



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

January 16, 2025

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

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

Meeting ID Number: 215 983 532 852#

Committee Members

Howard McKinnon, Havana - Chair

Lynne Tejeda, Key West – Vice Chair

Christina Simmons, Bushnell

Lynne Mila, Clewiston

Steve Doyle, Fort Meade

Javier Cisneros, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Brian Horton, Kissimmee

Brad Chase, Leesburg

Mike New, Newberry

Doug Peebles, Ocala

Drew Mullins, Starke

Meeting Location

Florida Municipal Power Agency

8553 Commodity Circle

Orlando, FL 32819

(407) 355-7767



MEMORANDUM

TO: FMPA Executive Committee

FROM: Jacob A. Williams, General Manager and CEO

DATE: January 10, 2025

RE: FMPA Executive Committee Meeting
Thursday, January 16, 2025 at 9:15 a.m. [NOTE TIME]
 (or immediately following the Board of Directors meeting)

PLACE: Florida Municipal Power Agency
 8553 Commodity Circle, Orlando, FL 32819
 Fredrick M. Bryant Board Room

DIAL-IN: **321-299-0575, Meeting Number 215 983 532 852#**

LINK: [Join the meeting now](#)

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

Chairman Howard McKinnon, Presiding

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

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

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

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

**Executive Committee
January 16, 2025**

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

**Executive Committee
January 16, 2025**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
January 16, 2025**

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

**Executive Committee
January 16, 2025**

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

**Executive Committee
January 16, 2025**

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

**Executive Committee
January 16, 2025**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of Meeting Minutes –
Meetings Held December 12, 2024
and ARP Telephonic Rate
Workshop Held December 10,
2024**

**Executive Committee
January 16, 2025**

CLERKS DULY NOTIFIED DECEMBER 04, 2024
AGENDA PACKAGES POSTED DECEMBER 05, 2024

**MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY, DECEMBER 12, 2024
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819**

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

OTHERS PRESENT Mike Mace, PFM
Clayton Thompson, Truist Financial

STAFF PRESENT Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and Chief Legal Officer
Ken Rutter, Chief Operating Officer
Rich Popp, Chief Financial Officer
Sharon Adams, Chief People and Member Services Officer
Dan O'Hagan, Deputy General Counsel and Manager of Regulatory Compliance
Sue Utley, Executive Asst. /Asst. Secy. to the Board
John Bradley, Business Development Analyst
Emily Maag, Public Relations Specialist
Navid Nowakhtar, Resource and Strategic Planning Director
Mary Kathryn Patterson, Senior Public Relations Specialist
Wayne Koback, IT Manager
Sena Mitchell, Treasury Manager
Lindsay Jack, Senior Administrative & Member Services Assistant

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

Chair Howard McKinnon, Havana, called the FMPA Executive Committee meeting to order at 10:55 a.m., Thursday December 12, 2024, in the Frederick M. Bryant Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 10 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the agenda as presented. Doug Peebles, Ocala, seconded the motion. Motion carried 10-0.

ITEM 3 – RECOGNITION OF GUESTS

Clayton Thompson, Truist Financial

ITEM 4 – PUBLIC COMMENTS

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chair Howard McKinnon acknowledged FMPA for providing opportunities for employees and congratulated those who have been promoted.

ITEM 6 – REPORT FROM GENERAL MANAGER

Jacob Williams wanted to address the question regarding data centers that was asked in the Finance Committee meeting on December 11, 2024. Jacob explained that there is open communication for those Members who have brought data center questions to FMPA's attention.

Jacob Williams commented on the succession and team development within FMPA mentioned by the Chair. Jacob said if you hire people who fit your values and mission, it is incumbent on the organization to give them every opportunity to grow and learn.

ITEM 7 – CONSENT AGENDA

- a. Approval of Meeting Minutes – Meetings Held November 14, 2024, and ARP Telephonic Rate Workshop Held November 13, 2024
- b. Approval of Treasury Reports – As of October 31, 2024
- c. Approval of the Agency and All-Requirements Project Financials as of October 31, 2024
- d. ARP 12-month Capacity Reserve Margin Report

MOTION: Allen Putnam, Jacksonville Beach, moved approval of the Consent Agenda as presented. Javier Cisneros, Fort Pierce, seconded the motion. Motion carried 10-0.

ITEM 8 – ACTION ITEMS:

a. Approval of the Natural Gas Stability Program Update

John Bradley presented the Natural Gas Stability Program Update.

MOTION: Allen Putnam, Jacksonville Beach, moved approval of new target pricing that equates to average Member pricing of \$77.23 for 2025, \$84.44 for 2026 and \$86.75 for 2027. Doug Peebles, Ocala, seconded the motion. Motion carried 10-0.

ITEM 9 – INFORMATION ITEMS:

a. Regulatory Compliance Update

Dan O'Hagan provided the Regulatory Compliance Update.

ITEM 10 – Member Comments

None.

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 11:52 a.m.

Howard McKinnon
Chairman, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATES MEETING
TUESDAY, DECEMBER 10, 2024
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
Michelle Harris, Fort Pierce
Robert C. Page, Green Cove Springs
Jesse Perloff, Key West
Jason Terry, Kissimmee
Kevin Crawford, Kissimmee
Doug Peebles, Ocala
Marie Brooks, Ocala

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO
Rich Popp, Chief Financial Officer
Ken Rutter, Chief Operating Officer
Sharon Adams, Chief People and Member Services Officer
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Jason Wolfe, Financial Planning, Rates and Budget Director
Denise Fuentes, Financial Planning, Budget and Financial Analyst III
Resaul Misra, Financial and Data Analyst II
John Bradley, Business Development Analyst
MacKayla Cross, Administrative Assistant

Item 1 – Call to Order and Roll Call

Robert Page, Green Cove Springs, Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, December 10, 2024, via telephone. A speaker telephone for public attendance and participation was located in the Executive Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Review of November ARP Rate Calculation

Page 2

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

Item 3 – Member Comments

None.

Item 4 - Adjournment

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

Approved

HM/lj

**AGENDA ITEM 7 – CONSENT
AGENDA**

- b. Approval of Treasury Reports as
of November 30, 2024**

**Executive Committee
January 16, 2025**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Melissa Cain
DATE: January 9, 2025
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of November 30, 2024

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

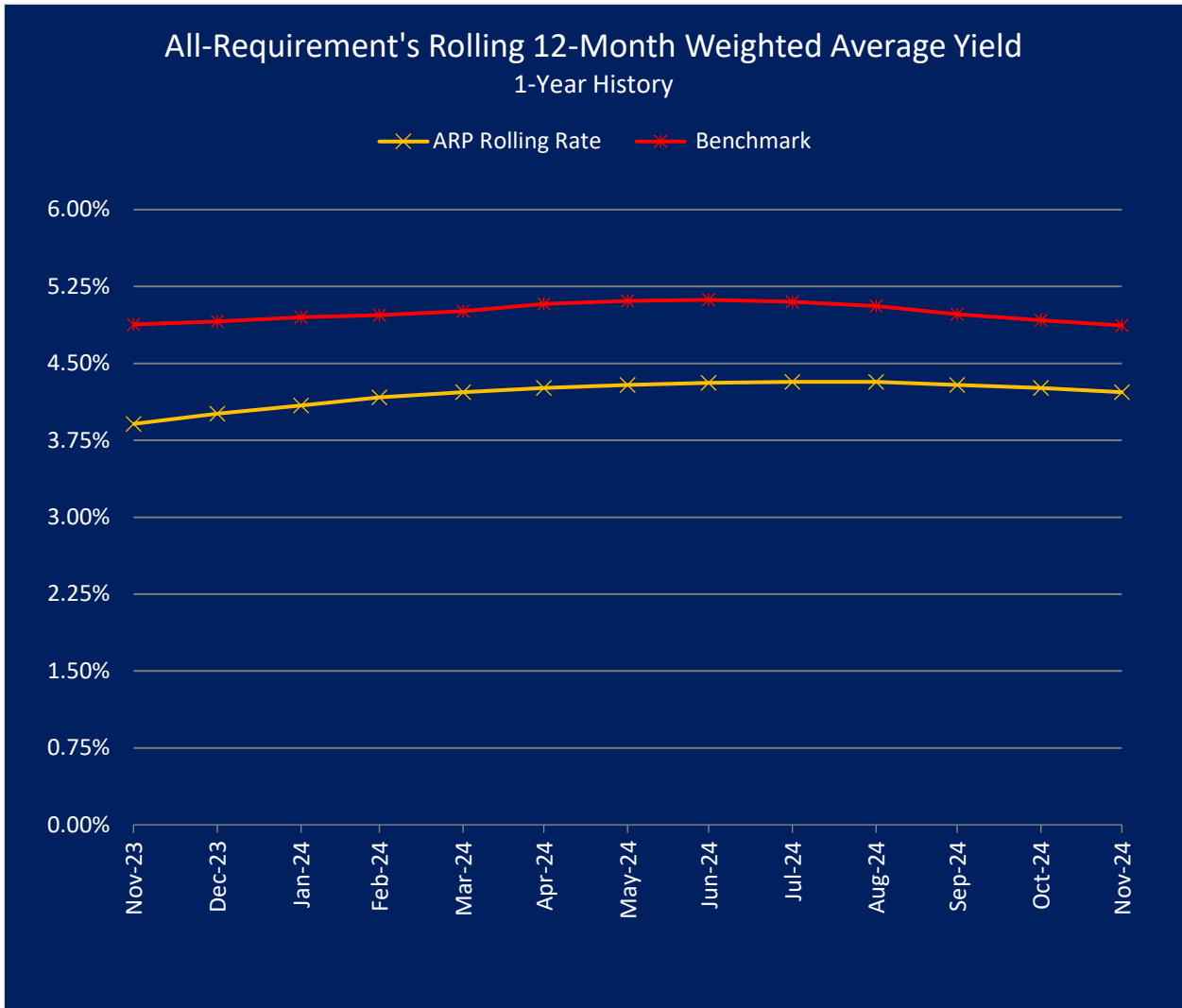
Debt Discussion

The All-Requirements Project's debt is entirely fixed-rate, accounting for 100% of the total debt. The estimated debt interest funding for fiscal year 2025 as of November 30, 2024, is \$30,255,005.29. The total amount of debt outstanding is \$686,425,000.

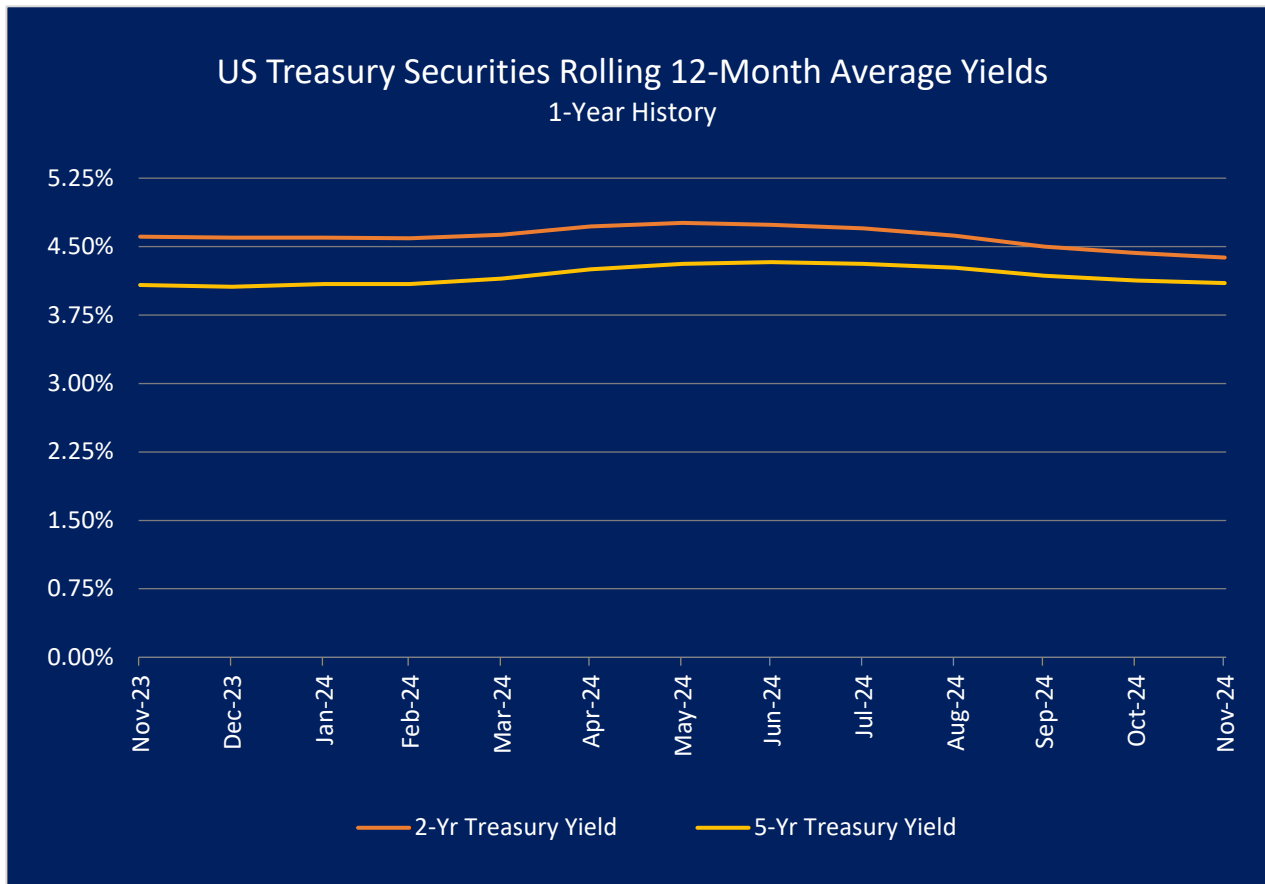
Investment Discussion

The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Certificates of Deposits, Corporate Notes, Commercial Paper, Local Government Investment Pools, and Money Market Mutual Funds.

As of November 30, 2024, the All-Requirements Project investment portfolio had a rolling 12-month weighted average yield of 4.22%, reflecting the All-Requirements Project need for liquidity. The benchmarks (SBA’s Florida Prime Fund and the 2-year US Treasury Note) and the Project’s rolling 12-month weighted average yields are graphed below:



Below is a graph of the rolling 12-month average US Treasury yields for the past year. The orange line is the 2-year Treasury which had a rolling 12-month average yield on November 30, 2024 of 4.38%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 4.10%.



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

Recommended
Motion

Move for approval of the Treasury Reports for November 30, 2024

**AGENDA ITEM 7 – CONSENT
AGENDA**

- c. Approval of the Agency and All-
Requirements Project Financials
as of November 30, 2024**

**Executive Committee
January 16, 2025**



Rich Popp
Chief Financial Officer

AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Rich Popp
DATE: January 9, 2025
SUBJECT: EC 7c– Approval of the Agency and All Requirements Project Financials as of the period ended November 30, 2024

Discussion: The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All Requirements Project for the period ended November 30, 2024, are posted on the Document Portal section of FMIPA’s website.

Recommended: Move approval of the Agency and All-Requirements Project Financial Reports for the month ended November 30, 2024.

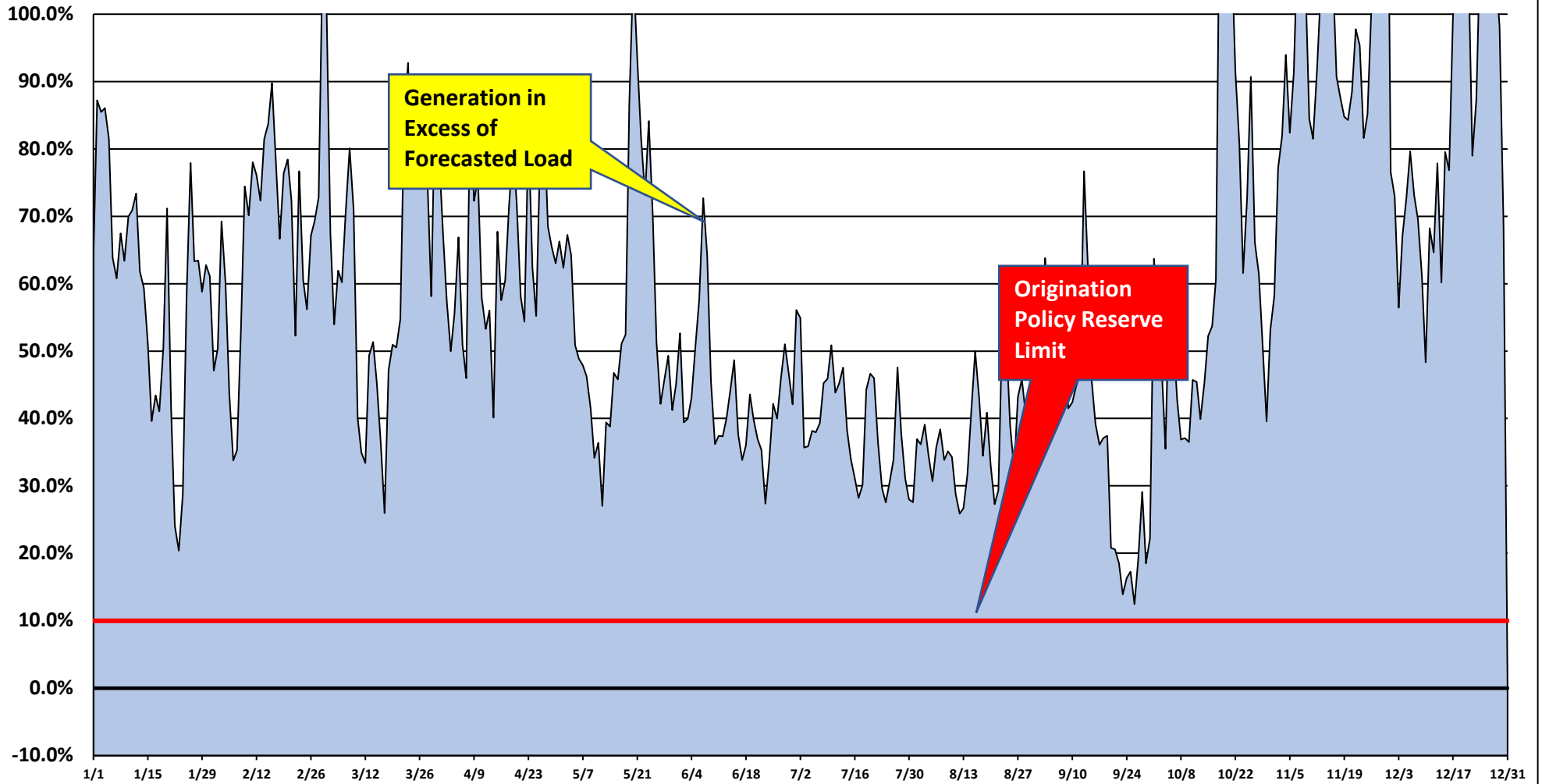
RP/GF

**AGENDA ITEM 7 – CONSENT
AGENDA**

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

**Executive Committee
January 16, 2025**

ARP Daily Reserve Margins January 2025 through December 2025



AGENDA ITEM 8 – ACTION ITEMS

- a. Approval of a New Rate
Protection Account**

**Executive Committee
January 16, 2025**



8a – Approval of a New Rate Protection Account

Executive Committee

January 16, 2025

Margins Management Currently Only Use O&M Dollars

Option to Use Net Margin Surplus to Dampen Future Price Increases

- Margin calls for natural gas price stability program are funded through O&M account, with returned margins going to O&M account
- Margins are unrealized gains or losses on future positions based on daily gas curve
- Margins posted/deposited impacts O&M account, so rates set higher or lower based on cash changes
- Changes to value of all future gas positions impact current rates
- Option to use net margin surplus to dampen future price increases

Better Stability Requires Tweak to Management of Margins

Create a New Rate Protection Account

- Purpose of price stability program was to target ARP rate by purchasing a portion of future monthly gas costs
- Depositing funds into O&M from a “net” positive margin, effectively **returns funds needed to stabilize future rates**
 - Higher O&M cash balance results in higher number of days cash causing lower rates
- To improve price stability in rising markets, tweak management of margins by creating stabilization account for net positive margins
- Effectively a new “rate protection” account ^[1]

[1] Would be distinct from the Rate Protection Account that was used for several years to manage the proceeds from the Vero Beach transaction

Creation of Rate Protection Account

Improves Price Stability

- Future margin calls pull first from “rate protection account” and fund from O&M if account reaches \$0
 - Earmark of O&M account not a physical separate account from O&M
- Any margin returns (excluding initial margin) would first reimburse O&M account, with **excess excluded from O&M days of cash calculation** to create a “rate protection account”
- At settlement, payments to/from O&M match timing of expense
 - Losses paid from O&M to reimburse rate protection account for any margins posted for those positions
 - Gains would similarly be reimbursed to O&M from rate protection account
- Rate protection account balance would be reported to EC at monthly rate call

Recommended Motion

- Move approval to establish a new sub-O&M account, the Rate Protection Account for the ARP. This account will be used to hold margin returns or fund margin calls and is not included in the number of days cash for rate-setting purposes.

AGENDA ITEM 8 – ACTION ITEMS

- b. Approval of Resolution
2025-EC1 Energy Southeast
Prepay 2025 Series**

**Executive Committee
January 16, 2025**



8b – Approval of Resolution 2025-EC1 Energy Southeast Prepay 2025 Series

Executive Committee

January 16, 2025

Executive Committee Approved Solar/NG Prepay

Today Approving Resolution and Supporting Agreements

- EC Resolution details
 - Standard Prepay Transaction Term of 30 years
 - Minimum Savings: 7% for initial period, then at least 2% ongoing
 - Can switch between PPAs and MMBtu after the initial period.
 - Allows for the addition of PPAs or replacement of expiring PPAs with natural gas
 - Obligation to nominate NG volume if no replacement PPAs.
 - Estimated 3100 MMBtu p/d covers nominated PPAs
- Power Supply Agreement between FMPA & E/SE
 - Agreement for FMPA to purchase and E/SE agrees to deliver and sell floating price energy
- Limited Assignment Agreement creates a power sales arrangement
 - J. Aron, commodity arm of Goldman Sachs, takes paper assignment
 - Ultimate obligation to pay PPA provides remains with EC and energy delivery to EC

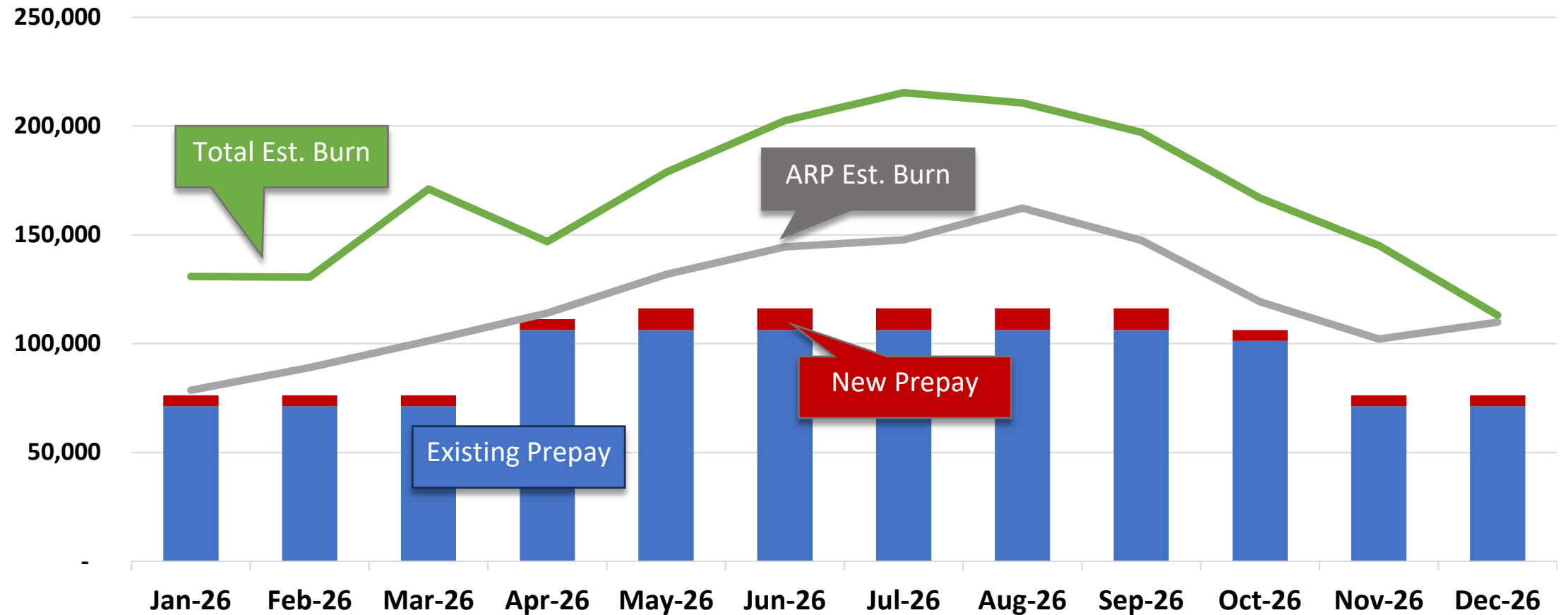
Solar PPAs & Natural Gas Nominated For Prepay

Only ARP PPAs Which Are Highly Likely To Go Online

- Summary Solar PPA Annual Average
 - Harmony: 76,000
 - Rice Creek: 90,000
 - Whistling Duck: 50,000
 - **Total 216,000 MWh**
- Summary Natural Gas Delivery
 - Monthly Daily Average
 - 7,000 MMBtu
 - Shaped Winter/Summer
 - 5,000 MMBtu Winter
 - 7 months
 - 10,000 MMBtu Summer
 - 5 months

Stand Alone ARP Can Support Additional Natural Gas

Forecast Shows Plenty of Headroom Including All Municipal Energy Sales



All Agreements Reviewed by FMPA Experts

- Nixon Peabody has reviewed all documents, and input was accepted by all counterparties.
- PFM has reviewed and no recommendations
- FMPA Legal reviewed all documents

Motion

- Move approval of Resolution 2025-EC1.

