead is called the “Homestead Stanton Transferred Share”).

In connection with the transfer of the Homestead Stanton Transferred Share to KUA, KUA in 1995 executed with FMPA an additional Power Sales Contract (an “Additional Stanton Power Sales Contract”) and an additional Project Support Contract (an “Additional Stanton Project Support Contract”). Under each Additional Stanton Power Sales Contract and Additional Stanton Project Support Contract, Homestead is relieved of its obligations (including their payment obligations) with respect to the Homestead Transferred Share if and to the extent KUA fulfills such obligations (including the payment obligations). If, however, KUA fails to perform any such obligation (including a payment obligation), then Homestead remains obligated under its Power Sales Contract or Project Support Contract to perform such obligation.

## **Transmission Agreements**

On December 17, 2018, the All-Requirements Power Supply Project took a transfer and assignment of Vero Beach’s Power Sales and Project Support Contracts for its 32.521% Power Entitlement Share (21.3 MW) in the Stanton Project. See “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Withdrawal of Vero Beach” for additional information regarding the withdrawal of Vero Beach from the All-Requirements Power Supply Project.

Attached hereto as APPENDIX B is certain information for the following Major Participants in the Stanton Project – Fort Pierce Utilities Authority, Kissimmee Utility Authority, Homestead and City of Lake Worth Beach each of which provided to FMPA at least 10.0% of the revenues from the Stanton Project in fiscal year 2023. As set forth in APPENDIX A hereto, the Participants in the Stanton Project are also participants in various other projects of FMPA.

The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of the Major Participants of the Stanton Project.

**Major Participants Historical Net Energy Requirements (GWh)  
(for native load)**

| Fiscal Year<br>(ending 9/30) | Lake Worth         |              |                  |            |
|------------------------------|--------------------|--------------|------------------|------------|
|                              | <u>Fort Pierce</u> | <u>Beach</u> | <u>Homestead</u> | <u>KUA</u> |
| 2021                         | 596                | 468          | 606              | 1,732      |
| 2022                         | 599                | 482          | 623              | 1,780      |
| 2023                         | 611                | 512          | 651              | 1,821      |

**Major Participants Historical Non-Coincident Peak Demand (MW)**

| Fiscal Year<br>(ending 9/30) | Lake Worth         |              |                  |            |
|------------------------------|--------------------|--------------|------------------|------------|
|                              | <u>Fort Pierce</u> | <u>Beach</u> | <u>Homestead</u> | <u>KUA</u> |
| 2021                         | 115                | 97           | 116              | 378        |
| 2022                         | 119                | 97           | 119              | 388        |
| 2023                         | 125                | 99           | 125              | 417        |

**Outstanding Indebtedness**

There are no outstanding senior bonds or subordinated debt for the Stanton Project.

**Debt Service Requirements for the Stanton Project**

None

**Summary Operating Results**

Operating results of the Stanton Project for the fiscal years ended September 30, 2021, through September 30, 2023 are shown in the following table. This table shows the total historical charges to the Participants and revenues to FMPA for the Stanton Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each Participant’s point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the amount paid from Revenues with respect to principal of and interest on Bonds for the Stanton Project and any other indebtedness issued under the Stanton Resolution.

**HISTORICAL OPERATING RESULTS<sup>(1)</sup>**  
**FOR THE STANTON PROJECT\***  
**(Dollars in Thousands)**

|  | <u>2021</u>             | <u>2022</u>            | <u>2023</u>            |
|--|-------------------------|------------------------|------------------------|
| <b>REVENUES:</b>   |                         |                        |                        |
| Participant Billings <sup>(2)</sup>                                      | \$15,237                | \$25,577               | \$26,819               |
| Sales to Others  | 384                     | 369                    | 432                    |
| Interest Income <sup>(3)</sup>   | 263                     | 568                    | 218                    |
| Debt Service Funds used to Payoff Maturities <sup>(4)</sup>              | 0                       | 0                      | 0                      |
| Due from (to) Participants <sup>(5)(6)</sup>                             | <u>(83)</u>             | <u>(30)</u>            | <u>(1,471)</u>         |
| <b>Total Revenues</b>  | <b><u>\$15,801</u></b>  | <b><u>\$26,484</u></b> | <b><u>\$25,998</u></b> |
| <b>OPERATING EXPENSES:</b>   |                         |                        |                        |
| Fixed O&M <sup>(7)</sup>   | \$3,933                 | \$4,800                | \$8,383                |
| Fuel Costs   | 11,366                  | 16,534                 | 14,450                 |
| General Administrative and Other <sup>(8)</sup>                          | 1,344                   | 1,945                  | 1,460                  |
| Transmission <sup>(9)</sup>  | <u>1,417</u>            | <u>1,518</u>           | <u>1,574</u>           |
| <b>Total Operating Expenses</b>  | <b><u>\$18,060</u></b>  | <b><u>\$24,797</u></b> | <b><u>\$25,867</u></b> |
| <b>EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:</b> |                         |                        |                        |
|  | (\$2,259)               | \$1,687                | \$131                  |
| Debt Service <sup>(10)(11)</sup>   | <u>0</u>                | <u>0</u>               | <u>0</u>               |
| <b>Net Available for Other Purposes</b>                                  | <b><u>\$(2,259)</u></b> | <b><u>\$1,687</u></b>  | <b><u>\$131</u></b>    |
| <b>Transfer to:</b>  |                         |                        |                        |
| Renewal and Replacement <sup>(12)</sup>                                  | \$350                   | \$2,000                | \$1,750                |
| <b>Overall Participants:</b>   |                         |                        |                        |
| Project Power Costs (Mills/Kwh) <sup>(13)</sup>                          | \$47                    | \$90                   | \$105                  |
| Energy Generated (GWh)   | 322                     | 284                    | 255                    |
| Availability Factor of the Stanton Project                               | 89.0                    | 89.0                   | 86.7                   |

\*Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements. Numbers may not add due to rounding.

- (1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.
- (2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the Stanton Project.



- (3) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.
- (4) Debt Service Funds were used to pay maturing debt.
- (5) This adjustment is the result of timing differences between the receipt of revenues and the incurrence of costs.
- (6) Amounts that will be refunded to or collected from the Participants in fiscal years 2021, 2022 and 2023, respectively.
- (7) FMPA's share of operation and maintenance expenses, excluding fuel, transmission, general administrative costs, and depreciation allocated to the Stanton Project.
- (8) Administrative and general expenses for OUC and FMPA allocated to the Stanton Project.
- (9) Includes transmission charges over the transmission systems of FPL and OUC.
- (10) Amounts paid from Revenues with respect to principal and interest on the Stanton Project Revenue Bonds and any other indebtedness issued under the Stanton Resolution.
- (11) Amounts funded in fiscal year for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.
- (12) Amounts budgeted to be set aside for FMPA's estimated share of the estimated future costs of renewal and replacements for the Stanton Project. Actual amounts may vary from the budget.
- (13) Participant payments (\$) divided by energy generated (GWh). Average costs shown do not reflect costs or adjustment to the Participants' Stanton Unit No. 1 capacity and energy for transmission losses to the Participants' point of delivery.

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## **PART IV STANTON II PROJECT**

The information in this Part IV is intended to provide information with respect to FMPA's Stanton II Project.

### **General**

The Stanton II Project consists of a 23.2367% undivided ownership interest of FMPA in the Stanton Energy Unit No. 2. Stanton Unit No. 2 is the second of the two-unit coal fired electric generators at the Stanton Energy Center of OUC. Stanton Unit No. 2 was constructed, and is operated by, OUC. Power from the Stanton II Project is transmitted to the Participants utilizing the transmission systems of OUC, FPL and DEF under the respective contracts with each system.

Major items of equipment for Stanton Unit No. 2 include the pulverized coal fueled steam generator manufactured by Babcock and Wilcox; a steam turbine generator manufactured by Westinghouse Electric Company; an electrostatic precipitator for particulate removal manufactured by Wheelabrator-Frye; a flue gas scrubber manufactured by Combustion Engineering; and a natural draft cooling tower manufactured by Marley Company.

Cooling water for Stanton Unit No. 2 is provided by Orange County, Florida Eastern Sub-Regional Wastewater Treatment Plant under an agreement between OUC and Orange County.

### **Stanton Energy Center**

Stanton Unit No. 2 is located at the Stanton Energy Center. Stanton Unit No. 2 is a coal-fired electric generating facility with a current normal high dispatch limit of 429 MW and was placed in service in June 1996. Stanton Unit No. 1 is a coal-fired electric generating facility with a current normal high dispatch limit of 425 MW and was placed in service on July 1, 1987. Stanton Unit No. 1 is not part of the Stanton II Project. Stanton Unit A is a 633 MW combined cycle unit and was placed in service in October 2003. Stanton Unit A is jointly owned by the Stanton Clean Energy, LLC (operator), the All-Requirements Project, OUC and KUA. Stanton Unit A is also not part of the Stanton II Project.

### **Stanton Unit No. 2 Ownership**

In addition to the ownership of FMPA in Stanton Unit No. 2 representing FMPA's Stanton II Project, the other co-owners of undivided ownership interests in Stanton Unit No. 2 are (i) OUC, which owns 71.5909%, and (ii) FMPA, which also owns 5.1724% as part of the All-Requirements Power Supply Project.

### **Availability**

Stanton Unit No. 2 began commercial operation on June 1, 1996. The availability factor has averaged 85.1% since that time. For the last five fiscal years, the availability factor has ranged from a low of 74.6% in 2019 to a high of 95.5% in 2020. The availability factor in fiscal year 2023 was 94.7%. For the last five fiscal years, Stanton II Project power costs billed to its participants have ranged from approximately 7.6 to 14.2 cents per kWh, and were 10.3 cents per kWh for fiscal year 2023.

## **Fuel**

See “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Stanton Units.” On December 14, 2021, OUC decided to convert Stanton Unit No. 2 to natural gas fuel operation no later than the end of 2027.

## **Debt**

All debt of FMPA issued for the Stanton II Project is payable from amounts payable by the Participants in the Stanton II Project under Power Sales Contracts and Project Support Contracts as briefly described above under the heading “INTRODUCTION – Power Sales Contracts, Project Support Contracts and All-Requirements Power Supply Contracts.” Each Participant in the Stanton II Project is responsible under its Power Sales Contract and Project Support Contract for the costs of the Stanton II Project in the amount of its participation share in the Stanton Project as shown in APPENDIX A.

## **Participants**

The seven Participants in the Stanton II Project, as of September 30, 2023, are four Florida cities, a utility board and two utility authorities as listed on page v hereof, plus the All-Requirements Power Supply Project, as transferee and assignee of the Power Sales and Project Support Contracts between Vero Beach and FMPA. Among the economic factors important to the Participants are agriculture, tourism, retirement, and light manufacturing. Each Participant, other than the All-Requirements Power Supply Project, owns and operates a retail electric distribution system. During the fiscal year ended September 30, 2023, these systems served approximately 367,080 customers, and incurred a non-coincident peak demand of approximately 1,980 MW. Effective as of December 17, 2018, the All-Requirements Power Supply Project is now a transferee and assignee of all contracts and associated obligations previously held by the City of Vero Beach related to the Stanton II Project.

For a description of the sale by certain Participants to the All-Requirements Power Supply Project of their capacity and energy from the Stanton II Project, see “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Member Contributed Resources.” The sales to the All-Requirements Power Supply Project do not relieve such Participants from their direct obligations to FMPA under their respective Power Sales Contracts and Project Support Contracts for the Stanton II Project, except for the Vero Beach’s transferred assignment to the All-Requirements Power Supply Project.

## **Power Sales and Project Support Contracts**

After the execution of the original Power Sales Contracts and Power Support Contracts relating to the Stanton II Project, KUA entered into (i) a transfer agreement pursuant to which KUA assumed 50% (8.24435% of Homestead’s 16.4887% Power Entitlement Share in the Stanton II Project (the Power Entitlement Share transferred to KUA from Homestead are collectively called the “Homestead Stanton II Transferred Share”) and (ii) a transfer agreement with Lake Worth Beach pursuant to which KUA assumed all of Lake Worth Beach’s 8.2443% Power Entitlement Share in the Stanton II Project (the Power Entitlement Share transferred to KUA from Lake Worth Beach is called the “Lake Worth Beach Transferred Share” and, together with the Homestead Stanton II Transferred Share, is called the “Stanton II Transferred Shares”).

In connection with the transfer of the Homestead Stanton II Transferred Share to KUA, KUA in 1995 executed with FMPA an additional Power Sales Contract (an “Additional Power Sales Contract”)

and an additional Project Support Contract (an “Additional Project Support Contract”). KUA also in 1995 executed a similar additional Power Sales Contract and Power Support Contract with FMPA in connection with the transfer to it of the Lake Worth Beach Transferred Share.

Under each Additional Power Sales Contract and Additional Project Support Contract, Homestead and Lake Worth Beach are relieved of their respective obligations (including their payment obligations) with respect to their Transferred Shares if and to the extent KUA fulfills such obligations (including the payment obligations). If, however, KUA fails to perform any such obligation (including a payment obligation), then Homestead or Lake Worth Beach (depending on which Transferred Share KUA is in default under) remains obligated under its Power Sales Contract or Project Support Contract to perform such obligation.

On December 17, 2018, the All-Requirements Power Supply Project took a transfer and assignment of Vero Beach’s 16.4887% Power Entitlement Share (17.2 MW) in the Stanton II Project. See “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Withdrawal of Vero Beach” for additional information regarding the withdrawal of Vero Beach from the All-Requirements Power Supply Project.

Attached hereto as APPENDIX B is certain information for the following Major Participants in the Stanton II Project – Fort Pierce Utilities Authority, Utility Board of the City of Key West, Kissimmee Utility Authority and City of St. Cloud – each of which provided to FMPA at least 10.0% of the revenues from the Stanton II Project in fiscal year 2023. Please see Part I for certain information regarding the All-Requirements Power Supply Project, which also provided to FMPA at least 10.0% of the revenues from the Stanton II Project in fiscal year 2023. The financial information about the City of St. Cloud appearing in APPENDIX B is abbreviated reflecting an interlocal agreement between the City of St. Cloud and OUC, pursuant to which OUC operates and manages the City of St. Cloud’s electric system. As set forth in APPENDIX A hereto, certain of the Participants in the Stanton II Project are also participants in various other projects of FMPA.

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The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of three of the Major Participants of the Stanton II Project.

**Major Participants Historical Net Energy Requirements (GWh)  
(for native load)**

| Fiscal Year<br>(ending 9/30) | <u>Fort Pierce</u> | <u>Key West</u> | <u>KUA</u> |
|------------------------------|--------------------|-----------------|------------|
| 2021                         | 596                | 773             | 1,732      |
| 2022                         | 599                | 783             | 1,780      |
| 2023                         | 611                | 805             | 1,821      |

**Major Participants Historical Non-Coincident Peak Demand (MW)**

| Fiscal Year<br>(ending 9/30) | <u>Fort Pierce</u> | <u>Key West</u> | <u>KUA</u> |
|------------------------------|--------------------|-----------------|------------|
| 2021                         | 115                | 145             | 378        |
| 2022                         | 119                | 145             | 388        |
| 2023                         | 125                | 155             | 417        |

**Outstanding Indebtedness**

As of October 1, 2023, FMPA had outstanding \$59,705,000 of senior bonds and \$2,200,107.60 of subordinated debt for the Stanton II Project, the final maturity of which is October 1, 2027.

As of October 1, 2023, FMPA had outstanding the following principal amounts of senior bonds with respect to the Stanton II Project:

- \$19,566,000 Stanton II Project Refunding Revenue Bonds, Series 2017A
- \$20,469,000 Stanton II Project Refunding Revenue Bonds, Series 2017B
- \$19,670,000 Stanton II Project Refunding Revenue Bonds, Series 2022A

As of October 1, 2023, FMPA had outstanding the following principal amount of subordinated debt with respect to the Stanton II Project:

- \$2,200,107.60 Pooled Loan Project Note

### Debt Service Requirements for the Stanton II Project

The following table shows the debt service requirements for the outstanding bonds for the Stanton II Project and includes debt service due for the twelve-month period beginning on October 2 of the preceding year and ending on October 1 of each year indicated:

| <u>Period Ending<br/>October 1,</u> | <u>Debt Service on Outstanding<br/>Stanton II Project Bonds</u> | <u>Debt Service on subordinate debt for<br/>Stanton II Project</u> |
|-------------------------------------|---|--|
| 2024                                | \$12,733,686.60   | \$572,156.88   |
| 2025                                | 12,640,935.30   | 572,156.87   |
| 2026                                | 12,621,575.00   | 572,156.88   |
| 2027                                | <u>25,483,471.50</u>  | <u>572,156.87</u>  |
| TOTAL:                              | <u>\$64,479,668.40</u>  | <u>\$2,288,672.50</u>  |

### Summary Operating Results

Operating results of the Stanton II Project for the fiscal years ended September 30, 2021, through September 30, 2023, are shown in the following table. The following table shows the total historical charges to the Participants and revenues to FMPA for the Stanton II Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each Participant's point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis, but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the amount paid from Revenues with respect to principal of and interest on Bonds for the Stanton II Project and any other indebtedness issued under the Stanton II Resolution.

**HISTORICAL OPERATING RESULTS<sup>(1)</sup>**  
**FOR THE STANTON II PROJECT\***  
**(Dollars in Thousands)**

|  | Fiscal Year Ending September 30, |                        |                        |
|--|----------------------------------|------------------------|------------------------|
|  | <u>2021</u>                      | <u>2022</u>            | <u>2023</u>            |
| <b>REVENUES:</b>   |                                  |                        |                        |
| Participant Billings <sup>(2)</sup>                                      | \$45,316                         | \$54,597               | \$55,198               |
| Sales to Others  | 602                              | 580                    | 678                    |
| Interest Income <sup>(3)</sup>   | 764                              | 2,894                  | 85                     |
| Due from (to) Participants <sup>(4)(5)</sup>                             | <u>279</u>                       | <u>(1,184)</u>         | <u>(2,445)</u>         |
| <b>Total Revenues</b>  | <b><u>\$46,961</u></b>           | <b><u>\$56,887</u></b> | <b><u>\$53,516</u></b> |
| <b>OPERATING EXPENSES:</b>   |                                  |                        |                        |
| Fixed O&M <sup>(6)</sup>   | \$6,671                          | \$7,000                | \$11,685               |
| Fuel Costs   | 19,524                           | 22,660                 | 25,342                 |
| General Administrative and Other <sup>(7)</sup>                          | 2,057                            | 3,012                  | 2,075                  |
| Transmission <sup>(8)</sup>  | <u>2,297</u>                     | <u>2,469</u>           | <u>2,561</u>           |
| <b>Total Operating Expenses</b>  | <b><u>\$30,549</u></b>           | <b><u>\$35,141</u></b> | <b><u>\$41,663</u></b> |
| <b>EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:</b> |                                  |                        |                        |
|  | \$16,412                         | \$21,746               | \$11,853               |
| Debt Service <sup>(9)(10)</sup>  | <u>14,619</u>                    | <u>14,623</u>          | <u>7,444</u>           |
| Net Available for Other Purposes   | <u>\$1,793</u>                   | <u>\$7,123</u>         | <u>\$4,409</u>         |
| Transfer to:   |                                  |                        |                        |
| Renewal and Replacement <sup>(11)</sup>                                  | \$3,000                          | \$5,000                | \$3,500                |
| <b>Overall Participants:</b>   |                                  |                        |                        |
| Project Power Costs (Mills/Kwh) <sup>(12)</sup>                          | \$76                             | \$145                  | \$108                  |
| Energy Generated (GWh)   | 594                              | 375                    | 511                    |
| Availability Factor of the Stanton II Project                            | 87.0                             | 85.0                   | 94.7                   |

\*Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements. Numbers may not add due to rounding.

- (1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.
- (2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the Stanton II Project.
- (3) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.
- (4) This adjustment is the result of timing differences between the receipt of revenues and the incurrence of costs.
- (5) Amounts that will be refunded to or collected from the Participants in fiscal years 2021, 2022 and 2023, respectively.
- (6) FMPA's share of operation and maintenance expenses, excluding fuel, transmission, general administrative costs, and depreciation allocated to the Stanton II Project.
- (7) Administrative and general expenses for OUC and FMPA allocated to the Stanton II Project.
- (8) Includes transmission charges over the transmission systems of FPL and OUC.
- (9) Amounts paid from Revenues with respect to principal and interest on the Stanton II Project Bonds and any other indebtedness issued under the Stanton II Resolution.
- (10) Amounts funded for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.

- (11) Amounts budgeted to be set aside for FMPA's estimated share of the estimated future costs of renewal and replacements for the Stanton II Project. Actual amounts may vary from the budget.
- (12) Participant payments (\$) divided by energy generated (GWh). Average costs shown do not reflect costs or adjustment to the Participants' Stanton Unit No. 2 capacity and energy for transmission losses to the Participants' point of delivery.

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## **PART V TRI-CITY PROJECT**

The information in this Part V is intended to provide information with respect to the Agency's Tri-City Project.

### **General**

The Tri-City Project consists of a 5.3012% undivided ownership interest of FMPA in Stanton Unit No. 1. FMPA has contracts with both OUC and FPL to transmit the power and energy from Stanton Unit No. 1 to the Participants in the Tri-City Project. For a description of the Stanton Unit No. 1, see "PART III – STANTON PROJECT."

### **Description of Stanton Unit No. 1**

Stanton Unit No. 1 was constructed and is operated by OUC. Major items of equipment for Stanton Unit No. 1 include the pulverized coal fueled steam generator manufactured by Babcock and Wilcox; a steam turbine generator; an electrostatic precipitator for particulate removal; a flue gas scrubber and a natural draft cooling tower.

### **Availability**

For the last five fiscal years, Tri-City Project power costs billed to its Participants have ranged from approximately 5.1 cents to 12.2 cents per kWh, and were 12.2 cents per kWh for fiscal year 2023.

### **Fuel**

See "PART III – STANTON PROJECT – Fuel" above.

### **Debt**

All debt of FMPA, if any, issued for the Tri-City Project is payable from amounts payable by the Participants in the Tri-City Project under Power Sales Contracts and Project Support Contracts, as briefly described above under the heading "INTRODUCTION – General." Each Participant in the Tri-City Project is responsible under its Power Sales Contract and Project Support Contract for the costs of the Tri-City Project in the amount of its participation share in the Tri-City Project as shown in APPENDIX A.

### **Participants**

The three Participants in the Tri-City Project are a Florida city, a utility board and a utility authority chartered by the State of Florida, or the governing body of their respective cities as listed on page v hereof. Each Participant owns and operates a retail electric distribution system. The Participants are geographically dispersed throughout the southern portion of the State of Florida, and consequently have relatively diverse economic and demographic bases. Among the important economic factors to the Participants are agriculture, tourism, retirement, light manufacturing, and central services. During the fiscal year ended September 30, 2023, these systems served approximately 87,334 customers, and incurred a non-coincident peak demand of approximately 404 MW.

For a description of the sale by certain Participants to the All-Requirements Power Supply Project of their capacity and energy from the Tri-City Project, see “PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – All-Requirements Power Supply Project – Member Contributed Resources.” The sales to the All-Requirements Power Supply Project do not relieve such Participants from their direct obligations to FMPA under their respective Power Sales Contracts and Project Support Contracts for the Tri-City Project.

Attached hereto as APPENDIX B is certain information for the Participants in the Tri-City Project, all of which are Major Participants. As set forth in APPENDIX A hereto, the Participants in the Tri-City Project are also participants in various other projects of FMPA.

The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of the Participants of the Tri-City Project.

**Major Participants Historical Net Energy Requirements (GWh)  
(for native load)**

| Fiscal Year<br>(ending 9/30) | <u>Fort Pierce</u> | <u>Homestead</u> | <u>Key West</u> |
|------------------------------|--------------------|------------------|-----------------|
| 2021                         | 596                | 606              | 773             |
| 2022                         | 599                | 623              | 783             |
| 2023                         | 611                | 651              | 805             |

**Major Participants Historical Non-Coincident Peak Demand (MW)**

| Fiscal Year<br>(ending 9/30) | <u>Fort Pierce</u> | <u>Homestead</u> | <u>Key West</u> |
|------------------------------|--------------------|------------------|-----------------|
| 2021                         | 115                | 116              | 145             |
| 2022                         | 119                | 119              | 145             |
| 2023                         | 125                | 125              | 155             |

**Outstanding Indebtedness**

There are no outstanding senior bonds or subordinated debt for the Tri-City Project.

**Debt Service Requirements for the Tri-City Project**

None

**Summary Operating Results**

Operating results of the Tri-City Project for the fiscal years ended September 30, 2021 through September 30, 2023, are shown in the following table. This table shows the total historical charges to the Participants and revenues to FMPA for the Tri-City Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each

Participant's point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the amount paid from Revenues with respect to principal of and interest on Bonds for the Tri-City Project and any other indebtedness issued under the Tri-City Resolution.

**HISTORICAL OPERATING RESULTS<sup>(1)</sup>**  
**FOR THE TRI-CITY PROJECT\***  
**(Dollars in Thousands)**

|  | <u>2021</u>    | <u>2022</u>     | <u>2023</u>     |
|--|----------------|-----------------|-----------------|
| <b>REVENUES:</b>   |                |                 |                 |
| Participant Payments <sup>(2)</sup>                                      | \$5,657        | \$10,255        | \$11,442        |
| Interest Income <sup>(3)</sup>   | 33             | 70              | 140             |
| Debt Service Funds used to Payoff Maturities <sup>(4)</sup>              | 0              | 0               | 0               |
| Due from (to) Participants <sup>(5)(6)</sup>                             | (294)          | 43              | (519)           |
| Sales to Others  | <u>137</u>     | <u>131</u>      | <u>155</u>      |
| Total Revenues   | <u>\$5,533</u> | <u>\$10,499</u> | <u>\$11,218</u> |
| <b>OPERATING EXPENSES:</b>   |                |                 |                 |
| Fixed O&M <sup>(7)</sup>   | \$1,396        | \$1,717         | \$2,999         |
| Fuel Costs   | 3,751          | 5,904           | 5,189           |
| General Administrative and Other <sup>(8)</sup>                          | 738            | 976             | 808             |
| Transmission <sup>(9)</sup>  | <u>505</u>     | <u>544</u>      | <u>564</u>      |
| Total Operating Expenses   | <u>\$6,390</u> | <u>\$9,141</u>  | <u>\$9,560</u>  |
| <b>EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:</b> |                |                 |                 |
| Debt Service <sup>(10)(11)</sup>   | <u>0</u>       | <u>0</u>        | <u>0</u>        |
| Net Available for Other Purposes   | <u>(\$857)</u> | <u>\$1,358</u>  | <u>\$1,658</u>  |
| Transfer to:   |                |                 |                 |
| Renewal and Replacement <sup>(12)</sup>                                  | \$150          | \$750           | \$600           |
| <b>Overall Participants:</b>   |                |                 |                 |
| Project Power Costs (Mills/Kwh) <sup>(13)</sup>                          | \$55           | \$97            | \$128           |
| Energy Generated (GWh)   | 103            | 105             | 89              |
| Availability Factor of the Tri-City Project                              | 89.0           | 89.0            | 86.7            |

\*Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements. Numbers may not add due to rounding.

- (1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.
- (2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the Tri-City Project.

- (3) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPPA's audited financial statements to provide a cash-based amount for this presentation.
- (4) Debt Service Funds were used to pay maturing debt.
- (5) This adjustment is the result of timing differences between the receipt of revenues and the incurrence of costs.
- (6) Amounts that will be refunded to or collected from the Participants in fiscal years 2021, 2022 and 2023, respectively.
- (7) FMPPA's share of operation and maintenance expenses, excluding fuel, allocated to the Tri-City Project.
- (8) Administrative and general expenses for OUC and FMPPA allocated to the Tri-City Project.
- (9) Includes transmission charges over the transmission systems of FPL and OUC.
- (10) Amounts paid from Revenues with respect to principal and interest on Tri-City Project Bonds and any other indebtedness under the Tri-City Resolution.
- (11) Amounts funded for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.
- (12) Amounts budgeted to be set aside for FMPPA's estimated share of the estimated future costs of renewal and replacements for the Tri-City Project. Actual amounts may vary from the budget.
- (13) Participant payments (\$) divided by energy generated (GWh).

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**PART VI  
SOLAR PROJECT**

The information in this Part VI is intended to provide information with respect to FMPA's Solar Project.

**General**

On March 15, 2018, the Board of Directors authorized the establishment of the Solar Project as FMPA's sixth power supply project, which consisted of a solar power purchase agreement to purchase a total of 57 MW-AC of solar energy from a larger 74.5 MW-AC facility which was planned for commercial operation in 2023. In December 2022, due to site condition and cost pressures, a mutual agreement with the developer was reached to terminate the contract for their share of the 57 MW-AC 20-year purchase power agreement. The Solar Project was terminated as a power supply project of FMPA, by the Board of Directors in June 2023.

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## **PART VII SOLAR II PROJECT**

The information in this Part VII is intended to provide information with respect to FMPA's Solar II Project.

### **General**

On December 12, 2019, the Board of Directors authorized the establishment of the Solar II Project as FMPA's seventh power supply project, at the time, which consists of a solar power purchase agreement to purchase a total of 53.55 MW-AC of solar energy from two larger 74.9 MW-AC facilities currently planned for commercial operation in 2024 and 2025.

### **Description of the Solar II Project**

FMPA has entered into solar power purchase agreements (the "Solar II Power Purchase Agreements") with Origis to purchase a total of 53.55 MW-AC of solar energy on behalf of the participants in the Solar II Project. The Solar II Project Participants (as described in APPENDIX A) will take a portion of the solar energy from two (2) 74.9 MW-AC facilities. The Solar II Power Purchase Agreements have 20-year initial terms. Participants active in the All-Requirements Power Supply Project are not Solar II Project Participants.

### **Debt**

While the Solar II Project currently has no debt outstanding and is not expected to incur debt since most cost obligations under the Solar II Power Purchase Agreements are tied to actual energy produced and do not include any fixed capacity charges, any debt of FMPA that may be issued for the Solar II Project is payable from amounts payable by the Solar II Project Participants under the Solar II Power Sales Contracts. Each Solar II Project Participant is responsible under its Solar II Power Sales Contract for the costs of the Solar II Project in the amount of its participation share in the Solar II Project.

### **Participants**

The five Participants in the Solar II Project are five Florida cities: City of Homestead, City of Lake Worth Beach, City of Mount Dora, City of New Smyrna Beach, and City of Winter Park (the "Solar II Project Participants").

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## **PART VIII SOLAR III PROJECT**

The information in this Part VIII is intended to provide information with respect to FMPA's Solar III Project.

### **General**

On May 18, 2023, the Board of Directors authorized the establishment of the Solar III Project as FMPA's eighth power supply project, which consists of a solar power purchase agreement to purchase a total of 203.15 MW-AC of solar energy from three sites with four Members as participants. Operation is expected in December 2025 and 2026, depending on the facility.

### **Description of the Solar III Project**

FMPA has entered into solar power purchase agreements (the "Solar III Power Purchase Agreements") with Origis to purchase a total of 203.15 MW-AC of solar energy on behalf of the participants in the Solar III Project. The Solar III Project Participants (as described in APPENDIX A) will take a portion of the solar energy from three (3) 74.9 MW-AC facilities. The Solar III Power Purchase Agreements have 20-year initial terms. Participants active in the All-Requirements Power Supply Project are not Solar III Project Participants.

### **Debt**

While the Solar III Project currently has no debt outstanding and is not expected to incur debt since most cost obligations under the Solar III Power Purchase Agreements are tied to actual energy produced and do not include any fixed capacity charges, any debt of FMPA that may be issued for the Solar III Project is payable from amounts payable by the Solar III Project Participants under the Solar III Power Sales Contracts. Each Solar III Project Participant is responsible under its Solar III Power Sales Contract for the costs of the Solar III Project in the amount of its participation share in the Solar III Project.

### **Participants**

The four Participants in the Solar III Project are four Florida cities: City of Homestead, City of Jacksonville, City of Lake Worth Beach, and City of Winter Park (the "Solar III Project Participants").

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**PART IX**  
**INITIAL POOLED LOAN PROJECT**

The information in this Part VIII is intended to provide information with respect to FMPA's Initial Pooled Loan Project (the "Pooled Loan Project").

**General**

On April 18, 2019, the Board of Directors adopted the Initial Pooled Loan Project 2019 Obligation Resolution, as supplemented and amended (the "2019 PLP Resolution"), which amended and restated FMPA's Initial Pooled Loan Project Bond Resolution dated April 18, 1986, as amended and restated on June 25, 1986, to provide for the issuance of bonds, notes, or other evidences of indebtedness to provide the funds required by FMPA to resume the making of loans ("Pooled Loans") to Members of FMPA, FMPA itself, and FMPA, as agent for any of its other Projects, to finance and refinance eligible utility-related projects.

**Description of the Initial Pooled Loan Project**

In order to provide funds for the making of Pooled Loans on a taxable or tax-exempt basis, First Horizon Bank (successor by conversion to First Tennessee Bank National Association, successor by merger to Capital Bank) has extended to FMPA a credit facility in the aggregate initial maximum principal amount of \$25,000,000 (the "PLP Line of Credit") to provide FMPA with the funds required to make Pooled Loans to participants in the Pooled Loan Project. Pursuant to the 2019 PLP Resolution, FMPA has authorized the issuance of notes, simultaneously with the execution of a related loan agreement ("Loan Agreement") with a participant in the Pooled Loan Project, in an amount equal to the aggregate principal amount of each Pooled Loan for the purpose of evidencing FMPA's obligations under the PLP Line of Credit. The ability of FMPA to pay principal of and interest on the notes, depends upon, among other things, the receipt of the payments of principal and sufficient payments of interest and fees in respect of the Pooled Loans pursuant to the Loan Agreements. Each participant in the Pooled Loan Project is separately liable under the terms of each Loan Agreement, and so the participants in the Pooled Loan Project have no increased financial obligation if another participant in the Pooled Loan Project defaults.

On April 27, 2022, FMPA amended its agreement with First Horizon Bank to provide for an additional principal amount of \$25,000,000 for the PLP Line of Credit, which commenced on June 24, 2022 and extends the expiration date of the PLP Line of Credit to October 1, 2025. The primary items amended were (i) the variable rate now being based on SOFR instead of LIBOR and with new successor rate provisions if SOFR is to be replaced, and (ii) the maximum loan amount per loan has been raised from \$10,000,000 to \$15,000,000.

On October 30, 2023, FMPA, as project participant, borrowed \$1,000,000 to finance the upgrade of its information technology system (the "Loan"). The Loan matures on October 1, 2028 and is secured by a lien upon and pledge of all payments to the FMPA from its members and participants allocable to operating, administrative and overhead costs.

**Participants**

As of the date hereof, FMPA, as agent for the Pooled Loan Project, has made a loan to the City of Bushnell which is currently outstanding in the amount of \$6,483,739.69, a loan to the City of Clewiston



which is currently outstanding in the amount of \$1,149,103.25, a loan to the City of Homestead Loan #1 which is currently outstanding in the amount of \$7,699,799.89, a loan to the City of Homestead Loan #2 which is currently outstanding in the amount of \$6,203,060.66, a loan to FMPA, as agent for the Stanton II Project, which is currently outstanding in the amount of \$1,933,500.11, a loan to FMPA, as agent for the All-Requirements Power Supply Project, which is currently outstanding in the amount of \$15,000,000 and a loan to FMPA, as a project participant, which is currently outstanding in the amount of \$1,000,000.

**APPENDIX A**  
**MEMBERS' PARTICIPATION IN FMPA PROJECTS<sup>(1)(2)\*</sup>**

| Member   | Stanton II Project <sup>(2)</sup> |      |                        |      | St. Lucie Project |      | Tri-City Project  |      | All-Requirements Power Supply Project <sup>(3)</sup> |                   | Initial Pooled Loan Project <sup>(8)</sup> |
|--|-----------------------------------|------|------------------------|------|-------------------|------|-------------------|------|--|-------------------|--|
|  | Stanton Project <sup>(2)</sup>    |      | Project <sup>(2)</sup> |      | Power Entitlement |      | Power Entitlement |      | Power Entitlement                                    |                   |  |
|  | Share (%)                         | MW   | Share (%)              | MW   | Share (%)         | MW   | Share (%)         | MW   | Share (%)  | MW                |  |
| City of Alachua                                      | -                                 | -    | -                      | -    | 0.4310%           | 0.4  | -                 | -    | -  | -                 |  |
| City of Bushnell                                     | -                                 | -    | -                      | -    | -                 | -    | -                 | -    | -  | 12                | X  |
| City of Clewiston                                    | -                                 | -    | -                      | -    | 2.2020            | 1.9  | -                 | -    | -  | 29                | X  |
| City of Fort Meade                                   | -                                 | -    | -                      | -    | 0.3360            | 0.3  | -                 | -    | -  | 10 <sup>(4)</sup> |  |
| Fort Pierce Utilities Authority                      | 24.3900%                          | 16.7 | 16.4887%               | 17.7 | 15.2060           | 13.2 | 22.7300%          | 5.6  | 10.0134%   | 116               |  |
| City of Green Cove Springs                           | -                                 | -    | -                      | -    | 1.7570            | 1.5  | -                 | -    | -  | 26 <sup>(5)</sup> |  |
| Town of Havana                                       | -                                 | -    | -                      | -    | -                 | -    | -                 | -    | 0.2003   | 6                 |  |
| City of Homestead                                    | 12.1950                           | 8.3  | 8.2443                 | 8.9  | 8.2690            | 7.2  | 22.7270           | 5.6  | 3.3378   | -                 | X  |
| City of Jacksonville Beach                           | -                                 | -    | -                      | -    | 7.3290            | 6.3  | -                 | -    | 10.0134  | 170               |  |
| Utility Board of the City of Key West                | -                                 | -    | 9.8932                 | 10.6 | -                 | -    | 54.5460           | 13.3 | 16.6889  | 143               |  |
| Kissimmee Utility Authority                          | 12.1950                           | 8.3  | 32.9774                | 35.5 | 9.4050            | 8.1  | -                 | -    | 13.3511  | 371               |  |
| City of Lake Worth Beach                             | 16.2600                           | 11.1 | -                      | -    | 24.8700           | 21.5 | -                 | -    | 17.7570  | 0 <sup>(6)</sup>  |  |
| City of Leesburg                                     | -                                 | -    | -                      | -    | 2.3260            | 2.0  | -                 | -    | -  | 115               |  |
| City of Moore Haven                                  | -                                 | -    | -                      | -    | 0.3840            | 0.3  | -                 | -    | -  | -                 |  |
| City of Newberry                                     | -                                 | -    | -                      | -    | 0.1840            | 0.2  | -                 | -    | 0.6676   | 10                |  |
| Utilities Commission, City of New Smyrna Beach       | -                                 | -    | -                      | -    | 9.8840            | 8.6  | -                 | -    | 6.6756   | -                 |  |
| City of Ocala  | -                                 | -    | -                      | -    | -                 | -    | -                 | -    | -  | 303               |  |
| City of St. Cloud                                    | -                                 | -    | 14.6711                | 15.8 | -                 | -    | -                 | -    | -  | -                 |  |
| City of Starke                                       | 2.4390                            | 1.7  | 1.2366                 | 1.3  | 2.2150            | 1.9  | -                 | -    | -  | 15                |  |
| City of Winter Park                                  | -                                 | -    | -                      | -    | -                 | -    | -                 | -    | 6.6756   | -                 |  |
| City of Mount Dora                                   | -                                 | -    | -                      | -    | -                 | -    | -                 | -    | 1.3351   | -                 |  |
| All-Requirements Power Supply Project <sup>(7)</sup> | 32.5210                           | 22.2 | 16.4887                | 17.7 | 15.2020           | 13.2 | -                 | -    | -  | -                 | X  |
| Stanton II Project                                   | -                                 | -    | -                      | -    | -                 | -    | -                 | -    | -  | -                 | X  |

[Footnotes continued on next page]

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\*Numbers may not add due to rounding. The table presents only FMPA's power supply projects, delivering power to Participants. The Solar Project has been terminated. The Solar II Project is currently anticipated to begin delivery of power to Solar II Project Participants in 2024 and 2025.

- (1) The MWs shown for Participants of the Stanton Project, Stanton II Project, and Tri-City Project are based on the current net summer capability as reported by the Orlando Utilities Commission ("OUC"), the majority owner/operator as represented to the Florida Public Service Commission in OUC's annual Ten-Year Site Plan.
- (2) Power Entitlement Share means the percentage of Project Capability (the amount of net capacity and energy to which FMPA is entitled at any given point in time under the respective Participation Agreement, whether the unit is operating or not) that the Participant agrees to purchase from FMPA. Such amount is also provided here by MW purchased.
- (3) Participants' non-coincident peak demand in the 2023 fiscal year served from the FMPA All-Requirements Power Supply Project. Includes demand served by excluded resources.
- (4) Fort Meade has elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract, to a CROD. The limitation commenced January 1, 2015. Based on Fort Meade's usage between December 2013 and November 2014, the Executive Committee took action in December 2014 to set Fort Meade's CROD at 10.306 MW, which is the maximum hourly obligation through the remaining term of Fort Meade's Power Supply Contract. Concurrently with its notice of the CROD limitation, Fort Meade gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract to discontinue the automatic renewal of the term of its Power Supply Contract. The term of Fort Meade's Power Supply Contract is now fixed and will terminate on October 1, 2041. In 2018, Fort Meade approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Fort Meade as if Fort Meade had not effectuated CROD. Commensurate with this agreement, the FMPA Executive Committee adjusted Fort Meade's CROD downward to 9.009 MW, in accordance with the All-Requirements Power Supply Contract. The agreement may be extended beyond the initial 10-year term.
- (5) Green Cove Springs notified FMPA of its election to limit its All-Requirements Service, as permitted in Section 3 of the Power Supply Contract, to a CROD. Beginning January 1, 2020 and continuing for the term of the Power Supply Contract, the All-Requirements Power Supply Project will serve Green Cove Springs with a maximum hourly obligation which was calculated in December 2019 as 23.608 MW. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs' contract is now fixed and will terminate on October 1, 2037. In 2019, Green Cove Springs approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated CROD. The agreement may be extended beyond the initial 10-year term.
- (6) The City of Lake Worth Beach has elected under the Power Supply Contract to exercise its right to modify its All-Requirements Power Supply Project participation and implement a CROD, which limitation, pursuant to the terms of its Power Supply Contract, has been calculated as 0 MW. See "PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Contract Rate of Delivery." While the City of Lake Worth Beach remains a participant in the All-Requirements Power Supply Project, effective January 1, 2014, it no longer purchases capacity and energy from the All-Requirements Power Supply Project and no longer has a representative on the Executive Committee.
- (7) On December 17, 2018, the City of Vero Beach, Florida ("Vero Beach") completed the sale of its electric utility system to Florida Power & Light Company ("FPL") and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, the power sales and project support contracts between Vero Beach and FMPA relating to each of the Stanton Project, Stanton II Project and St. Lucie Project, as amended.
- (8) Although the Stanton II Project and the All-Requirements Power Supply Project are not members, they do participate in the Initial Pooled Loan Project, as borrowers. See "PART VIII – INITIAL POOLED LOAN PROJECT – Participants."

## **APPENDIX B**

### **THE MAJOR PARTICIPANTS**

APPENDIX B presents certain information for the Major Participants of each of the Projects. Such information was collected and compiled by FMPA from data supplied by each of the Major Participants. Text descriptions were developed with each of the Major Participant's representatives; statistical facts were extracted from records regularly maintained by each of the Major Participants; and historical financial data was summarized from each Major Participant's independent certified audits. While FMPA makes no representations as to the adequacy or accuracy of the information contained in this APPENDIX B, it believes such information to be reliable.

For the Stanton, Stanton II, and St. Lucie Projects, as the transferee and assignee of Vero Beach for the project power entitlement shares of Vero Beach, at present, information related to the All-Requirements Power Supply Project is included in Part I.

## FORT PIERCE UTILITIES AUTHORITY

Major Participant in: Stanton Project  
Stanton II Project  
St. Lucie Project  
Tri-City Project  
All-Requirements Power Supply Project

### Electric Utility System

Fort Pierce Utilities Authority (“FPUA”) has a 24.39% Power Entitlement Share (15.9 MW) from FMPA’s Stanton Project, a 16.4887% Power Entitlement Share (17.4 MW) from FMPA’s Stanton II Project, a 15.206% Entitlement Share (13.2 MW) from FMPA’s St. Lucie Project and a 22.73% Power Entitlement Share (5.3 MW) from FMPA’s Tri-City Project, each under the terms of a Power Sales Contract and Project Support Contract for the applicable Project.