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY, ON BEHALF OF ALL-REQUIREMENTS POWER SUPPLY PROJECT (THE “FMPA EXECUTIVE COMMITTEE”) (I) APPROVING AND AUTHORIZING THE EXECUTION OF A COMMODITY SUPPLY CONTRACT (GAS TO ENERGY) AND A COMMODITY SUPPLY CONTRACT (INITIALLY ASSIGNED ENERGY), EACH WITH ENERGY SOUTHEAST FOR THE PREPAID PURCHASE OF NATURAL GAS AND/OR ELECTRICITY; (II) CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE COMMODITY SUPPLY CONTRACTS IN CONNECTION WITH THE ISSUANCE OF BONDS BY ENERGY SOUTHEAST FOR THE PREPAID PROJECT; (III) APPROVING AND AUTHORIZING THE EXECUTION OF LIMITED ASSIGNMENT AGREEMENT(S), LETTER AGREEMENTS AND A CUSTODIAL AGREEMENT IN CONNECTION WITH THE PREPAID PURCHASE OF NATURAL GAS AND/OR ELECTRICITY SUPPLIES FROM THE PREPAID PROJECT; (IV) DELEGATING CERTAIN MATTERS RELATING THERETO TO AUTHORIZED SIGNATORIES; (V) DESIGNATING AUTHORIZED SIGNATORIES; (VI) DESIGNATING AUTHORIZED OFFICERS; (VII) TAKING CERTAIN OTHER ACTIONS; AND (VIII) PROVIDING AN EFFECTIVE DATE

WHEREAS, Energy Southeast, a Cooperative District (“ESE”), is a cooperative district and a public corporation organized under the laws of the State of Alabama pursuant to Section 11-99B-1, et seq., Alabama Code, as amended;

WHEREAS, ESE was formed, among other reasons, to acquire secure, reliable and adequate long-term supplies of natural gas and/or electricity for resale to governmentally-owned wholesale customers for ultimate delivery to the residential, commercial, institutional and industrial consumers in their areas of service, both inside and outside the State of Alabama, and to achieve cost savings, economies of scale and reliability of supply; and

WHEREAS, ESE has planned and developed a commodity supply project under which it will finance the acquisition of natural gas and/or electricity supplies from a transaction-specific limited liability company set up by J. Aron & Company (“J. Aron”) for resale to those joint action agencies or other municipal entities that elect to participate (together, the “Prepaid Project Participants”) through a commodity prepayment project (the “Prepaid Project”); and

WHEREAS, Florida Municipal Power Agency, on behalf of its All-Requirements Power Supply Project (“FMPA” or the “Agency”), has determined that it is in the best interest of the participants (the “ARP Project Participants”) in FMPA’s All-Requirements Power Supply Project (the “ARP Project”) to be a project participant in the Prepaid Project and thereby purchase a portion of its natural gas/and or electricity requirements from ESE pursuant to commodity supply contracts

((Gas to Energy) and (Initially Assigned Energy)) to be entered into by ESE and FMPA (the “Supply Contracts”); and

WHEREAS, FMPA has entered into certain power purchase agreements (the “Existing PPAs”) with counterparties (the “Existing PPA Counterparties”) identified on Exhibit A to this resolution, and expects it may enter into certain power purchase agreements in the future (the “Future PPAs” and, together with the Existing PPAs, the “PPAs”) with counterparties to be named in such Future PPAs (the “Future PPA Counterparties” and, together with the Existing PPA Counterparties, the “PPA Counterparties”); and

WHEREAS, in order to effectuate the purchase of electricity from ESE in accordance with the terms of the Supply Contracts, FMPA will need to authorize and approve the execution of limited assignment agreements (the “Limited Assignment Agreements”) with the PPA Counterparties and J. Aron assigning certain rights and obligations under the PPAs to J. Aron; and

WHEREAS, in order to document certain representations and warranties and certain other agreements between FMPA and J. Aron with respect to the Limited Assignment Agreements, FMPA will need to authorize and approve the execution of Letter Agreements between J. Aron and FMPA with respect to each Limited Assignment Agreement (the “Letter Agreements”); and

WHEREAS, in order to organize payments among ESE, the Prepaid Project Participants, J. Aron, and the PPA Counterparties, FMPA will need to authorize and approve the execution of a Custodial Agreement by and among FMPA, J. Aron, ESE, and a custodian (the “Custodial Agreement”); and

WHEREAS, for the purpose of providing funds to purchase natural gas and/or electric supplies for resale to the Prepaid Project Participants, it will be necessary for ESE to issue and sell one or more series of bonds (the “Bonds”) and pledge to the payment of principal and interest on the Bonds certain assets of ESE, including the Supply Contracts between ESE and FMPA; and

WHEREAS, FMPA shall have no obligation or liability with respect to the bonds issued by ESE to finance the acquisition of natural gas and/or electricity from J. Aron for resale to FMPA and the other Prepaid Project Participants (the “Bonds”), and FMPA’s only obligations relating to the Prepaid Project described herein shall be as set forth in the Supply Contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY, ON BEHALF OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT, as follows:

SECTION 1: FMPA is authorized to enter into the Supply Contracts with ESE, pursuant to which FMPA will purchase natural gas and/or electricity from ESE as provided in the Supply Contracts. The Supply Contracts shall (a) have a Delivery Period of not greater than 360 months, (b) provide for the purchase by FMPA of not more than (i) an annual average over the term of the Supply Contracts of 7,000 MMBtu per month and (ii) an annual average over the term of the Supply Contracts of 18,000 MWh per month, and (c) provide for a Minimum Discount Percentage of not less than 7.00% for the Initial Reset Period, and a Minimum Discount Percentage of not less than 2.00% each successive Reset Period, unless FMPA elects to purchase electricity at a lesser

discount during any Reset Period, as set forth in the Supply Contracts.

Except as otherwise defined herein, all terms which are defined in the Supply Contracts shall have the same meanings herein as such terms are given in said Supply Contracts attached hereto in substantial form as **Exhibit B**, together with such changes therein as the Authorized Signatories may deem necessary or desirable, such execution and delivery to be conclusive evidence of the approval of the terms and conditions thereof by the Authorized Signatories.

SECTION 2: The form of the Supply Contracts (excluding the exhibits) shall be in substantially the forms submitted and attached hereto as **Exhibit B**, which such forms are hereby approved, to include such completions, deletions, insertions, revisions, and other changes as may be approved by the Authorized Signatories executing same with the advice of counsel and FMPA's financial advisor, their execution to constitute conclusive evidence of their approval of any such changes.

SECTION 3: The exhibits to the Supply Contracts, the Limited Assignment Agreements, the Letter Agreements and the Custodial Agreement may be completed and executed, as applicable, by the Authorized Signatories in forms that the Authorized Signatories determine to be reasonable and acceptable in consultation with FMPA General Counsel, FMPA's bond counsel and FMPA's financial advisor, their completion and execution, as applicable, to constitute conclusive evidence of their determination that these agreements are reasonable and acceptable.

SECTION 4: The natural gas shall be used by and the electricity purchased by FMPA from ESE shall be used, sold or remarketed by FMPA, including to its ARP Project Participants pursuant to the All-Requirements Power Supply Project Contracts as approved by tax counsel to ESE and in accordance with the requirements of the Supply Contracts.

SECTION 5: The Chair of the Executive Committee, Vice Chair of the Executive Committee, the General Manager and CEO, the Chief Financial Officer, the Treasurer, the Secretary and any Assistant Secretary of FMPA are each hereby designated as Authorized Officers of FMPA, on behalf of the All-Requirements Power Supply Project (the "Authorized Officers"). Two Authorized Officers composed of (i) the Chair of the Executive Committee or the Vice Chair of the Executive Committee and (ii) the General Manager and CEO or the Chief Financial Officer (the "Authorized Signatories") are hereby authorized to execute and deliver the Supply Contracts, the Limited Assignment Agreements, the Letter Agreements, and the Custodial Agreement. The General Manager and CEO, Secretary, and Assistant Secretary are each hereby authorized to attest to the Supply Contracts.

SECTION 6: The Authorized Officers and other officers, employees, and agents of FMPA are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said natural gas and/or electricity to take place, including the payment of all amounts required to be paid in order to purchase natural gas and/or electricity in accordance with the Supply Contracts.

SECTION 7: The FMPA Executive Committee consents to the assignment and pledge of all of ESE's right, title and interest under the Supply Contracts, including the right to receive performance by FMPA of its obligations thereunder, to secure the payment of principal of and

interest on the Bonds.

SECTION 8: The Authorized Officers and other officers and employees of FMPA, as well as any other agent or representative of FMPA, are hereby authorized and directed to cooperate with and provide ESE, the underwriters of the Bonds, and their agents and representatives with such information relating to FMPA as may be necessary for use in the preparation and distribution of a preliminary official statement or other disclosure document used in connection with the sale of the Bonds. After the Bonds have been sold, any Authorized Officer of FMPA, or any agent or representative designated by FMPA, shall make such completions, deletions, insertions, revisions, and other changes in the preliminary official statement relating to FMPA not inconsistent with this Resolution as are necessary or desirable to complete it as a final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The FMPA Executive Committee hereby covenants and agrees that FMPA will cooperate with ESE in the discharge of ESE's obligations to provide annual financial and operating information and notification as to material events with respect to FMPA as may be required by the Rule. Any Authorized Officer of FMPA, or such other agent or representative of FMPA as shall be appropriate, is hereby authorized and directed to provide such information as shall be required for such compliance, and an Authorized Officer may execute a continuing disclosure agreement with respect to the provision of such information if requested to do so by the underwriters of the Bonds.

SECTION 9: The Bonds are not obligations of FMPA but are limited obligations of ESE payable solely from the revenues and receipts pledged by ESE under the Bond Indenture, including the revenues and receipts arising from the sale of natural gas and/or electricity to the Prepaid Project Participants. By consenting to the assignment of the Supply Contracts and agreeing to provide information for inclusion in the official statement, FMPA is not incurring any financial liability with respect to the Bonds.

SECTION 10: All acts and doings of the Authorized Officers and other officers and employees of FMPA or any other agent or representative of FMPA which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of and performance under the Supply Contracts, the Limited Assignment Agreements, the Letter Agreements, and the Custodial Agreement (collectively, the "Transaction Documents"), and in furtherance of the issuance and sale of the Bonds, shall be and the same hereby are in all respects approved and confirmed, and each Authorized Officer of FMPA, on behalf of the All-Requirements Power Supply Project, is hereby authorized and empowered to take all such further actions as may be necessary or desirable, including without limitation, the execution and delivery by such Authorized Officer of all certificates and documents and the making of any elections in the performance of the Transaction Documents as they shall deem necessary or desirable in connection with the Transaction Documents and the Bonds.

SECTION 11: If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 12: All other resolutions or orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and this Resolution

shall be in immediate effect from and after its adoption.

SECTION 13: This Resolution shall take effect immediately after its adoption by the Executive Committee of FMPA and a filing of a copy thereof, certified by the Secretary of said Board, with the Trustee.

[Remainder of Page Intentionally Left Blank]

This resolution is approved and adopted by the Executive Committee of the Florida Municipal Power Agency this 16th day of January 2025.

**FLORIDA MUNICIPAL POWER
AGENCY**, on behalf of the All-Requirements
Power Supply Project

By: _____
Chair of the Executive Committee

Attest:

By: _____
Assistant Secretary

EXHIBIT A

- (1) Solar Power Purchase Agreement dated December 12, 2019, by and between Florida Municipal Power Agency and FL Solar 7, LLC, as amended from time to time.
- (2) Solar Power Purchase Agreement dated December 12, 2019 by and between Florida Municipal Power Agency and FL Solar 8, LLC, as amended from time to time.
- (3) Power Purchase and Sale Agreement dated May 16, 2018, by and between Florida Municipal Power Agency and Holopaw Solar, LLC, as amended from time to time.

EXHIBIT B

FORM OF COMMODITY SUPPLY CONTRACTS

[Attached]

COMMODITY SUPPLY CONTRACT

(INITIALLY ASSIGNED ENERGY)

between

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

and

FLORIDA MUNICIPAL POWER AGENCY,
[ON BEHALF OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT]

Dated as of [____], 2025

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COMMODITY SUPPLY CONTRACT

This Commodity Supply Contract (hereinafter the “Agreement”) is made and entered into as of [____], 2025 (the “Execution Date”), by and between Energy Southeast, A Cooperative District, a capital improvement cooperative district organized under the Laws of the State of Alabama pursuant to Section 11-99B-1, *et seq.*, *Alabama Code* (“Issuer”), and 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, on behalf of the All-Requirements Power Supply Project (“Purchaser”).

W I T N E S S E T H:

WHEREAS, Issuer has planned and developed a project to acquire long-term Gas and Energy supplies from Aron Energy Prepay 30 LLC (“Prepay LLC”), a Delaware limited liability company and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Prepaid Commodity Sales Agreement (Initially Assigned Energy), dated as of [____], 2025 (as amended, restated, supplemented or otherwise modified from time to time, the “Prepaid Agreement”) to meet a portion of the Gas and Energy supply requirements of Purchaser through the Commodity Project; and

WHEREAS, Purchaser desires to enter into an agreement with Issuer for the purchase of Commodity supplies from the Commodity Project; and

WHEREAS, Issuer will finance the prepayment under the Prepaid Agreement and the other costs of the Commodity Project by issuing the Bonds; and

WHEREAS, as a condition precedent to the effectiveness of the Parties’ obligations under this Agreement, Issuer shall have entered into the Prepaid Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Issuer and Purchaser (the “Parties” hereto; each is a “Party”) agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Administrative Fee” means the amount per MMBtu specified in Exhibit H.

“Affiliate” means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Agreement” has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto.

“All-Requirements Power Supply Project” means the Purchaser’s power supply project under which the Purchaser provides to each of the active participants in the All-Requirements Power Supply Project their individual “All-Requirements Service,” [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.]

“Alternate Gas Delivery Point” has the meaning specified in Section 5.1(a).

“Annual Refund” means the annual refund, if any, to be provided to Purchaser and calculated pursuant to the procedures specified in Section 3.2(e).

“APC Contract Price” has the meaning specified in Exhibit K.

“APC Party” has the meaning specified in Exhibit K.

“Applicable Rating Agencies” means, at any given time, each Rating Agency then rating the Bonds.

“ARP Participating Members” means the participants in Purchaser’s All-Requirements Power Supply Project.

“ARP Power Supply Contracts” mean the All-Requirements Power Supply Project Contracts, by and between FMPA and the ARP Participating Members, as amended and supplemented from time to time.

“ARP Resolution” means, the Purchaser’s All-Requirements Power Supply Project Revenue Bond Resolution, adopted March 22, 1985, amended and restated May 23, 2003, as supplemented and amended from time to time.

“Assignable Power Contract” has the meaning specified in Section 15.1.

“Assigned Delivery Point” means with respect to any Assigned Energy, the Assigned Delivery Point as set forth in the applicable Assignment Schedule for such Assigned Energy.

“Assigned Discounted Product” means, for any Month and with respect to any Assigned PPA, the total Assigned Prepay Quantities for such Assigned PPA actually delivered pursuant to such Assigned PPA in such Month.

“Assigned Energy” means any Energy to be delivered to Purchaser pursuant to any Assigned Rights and Obligations.

“Assigned PAYGO Product” means, for any Month with respect to an Assigned PPA, the amount, if any, by which the total quantity of Assigned Product delivered under such Assigned PPA in such Month exceeds the Assigned Prepay Quantity for such Assigned PPA for such Month.

“Assigned PPA” means any power purchase agreement that is assigned by Purchaser to J. Aron pursuant to an Assignment Agreement that relates to this Agreement.

“Assigned Prepay Quantity” has the meaning specified in Exhibit K.

“Assigned Product” means Assigned Energy, Assigned RECs and any other Energy Product included on an Assignment Schedule, subject to the limitations for such other Energy Product set forth in Exhibit K.

“Assigned RECs” means any RECs to be delivered to Purchaser pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” means those rights and obligations of Purchaser that have been assigned to J. Aron pursuant to an Assignment Agreement.

“Assignment Period” has the meaning specified in Exhibit K.

“Assignment Schedule” has the meaning specified in Exhibit K.

“Available Discount Percentage” has the meaning specified in the Re-Pricing Agreement. For the avoidance of doubt, the “Available Discount Percentage” under the Re-Pricing Agreement includes the Monthly Discount Percentage, as well as additional discounting expected to be made available through the Annual Refund.

“Billing Statement” has the meaning specified in Section 14.1(b).

“Bond Closing Date” means the date on which Bonds are first issued pursuant to the Bond Indenture.

“Bond Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

“Bonds” means the bonds issued pursuant to the Bond Indenture.

“Btu” means one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit at sixty (60) degrees Fahrenheit, and is the International Btu. The reporting basis for Btu is 14.73 psia and sixty (60) degrees Fahrenheit, *provided*, however, that the definition of Btu as determined by the operator of the relevant Delivery Point shall be deemed conclusive in accordance with Article VI of the Prepaid Agreement; and *provided*, further, that in the event of an inconsistency in the definition of “Btu” between this definition and the definition of “Btu” in the Prepaid Agreement, the definition in the Prepaid Agreement shall apply.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks generally in either New York, New York or the State of Alabama are authorized or required by Law to close, or (iv) any day excluded from “Business Day” as therein defined, pursuant to the Bond Indenture.

“Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

“Claiming Party” has the meaning specified in Section 11.1.

“Claims” means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Commodity” means Gas or Energy and, to the extent included on an Assignment Schedule, Energy Product related to the foregoing; provided that the inclusion of any Energy on an Assignment Schedule is subject to the limitation set forth in Exhibit K.

[“Commodity Project” has the meaning specified in the Bond Indenture.]

“Commodity Sale and Service Agreement” means that certain Commodity Purchase, Sale and Service Agreement (Initially Assigned Energy), dated as of [____], by and between J. Aron and Prepay LLC.

“Contract Price” means: (a) with respect to the Gas Contract Quantity, if any, for each Month of Gas deliveries and each Delivery Point, the [Monthly Index Price] for such Delivery Point for such Month, plus (i) any applicable Index Premium less (ii) the product of the Prepay Fixed Price multiplied by the Monthly Discount Percentage, and (b) (I) with respect to an Assigned Discounted Product, the Contract Price shall be (x) the applicable APC Contract Price multiplied by (y) the result of 100% of such APC Contract Price less the Monthly Discount Percentage, and (II) with respect to an Assigned PAYGO Product, the Contract Price shall be the APC Contract Price.

“Contract Quantity” means: (a) the daily quantity of Gas (in MMBtu and subject to reduction under the circumstances specified in Section 15.2 and Exhibit K) shown on Exhibit A-1 for such Delivery Point for the Month in which such Gas Day occurs; and (b) the Assigned Prepay Quantities for each Month.

“CPT” means Central Daylight Saving Time when such time is applicable and otherwise means Central Standard Time.

“Credit Rating” means, with respect to any Replacement Project, the credit rating assigned to such Replacement Project by any Rating Agency (as defined in the Bond Indenture) then rating the Bonds.

“Critical Notice” has the meaning specified in Section 5.2(b).

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivering Transporter” means the Transporter delivering Gas at a Delivery Point.

“Delivery Period” has the meaning specified in Exhibit F.

“Delivery Point” means (a) with respect to the Gas Contract Quantity, the Gas Delivery Point, and (b) with respect to the Assigned Prepay Quantities, the Assigned Delivery Point(s), as applicable.

“Disqualified Sale Proceeds” has the meaning specified in Section 7.6.

“Disqualified Sale Units” has the meaning specified in Section 7.6.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

“Energy Product” means Energy and, to the extent included on an Assignment Schedule, RECs or other products related to the foregoing; *provided* that the inclusion of any Energy Product on an Assignment Schedule is subject to the limitations set forth in Exhibit K.

“Execution Date” has the meaning specified in the preamble.

“Federal Tax Certificate” means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

“FERC” means the Federal Energy Regulatory Commission and any successor thereto.

“Firm” means, with respect to the Gas Contract Quantity with respect to service on any pipeline system relating to the Contract Quantity or at any storage facility, that the pipeline or storage provider providing such service may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure with respect to such party asserting Force Majeure.

“FMPA Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, J. Aron and the FMPA Custodian.

“FMPA Custodian” means Regions Bank.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of transportation and/or storage by Transporters (*provided* that, if the affected Party is using interruptible or secondary Firm transportation, only if primary, in-path, Firm transportation is also curtailed by the same event, or if the relevant Transporter does not curtail based on path, if primary Firm transportation is also curtailed); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; (v) governmental actions such as necessity for compliance with any Law promulgated by a Government Agency having jurisdiction; (vi) an event affecting a supplier delivering Gas to Issuer (or to Issuer on behalf of Purchaser) to the extent (A) such Gas was intended for delivery or redelivery to Purchaser under this Agreement, and (B) such event would be considered Force Majeure under this Agreement if it affected Issuer directly; (vii) an inability by Issuer to deliver Gas due to the circumstances described as an event of Force Majeure in Section 5.7 hereof; and (viii) any invocation of Force Majeure by Prepay LLC under the Prepaid Agreement. Notwithstanding the foregoing, neither Party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the Party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; (iii) economic hardship, to include, without limitation, Issuer’s ability to sell

Gas at a higher or more advantageous price, Purchaser's ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Purchaser's market(s) or Purchaser's inability to use or resell Gas purchased under this Agreement, except, in either case, as provided in the foregoing definition of Force Majeure; or (v) the loss or failure of Issuer's Gas supply or depletion of reserves, except, in either case, as provided in the foregoing definition of Force Majeure. Purchaser shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any action taken by Purchaser in its governmental capacity. The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges. Notwithstanding the foregoing or anything to the contrary herein, to the extent that a Gas Assignment Agreement or a PPA Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer hereunder until the end of the first Month following the Month in which such early termination occurs.

"Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

"Gas Contract Quantity" means the daily quantity of Gas (in MMBtu) shown on Exhibit A-1 for such Delivery Point for the Month in which such Gas Day, which Gas Contract Quantity is subject to reduction under the circumstances specified in Section 15.2 and Exhibit K.

"Gas Contract Quantity Reductions" has the meaning specified in Exhibit K.

"Gas Day" means a period of twenty-four (24) consecutive hours, beginning at 9:00 a.m. CPT and ending at 8:59:59 a.m. CPT.

"Gas Delivery Point" has the meaning specified in Section 5.1(a).

"Government Agency" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"Imbalance Charges" means any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balancing and/or nomination requirements based on such Transporter's applicable pipeline tariff.

"Indemnifying Party" has the meaning specified in Section 5.3(b).

"Index Premium" means the amount specified in Exhibit A-1 for deliveries to a Delivery Point, as such amount may be adjusted in accordance with this Agreement.

"Initial Reset Period" means the period beginning on [____], 2025 and ending on [____], 20[____].

["Interest Rate Period" has the meaning specified in the Bond Indenture.]

“Issuer” has the meaning specified in the preamble.

“Issuer Default” has the meaning specified in Section 17.1.

“J. Aron” means J. Aron & Company LLC, a New York limited liability company.

“Law” means any statute, law, rule or regulation or any judicial or administrative interpretation thereof, including any court order, having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time during the term of this Agreement.

“Minimum Discount Percentage” has the meaning specified in Exhibit H.

“MMBtu” means one million (1,000,000) Btu.

“Month” means (a) with respect to the Gas Contract Quantity, the period beginning at 9:00 a.m. CPT on the first day of a calendar month and ending at 8:59:59 a.m. CPT on the first day of the next calendar month, and (b) with respect to Assigned Products, a calendar month. The term “Monthly” shall be construed accordingly.

“Monthly Discount Percentage” has the meaning specified in Exhibit H.

“Monthly Index Price” has the meaning specified on Exhibit A-1 for each Gas Delivery Point.

“Moody’s” means Moody’s Investors Service, Inc.

“Municipal Utility” means any Person that (i) is a “governmental person” as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a gas distribution utility or an electric distribution utility (or provides natural gas or electricity at wholesale to, or that is sold to entities that provide natural gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the gas or electricity purchased by it (or cause such gas or electricity to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

“MWh” means megawatt-hour.

“Non-Priority Commodities” means any Commodities that are not Priority Commodities.

“Operation and Maintenance Expenses” has the meaning for such term provided in the ARP Resolution.

“Party” has the meaning specified in the preamble.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

“Potential Remarketing Event” has the meaning specified in Section 3.3(b).

“PPA Assignment Agreement” means, for any Assigned Rights and Obligations, an agreement between Purchaser, J. Aron and the APC Party in the form attached hereto as Attachment 2 to Exhibit K (with such changes as may be mutually agreed upon by Issuer, Purchaser, J. Aron and the APC Party, each in its sole discretion).

“Prepaid Agreement” has the meaning specified in the recitals.

“Prepay Fixed Price” means \$[____]/MMBtu, which is the fixed price for Gas under the Buyer Swap (as defined in the Prepaid Agreement).

“Prepay LLC” has the meaning specified in the recitals.

“Primary Gas Delivery Point” has the meaning specified in Section 5.1(a).

“Priority Commodities” means the Contract Quantity of Commodities to be purchased by Purchaser under this Agreement, together with Commodities that (i) Purchaser is obligated to take under a long-term agreement, which Commodities either have been purchased (or, with respect to Gas, has been produced from Gas reserves in the ground which reserves were purchased) by Purchaser or a joint action agency pursuant to a long-term prepaid gas purchase agreement using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes, or (ii) with respect to Energy, is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes (provided that, for the avoidance of doubt, Priority Commodities shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise unless such capacity was financed with obligations the interest on which is excluded from gross income for federal income tax purposes).

“Project Administration Fee” means, for each Month of the Delivery Period, the result of (i) Gas Contract Quantity for such Month without regard to any Gas Contract Quantity Reductions, multiplied by (ii) the product (in \$/MMBtu) of the Prepay Fixed Price multiplied by the Monthly Discount Percentage.

“Project Participant” has the meaning specified in the Bond Indenture.

“Purchaser” has the meaning specified in the preamble.

“Purchaser Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, J. Aron and the Purchaser Custodian.

“Purchaser Custodian” means Regions Bank.

“Purchaser Default” has the meaning specified in Section 17.2.

“Purchaser’s Agent” has the meaning specified in Section 5.6.

“Purchaser’s Statement” has the meaning specified in Section 14.1(a).

“Qualifying Use Requirements” means, with respect to any Commodity delivered under this Agreement, that such Commodity is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code in violation of that provision, and (iii) in a manner that is consistent with the Federal Tax Certificate, the form of which is attached as Exhibit D.

“Rating Agency” has the meaning specified in the Bond Indenture.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Issuer and Prepay LLC.

“Receiving Transporter” means the Transporter taking Gas at a Delivery Point, or absent such Transporter, the Transporter delivering Gas at such Delivery Point.

“RECs” means “renewable energy credits,” a certificate of proof associated with the generation of electricity from an eligible renewable energy resource, which certificate is issued through the accounting system established by the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“Remarketing Election” means an election by Purchaser made pursuant to a valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) under Section 3.3 hereof, to not take any Gas hereunder or to receive any Annual Refund attributable to the applicable Reset Period.

“Remarketing Election Deadline” means, for any Reset Period, the last date and time by which Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. CPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period with respect to which a Potential Remarketing Event has occurred.

“Remarketing Election Notice” has the meaning specified in Section 3.3(b).

“Replacement Gas” means Gas purchased by Purchaser to replace any Shortfall Quantity, *provided* that such Gas (i) is purchased for delivery on the Gas Day to which such Shortfall Quantity relates, (ii) is purchased for delivery in the Month such Shortfall Quantity arises, or (iii) relates to a Shortfall Quantity that arose on a Gas Day that commences on any of the last seven Business Days of a Month, and is purchased for delivery in the Month following the Month in which such Shortfall Quantity arose.

“Replacement Gas Price” means, with respect to any Shortfall Quantity for Gas, the price (in \$/MMBtu) at which Purchaser, acting in a Commercially Reasonable manner, purchases Replacement Gas for delivery at the Delivery Point, subject to the final sentence of this definition, in respect of such Shortfall Quantity, including (i) costs reasonably incurred by Purchaser in purchasing such substitute Gas, and (ii) any transportation costs (including storage withdrawal and injection costs, which may include liquefaction and vaporization costs for stored

liquefied natural gas). The Replacement Gas Price for any Shortfall Quantity shall not include any administrative or other internal costs incurred by Purchaser and shall be limited to a price that is Commercially Reasonable with respect to the timing and manner of purchase given (i) the amount of notice provided by Issuer, (ii) the immediacy of Purchaser's Gas consumption needs or redelivery obligations, (iii) the quantities involved, (iv) the anticipated length of failure by Issuer, (v) the availability of Gas in Purchaser's Gas storage inventory, (vi) Purchaser's obligation to mitigate Issuer's damages pursuant to Section 4.1(d) and (vii) any other relevant factors. In no event shall the Replacement Gas Price include any penalties or similar charges, *provided* that Imbalance Charges may be recovered under Section 5.5.

"Replacement Project" means a power supply project (a) established and undertaken by Purchaser to replace the power supply provided by the All-Requirements Power Supply Project or succeed to the power supply purposes of the All-Requirements Power Supply Project and (b) designated as a Replacement Project hereunder consistent with the terms of Section 14.11. A Replacement Project may include one or more of (i) a natural gas fired electric generating project, (ii) a power purchase or supply agreement entered into by or on behalf of Purchaser and (iii) any other power supply resource selected by Purchaser.

"Reset Period" means each "Reset Period" under the Re-Pricing Agreement.

"Reset Period Notice" has the meaning specified in Section 3.3(a).

"Revenues" has the meaning for such term provided in the ARP Resolution.

"Schedule", "Scheduled" or "Scheduling" means the actions of Issuer, Purchaser and/or their designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Commodity to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

"Shortfall Quantity" has the meaning specified in Section 4.1(a).

"System" has the meaning for such term provided in the ARP Resolution.

"Switch Date" has the meaning specified in Section 15.3.

"Transmission Provider(s)" means any entity or entities transmitting or transporting Energy on behalf of Issuer or Purchaser to or from the Delivery Point.

"Transporter(s)" means all Gas gathering or pipeline companies, or local distribution companies acting in the capacity of a transporter, transporting Gas for Issuer or Purchaser upstream or downstream, respectively, of the Delivery Point.

"Trustee" means Regions Bank, and its successors as Trustee under the Bond Indenture.

"Upstream Supply Contract" has the meaning specified in Exhibit G-1.

“Utility Revenues”¹ means all charges received for, and all other income and receipts derived by Purchaser from, the operation of Purchaser’s utility system, or arising from Purchaser’s utility system, including income derived from the sale or use of energy distributed by any facilities of Purchaser’s utility system, together with any receipts derived from the sale of any property pertaining to Purchaser’s utility system or incidental to the operation of Purchaser’s utility system or from any services performed by Purchaser in connection with or incidental to Purchaser’s utility system, or from any other source whatsoever directly or indirectly derived from Purchaser’s utility system, but exclusive in every case of any moneys derived from the levy or collection of taxes upon any taxable property within the jurisdictional boundaries of Purchaser.