FPUA entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer of FMPA on January 1, 1998. Prior to this, FPUA entered into a Capacity and Energy Sales Contract whereby FPUA sells the capacity and energy from its generating units to the All-Requirements Power Supply Project. FPUA also agreed to sell to the All-Requirements Power Supply Project any capacity and energy from any Power Entitlement Shares it has in the Stanton, Stanton II or Tri-City Projects. On May 31, 2008, FPUA retired its H.D. King Power Plant and no longer owns electric generating facilities. FPUA now operates the Treasure Coast Energy Center, constructed by FMPA, on an expense reimbursement basis.

In 2018 FPUA entered into an agreement with FMPA to purchase 3 MW of solar output, through the All-Requirements Power Supply Project, from a NextEra Florida Renewables, LLC facility in Osceola County Florida. In June of 2020, 2 MW of this facility came online. In 2019 FPUA entered into an agreement with FMPA to purchase up to an additional 12 MW of solar energy production from the Origis Energy USA, Inc. facilities in Alachua and Putnam Counties, through the All-Requirements Power Supply Project.

FPUA currently has 16 circuit miles of 69kV and 7.5 circuit miles of 138kV transmission lines and eight substations (six distribution and two transmission).

### Service Area and Customers

FPUA’s electric utility service area encompasses approximately 38 square miles with 78% of electric utility customers residing within the city limits. FPUA is a party to a territorial agreement with FPL which has been approved by the Florida Public Service Commission.

Approximately 22% of FPUA’s customers are outside the City. No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2023.

### Litigation

There is no material pending litigation relating to FPUA or its operations.

## **Audited Financial Statements**

A copy of FPUA's audited financial statements for the year ending September 30, 2023 and September 30, 2022 have been filed by FMPA with the MSRB through EMMA.

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**FORT PIERCE UTILITIES AUTHORITY**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
**(Dollars in Thousands)**

|   | For Fiscal Years Ended September 30, |                 |                 |                  |                  |
|---|--------------------------------------|-----------------|-----------------|------------------|------------------|
|   | 2019                                 | 2020            | 2021            | 2022             | 2023             |
| Customers (Electric – Annual Avg.)  | 28,527                               | 28,749          | 28,870          | 29,017           | 29,233           |
| System Requirements   |                                      |                 |                 |                  |                  |
| Peak Demands (MW)   | 113                                  | 116             | 115             | 119              | 125              |
| Energy (MWh) <sup>(2)</sup>   | 578,051                              | 591,692         | 595,749         | 599,028          | 610,810          |
| Total Energy Sales (MWh) <sup>(2)</sup>   | 568,643                              | 565,882         | 576,927         | 577,978          | 584,310          |
| Total Operating Revenues  | \$101,395                            | \$101,296       | \$104,915       | \$128,621        | \$130,113        |
| Operating Expenses:   |                                      |                 |                 |                  |                  |
| Power Production and Purchased Power  | \$41,924                             | \$40,480        | \$41,320        | \$59,000         | \$52,692         |
| All Other Operating Expenses (excluding depreciation)                                     | 38,612                               | 37,395          | 37,052          | 48,762           | 50,285           |
| Total Operating Expenses (excluding depreciation)   | <u>\$80,536</u>                      | <u>\$77,875</u> | <u>\$78,372</u> | <u>\$107,762</u> | <u>\$102,977</u> |
| Net Operating Revenues Available for Debt Service   | \$20,859                             | \$23,421        | \$26,543        | <u>\$20,859</u>  | <u>\$27,136</u>  |
| Other Income (Deductions) - Net   | 958                                  | 796             | 537             | 445              | 3,975            |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$21,817</u>                      | <u>\$24,217</u> | <u>\$27,080</u> | <u>\$ 21,304</u> | <u>31,111</u>    |
| Debt Service - Revenue Bonds  | \$7,659                              | \$7,659         | \$7,660         | \$8,632          | \$12,363         |
| Debt Service Ratios:  |                                      |                 |                 |                  |                  |
| Actual  | 2.85x                                | 3.16x           | 3.54x           | 2.47x            | 2.52x            |
| Required Per Bond Resolution Rate Covenant  | 1.25x                                | 1.25x           | 1.25x           | 1.25x            | 1.25x            |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$14,158                             | \$16,558        | \$19,420        | \$12,672         | \$18,748         |
| Transferred to General Fund (City) <sup>(3)</sup>   | \$6,125                              | \$6,276         | \$6,342         | \$6,524          | \$6,758          |

**CONDENSED BALANCE SHEET<sup>(1)</sup>**  
**(Dollars in Thousands)**

|  | For Fiscal Years Ended September 30, |                  |
|--|--------------------------------------|------------------|
|  | 2022                                 | 2023             |
| <b>ASSETS:</b>                                       |                                      |                  |
| Current Assets                                       | \$72,529                             | \$97,254         |
| Capital Assets Net                                   | 224,743                              | 245,432          |
| Non-Current Assets                                   | 126,752                              | 108,274          |
| Deferred Outflows of Resources                       | 18,712                               | 11,689           |
| Total Assets and Deferred Outflows                   | <u>\$442,736</u>                     | <u>\$462,649</u> |
| <b>LIABILITIES AND EQUITY:</b>                       |                                      |                  |
| Current Liabilities                                  | \$30,341                             | \$33,606         |
| Non-Current Liabilities                              | 202,261                              | 195,005          |
| Deferred Inflows of Resources <sup>(4)</sup>         | 706                                  | 9,203            |
| Net Position   | <u>209,428</u>                       | <u>224,835</u>   |
| Total Liabilities, Deferred Inflows and Net Position | <u>\$442,736</u>                     | <u>\$462,649</u> |

(1) Financial information reflects electric, water, wastewater and natural gas utility and all other operations; statistics reflect electric usage.

(2) Retail sales plus sales to other utilities, if any.

(3) 6% of adjusted gross revenue as defined in City Charter.

(4) Restated per GASB 68

## CITY OF HOMESTEAD

Major Participant in: Stanton Project  
Stanton II Project  
Tri-City Project

### Electric Utility System

The City of Homestead (“Homestead”) has a 12.195% Power Entitlement Share (8 MW) from FMPA’s Stanton Project, an 8.2443% Power Entitlement Share (8.7 MW) from FMPA’s Stanton II Project, an 8.269% Entitlement Share (7.2 MW) from FMPA’s St. Lucie Project and a 22.727% Power Entitlement Share (5.3 MW) from FMPA’s Tri-City Project, each under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. Homestead is a participant in the Solar II Project with a 9.337% (5 MW) entitlement share. The Solar II Project consists of FMPA’s purchase of 53.55 MW from Origis, and is currently expected to be commercially operable in 2024 and 2025. FMPA’s PPA for the Solar II Project has an initial term of 20 years.

After the execution of the original Power Sales Contracts and Power Support Contract relating to the Stanton Project and the Stanton II Project, KUA entered into (i) a transfer agreement with Homestead pursuant to which KUA assumed 50% (12.195%) of Homestead’s 24.390% Power Entitlement Share in the Stanton Project and a transfer agreement pursuant to which KUA assumed 50% (8.24435% of Homestead’s 16.4887% Power Entitlement Share in the Stanton II Project (the Power Entitlement Shares transferred to KUA from Homestead are collectively called the “Homestead Transferred Share”). For additional information about the Homestead Transferred Shares, see “PART III – STANTON PROJECT-Participants” and “PART IV – STANTON II PROJECT – Participants.”

Homestead owns and operates one of the largest diesel electric generating facilities in the United States. With this plant’s capacity and Homestead’s long-term purchase power contracts, the city is capable of supplying all of its system requirements. Existing capacity amounts to 35 MW, fueled primarily by gas (94%) pursuant to a contract with FGU.

Homestead is a charter member of FGU which is a joint action agency gas supply organization. Membership in FGU allows aggregation of member contracts which provides better economy for purchases, mitigates demand changes, and simplifies the problems of individual systems balancing consumption against supply. Homestead’s 138 kV transmission system interconnects with FPL. Four substations supply 13.2 kV to a predominantly overhead distribution system.

### Service Area and Customers

Homestead’s electric utility service area encompasses approximately 14.5 square miles, with 75% of customers residing within the city limits. Homestead is a party to a territorial agreement with FPL, its only neighboring utility, which has been approved by the Florida Public Service Commission.

No single electric customer accounted for more than 5% of electric revenues for the year ended September 30, 2023.

### Litigation



There is no material pending litigation relating to Homestead or its operations.

**Audited Financial Statements**

A copy of Homestead's audited financial statements for the fiscal year ending September 30, 2022, has been filed by FMPA with the MSRB through EMMA

**Unaudited Financial Statements**

A copy of Homestead's unaudited financial statements for the fiscal year ending September 30, 2023, has been filed by FMPA with the MSRB through EMMA. A copy of Homestead's audited financial statements for the fiscal year ending September 30, 2023, will be filed as soon as received by FMPA.

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**CITY OF HOMESTEAD**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
**(Dollars in Thousands)**

|   | For Fiscal Years Ended September 30, |                 |                        |                        | (Unaudited)            |
|---|--------------------------------------|-----------------|------------------------|------------------------|------------------------|
|   | <u>2019</u>                          | <u>2020</u>     | <u>2021</u>            | <u>2022</u>            | <u>2023</u>            |
| Customers (annual average)  | 25,606                               | 25,583          | 25,890                 | 26,426                 | 26,503                 |
| System Requirements:  |                                      |                 |                        |                        |                        |
| Peak Demands (MW)   | 115                                  | 117             | 116                    | 118                    | 125                    |
| Energy (MWh)  | 596,123                              | 609,035         | 606,321                | 637,390                | 647,995                |
| Total Energy Sales (MWh)  | -                                    | -               | -                      | -                      | -                      |
| Total Operating Revenues  | \$65,127                             | \$58,115        | \$54,719               | \$73,092               | \$70,821               |
| Operating Expenses:   |                                      |                 |                        |                        |                        |
| Total Power Production and Purchased Power  | \$42,384                             | \$33,789        | \$32,763               | \$47,734               | \$40,591               |
| All Other Operating Expenses (excluding depreciation)                                     | <u>20,112</u>                        | <u>20,432</u>   | <u>18,281</u>          | <u>18,440</u>          | <u>23,017</u>          |
| Total Operating Expenses (excluding depreciation)   | <u>\$62,496</u>                      | <u>\$54,220</u> | <u>\$51,044</u>        | <u>\$66,174</u>        | <u>\$63,608</u>        |
| Net Operating Revenues Available for Debt Service   | \$2,631                              | \$3,894         | \$3,675                | \$6,918                | \$7,213                |
| Other Income (Deductions) - Net   | \$ (95)                              | \$ (51)         | \$ (127)               | \$ (156)               | \$34                   |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$2,536</u>                       | <u>\$3,844</u>  | <u>\$3,549</u>         | <u>\$6,763</u>         | <u>\$7,247</u>         |
| Debt Service - Revenue Bonds  | \$683                                | \$420           | \$2,400 <sup>(3)</sup> | \$345                  | \$351                  |
| Debt Service Ratios:  |                                      |                 |                        |                        |                        |
| Actual  | 3.71x                                | 9.15x           | 1.48x                  | 19.62x                 | 20.65x                 |
| Required Per Bond Resolution Rate Covenant  | 1.20x                                | 1.20x           | 1.20x                  | 1.20x                  | 1.20x                  |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$1,853                              | \$3,424         | \$1,149 <sup>(4)</sup> | \$6,418                | \$6,896                |
| Transferred to General Fund (Homestead) <sup>(2)</sup>                                    | \$7,998                              | \$8,248         | \$8,554                | \$8,859 <sup>(5)</sup> | \$9,107 <sup>(6)</sup> |

[Footnotes on next page]

**CONDENSED BALANCE SHEET<sup>(1)</sup>**  
**(Dollars in Thousands)**

|  | For Fiscal Years Ended September 30, |                     |
|--|--------------------------------------|---------------------|
|  | 2022                                 | 2023<br>(unaudited) |
| <b>ASSETS:</b>                         |                                      |                     |
| Net Utility Plant                      | \$31,446                             | \$34,528            |
| Restricted Assets                      | 11,398                               | 11,072              |
| Current Assets                         | 22,877                               | 26,616              |
| Non-Current Assets (Net Pension Asset) | 1,691                                | -                   |
| Deferred Outflows of Resources         | 1,187                                | 6,043               |
| Total Assets                           | \$68,599                             | \$78,259            |
| <b>LIABILITIES AND EQUITY:</b>         |                                      |                     |
| Current Liabilities                    | \$28,232                             | \$25,331            |
| Retained Earnings                      | 26,060                               | 29,482              |
| Long Term Debt <sup>(7)</sup>          | 7,855                                | 14,284              |
| Other Non-Current Liabilities          | 2,052                                | 5,675               |
| Deferred Inflow of Resources           | 4,400                                | 3,487               |
| Total Liabilities and Equity           | \$68,599                             | \$78,259            |

<sup>(1)</sup> Electric utility only.

<sup>(2)</sup> Transfers to Homestead's general fund are established annually by budget.

<sup>(3)</sup> For FY 2021, included the refinancing of \$2.4M Series 2019 Bonds.

<sup>(4)</sup> For FY 2021, this amount would be \$3,549 if it were not for the payment of an outstanding bond, that was refinanced with new debt.

<sup>(5)</sup> Includes \$2.8M in Transfer Fees which beginning in FY22, will be reported as additional PILOTS (payments in lieu of taxes-franchise fees at 6% of certain "sales"); \$1.7M as PILOTS, if this wasn't a City Utility and not exempt from taxes the Utility would be paying property taxes for its plant and infrastructures; lastly \$4.3M paid to the City for the cost of providing administrative and other services to the Utility (ie., Finance, Procurement, HR, Legal, CMO, ITS, etc)

<sup>(6)</sup> FY2023 \$1.9M PILOTS plus \$2.8M Transfer Fees (Additional PILOTS) plus \$4.3M General Fund Cost Allocation

<sup>(7)</sup> Includes Long-term portion of Bonds Payable and Equipment Financing

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## CITY OF JACKSONVILLE BEACH

Major Participant in: All-Requirements Power Supply Project

### **Electric Utility System**

The City of Jacksonville Beach ("Jacksonville Beach") entered into an All-Requirements Power Supply Project Contract with FMPA and became a full requirements customer of FMPA on May 1, 1986. Excluded Power Supply Resources for Jacksonville Beach are its entitlement share in FMPA's St. Lucie Project (which is 7.329% of FMPA's ownership portion of St. Lucie Unit No. 2). Jacksonville Beach is a participant in Phase I of the Florida Municipal Solar Project ("FMSP") with a 17.241% (10 MW) entitlement share. Phase I consists of All-Requirements Power Supply's purchase of 58 MW from Florida Renewable Partners from the facility which began operation in June 2020. All-Requirements Power Supply's PPA for Phase I has an initial term of 20 years. Jacksonville Beach is also a participant in Phase II of the FMSP with a 15.584% (15 MW) entitlement share. Phase II consists of All-Requirements Power Supply's purchase of 96.25 MW from Origis, and the facilities are expected to be commercially operable in 2024 and 2025. All-Requirements Power Supply's PPA for Phase II has an initial term of 20 years. Jacksonville Beach d/b/a Beaches Energy Services owns one 230 kV transmission substation that ties to both FPL and JEA. Beaches Energy Services owns five (5) distribution substations, which deliver energy at the 26 kV level. Approximately 86% of Beaches Energy Services distribution circuits are underground.

### **Service Area and Customers**

The Jacksonville Beach electric utility service area encompasses approximately 45 square miles including the neighboring town of Neptune Beach as well as the unincorporated areas of Ponte Vedra Beach and Palm Valley located in northeast St. Johns County. Forty-two (42) percent of the customers served reside within the Jacksonville Beach city limits.

No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2023.

### **Litigation**

There is no material pending litigation relating to Jacksonville Beach or its operations.

### **Audited Financial Statements**

A copy of Jacksonville Beach's audited financial statements for the year ending September 30, 2023, has been filed by FMPA with the MSRB through EMMA.

**CITY OF JACKSONVILLE BEACH**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
**(Dollars in Thousands)**

|   | For Fiscal Years Ended September 30, |                 |                 |                  |                  |
|---|--------------------------------------|-----------------|-----------------|------------------|------------------|
|   | <u>2019</u>                          | <u>2020</u>     | <u>2021</u>     | <u>2022</u>      | <u>2023</u>      |
| Customers (annual average)  | 34,900                               | 35,171          | 35,330          | 35,452           | 35,625           |
| System Requirements:  |                                      |                 |                 |                  |                  |
| Peak Demands (MW)   | 173                                  | 170             | 171             | 186              | 181              |
| Energy (MWh)  | 740,837                              | 728,428         | 734,631         | 738,027          | 725,897          |
| Total Energy Sales (MWh)  | 716,646                              | 698,690         | 708,044         | 708,030          | 699,017          |
| <br>  |                                      |                 |                 |                  |                  |
| Total Operating Revenues  | <u>\$94,462</u>                      | <u>\$95,003</u> | <u>\$98,306</u> | <u>\$123,403</u> | <u>\$113,942</u> |
| <br>  |                                      |                 |                 |                  |                  |
| Operating Expenses:   |                                      |                 |                 |                  |                  |
| Total Purchased Power   | \$55,265                             | \$51,517        | \$54,628        | \$78,105         | \$69,061         |
| All Other Operating Expenses (excluding depreciation)                                     | <u>19,653</u>                        | <u>20,934</u>   | <u>\$20,642</u> | <u>19,902</u>    | <u>24,615</u>    |
| Total Operating Expenses (excluding depreciation)   | <u>\$74,918</u>                      | <u>\$72,451</u> | <u>\$75,270</u> | <u>\$98,007</u>  | <u>\$93,676</u>  |
| Net Operating Revenues Available for Debt Service   | \$19,544                             | \$22,552        | \$23,036        | \$25,396         | \$20,266         |
| Other Income (Deductions) - Net   | <u>3,957</u>                         | <u>3,476</u>    | <u>508</u>      | <u>41</u>        | <u>3,952</u>     |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$23,501</u>                      | <u>\$26,028</u> | <u>\$23,544</u> | <u>\$25,437</u>  | <u>\$24,218</u>  |
| <br>  |                                      |                 |                 |                  |                  |
| Debt Service - Revenue Bonds <sup>(3)</sup>   | \$4,396                              | \$4,347         | \$2,150         | -                | -                |
| Debt Service Ratios: <sup>(3)</sup>   |                                      |                 |                 |                  |                  |
| Actual <sup>(3)</sup>   | 5.35x                                | 5.99x           | 10.95x          | -                | -                |
| Per Bond Resolution Rate Covenant <sup>(3)</sup>  | 1.25x                                | 1.25x           | 1.25x           | -                | -                |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$19,105                             | \$21,681        | \$21,394        | \$25,437         | \$24,218         |
| <br>  |                                      |                 |                 |                  |                  |
| Transferred to General Fund (Jacksonville Beach) <sup>(2)</sup>                           | \$3,701                              | \$3,716         | \$3,635         | \$3,708          | 3,680            |

**CONDENSED BALANCE SHEET<sup>(1)</sup>**  
**(Dollars in Thousands)**

|                                | For Fiscal Years Ended September 30, |                  |
|--------------------------------|--------------------------------------|------------------|
|                                | <u>2022</u>                          | <u>2023</u>      |
| <b>ASSETS:</b>                 |                                      |                  |
| Net Utility Plant              | \$171,631                            | \$173,354        |
| Restricted Assets              | 21,351                               | 28,175           |
| Current Assets                 | <u>104,907</u>                       | <u>112,398</u>   |
| Total Asset                    | <u>\$ 297,889</u>                    | <u>\$313,927</u> |
| <br>                           |                                      |                  |
| <b>LIABILITIES AND EQUITY:</b> |                                      |                  |
| Current Liabilities            | \$17,318                             | \$16,432         |
| Retained Earnings              | 275,341                              | 285,174          |
| Long Term Debt                 | <u>5,230</u>                         | <u>12,322</u>    |
| Total Liabilities and Equity   | <u>\$ 297,889</u>                    | <u>\$313,927</u> |

- (1) Electric, water, and wastewater utility.  
(2) Established by Jacksonville Beach ordinance at a maximum 5.5 mills per kWh purchased.  
(3) Utility revenue bond debt retired on 10-1-2020.

## UTILITY BOARD OF THE CITY OF KEY WEST

Major Participant in: Stanton II Project  
Tri-City Project  
All-Requirements Power Supply Project

### Electric Utility System

The Utility Board now operates under the name Keys Energy Services ("KEYS").

In July 1997, KEYS agreed to become a member of the Florida Municipal Power Agency (FMPA) All-Requirements Power Supply Project (ARP) and began operations as a project participant effective April 1, 1998. On January 1, 2011, the capacity and energy sales contract was restructured to become the Revised, Amended and Restated Capacity and Energy Sales Contract (C&E Contract). Under the terms of this contract FMPA took over operational control and ownership risk for KEYS Stock Island generating units. FMPA has hired KEYS to maintain and operate the generating units through the Consolidated Operating and Maintenance Contract for the Stock Island Generating Facility also dated January 1, 2011. KEYS retains ownership of the Stock Island land.

FMPA will utilize the generating units to provide capacity and energy to the All-Requirements Power Supply Project in exchange for \$670,000 per year for ten years which has been paid by FMPA to KEYS, and the other negotiated agreements of the parties to affect a True All-Requirements Project (TARP). At the end of ten years full ownership was transferred to FMPA, the last payment was received January 2020.

Under the contractual arrangement with FMPA, KEYS has assigned all of its generating and firm purchased power resources to FMPA, and FMPA will serve all of KEYS' requirements.

Further, in the event that power cannot be delivered to KEYS' service area over the tie line from the mainland, KEYS has established a policy to have island generation capability equal to at least 60% of KEYS' peak load. FMPA has agreed to meet these criteria by using the existing synchronized generating resources of four combustion turbine units, two medium speed diesels and a high-speed diesel unit that currently totals 103.0 MW. As part of the C&E contract, FMPA is required to maintain generation assets within KEYS' Service Area equal to or above 60% of KEYS' load. The related assignment of resources by KEYS to FMPA, and other matters pertaining to KEYS' power supply are discussed in the following paragraphs.

KEYS had previously entered into other purchased power agreements with other parties including the FMPA Tri-City Project (Stanton 1) and the FMPA Stanton 2 Project. As a member of the All-Requirements Project, KEYS' resources and costs under these two contracts have been assigned to FMPA.

KEYS appoints one representative to FMPA's Board of Directors, which governs the Agency's activities. The governance of rates charged to members includes the All-Requirements Project Executive Committee (KEYS has one vote) and the FMPA Board of Directors (KEYS' vote is weighted based on KEYS' net energy for load).

## **Service Area and Customers**

The service area of KEYS consists of the lower Florida Keys, extending approximately 44 miles in an east-west direction from Pigeon Key, adjacent to the service area of the Florida Keys Electric Cooperative Association, Inc. to the City of Key West, representing approximately 74 square miles.

The United States Navy is the largest customer of KEYS and accounted for approximately 5.3% and 5.2% respectively, of the total kilowatt hours sold in FY2023 and FY2022.

KEYS' contract with the Navy is for a term of ten years with a provision which requires the parties to commence negotiations for a new contract at least one year prior to the end of the current contract. The contract also contains provisions for minimum billing, service reduction and exclusive service provisions. Pursuant to this contract, KEYS has agreed to provide a maximum of 15 MW of power at multiple locations.

On September 12, 2007, both parties signed a contract which was in effect through August 31, 2017. As of September 2023, contract negotiations continue intermittently. Currently, the Navy is being served non-contractually.

## **Litigation**

There is no material pending litigation relating to KEYS or its operations.

## **Audited Financial Statements**

A copy of KEYS' audited financial statements for the years ending September 30, 2023 and September 30, 2022 has been filed by Digital Assurance Certification (DAC Bond) with the MSRB through EMMA. Copies of KEYS' audited financial statements also may be obtained from FMPA at the address set forth on *page iii* hereof and from Keys Energy Services, PO Box 6100, 1001 James Street, Key West, Florida 33040, Tel.: 305-295-1000.

**UTILITY BOARD OF THE CITY OF KEY WEST**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
**(Dollars in Thousands)**

|  | For Fiscal Years Ended September 30, |                 |                 |                  |                  |
|--|--------------------------------------|-----------------|-----------------|------------------|------------------|
|  | 2019                                 | 2020            | 2021            | 2022             | 2023             |
| Customers (annual average)   | 30,580                               | 31,034          | 31,361          | 31,578           | 31,790           |
| System Requirements:   |                                      |                 |                 |                  |                  |
| Peak Demands (MW)  | 145                                  | 141             | 146             | 146              | 156              |
| Energy (MWh)   | 786,598                              | 771,538         | 772,841         | 783,110          | 805,069          |
| Total Energy Sales (MWh)   | 741,727                              | 719,246         | 728,025         | 738,081          | 757,529          |
| Total Operating Revenues   | <u>\$97,888</u>                      | <u>\$97,509</u> | <u>\$99,433</u> | <u>\$134,149</u> | <u>\$119,072</u> |
| Operating Expenses:  |                                      |                 |                 |                  |                  |
| Total Power Production and Power Supply  | \$46,568                             | \$42,834        | \$44,894        | \$72,221         | \$62,334         |
| All Other Operating Expenses<br>(excluding depreciation and Unfunded OPEB)                   | <u>31,975</u>                        | <u>33,609</u>   | <u>31,942</u>   | <u>\$31,828</u>  | <u>\$36,490</u>  |
| Total Operating Expenses<br>(excluding depreciation and Unfunded OPEB)                       | <u>\$78,543</u>                      | <u>\$76,443</u> | <u>\$76,836</u> | <u>\$104,049</u> | <u>\$98,824</u>  |
| Net Operating Revenues Available for Debt Service  | \$19,345                             | \$21,066        | \$22,597        | \$30,100         | \$20,248         |
| Other Income (Deductions) - Net  | <u>5,369</u>                         | <u>2,907</u>    | <u>2,295</u>    | <u>\$2,825</u>   | <u>\$9,204</u>   |
| Net Revenues and Other Income Available<br>for Debt Service                                  | <u>\$24,714</u>                      | <u>\$23,973</u> | <u>\$24,892</u> | <u>\$32,925</u>  | <u>\$29,452</u>  |
| Debt Service - Revenue Bonds   | \$8,901                              | \$8,901         | \$8,907         | \$8,840          | \$8,840          |
| Debt Service Ratios:   |                                      |                 |                 |                  |                  |
| Actual   | 2.78x                                | 2.69x           | 2.79x           | 3.72x            | 3.33x            |
| Required Per Bond Resolution Rate Covenant   | 1.25x                                | 1.25x           | 1.25x           | 1.25x            | 1.25x            |
| Balance available for renewals, replacements, capital<br>additions and other lawful purposes | \$15,813                             | \$15,072        | \$15,985        | \$24,085         | \$20,612         |
| Transferred to General Fund (City of Key West)   | \$426                                | \$498           | \$496           | \$565            | \$598            |

**CONDENSED BALANCE SHEET<sup>(1)</sup>**  
**(Dollars in Thousands)**

|                                | For Fiscal Years Ended September 30, |                  |                  |
|--------------------------------|--------------------------------------|------------------|------------------|
|                                | 2021                                 | 2022             | 2023             |
| <b>ASSETS:</b>                 |                                      |                  |                  |
| Net Utility Plant              | \$176,985                            | \$198,160        | \$200,108        |
| Restricted Assets              | 50,436                               | 29,763           | 34,055           |
| Current Assets                 | 74,790                               | 96,820           | 95,557           |
| Deferred Outflows of Resources | <u>16,750</u>                        | <u>17,908</u>    | <u>25,856</u>    |
| Total Assets                   | <u>\$318,961</u>                     | <u>\$342,651</u> | <u>\$355,576</u> |
| <b>LIABILITIES AND EQUITY:</b> |                                      |                  |                  |
| Current Liabilities            | \$113,308                            | \$119,604        | \$128,056        |
| Retained Earnings              | 85,392                               | 107,277          | 120,392          |
| Long Term Debt                 | 104,602                              | 98,617           | 92,383           |
| Deferred Inflows of Resources  | <u>15,659</u>                        | <u>17,153</u>    | <u>14,745</u>    |
| Total Liabilities and Equity   | <u>\$318,961</u>                     | <u>\$342,651</u> | <u>\$355,576</u> |

<sup>(1)</sup> Electric utility only.



## KISSIMMEE UTILITY AUTHORITY

Major Participant in: Stanton Project  
Stanton II Project  
St. Lucie Project  
All-Requirements Power Supply Project

### Electric Utility System

Kissimmee Utility Authority ("KUA") has a 12.195% Power Entitlement Share (8.0 MW) from FMPA's Stanton Project, a 32.9774% Power Entitlement Share (34.7 MW) from FMPA's Stanton II Project and a 9.405% Power Entitlement Share (8.1 MW) from FMPA's St. Lucie Project under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. KUA entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer as of October 1, 2002. KUA is a participant in Phase I of FMSP with a 51.724% (20.9 MW) entitlement share. Phase I consists of All-Requirements Power Supply's purchase of 40.5 MW from Florida Renewable Partners. All-Requirement Power Supply's PPA for Phase I has an initial term of 20 years. KUA is also a participant in Phase II of Florida Municipal Solar Project with a 20.779% (20 MW) entitlement share. Phase II consists of All-Requirements Power Supply's purchase of 96.25 MW from Origis, and the facilities are expected to be commercially operable in 2024 and 2025. All-Requirements Power Supply's PPA for Phase II has an initial term of 20 years.

After the execution of the original Power Sales Contracts and Power Support Contracts relating to the Stanton and Stanton II Projects, KUA entered into (i) a transfer agreement with Homestead pursuant to which KUA assumed 50% (12.195%) of Homestead's 24.390% Power Entitlement Share in the Stanton Project and a transfer agreement pursuant to which KUA assumed 50% (8.24435%) of Homestead's 16.4887% Power Entitlement Share in the Stanton II Project (the "Homestead Transferred Share") and (ii) a transfer agreement with Lake Worth Beach pursuant to which KUA assumed all of Lake Worth Beach's 8.2443% Power Entitlement Share in the Stanton II Project (the "Lake Worth Beach Transferred Share").

In connection with the transfer of the Homestead Transferred Share to KUA, KUA in 1995 executed with FMPA an additional Power Sales Contract (an "Additional Power Sales Contract") and an additional Project Support Contract (an "Additional Project Support Contract"). KUA also in 1995 executed a similar additional Power Sales Contract and Power Support Contract with FMPA in connection with the transfer to it of the Lake Worth Beach Transferred Share. Under each Additional Power Sales Contract and Additional Project Support Contract, Homestead and Lake Worth Beach are relieved of their respective obligations (including their payment obligations) with respect to their Transferred Shares if and to the extent KUA fulfills such obligations (including the payment obligations). If, however, KUA fails to perform any such obligation (including a payment obligation), then Homestead or Lake Worth Beach (depending on which Transferred Share KUA is in default under) remains obligated under its Power Sales Contract or Project Support Contract to perform such obligation.

KUA owns 50% of a combustion turbine unit (20 MW), 50% of a combined cycle unit (60 MW), and 50% of a combined cycle unit (125 MW) with the All-Requirements Power Supply Project. KUA turned over control and management of these units to FMPA in 2008 but continues to operate them. KUA operates and maintains the generating units owned by FMPA, and FMPA's interests in units located at the Cane Island Power Park. In addition, KUA has (i) a 4.8% (21 MW) undivided ownership interest in Stanton Energy Center Unit No. 1, which is operated by Orlando Utilities Commission ("OUC"); (ii) a 12.2% (11.2 MW) undivided ownership interest in the Indian River Combustion Turbine Units A and B,

which are also operated by OUC; and (iii) a 3.5% (23 MW) ownership interest in Stanton Unit A, a gas-fired combined cycle unit located at OUC's Stanton Energy Center site and operated by Stanton Energy Center. KUA is a member of and has contracted with FGU which acts as an agent to KUA and other Florida utilities. FGU makes bulk purchases of natural gas which consists of a combination of spot market purchases, short-term winter firm supplies and medium term contracts. As a result of KUA joining the All-Requirements Power Supply Project and entering into a Capacity and Energy Sales Contract with the All-Requirements Power Supply Project, these facilities are treated as resources of the All-Requirements Power Supply Project. In addition, under the Capacity and Energy Sales Contract, KUA has agreed to sell any capacity and energy from its Power Entitlement Shares in the Stanton Project and the Stanton II Project to the All-Requirements Power Supply Project. Effective October 1, 2008, the All-Requirements Power Supply Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract with KUA whereby the All-Requirements Power Supply Project has assumed all cost liability and operational management of all KUA-owned or purchased generation assets (including KUA's ownership interest in Stanton Unit No. 1 and Indian River Units A & B, and its ownership interest and purchase power entitlements in Stanton Unit A) and agreed to pay to KUA agreed-upon fixed annual capacity payments over preset periods relating to each asset beginning in fiscal year 2009.

KUA's 230 kV and 69 kV transmission system includes interconnections with DEF, OUC, TECO and OUC/St. Cloud. Eleven sub-stations supply the distribution system at voltages of 13.2 kV. The current system is approximately 70% underground and 30% overhead construction.

### **Service Area and Customers**

KUA's electric utility service area encompasses approximately 85 square miles with Kissimmee's 12.55 square-mile area near the center and 40% of electric customers served reside within the city limits. KUA has a PSC approved territorial agreement with Duke Energy of Florida and OUC/St. Cloud, its neighboring utilities.

No one electric customer accounted for more than 5% of the electric revenues for the year ended September 30, 2023.

### **Litigation**

KUA is involved in litigation arising during the normal course of its business. In the opinion of management, the resolution of these matters will not have a material effect on the financial position of the KUA.

KUA is subject to general liability claims throughout the year. The range of loss is such that an estimate cannot be made. These claims are well within KUA's insurance limits and sovereign immunity provided by the Florida Statutes, Section 768.28. KUA has established a self-insurance fund to cover any claims that exceed KUA's insurance deductibles and/or limits, which is reflected as a deferred inflow of resources on the Statement of Net Position.

### **Audited Financial Statements**

A copy of KUA's audited financial statements for the years ending September 30, 2023 and September 30, 2022 has been filed by FMPA with the MSRB through EMMA.

**KISSIMMEE UTILITY AUTHORITY**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
(Dollars in Thousands)

|   | For Fiscal Years Ended September 30, |                  |                  |                           |                  |
|---|--------------------------------------|------------------|------------------|---------------------------|------------------|
|   | <u>2019<sup>(7)</sup></u>            | <u>2020</u>      | <u>2021</u>      | <u>2022<sup>(8)</sup></u> | <u>2023</u>      |
| Customers (annual average) <sup>(6)</sup>   | 76,897                               | 79,761           | 82,807           | 85,745                    | 87,458           |
| System Requirements:  |                                      |                  |                  |                           |                  |
| Peak Demands (MW)   | 374                                  | 371              | 378              | 388                       | 417              |
| Energy (GWh) <sup>(2)</sup>   | 1,682                                | 1,682            | 1,732            | 1,779                     | 1,821            |
| Total Energy Sales (GWh) <sup>(2)</sup>   | 1,624                                | 1,631            | 1,666            | 1,734                     | 1,781            |
| Total Operating Revenues  | <u>\$190,637</u>                     | <u>\$178,854</u> | <u>\$192,358</u> | <u>\$259,168</u>          | <u>\$240,294</u> |
| Operating Expenses:   |                                      |                  |                  |                           |                  |
| Total Power Production and Purchased Power  | \$117,440                            | \$109,428        | \$115,503        | \$178,464                 | \$159,925        |
| All Other Operating Expenses (excluding depreciation)                                     | <u>34,212</u>                        | <u>32,074</u>    | <u>30,717</u>    | <u>40,532</u>             | <u>45,209</u>    |
| Total Operating Expenses (excluding depreciation)   | <u>\$151,752</u>                     | <u>\$141,503</u> | <u>\$146,220</u> | <u>\$218,996</u>          | <u>\$205,134</u> |
| Net Operating Revenues Available for Debt Service   | \$38,885                             | \$37,351         | \$46,138         | \$40,172                  | \$35,160         |
| Other Income (Deductions)-Net   | <u>1,920</u>                         | <u>(1,041)</u>   | <u>335</u>       | <u>1,334</u>              | <u>5,473</u>     |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$40,804</u>                      | <u>\$36,310</u>  | <u>\$46,473</u>  | <u>\$41,506</u>           | <u>\$40,634</u>  |
| Debt Service-Revenue Bonds  | \$10,701                             | \$5,323          | \$5,044          | \$10,149                  | \$10,418         |
| Debt Service Ratios:  |                                      |                  |                  |                           |                  |
| Actual  | 3.81x                                | 6.82x            | 9.21x            | 4.09x                     | 3.90x            |
| Required Per Bond Resolution Rate Covenant  | 1.10x                                | 1.10x            | 1.10x            | 1.10x                     | 1.10x            |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$30,103                             | \$30,987         | \$41,429         | \$31,357                  | \$30,216         |
| Transferred to General Fund (Kissimmee) <sup>(3)</sup>                                    | \$17,922                             | \$17,966         | \$18,288         | \$18,973                  | \$18,973         |

**CONDENSED BALANCE SHEET<sup>(1)</sup>**  
(Dollars in Thousands)

|  | For Fiscal Years Ended September 30, |                  |
|--|--------------------------------------|------------------|
|  | <u>2022</u>                          | <u>2023</u>      |
| ASSETS:                                      |                                      |                  |
| Capital Assets – Utility Plant               | \$257,131                            | \$265,146        |
| Restricted Assets                            | 100,296                              | 124,672          |
| Other Assets                                 | 91,858                               | 179,539          |
| Current Assets                               | 114,394                              | 109,466          |
| Deferred Outflow of Resources <sup>(4)</sup> | <u>22,268</u>                        | <u>16,057</u>    |
| Total Assets                                 | <u>\$585,947</u>                     | <u>\$694,879</u> |
| LIABILITIES AND EQUITY:                      |                                      |                  |
| Current Liabilities                          | \$28,986                             | \$28,258         |
| Liabilities Payable from Restricted Assets   | 34,768                               | 41,744           |
| Long-Term Debt                               | 13,200                               | -                |
| Other Long-Term Liabilities                  | <u>98,090</u>                        | <u>186,880</u>   |
| Total Liabilities                            | <u>\$175,043</u>                     | <u>\$256,882</u> |
| Net Assets                                   | 329,621                              | 339,083          |
| Deferred Inflow of Resources <sup>(5)</sup>  | <u>81,282</u>                        | <u>98,915</u>    |
| Total Liabilities and Equity                 | <u>\$585,947</u>                     | <u>\$694,879</u> |

[Footnotes on next page]

- (1) Electric utility participation only.
- (2) Excluding sales to other electric utilities, if any.
- (3) Established by KUA at \$6.24 mills per kWh sold and amended to 6.91 mills in October 2011. Fiscal Year 2015 is calculated as 7.6% of Electric Operating Revenues.
- (4) Represents unamortized loss on refunded debt.
- (5) Represents regulatory credits, self-insurance, rate stabilization funds.
- (6) Excludes internal customers effective FY 2016.
- (7) \$5.0 million commercial paper reclassified to Long-Term Debt from Liabilities Payable from Restricted Assets
- (8) Fiscal year 2022 was restated.

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## CITY OF LAKE WORTH BEACH

Major Participant in: Stanton Project  
St. Lucie Project

### Electric Utility System

The City of Lake Worth Beach ("Lake Worth Beach") has a 24.87% Power Entitlement Share (22.405 MW) from FMPA's St. Lucie Project, a 16.26% Power Entitlement Share (11.2 MW) from FMPA's Stanton Project and had a 8.2443% Power Entitlement Share from FMPA's Stanton II Project, each under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. Lake Worth Beach no longer purchases energy and capacity from the All-Requirements Power Supply Project having elected to modify its All-Requirements participation by implementation of a Contract Rate of Delivery, which pursuant to contract terms has been calculated at 0 MW.

Lake Worth Beach is a participant in the Solar II Project with a 49.580% (26.55 MW) entitlement share. The Solar II Project consists of FMPA's purchase of 53.55 MW from Origis, and is expected to be commercially operable in 2024 and 2025. FMPA's PPA for the FMPA Municipal Solar II Project has an initial term of 20 years.

After the execution of the original Power Sales Contract and Project Support Contract relating to the Stanton II Project, KUA entered into a transfer agreement with Lake Worth Beach pursuant to which KUA assumed all of Lake Worth Beach's 8.2443% Power Entitlement Share in the Stanton II Project (the "Lake Worth Transferred Share"). For additional information about the Lake Worth Transferred Share," see "PART IV – STANTON II PROJECT – Participants."

Lake Worth Beach owns electric generating facilities located within the Lake Worth Beach city limits. Lake Worth Beach's generation facilities represent a collective rating of 92.11 MW comprised of a combination of natural gas, fuel oil, and solar powered resources. Lake Worth Beach's natural gas supply purchases as well as management of its capacity on the Florida Gas Transmission ("FGT") system capacity are managed by Florida Gas Utility. Natural gas is transported to Lake Worth Beach under various transportation service arrangements with FGT and Florida Public Utilities. Fuel oil is transported to Lake Worth Beach's power plant by truck and stored on-site in above-ground fuel storage tanks.

Lake Worth Beach is interconnected with the electric transmission facilities of Florida Power & Light ("FPL") at 138 kV. Lake Worth Beach owns and maintains its own 138 kV transmission system, 26 kV, and 4 kV distribution system. While the distribution system is predominantly overhead, new installations, serving platted developments, are installed underground.

Effective January 1, 2019, Orlando Utilities Commission ("OUC") began serving Lake Worth Beach under a new wholesale power supply agreement after expiration of its prior agreement that had been in place since January 1, 2014. OUC integrates Lake Worth Beach's FMPA power entitlement shares, Lake Worth Beach owned generation resources, and OUC wholesale power to provide Lake Worth Beach with an economic wholesale power supply.

Please see the table below for the generation resources for Lake Worth Beach.

| <u>Generation Resource</u>      | <u>Percent Entitlement (%)</u>  | <u>Generation Entitlement (MW AC)</u> | <u>Fuel</u>   |
|---------------------------------|---|---------------------------------------|---|
| St. Lucie                       | N/A   | 22.405                                | Nuclear   |
| Stanton I                       | N/A   | 11.20                                 | Coal  |
| Stanton II                      | Right of First Refusal if KUA tries to sell former Lake Worth Beach share of Stanton II | 0.00                                  | Coal  |
| Lake Worth CC (Units GT2 & S5)  | 100%  | 29.20                                 | Natural Gas/Diesel  |
| S3                              | 100%  | 25.60                                 | Natural Gas   |
| GT-1                            | 100%  | 25.70                                 | Diesel  |
| M 1-5                           | 100%  | 9.90                                  | Diesel (permitted for emergency use only)                               |
| <b>Sub Total</b>                |   | <b>123.80</b>                         |   |
| FMPA Municipal Solar Project II | N/A   | 26.55                                 | Solar Power Sales Contract with FMPA; deliveries expected to begin 2023 |
| LW Solar 1                      | 100%  | 1.71                                  | Solar (LWBU owned)  |

### Service Area and Customers

Lake Worth Beach’s electric utility service area encompasses approximately 12 square miles with nearly equal areas inside and outside the city limits. Approximately, seventy-five percent of the customers served reside within city limits. Lake Worth Beach’s territorial agreement with FPL, the only neighboring utility, continues in force on an annual basis and can be terminated only after five years written notice by either party. Notice has not been given under this provision.

No single electric customer accounted for more than 5% of the electric revenues for the year ended September 30, 2023.

### Litigation

There is no material pending litigation relating to Lake Worth Beach or its operations.

### Audited Financial Statements

A copy of Lake Worth Beach’s audited financial statements for the fiscal year ending September 30, 2022 has been filed by FMPA with the MSRB through EMMA.

As of the date hereof, FMPA has not received a copy of Lake Worth Beach's unaudited financial statements or its audited financial statements for the fiscal year ending September 30, 2023. Upon receipt, such statements will be filed by FMPA with the MSRB through EMMA.

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**CITY OF LAKE WORTH BEACH**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
**(Dollars in Thousands)**

|   | For Fiscal Years Ended September 30, |                 |                 |                 | (Unaudited)     |
|---|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
|   | <u>2019</u>                          | <u>2020</u>     | <u>2021</u>     | <u>2022</u>     | <u>2023</u>     |
| Customers (annual average)  | 27,276                               | 27,520          | 27,300          | 27,446          | 27,637          |
| System Requirements:  |                                      |                 |                 |                 |                 |
| Peak Demands (MW)   | 97                                   | 97              | 96              | 98              | 103             |
| Energy (GWh)  | 474                                  | 478             | 474             | 486             | 499             |
| Total Energy Sales (MWh)  | 439,967                              | 434,200         | 438,684         | 451,263         | 461,891         |
| Total Operating Revenues  | \$70,250                             | \$68,201        | \$72,878        | \$80,867        | \$84,949        |
| Operating Expenses:   |                                      |                 |                 |                 |                 |
| Total Cost of Service <sup>(2)</sup>  | \$52,291                             | \$49,874        | \$49,776        | \$62,711        | \$55,213        |
| All Other Operating Expenses (excluding depreciation)                                     | <u>4,679</u>                         | <u>10,797</u>   | <u>10,953</u>   | <u>\$10,879</u> | <u>\$11,391</u> |
| Total Operating Expenses (excluding depreciation)   | <u>\$56,970</u>                      | <u>\$60,671</u> | <u>\$60,729</u> | <u>\$73,590</u> | <u>\$66,604</u> |
| Net Operating Revenues Available for Debt Service   | \$13,280                             | \$7,530         | \$12,149        | \$7,277         | \$18,345        |
| Other Income (Deductions)—Net   | <u>(563)</u>                         | <u>(1,054)</u>  | <u>(1,011)</u>  | <u>(783)</u>    | <u>(1,404)</u>  |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$12,717</u>                      | <u>\$6,476</u>  | <u>\$11,138</u> | <u>\$8,060</u>  | <u>\$19,749</u> |
| Debt Service--Revenue Bonds   | \$4,542                              | \$4,549         | \$4,161         | \$5,714         | \$8,825         |
| Debt Service Ratios:  |                                      |                 |                 |                 |                 |
| Actual  | 2.80x                                | 1.42x           | 2.68x           | 1.41x           | 2.24x           |
| Required Per Bond Resolution Rate Covenant  | 1.20x                                | 1.20x           | 1.20x           | 1.20x           | 1.20x           |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$8,175                              | \$1,927         | \$6,977         | \$2,346         | \$10,924        |
| Transferred to General Fund (Lake Worth Beach) <sup>(3)</sup>                             | \$6,326                              | -0-             | -0-             | -0-             | -0-             |

**STATEMENT OF NET POSITION<sup>(1)(4)</sup>**  
**(Dollars in Thousands)**

|   | For Fiscal Years Ended September 30, |                  |
|---|--------------------------------------|------------------|
|   | <u>2022</u>                          | <u>2023</u>      |
|   |                                      | (Unaudited)      |
| <b>ASSETS:</b>  |                                      |                  |
| Net Utility Plant   | \$121,417                            | \$131,872        |
| Restricted Assets   | 76,290                               | 60,355           |
| Net Other Capital Assets  | 38,601                               | 37,964           |
| Noncurrent Assets   | 2,454                                | 6,059            |
| Current Assets  | <u>42,754</u>                        | <u>44,809</u>    |
| Total Assets and Deferred Outflows <sup>(4)</sup>                   | <u>\$281,516</u>                     | <u>\$281,059</u> |
| <b>LIABILITIES AND EQUITY:</b>                                      |                                      |                  |
| Current Liabilities   | \$18,421                             | \$9,468          |
| Net Position <sup>(4)</sup>   | 77,286                               | 84,968           |
| Long Term Debt  | <u>185,809</u>                       | <u>186,623</u>   |
| Total Liabilities, Deferred Inflows and Net Position <sup>(4)</sup> | <u>\$281,516</u>                     | <u>\$281,059</u> |

(1) Financial information presented reflects electric and water utility operations; statistical information presented reflects electric usage only.



(2) Title previously was "Total Power Production and Purchased Power". This change in title was made to recognize that amounts shown reflect both electric and water utility operation costs.

(3) Established by ordinance at up to 10% of gross revenue, plus a portion of funds-in-excess of specified payments and provision for reserves. Thus, the General Fund receives up to 10% of Gross Revenue plus a portion of cost of operation of the Purchasing, Finance, Legal and Commission/Manager Departments of Lake Worth Beach.

(4) Titles previously were "CONDENSED BALANCE SHEET", "Total Assets", "Utility Plant" and "Total Liabilities and Equity," respectively. These changes in titles were made to reflect changes in financial reporting standards.

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## UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH

Major Participant in: St. Lucie Project

### **Electric Utility System**

The Utilities Commission, City of New Smyrna Beach (the "Utilities Commission") has a Power Entitlement Share of 9.884% (7.258 MW) from FMPA's St. Lucie Project under the terms of its St. Lucie Power Sales and Project Support Contracts with FMPA. The Utilities Commission is a participant in the Solar II Project with an 18.674% (10 MW) entitlement share. The Solar II Project consists of FMPA's purchase of 53.55 MW from Origis and is expected to be commercially operable in Aug 2024 for the initial 5 MW. The Solar II Project second 5 MW will not be available until at least the end of 2025. FMPA's PPA for the Solar II Project has an initial term of 20 years. Purchases from FPL, FMPA and interchange purchases from other utilities provided the remainder of the Utilities Commission's power and energy requirements. The Utilities Commission's transmission facilities consist of Smyrna Substation and a 115 kV transmission tie line which is 4.1 miles in length to the Utilities Commission's Field Street Substation and 4.5 miles of 115kV transmission line to the Airport Substation located in the northern section of New Smyrna Beach. The Utilities Commission also owns 11.7 miles of the 115kV transmission line between Smyrna Substation and Duke Energy's Cassadaga Substation, with Duke Energy owning the remaining portion. The Smyrna Substation, Field Street Substation and the Airport Substation step down voltage to the Utilities Commission's 23 kV primary distribution voltage. Three 115/23kV and one 23 kV/13kV substations and a network of 23 kV and 13 kV lines comprise the distribution system.

The Utilities Commission previously purchased two 24 MW General Electric Frame 5P gas turbine generating units, which are used as peaking units.

### **Service Area and Customers**

The Utilities Commission's electric utility service area encompasses approximately 72 square miles with 31,117 electric customers (24,446 inside the City of New Smyrna Beach and 6,671 outside of the City of New Smyrna Beach) with 79% of customers served residing within the 38 square mile city limits. No one customer accounted for more than 2% of electric revenues for year ended September 30, 2023.

### **Litigation**

There is no material pending litigation relating to the Utilities Commission or its operations.

### **Audited Financial Statements**

A copy of the Utilities Commission's Comprehensive Annual Financial Report for the fiscal years ended September 30, 2023 and September 30, 2022 has been filed by FMPA with the MSRB through EMMA.

**UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
**(Dollars in Thousands)**

|   | <u>2019</u>     | <u>2020</u>     | <u>2021</u>     | <u>2022</u>     | <u>2023</u>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Customers (annual average)  | 28,921          | 29,574          | 30,164          | 30,888          | 31,117          |
| System Requirements:  |                 |                 |                 |                 |                 |
| Peak Demands (MW)   | 105             | 103             | 105             | 110             | 116             |
| Energy (GWh)  | 451,180         | 463,657         | 474,799         | 481,347         | 483,029         |
| Total Energy Sales (MWh)  | 425,810         | 435,962         | 447,456         | 456,283         | 450,715         |
| Total Operating Revenues  | \$42,603        | \$40,819        | \$43,768        | \$56,838        | \$51,040        |
| Operating Expenses:   |                 |                 |                 |                 |                 |
| Total Power Production and Purchased Power  | \$19,207        | \$18,104        | \$20,915        | \$34,258        | \$27,000        |
| All Other Operating Expenses (excluding depreciation)                                     | <u>20,008</u>   | <u>19,353</u>   | <u>19,057</u>   | <u>15,972</u>   | <u>17,661</u>   |
| Total Operating Expenses (excluding depreciation)   | <u>\$39,215</u> | <u>\$37,457</u> | <u>\$39,972</u> | <u>\$50,230</u> | <u>\$44,661</u> |
| Net Operating Revenues Available for Debt Service   | \$3,388         | \$3,362         | \$3,796         | \$6,608         | \$6,379         |
| Other Income (Deductions)—Net   | <u>596</u>      | <u>551</u>      | <u>816</u>      | <u>210</u>      | <u>1,385</u>    |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$3,984</u>  | <u>\$3,912</u>  | <u>\$4,611</u>  | <u>\$6,818</u>  | <u>\$7,764</u>  |
| Debt Service--Revenue Bonds   | \$1,801         | \$1,783         | \$1,295         | \$1,880         | \$1,342         |
| Debt Service Ratios:  |                 |                 |                 |                 |                 |
| Actual  | 2.21x           | 2.19x           | 3.56x           | 3.63x           | 5.79x           |
| Required Per Bond Resolution Rate Covenant  | 1.25x           | 1.25x           | 1.25x           | 1.25x           | 1.25x           |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$2,182         | \$2,129         | \$3,316         | \$4,938         | \$6,422         |
| Transferred to General Fund (New Smyrna Beach) <sup>(2)</sup>                             | \$2,706         | \$2,623         | \$2,670         | \$2,770         | \$3,368         |

**CONDENSED BALANCE SHEET<sup>(1)</sup>**  
**(Dollars in Thousands)**

|                              | For Fiscal Years Ended September 30, |                  |
|------------------------------|--------------------------------------|------------------|
|                              | <u>2022</u>                          | <u>2023</u>      |
| ASSETS:                      |                                      |                  |
| Net Utility Plant            | \$227,058                            | 242,736          |
| Restricted Assets            | 54,160                               | 38,169           |
| Current Assets               | 32,317                               | 39,536           |
| Non-Current Assets           | <u>555</u>                           | <u>375</u>       |
| Total Assets                 | <u>\$314,090</u>                     | <u>\$320,816</u> |
| LIABILITIES AND EQUITY:      |                                      |                  |
| Current Liabilities          | \$14,214                             | \$14,735         |
| Retained Earnings            | 216,892                              | 222,853          |
| Long Term Debt               | 74,545                               | 72,148           |
| Non-Current Liabilities      | <u>8,439</u>                         | <u>8,080</u>     |
| Total Liabilities and Equity | <u>\$314,090</u>                     | <u>\$320,816</u> |

(1) Summary of Operating Results reflects only Electric operations. Statistics including Debt Service and the Condensed Balance Sheet reflect all Utilities Commission operations.

(2) Established by Charter at 6% of defined revenue.

## CITY OF OCALA

Major Participant: All-Requirements Power Supply Project

### **Electric Utility System**

The City of Ocala ("Ocala") entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer of FMPA on May 1, 1986. At that time, Excluded Power Supply Resources for Ocala consisted of a 1.3333% ownership share in Duke Energy of Florida's Crystal River 3 nuclear unit. The Crystal River 3 nuclear unit has since shut down, and FMPA, on behalf of Ocala, negotiated a settlement with Duke Energy to completely divest Ocala from all ownership and obligations in the Crystal River 3 nuclear plant in 2014. Ocala is a participant in Phase I of the Florida Municipal Solar Project ("FMSP") with a 17.24% (10 MW) entitlement share. Phase I consists of a purchase by the All-Requirements Power Supply Project ("All-Requirements Power Supply") of 58 MW from Florida Renewable Partners, and two facilities were expected to be commercially operable in 2020 and 2023. However, one site was deemed unsuitable and was canceled. Ocala is receiving 7 MW from the Harmony site, which is currently online. All-Requirements Power Supply's PPA for Phase I has an initial term of 20 years. Ocala is a participant in Phase II of the Florida Municipal Solar Project with a 20.78% (20 MW) entitlement share. Phase II consists of All-Requirements Power Supply's purchase of 96.25 MW from Origis via the Rice Creek and Whistling Duck facilities. Those facilities are expected to be commercially operable in 2024 and 2025, respectively. All-Requirements Power Supply's PPA for Phase II has an initial term of 20 years.

Ocala's 230 kV and 69 kV transmission systems include interconnections with Duke Energy of Florida and Seminole Electric Cooperative. Twenty substations supply the distribution system at voltages of 12.47 kV. The distribution system contains 2,318 arial linear miles of electric lines. Ocala utilizes an advanced meter infrastructure system to remotely read its 55,242 electric meters.

Ocala has 733 solar net meter accounts and 7.48 megawatts of customer-owned photovoltaic capacity.

### **Service Area and Customers**

Ocala's service area encompasses approximately 160 square miles. Ocala has territorial agreements with Duke Energy Florida, Clay Electric Cooperative, and Sumter Electric Cooperative. The Clay Electric agreement was finalized and approved by the PSC in December 2019. The Sumter Electric and Duke Energy agreements have been successfully renegotiated and are awaiting approval by the Public Service Commission (PSC). We expect the PSC to approve the new agreements by the 4th quarter of 2024.

The Electric System has approximately 56,586 customers, of which 60% are served within the city limits. No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2023.

### **Litigation**

Various suits and claims arising in the ordinary course of Ocala operations are pending against Ocala. While the ultimate effects of such litigation cannot be ascertained at this time, Ocala does not expect any of these routine items to have a material impact on the financial condition of Ocala.

Fire Service Fees: Since 2014, Ocala has been the defendant in a lawsuit related to Fire Service Fees. In January 2014, Discount Sleep of Ocala LLC d/b/a Mattress Barn and Dale W. Birch filed a lawsuit alleging Ocala was illegally charging fire user fees in violation of the State Constitution (Case No: 5D19-1899). After numerous appeals, the Florida Fifth District Court of Appeals ruled in favor of the plaintiff. The final judgement awarded to the plaintiff was \$79,282,090 including attorneys' fees of \$6,393,188. The court also ordered the City to establish a separate bank account, a/k/a The Common Fund to disperse claims incurred. As a result, a line of credit has been established in the amount of \$60 million and the closing date was March 17, 2022. Details of the line of credit can be found in the City of Ocala Comprehensive Annual Financial Report. See "Audited Financial Statements" below.

### **Audited Financial Statements**

A copy of Ocala's audited financial statements for the year ending September 30, 2023, has been filed by FMPA with the MSRB through EMMA.

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**CITY OF OCALA**  
**SUMMARY OF OPERATING RESULTS**  
(Dollars in Thousands)

|   | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      | <u>2023</u>      |
|---|------------------|------------------|------------------|------------------|------------------|
| Customers (annual average)  | 54,064           | 54,531           | 55,104           | 55,569           | 56,585           |
| System Requirements:  |                  |                  |                  |                  |                  |
| Peak Demands (MW)   | 303              | 302              | 298              | 311              | 323              |
| Energy (MWh)  | 1,356,085        | 1,305,961        | 1,358,538        | 1,376,649        | 1,392,434        |
| Total Energy Sales (MWh)  | 1,306,200        | 1,292,885        | 1,313,226        | 1,339,701        | 1,339,423        |
| Total Operating Revenues  | <u>\$150,736</u> | <u>\$155,075</u> | <u>\$157,769</u> | <u>\$206,593</u> | <u>\$194,411</u> |
| Operating Expenses:   |                  |                  |                  |                  |                  |
| Total Power Production and Purchased Power  | \$100,800        | \$93,622         | \$98,459         | \$147,626        | \$132,403        |
| All Other Operating Expenses (excluding depreciation)                                     | <u>30,171</u>    | <u>30,237</u>    | <u>27,927</u>    | <u>29,666</u>    | 34,139           |
| Total Operating Expenses (excluding depreciation)   | <u>\$130,971</u> | <u>\$123,859</u> | <u>\$126,386</u> | <u>\$177,292</u> | <u>166,542</u>   |
| Net Operating Revenues Available for Debt Service   | \$19,765         | \$31,216         | \$31,383         | \$29,301         | \$27,869         |
| Other Income (Deductions) - Net   | <u>3,347</u>     | <u>1,405</u>     | <u>(1,377)</u>   | <u>(3,054)</u>   | <u>3,835</u>     |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$23,112</u>  | <u>\$32,621</u>  | <u>\$30,006</u>  | <u>\$26,247</u>  | <u>\$31,704</u>  |
| Debt Service - Revenue Bonds  | -                | -                | -                | -                | -                |
| Debt Service-Utility Systems Revenue Bonds  | \$4,486          | \$4,327          | \$4,349          | \$4,333          | \$4,322          |
| Debt Service Ratios:  |                  |                  |                  |                  |                  |
| Actual <sup>(1)</sup>   | 5.15x            | 7.21x            | 6.90x            | 6.06x            | 7.34x            |
| Required Per Bond Resolution Rate Covenant  | 1.25x            | 1.25x            | 1.25x            | 1.25x            | 1.25x            |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$18,626         | \$28,294         | \$25,657         | \$21,914         | \$27,382         |
| Transferred to General Fund (Ocala) <sup>(2)</sup>  | \$17,527         | \$18,698         | \$19,058         | \$18,862         | \$19,314         |

**CONDENSED BALANCE SHEET<sup>(3)</sup>**  
(Dollars in Thousands)

|  | <u>For Fiscal Years Ended September 30,</u> |                  |
|--|---|------------------|
|  | <u>2022</u>                                 | <u>2023</u>      |
| <b>ASSETS AND DEFERRED OUTFLOWS:</b>             |   |                  |
| Net Utility Plant                                | \$104,498                                   | \$104,391        |
| Restricted Assets                                | 30,822                                      | 33,570           |
| Current Assets                                   | 65,201                                      | 50,569           |
| Deferred Outflow                                 | <u>5,102</u>                                | <u>10,897</u>    |
| Total Asset and Deferred Outflows                | <u>\$205,623</u>                            | <u>\$199,427</u> |
| <b>LIABILITIES, EQUITY AND DEFERRED INFLOWS:</b> |   |                  |
| Current Liabilities                              | \$44,671                                    | \$32,958         |
| Other Liabilities                                | 14,764                                      | 23,539           |
| Deferred Inflow                                  | 16,792                                      | 13,826           |
| Retained Earnings                                | 91,709                                      | 94,477           |
| Long-Term Debt                                   | <u>37,687</u>                               | <u>34,627</u>    |
| Total Liabilities, Deferred Inflow and Equity    | <u>\$205,623</u>                            | <u>\$199,427</u> |

[Footnotes on next page]

- (1) The coverage shown is based on electric revenues; however, the pledge under the bond resolution is of both the Electric System and the Water and Sewer Utility.
- (2) The Utility transfers a varying percentage of operating revenues to the general fund annually. The FY22-23 transfer was based on 15%.
- (3) Electric utility operations.

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## CITY OF ST. CLOUD

Major Participant in: Stanton II Project

### **Electric Utility System**

The City of St. Cloud ("St. Cloud") has a 14.6711% Power Entitlement Share (15.4 MW) from FMPA's Stanton II Project under the terms of a Power Sales Contract and Project Support Contract for the Stanton II Project.

Effective May 1, 1997, St. Cloud entered into an inter-local agreement with Orlando Utilities Commission ("OUC") to have OUC operate and manage St. Cloud's electric system for a period of twenty-five years. The agreement was amended in 2003 and in 2021 to extend the agreement through 2042. This agreement contractually authorizes and empowers OUC to act as St. Cloud's exclusive agent to direct the commitment and dispatch of the St. Cloud's diesel generators and Purchase Power and Other Contracts. OUC also acts as agent to procure and manage St. Cloud's fuel resources. OUC is acting as St. Cloud's agent in administration of the Stanton II Power Sales and Project Support Contracts and OUC shall be responsible for all costs associated with those contracts. OUC has been making payments per these contracts since May 1, 1997.

Terms of the agreement call for all electric billings to belong to OUC with guaranteed payments from OUC to St. Cloud of 9.5% of the second preceding year's gross electric billings, not to go below \$2,361,000 per year. The guaranteed payment to the City from OUC will increase in 2026 to 9.75% and in 2032 to 10%. The electric rates for residential and commercial customers were reduced by this agreement. The rates are tied to OUC's rates and the OUC rate plus 4%.

As a part of the agreement, St. Cloud transferred to OUC the majority of its electric materials inventory and rolling stock. Virtually all employees of St. Cloud's electric utility were transferred to OUC, along with accrued benefits, including a transfer from St. Cloud's defined benefit pension plan of the present value of the accrued pension benefit.

This agreement increases the marketability of the area to light industrial and commercial businesses, which are relocating and expanding in Central Florida.

### **Litigation**

There are pending lawsuits and claims against St. Cloud which arise out of the ordinary course of operations of the City. All such pending lawsuits or claims are covered under St. Cloud's liability insurance coverage or are not related to the electric utility, therefore, the City Attorney has expressed his opinion that it is unlikely that any pending litigation will have a substantial material effect on St. Cloud's financial position related to the electric utility.

### **Audited Financial Statements**

A copy of St. Cloud's audited financial statements for the year ending September 30, 2022 have been filed by FMPA with the MSRB through EMMA.



## **Unaudited Financial Statements**

A copy of St. Cloud's unaudited financial statements for the fiscal year ending September 30, 2023, has been filed by FMPA with the MSRB through EMMA. A copy of St. Cloud's audited financial statements for the fiscal year ending September 30, 2023, will be filed as soon as received by FMPA.

**CITY OF ST. CLOUD**  
**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>**  
**(Dollars in Thousands)**

|                                    | For Fiscal Years Ended September 30, |                |                |                |                           |
|------------------------------------|--------------------------------------|----------------|----------------|----------------|---------------------------|
|                                    | <u>2019</u>                          | <u>2020</u>    | <u>2021</u>    | <u>2022</u>    | <u>2023<sup>(4)</sup></u> |
| Customers (Electric – Annual Avg.) | 41,388                               | 43,686         | 46,629         | 50,194         | 52,951                    |
| Total Energy Sales (MWh)           | 747,369                              | 778,005        | 811,058        | 844,376        | 901,874                   |
| Retail Sales                       | \$84,149                             | \$88,147       | \$95,095       | \$105,686      | \$133,314                 |
| Payments to City                   |                                      |                |                |                |                           |
| Fixed <sup>(2)</sup>               | \$0                                  | \$0            | \$0            | \$0            | \$0                       |
| Revenue Based <sup>(3)</sup>       | <u>7,009</u>                         | <u>7,580</u>   | <u>8,020</u>   | <u>8,467</u>   | <u>8,866</u>              |
| Total                              | <u>\$7,009</u>                       | <u>\$7,580</u> | <u>\$8,020</u> | <u>\$8,467</u> | <u>8,866</u>              |

(1) Electric utility operation only.

(2) Gross payment prior to crediting of investment earnings.

(3) Revenue Based Payment is calculated from the retail sales in the St. Cloud service territory for the second preceding fiscal year.

(4) Unaudited information.

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**APPENDIX C**

**FMPA'S ANNUAL AUDIT REPORT  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**



# Financial Statements

For The Fiscal Year Ended September 30, 2023

## Member Cities

- Alachua
- Bartow
- Blountstown
- Bushnell
- Chattahoochee
- Clewiston
- Fort Meade
- Fort Pierce
- Gainesville
- Green Cove Springs
- Havana
- Homestead
- Jacksonville
- Jacksonville Beach
- Key West
- Kissimmee
- Lake Worth Beach
- Lakeland
- Leesburg
- Moore Haven
- Mount Dora
- New Smyrna Beach
- Newberry
- Ocala
- Orlando
- Quincy
- St. Cloud
- Starke
- Tallahassee
- Wauchula
- Williston
- Winter Park



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Executive Committee  
Florida Municipal Power Agency  
Orlando, Florida

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Florida Municipal Power Agency (the Agency) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Agency as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDQ Alliance USA

## INDEPENDENT AUDITOR'S REPORT

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis information and the schedule of changes in the Agency's net other postemployment benefits liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing



Board of Directors and Executive Committee  
Florida Municipal Power Agency  
Orlando, Florida

## INDEPENDENT AUDITOR'S REPORT

standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the amounts due (from) to participants and the five year trend analysis compliance reports but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PURVIS GREAY

January 3, 2024  
Ocala, Florida



# MANAGEMENT'S DISCUSSION & ANALYSIS

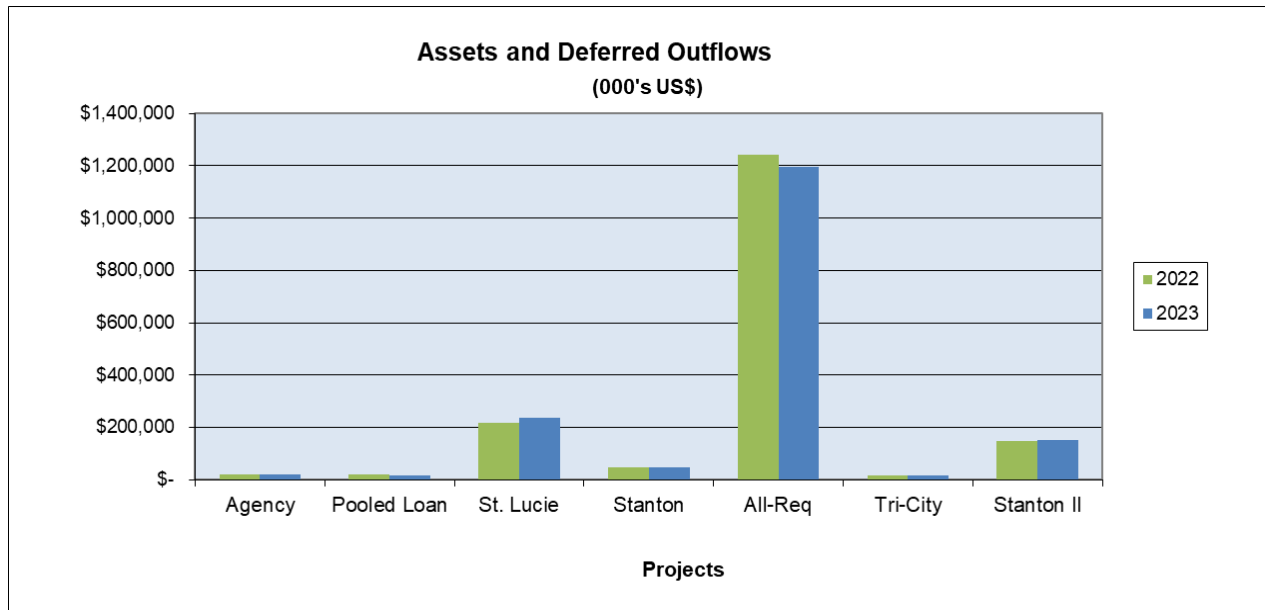
## For Fiscal Year Ended September 30, 2023

This discussion and analysis is intended to serve as an introduction to Florida Municipal Power Agency's (FMPA's) basic financial statements, which are comprised of individual project or fund financial statements and the notes to those financial statements.

FMPA's financial statements are designed to provide readers with a broad overview of FMPA's financial condition in a manner similar to a private-sector business. It is important to note that, due to contractual arrangements which are the basis of each power project, no monies are shared among the projects, except that, as of the sale of the Vero Beach electric system to FPL in December 2018, the ARP has taken a transfer and assignment of Vero Beach's interests, as a project participant, in the Stanton, Stanton II and St. Lucie Projects.

### FINANCIAL HIGHLIGHTS

**Total Assets and Deferred Outflows** at September 30, 2023, of FMPA's Agency Fund and other projects decreased \$22.7 million from the prior year



| Assets and Deferred Outflows<br>(000's US\$) |           |             |            |           |              |           |            |              |
|--|-----------|-------------|------------|-----------|--------------|-----------|------------|--------------|
| Year   | Agency    | Pooled Loan | St. Lucie  | Stanton   | All-Req      | Tri-City  | Stanton II | Total        |
| 2022   | \$ 18,045 | \$ 18,021   | \$ 215,870 | \$ 47,139 | \$ 1,242,647 | \$ 14,392 | \$ 149,234 | \$ 1,705,348 |
| 2023   | \$ 18,418 | \$ 17,969   | \$ 234,727 | \$ 46,727 | \$ 1,197,745 | \$ 15,630 | \$ 151,392 | \$ 1,682,608 |
| <b>Variance</b>                              | \$ 373    | \$ (52)     | \$ 18,857  | \$ (412)  | \$ (44,902)  | \$ 1,238  | \$ 2,158   | \$ (22,740)  |

# MANAGEMENT'S DISCUSSION & ANALYSIS

## For Fiscal Year Ended September 30, 2023

### FINANCIAL HIGHLIGHTS (CONTINUED)

**Total Liabilities and Deferred Inflows** at September 30, 2023, for FMPA's Agency Fund and other projects decreased by \$23.4 million during the current fiscal year.

**Long-Term Liability** balance outstanding at September 30, 2023, for FMPA's Agency Fund and Projects was \$1.2 billion, which is about the same as last fiscal year.

Long-Term Bonds balance, less current portion, was \$1.03 billion, including All-Requirements balance of \$909 million.

**Total Revenue** for Agency and all projects decreased by \$36 million for the current fiscal year, primarily due to decreased billings related to natural gas prices.

Comparative years' Assets, Liabilities and Net Position, as well as Revenues, Expenses are summarized on the following pages.

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# MANAGEMENT'S DISCUSSION & ANALYSIS

## For Fiscal Year Ended September 30, 2023

### FINANCIAL HIGHLIGHTS (CONTINUED)

#### Statement of Net Position Proprietary funds September 30, 2023 (000's US\$)

| 2023  | Business-Type Activities- Proprietary Funds |                  |                   |                  |                          |                  |                    | Totals              |
|---|---|------------------|-------------------|------------------|--------------------------|------------------|--------------------|---------------------|
|   | Agency Fund                                 | Pooled Loan Fund | St. Lucie Project | Stanton Project  | All-Requirements Project | Tri-City Project | Stanton II Project |                     |
| <b>Assets:</b>                                  |   |                  |                   |                  |                          |                  |                    |                     |
| Capital Assets, Net                             | \$ 2,577                                    | \$ -             | \$ 50,072         | \$ 16,916        | \$ 591,939               | \$ 6,433         | \$ 78,446          | \$ 746,383          |
| Current Unrestricted Assets                     | 15,793                                      | 569              | 57,321            | 21,526           | 390,010                  | 6,350            | 59,849             | 551,418             |
| Non-Current Restricted Assets                   | -   | 17,400           | 126,718           | 7,283            | 57,909                   | 2,488            | 9,049              | 220,847             |
| Other Non Current Assets                        | 48  | -                | -                 | -                | 130,685                  | -                | -                  | 130,733             |
| Deferred Outflows of Resources                  | -   | -                | 616               | 1,002            | 27,202                   | 359              | 4,048              | 33,227              |
| <b>Total Assets &amp; Deferred Outflows</b>     | <b>\$ 18,418</b>                            | <b>\$ 17,969</b> | <b>\$ 234,727</b> | <b>\$ 46,727</b> | <b>\$ 1,197,745</b>      | <b>\$ 15,630</b> | <b>\$ 151,392</b>  | <b>\$ 1,682,608</b> |
| <b>Liabilities:</b>                             |   |                  |                   |                  |                          |                  |                    |                     |
| Long-Term Liabilities                           | \$ 4,619                                    | \$ 16,933        | \$ 170,823        | \$ 4,823         | \$ 951,823               | \$ 1,727         | \$ 68,936          | \$ 1,219,684        |
| Current Liabilities                             | 2,649                                       | 1,036            | 4,418             | 2,672            | 185,301                  | 972              | 17,161             | 214,209             |
| Deferred Inflows of Resources                   | -   | -                | 59,486            | 39,232           | 60,621                   | 12,931           | 65,295             | 237,565             |
| <b>Total Liabilities &amp; Deferred Inflows</b> | <b>\$ 7,268</b>                             | <b>\$ 17,969</b> | <b>\$ 234,727</b> | <b>\$ 46,727</b> | <b>\$ 1,197,745</b>      | <b>\$ 15,630</b> | <b>\$ 151,392</b>  | <b>\$ 1,671,458</b> |
| <b>Net Position:</b>                            |   |                  |                   |                  |                          |                  |                    |                     |
| Investment in capital assets                    | \$ 2,508                                    | \$ -             | \$ (10,503)       | \$ 16,916        | \$ (256,843)             | \$ 6,433         | \$ 7,745           | \$ (233,744)        |
| Restricted                                      | -   | -                | 17,086            | 7,283            | 96,304                   | 2,489            | 20,875             | 144,037             |
| Unrestricted                                    | 8,642                                       | -                | (6,583)           | (24,199)         | 160,539                  | (8,922)          | (28,620)           | 100,857             |
| <b>Total Net Position</b>                       | <b>\$ 11,150</b>                            | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>              | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ 11,150</b>    |

#### Statement of Net Position Proprietary funds September 30, 2022 (000's US\$)

| 2022  | Business-Type Activities- Proprietary Funds |                  |                   |                  |                          |                  |                    | Totals              |
|---|---|------------------|-------------------|------------------|--------------------------|------------------|--------------------|---------------------|
|   | Agency Fund                                 | Pooled Loan Fund | St. Lucie Project | Stanton Project  | All-Requirements Project | Tri-City Project | Stanton II Project |                     |
| <b>Assets:</b>                                  |   |                  |                   |                  |                          |                  |                    |                     |
| Capital Assets, Net                             | \$ 2,820                                    | \$ -             | \$ 41,172         | \$ 20,855        | \$ 532,828               | \$ 7,939         | \$ 84,226          | \$ 689,840          |
| Current Unrestricted Assets                     | 14,653                                      | 605              | 53,591            | 19,592           | 383,066                  | 4,146            | 53,757             | 529,410             |
| Non-Current Restricted Assets                   | -   | 17,780           | 120,336           | 5,690            | 76,192                   | 1,948            | 6,386              | 228,332             |
| Other Non Current Assets                        | 572   | (364)            | -                 | -                | 201,532                  | -                | -                  | 201,740             |
| Deferred Outflows of Resources                  | -   | -                | 771               | 1,002            | 49,029                   | 359              | 4,865              | 56,026              |
| <b>Total Assets &amp; Deferred Outflows</b>     | <b>\$ 18,045</b>                            | <b>\$ 18,021</b> | <b>\$ 215,870</b> | <b>\$ 47,139</b> | <b>\$ 1,242,647</b>      | <b>\$ 14,392</b> | <b>\$ 149,234</b>  | <b>\$ 1,705,348</b> |
| <b>Liabilities:</b>                             |   |                  |                   |                  |                          |                  |                    |                     |
| Long-Term Liabilities                           | \$ 4,647                                    | \$ 17,464        | \$ 168,997        | \$ 1,371         | \$ 960,361               | \$ 492           | \$ 75,574          | \$ 1,228,906        |
| Current Liabilities                             | 2,885                                       | 557              | 7,176             | 2,866            | 208,762                  | 1,037            | 12,845             | 236,128             |
| Deferred Inflows of Resources                   | -   | -                | 39,697            | 42,902           | 73,524                   | 12,863           | 60,820             | 229,806             |
| <b>Total Liabilities &amp; Deferred Inflows</b> | <b>\$ 7,532</b>                             | <b>\$ 18,021</b> | <b>\$ 215,870</b> | <b>\$ 47,139</b> | <b>\$ 1,242,647</b>      | <b>\$ 14,392</b> | <b>\$ 149,239</b>  | <b>\$ 1,694,840</b> |
| <b>Net Position:</b>                            |   |                  |                   |                  |                          |                  |                    |                     |
| Investment in capital assets                    | \$ 2,820                                    | \$ -             | \$ (23,544)       | \$ 20,855        | \$ (259,666)             | \$ 7,939         | \$ 67,969          | \$ (183,627)        |
| Restricted                                      | -   | -                | 15,598            | 5,690            | 81,662                   | 1,948            | 10,626             | 115,524             |
| Unrestricted                                    | 7,693                                       | -                | 7,946             | (26,545)         | 178,004                  | (9,887)          | (78,595)           | 78,616              |
| <b>Total Net Position</b>                       | <b>\$ 10,513</b>                            | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>              | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ 10,513</b>    |

# MANAGEMENT'S DISCUSSION & ANALYSIS

## For Fiscal Year Ended September 30, 2023

### FINANCIAL HIGHLIGHTS (CONTINUED)

#### Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2023

| 2023  | Business-Type Activities- Proprietary Funds |                  |                   |                  |                          |                  |                    |                   |
|---|---|------------------|-------------------|------------------|--------------------------|------------------|--------------------|-------------------|
|   | Agency Fund                                 | Pooled Loan Fund | St. Lucie Project | Stanton Project  | All-Requirements Project | Tri-City Project | Stanton II Project | Totals            |
| <b>Revenues:</b>  |   |                  |                   |                  |                          |                  |                    |                   |
| Billings to participants                                      | \$ 16,925                                   | \$ 97            | \$ 39,270         | \$ 26,819        | \$ 558,208               | \$ 11,442        | \$ 55,198          | \$ 707,959        |
| Sales to others   | 74  | -                | 3,806             | 432              | 113,787                  | 155              | 678                | 118,932           |
| Amounts to be recovered from (refunded to) participants       | -   | (71)             | (356)             | (1,471)          | (6,537)                  | (519)            | (2,445)            | (11,399)          |
| Investment Income (loss)                                      | 514   | 920              | 8,648             | 766              | 9,333                    | 204              | 1,718              | 22,103            |
| <b>Total Revenue</b>  | <b>\$ 17,513</b>                            | <b>\$ 946</b>    | <b>\$ 51,368</b>  | <b>\$ 26,546</b> | <b>\$ 674,791</b>        | <b>\$ 11,282</b> | <b>\$ 55,149</b>   | <b>\$ 837,595</b> |
| <b>Expenses:</b>  |   |                  |                   |                  |                          |                  |                    |                   |
| Operation & Maintenance                                       | \$ -  | \$ -             | \$ 11,249         | \$ 8,383         | \$ 87,715                | \$ 2,999         | \$ 11,685          | \$ 122,031        |
| Nuclear Fuel Amortization                                     | -   | -                | 4,391             | -                | -                        | -                | -                  | 4,391             |
| Purchased power, Transmission & Fuel Costs                    | -   | -                | 3,733             | 16,024           | 420,701                  | 5,753            | 27,903             | 474,114           |
| Administrative & General                                      | 16,007                                      | 31               | 3,351             | 1,460            | 26,133                   | 808              | 2,075              | 49,865            |
| Depreciation & Decommissioning                                | 869   | -                | 7,909             | 4,349            | 39,723                   | 1,654            | 6,628              | 61,132            |
| Interest & Amortization                                       | -   | 915              | 946               | -                | 30,193                   | -                | 2,383              | 34,437            |
| Environmental remediation costs - net of Insurance            | -   | -                | -                 | -                | (1,032)                  | -                | -                  | (1,032)           |
| <b>Total Expense</b>  | <b>\$ 16,876</b>                            | <b>\$ 946</b>    | <b>\$ 31,579</b>  | <b>\$ 30,216</b> | <b>\$ 603,433</b>        | <b>\$ 11,214</b> | <b>\$ 50,674</b>   | <b>\$ 744,938</b> |
| Change in net position before regulatory asset adjustment     | \$ 637                                      | \$ -             | \$ 19,789         | \$ (3,670)       | \$ 71,358                | \$ 68            | \$ 4,475           | \$ 92,657         |
| Net cost recoverable (refundable)/future Participant billings | -   | -                | (19,789)          | 3,670            | (71,358)                 | (68)             | (4,475)            | (92,020)          |
| Change in Net Position After Regulatory Adj                   | \$ 637                                      | \$ -             | \$ -              | \$ -             | \$ -                     | \$ -             | \$ -               | \$ 637            |
| Net position at beginning of year                             | 10,513                                      | -                | -                 | -                | -                        | -                | -                  | 10,513            |
| Net position at end of year                                   | <b>\$ 11,150</b>                            | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>              | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ 11,150</b>  |

#### Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2022 (000's US\$)

| 2022  | Business-Type Activities- Proprietary Funds |                  |                   |                  |                          |                  |                    |                   |
|---|---|------------------|-------------------|------------------|--------------------------|------------------|--------------------|-------------------|
|   | Agency Fund                                 | Pooled Loan Fund | St. Lucie Project | Stanton Project  | All-Requirements Project | Tri-City Project | Stanton II Project | Totals            |
| <b>Revenues:</b>  |   |                  |                   |                  |                          |                  |                    |                   |
| Billings to participants                                      | \$ 16,914                                   | \$ 32            | \$ 44,663         | \$ 25,577        | \$ 629,759               | \$ 10,255        | \$ 54,597          | \$ 781,797        |
| Sales to others   | 43  | -                | 2,077             | 369              | 137,442                  | 131              | 580                | 140,642           |
| Amounts to be recovered from (refunded to) participants       | -   | (58)             | (3,735)           | (30)             | (36,553)                 | 43               | (1,184)            | (41,517)          |
| Investment Income (loss)                                      | (165)                                       | 87               | 4,472             | (309)            | (9,781)                  | (53)             | (1,841)            | (7,590)           |
| <b>Total Revenue</b>  | <b>\$ 16,792</b>                            | <b>\$ 61</b>     | <b>\$ 47,477</b>  | <b>\$ 25,607</b> | <b>\$ 720,867</b>        | <b>\$ 10,376</b> | <b>\$ 52,152</b>   | <b>\$ 873,332</b> |
| <b>Expenses:</b>  |   |                  |                   |                  |                          |                  |                    |                   |
| Operation & Maintenance                                       | \$ -  | \$ -             | \$ 8,523          | \$ 4,800         | \$ 75,310                | \$ 1,717         | \$ 7,000           | \$ 97,350         |
| Nuclear Fuel Amortization                                     | -   | -                | 4,225             | -                | -                        | -                | -                  | 4,225             |
| Purchased power, Transmission & Fuel Costs                    | -   | -                | 3,732             | 18,052           | 519,614                  | 6,448            | 25,129             | 572,975           |
| Administrative & General                                      | 15,127                                      | 4                | 2,872             | 1,945            | 26,019                   | 976              | 3,012              | 49,955            |
| Depreciation & Decommissioning                                | 554   | -                | 7,937             | 4,234            | 46,867                   | 1,613            | 6,507              | 67,712            |
| Interest & Amortization                                       | -   | 57               | 2,976             | -                | 31,780                   | -                | 3,566              | 38,379            |
| Environmental Remediation Costs                               | -   | -                | -                 | -                | 2,152                    | -                | -                  | 2,152             |
| <b>Total Expense</b>  | <b>\$ 15,681</b>                            | <b>\$ 61</b>     | <b>\$ 30,265</b>  | <b>\$ 29,031</b> | <b>\$ 701,742</b>        | <b>\$ 10,754</b> | <b>\$ 45,214</b>   | <b>\$ 735,398</b> |
| Change in net position before regulatory asset adjustment     | \$ 1,111                                    | \$ -             | \$ 17,212         | \$ (3,424)       | \$ 19,125                | \$ (378)         | \$ 6,938           | \$ 40,584         |
| Net cost recoverable (refundable)/future Participant billings | -   | -                | (17,212)          | 3,424            | (19,125)                 | 378              | (6,938)            | (39,473)          |
| Change in Net Position After Regulatory Adj                   | \$ 1,111                                    | \$ -             | \$ -              | \$ -             | \$ -                     | \$ -             | \$ -               | \$ 1,111          |
| Net position at beginning of year                             | 9,402                                       | -                | -                 | -                | -                        | -                | -                  | 9,402             |
| Net position at end of year                                   | <b>\$ 10,513</b>                            | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>              | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ 10,513</b>  |

# MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2023

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to FMPA's basic financial statements, which are comprised of two components: (1) individual project or fund financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

FMPA's **Entity-Wide Financial Statements** are designed to provide readers with a broad overview of FMPA's finances in a manner similar to a private-sector business. It is very important to note that, due to contractual arrangements that are the basis of each power project, no monies can be shared among projects, except that, as of the sale of the Vero Beach electric system to FPL in December 2018, the ARP has taken a transfer and assignment of Vero Beach's interests, as a project participant, in the Stanton, Stanton II and St. Lucie Projects.

The cash flow of one power project, although presented with all others in the financial statement presentation as required by financial reporting requirements, cannot and should not be considered available for any other project. Management encourages readers of this report, when evaluating the financial condition of FMPA, to remember that each power project or fund is a financially independent entity.