“Voided Remarketing Election Notice” has the meaning specified in Section 3.3(b).

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest scope of such general statement, term or matter. Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II

DELIVERY PERIOD; NATURE OF COMMODITY PROJECT; CONDITION PRECEDENT

Section 2.1 Delivery Period. Subject to Section 2.3, delivery of Commodities by Issuer to Purchaser shall commence at the beginning of the Delivery Period and, except for any Reset Period for which a Remarketing Election Notice is in effect as provided in Section 3.3(b), shall continue throughout the Delivery Period.

Section 2.2 Nature of Commodity Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Commodities to Purchaser under this Agreement exclusively through its purchase of Commodities from Prepay LLC pursuant to the Prepaid

¹ SM NTD: Subject to comment from Participant’s counsel to customize.

Agreement and that Issuer is financing its purchase of such supplies through the issuance of the Bonds.

Section 2.3 Conditions Precedent. Notwithstanding anything to the contrary herein, commencement of deliveries and the rights and obligations of Issuer and Purchaser hereunder are subject to the condition precedent that Issuer shall have entered into the Prepaid Agreement and shall have issued the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title and interest under this Agreement and the revenues to be received under this Agreement to secure Issuer's obligations under the Bond Indenture.

ARTICLE III SALE AND PURCHASE; PRICING

Section 3.1 Sale and Purchase of Commodities. On each Gas Day during the Delivery Period, Issuer agrees to sell and deliver or cause to be delivered to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, on a Firm basis, the Gas Contract Quantity, if any, pursuant to the terms and conditions set forth in this Agreement. For each Month for which an Assignment Period under a PPA Assignment Agreement is in effect at the start of such Month, Issuer agrees to sell and deliver to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, the portion of the Assigned Prepay Quantities actually delivered by each APC Party.

Section 3.2 Pricing.

(a) For each MMBtu of Gas delivered to Purchaser at the Gas Delivery Point, Purchaser shall pay Issuer the Contract Price.

(b) For each Month of the Delivery Period for which an Assignment Period under a PPA Assignment Agreement is in effect at the start of such Month:

(i) Purchaser shall pay Issuer the Contract Price for the Assigned Products actually delivered for such Month; and

(ii) Pursuant to the terms of the Purchaser Custodial Agreement, Purchaser shall owe a separate [FMPA Gross Payment (as defined in the Purchaser Custodial Agreement)] for each Assigned PPA consistent with the terms of the Purchaser Custodial Agreement, and, upon satisfying its obligations under the FMPA Custodial Agreement in respect of such amount (after taking into consideration any [PPA Seller Payment Obligation (as such term is defined in the Purchaser Custodial Agreement)] credited to Purchaser in respect thereof), any portion of such amount attributable to Assigned PAYGO Product shall be deemed to be paid by Purchaser to the applicable APC Party on behalf of J. Aron and shall satisfy the obligations of the respective parties under each of the Commodity Sale and Service Agreement, the Prepaid Agreement, this Agreement and the applicable Assignment Agreement for such Assigned PAYGO Product.

(c) Issuer shall bill and Purchaser shall pay the Project Administration Fee each Month, as part of the Billing Statement described in Article XIV (which Project Administration Fee, for the avoidance of doubt, shall be in addition to the Contract Price).

(d) The Contract Price for Assigned Energy is inclusive of any amounts due in respect of Assigned RECs and any other Assigned Products.

(e) During the term of this Agreement, promptly following completion of the annual audit of Issuer's financial statements at the end of each fiscal year (currently the twelve-month period ending September 30), Issuer shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Commodity Project for that fiscal year. For purposes of such annual comparison, Issuer's expenses shall include: (a) its expenses incurred in obtaining Commodity supply under the Commodity Project; (b) its reasonable administrative, legal, and accounting expenses directly incurred in connection with or properly allocable to the Commodity Project, including the administration of this Agreement and all other contracts for the sale of Commodities obtained under the Commodity Project; (c) debt service on the Bonds, including payments under any interest rate swap or hedge agreement related to the Commodity Project; (d) any replenishment of draws made upon any working capital fund associated with the Commodity Project; (e) any deposits required to be made by Issuer into any debt service reserve or other reserve or contingency fund or funds established with respect to the Bonds; (f) any fees or other amounts due to any provider of credit support for the Bonds; (g) any net payments under any commodity price swap or hedge agreement entered into in connection with the Commodity Project; and (h) any other similar costs and expenses. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then Issuer shall make refunds to Purchaser and the other Project Participants in the amount available after making allowances for any necessary and appropriate reserves and contingencies (as provided in the foregoing clause (e)), including but not limited to amounts deemed reasonably necessary by Issuer to fund any working capital reserve and to reserve or account for unfunded liabilities, including future sinking fund or other principal amortization of the Bonds. The amount available for refund shall be allocated among and paid annually to Purchaser under this Agreement and the other Project Participants, if any, not later than 90 days after the end of each fiscal year in proportion to their respective purchases for such fiscal year – which determination shall be made with respect to Purchaser's purchases under this Agreement on the basis of the Gas Contract Quantity as originally set forth herein without regard to any Gas Contract Quantity Reductions. As of the Execution Date, the projected Annual Refund for the Initial Reset Period is [\$0.0x] per MMBtu of the Gas Contract Quantity as originally set forth herein without regard to any Gas Contract Quantity Reductions.

Section 3.3 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, formal written notice setting forth (i) the duration of such Reset Period, (ii) the estimated [Available Discount Percentage] for such Reset Period, and (iii) the applicable Remarketing Election Deadline (a "Reset Period Notice"). Issuer may thereafter update such notice at any time prior to the

Remarketing Election Deadline and may extend the Remarketing Election Deadline in its sole discretion in any such update.

(b) Remarketing Election. If the Reset Period Notice (or any update thereto) indicates that the Available Discount Percentage in such notice is not at least equal to the Minimum Discount Percentage for that Reset Period, then: (i) a “Potential Remarketing Event” shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Election Deadline, issue a written notice in the form attached hereto as Exhibit C (a “Remarketing Election Notice”) to Issuer, Prepay LLC and the Trustee electing for all of Purchaser’s Commodities that would otherwise be delivered hereunder to be remarketed during the applicable Reset Period; *provided*, however, if the actual Available Discount Percentage, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount Percentage, then Issuer may, in its sole discretion, elect by written notice to Purchaser to treat such Remarketing Election Notice as void (a “Voided Remarketing Election Notice”). If Purchaser makes a valid Remarketing Election (other than a Voided Remarketing Election Notice) in accordance with this Section 3.4(b), then Purchaser shall have no rights or obligations to take any Commodities hereunder or to receive any Annual Refund attributable to the applicable Reset Period.

(c) Final Determination of Available Discount Percentage. The Parties acknowledge and agree that the final Available Discount Percentage for any Reset Period following the Initial Reset Period will be determined on the applicable [Re-Pricing Date (as defined in the Re-Pricing Agreement)], and that such Available Discount Percentage may differ from the estimate or estimates of such Available Discount Percentage provided to Purchaser prior to the applicable Remarketing Election Deadline for such Reset Period; *provided* that the Available Discount Percentage for any Reset Period will not be less than the lesser of (i) the last estimated [Available Discount Percentage] set forth in the Reset Period Notice (or any update thereof) sent by Issuer, and (ii) the Minimum Discount Percentage applicable to such Reset Period.

(d) Resumption of Deliveries. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser will remain obligated to purchase the Contract Quantities hereunder for each subsequent Reset Period, unless Purchaser issues a new valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any such Reset Period in accordance with Section 3.3(b).

(e) Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Issuer and the Calculation Agent (as defined therein) determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) Issuer will notify Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

**ARTICLE IV
FAILURE TO DELIVER OR TAKE COMMODITIES**

Section 4.1 Issuer's Failure to Deliver the Contract Quantity (Not Due to Force Majeure).

(a) If, on any Gas Day, Issuer breaches its obligation to deliver all or any portion of the Gas Contract Quantity at any Delivery Point pursuant to the terms of this Agreement, then the portion of the Gas Contract Quantity that Issuer failed to deliver shall be a "Shortfall Quantity" and Purchaser shall exercise Commercially Reasonable Efforts to purchase Replacement Gas.

(b) To the extent that Purchaser actually purchases Replacement Gas with respect to any Shortfall Quantity, then Issuer shall pay to Purchaser the result determined by the following formula:

$$P = Q \times (RP - CP + AF)$$

Where:

P = The amount payable by Issuer under this Section 4.1(b);

Q = The quantity of Replacement Gas purchased;

RP = The Replacement Gas Price;

CP = The Contract Price that would have applied to such Commodity;
and

AF = The Administrative Fee.

(c) Purchaser shall monitor nominations and deliveries of Commodities to be delivered to Purchaser at each Delivery Point and shall promptly notify Issuer upon becoming aware that such nominations or deliveries might result in a Shortfall Quantity with respect to such Delivery Point.

(d) Purchaser shall exercise Commercially Reasonable Efforts to mitigate Issuer's damages paid hereunder, *provided* that such Commercially Reasonable Efforts shall not require Purchaser to utilize or change its utilization of its owned or controlled assets or market positions to minimize Issuer's liability.

(e) Imbalance Charges for Gas shall not be recovered under this Section 4.1, but rather in accordance with Section 5.5.

Section 4.2 Purchaser's Failure to Take the Gas Contract Quantity (Not Due to Force Majeure). If, on any Gas Day, Purchaser breaches its obligation to take all or any portion of the

Gas Contract Quantity at any Delivery Point pursuant to the terms of this Agreement, then Purchaser shall remain obligated to pay Issuer the Contract Price for the Gas Contract Quantity. Issuer shall credit to Purchaser's account any net revenues Issuer may receive from Prepay LLC under the Prepaid Agreement in connection with the ultimate sale of any such Commodities by Prepay LLC to Municipal Utilities or, if necessary, other purchasers, up to the Contract Price.

Section 4.3 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of the Contract Quantity:

(a) Purchaser fails to take or fails to deliver all or any portion of the such quantities at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party,

then the Parties shall have no payment obligations with respect to such quantities hereunder.

Section 4.4 Limitations. Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another with respect to a failure to Schedule, take or deliver any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment Agreement is in effect.

Section 4.5 Sole Remedies. Except with respect to the payment of Imbalance Charges pursuant to Section 5.5, the remedies set forth in this Article IV shall be each Party's sole and exclusive remedies for any failure by the other Party to deliver or take Commodities, as applicable, pursuant to this Agreement.

Section 4.6 Make-up Delivery in Lieu of Payment. The Parties may mutually agree to make up all or a portion of the Contract Quantity not delivered or taken by increasing deliveries and takes over the remainder of the Month in which such failure occurred.

ARTICLE V TRANSPORTATION AND DELIVERY; COMMUNICATIONS; GAS QUALITY

Section 5.1 Delivery Point.

(a) All Gas delivered under this Agreement shall be delivered and received (i) at the delivery point specified in Exhibit A-1 (the "Primary Gas Delivery Point"), or (ii) to any other point (an "Alternate Gas Delivery Point") that has been mutually agreed by Issuer and Purchaser's Agent (the Primary Gas Delivery Point or Alternate Gas Delivery Point, if specified, each being a "Gas Delivery Point").

(b) The Monthly Index Price for each Alternate Gas Delivery Point, as applicable, shall be the price mutually agreed and identified by Issuer and Purchaser's Agent, or if no such price is identified for such Alternate Gas Delivery Point, the price shall be the Monthly Index Price for such Alternate Gas Delivery Point, as applicable, specified on Exhibit A-1 for the Primary Gas Delivery Point from which quantities are being shifted to such Alternate Gas Delivery Point.

(c) All Energy delivered under this Agreement shall be Scheduled at any applicable Assigned Delivery Point specified in an Assignment Schedule with respect to Assigned Energy.

Section 5.2 Responsibility for Transportation; Permits.

(a) Issuer shall obtain or cause to be obtained and pay for or cause payment to be made for all processing, gathering, and transportation necessary for delivery of the Gas Contract Quantity to each Delivery Point. Purchaser shall obtain or cause to be obtained and pay for or cause payment to be made for all transportation necessary to receive the Gas Contract Quantity at each Delivery Point and to transport the Gas Contract Quantity from each Delivery Point.

(b) Should either Party receive (or should Purchaser's Agent receive) an operational flow order or other order or notice from a Transporter requiring action to be taken in connection with the Gas flowing under this Agreement (a "Critical Notice"), such Party shall (or in the case of Purchaser's Agent, Issuer shall cause Purchaser's Agent to) notify or cause the notification of the other Party of the Critical Notice and provide or cause to be provided to the other Party a copy of same by electronic mail, or facsimile if requested, within a Commercially Reasonable timeframe. The Parties shall exercise Commercially Reasonable Efforts required by the Critical Notice within the time prescribed by the applicable Transporter. Each Party shall, in accordance with the procedures set forth in Section 18.1, indemnify, defend and hold harmless the other Party from any Claims associated with any Critical Notice (i) of which the indemnifying Party failed to give the indemnified Party the notice required under this Agreement or (ii) under which the indemnifying Party failed to take the action required by the Critical Notice within the time prescribed, *provided* the notice, if required, from the indemnified Party was timely delivered.

Section 5.3 Title and Risk of Loss.

(a) Title to Commodities delivered under this Agreement and risk of loss shall pass from Issuer to Purchaser at the Delivery Point; *provided* that the transfer of title and risk of loss for all shall be in accordance with the applicable Gas Assignment Agreement or PPA Assignment Agreement while any such assignment agreement is in effect; *provided* furthermore that, notwithstanding anything to the contrary in this Agreement, no indemnity obligations shall apply as between the Parties with respect to any Commodities to be delivered pursuant to a Gas Assignment Agreement or a PPA Assignment Agreement.

(b) With respect to Gas, as between the Parties, Issuer shall be deemed to be in exclusive control and possession of the Gas delivered under this Agreement, and responsible for any damage or injury caused thereby, prior to the time such Gas has been delivered to Purchaser at the Delivery Point. After delivery of Gas to Purchaser at the Delivery Point, Purchaser shall be deemed to be in exclusive control and possession thereof and responsible for any injury or damage caused thereby. Each Party (each, an "Indemnifying Party") assumes all liability for and, subject to the provisions of Section 18.1, shall indemnify, defend and hold harmless the other Party from any Claims, including death of Persons, arising from any act or incident occurring when title to Gas is vested in the Indemnifying Party.

Section 5.4 Daily Flow Rates. For Gas, unless otherwise agreed by the Parties or required by the Receiving Transporter and Delivering Transporter, Issuer shall nominate, schedule and deliver, and Purchaser shall nominate, schedule and take, (or cause to be nominated, scheduled and taken) the Gas Contract Quantity (deemed ratable) at each Delivery Point in accordance with the requirements of the Receiving Transporter and Delivering Transporter at such Delivery Point. As used herein, “ratable” shall mean, with respect to Gas deliveries, delivery of equal proportionate amounts of the Gas Contract Quantity for each hour of a Gas Day.

Section 5.5 Imbalances. The Parties shall use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If Purchaser or Issuer receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Agreement, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Purchaser’s taking of quantities of Gas greater than or less than the Gas Contract Quantity at any Delivery Point, then Purchaser shall pay for such Imbalance Charges or reimburse Issuer for such Imbalance Charges paid by Issuer. If the Imbalance Charges were incurred as a result of Issuer’s delivery of quantities of Gas greater than or less than the Contract Quantities at any Delivery Point, then Issuer shall pay for such Imbalance Charges or reimburse Purchaser for such Imbalance Charges paid by Purchaser. Additionally, notwithstanding anything to the contrary in this Section 5.5, Seller shall have no liability for Imbalance Charges in respect of any Gas required to be scheduled or delivered under an Upstream Supply Contract.

Section 5.6 Communications Protocol; Purchaser’s Agent. Purchaser and Issuer shall comply with the communications protocols set forth in Exhibit G-1 for Gas deliveries; provided that, for any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment Agreement is in effect, Scheduling and shall be in accordance with the applicable assignment agreement. Purchaser hereby designates Florida Gas Utility as “Purchaser’s Agent” hereunder and as Purchaser’s “Receipt Scheduling Entity” under the communications protocols attached as Exhibit G-1. Purchaser may delegate to Purchaser’s Agent decision making authority for specified items under this Agreement in a written notice delivered from time to time to Issuer. In connection with provisions hereunder where Purchaser’s Agent’s agreement or consent is required or where Purchaser has delegated decision making authority to Purchaser’s Agent, Issuer shall have right to rely exclusively on communications from Purchaser’s Agent as if some communications were delivered by Purchaser. Contact information for Purchaser’s Agent is set forth on Exhibit B hereto. Purchaser may update the identity and notice information for Purchaser’s Agent upon thirty (30) days’ written notice to Issuer. Any newly designated Purchaser’s Agent shall also be deemed to be designated as Purchaser’s “Receipt Scheduling Entity” under the communications protocols attached as Exhibit G-1.

Section 5.7 Gas Quality and Measurement. Purchaser shall not be required to accept Gas delivered by Issuer that does not meet the pressure, quality and heat content requirements of the Receiving Transporter as detailed in the applicable pipeline tariff. Purchaser’s sole and exclusive remedy against Issuer with respect to any Gas that fails to meet such pressure, quality and heat content requirements shall be the right to reject non-conforming Gas and to receive payment under Article IV. If such rejected Gas meets the pressure, quality and heat content requirements of the Delivering Transporter, but does not meet such requirements of the

Receiving Transporter, any such rejection by Purchaser and failure to deliver by Issuer shall be deemed to be excused by Force Majeure. For the avoidance of doubt, the provisions of Article XI shall apply to any such event of Force Majeure. If such rejected Gas does not meet such requirements of either the Receiving Transporter or the Delivering Transporter, Issuer shall be deemed to have failed to deliver any such Gas that is properly rejected. The unit of quantity measurement for Gas for purposes of this Agreement shall be one MMBtu dry. Measurement of Gas quantities under this Agreement shall be in accordance with the established procedures of the operator of the applicable Delivery Point. With respect to any measurement of Gas delivered or received under this Agreement at any Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point shall be deemed to be conclusive; *provided*, however, if the operator of such Delivery Point revises its measurement statements for Gas, such revision shall be effective as the measurement of Gas for the purposes of this Agreement and may be corrected pursuant to Section 14.5. If the operator of such Delivery Point measures Gas in terms of dekatherms, one dekatherm (as determined by such operator) will be deemed to be equal to one MMBtu for purposes of this Agreement.

Section 5.8 Limitations. Notwithstanding anything to the contrary herein, neither Party shall have any liability under this Article V with respect to any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment Agreement is in effect.

ARTICLE VI GAS ASSIGNMENT AGREEMENTS

Commencing on the Switch Date, Purchaser may assign and J. Aron may agree to assume a portion of Purchaser's rights and obligations under an Upstream Supply Contract consistent with the terms set forth in Exhibit G-1.

ARTICLE VII USE OF COMMODITIES

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to itself, the System and the Members as may be reasonably requested by Issuer and Special Tax Counsel (as defined in the Bond Indenture) in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time that are reasonably required in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, with respect to the Contract Quantity it purchases under this Agreement that, if taken or omitted, respectively, would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Commodities. Purchaser agrees to take the Contract Quantity under this Agreement (a) in priority over and in preference to all other Commodities available to Purchaser that are not Priority Commodities; and (b) on at least a *pari passu* and non-discriminatory basis with other Priority Commodities.

Section 7.3 Assistance with Sales to Third Parties.

(a) Temporary Load Loss. If, notwithstanding Purchaser's compliance with Section 7.1, (i) with respect to the Gas Contract Quantity, in the event Purchaser does not require or is unable to receive all or any portion of the Contract Quantity that it is obligated to purchase under this Agreement as a result of (x) a temporary reduction in requirements for Gas requirements due to a change in a Participating Member's generation requirements (including, without limitation, as a result of increased purchases of renewable generation or economic dispatch of non-Gas fired generation) during the Delivery Period, or (y) decreased demand by Purchaser's Participating Members and/or their retail customers or (ii) with respect to Assigned Prepay Quantities, (A) a quantity of Assigned Product less than the Assigned Prepay Quantity under an Assigned PPA is delivered in any Month during an Assignment Period for any reason other than Force Majeure or (B) an [Assigned PPA FM Remarketing Event has occurred and is in effect (as defined in Exhibit F to the Prepaid Agreement)], Purchaser may request (and in the case of clause (ii) shall be deemed to request for) Issuer to use Commercially Reasonable Efforts, to the extent permitted in the Prepaid Agreement, to arrange for the sale of such quantities by Prepay LLC (1) to another Municipal Utility, or (2) if necessary, to another purchaser. Purchaser shall remain obligated to pay Issuer the Contract Price, plus the Project Administration Base Charge and the Project Administration Fixed Price Charge, as applicable, for any portion of the Contract Quantity for which it requests remarketing pursuant to the foregoing sentence; provided that, if Issuer succeeds in arranging such a sale by Prepay LLC, Issuer shall credit against the amount owed by Purchaser for such Contract Quantities the amount received by Issuer from Prepay LLC for such sales less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to Prepay LLC under the Prepaid Agreement, but in no event shall the amount of such credit be more than the Contract Price.

(b) Permanent Load Loss Following the Switch Date. In the event that after the Switch Date Purchaser does not require all or any portion of the Contract Quantity that it is obligated to purchase under this Agreement as a result of (i) the permanent loss of gas-fired electric generation facilities (evidenced by the governing body of a Participating Member taking such action which has the effect of approving, consenting to, or acquiescing in the cessation of operation of natural gas-fired generation for the remaining term of the Delivery Period); (ii) a permanent reduction in requirements for Gas due to a change in the Participating Member's generation requirements (including, without limitation, as a result of increased purchases of renewable generation or economic dispatch of other non-Gas-fired generation); or (iii) legislative or regulatory imposition of requirements upon a Participating Member related to climate change, reduction in greenhouse gas emissions, or other environmental concerns that has the effect of requiring Participating Member to change its generation portfolio mix to include less fossil fuel-dependent generation resources or pay an additional charge, tax, or penalty for continuing to operate or rely upon fossil fuel-dependent generation resources (respectively, which shall be deemed by the Parties to have occurred if the Participating Member must reduce fossil fuel-dependent generation resources such that its needs for Gas under this Agreement are either reduced or eliminated and the Participating Member's reasonably projected Gas needs from such units are less than the total quantity of Priority Commodities allocable to the Participating Member); then, Purchaser may give notice of the permanent reduction of such quantities from its Contract Quantity for the remainder of the Delivery Period. If the Issuer is reasonably satisfied that such loss of need for Gas is as described in (i), (ii), or (iii) in this Section 7.3(b) above,

which determination shall not be unreasonably withheld, conditioned, or delayed, then the Issuer will, six months following the receipt of notice from Purchaser, reduce Purchaser's Contract Quantity for the remainder of the Delivery Period and arrange for the sale of such quantities by Prepay LLC to another purchaser or purchasers. As used in this Section 7.3(b), "permanent" means a period of time, commencing as of the delivery of Purchaser's notice under this section, that lasts for at least as long as the remainder of the Delivery Period. Notwithstanding the foregoing, to the extent requested by Issuer following Issuer's receipt of a notice of permanent load loss under this Section 7.3(b), Purchaser shall cooperate in good faith with Issuer and J. Aron to agree upon the terms for the reestablishment of Assigned Product deliveries hereunder to avoid a permanent reduction in Purchaser's Contract Quantity under this Agreement.

Section 7.4 Qualifying Use. Without limiting Purchaser's other obligations under this Article VII, Purchaser agrees that, subject to Section 7.5, it will use all of the Gas purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation.

(a) The Parties acknowledge that Purchaser may at times inadvertently remarket Commodities received hereunder in a manner that does not comply with Qualifying Use Requirements due to daily and hourly fluctuations in Purchaser's Commodity needs. To the extent Purchaser does so, Purchaser shall (a) exercise Commercially Reasonable Efforts to use any Disqualified Sale Proceeds of such remarketing to purchase Commodities (other than Priority Commodities) that Purchaser then uses in compliance with the Qualifying Use Requirements and (b) reserve funds in an amount equal to any Disqualified Sale Proceeds until such Disqualified Sale Proceeds are remediated or transferred to the Trustee pursuant to Section 7.5(b) below.

(b) To the extent that all or any portion of the Contract Quantities are remarketed under Section 7.3 or Section 7.5(a), as applicable, and any such remarketing results in a Ledger Entry (as defined in the Prepaid Agreement), Purchaser agrees that it shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to the remarketing proceeds associated with any such Ledger Entry to purchase Non-Priority Commodities and use such Non-Priority Commodities in compliance with the Qualifying Use Requirements in order to remediate such Ledger Entries; and (ii) apply its purchases of Non-Priority Commodities to remediate any such proceeds under the Prepaid Agreement on a *pari passu* basis and non-discriminatory basis with any other contract that provides for the purchase of Priority Commodities. To track compliance with Purchaser's obligations under this Section 7.5(b), Purchaser shall deliver a remediation certificate to Issuer and Prepay LLC by the last day of the Month subsequent to any relevant Non-Priority Commodities purchases; provided that the Parties acknowledge and agree that any purchases of Assigned PAYGO Products (commencing with purchases of Assigned PAYGO Products in the Month in which any such Ledger Entry occurs) shall be applied to remediate any such Ledger Entries and no remediation certificate shall be required with respect to purchases of Assigned PAYGO Products. For Ledger Entries remediated under this Section 7.5(b) that have not otherwise been remediated by Prepay LLC pursuant to the remarketing provisions of the Prepaid Agreement, Issuer shall pay Purchaser any

portion of the Monthly Discount Percentage associated with such Ledger Entries that is available under the Bond Indenture on or before the last Business Day of the Month in which Purchaser provides a certificate under this Section 7.5(b) evidencing such remediation.

Section 7.6 Ledger Entries; Redemption.

(a) Remediation. To track compliance with the requirements of Section 7.5, Purchaser will provide a quarterly report to Issuer (delivered not later than the 15th day of each April, July, October and January until the end of the Delivery Period) showing the following: the total quantity of proceeds from sales of Commodities received hereunder or Energy generated with the Gas received hereunder that (i) were sold by Purchaser to any Person in a transaction that does not comply with the Qualifying Use Requirements and (ii) have not been remediated by Purchaser by applying such proceeds to purchase Commodities that are used in compliance with the Qualifying Use Requirements (the quantities of Gas producing such proceeds, “Disqualified Sale Units” and such proceeds received, “Disqualified Sale Proceeds”).

(b) Ledger Entries. Issuer shall report such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units to Prepay LLC and Purchaser for addition to the remarketing ledgers maintained by Prepay LLC under the Prepaid Agreement, with the ledger entries to be dated as of the end of the first month of the relevant quarter.

(c) Transfers to Trustee. Purchaser shall transfer (to the extent such unremediated Disqualified Sales Proceeds and associated Disqualified Sale Units remain reflected on the remarketing ledger described under Section 7.6(b) at the time such transfer is required by this Section 7.6(c)) any such unremediated Disqualified Sale Proceeds and any other required funds (i.e., all additional funds necessary for redemption of the Bonds referred to in this Section 7.6(c)) to the Trustee at least 95 days prior to the second anniversary of the date on which such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units were first reflected on the remarketing ledgers in accordance with Section 7.6(b), with such funds to be deposited in the Debt Service Account (as defined in the Bond Indenture) and applied to the redemption of Bonds as directed by Issuer and approved by Special Tax Counsel (as defined in the Bond Indenture) as preserving the tax-exempt status of the Bonds.

**ARTICLE VIII
REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS**

Section 8.1 Representations and Warranties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) For Issuer as the representing Party, Issuer is a capital improvement cooperative district organized under the Laws of the State of Alabama pursuant to Section 11-99B-1, *et seq.*, *Alabama Code*;

(b) For Purchaser as the representing Party, Purchaser is 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, on behalf of the All-Requirements Power Supply Project;

(c) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

(d) there is no litigation, action, suit, proceeding or investigation pending or, to the best of such Party's knowledge, threatened, before or by any Government Agency, which could reasonably be expected to materially and adversely affect the performance by such Party of its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(e) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary action on the part of such Party and do not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(f) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(g) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, decree or other legal or regulatory determination applicable to it;

(h) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law or ordinance applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Bond Indenture;

(i) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

(j) it enters this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold under this Agreement and delivered by it to Purchaser, free and clear of all liens, encumbrances, and claims.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS ARTICLE VIII, ISSUER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer, including Purchaser's most recent audited financial statements, for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its undertakings to enable the underwriters of the offerings of the Bonds to comply with the continuing disclosure provisions of Rule 15c2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

ARTICLE IX TAXES

Issuer shall (i) be responsible for all ad valorem, excise, severance, production and other taxes assessed with respect to Commodities (other than any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment is in effect) delivered pursuant to this Agreement upstream of the Delivery Point, and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. Purchaser shall (i) be responsible for all such taxes assessed at or downstream of the Delivery Point, and (ii) subject to the provisions of Section 18.1, indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates. Nothing shall obligate or cause a Party to pay or be liable for any tax for which it is exempt under Law.

ARTICLE X JURISDICTION; WAIVER OF JURY TRIAL

Section 10.1 Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EITHER PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE COURTS OF THE STATE OF FLORIDA, (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (D) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN THE STATE OF FLORIDA. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY

AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH ARTICLE XVI; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

Section 10.2 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.2 AND EXECUTED BY EACH OF THE PARTIES), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY A COURT.

ARTICLE XI FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party's non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a

Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter exercise Commercially Reasonable Efforts to defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would subject either Party to any greater or different regulation or jurisdiction that materially affects the rights or obligations of the Parties under this Agreement.

ARTICLE XIII ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party; *provided* furthermore that, for the avoidance of doubt, any applicable Gas Assignment Agreement shall terminate concurrent with the assignment of this Agreement. Prior to assigning this Agreement, Purchaser shall deliver to Issuer written confirmation from each Rating Agency (as defined in the Bond Indenture) then rating the Bonds, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by such Rating Agency to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or

transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XIV PAYMENTS

Section 14.1 Monthly Statements.

(a) Purchaser's Statements. No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Purchaser shall deliver to Issuer, if applicable, a statement (a "Purchaser's Statement") listing (i) in respect of any Replacement Gas, the quantity and Replacement Gas Price applicable to such purchase, and (ii) any other amounts due to Purchaser in connection with this Agreement with respect to prior Months.

(b) Billing Statements. No later than the 10th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the "Billing Date"), Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Commodities delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Issuer or Purchaser. If the actual quantity delivered is not known by the Billing Date, Issuer may provisionally prepare a Billing Statement based on Issuer's best available knowledge of the quantity of Commodities delivered, which shall not exceed the sum of the Contract Quantity for such Month plus any make-up quantities delivered during such Month. The invoiced quantity and amounts paid thereon (with interest calculated on the amount overpaid or underpaid by Purchaser at the Default Rate) will then be adjusted on the following Month's Billing Statement, as actual delivery information becomes available based on the actual quantity delivered. **[NOTE: Parties to confirm whether any updates to invoicing mechanics are needed based on invoice timing for potential Assigned PPAs.]**

(c) Supporting Documentation. Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing statements and information described in this Section 14.1 as such requesting Party may reasonably request.

Section 14.2 Payments.

(a) Payments Due. If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to the Trustee for the benefit of Issuer by wire transfer (pursuant to the Trustee's instructions), in immediately available funds, on or before the 22nd day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser's instructions), in immediately available funds, on or before the

28th day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day.

(b) No Duty to Estimate. If Purchaser fails to issue a Purchaser's Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser's Statements issued within the next sixty (60) days. The sixty (60) day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5(b) with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts; Correction of Index Price.

(a) Disputes. If Purchaser disputes any amounts included in Issuer's Billing Statement, Purchaser shall (a) (except in the case of manifest error) nonetheless calculate the Billing Statement based on the amounts included in the Purchaser's Statement and (b) pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided*, however, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

(b) Corrections. If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within 30 days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than 30 days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 14.4 Late Payment. If Purchaser fails to remit the full amount payable within one Business Day of when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) Right to Audit. A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party

to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Deadline for Objections. Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Commodity deliveries.

(c) Payment of Adjustments. All retroactive adjustments shall be paid in full by the Party owing payment within 30 days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Purchaser's Statement or Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, no Party shall be entitled to net any amounts that are in dispute, and payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Source of Purchaser's Payments. Purchaser covenants and agrees to make payments due hereunder from (i) its Revenues under the ARP Resolution (such amounts, "Utility Revenues") which shall be payable as an Operation and Maintenance Expense, and such payments due hereunder are payable from Utility Revenues prior to the payment of the Purchaser's debt service and the funding of reserves as provided in the ARP Resolution and (ii) as an operating expense and as a first charge (together with other operating expenses) of any Replacement Project designated in accordance with the terms hereof; *provided*, however, that Purchaser may apply any legally available monies to the payment of amounts due hereunder.

Section 14.8 Rate Covenant. Section 711 of the ARP Resolution is hereby incorporated herein and the defined terms in such Section 711 shall have the meanings for such terms provided in the ARP Resolution. The payments due hereunder from the Purchaser constitute Operation and Maintenance Expenses that are payable out of Utility Revenues and are covered under such Section 711. Notwithstanding anything herein to the contrary, Purchaser shall not be obligated to make any payments hereunder except from Utility Revenues.

Section 14.9 Pledge of Utility Revenues. Purchaser shall not grant any payment priority from its Utility Revenues for its payment obligations under any contract that will have payment priority over the obligations of Purchaser to pay the Contract Price, which obligations

constitute and are payable as an Operation and Maintenance Expense of Purchaser under the ARP Resolution.

Section 14.10 Financial Responsibility. When reasonable grounds for insecurity of payments due under this Agreement arise, Issuer may demand, and Purchaser shall provide within 48 hours but at least two Business Days if demanded, adequate assurance of performance. Reasonable grounds include, but are not limited to the occurrence of an insolvency or liquidation proceeding with respect to Purchaser's All-Requirements Power Supply Project or any Replacement Project or the downgrading of Purchaser's credit rating with respect to the Purchaser's All-Requirements Power Supply Project or any Replacement Project, if any, by a nationally recognized securities rating organization with respect to obligations secured by a pledge of Purchaser's Utility Revenues to a level below investment grade (in accordance with the applicable rating scale of the rating agency) (*provided, however*, so long as Purchaser has at least one credit rating with respect to the Purchaser's All-Requirements Power Supply Project or any Replacement Project by a nationally recognized securities rating organization with respect to obligations secured by a pledge of Purchaser's Utility Revenues at a level that is investment grade (in accordance with the applicable rating scale of the rating agency), the withdrawal or suspension of Purchaser's credit rating with respect to the Purchaser's All-Requirements Power Supply Project or any Replacement Project by one or more other nationally recognized securities rating organization(s) with respect to obligations secured by a pledge of Purchaser's Utility Revenues for reasons not related to the credit quality of the pledge of Purchaser's Utility Revenues will not constitute a downgrade of Purchaser's credit rating for purposes of this provision), or such facts and circumstances which would constitute reasonable grounds for insecurity under applicable Law. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by Issuer, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. The Parties agree that in the event Purchaser fails to provide such adequate assurance as demanded, Issuer shall have the right to suspend its performance under this Agreement, including the making of deliveries of Commodities to Purchaser, on two (2) day's written notice and shall not be obligated to restore such performance until the later of (i) the first day of the Month after such demand has been satisfied, and (ii) the completion of the term of deliveries to any replacement sales customer to which Prepay LLC has remarketed the Commodities on behalf of Issuer.

Section 14.11 Replacement Project. Purchaser shall provide written notice to Issuer and J. Aron of any proposed Replacement Project at least 12 Months prior to the proposed effectiveness of the designation of such Replacement Project, provided that the designation of any Replacement Project hereunder shall be subject to the following requirements: (a) any Replacement Project must either (i) have a Credit Rating of at least "A3" from Moody's (or an equivalent rating from any other Rating Agency) or (ii) be approved in writing by J. Aron; and (b) Issuer and Purchaser shall agree (subject to J. Aron's consent) upon any necessary amendments to the references herein to the ARP Participating Members.

ARTICLE XV

PPA ASSIGNMENT AGREEMENTS

Section 15.1 Generally. Purchaser may be a party to one or more power purchase agreements other than this Agreement (each such agreement, an “Assignable Power Contract”) pursuant to which Purchaser is purchasing Energy that may be assigned commencing on the first day of the Delivery Period pursuant to this Section 15.1 and Exhibit K. Prior to the commencement of the Delivery Period, Project Participant agrees to exercise Commercially Reasonable Efforts to assign the Initial Assigned Rights and Obligations to J. Aron. Commencing (a) at least six Months prior to the end of any Assignment Period under any PPA Assignment Agreement and (b) immediately upon either an early termination of an Assignment Period under a PPA Assignment Agreement or a failure to assign the Initial Assigned Rights and Obligations prior to the commencement of the Delivery Period, Purchaser shall exercise Commercially Reasonable Efforts to assign to J. Aron a portion of Purchaser’s rights and obligations under one or more Assignable Power Contract in accordance with this Section 15.1 and Exhibit K that result in a reduction of the Gas Contract Quantities to zero. J. Aron, to the extent it accepts an assignment of Assigned Rights and Obligations from Purchaser, will deliver Assigned Product it receives from such Assigned Rights and Obligations to Prepay LLC under the Commodity Sale and Service Agreement, Prepay LLC will then deliver such Assigned Product to Issuer under the Prepaid Agreement, and Issuer will deliver such Assigned Product to Purchaser under this Agreement; *provided* that, for the avoidance of doubt, any such assignment shall constitute a partial assignment and delegation. Any such assignments must be proposed and agreed pursuant to Exhibit K and the Commodity Sale and Service Agreement. To the extent so assigned, Issuer’s obligation to deliver, and Purchaser’s obligation to receive, the Gas Contract Quantity shall be reduced in accordance with Exhibit K to reflect the Assigned Product acquired by Issuer pursuant to such assignment.

Section 15.2 Early Termination of Assignment Period. In connection with the execution of a PPA Assignment Agreement, Issuer shall revise (a) Exhibit A-1 to reflect appropriate Gas Contract Quantity Reductions and (b) Exhibit A-2 to reflect the Assigned Prepay Quantity associated therewith consistent with the terms of Exhibit K; provided that (i) such Gas Contract Quantity Reductions shall be reversed consistent with the terms of Exhibit K in connection with the termination of any Assignment Period except for an Assignment Period that terminates contemporaneously with this Agreement. As of the date hereof, Exhibit A-2 reflects the Initial Assigned Rights and Obligations and Exhibit A-1 reflects the Gas Contract Quantity Reductions associated therewith, and, to the extent the Initial Assigned Rights and Obligations are not assigned prior to the commencement of the Delivery Period, Issuer shall update such exhibits accordingly.

Section 15.3 Switch Notice. Notwithstanding anything to the contrary herein, Purchaser may provide written notice to Issuer and J. Aron that it elects to take delivery of the Gas Contract Quantity hereunder (any such notice, a “Switch Notice”), provided that (a) the date specified by Purchaser in any such Switch Notice may not in any case occur prior to [____]; and (b) the effective date for any such Switch Notice must occur on the first day of a Month that commences not earlier than six (6) Months after such notice is delivered (the effective date of any Switch Notice, the “Switch Date”). Upon the Switch Date, Purchaser (i) shall no longer have an obligation to exercise Commercially Reasonable Efforts to assign Assigned Rights and Obligations to J. Aron and (ii) shall be precluded from assigning Assigned Rights and Obligations to J. Aron thereafter except to the extent subsequently consented to by J. Aron in its sole discretion.

Section 15.4 J. Aron Non-Payment to APC Party. To the extent that (a) J. Aron fails to pay when due any J. Aron Prepay Payment under and as defined in the FMPA Custodial Agreement and (b) Purchaser makes a payment for such amounts to the applicable APC Party, Purchaser shall provide notice thereof to Issuer upon Purchaser's payment to the applicable APC Party and Issuer shall make a payment to purchaser in the amount of such non-payment.

ARTICLE XVI NOTICES

Any notice, demand, statement, or request required or authorized by this Agreement to be given by one Party to the other Party (or to any third party) shall be in writing and shall either be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, either Party may at any time notify the other that any notice, demand, statement, or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute an "Issuer Default" under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement proves to have been incorrect in any material respect when made;

(b) Issuer (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar

official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(c) Issuer fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the receipt by Issuer of notice thereof.

Section 17.2 Purchaser Default. Each of the following events shall constitute a “Purchaser Default” under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for one (1) Business Day following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made; or

(d) Purchaser fails to perform, observe or comply with any other covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time an Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided*, however, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition that upon the occurrence of a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Commodities otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Commodities may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Commodities under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Commodities tendered for delivery under this Agreement, Issuer shall have the right to sell such Commodities to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further sales and deliveries of Commodities to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to purchase and receive deliveries of Commodities from Issuer under this Agreement will terminate; provided that the foregoing provisions shall not relieve the breaching party from liability for any such breach(es). Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Prepaid Agreement. Purchaser acknowledges and agrees that (i) in the event of a permanent termination of Commodities deliveries under the Prepaid Agreement for any reason prior to the end of the Delivery Period, this Agreement shall terminate on the effective date of early termination of the Prepaid Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements), (ii) Issuer's obligation to deliver Product under this Agreement shall terminate upon the termination of deliveries of Commodities to Issuer under the Prepaid Agreement and (iii) Purchaser shall exercise its right to terminate any Assignment Agreement in effect. Issuer shall provide notice to Purchaser of any permanent termination of Commodities deliveries under the Prepaid Agreement. The Parties recognize and agree that, in the event that the Prepaid Agreement terminates because of a [Failed Remarketing (as defined in the Bond Indenture)] of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Commodities under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount Percentage or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. 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 HEREIN 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. 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. 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 WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED

DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified):

(a) each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(b) on or prior to the Bond Closing Date and on or prior to the closing date for any refinancing of the Bonds, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in the form attached hereto as Exhibit D, with such changes thereto as may be reasonably requested by Special Tax Counsel (as defined in the Bond Indenture);

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion of counsel to Purchaser in the form attached hereto as Exhibit E;

(d) on the Bond Closing Date, Issuer shall deliver to Purchaser an opinion of counsel to Issuer in the form attached hereto as Exhibit F; and

(e) on the Bond Closing Date, Purchaser shall deliver to Issuer (i) a Closing Certificate in substantially the form set forth hereto as Exhibit I-1 and (ii) [Closing Certificates from certain of the Members in substantially the form set forth hereto as Exhibit I-2.]

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW; *PROVIDED*, HOWEVER, THAT THE AUTHORITY OF THE PARTIES TO ENTER INTO AND PERFORM THEIR RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THEIR STATES OF FORMATION, EXCEPT THAT THE CAPACITY, POWER AND AUTHORITY OF PURCHASER TO ENTER INTO THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach or breaches shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits and attachments referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or

covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationship of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity or governmental immunity with respect to its contractual obligations or any contractual Claims under this Agreement, and each hereby waives any such defense of sovereign or governmental immunity for contractual obligations or claims to the full extent permitted by Law.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and Prepay LLC under Section 19.2 of the Prepaid Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 19.2 of the Prepaid Agreement.

Section 18.12 Limitation of Liability. The obligations of Issuer under this Agreement are special and limited obligations payable solely from the revenues, income and funds of its Commodity Project that are pledged pursuant to the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (i) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Bond Indenture, (ii) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Issuer's rights and Purchaser's obligations under this Agreement, (iii) J. Aron shall be a third-party beneficiary of this Agreement with the right to rely upon and enforce the provisions of Article I, Article VI, Section 14.7, Section 14.8, Section 14.11, Article XV, Exhibit G-1 and Exhibit K of this Agreement, (iv) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (v) in the event of any Purchaser Defaults under Section 17.2(a), (A) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Provisions (as defined in the Bond Indenture), take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party transferee who purchases and takes assignment of such receivables from Prepay LLC shall thereafter have all rights of collection with respect to such receivables (provided that, if at any time an insurance provider agrees to

insure Purchaser's payment obligations hereunder, then such insurance provider shall have the same rights under this Section 18.14 as Prepay LLC), and (B) if such receivables are not so assigned, the Swap Counterparty or Swap Counterparties (as defined in the Bond Indenture) shall have the right to pursue collection of such receivables to the extent any non-payment by Issuer to any Swap Counterparty was caused by Purchaser's payment default. Pursuant to the terms of the Bond Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Bond Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 Waiver of Defenses. Each Party waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

By: _____

Name: _____

Title: _____

FLORIDA MUNICIPAL POWER AGENCY,
ON BEHALF OF THE ALL-REQUIREMENTS
POWER SUPPLY PROJECT

By: _____
Name: _____
Title: _____

**EXHIBIT A-1
DELIVERY POINTS; CONTRACT QUANTITIES**

Commodity	Gas	
Primary Gas Delivery Point	[_____]	
Index Price	[_____]	
Index Premium	<p>\$0.[_] /MMBtu*</p> <p>*In the event that an Upstream Supply Contract entered into consistent with the Communications Protocol specifies a different premium to the Index Price, the Index Premium shall be adjusted to reflect the then-current market prices as specified in such Upstream Supply Contract.</p> <p>In the event that an Upstream Supply Contract has not been designated pursuant to the Communications Protocol or otherwise is not in effect at any time during the Delivery Period, the Parties shall update the Index Premium to reflect any Index Premium determined by J. Aron in its reasonable discretion based on then-current market conditions for gas supply at the Delivery Point.</p>	
Month	MMBtu/Day	MMBtu/Month

Index Premium	<p>\$0.[_] /MMBtu*</p> <p>*In the event that an Upstream Supply Contract entered into consistent with the Communications Protocol specifies a different premium to the Index Price, the Index Premium shall be adjusted to reflect the then-current market prices as specified in such Upstream Supply Contract.</p> <p>In the event that an Upstream Supply Contract has not been designated pursuant to the Communications Protocol or otherwise is not in effect at any time during the Delivery Period, the Parties shall update the Index Premium to reflect any Index Premium determined by J. Aron in its reasonable discretion based on then-current market conditions for gas supply at the Delivery Point.</p>	
Month	MMBtu/Day	MMBtu/Month
<i>To come.</i>	<i>To come.</i>	<i>To come.</i>

EXHIBIT A-2
ASSIGNED PPA ASSIGNED RIGHTS AND OBLIGATIONS

A-2-1

**EXHIBIT B
NOTICES**

IF TO ISSUER: Energy Southeast, A Cooperative District
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Scheduling: [Name/Title]
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Invoicing: [Name/Title]
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Payments: Regions Bank
1900 5th Ave N, 26th Floor
Birmingham, Alabama 35203
Attention: Corporate Trust
Email: elizabeth.carpenter@regions.com

Wire Instructions: Regions Bank
Wells Fargo Bank
420 Montgomery Street
San Francisco, CA 94104
ABA #: 121000248
DDA #: 2020050839788
Acct Name: [____]
FFC: [____]

Statements: [Name/Title]
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Continuing Disclosure: [Name/Title]
Phone: [____]

B-1

Email: [_____]

[Name/Title]

Phone: [_____]

Email: [_____]

[Name/Title]

Phone: [_____]

Email: [_____]

IF TO PURCHASER:

Florida Municipal Power Agency,
on behalf of the All-Requirements Power
Supply Project
8553 Commodity Circle
Orlando, FL 32819
Attention: Chief Operating Officer
Telephone: 407-355-7767
Email: ken.rutter@fmpa.com

Gas Related:

[_____]

[_____]

[_____]

Power Related:

[_____]

[_____]

[_____]

Invoicing/Payments:

[_____]

[_____]

[_____]

**IF TO PURCHASER'S
AGENT:**

Florida Gas Utility
4619 NW 53rd Avenue
Gainesville, FL 32653
Attn: Operations Director
Telephone: 352-334-0770
Facsimile: 352-334-0789
Email: notices@flgas.com

EXHIBIT C

FORM OF REMARKETING ELECTION NOTICE

Energy Southeast, A Cooperative District

[_____]

[_____]

Aron Energy Prepay 30 LLC
c/o J. Aron & Company LLC
200 West Street
New York, NY 10282

Regions Bank
1900 5th Avenue North, 26th Floor
Birmingham, Alabama 35203

To the Addressees:

The undersigned, duly authorized representative of Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project (the “Purchaser”), is providing this notice (the “Remarketing Election Notice”) pursuant to the Power Supply Contract, dated as of [_____], 2025 (the “Supply Contract”), between Energy Southeast, A Cooperative District and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 3.3(b) of the Supply Contract, the Purchaser has elected to have its Contract Quantity for the applicable Reset Period remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries in any future Reset Period shall be in accordance with Section 3.3(d) of the Supply Contract.

Given this [___] day of [_____], 20[___].

FLORIDA MUNICIPAL POWER
AGENCY, on behalf of the All-
Requirements Power Supply Project

By: _____

Printed Name:

Title:

EXHIBIT D
FORM OF FEDERAL TAX CERTIFICATE

[To come.]²

² NTD: Tax counsel to provide a draft tax certificate for review.

EXHIBIT E
FORM OF OPINION OF COUNSEL TO PURCHASER

[_____], 2025

Energy Southeast, A Cooperative District
[____], [____][_____]

Aron Energy Prepay 30 LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

Regions Bank, as trustee
Birmingham, AL

[Swap Counterparty]
[____], [____][_____]

[Swap Counterparty]
[____], [____][_____]

Re: Power Supply Contract between Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project, and Energy Southeast, A Cooperative District dated as of [____], 2025

Ladies and Gentlemen:

I serve as General Counsel and Chief Legal Officer to Florida Municipal Power Agency, in its capacity as agent for the All-Requirements Power Supply Project (“Purchaser”). Purchaser is a purchaser in the Commodity Project undertaken by Energy Southeast, a Cooperative District (“Issuer”). I am furnishing this opinion to you in connection with the Power Supply Contract between Issuer and Purchaser dated as of [____], 2025 (the “Supply Contract”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contract.

In connection with this opinion, I have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of Florida (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

(b) The proceedings of Purchaser's governing body regarding the approval granted to Purchaser to execute and deliver the Supply Contract;

(c) A copy of the Supply Contract executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser's System (as defined in the ARP Resolution).

I have also examined and relied upon originals or copies, certified or otherwise authenticated to my satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in my judgment I have deemed necessary or appropriate to enable me to render the opinions expressed below.

Based upon the foregoing, I am of the opinion that:

1. Purchaser is a separate governmental entity, duly organized and validly existing under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Supply Contract.

2. The execution, delivery, and performance by Purchaser of its obligations under the Supply Contract have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contract by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contract is the legal, valid, and binding obligation of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization and other laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police power of the State of Florida and of the constitutional power of the United States of America. No opinion is being rendered as to the availability of any particular remedy.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to my knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of its obligations under the Supply Contract or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contract and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State

relating to Purchaser and its affairs, and (b) to my knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to my knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to my knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contract shall constitute Operation and Maintenance Expenses under the ARP Resolution. The application of the revenues and other available funds of Purchaser's System (as defined in the ARP Resolution) to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of my knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contract nor to my knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contract and may not be relied upon other than in connection with the transactions contemplated by the Supply Contract, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT F

FORM OF OPINION OF COUNSEL TO ISSUER

[_____], 2025

Florida Municipal Power Agency,
on behalf of the All-Requirements Power Supply Project
Orlando, FL

Aron Energy Prepay 30 LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

Regions Bank, as trustee
Birmingham, AL

[Swap Counterparty 1]
[____], [____][____]

[Swap Counterparty 2]
[____], [____][____]

Re: Power Supply Contract between Florida Municipal Power Agency,
on behalf of the All-Requirements Power Supply Project, and
Energy Southeast, A Cooperative District dated as of [____], 2025
(the “Power Supply Contract”)

We have acted as counsel to the Energy Southeast, A Cooperative District (the “Issuer”) in connection with its execution of the Power Supply Contract. This opinion is rendered pursuant to Section 18.2(d) of the Power Supply Contract. Capitalized terms used and not defined in this opinion shall have the same meanings assigned to them in the Power Supply Contract.

In our capacity as counsel to the Issuer, we have examined the following:

- (a) A certified copy of the Certificate of Incorporation of the Issuer;
- (b) A certified copy of the By-Laws of the Issuer;
- (c) A Certificate of Existence for the Issuer issued by the [____] Secretary of State;

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(d) A certified copy of the Resolution adopted by the Board of Directors of the Issuer on [____] as supplemented by [____] (the “Resolution”), authorizing the execution and delivery of the Power Supply Agreement;

(f) An executed counterpart of each of the Power Supply Contract;

In rendering this opinion, we have examined a copy such records and other documents as we have deemed necessary and relevant for purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as copies.

As to factual matters, we have relied solely upon the documents described above, the representations and warranties of the Issuer contained in the Power Supply Contract, other agreements and certificates delivered in connection with the Commodity Project, the certificate of incorporation of the Issuer, as amended, and various certificates and other documents furnished to us by Issuer’s officers and its Board of Directors. In basing the opinions set forth in this letter on “our knowledge,” the words “our knowledge” signify that, in the course of our representation, no facts have come to the attention of the individual signing this opinion that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

We are of the opinion that:

1. The Issuer is a public corporation organized under the Laws of the State of Alabama pursuant to Section 11-99B-1, *et seq.*, *Alabama Code* (the “Act”), and, and has full legal right, power and authority under the Act to (a) adopt the Resolution, (b) enter into, execute and deliver the Power Supply Contract, and (c) carry out and consummate the transactions contemplated by the Power Supply Contract, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Power Supply Contract as they pertain to such transactions.

2. By all necessary official action, the Issuer has duly authorized all necessary action to be taken by it for (a) the adoption of the Resolution, (b) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Power Supply Contract, and (c) the consummation by it of all other transactions contemplated by the Power Supply Contract.

3. The Resolution was duly and validly adopted by the Issuer and all other proceedings pertinent to the validity and enforceability of the Power Supply Contract have been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the Issuer and in compliance with the Constitution and laws of the State, including the Act, and the Resolution is in full force and effect and has not been amended.

4. The Power Supply Contract has been duly authorized, executed and delivered by the Issuer, and constitutes a legal, valid and binding obligation of the Issuer

enforceable against the Issuer in accordance with its terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights.

5. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Power Supply Contract have been obtained.

6. To our knowledge, after due inquiry of representatives of the Issuer, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to our knowledge, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Power Supply Contract or in any way contesting or affecting the validity or enforceability of the Power Supply Contract.

7. The execution and delivery of the Power Supply Contract and compliance by the Issuer with the provisions thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Issuer a material breach of or a default under any agreement or instrument to which the Issuer is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Issuer is subject.

Notwithstanding anything to the contrary contained above, the foregoing opinion is expressly made subject to the following exceptions, qualifications, and assumptions:

(i) We express no opinion with respect to the validity or enforceability of any provisions of the Power Supply Contract or any other documents that may be read to require the Issuer to indemnify any party or waive trial by jury.

(ii) We express no opinion as to the enforceability of provisions waiving, directly or indirectly, expressly or impliedly, defenses to obligations or rights granted by law, where such waivers are prohibited by law or are against public policy.

(iii) We except from our opinion any provisions contained in any document which purport to prevent any party from raising an affirmative defense thereto, such as estoppel, illegality, etc., if such affirmative defense arises or is asserted to have arisen out of any action by any party which has not been brought to our attention, or which purports to prevent any party from raising a claim of fraud.

(iv) We except from our opinion any provisions contained in any of the documents which could be construed as waiving service of process or any applicable statute of limitations defense or which establish any rights to specific performance.

(v) Our opinion as to enforceability is limited by standards of good faith, fair dealing, materiality, and reasonableness that may be applied by a court to the exercise of certain

rights and remedies; limitations based on statutes or on public policy limiting a person's right to waive the benefit of statutory provisions or of a common law right; and limitations releasing a party from or indemnifying a party against liability for its own wrongful or negligent act when such release or indemnification is contrary to public policy.

(vi) Our opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. The opinions expressed in this letter are given solely for your use and benefit in connection with the transactions referred to herein and no other person may use or rely on this opinion letter, nor may it be used or relied upon in any other transaction which is not related to transactions referred to herein, without our prior express written consent. This opinion is provided to you as a legal opinion only and not as a warranty or guarantee with respect to the matter described herein or in the documents referred to herein.

(vii) We bring to your attention the fact that we are admitted to the bar of the State of [____] and the opinions herein are limited to the laws of the State of [____] and the federal laws of the United States of America. We express no opinion as to the enforceability, under the laws of the State of [____] or any other State, of any choice of law provisions contained in the Power Supply Contract, nor, assuming such provisions would be enforceable under the choice of law principles of the State of [____] or any other State, do we state any opinion as to the enforceability of the Power Supply Contract under the internal laws of any other State. Notwithstanding the foregoing, you have requested us to review the Power Supply Contract and provide you with the opinions set forth herein assuming, solely for purposes of these opinions, that the internal laws of the State of [____] would govern the Power Supply Contract. If the Power Supply Contract were to be governed under the internal laws of the State of [____], our opinions would be as set forth herein. We note that if a court of competent jurisdiction determines the Power Supply Contract to be unenforceable under the laws of any other State, then the Power Supply Contract may not be enforced by [____] courts under the applicable [____] conflict of law provisions.