The **Statements of Net Position** presents information on all of FMPA's assets and liabilities with the differences between the two reported as Net Position. As a result of a decision by the governing bodies of FMPA, billings and revenues in excess (deficient) of actual costs are returned to (collected from) the participants in the form of billing credits (charges). The assets within the Agency Fund represent those required for staff operations, which coordinate all of the power projects described herein.

The **Statements of Revenues, Expenses and Changes in Fund Net Position** present information regarding how FMPA's net position has changed during the fiscal year ended September 30, 2023. All changes in net position are reported as the underlying event giving rise to the change as it occurs, regardless of the timing of related cash flows. Therefore, some revenues and expenses that are reported in these statements for some items will only result in cash flows in future fiscal periods, such as unrealized gains or losses from investment activities, uncollected billings and earned but unused vacation.

The **Statements of Cash Flows** provide information about FMPA's Agency Fund and each project's cash receipts and disbursements during the fiscal year. These statements report cash receipts, cash payments and net changes in cash resulting from operating, investing and capital & related financing activities.

All of the activities of FMPA are of an enterprise type, or fiduciary type as compared to governmental activities. FMPA has no component units to report. The Financial Statements can be found on pages 14 through 18 of this report.

The **Fund Financial Statements** are comprised of a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. FMPA, like governments and other special agencies or districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of FMPA are reported on the proprietary basis.

FMPA maintains two types of Funds, the Enterprise Fund type, and the Fiduciary Fund type. Enterprise Funds are used to report the same functions presented as business-type activities in the financial statements. FMPA uses enterprise funds to account for all of its power projects, as well as the Agency business operations. Each of the funds is considered a "major fund" according to specific accounting rules. A summary of FMPA's activities for years 2023 and 2022 is shown on pages 8 and 9. A more detailed version of the major fund proprietary financial statements can be found on pages 14 through 16 of this report. The Fiduciary Fund statements provide information about the financial relationships in which the Agency acts solely as a trustee or agent for the benefit of other governments. The Fiduciary Fund financial statements can be found on pages 17 and 18 of this report.

The Notes to Financial Statements provide additional information that is essential to understanding the data provided in both the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 19 through 65 of this report.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## For Fiscal Year Ended September 30, 2023

### ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, when readers use the financial presentations to evaluate FMPA's financial position and results of operations, it is essential to remember the legal separation that exists among the projects. Nevertheless, broad patterns and trends may be observed at this level that should lead the reader to carefully study the financial statements of each fund and project. For example, total revenues decreased \$36 million primarily due to decreased natural gas prices.

### FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS

FMPA uses fund accounting, Federal Energy Regulatory Commission accounting and special utility industry terminology to ensure and demonstrate compliance with finance-related legal requirements. The projects and funds are presented below and in the financial statements in the order in which they were established.

The **Agency Fund** accounts for the administrative activities of FMPA. The expenses incurred while operating the projects and administrative activities are allocated to the power projects, net of any miscellaneous receipts. Total General and Administrative expenses increased \$0.9 million from fiscal year 2022 to fiscal year 2023.

The **Pooled Loan Fund** was re-established during the 2019 fiscal year and has made loans to three members. As required by the Governmental Accounting Standards Board Statement 91 they are recognized as conduit debt and the corresponding receivable and payable are not included on the statement of Net Position. The Pooled loan fund made one loan to an FMPA Project (Stanton II) and one loan to an FMPA Project (ARP), which is included on the statement of Net Position.

The **St. Lucie Project** consists of an 8.806% undivided ownership interest in St. Lucie Unit 2. This unit is a nuclear power plant primarily owned and operated by Florida Power & Light (FPL). FPL requested and received an initial 20-year extension of the operating license from the Nuclear Regulatory Commission (NRC) for Units 1 and 2. The license will allow Unit 1 to operate until 2035 and Unit 2 to operate until 2043. FPL has applied for a subsequent 20-year extension of the operating licenses.

The Project billed 726,227 Megawatt-hours (MWh) in fiscal year 2023. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, decreased 13.3% to \$54.07 in fiscal year 2023.

The **Stanton Project** derives its power from a 14.8193% ownership interest in Stanton Unit 1, a 441 Megawatt coal-fired power plant operated by its primary owner, Orlando Utilities Commission (OUC).

The Project billed 254,654 MWh in fiscal year 2023. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses increased 17% to \$105.32 per MWh in fiscal year 2023 due to higher coal and natural gas prices utilized by the plant and reduced MWhs sold.

The **All-Requirements Project** (ARP) consists of 13 active participants. The ARP energy resources are part of the Florida Municipal Power Pool (FMPP), a consortium of three municipal energy suppliers - ARP, Lakeland Electric and OUC - which have agreed to dispatch resources on an economic cost and availability basis in order to meet combined loads. The average all-inclusive billed rate to ARP member cities decreased 12.5% to \$92.41 per MWh in fiscal year 2023, which is all-inclusive of Energy, Demand and Transmission expenses. The billed Megawatt hours for fiscal year 2023 were 6,040,569.

The All-Requirements participant net cost of power decreased to \$91.33 per MWh in fiscal year 2023, a 8.2% decrease from fiscal year 2022. This decrease was primarily due to lower natural gas fuel expenses. The fuel supply mix was 81.9% for natural gas, 11.9% for coal, .1% for oil 3.1% for purchases 1.3% nuclear and 1.7% for renewables.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## For Fiscal Year Ended September 30, 2023

### FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS (CONTINUED)

After consideration of amounts to be refunded to or recovered from Project participants, the net position of the All-Requirements Project was zero (by design) again in fiscal year 2023. The All-Requirements project adjusts the Energy, and Transmission rates each month based on the current expenses, estimated future expenses, and over/under collections to meet its 60-day cash target. The over/under collection amounts are shown in the Statements of Revenues, Expenses and Changes in Fund Net Position as an addition or reduction to "Billings to Participants" and as "Due from Participants" or "Due to Participants" in the accompanying Statement of Net Position.

The **Tri-City Project** consists of a 5.3012% ownership interest in Stanton Unit 1. The Project billed 89,186 MWh in fiscal year 2023. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased 31.9% to \$128.29 per MWh during fiscal year 2023 primarily due to increased net operating revenues needed to build reserve funds.

The **Stanton II Project** consists of a 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant operated by its primary owner; Orlando Utilities Commission (OUC). The Project billed 510,563 MWh in fiscal year 2023. The average all-inclusive billing rate, which includes budgeted Demand, Energy, and Transmission expenses, decreased by 25.7% to \$108.11 per MWh in fiscal year 2023. This was caused by higher total generation for the plant.

### BUDGETARY HIGHLIGHTS

The FMPA Board of Directors approves the budgets for projects, other than the All-Requirements Project, and the Executive Committee approves the Agency and All-Requirements Project budgets, establishing legal boundaries for expenditures. Due to the pooled loan acquired by the All Requirements project in September of 2022, the 2023 Pooled Loan project budget was amended from \$.6 million to \$1.6 million to capture the principal and interest paid for the All Requirements project .

### CAPITAL ASSETS AND LONG-TERM DEBT

FMPA's investment in Capital Assets, as of September 30, 2023, was \$746 million, net of accumulated depreciation and inclusive of work-in-process and development projects. This investment in capital assets includes operational and construction projects in progress of generation facilities, transmission systems, land, buildings, improvements, and machinery and equipment.

FMPA's investment in capital assets for fiscal year 2023 decreased by 8.4% or \$56.5 million. This was caused primarily by investments in capital assets of \$98.8 million in the All-Requirements Project less depreciation of plant assets.

At September 30, 2023, FMPA had Long-term debt of \$1.0 billion in notes, loans, and bonds payable. The remaining principal payments on Long-term debt less current portion, net of unamortized premium and discount, and deferred outflows are as follows:

| Project                  | Amount (000's US \$) |           |
|--------------------------|----------------------|-----------|
| Pooled Loan Fund         | \$                   | 16,933    |
| St. Lucie Project        |                      | 58,506    |
| All-Requirements Project |                      | 909,385   |
| Stanton II Project       |                      | 59,151    |
| Total                    | \$                   | 1,043,975 |

See **Note VIII** to the Notes to Financial Statements for further information.

# MANAGEMENT'S DISCUSSION & ANALYSIS

## For Fiscal Year Ended September 30, 2023

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Multi-year operational and financial modeling was conducted to arrive at the fiscal year 2023 budget. Expenses were estimated using current market conditions for fuel and estimated member loads which take into consideration the member cities' economies that have shown varying impacts on loads in both demand and energy due to current economic conditions. Rates are set in order to cover all costs and based on the member loads. Additionally, All-Requirements rates are adjusted monthly to maintain cash at a 60 day target as approved by the Executive Committee.

### SIGNIFICANT EVENTS

Global demand for natural gas continues to rise, including in the United States, however, production has not kept up with this increased demand, therefore natural gas prices have been volatile in 2023. FMPA instituted a gas price stability program to help manage the volatility of natural gas prices. The program was approved by the Executive Committee for the All-Requirements Project through April 2025. See Note VI for more details.

The gas price stability program required additional cash liquidity, therefore the All Requirements Project obtained a pooled loan in September 2022 and utilized the 2021B bond proceeds to support the funding of margin calls and the sixty days cash requirements. The borrowed funds were replenished by the members in 2023 through a four month recovery method. See Note IX A.5 for more details.

### REQUEST FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the *Chief Financial Officer, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819.*



**FLORIDA MUNICIPAL POWER AGENCY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2023**  
**(000's US\$)**

|   | Business-Type Activities |                  |                   |                  |                          |                  |                    | Totals              |
|---|--------------------------|------------------|-------------------|------------------|--------------------------|------------------|--------------------|---------------------|
|   | Agency Fund              | Pooled Loan Fund | St. Lucie Project | Stanton Project  | All-Requirements Project | Tri-City Project | Stanton II Project |                     |
| <b>ASSETS &amp; DEFERRED OUTFLOWS</b>                             |                          |                  |                   |                  |                          |                  |                    |                     |
| <b>Current Assets:</b>  |                          |                  |                   |                  |                          |                  |                    |                     |
| Cash and cash equivalents   | \$ 4,344                 | \$ 7             | \$ 10,376         | \$ 11,333        | \$ 99,953                | \$ 2,695         | \$ 13,379          | \$ 142,087          |
| Investments   | 8,419                    | -                | 39,311            | 6,184            | 102,063                  | 2,066            | 26,454             | 184,497             |
| Participant accounts receivable                                   | 2,130                    | -                | 3,115             | 2,331            | 42,374                   | 982              | 4,742              | 55,674              |
| Fuel stock and material inventory                                 | -                        | -                | -                 | 1,659            | 43,320                   | 593              | 2,529              | 48,101              |
| Other current assets  | 900                      | -                | 568               | 19               | 42,105                   | 14               | 169                | 43,775              |
| Restricted assets available for current liabilities               | -                        | 562              | 3,951             | -                | 60,195                   | -                | 12,576             | 77,284              |
| <b>Total Current Assets</b>                                       | <b>15,793</b>            | <b>569</b>       | <b>57,321</b>     | <b>21,526</b>    | <b>390,010</b>           | <b>6,350</b>     | <b>59,849</b>      | <b>551,418</b>      |
| <b>Non-Current Assets:</b>  |                          |                  |                   |                  |                          |                  |                    |                     |
| Restricted Assets:  |                          |                  |                   |                  |                          |                  |                    |                     |
| Cash and cash equivalents   | -                        | 762              | 12,468            | 1,807            | 73,468                   | 315              | 15,570             | 104,390             |
| Investments   | -                        | -                | 116,916           | 5,431            | 44,347                   | 2,158            | 6,024              | 174,876             |
| Accrued interest  | -                        | -                | 1,285             | 45               | 289                      | 15               | 31                 | 1,665               |
| Loans to Project  | -                        | 17,200           | -                 | -                | -                        | -                | -                  | 17,200              |
| Less: Portion Classified as Current                               | -                        | (562)            | (3,951)           | -                | (60,195)                 | -                | (12,576)           | (77,284)            |
| <b>Total Restricted Assets</b>                                    | <b>-</b>                 | <b>17,400</b>    | <b>126,718</b>    | <b>7,283</b>     | <b>57,909</b>            | <b>2,488</b>     | <b>9,049</b>       | <b>220,847</b>      |
| <b>Utility Plant:</b>   |                          |                  |                   |                  |                          |                  |                    |                     |
| Electric plant  | -                        | -                | 332,121           | 97,425           | 1,418,740                | 38,632           | 213,742            | 2,100,660           |
| General plant   | 11,020                   | -                | 42,830            | 21               | 6,235                    | 36               | 91                 | 60,233              |
| Less accumulated depreciation and amortization                    | (8,443)                  | -                | (325,533)         | (80,530)         | (837,094)                | (32,235)         | (135,387)          | (1,419,222)         |
| <b>Net utility plant</b>  | <b>2,577</b>             | <b>-</b>         | <b>49,418</b>     | <b>16,916</b>    | <b>587,881</b>           | <b>6,433</b>     | <b>78,446</b>      | <b>741,671</b>      |
| Construction work in progress                                     | -                        | -                | 654               | -                | 4,058                    | -                | -                  | 4,712               |
| <b>Total Utility Plant, net</b>                                   | <b>2,577</b>             | <b>-</b>         | <b>50,072</b>     | <b>16,916</b>    | <b>591,939</b>           | <b>6,433</b>     | <b>78,446</b>      | <b>746,383</b>      |
| <b>Other Assets:</b>  |                          |                  |                   |                  |                          |                  |                    |                     |
| Net costs recoverable/future participant billings                 | -                        | -                | -                 | -                | 129,912                  | -                | -                  | 129,912             |
| Other   | 48                       | -                | -                 | -                | 773                      | -                | -                  | 821                 |
| <b>Total Other Assets</b>   | <b>48</b>                | <b>-</b>         | <b>-</b>          | <b>-</b>         | <b>130,685</b>           | <b>-</b>         | <b>-</b>           | <b>130,733</b>      |
| <b>Total Assets</b>   | <b>18,418</b>            | <b>17,969</b>    | <b>234,111</b>    | <b>45,725</b>    | <b>1,170,543</b>         | <b>15,271</b>    | <b>147,344</b>     | <b>1,649,381</b>    |
| <b>Deferred Outflows of Resources</b>                             |                          |                  |                   |                  |                          |                  |                    |                     |
| Deferred Outflows from Asset Retirement Obligations               | -                        | -                | -                 | 1,002            | 1,116                    | 359              | 1,572              | 4,049               |
| Deferred Outflows Natural Gas Hedges                              | -                        | -                | -                 | -                | 3,380                    | -                | -                  | 3,380               |
| Unamortized Loss on Advanced Refunding                            | -                        | -                | 616               | -                | 22,706                   | -                | 2,476              | 25,798              |
| <b>Total Deferred Outflows</b>                                    | <b>-</b>                 | <b>-</b>         | <b>616</b>        | <b>1,002</b>     | <b>27,202</b>            | <b>359</b>       | <b>4,048</b>       | <b>33,227</b>       |
| <b>Total Assets &amp; Deferred Outflows</b>                       | <b>18,418</b>            | <b>17,969</b>    | <b>234,727</b>    | <b>46,727</b>    | <b>1,197,745</b>         | <b>15,630</b>    | <b>151,392</b>     | <b>1,682,608</b>    |
| <b>LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>           |                          |                  |                   |                  |                          |                  |                    |                     |
| <b>Current Liabilities:</b>                                       |                          |                  |                   |                  |                          |                  |                    |                     |
| Payable from unrestricted assets:                                 |                          |                  |                   |                  |                          |                  |                    |                     |
| Accounts payable & Accrued Liabilities                            | 2,331                    | 458              | 111               | 1,201            | 45,355                   | 453              | 2,140              | 52,049              |
| Due to Participants   | -                        | 25               | 356               | 1,471            | 66,593                   | 519              | 2,445              | 71,409              |
| Other Post Employment Benefits                                    | 249                      | -                | -                 | -                | -                        | -                | -                  | 249                 |
| Subscription Liability  | 69                       | -                | -                 | -                | 1                        | -                | -                  | 70                  |
| Current Portion of Lease  | -                        | -                | -                 | -                | 13,157                   | -                | -                  | 13,157              |
| <b>Total Current Liabilities Payable from Unrestricted Assets</b> | <b>2,649</b>             | <b>483</b>       | <b>467</b>        | <b>2,672</b>     | <b>125,106</b>           | <b>972</b>       | <b>4,585</b>       | <b>136,934</b>      |
| Payable from Restricted Assets:                                   |                          |                  |                   |                  |                          |                  |                    |                     |
| Current portion of long-term revenue bonds                        | -                        | 531              | 2,685             | -                | 43,985                   | -                | 11,826             | 59,027              |
| Accrued interest on long-term debt                                | -                        | 22               | 1,266             | -                | 16,210                   | -                | 750                | 18,248              |
| <b>Total Liabilities Payable from Restricted Assets</b>           | <b>-</b>                 | <b>553</b>       | <b>3,951</b>      | <b>-</b>         | <b>60,195</b>            | <b>-</b>         | <b>12,576</b>      | <b>77,275</b>       |
| <b>Total Current Liabilities</b>                                  | <b>2,649</b>             | <b>1,036</b>     | <b>4,418</b>      | <b>2,672</b>     | <b>185,301</b>           | <b>972</b>       | <b>17,161</b>      | <b>214,209</b>      |
| <b>Long-Term Liabilities Payable from Restricted Assets:</b>      |                          |                  |                   |                  |                          |                  |                    |                     |
| Accrued Decommissioning Liability                                 | -                        | -                | 112,317           | -                | -                        | -                | -                  | 112,317             |
| <b>Total Liabilities Payable from Restricted Assets</b>           | <b>-</b>                 | <b>-</b>         | <b>112,317</b>    | <b>-</b>         | <b>-</b>                 | <b>-</b>         | <b>-</b>           | <b>112,317</b>      |
| <b>Long-Term Liabilities Less Current Portion:</b>                |                          |                  |                   |                  |                          |                  |                    |                     |
| Long-term debt  | -                        | -                | 58,506            | -                | 909,385                  | -                | 59,151             | 1,027,042           |
| Pooled Loan Fund Non-Conduit Debt                                 | -                        | 16,933           | -                 | -                | 15,000                   | -                | 2,200              | 34,133              |
| LT Subscription Liability   | 35                       | -                | -                 | -                | -                        | -                | -                  | 35                  |
| Other Post-employment Benefits                                    | 4,584                    | -                | -                 | -                | -                        | -                | -                  | 4,584               |
| Landfill Closure & Asset Retirement Obligations                   | -                        | -                | -                 | 4,823            | 5,370                    | 1,727            | 7,585              | 19,505              |
| FMV Derivative Instruments  | -                        | -                | -                 | -                | 3,380                    | -                | -                  | 3,380               |
| Advances from Participants  | -                        | -                | -                 | -                | 18,688                   | -                | -                  | 18,688              |
| <b>Total Long-Term Liabilities</b>                                | <b>4,619</b>             | <b>16,933</b>    | <b>58,506</b>     | <b>4,823</b>     | <b>951,823</b>           | <b>1,727</b>     | <b>68,936</b>      | <b>1,107,367</b>    |
| <b>Deferred Inflows of Resources</b>                              |                          |                  |                   |                  |                          |                  |                    |                     |
| Net cost refundable/future participant billings                   | -                        | -                | 59,486            | 39,232           | -                        | 12,931           | 65,295             | 176,944             |
| Acquisition Adjustment - Vero Beach Entitlements                  | -                        | -                | -                 | -                | 60,621                   | -                | -                  | 60,621              |
| <b>Total Deferred Inflows of Resources</b>                        | <b>-</b>                 | <b>-</b>         | <b>59,486</b>     | <b>39,232</b>    | <b>60,621</b>            | <b>12,931</b>    | <b>65,295</b>      | <b>237,565</b>      |
| <b>Total Long-Term Liabilities &amp; Deferred Inflows</b>         | <b>4,619</b>             | <b>16,933</b>    | <b>230,309</b>    | <b>44,055</b>    | <b>1,012,444</b>         | <b>14,658</b>    | <b>134,231</b>     | <b>1,457,249</b>    |
| <b>Total Liabilities and Deferred Inflows</b>                     | <b>7,268</b>             | <b>17,969</b>    | <b>234,727</b>    | <b>46,727</b>    | <b>1,197,745</b>         | <b>15,630</b>    | <b>151,392</b>     | <b>1,671,458</b>    |
| <b>Net Position:</b>  |                          |                  |                   |                  |                          |                  |                    |                     |
| Net Investment in Capital Assets                                  | 2,508                    | -                | (10,503)          | 16,916           | (256,843)                | 6,433            | 7,745              | (233,744)           |
| Restricted  | -                        | -                | 17,086            | 7,283            | 96,304                   | 2,489            | 20,875             | 144,037             |
| Unrestricted  | 8,642                    | -                | (6,583)           | (24,199)         | 160,539                  | (8,922)          | (28,620)           | 100,857             |
| <b>Total Net Position</b>   | <b>11,150</b>            | <b>-</b>         | <b>-</b>          | <b>-</b>         | <b>-</b>                 | <b>-</b>         | <b>-</b>           | <b>11,150</b>       |
| <b>Total Liabilities and Net Position</b>                         | <b>\$ 18,418</b>         | <b>\$ 17,969</b> | <b>\$ 234,727</b> | <b>\$ 46,727</b> | <b>\$ 1,197,745</b>      | <b>\$ 15,630</b> | <b>\$ 151,392</b>  | <b>\$ 1,682,608</b> |

The accompanying notes are an integral part of these financial statements

**FLORIDA MUNICIPAL POWER AGENCY**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended September 30, 2023**  
**(000's US\$)**

|   | Business-Type Activities |                  |                   |                 |                          |                  |                    | Totals           |
|---|--------------------------|------------------|-------------------|-----------------|--------------------------|------------------|--------------------|------------------|
|   | Agency Fund              | Pooled Loan Fund | St. Lucie Project | Stanton Project | All-Requirements Project | Tri-City Project | Stanton II Project |                  |
| <b>Operating Revenue:</b>   |                          |                  |                   |                 |                          |                  |                    |                  |
| Billings to participants  | \$ 16,925                | \$ 97            | \$ 39,270         | \$ 26,819       | \$ 558,208               | \$ 11,442        | \$ 55,198          | \$ 707,959       |
| Interchange Sales   | -                        | -                | -                 | -               | 22,318                   | -                | -                  | 22,318           |
| Sales to others   | 74                       | -                | 3,806             | 432             | 78,566                   | 155              | 678                | 83,711           |
| Amortization of Vero Beach Acquisition Adj. Amounts to be recovered from (refunded to) participants | -                        | -                | -                 | -               | 12,903                   | -                | -                  | 12,903           |
| <b>Total Operating Revenue</b>  | <u>16,999</u>            | <u>26</u>        | <u>42,720</u>     | <u>25,780</u>   | <u>665,458</u>           | <u>11,078</u>    | <u>53,431</u>      | <u>815,492</u>   |
| <b>Operating Expenses:</b>  |                          |                  |                   |                 |                          |                  |                    |                  |
| Operation and maintenance   | -                        | -                | 11,249            | 8,383           | 87,715                   | 2,999            | 11,685             | 122,031          |
| Fuel expense  | -                        | -                | -                 | 14,450          | 337,413                  | 5,189            | 25,342             | 382,394          |
| Nuclear fuel amortization   | -                        | -                | 4,391             | -               | -                        | -                | -                  | 4,391            |
| Purchased power   | -                        | -                | 3,267             | -               | 37,987                   | -                | -                  | 41,254           |
| Transmission services   | -                        | -                | 466               | 1,574           | 45,301                   | 564              | 2,561              | 50,466           |
| General and administrative  | 16,007                   | 31               | 3,351             | 1,460           | 26,133                   | 808              | 2,075              | 49,865           |
| Depreciation and amortization   | 869                      | -                | 1,658             | 4,349           | 39,723                   | 1,654            | 6,628              | 54,881           |
| Decommissioning   | -                        | -                | 6,251             | -               | -                        | -                | -                  | 6,251            |
| <b>Total Operating Expense</b>  | <u>16,876</u>            | <u>31</u>        | <u>30,633</u>     | <u>30,216</u>   | <u>574,272</u>           | <u>11,214</u>    | <u>48,291</u>      | <u>711,533</u>   |
| <b>Total Operating Income</b>   | <u>123</u>               | <u>(5)</u>       | <u>12,087</u>     | <u>(4,436)</u>  | <u>91,186</u>            | <u>(136)</u>     | <u>5,140</u>       | <u>103,959</u>   |
| <b>Non-Operating Income (Expense):</b>  |                          |                  |                   |                 |                          |                  |                    |                  |
| Interest expense  | -                        | (915)            | (791)             | -               | (25,162)                 | -                | (1,566)            | (28,434)         |
| Debt issuance costs   | -                        | -                | -                 | -               | (1)                      | -                | -                  | (1)              |
| Investment earnings (losses)  | 514                      | 920              | 8,648             | 766             | 9,333                    | 204              | 1,718              | 22,103           |
| Amortization of Loss on Advanced Termination  | -                        | -                | (155)             | -               | (5,030)                  | -                | (817)              | (6,002)          |
| Environmental remediation costs Net of Insurance  | -                        | -                | -                 | -               | 1,032                    | -                | -                  | 1,032            |
| <b>Total Non-Operating Income (Expenses)</b>  | <u>514</u>               | <u>5</u>         | <u>7,702</u>      | <u>766</u>      | <u>(19,828)</u>          | <u>204</u>       | <u>(665)</u>       | <u>(11,302)</u>  |
| Change in net assets before regulatory asset adjustment   | 637                      | -                | 19,789            | (3,670)         | 71,358                   | 68               | 4,475              | 92,657           |
| Net cost recoverable (refundable)/future participant billings                                       | -                        | -                | (19,789)          | 3,670           | (71,358)                 | (68)             | (4,475)            | (92,020)         |
| Change in Net Position After Regulatory Adj   | 637                      | -                | -                 | -               | -                        | -                | -                  | 637              |
| Net Position at beginning of year   | 10,513                   | -                | -                 | -               | -                        | -                | -                  | 10,513           |
| Net Position at end of year   | <u>\$ 11,150</u>         | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ -</u>     | <u>\$ -</u>              | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 11,150</u> |

The accompanying notes are an integral part of these financial statements

**FLORIDA MUNICIPAL POWER AGENCY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the fiscal year ended September 30, 2023**  
**(000's US\$)**

|  | Business-Type Activities- Proprietary Funds |                   |                    |                  |                          |                   |                    | Totals              |
|--|---|-------------------|--------------------|------------------|--------------------------|-------------------|--------------------|---------------------|
|  | Agency Fund                                 | Pooled Loan       | St. Lucie Project  | Stanton Project  | All Requirements Project | Tri-City Project  | Stanton II Project |                     |
| <b>Cash Flows From Operating Activities:</b>   |   |                   |                    |                  |                          |                   |                    |                     |
| Cash Received From Customers   | \$ 16,547                                   | \$ 157            | \$ 38,134          | \$ 27,063        | \$ 679,581               | \$ 11,528         | \$ 54,979          | \$ 827,989          |
| Cash Paid to Suppliers   | (6,937)                                     | (4)               | (18,508)           | (23,987)         | (568,607)                | (8,898)           | (39,301)           | (666,242)           |
| Cash Paid to Employees   | (8,972)                                     | -                 | -                  | -                | (121)                    | -                 | -                  | (9,093)             |
| <b>Net Cash Provided by (Used in) Operating Activities</b>   | <b>\$ 638</b>                               | <b>\$ 153</b>     | <b>\$ 19,626</b>   | <b>\$ 3,076</b>  | <b>\$ 110,853</b>        | <b>\$ 2,630</b>   | <b>\$ 15,678</b>   | <b>\$ 152,654</b>   |
| <b>Cash Flows From Investing Activities:</b>   |   |                   |                    |                  |                          |                   |                    |                     |
| Proceeds From Sales and Maturities Of Investments  | \$ 11,297                                   | \$ 526            | \$ 682,941         | \$ 38,094        | \$ 186,788               | \$ 4,583          | \$ 41,534          | \$ 965,763          |
| Purchases of Investments   | (11,823)                                    | -                 | (781,470)          | (35,486)         | (223,684)                | (6,253)           | (36,827)           | (1,095,543)         |
| Income received on Investments - Less Losses   | 711   | 920               | 6,356              | 474              | 11,079                   | 172               | 887                | 20,599              |
| <b>Net Cash Provided by (Used in) Investment Activities</b>  | <b>\$ 185</b>                               | <b>\$ 1,446</b>   | <b>\$ (92,173)</b> | <b>\$ 3,082</b>  | <b>\$ (25,817)</b>       | <b>\$ (1,498)</b> | <b>\$ 5,594</b>    | <b>\$ (109,181)</b> |
| <b>Cash Flows From Capital &amp; Related Financing Activities:</b>                                   |   |                   |                    |                  |                          |                   |                    |                     |
| Proceeds from Issuance of Bonds, Loans & Leases  | \$ -  | \$ -              | \$ -               | \$ -             | \$ 73,242                | \$ -              | \$ -               | \$ 73,242           |
| Debt Issuance Costs  | -   | -                 | -                  | -                | (1)                      | -                 | -                  | (1)                 |
| Capital Expenditures - Utility Plant   | (626)                                       | -                 | (14,949)           | (410)            | (98,834)                 | (148)             | (848)              | (115,815)           |
| Long Term Gas Pre Pay - PGP  | -   | -                 | -                  | -                | (239)                    | -                 | -                  | (239)               |
| Principal Payments - Long Term Debt  | -   | (522)             | (2,555)            | -                | (55,878)                 | -                 | (5,940)            | (64,895)            |
| Interest paid on Debt  | -   | (921)             | (2,129)            | -                | (37,854)                 | -                 | (1,505)            | (42,409)            |
| Development Project (Charges) Refunds  | 396   | -                 | -                  | -                | (518)                    | -                 | -                  | (122)               |
| <b>Net Cash Provided (Used in) Capital &amp; Related Financing Activities</b>                        | <b>\$ (230)</b>                             | <b>\$ (1,443)</b> | <b>\$ (19,633)</b> | <b>\$ (410)</b>  | <b>\$ (120,082)</b>      | <b>\$ (148)</b>   | <b>\$ (8,293)</b>  | <b>\$ (150,239)</b> |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>  | <b>\$ 593</b>                               | <b>\$ 156</b>     | <b>\$ (92,180)</b> | <b>\$ 5,748</b>  | <b>\$ (35,046)</b>       | <b>\$ 984</b>     | <b>\$ 12,979</b>   | <b>\$ (106,766)</b> |
| <b>Cash and Cash Equivalents - Beginning</b>   | <b>3,751</b>                                | <b>613</b>        | <b>115,024</b>     | <b>7,392</b>     | <b>208,467</b>           | <b>2,026</b>      | <b>15,970</b>      | <b>353,243</b>      |
| <b>Cash and Cash Equivalents - Ending</b>  | <b>\$ 4,344</b>                             | <b>\$ 769</b>     | <b>\$ 22,844</b>   | <b>\$ 13,140</b> | <b>\$ 173,421</b>        | <b>\$ 3,010</b>   | <b>\$ 28,949</b>   | <b>\$ 246,477</b>   |
| <b>Consisting of:</b>  |   |                   |                    |                  |                          |                   |                    |                     |
| Unrestricted   | \$ 4,344                                    | \$ 7              | \$ 10,376          | \$ 11,333        | \$ 99,953                | \$ 2,695          | \$ 13,379          | \$ 142,087          |
| Restricted   | -   | 762               | 12,468             | 1,807            | 73,468                   | 315               | 15,570             | 104,390             |
| <b>Total</b>   | <b>\$ 4,344</b>                             | <b>\$ 769</b>     | <b>\$ 22,844</b>   | <b>\$ 13,140</b> | <b>\$ 173,421</b>        | <b>\$ 3,010</b>   | <b>\$ 28,949</b>   | <b>\$ 246,477</b>   |
| <b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>    |   |                   |                    |                  |                          |                   |                    |                     |
| Operating Income (Loss)  | \$ 123                                      | \$ (5)            | \$ 12,087          | \$ (4,436)       | \$ 91,186                | \$ (136)          | \$ 5,140           | \$ 103,959          |
| Adjustment to Reconcile Net Operating Income to Net Cash Provided by (Used In) Operating Activities: |   |                   |                    |                  |                          |                   |                    |                     |
| Depreciation   | 869   | -                 | 1,658              | 4,349            | 39,723                   | 1,654             | 6,628              | 54,881              |
| Decommissioning  | -   | -                 | 6,251              | -                | -                        | -                 | -                  | 6,251               |
| Amortization of Nuclear Fuel   | -   | -                 | 4,391              | -                | -                        | -                 | -                  | 4,391               |
| Amortization of Pre Paid Gas - PGP   | -   | -                 | -                  | -                | 239                      | -                 | -                  | 239                 |
| Amortization of Vero Exit Payment  | -   | -                 | -                  | -                | (12,903)                 | -                 | -                  | (12,903)            |
| Changes in Assets and Liabilities Which Provided (Used) Cash:  |   |                   |                    |                  |                          |                   |                    |                     |
| Inventory  | -   | -                 | -                  | 63               | (2,572)                  | 23                | 60                 | (2,426)             |
| Receivables From (Payable to) Participants   | (452)                                       | (378)             | (6,292)            | (314)            | 27,019                   | (1,561)           | (1,406)            | 16,616              |
| Prepays  | 466   | -                 | (243)              | -                | (7,336)                  | (12)              | (6)                | (7,131)             |
| Accounts Payable and Accrued Expense   | (368)                                       | 536               | 1,774              | 3,414            | (24,503)                 | 2,662             | 5,262              | (11,223)            |
| Other Deferred Costs   | -   | -                 | -                  | -                | -                        | -                 | -                  | -                   |
| <b>Net Cash Provided By (Used In) Operating Activities</b>   | <b>\$ 638</b>                               | <b>\$ 153</b>     | <b>\$ 19,626</b>   | <b>\$ 3,076</b>  | <b>\$ 110,853</b>        | <b>\$ 2,630</b>   | <b>\$ 15,678</b>   | <b>\$ 152,654</b>   |
| <b>Noncash Investing, capital and financing activities:</b>  |   |                   |                    |                  |                          |                   |                    |                     |
| Increase (Decrease) in mark to market values Investments   | \$ 35                                       | \$ -              | \$ 1,058           | \$ 257           | \$ 1,324                 | \$ 20             | \$ 807             | \$ 3,501            |

The accompanying notes are an integral part of these financial statements

**FLORIDA MUNICIPAL POWER AGENCY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**September 30, 2023**  
**(000's US\$)**

|                                  | <b>Custodial<br/>Funds</b> |
|----------------------------------|----------------------------|
| <b>ASSETS</b>                    |                            |
| Current Assets:                  |                            |
| Cash and cash equivalents        | \$ 21,823                  |
| Investments                      | 29,671                     |
| Accrued Interest                 | 133                        |
| Mark to Market Adjustment        | <u>(1,364)</u>             |
| <b>Total Assets</b>              | <u>50,263</u>              |
| <br><b>Net Position</b>          |                            |
| Restricted for other governments | <u>\$ 50,263</u>           |

**FLORIDA MUNICIPAL POWER AGENCY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year Ended September 30, 2023**  
**(000's US\$)**

**Additions**

|   |           |                     |
|---|-----------|---------------------|
| Contributions   |           |                     |
| Received from other governments - Investment                    | \$        | -                   |
| Received from other governments - Loan Proceeds and issue costs |           | 6,526               |
| Received from other governments - Rate Stabilization            |           | 80                  |
| Investment Income   |           | 1,482               |
| <b>Total additions</b>  | <b>\$</b> | <b><u>8,088</u></b> |

**Deductions**

|  |           |                     |
|--|-----------|---------------------|
| Paid to other governments - Loan Proceeds      | \$        | 4,196               |
| Paid to other governments - Rate Stabilization |           | -                   |
| Bank Charges                                   |           | 3                   |
| <b>Total deductions</b>                        | <b>\$</b> | <b><u>4,199</u></b> |

|                               |           |              |
|-------------------------------|-----------|--------------|
| <b>Change in net position</b> | <b>\$</b> | <b>3,889</b> |
|-------------------------------|-----------|--------------|

|  |  |                      |
|--|--|----------------------|
| <b>Net position, beginning of year</b> |  | <b><u>46,374</u></b> |
|--|--|----------------------|

|                                  |           |                             |
|----------------------------------|-----------|-----------------------------|
| <b>Net position, end of year</b> | <b>\$</b> | <b><u><u>50,263</u></u></b> |
|----------------------------------|-----------|-----------------------------|

The accompanying notes are an integral part of these financial statements

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### I. Summary of Significant Accounting Policies

#### A. Reporting Entity

Florida Municipal Power Agency (FMPA or Agency) was created on February 24, 1978, pursuant to the terms of an Interlocal Agreement signed by the governing bodies of 25 Florida municipal corporations or utility commissions chartered by the State of Florida.

The Florida Interlocal Cooperation Act of 1969 authorizes local government units to enter together into mutually advantageous agreements which create separate legal entities for certain specified purposes. FMPA, as one such entity, was authorized under the Florida Interlocal Cooperation Act and the Joint Power Act to finance, acquire, construct, manage, operate, or own electric power projects or to accomplish these same purposes jointly with other public or private utilities. An amendment to the Florida Interlocal Cooperation Act in 1985 and an amendment to the Interlocal Agreement in 1986 authorized FMPA to implement a pooled financing or borrowing program for electric, water, wastewater, waste refuse disposal, gas, or other utility projects for FMPA and its members. FMPA established itself as a project-oriented agency.

This structure allows each member the option of whether to participate in a project, to participate in more than one project, or not to participate in any project. Each of the projects are financially independent from the others and the project bond resolutions specify that no revenues or funds from one project can be used to pay the costs of any other project, except that, as of the sale of the Vero Beach electric system to FPL, the ARP has taken a transfer and assignment of Vero Beach's interests, as a project participant, in the Stanton, Stanton II and St. Lucie Projects. As of September 30, 2023, FMPA has 33 members.

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Agency Fund and each of the projects are maintained using the Governmental Accounting Standards Board (GASB), the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC) and Generally Accepted Accounting Principles of the United States (GAAP) using the economic resources measurement focus and the accrual basis of accounting. Application of the accounting methods for regulatory operations is also included in these financial statements. This accounting guidance relates to the deferral of revenues and expenses to future periods in which the revenues are earned, or the expenses are recovered through the rate-making process, which is governed by the Executive Committee and the Board of Directors.

The Agency's General Bond Resolution requires that its rate structure be designed to produce revenues sufficient to pay operating, debt service and other specified costs. The Agency's Board of Directors, which is comprised of one director representing each member city, and Executive Committee, which is comprised of one representative from each of the active All-Requirements Project members, are responsible for reviewing and approving the rate structures. The application of a given rate structure to a given period's electricity sales may produce revenues not intended to pay that period's costs and conversely, that period's costs may not be intended to be recovered in that period's revenues. The affected revenues and/or costs are, in such cases, deferred for future recognition. The recognition of deferred items is correlated with specific future events, primarily payment of debt principal.

FMPA considers electric revenues and costs that are directly related to generation, purchases, transmission, and distribution of electricity to be operating revenues and expenses. Revenues are recorded when they are earned and expenses are recorded when a liability is incurred, following GAAP.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### I. Summary of Significant Accounting Policies (continued)

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

##### 1. Fund Accounting

FMPA maintains its accounts on a fund/project basis, in compliance with appropriate bond resolutions, and operates its various projects in a manner similar to private business. Operations of each project are accounted for as a proprietary fund and as such, inter-project transactions, revenues and expenses are not eliminated.

The Agency operates the following major funds:

- The Agency Fund, which accounts for general operations beneficial to all members and projects.
- The Pooled Loan Fund was re-established during the fiscal year 2019 and will loan funds to member utilities or FMPA projects.
- The St. Lucie Project, which accounts for ownership interest in the St. Lucie Unit 2 nuclear generating facility.
- The Stanton Project and the Tri-City Project, which account for respective ownership interests in the Stanton Energy Center (SEC) Unit 1, a coal-fired generation facility,
- The All-Requirements Project, which accounts for ownership interests in Stanton Energy Center Unit 1, Stanton Energy Center Unit 2, Stanton Unit A, and Indian River Combustion Turbine Units A, B, C and D. Also included in the All-Requirements Project is the purchase of power for resale to the participants and 100% ownership or ownership cost responsibility (for jointly owned and participant-owned units) of Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, FMPA's Key West Combustion Turbine Units 1, 2, 3 and 4 and Key West Stock Island MS Units 1 & 2. The project also assumed the participant interest of Vero Beach in the St. Lucie, Stanton, and Stanton II Projects. Some of the All-Requirements participants subscribed to the output of a solar farm that came online in July of 2020.
- The Stanton II Project, which accounts for an ownership interest in SEC Unit 2.
- The Fiduciary Fund accounts for assets held by the Agency as a trustee for other governmental units.

Certain accounts within these funds are grouped and classified in the manner established by respective bond resolutions and/or debt instruments.

All funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary or business fund's principal on-going operations. The principal operating revenues of FMPA's proprietary or business funds are charges to participants for sales and services. Operating expenses for proprietary or business funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is FMPA's policy to use restricted funds for their intended purposes only, based on the bond resolutions. Unrestricted resources are used as they are needed in a hierarchical manner from the General Reserve accounts to the Operations and Maintenance accounts.

Certain direct and indirect expenses allocable to FMPA's fully owned and undivided ownership in the St. Lucie Project, the Stanton Project, the All-Requirements Project, the Tri-City Project, and the Stanton II Project are capitalized as part of the cost of acquiring or constructing the respective utility plant. Direct and indirect expenses not associated with these projects are capitalized as part of the cost of Development Projects in Progress in the Agency Fund. Electric Plant in Service is depreciated using the straight-line method over the assets' respective estimated useful lives. Estimated useful lives for electric plant assets range from 23 years to 40 years.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### I. Summary of Significant Accounting Policies (continued)

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

##### 2. Capital Assets

The cost of major replacements of assets in excess of \$5,000 is capitalized to the utility plant accounts. The cost of maintenance, repairs and replacements of minor items are expensed as incurred.

##### 3. Inventory

Coal, oil, and natural gas inventory is stated at weighted average cost. Parts inventory for the generating plants is also stated at weighted average cost. Nuclear fuel is carried at cost and is amortized on the units of production basis.

##### 4. Cash & Cash Equivalents

FMPA considers the following highly liquid investments (including restricted assets) to be cash equivalents for the statement of cash flows:

- Demand deposits (not including certificates of deposits)
- Money market funds

##### 5. Investments

Florida Statutes authorize FMPA to invest in the FL Local Government Surplus Funds Trust Fund, obligations of the U.S. Instrumentalities, Money Market Funds, U.S. Government and Agency Securities, Certificates of Deposit, commercial paper and repurchase agreements fully collateralized by all the items listed above. In addition to the above, Florida law also allows FMPA to adopt its own investment policy, subject to certain restrictions. FMPA's policy authorizes the investment in certain corporate and municipal bonds, bankers' acceptances, prime commercial paper and repurchase agreements, guaranteed investment contracts and other investments with a rating confirmation issued by a rating agency.

Investments are stated at fair value based on quoted market prices and using third party pricing models for thinly traded investments that don't have readily available market values. Investment income includes changes in the fair value of these investments. Interest on investments is accrued at the Statement of Net Position date. All of FMPA's project and fund investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

##### 6. Debt-Related Costs

Debt issuance costs are expensed as incurred. Gains and losses on the refunding of bonds are deferred and amortized over the life of the refunding bonds or the life of the refunded bonds, whichever is shorter, using the bonds outstanding method. This method is used for the St. Lucie Project, the All-Requirements Project, and the Stanton II Project.

##### 7. Compensated Absences

Liabilities related to Compensated Absences are recognized as incurred in accordance with GASB Statement No. 16 and are included in accrued expenses. Regular, full-time employees in good standing, upon resignation or retirement, are eligible for vacation pay, and sick/personal pay. At September 30, 2023, the liability for unused vacation was \$942,640 and a portion of \$649,753 for unused sick/personal leave is accounted for in the Agency Fund.