(viii) Our opinion is rendered as of the date hereof and we assume no obligation to advise you of changes in law or fact (or to the effect thereof on the opinions expressed herein) that hereafter may come to our attention.

(ix) The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.

Sincerely,

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EXHIBIT G-1

GAS COMMUNICATIONS PROTOCOL

1. OVERVIEW

This Communications Protocol shall apply to the gas deliveries contemplated under the following contracts (each, a “Gas Contract” and collectively, the “Gas Contracts”):

- (a) pursuant to (i) one or more contracts identified pursuant to Section 8 of this Communications Protocol as an Upstream Supply Contract, the Upstream Supplier is obligated to deliver the Contract Quantity to J. Aron at the Delivery Points and (ii) a Limited Assignment Agreement entered into among [Project Participant] (“Participant”), an Upstream Supplier and J. Aron & Company LLC (“J. Aron”);
- (b) pursuant to that certain Commodity Purchase, Sale and Service Agreement, dated as of [____], 2025 (the “Commodity Sale and Service Agreement”), between J. Aron and Aron Energy Prepay 30 LLC (“Prepay LLC”), J. Aron is obligated to deliver the Contract Quantity to Prepay LLC at the Delivery Points;
- (c) pursuant to that certain Prepaid Commodity Sales Agreement, dated as of [____], 2025 (the “Prepaid Agreement”), between Prepay LLC and Energy Southeast, A Cooperative District (“Issuer”), Prepay LLC obligated to deliver the Contract Quantity to Issuer at the Delivery Points; and
- (d) pursuant to that certain Commodity Supply Agreement, dated as of [____] 1, 2025 (the “Gas Supply Contract”), between Issuer and Participant, Issuer is obligated to deliver the Contract Quantity to Participant at the Delivery Points.

2. ADDITIONAL DEFINED TERMS

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Prepaid Agreement as in effect on the date it is first executed or as amended with the consent of each Relevant Party that is affected by such change. References to Sections are to the Sections of this Communications Protocol, unless specifically stated otherwise. The following terms used in this Communications Protocol shall have the following meanings:

- 2.1 “Delivery Points” has the meaning specified in the Gas Supply Contract.
- 2.2 “Delivery Scheduling Entity” means J. Aron or another Person as the Delivery Scheduling Entity designated by J. Aron as set forth in Attachment 3 or in a subsequent written notice to Issuer, provided that during periods when an Upstream Supplier has been designated pursuant to Section 8, the Upstream Supplier will be the Delivery Scheduling Entity.

- 2.3 “Operational Nomination” has the meaning specified in Section 4.1.1.
- 2.4 “Receipt Scheduling Entity” means Participant unless Issuer designates another Person as set forth in Attachment 3 or in a subsequent written notice to Issuer, in which case this Communications Protocol will cease to apply to Participant.
- 2.5 “Relevant Party” means each of the Upstream Supplier, J. Aron, Prepay LLC, Issuer and Participant.
- 2.6 “Relevant Transporter” means any Transporter that will or is intended to transport Gas to be delivered or received under the Gas Contracts.
- 2.7 “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

3. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to a particular Gas Contract to which this Communications Protocol applies acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not party to a particular Gas Contract. In connection therewith:

- 3.1 Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder;
- 3.2 Each Relevant Party will cause its counterparty to each relevant Gas Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty;
- 3.3 No Relevant Party will amend any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party; and
- 3.4 No Relevant Party will waive any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

4. INFORMATION EXCHANGE AND COMMUNICATION

4.1 Communication of Operational Nomination Details

- 4.1.1 Prior to each Month during which Gas is required to be delivered under the Prepaid Agreement, the Receipt Scheduling Entity shall deliver an operational nomination in writing in a form substantially similar to Attachment 2 (the “Operational Nomination”) to each other Relevant Party no later than 8:30 am CPT on the second Business Day prior to the

last day of exchange trading for Henry Hub Natural Gas Futures Contracts on the New York Mercantile Exchange (or any successor thereto) for deliveries in such Month. The Operational Nomination shall be delivered electronically to the notice addresses set forth on Attachment 1.

- 4.1.2 The Delivery Scheduling Entity shall update appropriate nomination details on the relevant Receipt Scheduling Entity's Operational Nomination and forward to all other Relevant Parties by the close of the Business Day prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Points for deliveries in each Month in which Gas is to be delivered.
- 4.1.3 The Delivery Scheduling Entity shall, if necessary due to reduction during any Month, update appropriate nomination details on the relevant Receipt Scheduling Entity's Operational Nomination and forward to all other Relevant Parties by not later than 8:00 am CPT two Business Days prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Points for deliveries on any Day or Days in which Gas is to be delivered.
- 4.1.4 The Scheduling Entities acknowledge and understand that changes to Operational Nomination details may occur after the deadline set forth in Section 4.1.1. The Scheduling Entity initiating the change will forward a revised Operational Nomination to the other Scheduling Entity (with a copy to each other Relevant Party) and the other Scheduling Entity will exercise Commercially Reasonable Efforts to accommodate such change(s). The Relevant Parties will exercise Commercially Reasonable Efforts to limit the amount of changes and accommodate requested changes at all times as allowed in the Transporter's tariff.
- 4.1.5 For any other proposed changes to an Operational Nomination, the Scheduling Entities may initially communicate orally or via other electronic means. However, such changes will be subsequently communicated as a revised Operational Nomination as outlined above as soon as reasonably possible.

4.2 Event-specific Communications

- 4.2.1 The Scheduling Entities shall monitor pipeline notices that are relevant to the Delivery Points and provide Commercially Reasonable notification to the other Relevant Parties of maintenance or other issues that could impact Gas flow. In such event, the Relevant Parties may designate an Alternate Delivery Points by mutual agreement of all of the Relevant Parties, each in its sole discretion. The designation of an Alternate Delivery Points by

mutual agreement may be initiated by means of oral communication between the Relevant Parties, but in such case, such Alternate Delivery Points shall be documented in writing by the Relevant Parties in compliance with the terms of the relevant Gas Contracts.

- 4.2.2 Each Scheduling Entity shall notify the other Relevant Parties as soon as practicable in the event of: (i) any deficiencies in scheduling related to such Scheduling Entity or such Scheduling Entity's Transporter; (ii) any deficiencies in scheduling related to the other such Scheduling Entity or such other Scheduling Entity's Transporter of which the notifying Scheduling Entity becomes aware; and (iii) any action taken by such Scheduling Entity's Transporter that would reasonably be expected to create issues related to Gas flow under the Prepaid Agreement.

5. ACCESS AND INFORMATION

- 5.1 The Relevant Parties agree to provide relevant records from Transporters and any other Relevant Transporters necessary to document and verify Gas flows within and after the Month as needed to facilitate settlement under the Gas Contracts.
- 5.2 Each Relevant Party acknowledges that the Scheduling Entities may not have immediate access to Gas flow information at the Delivery Points. Therefore, the Scheduling Entities will closely monitor the available nomination information at the Delivery Points and promptly notify each other upon obtaining knowledge of any discrepancies in such nomination information and the quantities required to be delivered and taken under the applicable Gas Contracts at the Delivery Points. Each Relevant Party acknowledges and agrees that the inability of a Relevant Party to immediately access Gas flow information at the Delivery Points shall not impact or be construed as a waiver of any of the rights and obligations of the Relevant Parties set forth in the applicable Gas Contract.
- 5.3 Each Scheduling Entity will use Commercially Reasonable Efforts to cooperate with J. Aron to ensure that J. Aron has sufficient agency rights from each such Scheduling Entity with respect to each Transporter to allow J. Aron to view Gas flows at the Delivery Points.

6. NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), email, courier, or personally delivered (including overnight delivery service) to the applicable representative of the other Relevant Party designated in Attachment 1 hereto. A Relevant Party may change its representative identified in Attachment 1 hereto at any time by written notice to each other Relevant Party. Any notice, demand, or request shall be deemed to be given (i)

when sent by facsimile confirmed by telephone and electronic transmittal receipt, (ii) when sent by email or (iii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. Notwithstanding the foregoing, any Relevant Party may at any time notify the others that any notice, demand, request or communication to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

7. NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Gas Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Gas Contracts.

8. UPSTREAM SUPPLY CONTRACT

8.1 J. Aron and Participant may designate a contract as an "Upstream Supply Contract" by entering into an Assignment Agreement (as defined below) and notifying the other Relevant Parties of the execution of such Assignment Agreement, provided that (i) any such Upstream Supply Contract must include this Communications Protocol, (ii) any Upstream Supplier thereunder must be contract-enabled with J. Aron; (iii) any Upstream Supplier thereunder must be able to satisfy J. Aron's internal requirements as they relate to "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, PATRIOT Act and similar rules, regulations, requirements and corresponding policies; (iv) any Upstream Supply Contract must have a delivery period of a minimum of two years; (v) any such Upstream Supplier, Participant and J. Aron must enter into a Limited Assignment Agreement substantially in the form of Attachment 4 (an "Assignment Agreement"); and (vi) an Affiliate of Participant may only act as an Upstream Supplier (a) to the extent that it is acting as a replacement supplier due to the early termination of an Upstream Supply Contract and (b) for the remaining term for deliveries under such terminated Upstream Supply Contract. An "Upstream Supplier" is the seller of Gas to J. Aron under any Upstream Supply Contract.

8.2 Not later than 180 days prior to the expiration of any Upstream Supply Contract or immediately upon the early termination of any Upstream Supply Contract, J. Aron and Participant will begin to cooperate in good faith and exercise commercially reasonable efforts to locate a replacement Upstream Supply Contract. J. Aron agrees that it will not unreasonably delay or withhold its consent to any Upstream Supply Contract proposed by Participant, provided that it shall not be unreasonable for J. Aron to withhold its consent if the proposed Upstream Supply Contract or Upstream Supplier thereunder (i) fails to satisfy the requirements set forth in Section 8.1 above or (ii) poses materially different risks

to J. Aron or the other Relevant Parties (other than Participant) relative to the Upstream Supply Contract and Upstream Supplier that is being replaced (without regard to any adverse changes relating to the Upstream Supplier being replaced that arose after such contract was initially assigned). If Participant does not propose an Upstream Supply Contract meeting the foregoing requirements by the date that is thirty (30) days prior to the expiration of an existing Upstream Supply Contract (or within ten (10) days after early termination thereof), then J. Aron may propose, but is not obligated to propose, an Upstream Supply Contract and Participant agrees that it will not unreasonably delay or withhold its consent to such Upstream Supply Contract, provided that it shall not be unreasonable for Participant to withhold its consent if the Upstream Supply Contract or the Upstream Supplier thereunder poses materially different risks to Participant relative to the Upstream Supply Contract and Upstream Supplier that is being replaced (without regard to any adverse changes to the Upstream Supplier being replaced that arose after such contract was initially assigned). If either Participant or J. Aron does not consent to a replacement Upstream Supply Contract prior to the expiration of an existing Upstream Supply Contract, or if an Upstream Supply Contract terminates early or if otherwise an Upstream Supply Contract is not in place at any time, then, until such time as a new Upstream Supply Contract is consented to, (i) the delivery point will be [_____] and index price will be [_____] for [_____] , provided that J. Aron may in its reasonable discretion designate an Index Premium and modify such Index Premium from time to time while an Upstream Supply Contract is not in effect; and (ii) J. Aron will be the Delivery Scheduling Entity.³

- 8.3 The declaration of “Force Majeure” by an Upstream Supplier under an Upstream Supply Contract shall be deemed Force Majeure for purposes of each of the Gas Contracts.

³ NTD: Please let us know if any further discussion regarding index premiums is needed.

9. ATTACHMENTS

Attachment 1 – Notices and Key Personnel

Attachment 2 – Operational Nomination

Attachment 3 – Designation of Scheduling Entities Form

Attachment 4 – Form of Limited Assignment Agreement

ATTACHMENT 1

Notices and Key Personnel

J. Aron & Company LLC Scheduling Personnel:

J. Aron & Company LLC
200 West Street
New York, NY 10282
Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com; gs-prepay-notices@gs.com
Direct Phone: (212) 902-8148
Fax: (212) 493-9847

And to:

Matt Speltz
ICE Chat: mspeltz5
Email: gs-prepay-notices@gs.com
Direct Phone: (212) 357-5429
Fax: (212) 493-9847

Prepay LLC Scheduling Personnel:

Aron Energy Prepay 30 LLC
c/o J. Aron & Company LLC
200 West Street
New York, NY 10282
Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com; gs-prepay-notices@gs.com
Direct Phone: (212) 902-8148
Fax: (212) 493-9847

And to:

Matt Speltz
ICE Chat: mspeltz5
Email: gs-prepay-notices@gs.com
Direct Phone: (212) 357-5429
Fax: (212) 493-9847

Issuer Scheduling:

[]
[]

[]

Participant Scheduling:

[]

[]

[]

Upstream Supplier Scheduling:

As provided by any applicable Upstream Supplier.

ATTACHMENT 2

Form of Operational Nomination (Monthly)

Month: _____, 20__

<u>Pipeline</u>	<u>Delivery Point</u>	<u>Pipeline Meter Number</u>	<u>Pipeline Meter Name</u>	<u>Upstream Info</u>	<u>Upstream Duns</u>	<u>Downstream Info</u>	<u>Downstream Duns</u>	<u>Daily Contract Volume</u>	<u>Daily Remarketed Volume</u>	<u>Daily Nominated Volume</u>	<u>Monthly Contractual Volume</u>	<u>Monthly Remarketed Volume</u>	<u>Monthly Nominated Volume</u>
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[____] [____]

[____] [____]

Totals

ATTACHMENT 3

Designation of Scheduling Entities Form

<p>Receipt Scheduling Entity:</p> <p>Delivery Point: _____</p> <p>Percentage of Contract Quantity for Delivery Point that may be scheduled and nominated by Receipt Scheduling Entity: _____</p> <p>Effective Date(s) of Service of Receipt Scheduling Entity (full Months only): _____, _____ to _____, _____, if applicable</p> <p>Notice Information for Receipt Scheduling Entity:</p> <p>Name: _____</p> <p>Attention: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Fax: _____</p>
<p>Delivery Scheduling Entity:</p> <p>Delivery Point: _____</p> <p>Effective Date(s) of Service of Delivery Scheduling Entity (full Months only): _____, _____ to _____, _____, if applicable</p> <p>Notice Information for Delivery Scheduling Entity:</p> <p>Name: _____</p> <p>Attention: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Fax: _____</p>

Submitted by Issuer:

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

By: _____
Name:
Title:

Submitted by J. Aron:

J. ARON & COMPANY LLC

By: _____
Name:
Title:

ATTACHMENT 4

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____] by and among [____] (“**Upstream Supplier**”), Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project (“**Participant**”), and J. Aron & Company LLC (“**J. Aron**”).

RECITALS

WHEREAS, Participant and Upstream Supplier are parties to that certain Base Contract for Sale and Purchase of Natural Gas, dated [____], 202[____], the Special Provisions dated [____], 202[____] and the Transaction Confirmation thereto dated [____], 202[____] (the “**Upstream Supply Contract**”);

WHEREAS, with effect from and including the Assignment Period Start Date (as defined below), Participant wishes to transfer by partial assignment to J. Aron, and J. Aron wishes to accept the transfer by partial assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below);

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Upstream Supplier, Participant and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

Section 1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Contract Price**” has the meaning specified in Appendix 1.

“**Assigned Daily Quantity**” has the meaning specified in Appendix 1.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Gas**” means any Gas to be delivered to J. Aron hereunder pursuant to the Assigned Rights and Obligations.

“**Assigned Rights and Obligations**” means (i) the rights of Participant under the Upstream Supply Contract to receive the Assigned Daily Quantity of Assigned Gas on each Day during the Assignment Period, and (ii) the Delivered Gas Payment Obligation, which right and obligation are transferred and conveyed to J. Aron hereunder.

“Assignment Early Termination Date” has the meaning specified in Section 5(b).

“Assignment Period” has the meaning specified in Section 5(a).

“Assignment Period End Date” means [_____].

“Assignment Period Start Date” means [_____].

“Business Day” has the meaning specified in the Prepaid Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Delivered Gas Payment Obligation” has the meaning specified in Section 3(a).

“Gas” means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

“Gas Contracts” means the Commodity Sale and Service Agreement, the Prepaid Agreement and the Gas Supply Contract.

“Gas Sale and Service Agreement” means that certain Commodity Purchase, Sale and Service Agreement dated [_____], 2025 by and between J. Aron and Prepay LLC.

“Gas Supply Contract” means that certain Commodity Supply Agreement dated [_____] 1, 2025 by and between Participant and Issuer.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Issuer” means Energy Southeast, A Cooperative District.

“Month” means a calendar month.

“J. Aron” has the meaning specified in the first paragraph of this Agreement.

“Participant” has the meaning specified in the first paragraph of this Agreement.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“Prepaid Agreement” means that certain Prepaid Commodity Sales Agreement dated as of [_____], 2025 by and between Prepay LLC and Issuer.

“**Prepay LLC**” means Aron Energy Prepay 30 LLC, a Delaware limited liability company.

“**Receivables**” has the meaning given to such term in Section 3(d).

“**Retained Rights and Obligations**” has the meaning specified in Section 3.

“**Upstream Supplier**” has the meaning specified in the first paragraph of this Agreement.

“**Upstream Supply Contract**” has the meaning specified in the recitals of this Agreement.

Section 2. Transfer and Undertakings.

- (a) Participant hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the Assigned Rights and Obligations during the Assignment Period.
- (b) Upstream Supplier hereby consents and agrees to Participant’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Rights and Obligations to J. Aron and the exercise by J. Aron of the Assigned Rights and Obligations during the Assignment Period.
- (c) J. Aron hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

Section 3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of Participant’s and Upstream Supplier’s rights and obligations under the Upstream Supply Contract, and that all rights and obligations arising under the Upstream Supply Contract that are not expressly included in the Assigned Rights and Obligations shall be “**Retained Rights and Obligations**”, and (ii) the Retained Rights and Obligations include all rights and obligations of Participant and Upstream Supplier arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Gas Payment Obligation.** J. Aron’s sole obligation to Upstream Supplier will be to pay the Assigned Contract Price to Upstream Supplier for the Assigned Gas delivered on each Day of the Assignment Period on each applicable payment date under the Upstream Supply Contract for a quantity up to, but not exceeding, the Assigned Daily Quantity (the “**Delivered Gas Payment Obligation**”) Participant shall remain obligated to pay Upstream Supplier for all quantities and at the price specified in the Upstream Supply Contract, but Upstream Supplier shall credit the Delivered Gas Payment Obligation against the amounts otherwise due from Participant under the Upstream Supply Contract for each Day of the Assignment Period, and Participant shall remain solely responsible for any payment

obligations under the Upstream Supply Contract other than the Delivered Gas Payment Obligation during the Assignment Period.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Gas Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the Upstream Supply Contract, whether related to performance by the Upstream Supplier, Participant or J. Aron, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Gas Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between the Upstream Supplier and Participant in accordance with the Upstream Supply Contract. For the avoidance of doubt, the Parties acknowledge and agree that (i) Participant shall remain solely responsible for any amounts due under the Upstream Supply Contract as a result of Participant scheduling or otherwise taking less than the Assigned Daily Quantity for any reason on any Day during the Assignment Period, including as a result of exercising any rights it may have under the Gas Supply Contract to reduce its daily deliveries upon notice and (ii) any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved solely between Upstream Supplier and Participant.

(c) **Scheduling.** All scheduling of Gas and other communications related to the Upstream Supply Contract shall take place between Participant and Upstream Supplier pursuant to the terms of the Upstream Supply Contract; provided that (i) Participant and Upstream Supplier will provide copies of all billing statements delivered during the Assignment Period to J. Aron and Issuer contemporaneously upon delivery of such statements to the other party to the Upstream Supply Contract; (ii) title to Assigned Gas will pass to J. Aron upon delivery by Upstream Supplier at the Assigned Delivery Point in accordance with the Upstream Supply Contract; (iii) immediately thereafter, title to such Assigned Gas will pass to Prepay LLC, Issuer and then to Participant upon delivery by J. Aron at the same point where title is passed to J. Aron pursuant to clause (ii) above; and (iv) Participant will be deemed to be acting as J. Aron's agent with regard to scheduling Assigned Gas.

(d) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC has agreed to purchase the rights to payment of the net amounts owed by Participant under the Gas Supply Contract ("**Receivables**") in the case of non-payment by Participant. To the extent any such Receivables relate to Assigned Gas purchased by J. Aron pursuant to the Assigned Rights and Obligations, Prepay LLC may sell such Receivables to J. Aron and J. Aron may transfer such Receivables to Upstream Supplier and apply the face amount of such Receivables as a reduction to any Delivered Gas Payment Obligations; provided, however, that at no time shall Upstream Supplier be required to pay J. Aron for any amounts by which such Receivables exceed any Delivered Gas Payment Obligations then due and owed to Upstream Supplier.

(e) **Amendments.** Neither Participant nor Upstream Supplier will consent to any amendment, waiver, supplement or other modification to the Upstream Supply Contract that would in any way affect the Assigned Rights and Obligations or J. Aron's rights or obligations under this Assignment Agreement without J. Aron's prior written consent, which consent may be withheld in J. Aron's sole discretion. Participant and Upstream Supplier will provide written notice (including copies thereof) of any other proposed or actual amendment, waiver,

supplement, modification, or other changes to the Upstream Supply Contract to J. Aron prior to the effectiveness thereof.

(f) **Ledger Entries and Remediation.** To the extent that Upstream Supplier delivers less than the Assigned Daily Quantity on any Day during the Assignment Period for any reason other than Force Majeure, Prepay LLC will be deemed under the Prepaid Agreement to remarket such portion of the Assigned Daily Quantity on Issuer's behalf, resulting in a Ledger Entry (as defined in the Prepaid Agreement). Until any such Ledger Entry has been fully remediated, Participant agrees that it will apply any purchases it makes under the Upstream Supply Contract in excess of the Assigned Daily Quantity to remediate such Ledger Entries and deliver a remediation certificate in the form of Appendix 4 to J. Aron and Issuer in the Month following any such remediation purchase.

Section 4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and that the Parties shall constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

Section 5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The "Assignment Period" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An "Assignment Early Termination Date" will occur under the following circumstances and as of the dates specified below:

- i. the assignment of the Gas Supply Contract by any party thereto, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;
- ii. the suspension, expiration, or termination of performance under the Upstream Supply Contract for any reason other than the occurrence of Force Majeure under and as defined in the Upstream Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of Upstream Supplier's last performance under the Upstream Supply Contract following such suspension, expiration, or termination;
- iii. termination or suspension of deliveries for any reason other than force majeure under any of the Gas Contracts, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;
- iv. the election of J. Aron in its sole discretion to declare an Assignment Early Termination Date as a result of (A) any event or circumstance that would give either Participant or Upstream Supplier the right to terminate or suspend performance under the Upstream Supply Contract (regardless of whether

Participant or Upstream Supplier exercises such right) or (B) the execution of an amendment, waiver, supplement, modification or other change to the Upstream Supply Contract that adversely affects the Assigned Rights and Obligations or J. Aron's rights or obligations under this Agreement (provided that J. Aron shall not have a right to terminate under this clause (b) to the extent that J. Aron (I) receives prior notice of such change and (II) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by J. Aron to Participant and Upstream Supplier;

- v. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if J. Aron fails to pay when due any amounts owed to Upstream Supplier in respect of any Delivered Gas Payment Obligation and such failure continues for five Business Days following receipt by J. Aron of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Upstream Supplier to J. Aron and Participant; or
- vi. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against J. Aron seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) J. Aron commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or J. Aron consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of J. Aron or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur immediately on the date of Upstream Supplier's delivery of notice of its election to J. Aron and Participant.

(c) **Reversion of Assigned Rights and Obligations.** The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the

Assigned Rights and Obligations will revert from J. Aron to Participant. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from J. Aron to Participant, provided that (i) J. Aron shall remain responsible for the Delivered Gas Payment Obligation with respect to any Gas delivered to J. Aron prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

Section 6. Representations and Warranties.

(a) **Copy of Upstream Supply Contract.** Upstream Supplier and Participant represent and warrant to J. Aron that a true, complete, and correct copy of the Upstream Supply Contract is attached hereto as Appendix 3.

(b) **No Default.** Upstream Supplier and Participant represent and warrant to J. Aron that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the Upstream Supply Contract or suspend performance thereunder.

(c) **Other.** Each of Participant and Upstream Supplier represents and warrants to each other and to J. Aron that:

- (1) it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and
- (2) all obligations of Participant and Upstream Supplier under the Upstream Supply Contract required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties:

- (1) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
- (2) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.
- (3) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination

or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

- (4) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (5) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
- (6) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed appropriate. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement, it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.
- (7) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of

this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

- (8) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

Section 7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

Section 8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

Section 9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing and executed by each of the Parties.

Section 10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

Section 11. Miscellaneous.

(a) **Governing Law.** THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS PROVISIONS THAT WOULD DIRECT THE APPLICATION OF ANOTHER

JURISDICTION'S LAWS; PROVIDED THAT THE AUTHORITY OF PARTICIPANT TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [____].

(b) **Jurisdiction.** ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN ANY OTHER STATE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*; AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(c) **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 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 AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(C).

(d) **U.S. Resolution Stay Provisions.**

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a “**U.S. Special Resolution Regime**”) the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12

C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“**Default Right**”) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(iii) Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

(A) Upstream Supplier and Participant shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “**Insolvency Proceeding**”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(B) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in Participant being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to Upstream Supplier and Participant.

(iv) If Upstream Supplier and Participant each adhere to the ISDA 2018 U.S. Resolution Stay Protocol (“**ISDA U.S. Stay Protocol**”) after the date of this Agreement, the terms of the ISDA U.S. Stay Protocol will supersede and replace the terms of this Section 11(d).

(v) For purposes of this Section 11(d):

(A) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(B) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

J. ARON & COMPANY LLC

By: _____

Name: _____

Title: _____

FLORIDA MUNICIPAL POWER AGENCY,
ON BEHALF OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT

By: _____

Name: _____

Title: _____

[UPSTREAM SUPPLIER]

By: _____

Name: _____

Title: _____

Appendix 1

Assigned Rights and Obligations

Assigned Daily Quantity: [_____]

Assigned Contract Price: [_____]

Assigned Delivery Point: [_____]

Appendix 2

Notice Information

[To be completed before signing.]

Appendix 3

Copy of Upstream Supply Contract

[To be attached.]

EXHIBIT G-2
RESERVED

G-2

EXHIBIT H

PRICING AND OTHER TERMS

Administrative Fee:	\$_[____]/MMBtu
Delivery Period:	The period beginning on and including [____] and ending at the end of the Day before [____]; provided that the Delivery Period shall end immediately upon termination of deliveries of Commodities under the Prepaid Agreement pursuant to Article XVII thereof or early termination of this Agreement pursuant to <u>Article XVII</u> hereof.
Initial Reset Period:	The period beginning at the beginning of the Day on [____] and ending at the end of the last Day of the Month preceding the last Month of the Initial Interest Rate Period (as defined in the Bond Indenture).
Minimum Discount Percentage	An Available Discount Percentage as determined under the Re-Pricing Agreement of [____]%.
Monthly Discount Percentage:	For each Month of the Initial Reset Period, [____]%, and for each Month of any other Reset Period, the percentage determined by the Calculation Agent as defined in and pursuant to the Re-Pricing Agreement, exclusive of any Annual Refund.

EXHIBIT I-1

FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2025

Re: Energy Southeast, A Cooperative District
[Gas Supply Revenue Bonds]

The undersigned _____ of Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project (the "*Purchaser*"), hereby certifies as follows in connection with the Gas Supply Contract dated as of _____, 2025 (the "*Agreement*") between the Purchaser and Energy Southeast, A Cooperative District ("*Issuer*") and the issuance and sale by Issuer of the above-referenced bonds (the "*Bonds*") (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is 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, on behalf of the All-Requirements Power Supply Project, duly created and validly existing and in good standing under the laws of the State of Florida (the "*State*"), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, the Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Purchaser of the obligations on its part contained in the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of the Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on the Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default in any material respect under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5. The Purchaser is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Purchaser is a party or to which the Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default in any material respect by the Purchaser under any of the foregoing.

6. Payments to be made by the Purchaser under the Agreement shall constitute operating expenses of the Purchaser's utility system payable solely from the revenues and other available funds of Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of the Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Purchaser in any court or administrative body which would (a) contest the right of the officials of the Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Purchaser, (c) contest the validity, due authorization and execution of the Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of the Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of the Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Purchaser contained in the Official Statement dated _____, 20__, with respect to the Bonds, including Appendix B thereto (the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of the Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

FLORIDA MUNICIPAL POWER AGENCY,
ON BEHALF OF THE ALL-REQUIREMENTS
PROJECT

By _____

Name:

Title:

EXHIBIT I-2

FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF MEMBERS

Members will certify to their five-year historical retail electric sales. No additional certifications are expected. [Discuss]

EXHIBIT J

ARP PARTICIPATING MEMBERS⁴

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

⁴ Certain ARP Participating Members have elected to limit their All-Requirements Service, not continue the automatic extension of the term of their ARP Power Supply Contract or given notice to withdraw from the All-Requirements Power Supply Project.[To be discussed]

EXHIBIT K

ASSIGNMENT OF ASSIGNABLE POWER CONTRACTS

1. General Requirements. Assigned Rights and Obligations under an Assignable Power Contract may only be assigned under this Exhibit K if the following requirements are satisfied or waived by J. Aron and Issuer:
 - 1.1. The seller under such Assignable Power Contract (the “APC Party”) either (i) has a long-term senior unsecured credit rating that is “Baa3” or higher from Moody’s Investor’s Service, Inc. (or any successor to its credit rating service operation), “BBB-” or higher from Standard & Poor’s Global Ratings (or any successor to its credit rating service operation) or “BBB-” or higher from Fitch Ratings, Inc. (or any successor to its credit rating service operation), (ii) provides alternative credit support that is reasonably satisfactory to J. Aron or (iii) otherwise provides evidence of its creditworthiness that is reasonably satisfactory to J. Aron.
 - 1.2. The APC Party can satisfy J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies.
 - 1.3. The APC Party is organized in the United States and in a jurisdiction that does not present adverse tax consequences to J. Aron or Issuer in connection with such proposed assignment.
 - 1.4. J. Aron, Purchaser, and Issuer have agreed on and executed an Assignment Schedule for such assignment.
 - 1.5. J. Aron, Purchaser, Issuer, and the applicable APC Party have agreed on and executed an Assignment Agreement for such assignment.
 - 1.6. The contract price (in \$/MWh) payable by Purchaser under the applicable Assignable Power Contract (the “APC Contract Price”) is a fixed price unless Issuer, Purchaser and J. Aron agree, each in their sole discretion, to appropriate changes to the relevant documents to accommodate a floating APC Contract Price. For purposes of this Exhibit K, a “fixed price” shall be deemed to include any price that is fixed but for a periodic escalation, whether pre-determined or by reference to a price index, provided that the reductions to the DCQ required to reflect any index-based escalation shall be made promptly following the time that such index is available.
 - 1.7. If the Assignable Power Contract is unit-contingent, then:
 - 1.7.1. The Applicable Project (as defined below) is reasonably expected to be able to generate P99 Generation (as defined below), as determined by J. Aron in its reasonable discretion.

- 1.7.2. The Applicable Project (as defined below) has generated the Assigned Prepay Quantity (as defined below) in each Month since commencing commercial operation.
2. Proposed Assignment. Purchaser may propose an assignment of Assigned Rights and Obligations under Article XV of the Commodity Supply Contract by delivering the following items to Issuer and to J. Aron:
 - 2.1. A written notice of the proposed assignment signed by Purchaser.
 - 2.2. A true and complete copy of the Assignable Power Contract under which such Assigned Rights and Obligations would arise.
 - 2.3. Evidence reasonably satisfactory to Issuer and J. Aron that all authorizations, consents, approvals, licenses, rulings, permits, exemptions, variances, orders, judgments, decrees, declarations of or regulations by any Government Agency necessary in connection with the transactions contemplated by the Assignable Power Contract and the assignment of the Assignable Power Contract to J. Aron have been obtained and are in full force and effect.
 - 2.4. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.
 - 2.5. If the Assignable Power Contract is unit-contingent, then:
 - 2.5.1. A description and information of the applicable project to which the Assignable Power Contract applies (the "Applicable Project"), including but not limited to information on the location, interconnection(s), and operating and compliance history of Applicable Project.
 - 2.5.2. A report from a nationally recognized consultant in the energy industry that is reasonably acceptable to Issuer and J. Aron showing the "P99" forecasted generation ("P99 Generation") and "P50" forecasted generation ("P50 Generation") of the Applicable Project for the entire Assignment Period, as the terms P99 and P50 are commonly used in the renewable energy industry, to the extent readily available, and monthly historical generation and meteorological data of the Applicable Project dating back to the commercial operation date.
 - 2.6. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.

Following Issuer's and J. Aron's receipt of such information, Purchaser and Issuer will, and J. Aron has agreed in the Commodity Sale and Service Agreement to, (i) negotiate in good faith with one another regarding a potential Assignment Schedule, with the initial draft of such Assignment Schedule to be developed by J. Aron, and (ii) negotiate in good faith with one another and the APC Party regarding an Assignment Agreement, in each case related to the proposed assignment. If such Assignment Schedule and Assignment Agreement are agreed to by the representative parties thereto, the applicable parties will execute such Assignment Agreement and Assignment Schedule to be effective upon the assignment of the Assigned Rights and

Obligations from Purchaser to J. Aron pursuant to the Assignment Agreement. J. Aron will act in good faith in considering proposed assignments that meet the criteria set forth in this Exhibit K, in accordance with the provisions set forth in the Commodity Sale and Service Agreement. For the avoidance of doubt, Purchaser acknowledges that J. Aron will not be required to execute any Assignment Agreement or Assignment Schedule, or otherwise accept any Assigned Rights and Obligations unless the APC Party (i) satisfies J. Aron's internal requirements as they relate to "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies, (ii) is organized in the United States, and (iii) satisfies all other requirements in Section 1 of this Exhibit K.

3. Assignment Schedule. In connection with each assignment, an "Assignment Schedule" will be prepared in the form attached hereto as Annex I (with such changes as agreed by the Parties in their sole discretion), must be executed by Purchaser, Issuer and J. Aron, and must include each of the following:
 - 3.1. The term of such Assigned Rights and Obligations (the "Assignment Period") shall have the meaning specified in each applicable Assignment Agreement and shall (i) end not later than (a) the end of the delivery period under the Assignable Power Contract and (b) the end of the Delivery Period under this Agreement, (ii) not commence any earlier than sixty (60) days after Purchaser's original notice under Section 2.1 above, and (iii) have a primary term that is not less than 18 Months in duration (provided, for the avoidance of doubt, the primary term references the term of the Assignment Period and not the term of the Assignable Power Contract).
 - 3.2. If the Assignable Power Contract is unit-contingent, then a description of the Applicable Project.
 - 3.3. The "Assigned Prepay Quantity" means, for each Month of an Assignment Period and each Assignment Agreement, a quantity of Energy agreed upon by J. Aron, Issuer and Purchaser, which Assigned Prepay Quantity, if the Assignable Power Contract is unit contingent or for an as-generated Product, shall not exceed an amount that J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate in each Month during the Assignment Period; provided that the Assigned Prepay Quantity for each Month may not exceed the limit expressed in the proviso to Section 3.4 below. For the avoidance of doubt, the Assigned Rights and Obligations will include all of Purchaser's rights to receive Energy under the Assignable Power Contract even if such rights to receive Energy may exceed the Assigned Prepay Quantity.
 - 3.4. An updated Exhibit A-1 to the Commodity Supply Contract reflecting a reduction in Gas Contract Quantity for each Gas Day during an Assignment Period after giving effect to the Assignment Schedule (each, an "Gas Contract Quantity Reduction")⁵, which Gas Contract Quantity Reduction for each Gas Day will equal (i) the Assigned Prepay Quantity for such Gas Day (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Gas Days in such Month), multiplied by (ii) the result of (A) the applicable APC Contract Price, divided by (B) the ***[NOTE: To list the result of the following formula as determined at pricing: Front***

⁵ NTD: Gas Contract Quantity Reduction formula is subject to GS's review and sign off.

End Fixed Price + (Active Swap Fee – Standby Swap Fee).J; provided that if the Gas Contract Quantity Reduction for any Gas Day would result in a Gas Contract Quantity of less than zero, then the Assigned Prepay Quantity for such Gas Day will be reduced to the closest whole MMBtu such that the Gas Contract Quantity is not reduced below zero.

- 3.5. The APC Contract Price, which as set forth in Section 1.6 above must be a fixed price unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a floating APC Contract Price.
- 3.6. The Assigned Delivery Point for all Assigned Energy.
- 3.7. The Assigned Product included in the Assigned Rights and Obligations, which Assigned Product may not include any product other than Assigned Energy and Energy Product, provided that the APC Contract Price must be inclusive of any amounts due in respect of all Assigned Product, provided furthermore that Assigned Product may not in any case include capacity or resource adequacy product.
4. Miscellaneous. Notwithstanding anything herein to the contrary, the requirements in this Exhibit K relating to P99 Generation, P50 Generation and “Applicable Project” shall only apply to Assigned Prepay Quantities that provide for as generated Energy.

**ANNEX I
FORM OF ASSIGNMENT SCHEDULE**

Assigned Product: [____]

Assigned Delivery Point: [____]

Assigned Prepay Quantity: [____]

APC Contract Price: [____]

Assignment Period: [____]

Other Provisions (if unit-contingent):

- Applicable Project:
- P99 Generation:
- P50 Generation:

Attachment: Updated Exhibit A-1 to Commodity Supply Contract

ANNEX II
FORM OF ASSIGNMENT AGREEMENT

NOTE: Purchaser may include the form set forth in this Annex II as an exhibit to any PPA executed by Purchaser and include the following language in the PPA: “[Seller] agrees that [Buyer] may assign a portion of its rights and obligations under this Agreement to J. Aron & Company LLC (“J. Aron”) at any time upon not less than [___] days’ notice by delivering a written request for such assignment, which request must include a proposed assignment agreement in the form attached hereto as [Exhibit ___], with the blanks in such form completed in [Buyer’s] sole discretion. Provided that [Buyer] delivers a proposed assignment agreement complying with the previous sentence, [Seller] agrees to (i) comply with J. Aron’s reasonable requests for know-your-customer and similar account opening information and documentation with respect to [Seller], including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of J. Aron and Company, LLC and [Buyer].”

ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [___], 2025 by and among [___], [___] (“**PPA Seller**”), [___], a [___] (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”), and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA 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, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA 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 PPA Buyer under the PPA are expressly reserved for PPA Buyer.

- (b) PPA Buyer hereby delegates to J. Aron the obligation to pay for all Assigned Products that are actually delivered to J. Aron 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**”); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a

single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 1(d) hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it remains responsible for such payment and that it will be an Event of Default pursuant to Section [] if PPA Buyer does not make such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.

- (c) J. Aron hereby accepts and PPA 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 PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer is hereby authorized by J. Aron and shall act as J. Aron's agent with regard to scheduling Assigned Product; (iii) PPA Buyer will provide copies to J. Aron 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 PPA Seller and promptly after receipt thereof from PPA Seller; (iv) PPA Seller will provide copies to J. Aron of annual forecasts of Metered Energy and monthly forecasts of Available Capacity provided pursuant to Section [] of the PPA; (v) PPA Seller will provide copies to J. Aron of all invoices and supporting data provided to PPA Buyer pursuant to Section [], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (vi) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.
- (e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer, and (ii) J. Aron has the right to purchase receivables due from PPA Buyer for any such Assigned Products. PPA. To the extent J. Aron purchases any such receivables due from PPA Buyer, J. Aron may transfer such receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation.
- (f) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller's rights and obligations under the PPA.

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 J. Aron or PPA Buyer to each of the other Parties hereto;
 - (2) delivery of a written notice of termination by PPA Seller to each of J. Aron and PPA Buyer following J. Aron's failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for one business day following receipt by J. Aron of written notice thereof;
 - (3) delivery of a written notice by PPA Seller if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to J. Aron; or
 - (4) delivery of a written notice by J. Aron if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to PPA Seller.
- (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 J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron 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 J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron 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 PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of 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 [] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@gs.com

5. Miscellaneous. Sections (Buyer's Representations and Warranties), (Confidential Information), Sections (Severability), (Counterparts), (Amendments), (No Agency), (Mobile-Sierra), (Counterparts), (Facsimile or Electronic Delivery), Section (Binding Effect) and (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions.

(a) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "**U.S. Special Resolution Regime**") the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(b) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable ("**Default Right**")) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

(i) Upstream Supplier and Participant shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an "**Insolvency Proceeding**"), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(ii) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in Participant being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to Upstream Supplier and Participant.

(d) If Upstream Supplier and Participant each adhere to the ISDA 2018 U.S. Resolution Stay Protocol ("**ISDA U.S. Stay Protocol**") after the date of this Agreement,

the terms of the ISDA U.S. Stay Protocol will supersede and replace the terms of this Section 6.

(e) For purposes of this Section 6:

(i) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(ii) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

7. Governing Law, Jurisdiction, Waiver of Jury Trial.

(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 New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction’s laws; provided, however, that the authority of PPA Buyer to enter into and perform its obligations under this Assignment Agreement shall be determined in accordance with the laws of the State of Florida.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of (a) the courts of the State of New York located in the Borough of Manhattan, (b) the federal courts of the United States of America for the Southern District of New York or (c) the federal courts of the United States of America in any other state.

(c) **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 assignment agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

[PPA BUYER]

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:

Title:

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

By: _____

Name:

Title:

Appendix 1

Assigned Rights and Obligations

PPA: [The [Power Purchase Agreement] dated [_____] by and between [PPA Buyer] and [PPA Seller].]

Assignment Period Start Date: [_____] ⁶

Assignment Period End Date: [_____] ⁷

Assigned Product: [Describe and define]

Further Information: [Include, if any] ⁸

Projected P99 Generation: The “Projected P99 Generation” is attached hereto on a monthly basis.

⁶ The Assignment Period must not commence any earlier than sixty (60) days after Purchaser’s original notice under Section 2 of Exhibit H to the Commodity Supply Contract.

⁷ The Assignment Period must end no less than 18 months following the Assignment Period Start Date and no later than the end of the delivery period under the PPA.

⁸ To include transfer and settlement mechanics for RECs, as applicable.

Appendix 2

Assigned Prepay Quantity

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

Appendix 3

Copy of PPA

COMMODITY SUPPLY CONTRACT

(GAS TO ENERGY)

between

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

and

FLORIDA MUNICIPAL POWER AGENCY,
[ON BEHALF OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT]

Dated as of [____], 2025

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COMMODITY SUPPLY CONTRACT

This Commodity Supply Contract (hereinafter the “Agreement”) is made and entered into as of [____], 2025 (the “Execution Date”), by and between Energy Southeast, A Cooperative District, a capital improvement cooperative district organized under the Laws of the State of Alabama pursuant to Section 11-99B-1, *et seq.*, *Alabama Code* (“Issuer”), and 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, on behalf of the All-Requirements Power Supply Project (“Purchaser”).

W I T N E S S E T H:

WHEREAS, Issuer has planned and developed a project to acquire long-term Gas and Energy supplies from Aron Energy Prepay 30 LLC (“Prepay LLC”), a Delaware limited liability company and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Prepaid Commodity Sales Agreement (Gas to Energy), dated as of [____], 2025 (as amended, restated, supplemented or otherwise modified from time to time, the “Prepaid Agreement”) to meet a portion of the Gas and Energy supply requirements of Purchaser through the Commodity Project; and

WHEREAS, Purchaser desires to enter into an agreement with Issuer for the purchase of Commodity supplies from the Commodity Project; and

WHEREAS, Issuer will finance the prepayment under the Prepaid Agreement and the other costs of the Commodity Project by issuing the Bonds; and

WHEREAS, as a condition precedent to the effectiveness of the Parties’ obligations under this Agreement, Issuer shall have entered into the Prepaid Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Issuer and Purchaser (the “Parties” hereto; each is a “Party”) agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Administrative Fee” means the amount per MMBtu specified in Exhibit H.

“Affiliate” means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Agreement” has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto.

“All-Requirements Power Supply Project” means the Purchaser’s power supply project under which the Purchaser provides to each of the active participants in the All-Requirements Power Supply Project their individual “All-Requirements Service,” [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.]

“Alternate Gas Delivery Point” has the meaning specified in Section 5.1(a).

“Annual Refund” means the annual refund, if any, to be provided to Purchaser and calculated pursuant to the procedures specified in Section 3.2(e).

“APC Contract Price” has the meaning specified in Exhibit K.

“APC Party” has the meaning specified in Exhibit K.

“Applicable Rating Agencies” means, at any given time, each Rating Agency then rating the Bonds.

“ARP Participating Members” means the participants in Purchaser’s All-Requirements Power Supply Project.

“ARP Power Supply Contracts” mean the All-Requirements Power Supply Project Contracts, by and between FMPA and the ARP Participating Members, as amended and supplemented from time to time.

“ARP Resolution” means, the Purchaser’s All-Requirements Power Supply Project Revenue Bond Resolution, adopted March 22, 1985, amended and restated May 23, 2003, as supplemented and amended from time to time.

“Assignable Power Contract” has the meaning specified in Section 15.1.

“Assigned Delivery Point” means with respect to any Assigned Energy, the Assigned Delivery Point as set forth in the applicable Assignment Schedule for such Assigned Energy.

“Assigned Discounted Product” means, for any Month and with respect to any Assigned PPA, the total Assigned Prepay Quantities for such Assigned PPA actually delivered pursuant to such Assigned PPA in such Month.

“Assigned Energy” means any Energy to be delivered to Purchaser pursuant to any Assigned Rights and Obligations.

“Assigned PAYGO Product” means, for any Month with respect to an Assigned PPA, the amount, if any, by which the total quantity of Assigned Product delivered under such Assigned PPA in such Month exceeds the Assigned Prepay Quantity for such Assigned PPA for such Month.

“Assigned PPA” means any power purchase agreement that is assigned by Purchaser to J. Aron pursuant to an Assignment Agreement that relates to this Agreement.

“Assigned Prepay Quantity” has the meaning specified in Exhibit K.

“Assigned Product” means Assigned Energy, Assigned RECs and any other Energy Product included on an Assignment Schedule, subject to the limitations for such other Energy Product set forth in Exhibit K.

“Assigned RECs” means any RECs to be delivered to Purchaser pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” has the meaning specified in Section 15.1.

“Assignment Period” has the meaning specified in Exhibit K.

“Assignment Schedule” has the meaning specified in Exhibit K.

“Available Discount Percentage” has the meaning specified in the Re-Pricing Agreement. For the avoidance of doubt, the “Available Discount Percentage” under the Re-Pricing Agreement includes the Monthly Discount Percentage, as well as additional discounting expected to be made available through the Annual Refund.

“Billing Statement” has the meaning specified in Section 14.1(b).

“Bond Closing Date” means the date on which Bonds are first issued pursuant to the Bond Indenture.

“Bond Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

“Bonds” means the bonds issued pursuant to the Bond Indenture.

“Btu” means one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit at sixty (60) degrees Fahrenheit, and is the International Btu. The reporting basis for Btu is 14.73 psia and sixty (60) degrees Fahrenheit, *provided*, however, that the definition of Btu as determined by the operator of the relevant Delivery Point shall be deemed conclusive in accordance with Article VI of the Prepaid Agreement; and *provided*, further, that in the event of an inconsistency in the definition of “Btu” between this definition and the definition of “Btu” in the Prepaid Agreement, the definition in the Prepaid Agreement shall apply.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks generally in either New York, New York or the State of Alabama are authorized or required by Law to close, or (iv) any day excluded from “Business Day” as therein defined, pursuant to the Bond Indenture.

“Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

“Claiming Party” has the meaning specified in Section 11.1.

“Claims” means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Commodity” means Gas or Energy and, to the extent included on an Assignment Schedule, Energy Product related to the foregoing; provided that the inclusion of any Energy on an Assignment Schedule is subject to the limitation set forth in Exhibit K.

[“Commodity Project” has the meaning specified in the Bond Indenture.]

“Commodity Sale and Service Agreement” means that certain Commodity Purchase, Sale and Service Agreement (Gas to Energy), dated as of [____], by and between J. Aron and Prepay LLC.

“Contract Price” means: (a) with respect to the Gas Contract Quantity for each Month of Gas deliveries and each Delivery Point, the [Monthly Index Price] for such Delivery Point for such Month, plus (i) any applicable Index Premium less (ii) the product of the Prepay Fixed Price multiplied by the Monthly Discount Percentage, and (b) following the Switch Date, (I) with respect to an Assigned Discounted Product, the Contract Price shall be (x) the applicable APC Contract Price multiplied by (y) the result of 100% of such APC Contract Price less the Monthly Discount Percentage, and (II) with respect to an Assigned PAYGO Product, the Contract Price shall be the APC Contract Price.

“Contract Quantity” means: (a) the daily quantity of Gas (in MMBtu and subject to reduction under the circumstances specified in Section 15.2 and Exhibit K) shown on Exhibit A-1 for such Delivery Point for the Month in which such Gas Day occurs; and (b) following the Switch Date, the Assigned Prepay Quantities for each Month.

“CPT” means Central Daylight Saving Time when such time is applicable and otherwise means Central Standard Time.

“Credit Rating” means, with respect to any Replacement Project, the credit rating assigned to such Replacement Project by any Rating Agency (as defined in the Bond Indenture) then rating the Bonds.

“Critical Notice” has the meaning specified in Section 5.2(b).

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivering Transporter” means the Transporter delivering Gas at a Delivery Point.

“Delivery Period” has the meaning specified in Exhibit F.

“Delivery Point” means (a) with respect to the Gas Contract Quantity, the Gas Delivery Point, and (b) with respect to the Assigned Prepay Quantities, the Assigned Delivery Point(s), as applicable.

“Disqualified Sale Proceeds” has the meaning specified in Section 7.6.

“Disqualified Sale Units” has the meaning specified in Section 7.6.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

“Energy Product” means Energy and, to the extent included on an Assignment Schedule, RECs or other products related to the foregoing; *provided* that the inclusion of any Energy Product on an Assignment Schedule is subject to the limitations set forth in Exhibit K.

“Execution Date” has the meaning specified in the preamble.

“Federal Tax Certificate” means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

“FERC” means the Federal Energy Regulatory Commission and any successor thereto.

“Firm” means, with respect to the Gas Contract Quantity with respect to service on any pipeline system relating to the Contract Quantity or at any storage facility, that the pipeline or storage provider providing such service may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure with respect to such party asserting Force Majeure.

“FMPA Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, J. Aron and the FMPA Custodian.

“FMPA Custodian” means Regions Bank.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of transportation and/or storage by Transporters (*provided* that, if the affected Party is using interruptible or secondary Firm transportation, only if primary, in-path, Firm transportation is also curtailed by the same event, or if the relevant Transporter does not curtail based on path, if primary Firm transportation is also curtailed); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; (v) governmental actions such as necessity for compliance with any Law promulgated by a Government Agency having jurisdiction; (vi) an event affecting a supplier delivering Gas to Issuer (or to Issuer on behalf of Purchaser) to the extent (A) such Gas was intended for delivery or redelivery to Purchaser under this Agreement, and (B) such event would be considered Force Majeure under this Agreement if it affected Issuer directly; (vii) an inability by Issuer to deliver Gas due to the circumstances described as an event of Force Majeure in Section 5.7 hereof; and (viii) any invocation of Force Majeure by Prepay LLC under the Prepaid Agreement. Notwithstanding the foregoing, neither Party shall be entitled to the

benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the Party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; (iii) economic hardship, to include, without limitation, Issuer's ability to sell Gas at a higher or more advantageous price, Purchaser's ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Purchaser's market(s) or Purchaser's inability to use or resell Gas purchased under this Agreement, except, in either case, as provided in the foregoing definition of Force Majeure; or (v) the loss or failure of Issuer's Gas supply or depletion of reserves, except, in either case, as provided in the foregoing definition of Force Majeure. Purchaser shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any action taken by Purchaser in its governmental capacity. The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges. Notwithstanding the foregoing or anything to the contrary herein, to the extent that a Gas Assignment Agreement or a PPA Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer hereunder until the end of the first Month following the Month in which such early termination occurs.

“Gas” shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

“Gas Contract Quantity” means the daily quantity of Gas (in MMBtu) shown on Exhibit A-1 for such Delivery Point for the Month in which such Gas Day, which Gas Contract Quantity is subject to reduction under the circumstances specified in Section 15.2 and Exhibit K.

“Gas Contract Quantity Reductions” has the meaning specified in Exhibit K.

“Gas Day” means a period of twenty-four (24) consecutive hours, beginning at 9:00 a.m. CPT and ending at 8:59:59 a.m. CPT.

“Gas Delivery Point” has the meaning specified in Section 5.1(a).

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Imbalance Charges” means any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balancing and/or nomination requirements based on such Transporter's applicable pipeline tariff.

“Indemnifying Party” has the meaning specified in Section 5.3(b).

“Index Premium” means the amount specified in Exhibit A-1 for deliveries to a Delivery Point, as such amount may be adjusted in accordance with this Agreement.

“Initial Reset Period” means the period beginning on [____], 2025 and ending on [____], 20[____].

[“Interest Rate Period” has the meaning specified in the Bond Indenture.]

“Issuer” has the meaning specified in the preamble.

“Issuer Default” has the meaning specified in Section 17.1.

“J. Aron” means J. Aron & Company LLC, a New York limited liability company.

“Law” means any statute, law, rule or regulation or any judicial or administrative interpretation thereof, including any court order, having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time during the term of this Agreement.

“Minimum Discount Percentage” has the meaning specified in Exhibit H.

“MMBtu” means one million (1,000,000) Btu.

“Month” means (a) with respect to the Gas Contract Quantity, the period beginning at 9:00 a.m. CPT on the first day of a calendar month and ending at 8:59:59 a.m. CPT on the first day of the next calendar month, and (b) with respect to Assigned Products, a calendar month. The term “Monthly” shall be construed accordingly.

“Monthly Discount Percentage” has the meaning specified in Exhibit H.

“Monthly Index Price” has the meaning specified on Exhibit A-1 for each Gas Delivery Point.

“Moody’s” means Moody’s Investors Service, Inc.

“Municipal Utility” means any Person that (i) is a “governmental person” as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a gas distribution utility or an electric distribution utility (or provides natural gas or electricity at wholesale to, or that is sold to entities that provide natural gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the gas or electricity purchased by it (or cause such gas or electricity to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

“MWh” means megawatt-hour.

“Non-Priority Commodities” means any Commodities that are not Priority Commodities.

“Operation and Maintenance Expenses” has the meaning for such term provided in the ARP Resolution.

“Party” has the meaning specified in the preamble.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

“Potential Remarketing Event” has the meaning specified in Section 3.4(b).

“PPA Assignment Agreement” means, for any Assigned Rights and Obligations, an agreement between Purchaser, J. Aron and the APC Party in the form attached hereto as Attachment 2 to Exhibit K (with such changes as may be mutually agreed upon by Issuer, Purchaser, J. Aron and the APC Party, each in its sole discretion).

“Prepaid Agreement” has the meaning specified in the recitals.

“Prepay Fixed Price” means \$[____]/MMBtu, which is the fixed price for Gas under the Buyer Swap (as defined in the Prepaid Agreement).

“Prepay LLC” has the meaning specified in the recitals.

“Primary Gas Delivery Point” has the meaning specified in Section 5.1(a).

“Priority Commodities” means the Contract Quantity of Commodities to be purchased by Purchaser under this Agreement, together with Commodities that (i) Purchaser is obligated to take under a long-term agreement, which Commodities either have been purchased (or, with respect to Gas, has been produced from Gas reserves in the ground which reserves were purchased) by Purchaser or a joint action agency pursuant to a long-term prepaid gas purchase agreement using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes, or (ii) with respect to Energy, is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes (provided that, for the avoidance of doubt, Priority Commodities shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise unless such capacity was financed with obligations the interest on which is excluded from gross income for federal income tax purposes).

“Project Administration Fee” means, for each Month of the Delivery Period, the result of (i) Gas Contract Quantity for such Month without regard to any Gas Contract Quantity Reductions, multiplied by (ii) the product (in \$/MMBtu) of the Prepay Fixed Price multiplied by the Monthly Discount Percentage.

“Project Participant” has the meaning specified in the Bond Indenture.

“Purchaser” has the meaning specified in the preamble.

“Purchaser Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, J. Aron and the Purchaser Custodian.

“Purchaser Custodian” means Regions Bank.