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### I. Summary of Significant Accounting Policies (continued)

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

##### 8. Allocation of Agency Fund Expenses

General and administrative operating expenses of the Agency Fund are allocated based on direct labor hours of specific positions and certain other minimum allocations to each of the projects. Any remaining expenses are allocated to the All-Requirements Project.

##### 9. Billing to Participants

Participant billings are designed to systematically provide revenue sufficient to recover costs. Rates and budgets can be amended by the Board of Directors or the Executive Committee at any time.

For the All-Requirements Project, energy rate adjustments are driven by the Project's Operation and Maintenance (O & M) Fund month-end cash balance and the cash balance needed to meet the targeted balance of 60 days of cash within the O & M Fund. If it is determined that the O & M Fund balance is over the 60 days O & M Fund cash balance target amount, the energy rate adjustment will result in a lower billing rate relative to projected expenses and thereby reduce the future O & M Fund balance. Likewise, if the O & M Fund balance is below the 60 day cash target, the energy rate adjustment will result in a higher billing rate relative to projected expenses and thereby increase the future O & M Fund balance.

Amounts due from participants are deemed to be entirely collectible and as such, no allowance for uncollectible accounts has been recorded.

For the St. Lucie Project, the Stanton Project, the Tri-City Project and the Stanton II Project, variances in current fiscal year billings and actual project costs are computed and compared to the current year budget target under or over recovery and under the terms of the project contract, net excesses or deficiencies are credited or charged to future participant billings or may be paid from the General Reserve Fund, as approved by the Board of Directors, or Executive Committee as appropriate.

##### 10. Income Taxes

FMPA is a local governmental entity and therefore is exempt from federal and state income taxes.

##### 11. Use of Estimates

The management of FMPA has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Examples of major areas where estimates are used include the estimate for useful lives of property, plant and equipment and the estimate for the nuclear decommissioning liability. Other examples include using third party pricing models for pricing of thinly traded investments, and use of estimates when computing the OPEB liability, asset retirement obligations, landfill closure costs, and pollution remediation obligations. Actual results could differ from those estimates.

##### 12. Derivative Financial Instruments

FMPA used commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas storage. The contracts were held by Florida Gas Utility (FGU) and FMPA agreed to reimburse FGU for any loss on the contracts and FGU agreed to pay FMPA for any gain on the contracts. This practice was discontinued during the fiscal year.

Additionally, FMPA utilizes derivative instruments - fair value hedges to hedge financial exposure and mitigate risk related to daily price changes in the natural gas supply market, as further disclosed in Note VI.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### Summary of Significant Accounting Policies (continued)

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

##### 13. Deferred Inflows and Deferred Outflows

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. FMPA has three items that qualify for reporting in this category, the deferred portion of Asset Retirement Obligations, the Unamortized Loss on Refunding, and hedging derivative instruments. The deferred Asset Retirement Obligation costs will be collected from participants as determined by the Board and Executive Committee during the budget process. A deferred Loss on Refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. For effective hedging derivative instruments, the changes in fair values are reported as deferred inflows and outflows. The amount is deferred until the gain or loss is realized.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. FMPA has two items that qualify for reporting in this category, the Net Cost Refundable/Future Participant Billings, and the Acquisition Adjustment - Vero Beach Entitlements. The net Costs Refundable/Future Participant Billings are recognized as a rate benefit in future periods through the rate-making process. The Acquisition Adjustment – Vero Beach Entitlements are being amortized to income to offset the additional annual costs to the All-Requirements project for the assumption of the Project obligations acquired.

##### 14. Financial Reporting for Pension Plans

FMPA has a Defined Contribution Pension Plan and therefore the impacts of reporting for pension plans are minimal compared to entities that have a Defined Benefit Pension Plan. The impacts on accounting and reporting for FMPA are disclosed in footnote XII.A.

##### 15. Financial Reporting for Postemployment Benefits Other Than Pensions

The Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) was adopted by FMPA for reporting the employer's OPEB Plan Liability. The accounting and reporting for FMPA and additional disclosures are provided in footnote XII.B and in the Required Supplementary Information section.

##### 16. Landfill Closure and Post Closure Maintenance Cost

In accordance with Governmental Accounting Standards Board Statement No. 18, Accounting for Landfill Closure and Post Closure Maintenance Cost was implemented beginning with the fiscal year ending September 30, 2018, for reporting the Stanton, Stanton II, Tri-City and All Requirements Projects liability for the fly ash landfill at the Stanton Energy Center.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### Summary of Significant Accounting Policies (continued)

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

##### 17. Fair Value Measurement and Application

Investments for FMPA are stated at fair value. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1 inputs**-are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 inputs**-are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Agency Obligation securities are recorded at fair value based upon Bloomberg pricing models using observable inputs and as such are presented as level 2 in the GASB 72 hierarchy in footnote IV.
- **Level 3 inputs**-are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

##### 18. New Required Standards from the Governmental Accounting Standards Board for 2023

- **GASB No. 96** for Accounting for subscription-based information technology (SBITA) arrangements for government end users. This statement establishes that a SBITA results in a right-to-use subscription asset, an intangible asset and a corresponding subscription liability. It provides capitalization criteria for outlays and subscription payments. It became effective for the current fiscal year and qualifying leases were identified in the Agency and All Requirements Projects.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### II. Nuclear Decommissioning Liability

#### St. Lucie Project

The U.S. Nuclear Regulatory Commission (NRC) requires that each licensee of a commercial nuclear power reactor furnish to the NRC a certification of its financial capability to meet the costs of nuclear decommissioning at the end of the useful life of the licensee's facility. As a co-licensee of St. Lucie Unit 2, FMPA's St. Lucie Project is subject to these requirements and therefore has complied with the NRC regulations.

To comply with the NRC's financial capability regulations, FMPA established an external trust fund (Decommissioning Trust) pursuant to a trust agreement. Funds deposited, together with investment earnings in the Trust, are anticipated to result in sufficient funds in the Decommissioning Trust at the expiration of the license extension to meet the Project's share of the decommissioning costs. This is reflected in the St. Lucie Project's Statement of Net Position as Restricted Cash and Investments (\$112 million) and Accrued Decommissioning Liability (\$112 million) at September 30, 2023. These amounts are to be used for the sole purpose of paying the St. Lucie nuclear decommissioning costs. Based on a site-specific study approved by the Florida Public Service Commission in 2020, Unit 2's future net decommissioning costs are estimated to be \$1.7 billion or \$674 million in 2020 dollars, and FMPA's share of the future net decommissioning costs is estimated to be \$146 million or \$59 million in 2020 dollars. A new study will be completed and made available in December 2025. The Decommissioning Trust is irrevocable, and funds may be withdrawn from the Trust solely for the purpose of paying the St. Lucie Project's share of costs for nuclear decommissioning. Also, under NRC regulations, the Trust is required to be segregated from other FMPA assets and outside FMPA's administrative control. FMPA has complied with these regulations.

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### III. Landfill Closure and Post Closure Maintenance Liability and Asset Retirement Obligations

In accordance with Governmental Accounting Standard No. 18, the ownership share of the landfill closure and post closure maintenance costs the Stanton Energy Center Units 1 & 2, including the proportionate closure and post closure maintenance costs of \$15.46 million as of September 30, 2023, was recognized across FMPA's All Requirements, Stanton, Stanton II and Tri-City Projects. FMPA expects to recognize the remaining share of its estimated closure and post closure costs of \$7.32 million over the remaining useful life of the landfill. As of September 30, 2022, and 2023, 75.9% and 80.9%, respective of the total landfill capacity has been used. As of 2023, four years remain on the landfill life. An update for 2023 has been received which recognized more stringent requirements for the landfill which has caused the estimated closure and post closure costs to increase significantly, approximately \$18 million, across the FMPA Projects.

In accordance with Governmental Accounting Standard No. 83, Asset Retirement Obligation have been calculated for each of the generating sites owned by FMPA. Significant assumptions used in the calculation of the Obligations are as follows:

There are no pollution events that need to be addressed. If a pollution event occurs it will be cleaned up as soon as practicable and the expense will be recognized at the time of the event.

Scrap and salvage values for the natural gas plants exceed the cost to retire the units therefore, no obligation is accrued for these assets.

Coal plant retirement obligations are based on an EPRI study, removing costs for asbestos abatement. All ash disposal is included in the Landfill Closure Cost estimate.

The impact for each of FMPA Projects as of September 30, 2023 is:

|   | Stanton<br>Project     | All-Req<br>Project     | Tri-City<br>Project    | Stanton II<br>Project  | Total                   |
|---|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Landfill Closure Costs                                    |                        |                        |                        |                        |                         |
| Total Exposure  | \$ 4,723               | \$ 5,258               | \$ 1,690               | \$ 7,433               | \$ 19,104               |
| Remaining Liability                                       | (902)                  | (1,004)                | (322)                  | (1,420)                | (3,648)                 |
| Total Liability at September 30                           | <u>\$ 3,821</u>        | <u>\$ 4,254</u>        | <u>\$ 1,368</u>        | <u>\$ 6,013</u>        | <u>\$ 15,456</u>        |
| Closure Liability   | \$ 1,809               | \$ 2,014               | \$ 648                 | \$ 2,847               | \$ 7,318                |
| Post Closure Liability                                    | 2,012                  | 2,240                  | 720                    | 3,166                  | 8,138                   |
| Asset Retirement Obligation                               | <u>1,002</u>           | <u>1,116</u>           | <u>359</u>             | <u>1,572</u>           | <u>4,049</u>            |
| Total Landfill Closure and<br>Asset Retirement Obligation | <u><u>\$ 4,823</u></u> | <u><u>\$ 5,370</u></u> | <u><u>\$ 1,727</u></u> | <u><u>\$ 7,585</u></u> | <u><u>\$ 19,505</u></u> |

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IV. Capital Assets

A description and summary as of September 30, 2023, of Capital Assets by fund and project, is as follows:

The column labeled "Increases" reflects new capital undertakings and depreciation expense. The column labeled "Decreases" reflects retirements of those assets.

#### A. Agency Fund

The Agency Fund contains the general plant assets of the Agency that are not associated with specific projects. Depreciation of general plant assets is computed by using the straight-line method over the expected useful life of the asset. Expected lives of the different types of general plant assets are as follows:

- Structures & Improvements 25 years
- Furniture & Fixtures 8 years
- Office Equipment 5 years
- Automobiles, Computers, and Software 3 years

New capital undertakings are accounted for in the Construction Work in Process account and included in the Utility Plant Assets section of the Statement of Net Position. Depending on whether these undertakings become a project, costs are either capitalized or expensed. The activity for the Agency's general plant assets for the year ended September 30, 2023 was as follows:

|  | Beginning<br>Balance | September 30, 2023 |             | Ending<br>Balance |
|--|----------------------|--------------------|-------------|-------------------|
|  |                      | Increases*         | Decreases*  |                   |
| (000's US\$)                           |                      |                    |             |                   |
| Land                                   | \$ 653               | \$ -               | \$ -        | \$ 653            |
| General Plant                          | 9,741                | 137                | -           | 9,878             |
| Subscription Based IT Agreements       | 419                  | 70                 | -           | 489               |
| General Plant in Service               | <u>\$ 10,813</u>     | <u>\$ 207</u>      | <u>\$ -</u> | <u>\$ 11,020</u>  |
| Less Accumulated Depreciation          | (7,574)              | (532)              | -           | (8,106)           |
| Less Accumulated Amortization on SBITA | <u>\$ (7,574)</u>    | <u>\$ (337)</u>    | <u>\$ -</u> | <u>\$ (8,443)</u> |
| Total Accumulated Deprn and Amort      | <u>\$ (7,574)</u>    | <u>\$ (869)</u>    | <u>\$ -</u> | <u>\$ (8,443)</u> |
| General Plant in Service, Net          | <u>\$ 3,239</u>      | <u>\$ (662)</u>    | <u>\$ -</u> | <u>\$ 2,577</u>   |

\* Includes Retirements Less Salvage

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IV. Capital Assets (continued)

#### B. St. Lucie Project

The St. Lucie Project consists of an 8.806% undivided ownership interest in St. Lucie Unit 2, a nuclear power plant primarily owned and operated by Florida Power & Light (FPL).

Depreciation was originally computed using the straight-line method over the expected useful life of the asset, which was originally computed to be 34.6 years. In FYE 2021, management extended the useful life to 60 years based on the extended operating license for St. Lucie Unit 2. Nuclear fuel is amortized on a units of production basis. St. Lucie plant asset activity for the year ended September 30, 2023, was as follows:

|                                   | Beginning<br>Balance | September 30, 2023 |            | Ending<br>Balance |
|-----------------------------------|----------------------|--------------------|------------|-------------------|
|                                   |                      | Increases          | Decreases* |                   |
|                                   |                      | (000's US\$)       |            |                   |
| Land                              | \$ 75                | \$ -               | \$ -       | \$ 75             |
| Electric Plant                    | 319,891              | 12,155             | -          | 332,046           |
| General Plant                     | 1,208                | -                  | -          | 1,208             |
| Nuclear Fuel                      | 37,294               | 4,328              | -          | 41,622            |
| Construction work in process      | 2,556                | -                  | (1,902)    | 654               |
| Electric Utility Plant in Service | \$ 361,024           | \$ 16,483          | \$ (1,902) | \$ 375,605        |
| Less Accumulated Depreciation     | (319,852)            | (6,049)            | 368        | (325,533)         |
| Utility Plant in Service, Net     | \$ 41,172            | \$ 10,434          | \$ (1,534) | \$ 50,072         |

\* Includes Retirements Less Salvage

Construction work in process is recorded on an estimate basis and reversed 3 months later when actual amounts are determined.

#### C. Stanton Project

The Stanton Project consists of an undivided 14.8193% ownership in Stanton Energy Center Unit 1, a coal-fired power plant. Asset retirements and additions for the plant are decided by Orlando Utilities Commission (OUC), the primary owner and operator of the plant.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different plant assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

Stanton Unit 1 plant asset activity for the year ended September 30, 2023, was as follows:

|                                   | Beginning<br>Balance | September 30, 2023 |            | Ending<br>Balance |
|-----------------------------------|----------------------|--------------------|------------|-------------------|
|                                   |                      | Increases          | Decreases* |                   |
|                                   |                      | (000's US\$)       |            |                   |
| Land                              | \$ 125               | \$ -               | \$ -       | \$ 125            |
| Electric Plant                    | 96,890               | 410                | -          | 97,300            |
| General Plant                     | 21                   | -                  | -          | 21                |
| Electric Utility Plant in Service | \$ 97,036            | \$ 410             | \$ -       | \$ 97,446         |
| Less Accumulated Depreciation     | (76,181)             | (4,349)            | -          | (80,530)          |
| Utility Plant in Service, Net     | \$ 20,855            | \$ (3,939)         | \$ -       | \$ 16,916         |

\* Includes Retirements Less Salvage

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IV. Capital Assets (continued)

#### D. All-Requirements Project

The All-Requirements Project's current utility plant assets include varying ownership interests in Stanton Energy Center Units 1 and 2; Indian River Combustion Turbines A, B, C and D; and Stanton A. The All-Requirements Project's current utility plant assets also consist of 100% ownership or ownership cost responsibility (for jointly owned and participant owned units) in the Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, Key West Units 1, 2, 3 and 4, and Stock Island MSD Units 1 & 2, with the exception of the KUA – TARP Lease Obligation. See footnote IX.A.5 for more detail on the KUA – TARP Lease Obligation.

Retirements and additions for the All-Requirements Project assets are decided by the All-Requirements members.

Depreciation of plant assets and amortization of leases is computed using the straight-line method over the expected useful life of the asset. Expected lives of the different plant assets are as follows:

|                                       |            |
|---------------------------------------|------------|
| • Stanton Energy Center Units 1 and 2 | 40 years   |
| • Stanton Energy Center Unit A        | 35 years   |
| • Treasure Coast Energy Center        | 35 years   |
| • Cane Island Unit 1                  | 25 years   |
| • Cane Island Units 2, 3              | 30 years   |
| • Cane Island Unit 4                  | 35 years   |
| • Key West Units 1, 2 and 3           | 25 years   |
| • Key West Stock Island Units 1 and 2 | 25 years   |
| • Key West Stock Island Unit 4        | 23 years   |
| • Indian River Units A, B, C and D    | 23 years * |
| • Computer Equipment                  | 9 years    |

*\* Indian River Units A, B, C and D, reached the end of their useful lives. Management has extended the useful life by 5 years for new capital additions.*

All-Requirements plant asset activity for the year ended September 30, 2023, was as follows:

|                                     | September 30, 2023   |                    |             | Ending<br>Balance   |
|-------------------------------------|----------------------|--------------------|-------------|---------------------|
|                                     | Beginning<br>Balance | Increases          | Decreases*  |                     |
|                                     | (000's US\$)         |                    |             |                     |
| Land                                | \$ 13,405            | \$ -               | \$ -        | \$ 13,405           |
| Electric Plant                      | 1,307,882            | 97,453             |             | 1,405,335           |
| General Plant                       | 5,627                | 551                |             | 6,178               |
| Subscription Based IT Agreements    |                      | 57                 |             | 57                  |
| CWIP                                | 3,285                | 773                |             | 4,058               |
| Electric Utility Plant in Service   | <u>\$ 1,330,199</u>  | <u>\$ 98,834</u>   | <u>\$ -</u> | <u>\$ 1,429,033</u> |
| Less Accumulated Depreciation       | \$ (797,371)         | \$ (39,672)        | \$ -        | \$ (837,043)        |
| Less Accumulated Amortization SBITA |                      | (51)               |             | (51)                |
| Total Accumulated Deprn and Amort   | <u>\$ (797,371)</u>  | <u>\$ (39,723)</u> | <u>\$ -</u> | <u>\$ (837,094)</u> |
| Utility Plant in Service, Net       | <u>\$ 532,828</u>    | <u>\$ 59,111</u>   | <u>\$ -</u> | <u>\$ 591,939</u>   |

\*Includes Retirements Less Salvage



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IV. Capital Assets (continued)

#### E. Tri-City Project

The Tri-City Project consists of an undivided 5.3012% ownership interest in Stanton Unit 1, a coal-fired power plant. Retirements and additions for Stanton Unit 1 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

Tri-City Project plant asset activity for the year ended September 30, 2023, was as follows:

|                                   | Beginning<br>Balance | September 30, 2023 |             | Ending<br>Balance |
|-----------------------------------|----------------------|--------------------|-------------|-------------------|
|                                   |                      | Increases          | Decreases*  |                   |
|                                   |                      | (000's US\$)       |             |                   |
| Land                              | \$ 48                | \$ -               | \$ -        | \$ 48             |
| Electric Plant                    | 38,436               | 148                | -           | 38,584            |
| General Plant                     | 36                   | -                  | -           | 36                |
| Electric Utility Plant in Service | \$ 38,520            | \$ 148             | \$ -        | \$ 38,668         |
| Less Accumulated Depreciation     | (30,581)             | (1,654)            | -           | (32,235)          |
| Utility Plant in Service, Net     | <u>\$ 7,939</u>      | <u>\$ (1,506)</u>  | <u>\$ -</u> | <u>\$ 6,433</u>   |

#### F. Stanton II Project

The Stanton II Project consists of an undivided 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant. Retirements and additions for Stanton Unit 2 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant 39 years

Stanton Unit 2 plant asset activity for the year ended September 30, 2023, was as follows:

|                                   | Beginning<br>Balance | September 30, 2023 |             | Ending<br>Balance |
|-----------------------------------|----------------------|--------------------|-------------|-------------------|
|                                   |                      | Increases          | Decreases*  |                   |
|                                   |                      | (000's US\$)       |             |                   |
| Land                              | \$ 217               | \$ -               | \$ -        | \$ 217            |
| Electric Plant                    | 212,677              | 848                | -           | 213,525           |
| General Plant                     | 91                   | -                  | -           | 91                |
| Electric Utility Plant in Service | \$ 212,985           | \$ 848             | \$ -        | \$ 213,833        |
| Less Accumulated Depreciation     | (128,759)            | (6,628)            | -           | (135,387)         |
| Utility Plant in Service, Net     | <u>\$ 84,226</u>     | <u>\$ (5,780)</u>  | <u>\$ -</u> | <u>\$ 78,446</u>  |

\* Includes Retirements Less Salvage

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments

#### A. Cash and Cash Equivalents

At September 30, 2023, FMPA's Cash and Cash Equivalents consisted of demand deposit accounts, money market accounts, and funds that are held with a fiscal agent. Demand deposit and money market accounts are authorized under FMPA bond resolutions. These funds are held at two financial institutions. All of FMPA's demand deposits at September 30, 2023, were insured by Federal Depository Insurance Corporation (FDIC) or collateralized pursuant to the Public Depository Security Act of the State of Florida. Current unrestricted cash and cash equivalents are used in FMPA's funds' and projects' day-to-day operations.

#### B. Investments

FMPA adheres to a Board and Executive Committee-adopted investment policy based on the requirements of the bond resolutions. The policy requires diversification based upon investment type, issuing institutions, and duration. All of the fund and project accounts have specified requirements with respect to investments selected and the length of allowable investment.

Investments at September 30, 2023 were insured or registered and held by its agent in FMPA's name. Changes in the fair value of investments are reported in current period revenues and expenses. All of FMPA's fund and project investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

#### Credit Risk

FMPA's investment policy sets minimum credit rating standards for fixed income securities. In the case of rated investments, the company requires a minimum A credit rating, irrespective of any gradation within that rating. US Treasuries and Agency investments, recognized as some of the safest fixed income securities, presently carry Aaa ratings from Moody's and AA+ ratings from Standard & Poor's. Additionally, US Treasuries are rated AA+ by Fitch. Moreover, FMPA imposes diversification limits to mitigate the risk of excessive credit exposure in any singular investment or asset category.

#### Custodial Credit Risk

All investment security transactions, including collateral for repurchase agreements, entered into by FMPA are settled on a delivery versus payment (DVP) basis. Securities are held by a third party Custodian or Trustee and evidenced by trade confirmations and bank statements. All securities purchased by FMPA are properly designated as an asset of the Agency or its Projects and held by a third party Custodial or Trustee institution.

#### Foreign Currency Risk

FMPA's investments are not exposed to foreign currency risk.

#### Interest-Rate Risk

FMPA's investment policy requires that funds generally be invested to match anticipated cash flow. All fund and project accounts have a specified maximum maturity for investments and, the majority of FMPA's funds are required to be invested for less than five years. All project funds and accounts are monitored using weighted average maturity analysis as well as maturity date restrictions.

#### Concentration of Credit Risk

Each project is separate from the others, and as such, each project is evaluated individually to determine the credit and interest rate risk. FMPA's investment policy prohibits investments in commercial paper that exceed 50% of any of the projects' or the Agency's assets. All commercial paper must be rated in the highest rating category by a nationally recognized bond rating agency at the time of purchase. These investments must not exceed 50% for any of FMPA's projects. As of September 30, 2023, fixed income commercial paper investments, held by FMPA from any one issuer (investments issued or explicitly guaranteed by the US Government, investments in mutual funds, external investment pools and other pooled investments are excluded) are limited to 10% of the projects' investment assets. No project exceeded that limit.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

FMPA maintains all assets other than demand deposit accounts within a trust department of a bank. All cash and investments, other than demand deposit accounts, are held in the name of a custodian or a trustee for the Agency and its projects.

##### 1. Agency Fund

Cash, cash equivalents and investments on deposit for the Agency at September 30, 2023, are as follows:

|                             | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating *                 |
|-----------------------------|--|--|---------------------------------|
| <b>Unrestricted</b>         |  |  |                                 |
| Cash and Cash Equivalents   | \$ 4,344                                     |  |                                 |
| US Gov't/Agency Securities* | 5,465  | 270                                    | Aaa/AA+/AA+                     |
| Commercial Paper            | 997  | 37                                     | P-1/A-1/F1+                     |
| Corporate Notes             | 1,957  | 285                                    | Aa3 to A1/AA+ to AA-/AA+ to AA- |
| Total Unrestricted          | <u>\$ 12,763</u>                             |  |                                 |
| Total                       | <u>\$ 12,763</u>                             |  |                                 |

\* Moody's/S&P/Fitch

Investments measured at Fair Value for the Agency at September 30, 2023, are as follows:

| Investment Assets by Fair Value Level   | Quoted Prices in<br>Active Markets<br>(Level 1)<br><i>(000's US\$)</i> | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)<br><i>(000's US\$)</i> | Significant<br>Unobservable<br>Inputs<br>(Level 3)<br><i>(000's US\$)</i> |
|---|--|--|---|
| Agency Obligations  | \$ -   | \$ 3,995   | \$ -  |
| US Treasury Obligations   | 1,470  |  |   |
| Corporate Notes   |  | 1,957  |   |
| Brokered CDs  |  |  |   |
| Total By Level  | <u>\$ 1,470</u>  | <u>\$ 5,952</u>  | <u>\$ -</u>   |
| <b>Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure</b>    |  |  |   |
| Cash Equivalents  | \$ 4,344   |  |   |
| Commercial Paper  | 997  |  |   |
| Accrued Interest  | 53   |  |   |
| Total Money Market and Mutual Fund Instruments  | <u>\$ 5,394</u>  |  |   |
| Total Market Value of Assets  | \$ 12,816  |  |   |
| Accrued Interest (including portion within other current assets of Unrestricted Assets) | (53)   |  |   |
| Market value (less) Accrued Interest  | <u>\$ 12,763</u>   |  |   |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

##### 2. Pooled Loan Fund

Cash, cash equivalents and investments on deposit for Pooled Loans at September 30, 2023, are as follows:

|                           | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating |
|---------------------------|--|--|---------------|
| <b>Restricted</b>         |  |  |               |
| Cash and Cash Equivalents | \$ 762                                       |  |               |
| Total Restricted          | <u>\$ 762</u>                                |  |               |
| <b>Unrestricted</b>       |  |  |               |
| Cash and Cash Equivalents | \$ 7   |  |               |
| Total Unrestricted        | <u>\$ 7</u>                                  |  |               |
| Total                     | <u><u>\$ 769</u></u>                         |  |               |

#### Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure

|  |                      |
|--|----------------------|
| Cash Equivalents   | \$ 769               |
| Total Money Market and Mutual Fund Instruments   | <u>\$ 769</u>        |
| Total Market Value of Assets<br>Accrued Interest (including portion within other current<br>assets of Unrestricted Assets) | \$ 769               |
| Market value (less) Accrued Interest   | <u><u>\$ 769</u></u> |

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

##### 3. St. Lucie Project

In addition to normal operational cash needs for the project, investments are being accumulated in order to pay-off the balloon maturity of the Project's debt in 2026. Cash, cash equivalents and investments for the St. Lucie Project at September 30, 2023, are as follows:

|                             | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating *               |
|-----------------------------|--|--|-------------------------------|
| <b>Restricted</b>           |  |  |                               |
| Cash and Cash Equivalents   | \$ 12,468                                    |  |                               |
| US Gov't/Agency Securities  | 49,458                                       | 901                                    | Aaa/AA+/AA+                   |
| Municipal Bonds             | 9,380  | 1591                                   | Aa2 to Aa3/AA+/AA+            |
| Commercial Paper            | 16,030                                       | 122                                    | P-1/A-1/F1                    |
| Corporate Notes             | 41,799                                       | 860                                    | Aaa to A3/AA+ to A-/AA- to A- |
| Brokered CD's               | 249  | 23                                     |                               |
| Total Restricted            | \$ 129,384                                   |  |                               |
| <b>Unrestricted</b>         |  |  |                               |
| Cash and Cash Equivalents   | \$ 10,376                                    |  |                               |
| US Gov't/Agency Securities* | 28,728                                       | 380                                    | Aaa/AA+/AA+                   |
| Municipal Bonds             | 2,183  | 356                                    | Aa2 to Aa3/AA+/AA+            |
| Commercial Paper            | 1,990  | 59                                     | P-1/A-1+ to A-1/F1            |
| Corporate Notes             | 6,410  | 720                                    | A1 to A3/AA- to A-/AA- to A   |
| Total Unrestricted          | \$ 49,687                                    |  |                               |
| Total                       | \$ 179,071                                   |  |                               |

\* Moody's/S&P/Fitch

Investments measured at Fair Value for the St. Lucie Project at September 30, 2023, are as follows:

| Investment Assets by Fair Value Level   | Quoted Prices in<br>Active Markets<br>(Level 1)<br><i>(000's US\$)</i> | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)<br><i>(000's US\$)</i> | Significant<br>Unobservable<br>Inputs<br>(Level 3)<br><i>(000's US\$)</i> |
|---|--|--|---|
| Agency Obligations  | \$ -   | \$ 59,106  | \$ -  |
| US Treasury Obligations   | 19,080   |  |   |
| Municipal Bonds   |  | 11,563   |   |
| Corporate Notes   |  | 48,209   |   |
| Brokered CDs  |  | 249  |   |
| Total By Level  | \$ 19,080  | \$ 119,127   | \$ -  |
| <b>Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure</b>    |  |  |   |
| Cash Equivalents  | \$ 22,844  |  |   |
| Commercial Paper  | 18,020   |  |   |
| Accrued Interest  | 1,680  |  |   |
| Total Money Market and Mutual Fund Instruments  | \$ 42,544  |  |   |
| Total Market Value of Assets  | \$ 180,751   |  |   |
| Accrued Interest (including portion within other current assets of Unrestricted Assets) |  | (1,680)  |   |
| Market value (less) Accrued Interest  | \$ 179,071   |  |   |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

##### 4. Stanton Project

Cash, cash equivalents and investments for the Stanton Project at September 30, 2023, are as follows:

|                             | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating * |
|-----------------------------|--|--|-----------------|
| <b>Restricted</b>           |  |  |                 |
| Cash and Cash Equivalents   | \$ 1,807                                     |  |                 |
| US Gov't/Agency Securities  | 4,437  | 147                                    | Aaa/AA+/AA+     |
| Municipal Bonds             | -  |  |                 |
| Commercial Paper            | 994  | 70                                     | P1/A-1+ to A-1/ |
| Total Restricted            | <u>\$ 7,238</u>                              |  |                 |
| <b>Unrestricted</b>         |  |  |                 |
| Cash and Cash Equivalents   | \$ 11,333                                    |  |                 |
| US Gov't/Agency Securities* | 4,257  | 243                                    | Aaa/AA+/AA+     |
| Municipal Bonds             | 946  | 306                                    | Aa1/AA+/AA+     |
| Commercial Paper            | 498  | 38                                     | P-1/A-1+/F1     |
| Corporate Notes             | 483  | 279                                    | A-1/AA-/AA-     |
| Total Unrestricted          | <u>\$ 17,517</u>                             |  |                 |
| Total                       | <u>\$ 24,755</u>                             |  |                 |

\* Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton Project at September 30, 2023, are as follows:

| Investment Assets by Fair Value Level   | Quoted Prices in<br>Active Markets<br>(Level 1)<br><i>(000's US\$)</i> | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)<br><i>(000's US\$)</i> | Significant<br>Unobservable<br>Inputs<br>(Level 3)<br><i>(000's US\$)</i> |
|---|--|--|---|
|   | Agency Obligations   | \$ -   | \$ 3,378  |
| US Treasury Obligations   | 5,316  |  |   |
| Municipal Bonds   |  | 946  |   |
| Corporate Notes   |  | 483  |   |
| Total By Level  | <u>\$ 5,316</u>  | <u>\$ 4,807</u>  | <u>\$ -</u>   |
| <b>Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure</b>    |  |  |   |
| Cash Equivalents  | \$ 13,140  |  |   |
| Commercial Paper  | 1,492  |  |   |
| Accrued Interest  | 64   |  |   |
| Total Money Market and Mutual Fund Instruments  | <u>\$ 14,696</u>   |  |   |
| Total Market Value of Assets  | \$ 24,819  |  |   |
| Accrued Interest (including portion within other current assets of Unrestricted Assets) |  | (64)   |   |
| Market value (less) Accrued Interest  | <u>\$ 24,755</u>   |  |   |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

##### 5. All-Requirements Project

Cash, cash equivalents and investments for the All-Requirements Project at September 30, 2023, are as follows:

|                             | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating *                   |
|-----------------------------|--|--|-----------------------------------|
| <b>Restricted</b>           |  |  |                                   |
| Cash and Cash Equivalents   | \$ 73,468                                    |  |                                   |
| US Gov't/Agency Securities  | 26,409                                       | 361                                    | Aaa/AA+/AA+                       |
| Municipal Bonds             | 7,031  | 1039                                   | Aaa to Aa1/AAA to Aa2/ AAA to AA+ |
| Commercial Paper            | 498  | 49                                     | P-1/A-1+ to A-1/F1+ to F1         |
| Corporate Notes             | 10,174                                       | 447                                    | Aaa to A3/AA+ to A1/AA+ to A      |
| Brokered CD's               | \$ 235                                       | 426                                    |                                   |
| Total Restricted            | <u>\$ 117,815</u>                            |  |                                   |
| <b>Unrestricted</b>         |  |  |                                   |
| Cash and Cash Equivalents   | \$ 99,953                                    |  |                                   |
| US Gov't/Agency Securities* | 44,836                                       | 151                                    | Aaa/AA+/AA+                       |
| Municipal Bonds             | 20,684                                       | 631                                    | Aa2/AA/AA                         |
| Commercial Paper            | 19,938                                       | 36                                     | P-1/A-1+ to A-1/F1+ to F1         |
| Corporate Notes             | 16,376                                       | 634                                    | Aa3 to A2/AA+ to A/AA+ to A+      |
| Brokered CD's               | \$ 229                                       | 1606                                   |                                   |
| Total Unrestricted          | <u>\$ 202,016</u>                            |  |                                   |
| Total                       | <u>\$ 319,831</u>                            |  |                                   |

\* Moody's/S&P/Fitch

Investments measured at Fair Value for the All-Requirements Project at September 30, 2023, are as follows:

| Investment Assets by Fair Value Level   | Quoted Prices in<br>Active Markets<br>(Level 1)<br><i>(000's US\$)</i> | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)<br><i>(000's US\$)</i> | Significant<br>Unobservable<br>Inputs<br>(Level 3)<br><i>(000's US\$)</i> |
|---|--|--|---|
|   | Agency Obligations   | \$ -   | \$ 34,248   |
| US Treasury Obligations   | 36,997   |  |   |
| Municipal Bonds   |  | 27,715   |   |
| Brokered CD's   |  | 464  |   |
| Corporate Notes   |  | 26,550   |   |
| Total By Level  | <u>\$ 36,997</u>   | <u>\$ 88,977</u>   | <u>\$ -</u>   |
| <b>Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure</b>    |  |  |   |
| Cash Equivalents  | \$ 173,421   |  |   |
| Commercial Paper  | 20,436   |  |   |
| Accrued Interest  | 568  |  |   |
| Total Money Market and Mutual Fund Instruments  | <u>\$ 194,425</u>  |  |   |
| Total Market Value of Assets  | \$ 320,399   |  |   |
| Accrued Interest (including portion within other current assets of Unrestricted Assets) |  | (568)  |   |
| Market value (less) Accrued Interest  | <u>\$ 319,831</u>  |  |   |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

##### 6. Tri-City Project

Cash, cash equivalents and investments for the Tri-City Project at September 30, 2023, are as follows:

|                            | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating *              |
|----------------------------|--|--|------------------------------|
| <b>Restricted</b>          |  |  |                              |
| Cash and Cash Equivalents  | \$ 315                                       |  |                              |
| US Gov't/Agency Securities | 1,172  | 192                                    | Aaa/AA+/AA+                  |
| Municipal Bonds            | -  |  |                              |
| Commercial Paper           | 199  | 65                                     | P-1/A-1+/F1                  |
| Corporate Notes            | 538  | 186                                    | Aaa to A1/AA+ to A+/AAA to A |
| Brokered CD's              | 249  | 125                                    |                              |
| Total Restricted           | <u>\$ 2,473</u>                              |  |                              |
| <b>Unrestricted</b>        |  |  |                              |
| Cash and Cash Equivalents  | \$ 2,695                                     |  |                              |
| US Gov't/Agency Securities | 1,471  | 177                                    | Aaa/AA+/AA+                  |
| Commercial Paper           | 249  | 60                                     | P-1/A-1+                     |
| Corporate Notes            | 346  | 192                                    | A1 to A2/AA- to A-/AA- to A  |
| Total                      | <u>\$ 4,761</u>                              |  |                              |
| Total                      | <u>\$ 7,234</u>                              |  |                              |

\* Moody's/S&P/Fitch

Investments measured at Fair Value for the Tri-City Project at September 30, 2023, are as follows:

| Investment Assets by Fair Value Level   | Quoted Prices in<br>Active Markets<br>(Level 1)<br><i>(000's US\$)</i> | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)<br><i>(000's US\$)</i> | Significant<br>Unobservable<br>Inputs<br>(Level 3)<br><i>(000's US\$)</i> |
|---|--|--|---|
| Agency Obligations  | \$ -   | \$ 1,559   | \$ -  |
| US Treasury Obligations   | 1,084  |  |   |
| Municipal Bonds   |  | -  |   |
| Corporate Notes   |  | 884  |   |
| Brokered CD's   |  | 249  |   |
| Total By Level  | <u>\$ 1,084</u>  | <u>\$ 2,692</u>  | <u>\$ -</u>   |
| <b>Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure</b>    |  |  |   |
| Cash Equivalents  | \$ 3,010   |  |   |
| Commercial Paper  | 448  |  |   |
| Accrued Interest  | 29   |  |   |
| Total Money Market and Mutual Fund Instruments  | <u>\$ 3,487</u>  |  |   |
| Total Market Value of Assets  | \$ 7,263   |  |   |
| Accrued Interest (including portion within other current assets of Unrestricted Assets) | (29)   |  |   |
| Market value (less) Accrued Interest  | <u>\$ 7,234</u>  |  |   |



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

##### 7. Stanton II Project

Cash, cash equivalents and investments for the Stanton II Project at September 30, 2023, are as follows:

|                            | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating *                  |
|----------------------------|--|--|----------------------------------|
| <b>Restricted</b>          |  |  |                                  |
| Cash and Cash Equivalents  | \$ 15,570                                    |  |                                  |
| US Gov't/Agency Securities | 4,048  | 158                                    | Aaa/AA+/AA+                      |
| Commercial Paper           | 997  | 31                                     | P-1/A-1/F1+                      |
| Corporate Notes            | 979  | 231                                    | A1 to A2/AA- to A-/AA- to A      |
| Total Restricted           | <u>\$ 21,594</u>                             |  |                                  |
| <b>Unrestricted</b>        |  |  |                                  |
| Cash and Cash Equivalents  | \$ 13,379                                    |  |                                  |
| US Gov't/Agency Securities | 17,030                                       | 290                                    | Aaa/AA+/AA+                      |
| Municipal Bonds            | 6,609  | 287                                    | Aaa to Aa3/AAA to AA-/ AAA to AA |
| Commercial Paper           | 500  | 38                                     | P1/A1                            |
| Corporate Notes            | 2,315  | 289                                    | Aaa to A2/AA+ to A+/AAA to A-    |
| Total Unrestricted         | <u>\$ 39,833</u>                             |  |                                  |
| Total                      | <u>\$ 61,427</u>                             |  |                                  |

\* Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton II Project at September 30, 2023, are as follows:

| Investment Assets by Fair Value Level   | Quoted Prices in<br>Active Markets<br>(Level 1)<br><i>(000's US\$)</i> | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)<br><i>(000's US\$)</i> | Significant<br>Unobservable<br>Inputs<br>(Level 3)<br><i>(000's US\$)</i> |
|---|--|--|---|
| Agency Obligations  | \$ -   | \$ 13,707  | \$ -  |
| US Treasury Obligations   | 7,371  |  |   |
| Municipal Bonds   |  | 6,609  |   |
| Corporate Notes   |  | 3,294  |   |
| Brokered CD's   |  | -  |   |
| Total By Level  | <u>\$ 7,371</u>  | <u>\$ 23,610</u>   | <u>\$ -</u>   |
| <b>Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure</b>    |  |  |   |
| Cash Equivalents  | \$ 28,949  |  |   |
| Commercial Paper  | 1,497  |  |   |
| Accrued Interest  | 195  |  |   |
| Total Money Market and Mutual Fund Instruments  | <u>\$ 30,641</u>   |  |   |
| Total Market Value of Assets  | \$ 61,622  |  |   |
| Accrued Interest (including portion within other current assets of Unrestricted Assets) | (195)  |  |   |
| Market value (less) Accrued Interest  | <u>\$ 61,427</u>   |  |   |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### V. Cash, Cash Equivalents, and Investments (continued)

#### B. Investments (continued)

##### 8. Fiduciary Activities

Cash, cash equivalents and investments for Fiduciary Activities at September 30, 2023, are as follows:

|                            | September 30,<br>2023<br><i>(000's US\$)</i> | Weighted<br>Average<br>Maturity (Days) | Credit Rating * |
|----------------------------|--|--|-----------------|
| <b>Restricted</b>          |  |  |                 |
| Cash and Cash Equivalents  | \$ 21,823                                    |  |                 |
| US Gov't/Agency Securities | 19,232                                       | 224                                    | Aaa/AA+/AA+     |
| Commercial Paper           | -  |  |                 |
| Corporate Notes            | 9,075  | 360                                    | A2/A to A-/A    |
| Total Restricted           | <u>\$ 50,130</u>                             |  |                 |

\* Moody's/S&P/Fitch

Investments measured at Fair Value for Fiduciary Activities at September 30, 2023, are as follows:

| Investment Assets by Fair Value Level   | Quoted Prices in<br>Active Markets<br>(Level 1)<br><i>(000's US\$)</i> | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2)<br><i>(000's US\$)</i> | Significant<br>Unobservable<br>Inputs<br>(Level 3)<br><i>(000's US\$)</i> |
|---|--|--|---|
|   | Agency Obligations   | \$ -   | \$ 12,900   |
| US Treasury Obligations   | 6,332  |  |   |
| Corporate Notes   |  | 9,075  |   |
| Total By Level  | <u>\$ 6,332</u>  | <u>\$ 21,975</u>   | <u>\$ -</u>   |
| <b>Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure</b>    |  |  |   |
| Cash Equivalents  | \$ 21,823  |  |   |
| Commercial Paper  | -  |  |   |
| Accrued Interest  | 133  |  |   |
| Total Money Market and Mutual Fund Instruments  | <u>\$ 21,956</u>   |  |   |
| Total Market Value of Assets  | \$ 50,263  |  |   |
| Accrued Interest (including portion within other current assets of Unrestricted Assets) |  | (133)  |   |
| Market value (less) Accrued Interest  | <u>\$ 50,130</u>   |  |   |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### VI. Derivative Financial Instruments

#### A. Natural Gas Futures, Contracts and Options

FMPA used commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas. Any gain or loss of value in these futures contracts will ultimately be rolled into the price of natural gas burned in the Project's electric generators.

FMPA also uses fixed-price firm physical purchases of natural gas as a tool to establish the cost of natural gas that will be needed by the All-Requirements Project in the future. At September 30, 2023 the Project had the following fixed price contracts in place for future purchases of natural gas. The contract is for 15,000 MMBtu's of gas per day through April 30, 2025 at a price of \$6.30 per MMBtu. Volumes for each fiscal year is as follows:

| Fiscal Year | Thousands of<br>MMBtu's | Dollars (000's) |
|-------------|-------------------------|-----------------|
| 2024        | 5,490                   | \$ 34,587       |
| 2025        | 3,180                   | 20,034          |
| Total       | 8,670                   | \$ 54,621       |

FMPA also uses New York Mercantile Exchange (NYMEX) natural gas futures contracts as a tool to establish the cost on natural gas that will be needed by the All-Requirements Project in the future (next month or several years from now). NYMEX contracts can be used to obtain physical gas supplies, however, all futures contracts that FMPA enters into will be financially settled before physical settlement is required by the Exchange. Any gain or loss of value in these futures contracts are ultimately rolled into the price of the natural gas burned in the Project's electric generators.

#### Risks Associated with Derivative Instruments

- Basis Risk is the financial risk taken when a position is hedged by entering into a contrary position in a derivative. The risk arises in the case of an imperfect hedge, when the hedge cannot offset losses in an investment. The NYMEX-based commodity hedging transactions are subject to locational basis risk. NYMEX-based derivative instruments are based on pricing at the Henry Hub delivery point. For the hedged volumes, FGU enters into commodity derivatives, on FMPA's behalf, based on pricing at certain points to mitigate basis risk.
- Rollover Risk is the risk on hedging derivative instruments that mature or may be terminated. When these derivative instruments terminate, FMPA will be re-exposed to the risks being hedged by the derivative instrument.
- Custodial Credit Risk is the risk of the failure of the counterparty. In the event of a failure of a counterparty, FMPA will not be able to recover the value of deposits that are in possession of an outside party. These funds are uninsured and unregistered securities held on behalf of FMPA.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### VI. Derivative Financial Instruments (continued)

#### A. Natural Gas Futures, Contracts and Options (continued)

All transactions are entered into as hedges against the volatility of natural gas prices. The All-Requirements Project as of September 30, 2023, had futures contracts outstanding in the following amounts, covering the fiscal years 2024 through 2025. These hedges have been tested and deemed effective using the quantitative regression analysis method under GASB 53 comparing the Henry Hub pricing to each FGT Zone where the All-Requirements Project purchases natural gas. The related unrealized gains or losses for effective hedges are deferred. As of September 30, 2023, unrealized losses are approximately \$3.4 million. Realized gains and losses on these transactions are recognized as the instruments are settled.

| Fiscal<br>Year Ending | Thousands<br>of MMbtu's | Fair Market Value<br>\$(000's) at 9/30/2023 |
|-----------------------|-------------------------|---|
| 2024                  | 12,915                  | \$ (3,360)                                  |
| 2025                  | 4,380                   | (20)  |
| Total                 | 17,295                  | \$ (3,380)                                  |

In order to move the futures contracts into an account controlled by FMPA, a prepayment of \$70 million was made to close out the positions in the Florida Gas Utility hedging account and FMPA immediately repurchased the positions at the current market price preserving the hedging effect of the positions. \$31 million remains to be amortized to expense over the next 19 months.

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## **NOTES TO FINANCIAL STATEMENTS**

For the Year Ended September 30, 2023

### **VII. Regulatory Operations (Net Costs Recoverable (Refundable)/Future Participant Billings)**

FMPA has elected to apply the accounting methods for regulatory operations of GASB No. 62. Billing rates are established by the Board of Directors or Executive Committee and are designed to fully recover each project's costs over the life of the project, but not necessarily in the same year that costs are recognized under generally accepted accounting principles (GAAP). Instead of GAAP costs, annual participant billing rates are structured to systematically recover current debt service requirements, operating costs and certain reserves that provide a level rate structure over the life of the project which is equal to the amortization period. Accordingly, certain project costs are classified as an asset on the accompanying Statement of Net Position as a regulatory asset, titled "Net costs recoverable/future participant billings," until such time as they are recovered in future rates. Types of deferred costs include depreciation and amortization in excess of bond principal payments, and prior capital construction interest costs.

In addition, certain billings recovering costs of future periods have been recorded as a regulatory liability, titled "Net costs refundable/future participant billings", or as a reduction of deferred assets on the accompanying Statement of Net Position. Types of deferred revenues include billings for certain reserve funds and related interest earnings in excess of expenditures from those funds, and billings for nuclear fuel purchases in advance of their use.

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### VIII. Restricted Net Position

Bond resolutions require that certain designated amounts from bond proceeds and project revenues be deposited into designated funds. These funds are to be used for specific purposes and certain restrictions define the order in which available funds may be used. Other restrictions require minimum balances or accumulation of balances for specific purposes. At September 30, 2023, all FMPA projects were in compliance with requirements of the bond resolution.

Segregated restricted net position at September 30, 2023, are as follows:

|                                    | (000's US\$)   |                     |                      |                    |                    |                     |                       |                   |
|------------------------------------|----------------|---------------------|----------------------|--------------------|--------------------|---------------------|-----------------------|-------------------|
|                                    | Agency<br>Fund | Pooled<br>Loan Fund | St. Lucie<br>Project | Stanton<br>Project | All-Req<br>Project | Tri-City<br>Project | Stanton II<br>Project | Total             |
| Debt Service Funds                 | \$ -           | \$ -                | \$ 4,081             | \$ -               | \$ 60,756          | \$ -                | \$ 12,046             | \$ 76,883         |
| Reserve & Contingency Funds        | -              | -                   | 14,595               | 7,283              | 41,038             | 2,489               | 9,579                 | 74,984            |
| Posted for Margin - Hedging        | -              | -                   | -                    | -                  | 10,720             | -                   | -                     | 10,720            |
| Decommissioning Fund               | -              | -                   | 111,993              | -                  | -                  | -                   | -                     | 111,993           |
| Accrued Interest on                | -              | -                   | -                    | -                  | -                  | -                   | -                     | -                 |
| Long-Term Debt                     | -              | -                   | (1,266)              | -                  | (16,210)           | -                   | (750)                 | (18,226)          |
| Accrued Decommissioning Expenses   | -              | -                   | (112,317)            | -                  | -                  | -                   | -                     | (112,317)         |
| <b>Total Restricted Net Assets</b> | <b>\$ -</b>    | <b>\$ -</b>         | <b>\$ 17,086</b>     | <b>\$ 7,283</b>    | <b>\$ 96,304</b>   | <b>\$ 2,489</b>     | <b>\$ 20,875</b>      | <b>\$ 144,037</b> |

Restrictions of the various bank funds are as follows:

- Debt service funds include the Debt Service Account, which is restricted for payment of the current portion of the bond principal and interest and the Debt Service Reserve Account, which includes sufficient funds to cover one half of the maximum annual principal and interest requirement of the specific fixed rate issues or 10% of the original bond proceeds.
- Reserve and Contingency Funds are restricted for payment of major renewals, replacements, repairs, additions, betterments, and improvements for capital assets.
- If, at any time, the Debt Service Fund is below the current debt requirement and there are not adequate funds in the General Reserve Fund to resolve the deficiency, funds will be transferred from the Reserve and Contingency Fund to the Debt Service Fund.
- Decommissioning Funds are restricted and are funded for the payment of costs related to the decommissioning, removal, and disposal of FMPA's ownership on nuclear power plants.
- Project Funds are used for acquisitions and construction, as specified by the participants.
- Revenue Funds are restricted under the terms of outstanding resolutions.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IX. Long-Term Debt

#### A. Debt

FMPA enters into Long-term debt to fund different projects. The type of Long-term debt differs among each of the projects. A description and summary of Long-term debt at September 30, 2023, is as follows:

##### 1. Agency Fund

The Agency Fund paid off all long-term debt during fiscal year ended September 30, 2019.

##### 2. Pooled Loan Fund

| Business-Type<br>Activities      | 2023                 |             |                 |                  | Ending<br>Balance | Amounts<br>Due Within<br>One Year |
|----------------------------------|----------------------|-------------|-----------------|------------------|-------------------|-----------------------------------|
|                                  | Beginning<br>Balance | Increases   | Decreases       | (000's US\$)     |                   |                                   |
| <b>Direct Placement Debt</b>     |                      |             |                 |                  |                   |                                   |
| Total Loan                       | \$ 34,646            | \$ 6,500    | \$ (1,286)      | \$ 39,860        | \$ 1,609          |                                   |
| Less Conduit Loan - Bushnell     | (6,946)              |             | 336             | (6,610)          | (345)             |                                   |
| Less Conduit Loan - Homestead    | (8,403)              | -           | 348             | (8,055)          | (355)             |                                   |
| Less Conduit Loan - Homestead #2 | -                    | (6,500)     |                 | (6,500)          | (297)             |                                   |
| Less Conduit Loan - Clewiston    | (1,311)              | -           | 80              | (1,231)          | (81)              |                                   |
| Non-Conduit Pooled Loans         | <u>\$ 17,986</u>     | <u>\$ -</u> | <u>\$ (522)</u> | <u>\$ 17,464</u> | <u>\$ 531</u>     |                                   |

##### Loan Payable to First Horizon Bank

The Pooled Loan was re-established in FY 2019 under a credit facility from First Horizon Bank fka Capital Bank. The credit facility will allow FMPA to sponsor loans to FMPA members or FMPA projects. The maximum capacity was increased from \$25 million to \$50 million in 2022. In September 2019 the City of Bushnell drew \$7.9 million at 2.56% for 10 years, in June 2021 the City of Homestead drew \$8.6 million at 1.95% for 10 years and in September 2021 the City of Clewiston drew \$1.4 million at 1.77% for 10 years. In November 2022, Homestead drew \$6.5 million at a fixed rate of 4.6% for 10 years. Loans to member cities are conduit debt instruments. In June 2020 the Stanton II project drew \$3.9 million at 1.77% for 7.25 years. In September 2022 the All-Requirements project drew \$15 million at a variable rate of the 1 Month SOFR rate, plus 1.18%, adjusting monthly, for 3 years.

##### 3. St. Lucie Project

| Business-Type<br>Activities  | 2023                 |             |                   |                  | Ending<br>Balance | Amounts<br>Due Within<br>One Year |
|------------------------------|----------------------|-------------|-------------------|------------------|-------------------|-----------------------------------|
|                              | Beginning<br>Balance | Increases   | Decreases         | (000's US\$)     |                   |                                   |
| <b>Revenue Bonds</b>         |                      |             |                   |                  |                   |                                   |
| Bonds 2021A                  | \$ 14,775            | \$ -        | \$ (1,200)        | \$ 13,575        | \$ 1,295          |                                   |
| <b>Direct Placement Debt</b> |                      |             |                   |                  |                   |                                   |
| Bonds 2013A                  | 7,145                |             | (1,355)           | 5,790            | 1,390             |                                   |
| Bonds 2021B                  | 33,920               |             |                   | 33,920           | -                 |                                   |
| Total Principal              | <u>\$ 55,840</u>     | <u>\$ -</u> | <u>\$ (2,555)</u> | <u>\$ 53,285</u> | <u>\$ 2,685</u>   |                                   |
| <b>Deferred Premiums</b>     |                      |             |                   |                  |                   |                                   |
| And Discounts                | 9,647                | -           | (1,741)           | 7,906            | -                 |                                   |
| Total Revenue Bonds          | <u>\$ 65,487</u>     | <u>\$ -</u> | <u>\$ (4,296)</u> | <u>\$ 61,191</u> | <u>\$ 2,685</u>   |                                   |
| <b>Unamortized loss</b>      |                      |             |                   |                  |                   |                                   |
| on advanced refunding        | <u>\$ (771)</u>      | <u>\$ -</u> | <u>\$ 155</u>     | <u>\$ (616)</u>  | <u>\$ -</u>       |                                   |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IX. Long-Term Debt (continued)

#### A. Debt (continued)

##### 3. St. Lucie Project (continued)

The 2013A bonds have a fixed interest rate of 2.73%, and mature in 2026.

The 2021A Bonds were issued with a fixed interest rate of 5% and mature in 2031. The 2021A bonds are not subject to redemption prior to maturity.

The 2021B bonds were issued with a fixed interest rate of 5% with a maturity date of 2030. At the election of FMFA, on or after October 1, 2028, bonds may be redeemed at a call rate of 100%.

##### 4. Stanton Project

The Stanton Project paid off all long-term debt during the fiscal year ended September 30, 2020.

##### 5. All-Requirements Project

| Business-Type Activities                               | 2023              |                  |                    |                   | Ending Balance   | Amounts Due Within One Year |
|--|-------------------|------------------|--------------------|-------------------|------------------|-----------------------------|
|  | Beginning Balance | Increases        | Decreases          | (000's US\$)      |                  |                             |
| <b>Revenue Bonds</b>                                   |                   |                  |                    |                   |                  |                             |
| Bonds 2015B  | \$ 86,020         | \$ -             | \$ (6,865)         | \$ 79,155         | \$ 7,205         |                             |
| Bonds 2016A  | 345,375           | -                | (26,720)           | 318,655           | 27,975           |                             |
| Bonds 2017A  | 69,625            | -                | -                  | 69,625            | -                |                             |
| Bonds 2017B  | 43,935            | -                | (6,920)            | 37,015            | 7,085            |                             |
| Bonds 2018A  | 57,790            | -                | -                  | 57,790            | -                |                             |
| Bonds 2019A  | 75,220            | -                | -                  | 75,220            | -                |                             |
| Bonds 2019B  | 3,405             | -                | (1,685)            | 1,720             | 1,720            |                             |
| Bonds 2021A  | 36,720            | -                | -                  | 36,720            | -                |                             |
| Bonds 2021B  | 100,495           | -                | -                  | 100,495           | -                |                             |
| <b>Direct Placement Debt</b>                           |                   |                  |                    |                   |                  |                             |
| Pooled Loan  | 15,000            |                  |                    | 15,000            | -                |                             |
| <b>Total Principal</b>                                 | <u>\$ 833,585</u> | <u>\$ -</u>      | <u>\$ (42,190)</u> | <u>\$ 791,395</u> | <u>\$ 43,985</u> |                             |
| <b>Leases and Other Debt</b>                           |                   |                  |                    |                   |                  |                             |
| KUA - TARP   | \$ 75,611         | \$ 73,242        | \$ (13,688)        | \$ 135,165        | \$ 13,025        |                             |
| St. Lucie County                                       | 203               |                  |                    | 203               | 132              |                             |
| <b>Total Other Liabilities</b>                         | <u>\$ 75,814</u>  | <u>\$ 73,242</u> | <u>\$ (13,688)</u> | <u>\$ 135,368</u> | <u>\$ 13,157</u> |                             |
| <b>Total Bonds, Leases and Other Debt</b>              | <u>\$ 909,399</u> | <u>\$ 73,242</u> | <u>\$ (55,878)</u> | <u>\$ 926,763</u> | <u>\$ 57,142</u> |                             |
| <b>Deferred Premiums And Discounts</b>                 | <u>\$ 66,507</u>  | <u>\$ -</u>      | <u>\$ (11,743)</u> | <u>\$ 54,764</u>  | <u>\$ -</u>      |                             |
| <b>Total Revenue Bonds &amp; Leases and other debt</b> | <u>\$ 975,906</u> | <u>\$ 73,242</u> | <u>\$ (67,621)</u> | <u>\$ 981,527</u> | <u>\$ 57,142</u> |                             |
| <b>Unamortized loss on advanced refunding</b>          | <u>\$ 27,736</u>  | <u>\$ -</u>      | <u>\$ (5,030)</u>  | <u>\$ 22,706</u>  | <u>\$ -</u>      |                             |



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IX. Long-Term Debt (continued)

#### A. Debt (continued)

##### 5. All-Requirements Project

The 2015B bonds were used to pay the Taylor Swap termination fees. They were issued with interest rates varying from 3% to 5% and, at the election of FMPA, on or after October 1, 2025, bonds may be redeemed at a call rate of 100%.

The 2016A bonds refunded 2008A and 2009A bonds. They were issued with interest rates varying from 3% to 5% and, at the election of FMPA, on or after October 1, 2026, bonds may be redeemed at a call rate of 100%.

The 2017A Bonds were used to refund the 2011A-1 and 2011B bonds and associated swaps. They were issued with an interest rate of 5% and, are not subject to redemption prior to maturity.

The 2017B Bonds were used to refund the 2011A-2 bonds and associated swaps. They were issued with interest rates varying from 2.197% to 3.059% and, at the election of FMPA, the bonds may be redeemed at the greater of a call rate of 100% or the present value of the bonds using a discount rate of the Treasury Rate plus 15 basis points.

The 2018A Bonds were used to refund all outstanding 2008A bonds maturing on and after October 1, 2020. They were issued with interest rates varying from 3% to 4% and, at the election of FMPA, on or after October 1, 2027, bonds may be redeemed at a call rate of 100%.

The 2019A Bonds were used to refund the 2008C bonds and associated swaps. They were issued with an interest rate of 5% and, are not subject to redemption prior to maturity.

The 2019B Bonds were used to refund the 2013A bonds. They were issued with interest rates varying from 1.966% to 2.178% and, are not subject to redemption prior to maturity.

The 2021A Bonds were issued to provide for 3 years of capital projects. They were issued with an interest rate of 3% and, at the election of FMPA, on or after October 1, 2028, bonds may be redeemed at a call rate of 100%.

The 2021B Bonds were issued to provide liquidity previously provided by lines of credit. They were issued with an interest rate of 1.425%. At the election of FMPA, the bonds may be redeemed at the present value of the bonds using a discount rate of the Treasury Rate plus 10 basis points if called before October 1 2025, or 100% of the principal amount after October 1, 2025.

The 2022-1 Pooled loan was obtained to provide additional liquidity for fuel hedging activities. The loan was issued with a variable interest rate equal to one month SOFR + 1.18% and may be paid off at any time.

#### KUA – TARP Lease Obligation

Effective October 1, 2008, the Capacity and Energy Sales Contract with KUA was revised and on July 1, 2019 was amended to provide additional payments with a present value of \$10.7 million. During fiscal year ended September 30, 2023 the Contract was again amended to provide additional payments with a present value of \$73.2 million. Under the revised and amended contract, KUA receives agreed upon-fixed payments over preset periods.

Payments remaining under the agreement at September 30, 2023, amount to \$171.3 million and the present value of these payments is \$135.2 million. The capital assets at September 30, 2023 include Facilities and Equipment of \$302.0 million less Accumulated Depreciation of \$193.8 million resulting in a net book value of \$108.2 million.

#### St. Lucie County

As a condition of obtaining its conditional use permit for the construction and operation of the Treasure Coast Energy Center, the All-Requirements project agreed to pay St. Lucie County, Florida \$75,000 a year for a period of 20 years. Upon commercial operation of the plant, the unpaid amounts were discounted at a rate of 5.3% and capitalized to plant. At September 30, 2023, three payments remain under this obligation with the final payment to be made September 30, 2025.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IX. Long-Term Debt (continued)

#### A. Debt (continued)

##### 6. Tri-City Project

The Tri-City Project paid off all long-term debt during the fiscal year ended September 30, 2020.

##### 7. Stanton II Project

| Business-Type<br>Activities               | 2023<br>(000's US\$) |             |                   |                   | Ending<br>Balance | Amounts<br>Due Within<br>One Year |
|---|----------------------|-------------|-------------------|-------------------|-------------------|-----------------------------------|
|   | Beginning<br>Balance | Increases   | Decreases         |                   |                   |                                   |
| <b>Direct Placement Debt</b>              |                      |             |                   |                   |                   |                                   |
| Refunding 2017A                           | \$ 20,340            | \$ -        | \$ (387)          | \$ 19,953         | \$ 387            |                                   |
| Refunding 2017B                           | 30,565               |             | (5,028)           | 25,537            | 5,068             |                                   |
| Refunding 2022A                           | 25,510               |             | -                 | 25,510            | 5,840             |                                   |
| Pooled Loan                               | 2,726                |             | (525)             | 2,201             | 531               |                                   |
| Total Principal                           | <u>\$ 79,141</u>     | <u>\$ -</u> | <u>\$ (5,940)</u> | <u>\$ 73,201</u>  | <u>\$ 11,826</u>  |                                   |
| Deferred Premiums<br>And Discounts        | (42)                 | -           | 18                | (24)              | -                 |                                   |
| Total Bonds and Loans                     | <u>\$ 79,099</u>     | <u>\$ -</u> | <u>\$ (5,922)</u> | <u>\$ 73,177</u>  | <u>\$ 11,826</u>  |                                   |
| Unamortized loss<br>on advanced refunding | <u>\$ (3,293)</u>    | <u>\$ -</u> | <u>\$ 817</u>     | <u>\$ (2,476)</u> | <u>\$ -</u>       |                                   |

The 2017A and 2017B revenue bonds are fixed, and have a maturity date of 2027. The rate for the 2017A bonds is 2.53% and the 2017B bonds is 2.32%. The Series 2017A and 2017B are subject to redemption in whole or part prior to maturity at the call rate of 100%. The pooled loan has a fixed rate of 1.77% and a final maturity of 2027. The 2022A bonds were issued at par in July 2022 with a fixed rate of 1.58%. The bonds are callable on or after October 1, 2023 with final maturity of October 2027.

##### 8. Subscription Based IT Agreement Leases

FMPA has multiple software arrangements that require recognition under GASB 96 within the Agency and All-Requirements funds. The assets will be amortized over the lease term, which ranges from two to four years. FMPA recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for the accounting software. FMPA has imputed an interest rate of 4.51% discount rate for arrangements to determine the present value of the intangible right-to-use assets and SBITA liability.

|       | Agency          |             |               | All-Requirements |             |             |
|-------|-----------------|-------------|---------------|------------------|-------------|-------------|
|       | Lease Liability | Interest    | Total         | Lease Liability  | Interest    | Total       |
| 2024  | \$ 69           | \$ 2        | \$ 71         | \$ 1             | \$ -        | \$ 1        |
| 2025  | 22              | 1           | 23            |                  |             |             |
| 2026  | 13              |             | 13            |                  |             |             |
| Total | <u>\$ 104</u>   | <u>\$ 3</u> | <u>\$ 107</u> | <u>\$ 1</u>      | <u>\$ -</u> | <u>\$ 1</u> |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### IX. Long-Term Debt (continued)

#### B. Major Debt Provisions (All Projects)

Principal and accrued interest payments on bonds may be accelerated on certain events of default. Events of default include failure to pay scheduled principal or interest payments and certain events of bankruptcy or insolvency of FMPA. Bond holders must give written notice of default and FMPA has 90 days to cure the default. The acceleration requires approval of holders of at least 25% of the principal amount of the outstanding bonds.

Bonds, which are special obligations of FMPA, are payable solely from (1) revenues less operating expenses (both as defined by the respective bond resolutions) and (2) other monies and securities pledged for payment thereof by the respective bond resolutions. The respective resolutions require FMPA to deposit into special funds all proceeds of bonds issued and all revenues generated as a result of the projects' respective Power Sales and Power Support Contracts or the Power Supply Contract. The purpose of the individual funds is also specifically defined in the respective bond resolutions.

Investments are generally restricted to those types described in Note I. Additional restrictions that apply to maturity dates are defined in the respective bond resolutions and FMPA's investment policy.

**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2023

**IX. Long-Term Debt (continued)**

**C. Annual Requirements**

The annual cash flow debt service requirements to amortize the long-term **bonded** and **direct placement** debt outstanding as of September 30, 2023, are as follows:

| Fiscal Year<br>Ending<br>September                                      | St. Lucie Project |                  | (000's US\$)<br>All-Req Project |                   | Stanton II Project |                 | Totals              |
|---|-------------------|------------------|---------------------------------|-------------------|--------------------|-----------------|---------------------|
|   | Principal         | Interest         | Principal                       | Interest          | Principal          | Interest        |                     |
| <b>Revenue Bonds</b>  |                   |                  |                                 |                   |                    |                 |                     |
| 2024  | \$ 1,295          | \$ 2,342         | \$ 43,985                       | \$ 31,425         |                    |                 | \$ 79,047           |
| 2025  | 1,360             | 2,276            | 45,985                          | 29,373            |                    |                 | 78,994              |
| 2026  | 1,425             | 2,206            | 60,195                          | 27,027            |                    |                 | 90,853              |
| 2027  | 6,385             | 2,011            | 163,620                         | 23,466            |                    |                 | 195,482             |
| 2028  | 6,695             | 1,684            | 69,285                          | 19,478            |                    |                 | 97,142              |
| 2029 - 2033   | 30,335            | 3,126            | 374,965                         | 39,052            |                    |                 | 447,478             |
| 2034 - 2037   |                   |                  | 18,360                          | 275               |                    |                 | 18,635              |
| <b>Total Revenue Bonds</b>  | <b>\$ 47,495</b>  | <b>\$ 13,645</b> | <b>\$ 776,395</b>               | <b>\$ 170,096</b> | <b>\$ -</b>        | <b>\$ -</b>     | <b>\$ 1,007,631</b> |
| <b>Direct Placement Debt</b>  |                   |                  |                                 |                   |                    |                 |                     |
| 2024  | \$ 1,390          | \$ 139           | \$ -                            | \$ 780            | \$ 11,826          | \$ 1,432        | \$ 15,567           |
| 2025  | 1,430             | 101              | 15,000                          | 780               | 11,993             | 1,201           | 30,505              |
| 2026  | 1,465             | 61               |                                 |                   | 12,133             | 968             | 14,627              |
| 2027  | 1,505             | 20               |                                 |                   | 12,349             | 730             | 14,604              |
| 2028  |                   |                  |                                 |                   | 24,900             | 304             | 25,204              |
| <b>Total Direct Placement Debt</b>                                      | <b>\$ 5,790</b>   | <b>\$ 321</b>    | <b>\$ 15,000</b>                | <b>\$ 1,560</b>   | <b>\$ 73,201</b>   | <b>\$ 4,635</b> | <b>\$ 100,507</b>   |
| <b>Total Principal &amp; Interest</b>                                   | <b>\$ 53,285</b>  | <b>\$ 13,966</b> | <b>\$ 791,395</b>               | <b>\$ 171,656</b> | <b>\$ 73,201</b>   | <b>\$ 4,635</b> | <b>\$ 1,108,138</b> |
| Less:   |                   |                  |                                 |                   |                    |                 |                     |
| Interest  |                   | (13,966)         |                                 | (171,656)         |                    | (4,635)         | (190,257)           |
| Unamortized loss<br>on refunding  | (616)             |                  | (22,706)                        |                   | (2,476)            |                 | (25,798)            |
| Add:  |                   |                  |                                 |                   |                    |                 |                     |
| Unamortized Premium<br>(Discount), net                                  | 7,906             |                  | 54,764                          |                   | (24)               |                 | 62,646              |
| <b>Total Net Debt Service<br/>Requirement at<br/>September 30, 2023</b> | <b>\$ 60,575</b>  | <b>\$ -</b>      | <b>\$ 823,453</b>               | <b>\$ -</b>       | <b>\$ 70,701</b>   | <b>\$ -</b>     | <b>\$ 954,729</b>   |

The annual cash flow debt service requirements to amortize **all** long-term debt and leases outstanding as of September 30, 2023, are as follows:

| Fiscal Year<br>Ending<br>September        | St. Lucie Project |                  | (000's US\$)<br>All-Req Project |                   | Stanton II Project |                 | Totals              |
|---|-------------------|------------------|---------------------------------|-------------------|--------------------|-----------------|---------------------|
|   | Principal         | Interest         | Principal                       | Interest          | Principal          | Interest        |                     |
| 2024                                      | \$ 2,685          | \$ 2,481         | \$ 57,142                       | \$ 39,092         | \$ 11,826          | \$ 1,432        | \$ 114,658          |
| 2025                                      | 2,790             | 2,377            | 74,808                          | 36,299            | 11,993             | 1,201           | 129,468             |
| 2026                                      | 2,890             | 2,267            | 74,694                          | 32,423            | 12,133             | 967             | 125,374             |
| 2027                                      | 7,890             | 2,031            | 178,906                         | 28,074            | 12,349             | 731             | 229,981             |
| 2028                                      | 6,695             | 1,684            | 81,786                          | 23,354            | 24,900             | 304             | 138,723             |
| 2029 - 2033                               | 30,335            | 3,127            | 441,067                         | 48,345            |                    |                 | 522,874             |
| 2034 - 2037                               | -                 |                  | 18,360                          | 276               |                    |                 | 18,636              |
| <b>Total Principal &amp;<br/>Interest</b> | <b>\$ 53,285</b>  | <b>\$ 13,967</b> | <b>\$ 926,763</b>               | <b>\$ 207,863</b> | <b>\$ 73,201</b>   | <b>\$ 4,635</b> | <b>\$ 1,279,714</b> |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies

#### A. Participation Agreements

FMPA has entered into participation agreements, and acquired through leases, individual ownership of generating facilities as follows:

| Project           | Operating Utility                  | Joint Ownership Interest  | Commercial Operation Date           |
|-------------------|------------------------------------|---|-------------------------------------|
| St. Lucie         | Florida Power & Light              | 8.806% of St. Lucie Unit 2 nuclear plant                        | August 1983                         |
| Stanton*          | Orlando Utilities Commission (OUC) | 14.8193% of Stanton Energy Center (SEC) Unit 1 coal-fired plant | July 1987                           |
| All-Requirements* | OUC                                | 11.3253% of SEC Unit 1  | July 1987                           |
| Tri-City*         | OUC                                | 5.3012% of SEC Unit 1   | July 1987                           |
| All-Requirements  | OUC                                | 51.2% of Indian River Units A & B combustion turbines           | A - June 1989<br>B - July 1989      |
| All-Requirements  | OUC                                | 21% of Indian River Units C & D combustion turbines             | C - August 1992<br>D - October 1992 |
| All-Requirements  | OUC                                | 5.1724% of SEC Unit 2 coal-fired plant                          | June 1996                           |
| Stanton II        | OUC                                | 23.2367% of SEC Unit 2  | June 1996                           |
| All-Requirements  | Stanton Clean Energy LLC           | 7% of Stanton Unit A combined cycle                             | October 2003                        |

\*OUC has the contractual right to unilaterally make any retirement decision for SEC Unit 1 beginning in 2017

Operational control of the electric generation plants rests with the operating utility and includes the authority to enter into long-term purchase obligations with suppliers. FMPA is liable under its participation agreements for its ownership interest of total construction and operating costs. Further contracts with Orlando Utilities Commission (OUC) include commitments for purchases of coal. According to information provided by OUC, such existing commitments are currently scheduled to terminate on December 31, 2028. Through participation with OUC, FMPA's estimated cost share of the existing purchases by project for the next five fiscal years is summarized below.

| Project                  | <i>000's US\$</i> |          |          |          |          |
|--------------------------|-------------------|----------|----------|----------|----------|
|                          | 2024              | 2025     | 2026     | 2027     | 2028     |
| Stanton Project          | \$ 11,727         | \$ 9,900 | \$ 6,132 | \$ 5,039 | \$ 1,260 |
| All-Requirements Project | 8,962             | 7,566    | 4,687    | 3,851    | 963      |
| Tri-City Project         | 4,195             | 3,541    | 2,194    | 1,802    | 451      |
| Stanton II Project       | 9,194             | 7,762    | 4,808    | 6,913    | 988      |

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies (continued)

#### B. Public Gas Partners, Inc.

Public Gas Partners, Inc. (PGP) is a nonprofit corporation of the State of Georgia, duly created and existing under the Georgia Nonprofit Corporation Code, O.C.G.A Sections 14-3-101 through 14-3-1703, as amended. Pursuant to its Articles of Incorporation and by-laws, PGP's purpose is to acquire and manage reliable and economical natural gas supplies through the acquisition of interests in natural gas producing properties and other long-term sources of natural gas supplies for the benefit of participating joint action agencies and large public natural gas and power systems.

On November 16, 2004, FMPA signed an agreement with six other public gas and electric utilities in five different states to form PGP. The initial members of PGP, along with FMPA, included Municipal Gas Authority of Georgia, Florida Gas Utility, Lower Alabama Gas District, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. Florida Gas Utility has left the organization, and their interest was acquired by all members, except for FMPA and the Tennessee Energy Acquisition Corporation, as of May 2008. Lower Alabama Gas District has assigned its interest in each Pool to the Gas Authority effective October 2013.

FMPA has entered into two separate Production Sharing Agreements (PSAs) that obligate FMPA to pay as a component of gas operations expense its share of all costs incurred by the related PGP Pool until all related PGP or participant debt has been paid and the last volumes have been delivered. In addition, PGP has the option, with at least six month notice, to require FMPA to prepay for its share of pool costs, which may be financed by FMPA through the issuance of bonds or some other form of long-term financing. The PSAs include a step-up provision that could obligate FMPA to increase its participation share in the pool by up to 25% in the event of default by another member.

On November 1, 2004, FMPA entered into a PSA as a 22.04% participant of PGP Gas Supply Pool No. 1 (PGP Pool #1). PGP Pool #1 was formed by all of the participants. PGP Pool #1 had targeted an initial supply portfolio capable of producing 68,000 MMBtu per day of natural gas or 493 Bcf over a 20-year period. The acquisition period for PGP Pool #1 has closed after acquiring a supply currently estimated to be 140 Bcf.

On October 1, 2005, FMPA entered into a PSA as a 25.90% participant of PGP Gas Supply Pool No. 2 (PGP Pool #2). PGP Pool #2 was formed to participate in specific transactions that have different acquisition criteria than PGP Pool #1. PGP Pool #2 had a total expenditure limit of \$200 million, with FMPA's share being \$52 million as authorized by the Board (before step-up provisions which would increase ARP's commitment to a maximum of \$65 million). The other members of PGP Pool #2, along with FMPA, include Municipal Gas Authority of Georgia, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. FMPA entered into a separate agreement with Fort Pierce Utilities Authority whereby FMPA agreed to sell to FPUA 3.474903% of the benefits that FMPA receives from its participation in PGP Pool #2. The acquisition period for PGP Pool #2 has closed after acquiring a supply currently estimated to be 42 Bcf.

FMPA's share of the total investment costs amounts to approximately \$104 million for PGP Pool #1, and \$29 million for PGP Pool #2 as of September 30, 2022. During FYE 2020 year, the operating committees for Pool #1 and Pool #2 made the decision to sell the Pool 1 and 2 portfolios and close the Pools, an activity that is still in progress. Accordingly, the project was written down to zero as of September 30, 2021. Any future net revenue from the Pools will be shown as an offset or addition to fuel expense.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies (continued)

#### C. Contractual Service Agreements

The All-Requirements Project has signed, or accepted assignment of, Contractual Service Agreements (CSAs) with GE Vernova International, LLC for the Treasure Coast Energy Center, Cane Island 3 and Cane Island 4 combustion turbines, steam turbines and generators. The CSAs cover specified monitoring and maintenance activities to be performed by GE over the contract term, which is the earlier of a specified contract end date, or a performance end date based on reaching certain operating milestones of either Factor Fired Hours or Factored Starts on the combustion turbines. GE or FMPA may terminate the agreements for the breach of the other party. The defaulting party pays the termination amount based on the performance metric specified in the contract.

On March 31, 2016 Cane Island Unit 2 CSA was transitioned to a Managed Maintenance Program (MMP). The MMP does not have a factored starts or hours based payment, and maintenance is paid for at the time it's incurred at pre-negotiated discounts.

The following is a summary of the contract status.

|   | Treasure<br>Coast | Cane Island<br>Unit 2 | Cane Island<br>Unit 3 | Cane Island<br>Unit 4 |
|---|-------------------|-----------------------|-----------------------|-----------------------|
| Original Effective Date                 | 1/30/2007         | 3/31/2016             | 12/12/2003            | 12/22/2010            |
| Last Amendment Effective Date           | 7/19/2022         |                       | 7/19/2022             | 7/19/2022             |
| Cumulative Factor Fired Hours           | 123,435           | 110,246               | 148,370               | 94,091                |
| Estimated Hours at Performance End Date | 207,000           |                       | 236,000               | 175,000               |
| Current Termination Amount (000's USD)  | \$ 3,098          |                       | \$ 3,001              | \$ 2,766              |
| Specified Contract End Date             | 11/21/2037        |                       | 11/21/2037            | 11/21/2037            |
| Estimated Performance End Date          | FYE 2034          |                       | FYE 2036              | FYE 2034              |

In November 2017, FMPA and General Electric negotiated a revised CSA to combine Cane Island Units 3 & 4 and Treasure Coast under one service agreement.

#### D. Other Agreements

FMPA has entered into certain long-term contracts for transmission services for its projects. These amounts are recoverable from participants in the projects (except the All-Requirements Project) through the Power Sales and Project Support Contracts. FMPA has entered into Power Sales and Project Support Contracts with each of the project participants for entitlement shares aggregating 100% of FMPA's joint ownership interest. In the case of the All-Requirements Project, a Power Supply Contract was entered into providing for the participant's total power requirements (except for certain excluded resources). Revenues received under these individual project contracts are expected to be sufficient to pay all of the related project costs.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies (continued)

#### D. Other Agreements (continued)

##### 1. St. Lucie Project (continued)

- FMPA has entered into a Reliability Exchange Agreement and a Replacement Power Agreement with FPL. The Reliability Exchange agreement results in FMPA exchanging 50% of its share of the output from St. Lucie Unit 2 for a like amount from the St. Lucie Unit 1. This agreement's original expiration was on October 1, 2017. In 2017, the Parties mutually agreed to extend the expiration date to October 1, 2022. On October 1, 2022 the agreement was again extended until the retirement of the units, however either party may terminate the agreement with 60 days written notice. The Replacement Power Agreement provides for replacement power and energy to be made available to FMPA if FPL voluntarily ceases to operate or reduces output from St. Lucie Unit 2 or St. Lucie Unit 1 for economic reasons or valley-load conditions.
- The St. Lucie Project, a joint owner of St. Lucie Unit 2, is subject to the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, FPL maintains \$450 million of private liability insurance for the St. Lucie Plant, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to \$12.6 billion of liability insurance coverage per incident at any nuclear reactor in the U.S. Under the secondary financial protection system, St. Lucie Unit 2 is subject to retrospective assessments of up to approximately \$127.3 million, plus any applicable taxes, per incident at any nuclear reactor in the U.S., payable at a rate not to exceed approximately \$19.0 million per incident per year. FMPA is contractually liable for its ownership interest of any assessment made against St. Lucie Unit 2 under this plan.
- FPL further participates in a nuclear insurance mutual company that provides \$2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination, and premature decommissioning risks at the St. Lucie plant and a sublimit of \$1.5 billion for non-nuclear perils. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if St. Lucie Unit 2 is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, St. Lucie Unit 2 could be assessed up to approximately \$27 million, plus any applicable taxes, in retrospective premiums in a policy year. FPL is contractually entitled to recover FMPA's ownership share of any such assessment made against St. Lucie 2.
- On December 16, 1999, FMPA and J.P. Morgan Chase (formerly Chase Manhattan Bank) entered into a Forward Delivery Agreement for a portion of the St. Lucie Decommissioning Trust. The agreement provides that J.P. Morgan Chase deliver securities initially with a value not to be less than \$10,225,000 for an equivalent payment. Upon maturity, the securities and the yield earned along with any cash delivered by J.P. Morgan Chase will be equivalent to 7.03% of the face value of the Agreement. This agreement expired in March of 2023 and the funds were reinvested in fixed income investments.



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies (continued)

#### D. Other Agreements (continued)

##### 2. All-Requirements Project

- FMPA supplies all of the wholesale power needs, unless limited to a contract rate of delivery, of the All-Requirements Project participants (except for certain excluded resources). In addition to its ownership facilities, FMPA has entered into interchange and power purchase contracts with minimum future payments as detailed below.

| Supplier   | End of Contract | Minimum Contract Liability<br>(000's US\$) |               |
|--|-----------------|--|---------------|
| Oleander Power Project LP, LLC - Unit 5 PPA      | 12/16/2027      | \$   | 36,726        |
| Power Holding LLC - Oleander Unit 1 PPA 1/1/2024 | 12/31/2029      |  | 12,282        |
| Total Minimum Liability                          |                 | \$   | <u>49,008</u> |

- In October 2003, FMPA executed contracts for a \$10 million investment in a brine water processing plant and other water facilities at the Stanton Energy Center in Orlando, Florida.
- The Stanton Unit A combined cycle generator receives cooling water treatment services from the brine plant and associated facilities. The owners of Stanton Unit A (Stanton Clean Energy LLC (formerly Southern Company Florida), FMPA, KUA and Orlando Utilities Commission) pay the owners of Stanton Energy Center Units 1 and 2 (including FMPA's Stanton, Stanton II, Tri-City and All-Requirements Projects) a fixed and a variable operation and maintenance charge for services received from this facility.
- The All-Requirements Project has several commitments/entitlements for natural gas transportation services to supply fuel to its owned and leased generation facilities. Below were the current commitments/entitlements during the past year.

| Pipeline                               | Ave Daily Volume<br>(mmBtu/day) | Annual Cost<br>(000's US\$) | Expiration | Primary Delivery<br>Receiving Point |
|--|---------------------------------|-----------------------------|------------|-------------------------------------|
| FI Gas Transmission FTS-1              | 21,984                          | \$ 4,304                    | Various    | Cane Island<br>Treasure Coast       |
| FI Gas Transmission FTS-2              | 61,488                          | 15,104                      | Various    | Cane Island<br>Treasure Coast       |
| FI Gas Transmission FTS-2<br>Stanton A | 14,950                          | 3,423                       | Various    | Stanton A                           |
| Transco                                | 50,000                          | 1,811                       | 4/30/2026  | FGT                                 |
| TECO-Peoples Gas                       | 0                               | 750                         | 12/31/2033 | Treasure Coast                      |
| TECO-Peoples Gas                       | 0                               | 750                         | 12/31/2033 | Cane Island/Oleander                |
|  |                                 | <u>\$ 26,142</u>            |            |                                     |

- The All-Requirements Project has entered into a storage contract with SG Resources Mississippi LLC, for 1 million MMBtu of storage capacity in the Southern Pines Storage facility. The contract was effective August 1, 2008, for storage capacity of 500,000 MMBtu and revised April 1, 2011, to increase the storage capacity by 500,000 MMBtu. The contract expired July 31, 2020, for 500,000 MMBtu and expired March 31, 2021, for the remaining 500,000 MMBtu. In March 2021 the Project contracted for 125,000 MMBtu of storage for three years from April 2021 to March 2024.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies (continued)

#### D. Other Agreements (continued)

##### 2. All Requirements (continued)

- The All-Requirements Project is under a contractual arrangement to have generation facilities in Key West, Florida, at a minimum level of 60% of the island utility's weather normalized annual peak capacity requirements. With installed capacity of 112 MW located in the Key West service territory, the All-Requirements Project believes it has sufficient existing generating capacity to fulfill the 60% on-island generation requirement well beyond the next decade.
- FMPPA has entered into the Florida Municipal Power Pool (FMPP) Agreement, as amended, with the FMPP members. Pursuant to Amendment 7, executed November of 2020, the term of the agreement is three years, with automatically-renewed three-year term extensions. Any party wishing to withdraw from the agreement must provide at least three years notice to the other FMPP members. The FMPP Agreement documents, among other things, how FMPP operating costs are accounted for and allocated among the members, and liability between the FMPP members.
- In 2020 Florida Gas Utilities (FGU), on behalf of the All-Requirements Project (ARP), entered into thirty-year natural gas supply agreements with the Black Belt Energy Gas District (Black Belt Energy) for the purchase of specified amounts of natural gas at discounted prices that FGU expects to supply to the ARP. The ARP's weighted average discount from these transactions is \$0.32 per MMBtu on 10,000 MMBtu per day.
- In 2020, FGU also entered into thirty year agreements on behalf for the ARP with the Municipal Gas Authority of Georgia (MGAG) for the purchase of specified amounts of natural gas. The ARP's weighted average discount from these transactions is \$0.32 per MMBtu on 13,250 MMBtu per Day. In 2022, additional thirty-year agreements were executed for an average of 7,279 MMBtu per day with an average discount of .32 per MMBtu.
- In 2022, FGU entered into agreements, with various counter parties on behalf of the ARP, for the purchase of additional specified amounts of natural gas at discounted prices. An agreement with Peak/BP Energy was executed for a four year discount of .08 per MMBtu on 3,000 MMBtu per day. An agreement with Tennessee Energy/Goldman Sachs is a thirty-year contract with a discount of .34 per MMBtu on 5,000 MMBtu per day. The agreement with BBE/Goldman Sachs is a thirty-year contract with a discount of .35 per MMBtu for an average of 2,721 MMBtu per day. The agreement with Minnesota Gas Agency/RBC is a thirty-year contract with a discount of .30 per MMBtu on 15,000 MMBtu per day, during the summer months.
- In 2023, FGU entered into three agreements, with various counter parties on behalf of the ARP, for the purchase of additional specified amounts of natural gas at discounted prices. An agreement with MGAG/Citibank is a contract for an average of 6,917 MMBTU per month with a discount of .63 per MMBtu. An agreement with BBE/Goldman Sachs for 11,000 MMBtu per month with discount of .55 per MMBtu. An agreement with MGAG/Citibank for 5,000 MMBtu per month with a discount of .57 per MMBtu. Each of these agreements are for thirty years.
- The All-Requirements Project has signed contracts with Fort Pierce Utilities Authority (FPUA), Kissimmee Utility Authority (KUA) and Keys Energy Services (KES) to operate and maintain Treasure Coast Energy Center, Cane Island Power Park and Stock Island generation facilities, respectively. The contracts provide for reimbursement of direct and indirect costs incurred by FPUA, KUA and KES, for operating the plants. The All-Requirements Project, in consultation with FPUA, KUA and KES, sets staffing levels, operating and capital budgets, and operating

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

parameters for the plants.