“Purchaser Default” has the meaning specified in Section 17.2.

“Purchaser’s Agent” has the meaning specified in Section 5.6.

“Purchaser’s Statement” has the meaning specified in Section 14.1(a).

“Qualifying Use Requirements” means, with respect to any Commodity delivered under this Agreement, that such Commodity is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code in violation of that provision, and (iii) in a manner that is consistent with the Federal Tax Certificate, the form of which is attached as Exhibit D.

“Rating Agency” has the meaning specified in the Bond Indenture.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Issuer and Prepay LLC.

“Receiving Transporter” means the Transporter taking Gas at a Delivery Point, or absent such Transporter, the Transporter delivering Gas at such Delivery Point.

“RECs” means “renewable energy credits,” a certificate of proof associated with the generation of electricity from an eligible renewable energy resource, which certificate is issued through the accounting system established by the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“Remarketing Election” means an election by Purchaser made pursuant to a valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) under Section 3.4 hereof, to not take any Gas hereunder or to receive any Annual Refund attributable to the applicable Reset Period.

“Remarketing Election Deadline” means, for any Reset Period, the last date and time by which Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. CPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period with respect to which a Potential Remarketing Event has occurred.

“Remarketing Election Notice” has the meaning specified in Section 3.4(b).

“Replacement Gas” means Gas purchased by Purchaser to replace any Shortfall Quantity, *provided* that such Gas (i) is purchased for delivery on the Gas Day to which such Shortfall Quantity relates, (ii) is purchased for delivery in the Month such Shortfall Quantity

arises, or (iii) relates to a Shortfall Quantity that arose on a Gas Day that commences on any of the last seven Business Days of a Month, and is purchased for delivery in the Month following the Month in which such Shortfall Quantity arose.

“Replacement Gas Price” means, with respect to any Shortfall Quantity for Gas, the price (in \$/MMBtu) at which Purchaser, acting in a Commercially Reasonable manner, purchases Replacement Gas for delivery at the Delivery Point, subject to the final sentence of this definition, in respect of such Shortfall Quantity, including (i) costs reasonably incurred by Purchaser in purchasing such substitute Gas, and (ii) any transportation costs (including storage withdrawal and injection costs, which may include liquefaction and vaporization costs for stored liquefied natural gas). The Replacement Gas Price for any Shortfall Quantity shall not include any administrative or other internal costs incurred by Purchaser and shall be limited to a price that is Commercially Reasonable with respect to the timing and manner of purchase given (i) the amount of notice provided by Issuer, (ii) the immediacy of Purchaser’s Gas consumption needs or redelivery obligations, (iii) the quantities involved, (iv) the anticipated length of failure by Issuer, (v) the availability of Gas in Purchaser’s Gas storage inventory, (vi) Purchaser’s obligation to mitigate Issuer’s damages pursuant to Section 4.1(d) and (vii) any other relevant factors. In no event shall the Replacement Gas Price include any penalties or similar charges, *provided* that Imbalance Charges may be recovered under Section 5.5.

“Replacement Project” means a power supply project (a) established and undertaken by Purchaser to replace the power supply provided by the All-Requirements Power Supply Project or succeed to the power supply purposes of the All-Requirements Power Supply Project and (b) designated as a Replacement Project hereunder consistent with the terms of Section 14.11. A Replacement Project may include one or more of (i) a natural gas fired electric generating project, (ii) a power purchase or supply agreement entered into by or on behalf of Purchaser and (iii) any other power supply resource selected by Purchaser.

“Reset Period” means each “Reset Period” under the Re-Pricing Agreement.

“Reset Period Notice” has the meaning specified in Section 3.4(a).

“Revenues” has the meaning for such term provided in the ARP Resolution.

“Schedule”, “Scheduled” or “Scheduling” means the actions of Issuer, Purchaser and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Commodity to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Shortfall Quantity” has the meaning specified in Section 4.1(a).

“Switch Date” means such date as determined under the Prepaid Agreement pursuant to the procedure described in Section 3.3 below.

“System” has the meaning for such term provided in the ARP Resolution.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of Issuer or Purchaser to or from the Delivery Point.

“Transporter(s)” means all Gas gathering or pipeline companies, or local distribution companies acting in the capacity of a transporter, transporting Gas for Issuer or Purchaser upstream or downstream, respectively, of the Delivery Point.

“Trustee” means Regions Bank, and its successors as Trustee under the Bond Indenture.

“Upstream Supply Contract” has the meaning specified in Exhibit G-1.

“Utility Revenues”¹ means all charges received for, and all other income and receipts derived by Purchaser from, the operation of Purchaser’s utility system, or arising from Purchaser’s utility system, including income derived from the sale or use of energy distributed by any facilities of Purchaser’s utility system, together with any receipts derived from the sale of any property pertaining to Purchaser’s utility system or incidental to the operation of Purchaser’s utility system or from any services performed by Purchaser in connection with or incidental to Purchaser’s utility system, or from any other source whatsoever directly or indirectly derived from Purchaser’s utility system, but exclusive in every case of any moneys derived from the levy or collection of taxes upon any taxable property within the jurisdictional boundaries of Purchaser.

“Voided Remarketing Election Notice” has the meaning specified in Section 3.4(b).

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest scope of such general statement, term or matter. Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

¹ SM NTD: Subject to comment from Participant’s counsel to customize.

ARTICLE II
DELIVERY PERIOD; NATURE OF COMMODITY PROJECT; CONDITION
PRECEDENT

Section 2.1 Delivery Period. Subject to Section 2.3, delivery of Commodities by Issuer to Purchaser shall commence at the beginning of the Delivery Period and, except for any Reset Period for which a Remarketing Election Notice is in effect as provided in Section 3.4(b), shall continue throughout the Delivery Period.

Section 2.2 Nature of Commodity Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Commodities to Purchaser under this Agreement exclusively through its purchase of Commodities from Prepay LLC pursuant to the Prepaid Agreement and that Issuer is financing its purchase of such supplies through the issuance of the Bonds.

Section 2.3 Conditions Precedent. Notwithstanding anything to the contrary herein, commencement of deliveries and the rights and obligations of Issuer and Purchaser hereunder are subject to the condition precedent that Issuer shall have entered into the Prepaid Agreement and shall have issued the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title and interest under this Agreement and the revenues to be received under this Agreement to secure Issuer's obligations under the Bond Indenture.

ARTICLE III
SALE AND PURCHASE; PRICING

Section 3.1 Sale and Purchase of Commodities. On each Gas Day during the Delivery Period, Issuer agrees to sell and deliver or cause to be delivered to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, on a Firm basis, the Gas Contract Quantity, if any, pursuant to the terms and conditions set forth in this Agreement. Following the Switch Date for each Month for which an Assignment Period under a PPA Assignment Agreement is in effect at the start of such Month, Issuer agrees to sell and deliver to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, the portion of the Assigned Prepay Quantities actually delivered by each APC Party.

Section 3.2 Pricing.

(a) For each MMBtu of Gas delivered to Purchaser at the Gas Delivery Point, Purchaser shall pay Issuer the Contract Price.

(b) Following the Switch Date for each Month for which an Assignment Period under a PPA Assignment Agreement is in effect at the start of such Month:

(i) Purchaser shall pay Issuer the Contract Price for the Assigned Products actually delivered for such Month; and

(ii) Pursuant to the terms of the Purchaser Custodial Agreement, Purchaser shall owe a separate [FMPA Gross Payment (as defined in the Purchaser Custodial Agreement)] for each Assigned PPA consistent with the terms of the Purchaser Custodial Agreement, and, upon satisfying its obligations under the FMPA Custodial Agreement in respect of such amount (after taking into consideration any [PPA Seller Payment Obligation (as such term is defined in the Purchaser Custodial Agreement)] credited to Purchaser in respect thereof), any portion of such amount attributable to Assigned PAYGO Product shall be deemed to be paid by Purchaser to the applicable APC Party on behalf of J. Aron and shall satisfy the obligations of the respective parties under each of the Commodity Sale and Service Agreement, the Prepaid Agreement, this Agreement and the applicable Assignment Agreement for such Assigned PAYGO Product.

(c) Issuer shall bill and Purchaser shall pay the Project Administration Fee each Month, as part of the Billing Statement described in Article XIV (which Project Administration Fee, for the avoidance of doubt, shall be in addition to the Contract Price).

(d) The Contract Price for Assigned Energy is inclusive of any amounts due in respect of Assigned RECs and any other Assigned Products.

(e) During the term of this Agreement, promptly following completion of the annual audit of Issuer's financial statements at the end of each fiscal year (currently the twelve-month period ending September 30), Issuer shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Commodity Project for that fiscal year. For purposes of such annual comparison, Issuer's expenses shall include: (a) its expenses incurred in obtaining Commodity supply under the Commodity Project; (b) its reasonable administrative, legal, and accounting expenses directly incurred in connection with or properly allocable to the Commodity Project, including the administration of this Agreement and all other contracts for the sale of Commodities obtained under the Commodity Project; (c) debt service on the Bonds, including payments under any interest rate swap or hedge agreement related to the Commodity Project; (d) any replenishment of draws made upon any working capital fund associated with the Commodity Project; (e) any deposits required to be made by Issuer into any debt service reserve or other reserve or contingency fund or funds established with respect to the Bonds; (f) any fees or other amounts due to any provider of credit support for the Bonds; (g) any net payments under any commodity price swap or hedge agreement entered into in connection with the Commodity Project; and (h) any other similar costs and expenses. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then Issuer shall make refunds to Purchaser and the other Project Participants in the amount available after making allowances for any necessary and appropriate reserves and contingencies (as provided in the foregoing clause (e)), including but not limited to amounts deemed reasonably necessary by Issuer to fund any working capital reserve and to reserve or account for unfunded liabilities, including future sinking fund or other principal amortization of the Bonds. The amount available for refund shall be allocated among and paid annually to Purchaser under this Agreement and the other Project Participants, if any, not later than 90 days after the end of each fiscal year in proportion to their respective purchases for such fiscal year –

which determination shall be made with respect Purchaser's purchases under this Agreement on the basis of the Gas Contract Quantity as originally set forth herein without regard to the occurrence of the Switch Date. As of the Execution Date, the projected Annual Refund for the Initial Reset Period is [\$0.0x] per MMBtu.

Section 3.3 Switch Date; Assignment of Agreements. Commencing on the Switch Date, Purchaser may assign certain Assigned Rights and Obligations for redelivery hereunder consistent with Article XV. Issuer has the right under the Prepaid Agreement to designate the Switch Date and modify a previously designated Switch Date to a later date by delivering written notice to Prepay LLC, provided that (i) the Switch Date shall not occur unless Purchaser has caused the designation thereof and has not caused the modification of such date consistent with this Section 3.3, (ii) the Switch Date may not in any case occur prior to [____]; (iii) the Switch Date must occur on the first day of a Month that commences not earlier than six (6) Months after such notice is delivered; and (iv) in the case of a modification of a previously designated Switch Date, such notice must be delivered no later than nine Months prior to the date on which the Switch Date otherwise would have occurred. Purchaser shall have the right, upon written notice to Issuer provided no later than five Business Days before the notice deadlines specified above, to require Issuer to invoke its rights under the Prepaid Agreement to modify the Switch Date in accordance with the Prepaid Agreement, and Issuer agrees that it shall act only at the direction of Purchaser in making any elections regarding the Switch Date.

Section 3.4 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, formal written notice setting forth (i) the duration of such Reset Period, (ii) the estimated [Available Discount Percentage] for such Reset Period, and (iii) the applicable Remarketing Election Deadline (a "Reset Period Notice"). Issuer may thereafter update such notice at any time prior to the Remarketing Election Deadline and may extend the Remarketing Election Deadline in its sole discretion in any such update.

(b) Remarketing Election. If the Reset Period Notice (or any update thereto) indicates that the Available Discount Percentage in such notice is not at least equal to the Minimum Discount Percentage for that Reset Period, then: (i) a "Potential Remarketing Event" shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Election Deadline, issue a written notice in the form attached hereto as Exhibit C (a "Remarketing Election Notice") to Issuer, Prepay LLC and the Trustee electing for all of Purchaser's Commodities that would otherwise be delivered hereunder to be remarketed during the applicable Reset Period; *provided*, however, if the actual Available Discount Percentage, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount Percentage, then Issuer may, in its sole discretion, elect by written notice to Purchaser to treat such Remarketing Election Notice as void (a "Voided Remarketing Election Notice"). If Purchaser makes a valid Remarketing Election (other than a Voided Remarketing Election Notice) in accordance with this Section 3.4(b), then Purchaser shall have no rights or obligations to take any Commodities hereunder or to receive any Annual Refund attributable to the applicable Reset Period.

(c) Final Determination of Available Discount Percentage. The Parties acknowledge and agree that the final Available Discount Percentage for any Reset Period following the Initial Reset Period will be determined on the applicable [Re-Pricing Date (as defined in the Re-Pricing Agreement)], and that such Available Discount Percentage may differ from the estimate or estimates of such Available Discount Percentage provided to Purchaser prior to the applicable Remarketing Election Deadline for such Reset Period; *provided* that the Available Discount Percentage for any Reset Period will not be less than the lesser of (i) the last estimated [Available Discount Percentage] set forth in the Reset Period Notice (or any update thereof) sent by Issuer, and (ii) the Minimum Discount Percentage applicable to such Reset Period.

(d) Resumption of Deliveries. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser will remain obligated to purchase the Contract Quantities hereunder for each subsequent Reset Period, unless Purchaser issues a new valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any such Reset Period in accordance with Section 3.4(b).

(e) Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Issuer and the Calculation Agent (as defined therein) determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) Issuer will notify Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

ARTICLE IV FAILURE TO DELIVER OR TAKE COMMODITIES

Section 4.1 Issuer's Failure to Deliver the Contract Quantity (Not Due to Force Majeure).

(a) If, on any Gas Day, Issuer breaches its obligation to deliver all or any portion of the Gas Contract Quantity at any Delivery Point pursuant to the terms of this Agreement, then the portion of the Gas Contract Quantity that Issuer failed to deliver shall be a "Shortfall Quantity" and Purchaser shall exercise Commercially Reasonable Efforts to purchase Replacement Gas.

(b) To the extent that Purchaser actually purchases Replacement Gas with respect to any Shortfall Quantity, then Issuer shall pay to Purchaser the result determined by the following formula:

$$P = Q \times (RP - CP + AF)$$

Where:

- P = The amount payable by Issuer under this Section 4.1(b);
- Q = The quantity of Replacement Gas purchased;
- RP = The Replacement Gas Price;
- CP = The Contract Price that would have applied to such Commodity;
and
- AF = The Administrative Fee.

(c) Purchaser shall monitor nominations and deliveries of Commodities to be delivered to Purchaser at each Delivery Point and shall promptly notify Issuer upon becoming aware that such nominations or deliveries might result in a Shortfall Quantity with respect to such Delivery Point.

(d) Purchaser shall exercise Commercially Reasonable Efforts to mitigate Issuer's damages paid hereunder, *provided* that such Commercially Reasonable Efforts shall not require Purchaser to utilize or change its utilization of its owned or controlled assets or market positions to minimize Issuer's liability.

(e) Imbalance Charges for Gas shall not be recovered under this Section 4.1, but rather in accordance with Section 5.5.

Section 4.2 Purchaser's Failure to Take the Gas Contract Quantity (Not Due to Force Majeure). If, on any Gas Day, Purchaser breaches its obligation to take all or any portion of the Gas Contract Quantity at any Delivery Point pursuant to the terms of this Agreement, then Purchaser shall remain obligated to pay Issuer the Contract Price for the Gas Contract Quantity. Issuer shall credit to Purchaser's account any net revenues Issuer may receive from Prepay LLC under the Prepaid Agreement in connection with the ultimate sale of any such Commodities by Prepay LLC to Municipal Utilities or, if necessary, other purchasers, up to the Contract Price.

Section 4.3 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of the Contract Quantity:

(a) Purchaser fails to take or fails to deliver all or any portion of the such quantities at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party,

then the Parties shall have no payment obligations with respect to such quantities hereunder.

Section 4.4 Limitations. Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another with respect to a failure to Schedule, take or deliver any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment Agreement is in effect.

Section 4.5 Sole Remedies. Except with respect to the payment of Imbalance Charges pursuant to Section 5.5, the remedies set forth in this Article IV shall be each Party's sole and exclusive remedies for any failure by the other Party to deliver or take Commodities, as applicable, pursuant to this Agreement.

Section 4.6 Make-up Delivery in Lieu of Payment. The Parties may mutually agree to make up all or a portion of the Contract Quantity not delivered or taken by increasing deliveries and takes over the remainder of the Month in which such failure occurred.

ARTICLE V TRANSPORTATION AND DELIVERY; COMMUNICATIONS; GAS QUALITY

Section 5.1 Delivery Point.

(a) All Gas delivered under this Agreement shall be delivered and received (i) at the delivery point specified in Exhibit A-1 (the "Primary Gas Delivery Point"), or (ii) to any other point (an "Alternate Gas Delivery Point") that has been mutually agreed by Issuer and Purchaser's Agent (the Primary Gas Delivery Point or Alternate Gas Delivery Point, if specified, each being a "Gas Delivery Point").

(b) The Monthly Index Price for each Alternate Gas Delivery Point, as applicable, shall be the price mutually agreed and identified by Issuer and Purchaser's Agent, or if no such price is identified for such Alternate Gas Delivery Point, the price shall be the Monthly Index Price for such Alternate Gas Delivery Point, as applicable, specified on Exhibit A-1 for the Primary Gas Delivery Point from which quantities are being shifted to such Alternate Gas Delivery Point.

(c) All Energy delivered under this Agreement shall be Scheduled at any applicable Assigned Delivery Point specified in an Assignment Schedule with respect to Assigned Energy.

Section 5.2 Responsibility for Transportation; Permits.

(a) Issuer shall obtain or cause to be obtained and pay for or cause payment to be made for all processing, gathering, and transportation necessary for delivery of the Gas Contract Quantity to each Delivery Point. Purchaser shall obtain or cause to be obtained and pay for or cause payment to be made for all transportation necessary to receive the Gas Contract Quantity at each Delivery Point and to transport the Gas Contract Quantity from each Delivery Point.

(b) Should either Party receive (or should Purchaser's Agent receive) an operational flow order or other order or notice from a Transporter requiring action to be taken in

connection with the Gas flowing under this Agreement (a “Critical Notice”), such Party shall (or in the case of Purchaser’s Agent, Issuer shall cause Purchaser’s Agent to) notify or cause the notification of the other Party of the Critical Notice and provide or cause to be provided to the other Party a copy of same by electronic mail, or facsimile if requested, within a Commercially Reasonable timeframe. The Parties shall exercise Commercially Reasonable Efforts required by the Critical Notice within the time prescribed by the applicable Transporter. Each Party shall, in accordance with the procedures set forth in Section 18.1, indemnify, defend and hold harmless the other Party from any Claims associated with any Critical Notice (i) of which the indemnifying Party failed to give the indemnified Party the notice required under this Agreement or (ii) under which the indemnifying Party failed to take the action required by the Critical Notice within the time prescribed, *provided* the notice, if required, from the indemnified Party was timely delivered.

Section 5.3 Title and Risk of Loss.

(a) Title to Commodities delivered under this Agreement and risk of loss shall pass from Issuer to Purchaser at the Delivery Point; *provided* that the transfer of title and risk of loss for all shall be in accordance with the applicable Gas Assignment Agreement or PPA Assignment Agreement while any such assignment agreement is in effect; *provided* furthermore that, notwithstanding anything to the contrary in this Agreement, no indemnity obligations shall apply as between the Parties with respect to any Commodities to be delivered pursuant to a Gas Assignment Agreement or a PPA Assignment Agreement.

(b) With respect to Gas, as between the Parties, Issuer shall be deemed to be in exclusive control and possession of the Gas delivered under this Agreement, and responsible for any damage or injury caused thereby, prior to the time such Gas has been delivered to Purchaser at the Delivery Point. After delivery of Gas to Purchaser at the Delivery Point, Purchaser shall be deemed to be in exclusive control and possession thereof and responsible for any injury or damage caused thereby. Each Party (each, an “Indemnifying Party”) assumes all liability for and, subject to the provisions of Section 18.1, shall indemnify, defend and hold harmless the other Party from any Claims, including death of Persons, arising from any act or incident occurring when title to Gas is vested in the Indemnifying Party.

Section 5.4 Daily Flow Rates. For Gas, unless otherwise agreed by the Parties or required by the Receiving Transporter and Delivering Transporter, Issuer shall nominate, schedule and deliver, and Purchaser shall nominate, schedule and take, (or cause to be nominated, scheduled and taken) the Gas Contract Quantity (deemed ratable) at each Delivery Point in accordance with the requirements of the Receiving Transporter and Delivering Transporter at such Delivery Point. As used herein, “ratable” shall mean, with respect to Gas deliveries, delivery of equal proportionate amounts of the Gas Contract Quantity for each hour of a Gas Day.

Section 5.5 Imbalances. The Parties shall use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If Purchaser or Issuer receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Agreement, the Parties shall determine the validity as well as the cause of such Imbalance

Charges. If the Imbalance Charges were incurred as a result of Purchaser's taking of quantities of Gas greater than or less than the Gas Contract Quantity at any Delivery Point, then Purchaser shall pay for such Imbalance Charges or reimburse Issuer for such Imbalance Charges paid by Issuer. If the Imbalance Charges were incurred as a result of Issuer's delivery of quantities of Gas greater than or less than the Contract Quantities at any Delivery Point, then Issuer shall pay for such Imbalance Charges or reimburse Purchaser for such Imbalance Charges paid by Purchaser. Additionally, notwithstanding anything to the contrary in this Section 5.5, Seller shall have no liability for Imbalance Charges in respect of any Gas required to be scheduled or delivered under an Upstream Supply Contract.

Section 5.6 Communications Protocol; Purchaser's Agent. Purchaser and Issuer shall comply with the communications protocols set forth in Exhibit G-1 for Gas deliveries; provided that, for any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment Agreement is in effect, Scheduling and shall be in accordance with the applicable assignment agreement. Purchaser hereby designates Florida Gas Utility as "Purchaser's Agent" hereunder and as Purchaser's "Receipt Scheduling Entity" under the communications protocols attached as Exhibit G-1. Purchaser may delegate to Purchaser's Agent decision making authority for specified items under this Agreement in a written notice delivered from time to time to Issuer. In connection with provisions hereunder where Purchaser's Agent's agreement or consent is required or where Purchaser has delegated decision making authority to Purchaser's Agent, Issuer shall have right to rely exclusively on communications from Purchaser's Agent as if some communications were delivered by Purchaser. Contact information for Purchaser's Agent is set forth on Exhibit B hereto. Purchaser may update the identity and notice information for Purchaser's Agent upon thirty (30) days' written notice to Issuer. Any newly designated Purchaser's Agent shall also be deemed to be designated as Purchaser's "Receipt Scheduling Entity" under the communications protocols attached as Exhibit G-1.

Section 5.7 Gas Quality and Measurement. Purchaser shall not be required to accept Gas delivered by Issuer that does not meet the pressure, quality and heat content requirements of the Receiving Transporter as detailed in the applicable pipeline tariff. Purchaser's sole and exclusive remedy against Issuer with respect to any Gas that fails to meet such pressure, quality and heat content requirements shall be the right to reject non-conforming Gas and to receive payment under Article IV. If such rejected Gas meets the pressure, quality and heat content requirements of the Delivering Transporter, but does not meet such requirements of the Receiving Transporter, any such rejection by Purchaser and failure to deliver by Issuer shall be deemed to be excused by Force Majeure. For the avoidance of doubt, the provisions of Article XI shall apply to any such event of Force Majeure. If such rejected Gas does not meet such requirements of either the Receiving Transporter or the Delivering Transporter, Issuer shall be deemed to have failed to deliver any such Gas that is properly rejected. The unit of quantity measurement for Gas for purposes of this Agreement shall be one MMBtu dry. Measurement of Gas quantities under this Agreement shall be in accordance with the established procedures of the operator of the applicable Delivery Point. With respect to any measurement of Gas delivered or received under this Agreement at any Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point shall be deemed to be conclusive; *provided*, however, if the operator of such Delivery Point revises its measurement statements for Gas, such revision shall be effective as the measurement

of Gas for the purposes of this Agreement and may be corrected pursuant to Section 14.5. If the operator of such Delivery Point measures Gas in terms of dekatherms, one dekatherm (as determined by such operator) will be deemed to be equal to one MMBtu for purposes of this Agreement.

Section 5.8 Limitations. Notwithstanding anything to the contrary herein, neither Party shall have any liability under this Article V with respect to any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment Agreement is in effect.

ARTICLE VI GAS ASSIGNMENT AGREEMENTS

Purchaser may assign and J. Aron may agree to assume a portion of Purchaser's rights and obligations under an Upstream Supply Contract consistent with the terms set forth in Exhibit G-1.

ARTICLE VII USE OF COMMODITIES

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to itself, the System and the Members as may be reasonably requested by Issuer and Special Tax Counsel (as defined in the Bond Indenture) in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time that are reasonably required in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, with respect to the Contract Quantity it purchases under this Agreement that, if taken or omitted, respectively, would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Commodities. Purchaser agrees to take the Contract Quantity under this Agreement (a) in priority over and in preference to all other Commodities available to Purchaser that are not Priority Commodities; and (b) on at least a *pari passu* and non-discriminatory basis with other Priority Commodities.

Section 7.3 Assistance with Sales to Third Parties.

(c) Temporary Load Loss. If, notwithstanding Purchaser's compliance with Section 7.1, (i) with respect to the Gas Contract Quantity, in the event Purchaser does not require or is unable to receive all or any portion of the Contract Quantity that it is obligated to purchase under this Agreement as a result of (x) a temporary reduction in requirements for Gas requirements due to a change in a Participating Member's generation requirements (including, without limitation, as a result of increased purchases of renewable generation or economic dispatch of non-Gas fired generation) during the Delivery Period, or (y) decreased demand by Purchaser's Participating Members and/or their retail customers or (ii) with respect to Assigned Prepay Quantities, (A) a quantity of Assigned Product less than the Assigned Prepay Quantity

under an Assigned PPA is delivered in any Month during an Assignment Period for any reason other than Force Majeure or (B) an [Assigned PPA FM Remarketing Event has occurred and is in effect (as defined in Exhibit F to the Prepaid Agreement)], Purchaser may request (and in the case of clause (ii) shall be deemed to request for) Issuer to use Commercially Reasonable Efforts, to the extent permitted in the Prepaid Agreement, to arrange for the sale of such quantities by Prepay LLC (1) to another Municipal Utility, or (2) if necessary, to another purchaser. Purchaser shall remain obligated to pay Issuer the Contract Price, plus the Project Administration Base Charge and the Project Administration Fixed Price Charge, as applicable, for any portion of the Contract Quantity for which it requests remarketing pursuant to the foregoing sentence; provided that, if Issuer succeeds in arranging such a sale by Prepay LLC, Issuer shall credit against the amount owed by Purchaser for such Contract Quantities the amount received by Issuer from Prepay LLC for such sales less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to Prepay LLC under the Prepaid Agreement, but in no event shall the amount of such credit be more than the Contract Price.

(d) Permanent Load Loss Prior to Switch Date. In the event that prior to the Switch Date Purchaser does not require all or any portion of the Contract Quantity that it is obligated to purchase under this Agreement as a result of (i) the permanent loss of gas-fired electric generation facilities (evidenced by the governing body of a Participating Member taking such action which has the effect of approving, consenting to, or acquiescing in the cessation of operation of natural gas-fired generation for the remaining term of the Delivery Period); (ii) a permanent reduction in requirements for Gas due to a change in the Participating Member's generation requirements (including, without limitation, as a result of increased purchases of renewable generation or economic dispatch of other non-Gas-fired generation); or (iii) legislative or regulatory imposition of requirements upon a Participating Member related to climate change, reduction in greenhouse gas emissions, or other environmental concerns that has the effect of requiring Participating Member to change its generation portfolio mix to include less fossil fuel-dependent generation resources or pay an additional charge, tax, or penalty for continuing to operate or rely upon fossil fuel-dependent generation resources (respectively, which shall be deemed by the Parties to have occurred if the Participating Member must reduce fossil fuel-dependent generation resources such that its needs for Gas under this Agreement are either reduced or eliminated and the Participating Member's reasonably projected Gas needs from such units are less than the total quantity of Priority Commodities allocable to the Participating Member); then, Purchaser may give notice of the permanent reduction of such quantities from its Contract Quantity for the remainder of the Delivery Period. If the Issuer is reasonably satisfied that such loss of need for Gas is as described in (i), (ii), or (iii) in this Section 7.3(b) above, which determination shall not be unreasonably withheld, conditioned, or delayed, then the Issuer will, six months following the receipt of notice from Purchaser, reduce Purchaser's Contract Quantity for the remainder of the Delivery Period and arrange for the sale of such quantities by Prepay LLC to another purchaser or purchasers. As used in this Section 7.3(b), "permanent" means a period of time, commencing as of the delivery of Purchaser's notice under this section, that lasts for at least as long as the remainder of the Delivery Period. Notwithstanding the foregoing, to the extent requested by Issuer following Issuer's receipt of a notice of permanent load loss under this Section 7.3(b), Purchaser shall cooperate in good faith with Issuer to

designate a Switch Date to avoid a permanent reduction in Purchaser's Contract Quantity under this Agreement.