### X. Commitments and Contingencies (continued)

#### D. Other Agreements (continued)

##### 2. All Requirements (continued)

- The City of Vero Beach sold their system to Florida Power and Light and for a payment of \$105.4 million the All-Requirements Project assumed Vero Beach's Power Project Entitlement Shares and has transferred remaining liability for 32.521%, 16.489% and 15.202% of Vero's participant entitlement shares of the Stanton, Stanton II and St. Lucie Projects, respectively.
- In 2003, the City of Starke gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Project Contract that the term of their contracts will stop automatically renewing each year. The term of their contract was fixed and would terminate on September 30, 2035. In April 2023, the City of Starke revoked and rescinded their notice. This was approved by the Executive Committee and their current term now ends in 2054.
- The City of Lake Worth has limited its All-Requirements Service to a contract rate of delivery (CROD), as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation commenced January 1, 2014. The amount of capacity and energy the City is obligated to purchase under this conversion of their contract was determined to be zero in December 2013. Additionally, effective January 1, 2014, the Capacity and Energy Sales Contract between the City and FMPA terminated.
- The City of Fort Meade has limited its All-Requirements Service to a (CROD), as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation commenced January 1, 2015. Based on the city's usage between December 2013 and November 2014, and Executive Committee action in December 2014, the maximum hourly obligation was established at 10.360 MW. Concurrently with its notice of limitation, the City gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract that the term of its contract will stop renewing automatically each year. The term of the City's contract is now fixed and will terminate on October 1, 2041. In March 2021, FMPA and Fort Meade entered into a Supplemental Power and Ancillary Services Agreement (Fort Meade Supplemental Agreement). Effective September 1, 2020, the ARP now serves Fort Meade with any additional power needed to serve its total requirements above its St. Lucie Project entitlement and CROD.
- The ARP also provides Fort Meade with transmission and ancillary services as if CROD had not been implemented. The effect of this arrangement is that Fort Meade is served and billed as if it was a full-requirements ARP Participant. The initial term of the Fort Meade Supplemental Agreement runs through September 30, 2027 and includes 5-year automatic renewals until the termination of Fort Meade's ARP contract. Concurrent with the approval of the Fort Meade Supplemental Agreement, the Executive Committee approved a reduction of Fort Meade's CROD amount from 10.360 MW to 9.009 MW. If the Fort Meade Supplemental Agreement is terminated prior to the termination of Fort Meade's ARP contract, Fort Meade will be served at the lower CROD amount.
- Green Cove Springs notified FMPA of its election to limit its All-Requirements Service, as permitted in the Power Supply Contract, to a CROD. Beginning January 1, 2020 and continuing for the term of the Power Supply Contract, the All-Requirements Power Supply Project will serve Green Cove Springs with a maximum hourly obligation which was calculated in December 2019 as 23.608 MW. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs' contract is now fixed and will terminate on October 1, 2037. In 2019, Green Cove

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies (continued)

#### D. Other Agreements (continued)

##### 2. All Requirements (continued)

Springs approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated CROD. The agreement may be extended beyond the initial 10-year term.

- The All-Requirements Project has entered into power sales agreement with the following cities with the indicated capacity and time periods indicated:
  - City of Bartow, full power supply requirements of approximately 65 MWs from 2021 through 2023.
  - City of Alachua, partial requirements of approximately 10 MW from April 2022 through December 2027
  - City of Winter Park, partial requirements of about 70MW from 2020 through 2027.
  - City of Homestead, partial requirements of 15MW from 2020 through 2026.
  - City of Williston, full power supply requirements of 8MW from 2021 through 2026.
  - Other short-term sales for which the Project does not receive a capacity payment.
- During 2008, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for KUA whereby the All-Requirements Project has assumed all cost liability and operational management of all KUA-owned generation assets and will pay to KUA agreed-upon fixed payments over preset periods relating to each asset. On July 1, 2019 the agreement was amended to extend payments on the assets due to anticipated extension of the operating life of the assets. The agreement was again amended in FYE 2023 extending the payments over a longer estimated life of the units.
- Effective January 1, 2011, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for Key West whereby the All-Requirements Project has assumed all cost liability and operational management of all Key West owned generation assets and paid to Key West fixed annual payments of \$670,000 each January 1 from 2011 through 2021. The revised, amended, and restated contract provides the All-Requirements Project the right to retire Keys generation assets at any time during the term of the contract, subject to the 60% on-island capacity requirement, without shortening the fixed payment term.
- In March 2020, the FMPA Executive Committee approved a 20-year power purchase agreement (among other enabling agreements) for a total of 58 MW-AC of solar energy as an All Requirements Project resource. Commercial operations began late June 2020 for the All-Requirements Project first solar facility. The Executive Committee authorized the creation of an ARP Solar Project Advisory Committee, which is an Executive Committee subcommittee that will address matters involving ARP participants who have committed to pay for the costs of the ARP solar power purchase.
- In the normal course of its business, FMPA has had claims or assertions made against it. In the opinion of management, the ultimate disposition of these currently asserted claims is either not substantiated or will not have a material impact on FMPA's financial statements.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### X. Commitments and Contingencies (continued)

#### E. Solar Projects

The Solar project, that was approved by the FMPA Board of Directors in March of 2019, to provide 57 MW-AC of solar energy on behalf of its participants, was terminated in FY2023 due to unfavorable site conditions and development cost pressures.

In December 2019, the FMPA Board of Directors approved the establishment of the Solar II Project as an additional power supply project. It consists of a 20-year power purchase agreement for a total of 53.55 MW-AC of solar energy from two larger 74.9 MW-AC facilities. These sites, Rice Creek and Whistling Duck, were originally expected to be operational by the end of 2023, however the projects are experiencing interconnection delays. Currently, Rice Creek is estimated to be operational in August of 2024 and Whistling Duck in July of 2025.

In May of 2023, the Board of Directors approved the Solar III Project. It will consist of 203.15 MW-AC solar energy from three sites, with four FMPA members as participants. The Solar III Project is a 20-year power purchase agreement with operation expected in December 2025 2026, depending on the facility.

#### F. Stock Island Environmental Remediation

In early September 2021, personnel at the Stock Island Generating Facility (the "Plant") noted an oil sheen in Safe Harbor adjacent to the Plant. Testing of the sheen by the US Coast Guard indicated the substance was diesel fuel that matched diesel fuel that is stored at the Plant. FMPA has successfully mitigated the discharge and is in the process of completing the post active remediation monitoring plan. The U.S. Coast Guard, Florida DEP, and NOAA Marine Sanctuary have reached an agreement with FMPA on all required steps to bring the remediation to closure.

#### G. Commitment to Purchase Power Plants

FMPA continuously evaluates opportunities for low-cost resources to ensure reliable sources of long-term power supply for the All-Requirements project. With the anticipated retirement of Stanton I in 2025, FMPA has entered into purchase agreements for three peaking resources connected to the Duke Energy Florida transmission system. FMPA expects to acquire two sites in fiscal year 2024 and the remaining site in fiscal year 2025. The natural gas units are located in Orlando and Bartow, Florida, with estimated total capacity of 340 net MWs.

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## **NOTES TO FINANCIAL STATEMENTS**

For the Year Ended September 30, 2023

### **XI. Mutual Aid Agreement**

The All-Requirements Project has agreed to participate in a mutual aid agreement with six other utilities for extended generator outages of defined base-load generating units. The parties of this agreement are the city of Tallahassee, Gainesville Regional Utilities, JEA, Lakeland Electric, Orlando Utilities Commission, and Municipal Electric Authority of Georgia. The All-Requirements Project has designated 120 MWs of Cane Island Unit 3, 140 MWs of Cane Island 4, and 200 MWs of the Treasure Coast Energy Center, 60 MW of Stanton Unit 1, and 60 MW of Stanton Unit 2. In the case of a qualifying failure, the All-Requirements Project will have the option to receive either 50% or 100% of the replacement of the designated MWs of the failed unit. The cost of replacement energy will be based on an identified gas index or coal index and heat rate in the agreement. In the event of any extended outage from any other participant, the All-Requirements Project would provide between 12 MWs and 76 MWs (based on the designation of the participant) for a maximum of ten months. The agreement term automatically renewed on October 1, 2022 for an additional five years. The next automatic renewal will occur on October 1, 2027, unless FMPA (1) has not received energy under the agreement during the current term, and (2) provides at least 90 days' notice prior to the end of the current term that it does not elect to renew its participation.

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# NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

## XII. Employment Benefits

### A. Retirement Benefits

A Deferred Compensation Plan (in accordance with the Internal Revenue Code Section 457) and a Defined Contribution (money purchase) Plan (under the Internal Revenue Code Section 401(a)) are offered to the Agency's employees who are scheduled to work more than 1700 hours per year. The plan was established by the Board of Director's in 1984 and the Board of Directors has the authority to amend the plan. FMPA's contribution is 10% of the employee's gross base salary for the 401(a) plan, except for the General Counselor whose contribution is governed by his employment agreement with FMPA. Total payroll for the year ended September 30, 2023, was \$9.1 million, which approximates covered payroll. The 401(a) defined contribution plan has 78 active members with a plan balance.

The Agency's contribution may be made to either plan at the discretion of the employee. Additionally, an employee generally may contribute to the Deferred Compensation Plan, so that the combined annual contribution does not exceed the IRS annual maximum. Assets of both plans are held by Mission Square Retirement; the Plan Administrator and Trustee.

Agency contributions to the Defined Contribution Plan resulted in expenses for the fiscal year 2023 of \$1.1 million. Funds from these plans are not available to employees until termination or retirement, however funds from either plan can be made available, allowing an employee to borrow up to the lower of \$50,000 or one half of their balance in the form of a loan.

### B. Post-Employment Benefits other than Retirement

The Agency's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the Agency. The Plan, which is administered by the Agency, allows employees who retire and meet retirement eligibility requirements to continue medical insurance coverage as a participant in the Agency's plan. As of September 30, 2022, the plan membership consisted of the following participants:

|   | 9/30/2022 |
|---|-----------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 21        |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits    | 0         |
| Active Plan Members   | 11        |
|   | <u>32</u> |

The Agency pays 100% of the cost of employee-only coverage for employees hired prior to October 1, 2004 who retire upon meeting the retirement eligibility requirement, which is that age combined with service must exceed 900 months. This subsidy applies to the healthcare plan premiums for Pre-65 retirees as well as any Medicare supplement plan purchased by Post-65 retirees.

The Agency also provides up to \$3,000 in HRA funds to all eligible members for life. If those members elect to cover their spouse or have handicapped dependents, the HRA benefit limit is increased to \$6,000. These funds are made available to cover retirees' out-of-pocket medical expenses, and therefore are included in the Agency's Pay-As-You-Go plan costs. No assets are accumulated in a trust to cover these benefits.

Employees hired after October 1, 2004 are ineligible for any Agency subsidies, nor are they allowed to continue to participate in the plan after retirement.

No implicit benefit was valued in this valuation.

The measurement date is September 30, 2023. The measurement period for the OPEB expense was October 1, 2022 to September 30, 2023. The reporting period is October 1, 2022 through September 30, 2023. The Sponsor's Total OPEB Liability was measured as of September 30, 2023 using a discount rate of 4.87%.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### XII. Employment Benefits (continued)

#### B. Post-Employment Benefits other than Retirement (continued)

Actuarial Assumptions:

Total OPEB Liability for The Agency's ledger adjustment was measured as of September 30, 2023 using a discount rate of 4.87%.

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2023 (measurement date) using the following actuarial assumptions:

|                     |       |
|---------------------|-------|
| Inflation           | 2.50% |
| Salary Increases    | 2.50% |
| Discount Rate       | 4.87% |
| Initial Trend Rate  | 7.25% |
| Ultimate Trend Rate | 4.00% |
| Years to Ultimate   | 52    |

For all lives, mortality rates were Pub G-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate:

Given the Agency's decision not to establish a trust for the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 Years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's, or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense:

For the year ended September 30, 2023, the Agency will recognize OPEB Expense of \$196,609.



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### XII. Employment Benefits

#### B. Post-Employment Benefits other than Retirement (continued)

Total OPEB Liability as of the Measurement Date is:

| Description  | (000's US\$)<br>Amount |
|--|------------------------|
| Reporting Period Ending September 30, 2022         | \$ 4,888               |
| Service Cost                                       | 22                     |
| Interest   | 228                    |
| Differences between Expected and Actual Experience | -                      |
| Changes in Assumptions                             | (56)                   |
| Benefits Payments                                  | (249)                  |
| Reporting Period Ending September 30, 2023         | <u>\$ 4,833</u>        |

Changes of assumptions reflect a change in the discount rate from 4.77% for the reporting period ended September 30, 2022 to 4.87% for the reporting period ended September 30, 2023. Also reflected as assumption changes are updated mortality rates, updated health care costs and premiums, and updated health care cost trend rates.

*Sensitivity of the Total OPEB Liability to changes in the Discount Rate:*

The following presents the Total OPEB Liability of the Agency, as well as what the Agency's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

|                                   | 1% Decrease | Current<br>Discount Rate | 1% Increase |
|-----------------------------------|-------------|--------------------------|-------------|
|                                   | 3.87%       | 4.87%                    | 5.87%       |
| Total OPEB Liability (000's US\$) | \$ 5,441    | \$ 4,833                 | \$ 4,324    |

*Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates:*

The following presents the Total OPEB Liability of the Agency, as well as what the Agency's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

|                                   | 1% Decrease   | Healthcare Cost<br>Trend Rates | 1% Increase   |
|-----------------------------------|---------------|--------------------------------|---------------|
|                                   | 3.00% - 6.25% | 4.00% - 7.25%                  | 5.00% - 8.25% |
| Total OPEB Liability (000's US\$) | \$ 4,453      | \$ 4,833                       | \$ 5,284      |

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

As of September 30, 2023, the most recent valuation date, the Total OPEB Plan Liability was \$4.8 million, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$1.7 million, and the ratio of the Total OPEB Plan Liability to the covered payroll was 290 percent.

The OPEB Plan contribution requirements of Florida Municipal Power Agency are established and may be amended through action of its Board of Directors.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### XIII. Risk Management

The Agency is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees and the public and damage to property of others. In addition, FMPA enters into contracts with third parties, some of whom are empowered to act as its agents in order to carry out the purpose of the contracts.

These contracts subject FMPA to varying degrees and types of risk. The Agency has purchased commercial insurance that management believes is adequate to cover these various risks. FMPA has elected to self-insure the Agency's risk for general liability. It is the opinion of General Counsel that FMPA may enjoy sovereign immunity in the same manner as a municipality, as allowed by Florida Common Law. Under such Florida Law, the limit of liability for judgments by one person for tort is \$200,000 or a maximum of \$300,000 for the same incident or occurrence. At no point have settlements exceeded coverage in the past two fiscal years.

The Agency has established a Finance Committee (FC) made up of some of FMPA's Board of Directors and Executive Committee member's representatives and has assigned corporate risk management to its Treasurer and Risk Director. The Chief Financial Officer is designated the Agency's Risk Manager, and oversees the Risk Management Department. The Chief Financial Officer reports to the Chief Executive Officer. The objective of the Agency's Enterprise Risk Management program is to identify measure, monitor and report risks in order to minimize unfavorable financial and strategic impacts.

FMPA's Risk Management Policy addresses key risk areas including, but not limited to, fuel, generation, debt, investments, insurance, credit, and contracts.

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

### XIV. Related Party Transactions

#### A. Governing Members and Committees

Each of the members of FMPA appoints a director and one or more alternatives to serve on FMPA's Board of Directors. The City of Jacksonville joined FMPA this year bringing total membership of the Agency to 33. The Board has responsibility for developing and approving FMPA's non All-Requirements Project budgets, hiring of the General Manager and General Counsel and establishing the Agency's bylaws, which govern how FMPA operates and the policies which implement such bylaws. The Board also authorizes all non-All-Requirements Project debt issued by FMPA and allocates the Agency Fund burden to each of the Projects. The Board elects an Agency Chairman, Vice-Chairman, Secretary and Treasurer.

The Executive Committee consists of representatives from the active members of the All-Requirements Project. The Executive Committee elects a Chairperson and Vice-Chairperson. The Board's Secretary and Treasurer serve in the same capacity on the Executive Committee. The Executive committee has sole responsibility for developing and approving FMPA's Agency Fund and All-Requirements Project budgets, and authorizes all debt issued by the All-Requirements Project.

In order to facilitate the project decision making process, there are project committees for the St. Lucie, Stanton, Stanton II, Tri-City, Solar and, Solar II Projects which are comprised of one representative from each participant in a project. The project committees serve in an advisory capacity, and all decisions concerning the project are decided by the Board of Directors, except for the All-Requirements Project, in which all decisions are made by the Executive Committee.

The Board of Directors has authorized the creation of Solar Project II and Solar Project III Committees, which will be advisory to the Board of Directors on matters involving those Projects. (The Solar Project, and its related committee, was terminated, following termination of related contractual commitments involving FMPA and project participants, by the adoption of Resolution 2023-B3 on June 15, 2023). The Executive Committee has authorized the creation of Phase I, II, and III ARP Solar Participant Advisory Committees, which are Executive Committee subcommittees that will address related matters involving ARP participants.

#### B. Florida Gas Utility (FGU)

The All-Requirements Project has a contractual agreement to purchase natural gas from Florida Gas Utility (FGU), which accounts for approximately 80-85% of FGU's total throughput of natural gas. FMPA and the following All-Requirements member cities have representatives on the FGU Board of Directors: Ft. Pierce, KUA, Leesburg Jacksonville Beach and Starke.

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## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

### XV. Subsequent Events

#### A. Agency Project Pooled Loan

The Agency Project closed on a Pooled Loan on October 30, 2023. The principal amount is \$1,000,000, with an interest rate of 7.25% and a maturity date of October 1, 2028. The loan is to be used to pay for upgrades to the Agency's IT infrastructure.

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**Required Supplementary Information  
(unaudited)**

**Schedule of Changes in Agency's Net OPEB Liability and Related Ratios  
Last Ten Years  
(000's US\$)**

| Reporting Period Ending  | 9/30/2023 | 9/30/2022  | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 |
|--|-----------|------------|-----------|-----------|-----------|-----------|
| Measurement Date   | 9/30/2023 | 9/30/2022  | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 |
| <b>Total OPEB Liability</b>                                    |           |            |           |           |           |           |
| Service Cost   | \$ 22     | \$ 59      | \$ 63     | \$ 56     | \$ 47     | \$ 53     |
| Interest   | 228       | 145        | 133       | 201       | 215       | 201       |
| Differences Between Expected and Actual Experience             |           | 221        | -         | -         | -         | -         |
| Changes in Assumptions   | (56)      | (1,305)    | (235)     | 674       | 410       | (374)     |
| Benefit Payments   | (249)     | (241)      | (225)     | (326)     | (233)     | (214)     |
| Net Change in Total OPEB Liability                             | \$ (55)   | \$ (1,121) | \$ (264)  | \$ 605    | \$ 439    | \$ (334)  |
| Total OPEB Liability - Beginning of Year                       | 4,888     | 6,009      | 6,273     | 5,668     | 5,229     | 5,563     |
| Total OPEB Liability - End of Year                             | \$ 4,833  | \$ 4,888   | \$ 6,009  | \$ 6,273  | \$ 5,668  | \$ 5,229  |
| Trust Fiduciary Net Position as a % of Total OPEB Liability    | 0%        | 0%         | 0%        | 0%        | 0%        | 0%        |
| Covered Employee Payroll                                       | 1,665     | 1,734      | 2,190     | 2,126     | 2,321     | 2,167     |
| Agency's Net OPEB Liability as a % of Covered Employee Payroll | 290%      | 282%       | 274%      | 295%      | 244%      | 241%      |

\* GASB Statement 75 was implemented as of September 30, 2018. Information from 2009 - 2017 is not available and this schedule will be presented on a prospective basis.

**Notes to Schedule:**

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

|  |       |
|--|-------|
| Fiscal Year Ending September 30, 2023: | 4.87% |
| Fiscal Year Ending September 30, 2022: | 4.77% |
| Fiscal Year Ending September 30, 2021: | 2.43% |
| Fiscal Year Ending September 30, 2020: | 2.14% |
| Fiscal Year Ending September 30, 2019: | 3.58% |
| Fiscal Year Ending September 30, 2018: | 4.18% |

See footnote XII.B for further information.

## **Supplementary Information**

(unaudited)

**SCHEDULE OF  
AMOUNTS DUE TO (FROM) PARTICIPANTS  
RESULTING FROM BUDGET/ACTUAL VARIANCES  
YEAR ENDED SEPTEMBER 30, 2023  
(000's US\$)**

|  | Amended<br>Budget | Actual           | Variance<br>Over / (Under)<br>Budget |
|--|-------------------|------------------|--------------------------------------|
| <b>Agency Fund</b>   |                   |                  |                                      |
| Received from projects   | \$ 17,198         | \$ 16,856        | \$ (342)                             |
| Received from member assessments   | -                 | 69               | 69                                   |
| Interest income  | 270               | 479              | 209                                  |
| Other income   | 63                | 74               | 11                                   |
|  | <u>\$ 17,531</u>  | <u>\$ 17,478</u> | <u>\$ 220</u>                        |
| General and administrative   | \$ 16,408         | \$ 16,213        | (195)                                |
| Invested in Capital Assets   | 593               | 138              | (455)                                |
| Principal on Debt  | -                 | -                | -                                    |
| Other Adjustments  | 380               | 380              | -                                    |
|  | <u>\$ 17,381</u>  | <u>\$ 16,731</u> | <u>\$ (650)</u>                      |
| Net Revenue  | \$ 150            | \$ 747           | 870                                  |
| <b>St. Lucie Project</b>   |                   |                  |                                      |
| Participant billing  | \$ 38,776         | \$ 38,776        | -                                    |
| Reliability exchange contract sales                                      | 4,062             | 4,300            | 238                                  |
| Interest income  | 19                | 333              | 314                                  |
|  | <u>\$ 42,857</u>  | <u>\$ 43,409</u> | <u>\$ 552</u>                        |
| Operation and maintenance  | \$ 11,084         | \$ 11,243        | 159                                  |
| Purchased power  | 3,355             | 3,267            | (88)                                 |
| Transmission service   | 494               | 466              | (28)                                 |
| General and administrative   | 3,065             | 3,357            | 292                                  |
| Deposit to renewal and replacement fund                                  | 10,000            | 10,000           | -                                    |
| Deposit to general reserve fund & FSA                                    | -                 | -                | -                                    |
| Deposit to Nuclear Fuel Fund   | 4,200             | 4,200            | -                                    |
| Deposit to debt service fund   | 5,218             | 5,079            | (139)                                |
|  | <u>\$ 37,416</u>  | <u>\$ 37,612</u> | <u>\$ 196</u>                        |
| Net Due to (from) Participants Resulting<br>from Budget/Actual Variances | \$ 5,441          | \$ 5,797         | 356                                  |

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.



**SCHEDULE OF  
AMOUNTS DUE TO (FROM) PARTICIPANTS  
RESULTING FROM BUDGET/ACTUAL VARIANCES  
YEAR ENDED SEPTEMBER 30, 2023  
(000's US\$)**

|  | Amended<br>Budget | Actual            | Variance<br>Over/ (Under)<br>Budget |
|--|-------------------|-------------------|-------------------------------------|
| <b>Stanton Project</b>   |                   |                   |                                     |
| Participant billing & sales to others                                    | \$ 34,074         | \$ 27,252         | \$ (6,822)                          |
| Interest income  | 13                | 482               | 469                                 |
| Other income   | -                 | -                 | -                                   |
|  | <u>\$ 34,087</u>  | <u>\$ 27,734</u>  | <u>\$ (6,353)</u>                   |
| Operation and maintenance, fuel  | \$ 26,515         | \$ 19,382         | \$ (7,133)                          |
| Transmission service   | 1,571             | 1,574             | 3                                   |
| General and administrative   | 2,137             | 1,449             | (688)                               |
| Deposits to debt service and other funds                                 | 2,267             | 2,261             | (6)                                 |
|  | <u>\$ 32,490</u>  | <u>\$ 24,666</u>  | <u>\$ (7,824)</u>                   |
| Net Due to (from) Participants Resulting<br>from Budget/Actual Variances | <u>\$ 1,597</u>   | <u>\$ 3,068</u>   | <u>\$ 1,471</u>                     |
| <b>All-Requirements Project</b>  |                   |                   |                                     |
| Participant billing & sales to others                                    | \$ 664,895        | \$ 659,092        | \$ (5,803)                          |
| Transfer from Rate Protection  | -                 | -                 | -                                   |
| Interest Income  | 1,099             | 8,009             | 6,910                               |
|  | <u>\$ 665,994</u> | <u>\$ 667,101</u> | <u>\$ 1,107</u>                     |
| Member Capacity  | \$ 41,430         | \$ 40,448         | \$ (982)                            |
| Contract Capacity  | 24,240            | 25,873            | 1,633                               |
| ARP Owned Capacity   | 45,320            | 47,120            | 1,800                               |
| Debt & Leases  | 108,835           | 109,283           | 448                                 |
| Direct Charges & Other   | 25,925            | 24,501            | (1,424)                             |
| Gas Transportation   | 28,549            | 28,205            | (344)                               |
| Fuels  | 328,729           | 328,100           | (629)                               |
| Purchased Power  | 16,677            | 11,340            | (5,337)                             |
| Transmission   | 46,289            | 45,694            | (595)                               |
|  | <u>\$ 665,994</u> | <u>\$ 660,564</u> | <u>\$ (5,430)</u>                   |
| Net Due to (from) Participants Resulting<br>from Budget/Actual Variances | <u>\$ -</u>       | <u>\$ 6,537</u>   | <u>\$ 6,537</u>                     |

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

**SCHEDULE OF  
AMOUNTS DUE TO (FROM) PARTICIPANTS  
RESULTING FROM BUDGET/ACTUAL VARIANCES  
YEAR ENDED SEPTEMBER 30, 2023  
(000's US\$)**

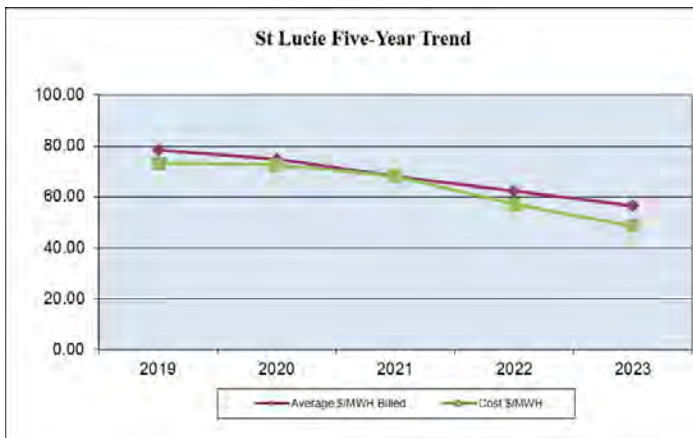
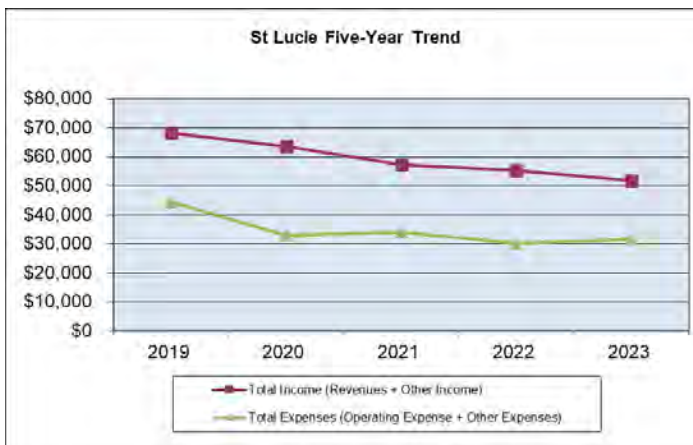
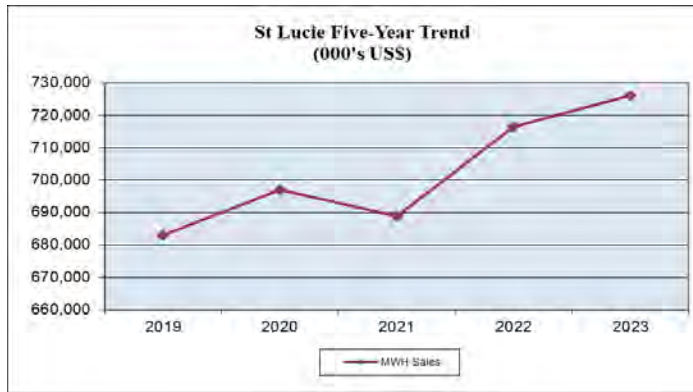
|  | Amended<br>Budget | Actual           | Variance<br>Over/ (Under)<br>Budget |
|--|-------------------|------------------|-------------------------------------|
| <b>Tri-City Project</b>  |                   |                  |                                     |
| Participant billing & sales to others                                    | \$ 14,018         | \$ 11,597        | \$ (2,421)                          |
| Interest income  | 6                 | 157              | 151                                 |
|  | <u>\$ 14,024</u>  | <u>\$ 11,754</u> | <u>\$ (2,270)</u>                   |
| Operation and maintenance, fuel  | \$ 9,485          | \$ 6,952         | \$ (2,533)                          |
| Transmission service   | 563               | 564              | 1                                   |
| General and administrative   | 1,046             | 800              | (246)                               |
| Deposits to debt service and other funds                                 | 919               | 908              | (11)                                |
|  | <u>\$ 12,013</u>  | <u>\$ 9,224</u>  | <u>\$ (2,789)</u>                   |
| Net Due to (from) Participants Resulting<br>from Budget/Actual Variances | <u>\$ 2,011</u>   | <u>\$ 2,530</u>  | <u>\$ 519</u>                       |
| <b>Stanton II Project</b>  |                   |                  |                                     |
| Participant billing & sales to others                                    | \$ 71,227         | \$ 55,876        | \$ (15,351)                         |
| Interest Income  | 49                | 744              | 695                                 |
| Other Income   | -                 | -                | -                                   |
|  | <u>\$ 71,276</u>  | <u>\$ 56,620</u> | <u>\$ (14,656)</u>                  |
| Operation and maintenance, fuel  | \$ 47,120         | \$ 31,594        | \$ (15,526)                         |
| Transmission service   | 2,555             | 2,561            | 6                                   |
| General and administrative   | 3,135             | 2,055            | (1,080)                             |
| Deposits to debt service and other funds                                 | 17,952            | 17,451           | (501)                               |
|  | <u>\$ 70,762</u>  | <u>\$ 53,661</u> | <u>\$ (17,101)</u>                  |
| Net Due to (from) Participants Resulting<br>from Budget/Actual Variances | <u>\$ 514</u>     | <u>\$ 2,959</u>  | <u>\$ 2,445</u>                     |

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

## FIVE-YEAR TREND ANALYSIS

|  | 2019       | 2020       | 2021       | 2022       | 2023       |
|--|------------|------------|------------|------------|------------|
| (000's US\$ except for MWH Sales and Average \$/MWH) |            |            |            |            |            |
| <b>St. Lucie Project</b>                             |            |            |            |            |            |
| Capital Assets                                       | \$ 20,554  | \$ 26,455  | \$ 34,977  | \$ 41,172  | \$ 50,072  |
| Total Assets & Deferred Outflows                     | \$ 235,863 | \$ 220,606 | \$ 216,817 | \$ 215,870 | \$ 234,727 |
| Long-Term Liabilities                                | \$ 130,798 | \$ 98,029  | \$ 87,714  | \$ 58,506  | \$ 58,506  |
| Total Liabilities & Deferred Inflows                 | \$ 235,863 | \$ 220,606 | \$ 216,817 | \$ 234,727 | \$ 234,727 |
| Billings to Participants                             | \$ 53,669  | \$ 52,151  | \$ 46,920  | \$ 44,663  | \$ 39,270  |
| Sales to Others                                      | 3,971      | 3,820      | 3,860      | 2,077      | 3,806      |
| Total Operating Revenues                             | \$ 57,640  | \$ 55,971  | \$ 50,780  | \$ 46,740  | \$ 43,076  |
| Purchased Power                                      | \$ 3,116   | \$ 2,894   | \$ 3,435   | \$ 3,242   | \$ 3,267   |
| Production-Nuclear O&M                               | 7,594      | 10,026     | 11,131     | 8,523      | 11,249     |
| Nuclear Fuel Amortization                            | 5,338      | 3,209      | 4,046      | 4,225      | 4,391      |
| Transmission   | 350        | 408        | 429        | 490        | 466        |
| General & Administrative                             | 2,722      | 2,700      | 3,501      | 2,872      | 3,351      |
| Depreciation & Decommissioning                       | 6,743      | 8,216      | 6,839      | 7,937      | 7,909      |
| Total Operating Expenses                             | \$ 25,863  | \$ 27,453  | \$ 29,381  | \$ 27,289  | \$ 30,633  |
| Net Operating Revenues                               | \$ 31,777  | \$ 28,518  | \$ 21,399  | \$ 19,451  | \$ 12,443  |
| Investment Income                                    | \$ 10,676  | \$ 7,662   | \$ 6,463   | \$ 4,472   | \$ 8,648   |
| Total Other Income                                   | \$ 10,676  | \$ 7,662   | \$ 6,463   | \$ 4,472   | \$ 8,648   |
| Interest Expense                                     | \$ 11,675  | \$ 4,259   | \$ 3,507   | \$ 2,091   | \$ 791     |
| Amortization & Other Expense                         | 7,003      | 1,300      | 1,150      | 885        | 155        |
| Total Other Expenses                                 | \$ 18,678  | \$ 5,559   | \$ 4,657   | \$ 2,976   | \$ 946     |
| Net Income (Loss)                                    | \$ 23,775  | \$ 30,621  | \$ 23,205  | \$ 20,947  | \$ 20,145  |
| Net Cost Recovered (Credited)<br>in the Future       | (18,998)   | (27,505)   | (23,277)   | (17,212)   | (19,789)   |
| Due from (to) Participants                           | (4,777)    | (3,116)    | 72         | (3,735)    | (356)      |
| Total Income   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| MWH Sales  | 683,132    | 697,116    | 688,960    | 716,436    | 726,227    |
| Average \$/MWH Billed                                | \$ 78.56   | \$ 74.81   | \$ 68.10   | \$ 62.34   | \$ 54.07   |
| Cost \$/MWH  | \$ 73.15   | \$ 72.54   | \$ 68.21   | \$ 57.13   | \$ 53.58   |

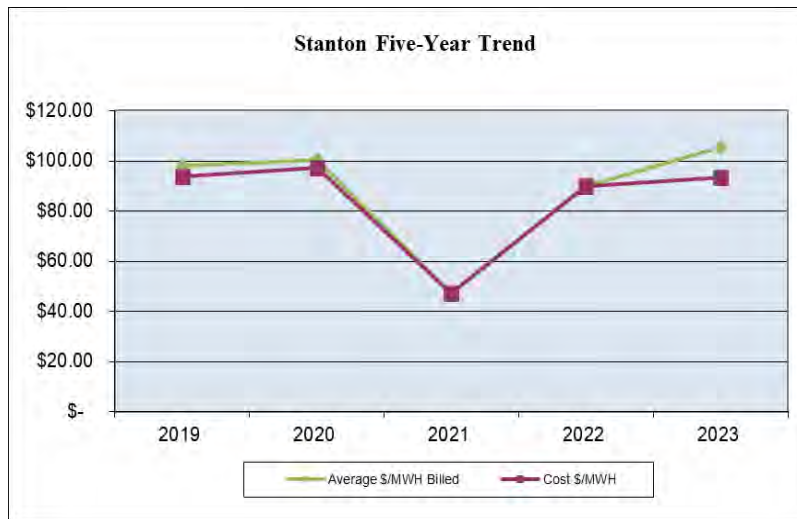
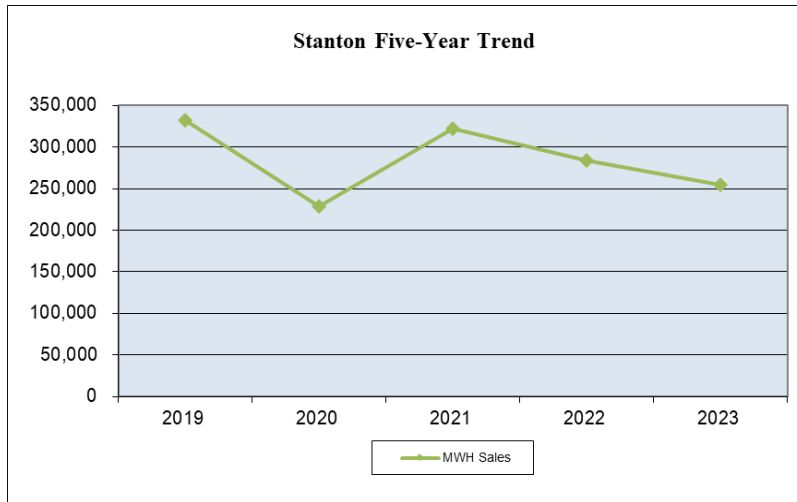
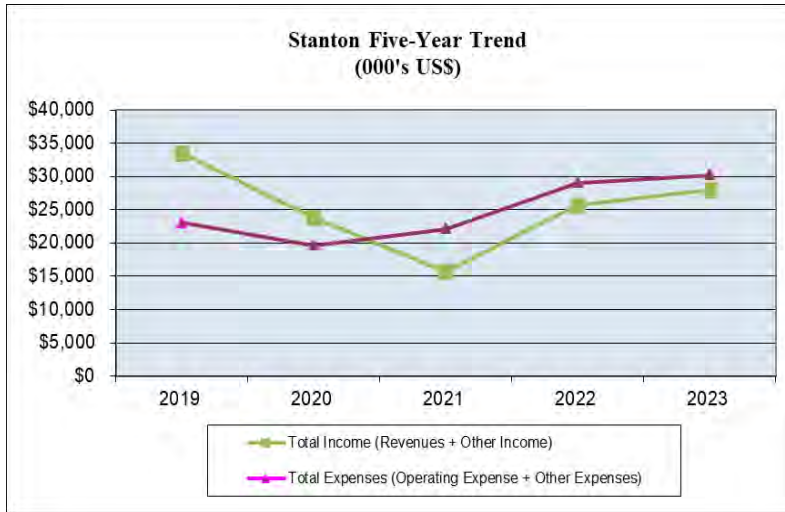
## FIVE-YEAR TREND ANALYSIS



## FIVE-YEAR TREND ANALYSIS

|  | 2019      | 2020      | 2021       | 2022       | 2023       |
|--|-----------|-----------|------------|------------|------------|
| (000's US\$ except for MWH Sales and Average \$/MWH) |           |           |            |            |            |
| <b>Stanton Project</b>                               |           |           |            |            |            |
| Capital Assets                                       | \$ 27,079 | \$ 27,044 | \$ 24,138  | \$ 20,855  | \$ 16,916  |
| Total Assets & Deferred Outflows                     | \$ 62,403 | \$ 55,644 | \$ 49,790  | \$ 47,139  | \$ 46,727  |
| Long-Term Debt                                       | \$ 1,123  | \$ 1,159  | \$ 1,203   | \$ 1,371   | \$ 4,823   |
| Total Liabilities & Deferred Inflows                 | \$ 62,403 | \$ 55,644 | \$ 49,790  | \$ 47,139  | \$ 46,727  |
| Billings to Participants                             | \$ 32,521 | \$ 22,955 | \$ 15,237  | \$ 25,577  | \$ 26,819  |
| Sales to Others                                      | 360       | 378       | 384        | 369        | 432        |
| Total Operating Revenues                             | \$ 32,881 | \$ 23,333 | \$ 15,621  | \$ 25,946  | \$ 27,251  |
| Production-Steam O&M                                 | \$ 5,134  | \$ 5,384  | \$ 3,933   | \$ 4,800   | \$ 8,383   |
| Fuel Expense   | 11,132    | 7,934     | 11,366     | 16,534     | 14,450     |
| Transmission   | 1,170     | 1,289     | 1,417      | 1,518      | 1,574      |
| General & Administrative                             | 1,562     | 1,342     | 1,344      | 1,945      | 1,460      |
| Depreciation & Decommissioning                       | 3,569     | 3,685     | 4,052      | 4,234      | 4,349      |
| Total Operating Expenses                             | \$ 22,567 | \$ 19,634 | \$ 22,112  | \$ 29,031  | \$ 30,216  |
| Net Operating Revenues                               | \$ 10,314 | \$ 3,699  | \$ (6,491) | \$ (3,085) | \$ (2,965) |
| Investment Income                                    | \$ 549    | \$ 401    | \$ 70      | \$ (309)   | \$ 766     |
| Total Other Income                                   | \$ 549    | \$ 401    | \$ 70      | \$ (309)   | \$ 766     |
| Interest Expense                                     | \$ 472    | \$ -      | \$ -       | \$ -       | \$ -       |
| Amortization & Other Expense                         | 37        | -         | -          | -          | -          |
| Total Other Expenses                                 | \$ 509    | \$ -      | \$ -       | \$ -       | \$ -       |
| Net Income (Loss)                                    | \$ 10,354 | \$ 4,100  | \$ (6,421) | \$ (3,394) | \$ (2,199) |
| Net Cost Recovered (Credited)<br>in the Future       | (9,035)   | (3,392)   | 6,504      | 3,424      | 3,670      |
| Due from (to) Participants                           | (1,319)   | (708)     | (83)       | (30)       | (1,471)    |
| Total Income   | \$ -      | \$ -      | \$ -       | \$ -       | \$ -       |
| MWH Sales  | 332,105   | 228,947   | 321,529    | 284,082    | 254,654    |
| Average \$/MWH Billed                                | \$ 97.92  | \$ 100.26 | \$ 47.39   | \$ 90.03   | \$ 105.32  |
| Cost \$/MWH  | \$ 93.95  | \$ 97.17  | \$ 47.13   | \$ 89.93   | \$ 99.54   |

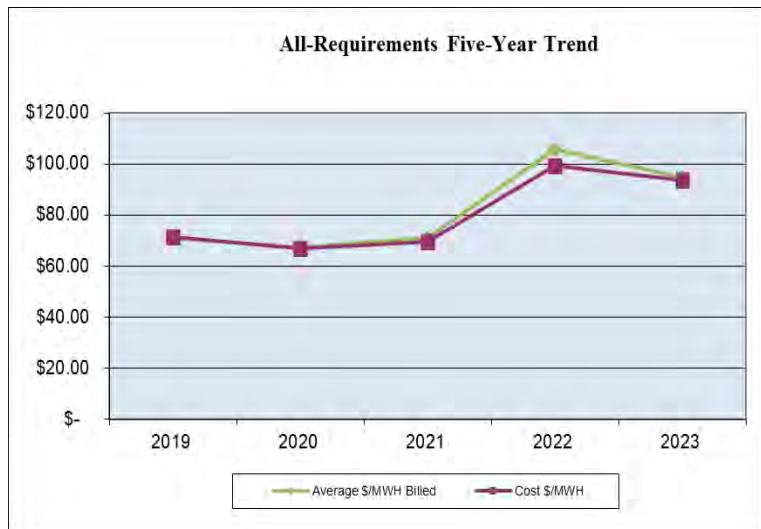
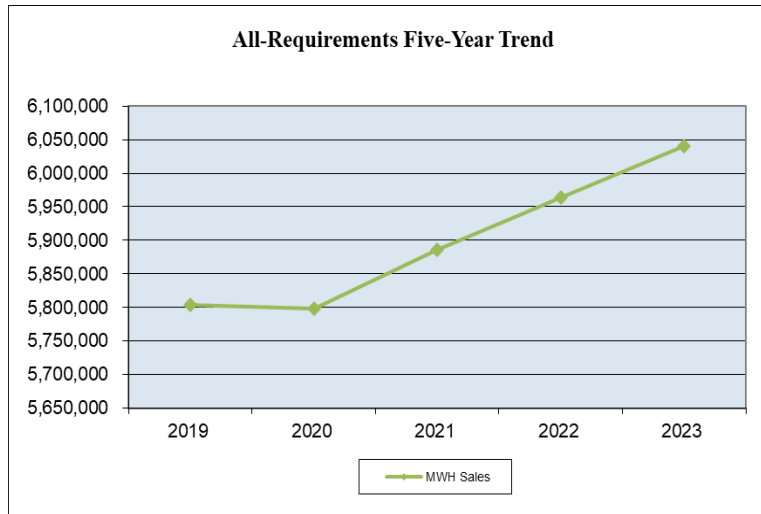
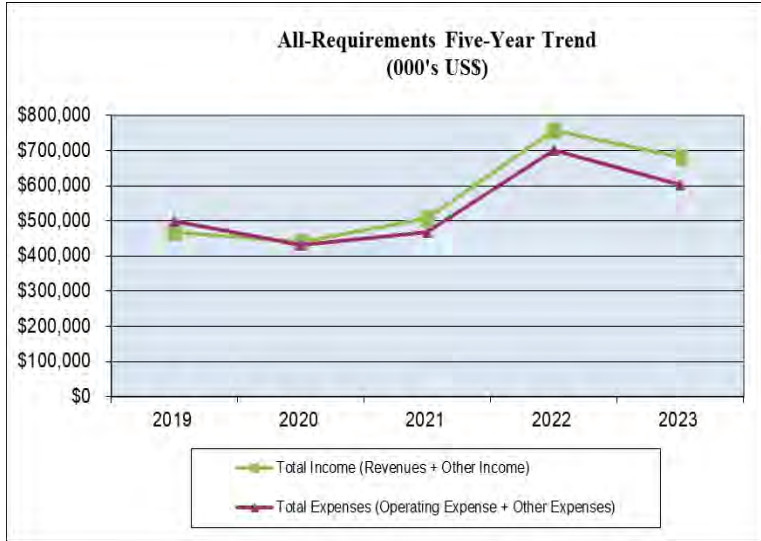
## FIVE-YEAR TREND ANALYSIS



## FIVE-YEAR TREND ANALYSIS

|  | 2019         | 2020         | 2021         | 2022         | 2023         |
|--|--------------|--------------|--------------|--------------|--------------|
| (000's US\$ except for MWH Sales and Average \$/MWH) |              |              |              |              |              |
| <b>All-Requirements Project</b>                      |              |              |              |              |              |
| Capital Assets                                       | \$ 635,185   | \$ 588,537   | \$ 558,414   | \$ 532,828   | \$ 591,939   |
| Total Assets & Deferred Outflows                     | \$ 1,265,991 | \$ 1,163,954 | \$ 1,242,104 | \$ 1,242,647 | \$ 1,197,745 |
| Long-Term Liabilities                                | \$ 1,007,611 | \$ 933,813   | \$ 993,268   | \$ 960,361   | \$ 951,823   |
| Total Liabilities & Deferred Inflows                 | \$ 1,265,991 | \$ 1,163,954 | \$ 1,242,104 | \$ 1,242,647 | \$ 1,197,745 |
| Billings to Participants **                          | \$ 413,327   | \$ 390,242   | \$ 419,512   | \$ 629,759   | \$ 558,208   |
| Sales to Others                                      | 49,560       | 46,427       | 85,989       | 137,442      | 113,787      |
| Total Operating Revenues                             | \$ 462,887   | \$ 436,669   | \$ 505,501   | \$ 767,201   | \$ 671,995   |
| Purchased Power                                      | \$ 28,034    | \$ 29,509    | \$ 37,314    | \$ 49,849    | \$ 37,987    |
| O&M Production-Steam                                 | 79,383       | 82,078       | 64,733       | 75,310       | 87,715       |
| Fuel Expense   | 196,638      | 159,716      | 229,393      | 426,331      | 337,413      |
| Transmission   | 29,658       | 35,492       | 35,394       | 43,434       | 45,301       |
| General & Administrative                             | 23,922       | 23,510       | 23,837       | 26,019       | 26,133       |
| Depreciation & Decommissioning                       | 58,599       | 58,395       | 38,808       | 46,867       | 39,723       |
| Total Operating Expenses                             | \$ 416,234   | \$ 388,700   | \$ 429,479   | \$ 667,810   | \$ 574,272   |
| Net Operating Revenues                               | \$ 46,653    | \$ 47,969    | \$ 76,022    | \$ 99,391    | \$ 97,723    |
| Investment Income                                    | \$ 6,681     | \$ 3,364     | \$ 2,671     | \$ (9,781)   | \$ 9,333     |
| Total Other Income                                   | \$ 6,681     | \$ 3,364     | \$ 2,671     | \$ (9,781)   | \$ 9,333     |
| Interest Expense                                     | \$ 35,043    | \$ 29,070    | \$ 27,425    | \$ 26,362    | \$ 25,162    |
| Amortization & Other Expense                         | 48,401       | 12,780       | 10,258       | 7,570        | 3,999        |
| Total Other Expenses                                 | \$ 83,444    | \$ 41,850    | \$ 37,683    | \$ 33,932    | \$ 29,161    |
| Net Income (Loss)                                    | \$ (30,110)  | \$ 9,483     | \$ 41,010    | \$ 55,678    | \$ 77,895    |
| Net Cost Recovered (Credited)<br>in the Future       | 29,221       | (6,708)      | (31,320)     | (19,125)     | (71,358)     |
| Due from (to) Participants                           | 889          | (2,775)      | (9,690)      | (36,553)     | (6,537)      |
| Total Income   | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| MWH Sales  | 5,803,759    | 5,797,666    | 5,885,763    | 5,963,224    | 6,040,569    |
| Average \$/MWH Billed                                | \$ 71.22     | \$ 67.31     | \$ 71.28     | \$ 105.61    | \$ 92.41     |
| Cost \$/MWH  | \$ 71.37     | \$ 66.83     | \$ 69.63     | \$ 99.48     | \$ 91.33     |

## FIVE-YEAR TREND ANALYSIS

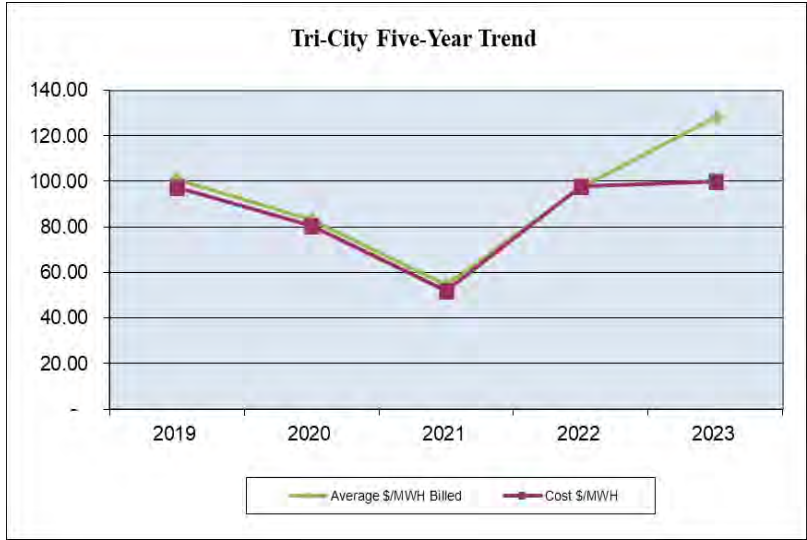
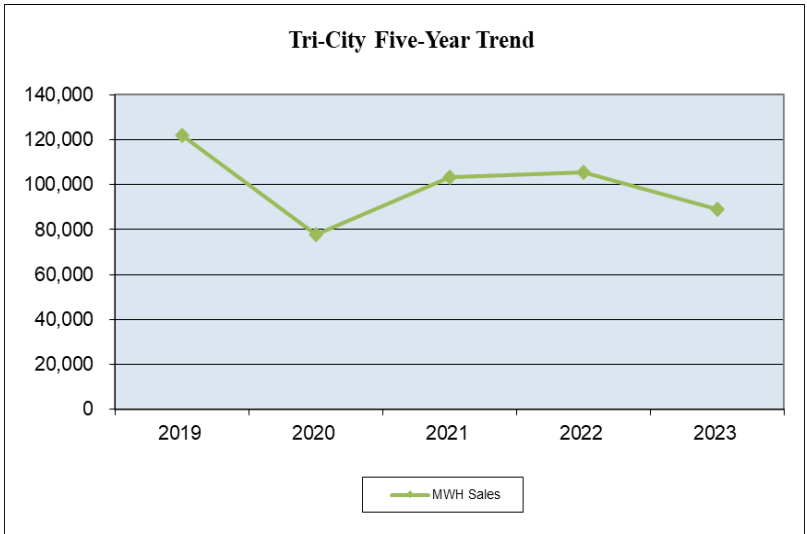
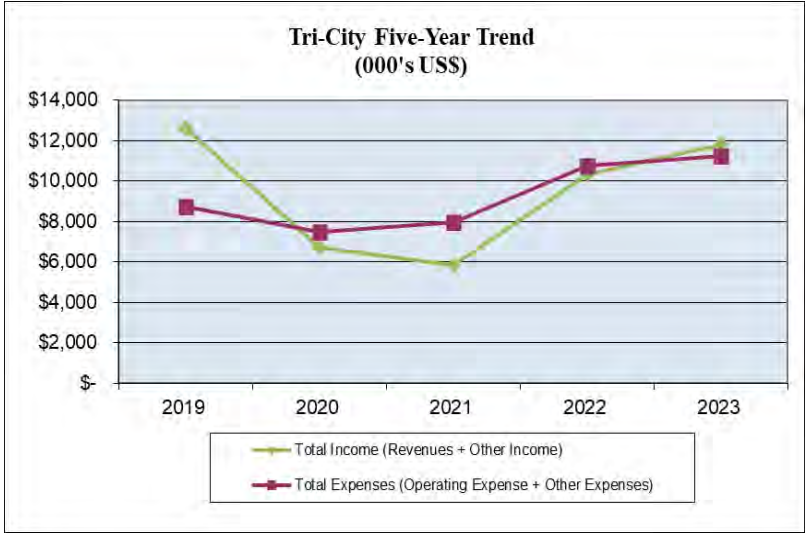




## FIVE-YEAR TREND ANALYSIS

|  | 2019      | 2020      | 2021       | 2022      | 2023      |
|--|-----------|-----------|------------|-----------|-----------|
| (000's US\$ except for MWH Sales and Average \$/MWH) |           |           |            |           |           |
| <b>Tri-City Project</b>                              |           |           |            |           |           |
| Capital Assets                                       | \$ 10,460 | \$ 10,350 | \$ 9,212   | \$ 7,939  | \$ 6,433  |
| Total Assets & Deferred Outflows                     | \$ 21,241 | \$ 16,635 | \$ 14,767  | \$ 14,392 | \$ 15,630 |
| Long-Term Debt                                       | \$ 402    | \$ 415    | \$ 432     | \$ 492    | \$ 1,727  |
| Total Liabilities & Deferred Inflows                 | \$ 21,241 | \$ 16,635 | \$ 14,767  | \$ 14,392 | \$ 15,630 |
| Billings to Participants                             | \$ 12,296 | \$ 6,480  | \$ 5,657   | \$ 10,255 | \$ 11,442 |
| Sales to Others                                      | 129       | 135       | 137        | 131       | 155       |
| Total Operating Revenues                             | \$ 12,425 | \$ 6,615  | \$ 5,794   | \$ 10,386 | \$ 11,597 |
| Production-Steam O&M                                 | \$ 1,836  | \$ 1,938  | \$ 1,396   | \$ 1,717  | \$ 2,999  |
| Fuel Expense   | 4,123     | 2,875     | 3,751      | 5,904     | 5,189     |
| Transmission   | 415       | 456       | 505        | 544       | 564       |
| General & Administrative                             | 837       | 766       | 738        | 976       | 808       |
| Depreciation & Decommissioning                       | 1,359     | 1,416     | 1,548      | 1,613     | 1,654     |
| Total Operating Expenses                             | \$ 8,570  | \$ 7,451  | \$ 7,938   | \$ 10,754 | \$ 11,214 |
| Net Operating Revenues                               | \$ 3,855  | \$ (836)  | \$ (2,144) | \$ (368)  | \$ 383    |
| Investment Income                                    | \$ 138    | \$ 97     | \$ 28      | \$ (53)   | \$ 204    |
| Total Other Income                                   | \$ 138    | \$ 97     | \$ 28      | \$ (53)   | \$ 204    |
| Interest Expense                                     | \$ 69     | \$ -      | \$ -       | \$ -      | \$ -      |
| Amortization & Other Expense                         | 76        | -         | -          | -         | -         |
| Total Other Expenses                                 | \$ 145    | \$ -      | \$ -       | \$ -      | \$ -      |
| Net Income (Loss)                                    | \$ 3,848  | \$ (739)  | \$ (2,116) | \$ (421)  | \$ 587    |
| Net Cost Recovered (Credited)<br>in the Future       | (3,419)   | 946       | 2,410      | 378       | (68)      |
| Due from (to) Participants                           | (429)     | (207)     | (294)      | 43        | (519)     |
| Total Income   | \$ -      | \$ -      | \$ -       | \$ -      | \$ -      |
| MWH Sales  | 121,919   | 77,805    | 103,371    | 105,451   | 89,186    |
| Average \$/MWH Billed                                | \$ 100.85 | \$ 83.29  | \$ 54.73   | \$ 97.25  | \$ 128.29 |
| Cost \$/MWH  | \$ 97.34  | \$ 80.62  | \$ 51.88   | \$ 97.66  | \$ 122.47 |

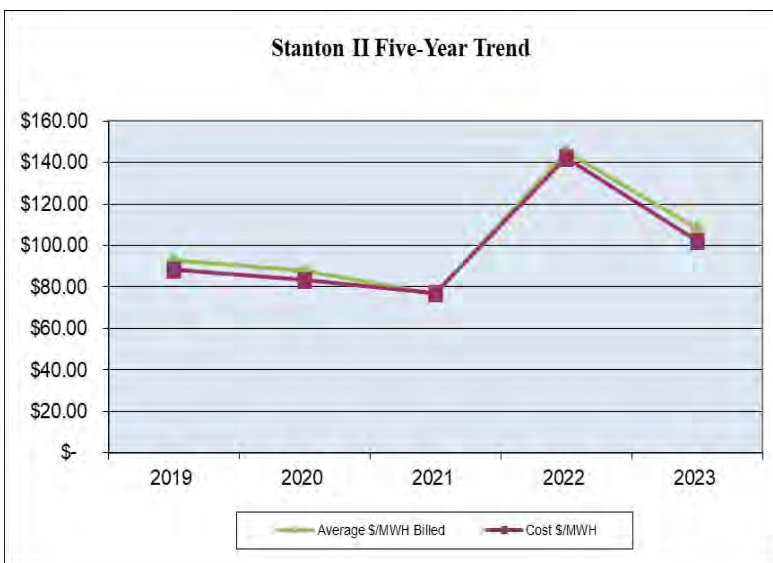
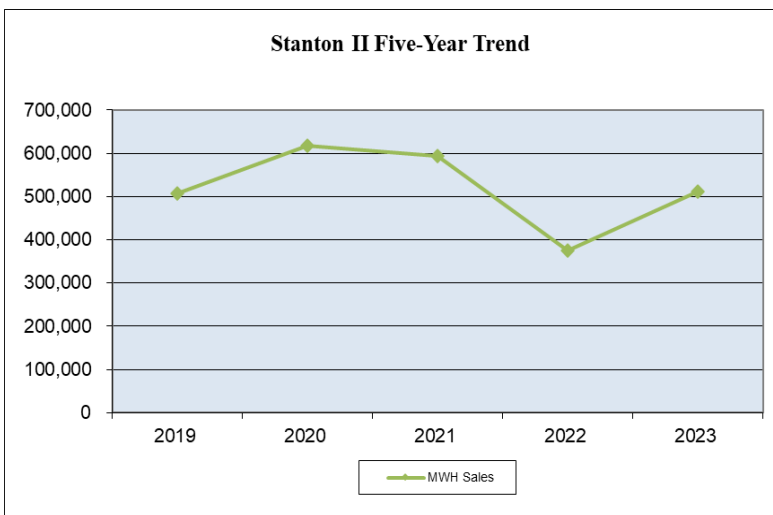
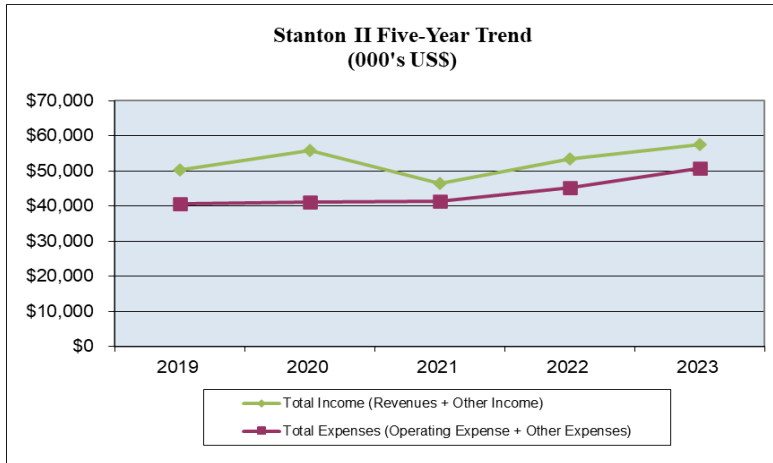
## FIVE-YEAR TREND ANALYSIS



## FIVE-YEAR TREND ANALYSIS

|  | 2019       | 2020       | 2021       | 2022       | 2023       |
|--|------------|------------|------------|------------|------------|
| (000's US\$ except for MWH Sales and Average \$/MWH) |            |            |            |            |            |
| <b>Stanton II Project</b>                            |            |            |            |            |            |
| Capital Assets                                       | \$ 93,918  | \$ 91,952  | \$ 88,917  | \$ 84,226  | \$ 78,446  |
| Total Assets & Deferred Outflows                     | \$ 170,021 | \$ 171,548 | \$ 163,836 | \$ 149,239 | \$ 151,392 |
| Long-Term Debt                                       | \$ 117,323 | \$ 105,633 | \$ 91,564  | \$ 73,422  | \$ 68,936  |
| Total Liabilities & Deferred Inflows                 | \$ 170,021 | \$ 171,548 | \$ 163,836 | \$ 149,239 | \$ 151,392 |
| Billings to Participants                             | \$ 47,171  | \$ 54,223  | \$ 45,316  | \$ 54,597  | \$ 55,198  |
| Sales to Others                                      | 565        | 592        | 602        | 580        | 678        |
| Total Operating Revenues                             | \$ 47,736  | \$ 54,815  | \$ 45,918  | \$ 55,177  | \$ 55,876  |
| Production-Steam O&M                                 | \$ 8,634   | \$ 7,834   | \$ 6,671   | \$ 7,000   | \$ 11,685  |
| Fuel Expense   | 16,836     | 18,317     | 19,524     | 22,660     | 25,342     |
| Transmission   | 1,895      | 2,082      | 2,297      | 2,469      | 2,561      |
| General & Administrative                             | 2,221      | 1,885      | 2,057      | 3,012      | 2,075      |
| Depreciation & Decommissioning                       | 5,556      | 5,738      | 6,369      | 6,507      | 6,628      |
| Total Operating Expenses                             | \$ 35,142  | \$ 35,856  | \$ 36,918  | \$ 41,648  | \$ 48,291  |
| Net Operating Revenues                               | \$ 12,594  | \$ 18,959  | \$ 9,000   | \$ 13,529  | \$ 7,585   |
| Investment Income                                    | \$ 2,637   | \$ 1,050   | \$ 379     | \$ (1,841) | \$ 1,718   |
| Total Other Income                                   | \$ 2,637   | \$ 1,050   | \$ 379     | \$ (1,841) | \$ 1,718   |
| Interest Expense                                     | \$ 3,295   | \$ 3,469   | \$ 2,600   | \$ 2,143   | \$ 1,566   |
| Amortization & Other Expense                         | 2,260      | 1,816      | 1,737      | 1,341      | 817        |
| Total Other Expenses                                 | \$ 5,555   | \$ 5,285   | \$ 4,337   | \$ 3,566   | \$ 2,383   |
| Net Income (Loss)                                    | \$ 9,676   | \$ 14,724  | \$ 5,042   | \$ 8,122   | \$ 6,920   |
| Net Cost Recovered (Credited)<br>in the Future       | (7,476)    | (11,932)   | (5,321)    | (6,938)    | (4,475)    |
| Due from (to) Participants                           | (2,200)    | (2,792)    | 279        | (1,184)    | (2,445)    |
| Total Income   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| MWH Sales  | 507,678    | 616,808    | 593,865    | 375,451    | 510,563    |
| Average \$/MWH Billed                                | \$ 92.92   | \$ 87.91   | \$ 76.31   | \$ 145.42  | \$ 108.11  |
| Cost \$/MWH  | \$ 88.58   | \$ 83.38   | \$ 76.78   | \$ 142.26  | \$ 103.32  |

## FIVE-YEAR TREND ANALYSIS



## Compliance Report

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors and Executive Committee  
Florida Municipal Power Agency  
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Florida Municipal Power Agency (the Agency), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated January 3, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**CERTIFIED PUBLIC ACCOUNTANTS**

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Board of Directors and Executive Committee  
Florida Municipal Power Agency  
Orlando, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Puevis Gray*

January 3, 2024  
Ocala, Florida

## MANAGEMENT LETTER

Board of Directors and Executive Committee  
Florida Municipal Power Agency  
Orlando, Florida

### Report on the Financial Statements

We have audited the financial statements of the Florida Municipal Power Agency (the Agency), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated January 3, 2024.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 3, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. We noted no prior year management letter recommendations.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in Note I of the Agency's September 30, 2023, financial statements. There are no component units related to the Agency.

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Board of Directors and Executive Committee  
Florida Municipal Power Agency  
Orlando, Florida

## MANAGEMENT LETTER

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred or are likely to have occurred, that have an effect on the financial statements, that is less than material, but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Agency's Executive Committee, the Board of Directors, the Finance Committee, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



January 3, 2024  
Ocala, Florida

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 - INVESTMENT OF PUBLIC FUNDS

Board of Directors and Executive Committee  
Florida Municipal Power Agency  
Orlando, Florida

We have examined Florida Municipal Power Agency's (the Agency) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. The Agency's management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report is intended solely for the information and use of the Florida Auditor General, the Agency's Executive Committee, the Board of Directors, the Finance Committee, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

January 3, 2024  
Ocala, Florida

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**APPENDIX D**

**FMPA BONDS SUBJECT TO  
CONTINUING DISCLOSURE UNDERTAKINGS<sup>3</sup>**

FMPA has entered into continuing disclosure undertakings with respect to the following bonds to provide certain information to the Municipal Securities Rulemaking Board not later than nine months following the end of FMPA's Fiscal Year (currently September 30).

**ALL-REQUIREMENTS POWER SUPPLY PROJECT**

**All-Requirements Power Supply Project Revenue Bonds, Series 2015B**

| Maturity Date | Interest Rate | CUSIP #   |
|---------------|---------------|-----------|
| 10/1/2024     | 5.000%        | 342816F75 |
| 10/1/2025     | 5.000%        | 342816F83 |
| 10/1/2025     | 3.000%        | 342816G90 |
| 10/1/2026     | 5.000%        | 342816F91 |
| 10/1/2027     | 5.000%        | 342816G25 |
| 10/1/2027     | 3.250%        | 342816H24 |
| 10/1/2028     | 5.000%        | 342816G33 |
| 10/1/2029     | 5.000%        | 342816G41 |
| 10/1/2030     | 5.000%        | 342816G58 |
| 10/1/2031     | 5.000%        | 342816G66 |

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<sup>3</sup> The CUSIP numbers listed in this APPENDIX D are provided for the convenience of bondholders. FMPA is not responsible for the accuracy or completeness of such numbers.

**All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2016A**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2024            | 5.000%               | 342816H73      |
| 10/1/2026            | 4.000%               | 342816J71      |
| 10/1/2026            | 5.000%               | 342816H81      |
| 10/1/2027            | 5.000%               | 342816H99      |
| 10/1/2028            | 5.000%               | 342816J22      |
| 10/1/2029            | 5.000%               | 342816J30      |
| 10/1/2030            | 5.000%               | 342816J48      |
| 10/1/2031            | 3.000%               | 342816J63      |
| 10/1/2031            | 5.000%               | 342816J55      |

**All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2025            | 5.00%                | 342816N84      |
| 10/1/2026            | 5.00%                | 342816N92      |
| 10/1/2027            | 5.00%                | 342816P25      |
| 10/1/2028            | 5.00%                | 342816P33      |

**All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable)**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2024            | 2.919%               | 342816P82      |
| 10/1/2025            | 3.059%               | 342816P90      |

**All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2018A**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2028            | 4.000%               | 342816Q24      |
| 10/1/2029            | 3.000%               | 342816Q32      |
| 10/1/2030            | 4.000%               | 342816Q40      |

**All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2019A**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2025            | 5.000%               | 342816Q57      |
| 10/1/2026            | 5.000                | 342816Q65      |
| 10/1/2027            | 5.000                | 342816Q73      |
| 10/1/2028            | 5.000                | 342816Q81      |
| 10/1/2029            | 5.000                | 342816Q99      |
| 10/1/2030            | 5.000                | 342816R23      |
| 10/1/2031            | 5.000                | 342816R31      |

**All-Requirements Power Supply Project Revenue Bonds, Series 2021A**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2032            | 3.000%               | 342816R80      |
| 10/1/2033            | 3.000                | 342816R98      |

**All-Requirements Power Supply Project Subordinated Revenue Bonds, Series 2021B  
(Federally Taxable)**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2026            | 1.425%               | 342816S22      |

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**ST. LUCIE PROJECT**

**St. Lucie Project Revenue Bonds, Series 2021A**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2024            | 5.000%               | 342816S55      |
| 10/1/2025            | 5.000%               | 342816S63      |
| 10/1/2026            | 5.000%               | 342816S71      |
| 10/1/2031            | 5.000%               | 342816S89      |

**St. Lucie Project Revenue Bonds, Series 2021B**

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>CUSIP #</u> |
|----------------------|----------------------|----------------|
| 10/1/2026            | 5.000%               | 342816S97      |
| 10/1/2027            | 5.000%               | 342816T21      |
| 10/1/2028            | 5.000%               | 342816T39      |
| 10/1/2029            | 5.000%               | 342816T47      |
| 10/1/2030            | 5.000%               | 342816T54      |

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**STANTON PROJECT**

None

**STANTON II PROJECT**

None

**TRI-CITY PROJECT**

None

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**ADDENDUM TO CONTINUING DISCLOSURE REPORT**

**FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

Relating to:

All-Requirements Power Supply Project Revenue Bonds  
St. Lucie Project Revenue Bonds  
Stanton Project Revenue Bonds  
Stanton II Project Revenue Bonds  
Tri-City Project Revenue Bonds

Dated: July 17, 2024

This Addendum to Continuing Disclosure Report (the "Addendum") provides certain information and updates pertaining to the City of Homestead, Florida and the City of St. Cloud, Florida. This Addendum is delivered as required by FMPA pursuant to continuing disclosure undertakings entered into in connection with the issuance of its bonds and pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission. Nothing contained in the undertakings or this Addendum shall be deemed to be a representation by FMPA that the financial information and operating data included in this Addendum constitutes all of the information that may be material to a decision to invest in, hold or sell any securities of FMPA. The financial data and operating data presented in this Addendum speak only as of the dates shown.



The Continuing Disclosure Report for the Fiscal Year ended September 30, 2023 dated June 27, 2024 is being supplemented and amended by this Addendum to Continuing Disclosure Report dated July 17, 2024.

The information for the City of Homestead, Florida which appeared in Appendix B for fiscal year 2023 has been updated and amended. See "Exhibit A" attached hereto. The audited financial statements for the fiscal year ending September 30, 2023 have been filed by FMPA with the MSRB through EMMA.

The information for City of St. Cloud, Florida which appeared in Appendix B has been amended to remove the footnote (4) denoting fiscal year 2023 information as being unaudited. The numerical information for fiscal year 2023 did not change between the unaudited version and the audited version. See "Exhibit B" attached hereto. The audited financial statements for the fiscal year ending September 30, 2023 have been filed by FMPA with the MSRB through EMMA.

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**“EXHIBIT A”**

**CITY OF HOMESTEAD**

**SUMMARY OF OPERATING RESULTS<sup>(1)</sup>  
(Dollars in Thousands)**

|   | For Fiscal Years Ended September 30, |                 |                        |                        |                        |
|---|--------------------------------------|-----------------|------------------------|------------------------|------------------------|
|   | <u>2019</u>                          | <u>2020</u>     | <u>2021</u>            | <u>2022</u>            | <u>2023</u>            |
| Customers (annual average)  | 25,606                               | 25,583          | 25,890                 | 26,426                 | 26,503                 |
| System Requirements:  |                                      |                 |                        |                        |                        |
| Peak Demands (MW)   | 115                                  | 117             | 116                    | 118                    | 125                    |
| Energy (MWh)  | 596,123                              | 609,035         | 606,321                | 637,390                | 647,995                |
| Total Energy Sales (MWh)  | -                                    | -               | -                      | -                      | -                      |
| Total Operating Revenues  | \$65,127                             | \$58,115        | \$54,719               | \$73,092               | \$70,821               |
| Operating Expenses:   |                                      |                 |                        |                        |                        |
| Total Power Production and Purchased Power  | \$42,384                             | \$33,789        | \$32,763               | \$47,734               | \$40,591               |
| All Other Operating Expenses (excluding depreciation)                                     | <u>20,112</u>                        | <u>20,432</u>   | <u>18,281</u>          | <u>18,440</u>          | <u>23,013</u>          |
| Total Operating Expenses (excluding depreciation)   | <u>\$62,496</u>                      | <u>\$54,220</u> | <u>\$51,044</u>        | <u>\$66,174</u>        | <u>\$63,604</u>        |
| Net Operating Revenues Available for Debt Service   | \$2,631                              | \$3,894         | \$3,675                | \$6,918                | \$7,217                |
| Other Income (Deductions) - Net   | \$ (95)                              | \$ (51)         | \$ (127)               | \$ (156)               | \$34                   |
| Net Revenues and Other Income Available for Debt Service                                  | <u>\$2,536</u>                       | <u>\$3,844</u>  | <u>\$3,549</u>         | <u>\$6,763</u>         | <u>\$7,251</u>         |
| Debt Service - Revenue Bonds  | \$683                                | \$420           | \$2,400 <sup>(3)</sup> | \$345                  | \$351                  |
| Debt Service Ratios:  |                                      |                 |                        |                        |                        |
| Actual  | 3.71x                                | 9.15x           | 1.48x                  | 19.62x                 | 20.66x                 |
| Required Per Bond Resolution Rate Covenant  | 1.20x                                | 1.20x           | 1.20x                  | 1.20x                  | 1.20x                  |
| Balance available for renewals, replacements, capital additions and other lawful purposes | \$1,853                              | \$3,424         | \$1,149 <sup>(4)</sup> | \$6,418                | \$6,900                |
| Transferred to General Fund (Homestead) <sup>(2)</sup>                                    | \$7,998                              | \$8,248         | \$8,554                | \$8,859 <sup>(5)</sup> | \$9,107 <sup>(6)</sup> |

**CONDENSED BALANCE SHEET<sup>(1)</sup>**  
**(Dollars in Thousands)**

|  | For Fiscal Years Ended September 30, |          |
|--|--------------------------------------|----------|
|  | 2022                                 | 2023     |
| <b>ASSETS:</b>                         |                                      |          |
| Net Utility Plant                      | \$31,446                             | \$34,528 |
| Restricted Assets                      | 11,398                               | 15,176   |
| Current Assets                         | 22,877                               | 22,517   |
| Non-Current Assets (Net Pension Asset) | 1,691                                | -        |
| Deferred Outflows of Resources         | 1,187                                | 6,043    |
| Total Assets                           | \$68,599                             | \$78,264 |
| <b>LIABILITIES AND EQUITY:</b>         |                                      |          |
| Current Liabilities                    | \$28,232                             | \$20,526 |
| Retained Earnings                      | 26,060                               | 29,487   |
| Long Term Debt <sup>(7)</sup>          | 7,855                                | 13,701   |
| Other Non-Current Liabilities          | 2,052                                | 5,643    |
| Deferred Inflow of Resources           | 4,400                                | 8,907    |
| Total Liabilities and Equity           | \$68,599                             | \$78,264 |

<sup>(1)</sup> Electric utility only.

<sup>(2)</sup> Transfers to Homestead's general fund are established annually by budget.

<sup>(3)</sup> For FY 2021, included the refinancing of \$2.4M Series 2019 Bonds.

<sup>(4)</sup> For FY 2021, this amount would be \$3,549 if it were not for the payment of an outstanding bond, that was refinanced with new debt.

<sup>(5)</sup> Includes \$2.8M in Transfer Fees which beginning in FY22, will be reported as additional PILOTS (payments in lieu of taxes-franchise fees at 6% of certain "sales"); \$1.7M as PILOTS, if this wasn't a City Utility and not exempt from taxes the Utility would be paying property taxes for its plant and infrastructures; lastly \$4.3M paid to the City for the cost of providing administrative and other services to the Utility (ie., Finance, Procurement, HR, Legal, CMO, ITS, etc)

<sup>(6)</sup> FY2023 \$1.9M PILOTS plus \$2.8M Transfer Fees (Additional PILOTS) plus \$4.3M General Fund Cost Allocation.

<sup>(7)</sup> Includes Long-term portion of Bonds Payable and Equipment Financing.

**EXHIBIT B**

**CITY OF ST. CLOUD  
SUMMARY OF OPERATING RESULTS<sup>(1)</sup>  
(Dollars in Thousands)**

|                                    | For Fiscal Years Ended September 30, |                |                |                |              |
|------------------------------------|--------------------------------------|----------------|----------------|----------------|--------------|
|                                    | <u>2019</u>                          | <u>2020</u>    | <u>2021</u>    | <u>2022</u>    | <u>2023</u>  |
| Customers (Electric – Annual Avg.) | 41,388                               | 43,686         | 46,629         | 50,194         | 52,951       |
| Total Energy Sales (MWh)           | 747,369                              | 778,005        | 811,058        | 844,376        | 901,874      |
| Retail Sales                       | \$84,149                             | \$88,147       | \$95,095       | \$105,686      | \$133,314    |
| Payments to City                   |                                      |                |                |                |              |
| Fixed <sup>(2)</sup>               | \$0                                  | \$0            | \$0            | \$0            | \$0          |
| Revenue Based <sup>(3)</sup>       | <u>7,009</u>                         | <u>7,580</u>   | <u>8,020</u>   | <u>8,467</u>   | <u>8,866</u> |
| Total                              | <u>\$7,009</u>                       | <u>\$7,580</u> | <u>\$8,020</u> | <u>\$8,467</u> | <u>8,866</u> |

<sup>(1)</sup> Electric utility operation only.

<sup>(2)</sup> Gross payment prior to crediting of investment earnings.

<sup>(3)</sup> Revenue Based Payment is calculated from the retail sales in the St. Cloud service territory for the second preceding fiscal year.

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**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Pooled Loan Program New Credit  
Provider**

**Board of Directors Meeting  
August 22, 2024**



# **9c – Pooled Loan Program New Credit Provider**

Board of Directors

August 22, 2024

# Pooled Loan Program

## *Potential Partnership with Truist to Support Program*

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- Program on hold since January 2024 due to First Horizon's requirements for additional services.
- Engaged in discussions with several banks to gauge interest in becoming a credit provider for the program.
- Held in-depth meetings with Truist for potential to support the program.
- Truist has been very thorough in their review of our program and loan documents, leading to changes that modernize the loan documents.
  - Proposed modifications align with current trends for bank loans today.

# Proposed Modifications

## *Key Changes with Truist as Credit Provider*

|                        | First Horizon   | Truist modifications**   |
|------------------------|---|--|
| Minimum Loan Amount    | \$1 million   | \$2 million  |
| Rate Lock              | Varies, ~ 7 days prior to closing   | 30, 60, 90-day options available   |
| Term                   | 10 years max  | 20 years max   |
| Capacity               | \$25 million commitment   | \$50 million uncommitted line<br><i>*lender can terminate unused commitment – provide 2 business days notice.</i>  |
| Loan Approval          | All   | Minimum standard guidelines<br><i>*intention for all loans to be approved if meet guidelines.</i>  |
| Prepayment Optionality | Year 1 – 103%<br>Year 2 – 102%<br>Year 3 – 101%<br>No prepayment penalty after year 3 | <ul style="list-style-type: none"> <li>• Subject to bank’s standard make whole language</li> <li>• Up to 10% of par without being subject to make whole</li> </ul> |
| Event of Default       | 90 days from Stated Maturity Date   | 7-15 days after payment date   |



# Status of Discussions with Truist and Next Steps

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- Pending Issues to finalize:
  - Establish known structure for Advance Fees
  - Confirm cross-default language
  - Agree on grace period terms
- Next Steps:
  - Solidify modified language
  - September action item to approve adding Truist as Credit Provider for Pooled Loan Program

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**d. Proposed Procurement  
Modification FY 2025**

**Board of Directors Meeting  
August 22, 2024**



# 9d – Proposed Procurement Modifications for FY 2025

Board of Directors

August 22, 2024

# Proposed Changes in Procurement Thresholds

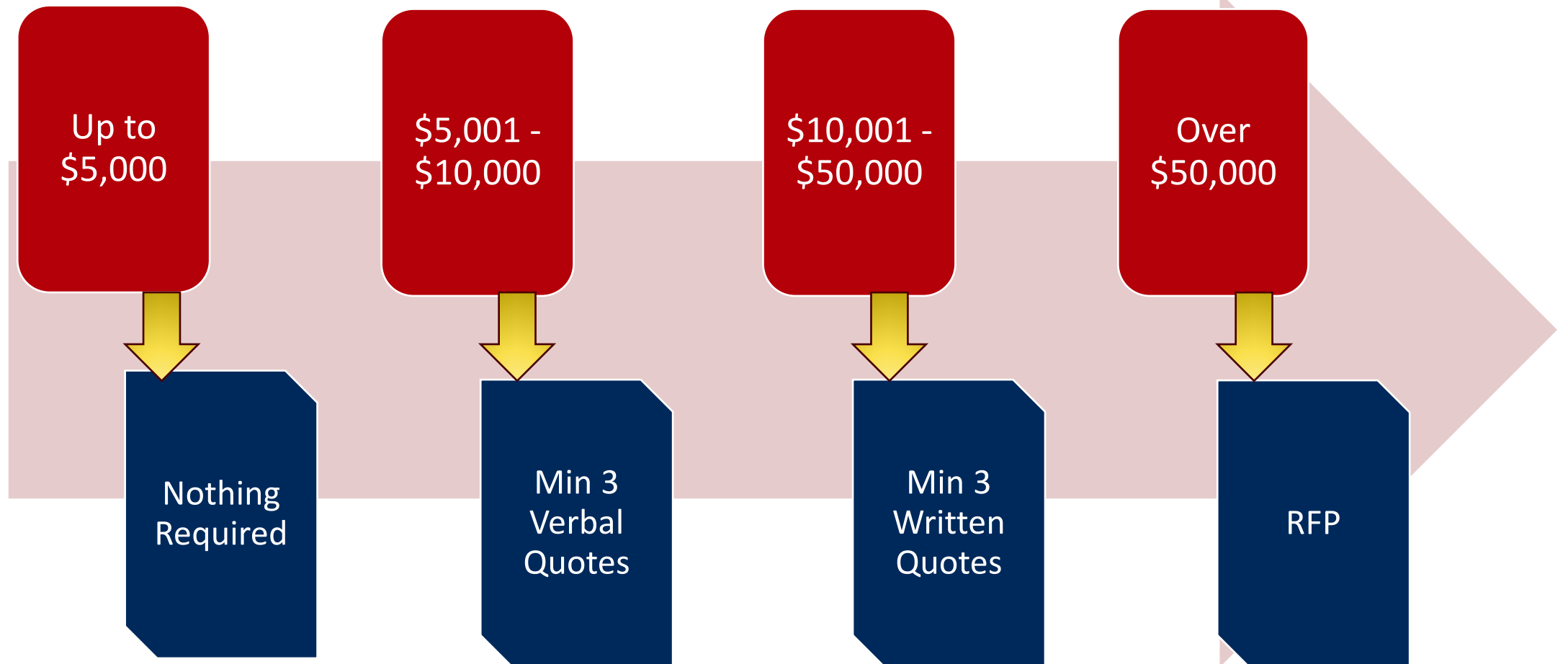
## *Why Increase the Thresholds?*

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- Align with other Generating Municipality Thresholds, for example:
  - JEA – RFP > \$300,000 \$50,000 - \$300,000 Informal Published Bid to Request Quotes
  - OUC – RFP >\$50,000 Projects >\$100,000 must go to the commission for funding approval
  - GRU – RFP >\$100,000
- Thresholds Have Not Been Changed to Reflect Inflation over Many Years
- Allow for Quicker & More Efficient Decision-making
- Reduce Administrative Burden

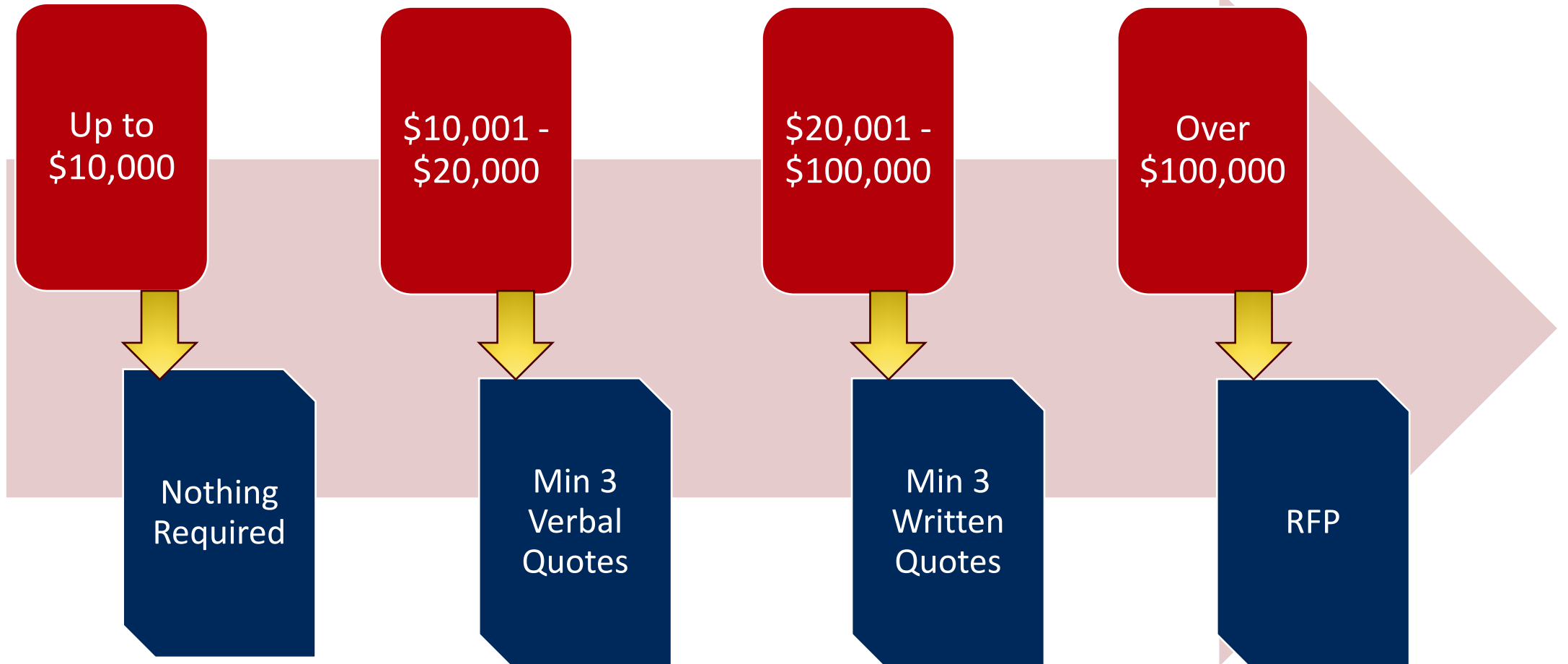
# Current Procurement Thresholds

## *Total Cost & Procurement Requirements*



# Proposed Procurement Thresholds

## *Total Cost & Procurement Requirements*



# Next Steps

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- Will Bring this Forward for Approval in September

**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Board of Directors Meeting  
August 22, 2024**



**AGENDA ITEM 11 – ADJOURNMENT**

**Board of Directors Meeting  
August 22, 2024**