Section 7.4 Qualifying Use. Without limiting Purchaser's other obligations under this Article VII, Purchaser agrees that, subject to Section 7.5, it will use all of the Gas purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation.

(a) The Parties acknowledge that Purchaser may at times inadvertently remarket Commodities received hereunder in a manner that does not comply with Qualifying Use Requirements due to daily and hourly fluctuations in Purchaser's Commodity needs. To the extent Purchaser does so, Purchaser shall (a) exercise Commercially Reasonable Efforts to use any Disqualified Sale Proceeds of such remarketing to purchase Commodities (other than Priority Commodities) that Purchaser then uses in compliance with the Qualifying Use Requirements and (b) reserve funds in an amount equal to any Disqualified Sale Proceeds until such Disqualified Sale Proceeds are remediated or transferred to the Trustee pursuant to Section 7.5(b) below.

(b) To the extent that all or any portion of the Contract Quantities are remarketed under Section 7.3 or Section 7.5(a), as applicable, and any such remarketing results in a Ledger Entry (as defined in the Prepaid Agreement), Purchaser agrees that it shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to the remarketing proceeds associated with any such Ledger Entry to purchase Non-Priority Commodities and use such Non-Priority Commodities in compliance with the Qualifying Use Requirements in order to remediate such Ledger Entries; and (ii) apply its purchases of Non-Priority Commodities to remediate any such proceeds under the Prepaid Agreement on a *pari passu* basis and non-discriminatory basis with any other contract that provides for the purchase of Priority Commodities. To track compliance with Purchaser's obligations under this Section 7.5(b), Purchaser shall deliver a remediation certificate to Issuer and Prepay LLC by the last day of the Month subsequent to any relevant Non-Priority Commodities purchases; provided that the Parties acknowledge and agree that any purchases of Assigned PAYGO Products (commencing with purchases of Assigned PAYGO Products in the Month in which any such Ledger Entry occurs) shall be applied to remediate any such Ledger Entries and no remediation certificate shall be required with respect to purchases of Assigned PAYGO Products. For Ledger Entries remediated under this Section 7.5(b) that have not otherwise been remediated by Prepay LLC pursuant to the remarketing provisions of the Prepaid Agreement, Issuer shall pay Purchaser any portion of the Monthly Discount Percentage associated with such Ledger Entries that is available under the Bond Indenture on or before the last Business Day of the Month in which Purchaser provides a certificate under this Section 7.5(b) evidencing such remediation.

Section 7.6 Ledger Entries; Redemption.

(a) Remediation. To track compliance with the requirements of Section 7.5, Purchaser will provide a quarterly report to Issuer (delivered not later than the 15th day of each April, July, October and January until the end of the Delivery Period) showing the following: the total quantity of proceeds from sales of Commodities received hereunder or Energy generated with the Gas received hereunder that (i) were sold by Purchaser to any Person in a transaction that does not comply with the Qualifying Use Requirements and (ii) have not been remediated by Purchaser by applying such proceeds to purchase Commodities that are used in compliance with the Qualifying Use Requirements (the quantities of Gas producing such proceeds, “Disqualified Sale Units” and such proceeds received, “Disqualified Sale Proceeds”).

(b) Ledger Entries. Issuer shall report such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units to Prepay LLC and Purchaser for addition to the remarketing ledgers maintained by Prepay LLC under the Prepaid Agreement, with the ledger entries to be dated as of the end of the first month of the relevant quarter.

(c) Transfers to Trustee. Purchaser shall transfer (to the extent such unremediated Disqualified Sales Proceeds and associated Disqualified Sale Units remain reflected on the remarketing ledger described under Section 7.6(b) at the time such transfer is required by this Section 7.6(c)) any such unremediated Disqualified Sale Proceeds and any other required funds (i.e., all additional funds necessary for redemption of the Bonds referred to in this Section 7.6(c)) to the Trustee at least 95 days prior to the second anniversary of the date on which such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units were first reflected on the remarketing ledgers in accordance with Section 7.6(b), with such funds to be deposited in the Debt Service Account (as defined in the Bond Indenture) and applied to the redemption of Bonds as directed by Issuer and approved by Special Tax Counsel (as defined in the Bond Indenture) as preserving the tax-exempt status of the Bonds.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) For Issuer as the representing Party, Issuer is a capital improvement cooperative district organized under the Laws of the State of Alabama pursuant to Section 11-99B-1, *et seq.*, *Alabama Code*;

(b) For Purchaser as the representing Party, Purchaser is 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, on behalf of the All-Requirements Power Supply Project;

(c) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

(d) there is no litigation, action, suit, proceeding or investigation pending or, to the best of such Party's knowledge, threatened, before or by any Government Agency, which could reasonably be expected to materially and adversely affect the performance by such Party of its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(e) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary action on the part of such Party and do not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(f) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(g) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, decree or other legal or regulatory determination applicable to it;

(h) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law or ordinance applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Bond Indenture;

(i) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

(j) it enters this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold under this Agreement and delivered by it to Purchaser, free and clear of all liens, encumbrances, and claims.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS ARTICLE VIII, ISSUER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer, including Purchaser's most recent audited financial statements, for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its undertakings to enable the underwriters of the offerings of the Bonds to comply with the continuing disclosure provisions of Rule 15c2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

ARTICLE IX TAXES

Issuer shall (i) be responsible for all ad valorem, excise, severance, production and other taxes assessed with respect to Commodities (other than any portion of the Contract Quantity for which a Gas Assignment Agreement or a PPA Assignment is in effect) delivered pursuant to this Agreement upstream of the Delivery Point, and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. Purchaser shall (i) be responsible for all such taxes assessed at or downstream of the Delivery Point, and (ii) subject to the provisions of Section 18.1, indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates. Nothing shall obligate or cause a Party to pay or be liable for any tax for which it is exempt under Law.

ARTICLE X JURISDICTION; WAIVER OF JURY TRIAL

Section 10.1 Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EITHER PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE COURTS OF THE STATE OF FLORIDA, (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (D) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN THE STATE OF FLORIDA. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY

REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH ARTICLE XVI; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

Section 10.2 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.2 AND EXECUTED BY EACH OF THE PARTIES), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY A COURT.

ARTICLE XI FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party's non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances

shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter exercise Commercially Reasonable Efforts to defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would subject either Party to any greater or different regulation or jurisdiction that materially affects the rights or obligations of the Parties under this Agreement.

ARTICLE XIII ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party; *provided* furthermore that, for the avoidance of doubt, any applicable Gas Assignment Agreement shall terminate concurrent with the assignment of this Agreement. Prior to assigning this Agreement, Purchaser shall deliver to Issuer written confirmation from each Rating Agency (as defined in the Bond Indenture) then rating the Bonds, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by such Rating Agency to the Bonds.

Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XIV PAYMENTS

Section 14.1 Monthly Statements.

(a) Purchaser's Statements. No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Purchaser shall deliver to Issuer, if applicable, a statement (a "Purchaser's Statement") listing (i) in respect of any Replacement Gas, the quantity and Replacement Gas Price applicable to such purchase, and (ii) any other amounts due to Purchaser in connection with this Agreement with respect to prior Months.

(b) Billing Statements. No later than the 10th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the "Billing Date"), Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Commodities delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Issuer or Purchaser. If the actual quantity delivered is not known by the Billing Date, Issuer may provisionally prepare a Billing Statement based on Issuer's best available knowledge of the quantity of Commodities delivered, which shall not exceed the sum of the Contract Quantity of Commodities for such Month plus any make-up quantities delivered during such Month. The invoiced quantity and amounts paid thereon (with interest calculated on the amount overpaid or underpaid by Purchaser at the Default Rate) will then be adjusted on the following Month's Billing Statement, as actual delivery information becomes available based on the actual quantity delivered. **[NOTE: Parties to confirm whether any updates to invoicing mechanics are needed based on invoice timing for potential Assigned PPAs.]**

(c) Supporting Documentation. Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing statements and information described in this Section 14.1 as such requesting Party may reasonably request.

Section 14.2 Payments.

(a) Payments Due. If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to the Trustee for the benefit of Issuer by wire transfer (pursuant to the Trustee's instructions), in immediately available funds, on or before the 22nd day of the Month following the most recent Month to which such Billing Statement relates,

or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser's instructions), in immediately available funds, on or before the 28th day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day.

(b) No Duty to Estimate. If Purchaser fails to issue a Purchaser's Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser's Statements issued within the next sixty (60) days. The sixty (60) day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5(b) with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts; Correction of Index Price.

(a) Disputes. If Purchaser disputes any amounts included in Issuer's Billing Statement, Purchaser shall (a) (except in the case of manifest error) nonetheless calculate the Billing Statement based on the amounts included in the Purchaser's Statement and (b) pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided*, however, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

(b) Corrections. If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within 30 days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than 30 days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 14.4 Late Payment. If Purchaser fails to remit the full amount payable within one Business Day of when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) Right to Audit. A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Deadline for Objections. Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Commodity deliveries.

(c) Payment of Adjustments. All retroactive adjustments shall be paid in full by the Party owing payment within 30 days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Purchaser's Statement or Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, no Party shall be entitled to net any amounts that are in dispute, and payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Source of Purchaser's Payments. Purchaser covenants and agrees to make payments due hereunder from (i) its Revenues under the ARP Resolution (such amounts, "Utility Revenues") which shall be payable as an Operation and Maintenance Expense, and such payments due hereunder are payable from Utility Revenues prior to the payment of the Purchaser's debt service and the funding of reserves as provided in the ARP Resolution and (ii) as an operating expense and as a first charge (together with other operating expenses) of any Replacement Project designated in accordance with the terms hereof; *provided*, however, that Purchaser may apply any legally available monies to the payment of amounts due hereunder.

Section 14.8 Rate Covenant. Section 711 of the ARP Resolution is hereby incorporated herein and the defined terms in such Section 711 shall have the meanings for such terms provided in the ARP Resolution. The payments due hereunder from the Purchaser constitute Operation and Maintenance Expenses that are payable out of Utility Revenues and are covered under such Section 711. Notwithstanding anything herein to the contrary, Purchaser shall not be obligated to make any payments hereunder except from Utility Revenues.

Section 14.9 Pledge of Utility Revenues. Purchaser shall not grant any payment priority from its Utility Revenues for its payment obligations under any contract that will have payment priority over the obligations of Purchaser to pay the Contract Price, which obligations constitute and are payable as an Operation and Maintenance Expense of Purchaser under the ARP Resolution.

Section 14.10 Financial Responsibility. When reasonable grounds for insecurity of payments due under this Agreement arise, Issuer may demand, and Purchaser shall provide within 48 hours but at least two Business Days if demanded, adequate assurance of performance. Reasonable grounds include, but are not limited to the occurrence of an insolvency or liquidation proceeding with respect to Purchaser's All-Requirements Power Supply Project or any Replacement Project or the downgrading of Purchaser's credit rating with respect to the Purchaser's All-Requirements Power Supply Project or any Replacement Project, if any, by a nationally recognized securities rating organization with respect to obligations secured by a pledge of Purchaser's Utility Revenues to a level below investment grade (in accordance with the applicable rating scale of the rating agency) (*provided, however*, so long as Purchaser has at least one credit rating with respect to the Purchaser's All-Requirements Power Supply Project or any Replacement Project by a nationally recognized securities rating organization with respect to obligations secured by a pledge of Purchaser's Utility Revenues at a level that is investment grade (in accordance with the applicable rating scale of the rating agency), the withdrawal or suspension of Purchaser's credit rating with respect to the Purchaser's All-Requirements Power Supply Project or any Replacement Project by one or more other nationally recognized securities rating organization(s) with respect to obligations secured by a pledge of Purchaser's Utility Revenues for reasons not related to the credit quality of the pledge of Purchaser's Utility Revenues will not constitute a downgrade of Purchaser's credit rating for purposes of this provision), or such facts and circumstances which would constitute reasonable grounds for insecurity under applicable Law. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by Issuer, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. The Parties agree that in the event Purchaser fails to provide such adequate assurance as demanded, Issuer shall have the right to suspend its performance under this Agreement, including the making of deliveries of Commodities to Purchaser, on two (2) day's written notice and shall not be obligated to restore such performance until the later of (i) the first day of the Month after such demand has been satisfied, and (ii) the completion of the term of deliveries to any replacement sales customer to which Prepay LLC has remarketed the Commodities on behalf of Issuer.

Section 14.11 Replacement Project. Purchaser shall provide written notice to Issuer and J. Aron of any proposed Replacement Project at least 12 Months prior to the proposed effectiveness of the designation of such Replacement Project, provided that the designation of any Replacement Project hereunder shall be subject to the following requirements: (a) any Replacement Project must either (i) have a Credit Rating of at least "A3" from Moody's (or an equivalent rating from any other Rating Agency) or (ii) be approved in writing by J. Aron; and (b) Issuer and Purchaser shall agree (subject to J. Aron's consent) upon any necessary amendments to the references herein to the ARP Participating Members.

**ARTICLE XV
PPA ASSIGNMENT AGREEMENTS**

Section 15.1 Generally. Purchaser may be a party to one or more power purchase agreements other than this Agreement (each such agreement, an “Assignable Power Contract”) pursuant to which Purchaser is purchasing Energy that may be assigned commencing on the Switch Date pursuant to this Section 15.1 and Exhibit K. Commencing (a) at least six Months prior to (i) the Switch Date and (ii) the end of any Assignment Period under any PPA Assignment Agreement and (b) immediately upon an early termination of an Assignment Period under a PPA Assignment Agreement, Purchaser shall exercise Commercially Reasonable Efforts to assign to J. Aron a portion of Purchaser’s rights and obligations under one or more Assignable Power Contract in accordance with this Section 15.1 and Exhibit K that result in a reduction of the Gas Contract Quantities to zero. J. Aron, to the extent it accepts such assignment, will deliver Assigned Product it receives from such Assigned Rights and Obligations to Prepay LLC under the Commodity Sale and Service Agreement, Prepay LLC will then deliver such Assigned Product to Issuer under the Prepaid Agreement, and Issuer will deliver such Assigned Product to Purchaser under this Agreement; *provided* that, for the avoidance of doubt, any such assignment shall constitute a partial assignment and delegation. Any such assignments must be proposed and agreed pursuant to Exhibit K and the Commodity Sale and Service Agreement. To the extent so assigned, Issuer’s obligation to deliver, and Purchaser’s obligation to receive, the Gas Contract Quantity shall be reduced in accordance with Exhibit K to reflect the Assigned Product acquired by Issuer pursuant to such assignment.

Section 15.2 Early Termination of Assignment Period. In connection with the execution of a PPA Assignment Agreement, Issuer shall revise (a) Exhibit A-1 to reflect appropriate Gas Contract Quantity Reductions and (b) Exhibit A-2 to reflect the Assigned Prepay Quantity associated therewith consistent with the terms of Exhibit K; provided that such Gas Contract Quantity Reductions shall be reversed consistent with the terms of Exhibit K in connection with the termination of any Assignment Period except for an Assignment Period that terminates contemporaneously with this Agreement.

Section 15.3 J. Aron Non-Payment to APC Party. To the extent that (a) J. Aron fails to pay when due any J. Aron Prepay Payment under and as defined in the FMPA Custodial Agreement and (b) Purchaser makes a payment for such amounts to the applicable APC Party, Purchaser shall provide notice thereof to Issuer upon Purchaser’s payment to the applicable APC Party and Issuer shall make a payment to purchaser in the amount of such non-payment.

**ARTICLE XVI
NOTICES**

Any notice, demand, statement, or request required or authorized by this Agreement to be given by one Party to the other Party (or to any third party) shall be in writing and shall either be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal

delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, either Party may at any time notify the other that any notice, demand, statement, or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute an "Issuer Default" under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement proves to have been incorrect in any material respect when made;

(b) Issuer (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(c) Issuer fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the receipt by Issuer of notice thereof.

Section 17.2 Purchaser Default. Each of the following events shall constitute a “Purchaser Default” under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for one (1) Business Day following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made; or

(d) Purchaser fails to perform, observe or comply with any other covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time an Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is

deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided*, however, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition that upon the occurrence of a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Commodities otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Commodities may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Commodities under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Commodities tendered for delivery under this Agreement, Issuer shall have the right to sell such Commodities to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further sales and deliveries of Commodities to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to purchase and receive deliveries of Commodities from Issuer under this Agreement will terminate; provided that the foregoing provisions shall not relieve the breaching party from liability for any such breach(es). Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Prepaid Agreement. Purchaser acknowledges and agrees that (i) in the event of a permanent termination of Commodities deliveries under the Prepaid Agreement for any reason prior to the end of the Delivery Period, this Agreement shall terminate

on the effective date of early termination of the Prepaid Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements), (ii) Issuer's obligation to deliver Product under this Agreement shall terminate upon the termination of deliveries of Commodities to Issuer under the Prepaid Agreement and (iii) Purchaser shall exercise its right to terminate any Assignment Agreement in effect. Issuer shall provide notice to Purchaser of any permanent termination of Commodities deliveries under the Prepaid Agreement. The Parties recognize and agree that, in the event that the Prepaid Agreement terminates because of a [Failed Remarketing (as defined in the Bond Indenture)] of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Commodities under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount Percentage or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. 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 HEREIN 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. 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. 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 WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified):

(a) each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(b) on or prior to the Bond Closing Date and on or prior to the closing date for any refinancing of the Bonds, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in the form attached hereto as Exhibit D, with such changes thereto as may be reasonably requested by Special Tax Counsel (as defined in the Bond Indenture);

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion of counsel to Purchaser in the form attached hereto as Exhibit E;

(d) on the Bond Closing Date, Issuer shall deliver to Purchaser an opinion of counsel to Issuer in the form attached hereto as Exhibit F; and

(e) on the Bond Closing Date, Purchaser shall deliver to Issuer (i) a Closing Certificate in substantially the form set forth hereto as Exhibit I-1 and (ii) [Closing Certificates from certain of the Members in substantially the form set forth hereto as Exhibit I-2.]

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no

amendment, modification, supplement or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW; *PROVIDED*, HOWEVER, THAT THE AUTHORITY OF THE PARTIES TO ENTER INTO AND PERFORM THEIR RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THEIR STATES OF FORMATION, EXCEPT THAT THE CAPACITY, POWER AND AUTHORITY OF PURCHASER TO ENTER INTO THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach or breaches shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits and attachments referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationship of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity or governmental immunity with respect to its contractual obligations or any contractual Claims under this Agreement, and each hereby waives any such defense of sovereign or governmental immunity for contractual obligations or claims to the full extent permitted by Law.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and Prepay LLC under Section 19.2 of the Prepaid Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 19.2 of the Prepaid Agreement.

Section 18.12 Limitation of Liability. The obligations of Issuer under this Agreement are special and limited obligations payable solely from the revenues, income and funds of its Commodity Project that are pledged pursuant to the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (i) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Bond Indenture, (ii) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Issuer's rights and Purchaser's obligations under this Agreement, (iii) J. Aron shall be a third-party beneficiary of this Agreement with the right to rely upon and enforce the provisions of Article I, Article VI, Section 14.7, Section 14.8, Section 14.11, Article XV, Exhibit G-1 and Exhibit K of this Agreement, (iv) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (v) in the event of any Purchaser Defaults under Section 17.2(a), (A) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Provisions (as defined in the Bond Indenture), take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party transferee who purchases and takes assignment of such receivables from Prepay LLC shall thereafter have all rights of collection with respect to such receivables (provided that, if at any time an insurance provider agrees to insure Purchaser's payment obligations hereunder, then such insurance provider shall have the same rights under this Section 18.14 as Prepay LLC), and (B) if such receivables are not so assigned, the Swap Counterparty or Swap Counterparties (as defined in the Bond Indenture) shall have the right to pursue collection of such receivables to the extent any non-payment by Issuer to any Swap Counterparty was caused by Purchaser's payment default. Pursuant to the terms of the Bond Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Bond Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or

the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 Waiver of Defenses. Each Party waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

By: _____

Name: _____

Title: _____

Signature Page to Commodity Supply Contract

FLORIDA MUNICIPAL POWER AGENCY,
ON BEHALF OF THE ALL-REQUIREMENTS
POWER SUPPLY PROJECT

By: _____
Name: _____
Title: _____

Signature Page to Commodity Supply Contract

**EXHIBIT A-1
DELIVERY POINTS; CONTRACT QUANTITIES**

Commodity	Gas	
Primary Gas Delivery Point	[_____]	
Index Price	[_____]	
Index Premium	<p>\$0.[_] /MMBtu*</p> <p>*In the event that an Upstream Supply Contract entered into consistent with the Communications Protocol specifies a different premium to the Index Price, the Index Premium shall be adjusted to reflect the then-current market prices as specified in such Upstream Supply Contract.</p> <p>In the event that an Upstream Supply Contract has not been designated pursuant to the Communications Protocol or otherwise is not in effect at any time during the Delivery Period, the Parties shall update the Index Premium to reflect any Index Premium determined by J. Aron in its reasonable discretion based on then-current market conditions for gas supply at the Delivery Point.</p>	
Month	MMBtu/Day	MMBtu/Month

Index Premium	<p>\$0.[_] /MMBtu*</p> <p>*In the event that an Upstream Supply Contract entered into consistent with the Communications Protocol specifies a different premium to the Index Price, the Index Premium shall be adjusted to reflect the then-current market prices as specified in such Upstream Supply Contract.</p> <p>In the event that an Upstream Supply Contract has not been designated pursuant to the Communications Protocol or otherwise is not in effect at any time during the Delivery Period, the Parties shall update the Index Premium to reflect any Index Premium determined by J. Aron in its reasonable discretion based on then-current market conditions for gas supply at the Delivery Point.</p>	
Month	MMBtu/Day	MMBtu/Month
<i>To come.</i>	<i>To come.</i>	<i>To come.</i>

EXHIBIT A-2
ASSIGNED PPA ASSIGNED RIGHTS AND OBLIGATIONS

A-2-1

**EXHIBIT B
NOTICES**

IF TO ISSUER: Energy Southeast, A Cooperative District
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Scheduling: [Name/Title]
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Invoicing: [Name/Title]
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Payments: Regions Bank
1900 5th Ave N, 26th Floor
Birmingham, Alabama 35203
Attention: Corporate Trust
Email: elizabeth.carpenter@regions.com

Wire Instructions: Regions Bank
Wells Fargo Bank
420 Montgomery Street
San Francisco, CA 94104
ABA #: 121000248
DDA #: 2020050839788
Acct Name: [____]
FFC: [____]

Statements: [Name/Title]
[Address]
[____], [____][____]
Fax: [____]
Email: [____]

Continuing Disclosure: [Name/Title]
Phone: [____]

Email: [_____]

[Name/Title]

Phone: [_____]

Email: [_____]

[Name/Title]

Phone: [_____]

Email: [_____]

IF TO PURCHASER:

Florida Municipal Power Agency,
on behalf of the All-Requirements Power
Supply Project
8553 Commodity Circle
Orlando, FL 32819
Attention: Chief Operating Officer
Telephone: 407-355-7767
Email: ken.rutter@fmpa.com

Gas Related:

[_____]

[_____]

[_____]

Power Related:

[_____]

[_____]

[_____]

Invoicing/Payments:

[_____]

[_____]

[_____]

**IF TO PURCHASER'S
AGENT:**

Florida Gas Utility
4619 NW 53rd Avenue
Gainesville, FL 32653
Attn: Operations Director
Telephone: 352-334-0770
Facsimile: 352-334-0789
Email: notices@flgas.com

EXHIBIT C

FORM OF REMARKETING ELECTION NOTICE

Energy Southeast, A Cooperative District

[_____]

[_____]

Aron Energy Prepay 30 LLC
c/o J. Aron & Company LLC
200 West Street
New York, NY 10282

Regions Bank
1900 5th Avenue North, 26th Floor
Birmingham, Alabama 35203

To the Addressees:

The undersigned, duly authorized representative of Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project (the “Purchaser”), is providing this notice (the “Remarketing Election Notice”) pursuant to the Power Supply Contract, dated as of [_____], 2025 (the “Supply Contract”), between Energy Southeast, A Cooperative District and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 3.3(b) of the Supply Contract, the Purchaser has elected to have its Contract Quantity for the applicable Reset Period remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries in any future Reset Period shall be in accordance with Section 3.3(d) of the Supply Contract.

Given this [___] day of [_____], 20[___].

FLORIDA MUNICIPAL POWER
AGENCY, on behalf of the All-
Requirements Power Supply Project

By: _____

Printed Name:

Title:

EXHIBIT D
FORM OF FEDERAL TAX CERTIFICATE

[To come.]²

² NTD: Tax counsel to provide a draft tax certificate for review.

EXHIBIT E
FORM OF OPINION OF COUNSEL TO PURCHASER

[_____], 2025

Energy Southeast, A Cooperative District
[____], [____][_____]

Aron Energy Prepay 30 LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

Regions Bank, as trustee
Birmingham, AL

[Swap Counterparty]
[____], [____][_____]

[Swap Counterparty]
[____], [____][_____]

Re: Power Supply Contract between Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project, and Energy Southeast, A Cooperative District dated as of [____], 2025

Ladies and Gentlemen:

I serve as General Counsel and Chief Legal Officer to Florida Municipal Power Agency, in its capacity as agent for the All-Requirements Power Supply Project (“Purchaser”). Purchaser is a purchaser in the Commodity Project undertaken by Energy Southeast, a Cooperative District (“Issuer”). I am furnishing this opinion to you in connection with the Power Supply Contract between Issuer and Purchaser dated as of [____], 2025 (the “Supply Contract”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contract.

In connection with this opinion, I have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of Florida (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

E-1

(b) The proceedings of Purchaser's governing body regarding the approval granted to Purchaser to execute and deliver the Supply Contract;

(c) A copy of the Supply Contract executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser's System (as defined in the ARP Resolution).

I have also examined and relied upon originals or copies, certified or otherwise authenticated to my satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in my judgment I have deemed necessary or appropriate to enable me to render the opinions expressed below.

Based upon the foregoing, I am of the opinion that:

1. Purchaser is a separate governmental entity, duly organized and validly existing under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Supply Contract.

2. The execution, delivery, and performance by Purchaser of its obligations under the Supply Contract have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contract by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contract is the legal, valid, and binding obligation of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization and other laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police power of the State of Florida and of the constitutional power of the United States of America. No opinion is being rendered as to the availability of any particular remedy.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to my knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of its obligations under the Supply Contract or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contract and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State

relating to Purchaser and its affairs, and (b) to my knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to my knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to my knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contract shall constitute Operation and Maintenance Expenses under the ARP Resolution. The application of the revenues and other available funds of Purchaser's System (as defined in the ARP Resolution) to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of my knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contract nor to my knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contract and may not be relied upon other than in connection with the transactions contemplated by the Supply Contract, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT F

FORM OF OPINION OF COUNSEL TO ISSUER

[_____], 2025

Florida Municipal Power Agency,
on behalf of the All-Requirements Power Supply Project
Orlando, FL

Aron Energy Prepay 30 LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

Regions Bank, as trustee
Birmingham, AL

[Swap Counterparty 1]
[____], [____][____]

[Swap Counterparty 2]
[____], [____][____]

Re: Power Supply Contract between Florida Municipal Power Agency,
on behalf of the All-Requirements Power Supply Project, and
Energy Southeast, A Cooperative District dated as of [____], 2025
(the “Power Supply Contract”)

We have acted as counsel to the Energy Southeast, A Cooperative District (the “Issuer”) in connection with its execution of the Power Supply Contract. This opinion is rendered pursuant to Section 18.2(d) of the Power Supply Contract. Capitalized terms used and not defined in this opinion shall have the same meanings assigned to them in the Power Supply Contract.

In our capacity as counsel to the Issuer, we have examined the following:

- (a) A certified copy of the Certificate of Incorporation of the Issuer;
- (b) A certified copy of the By-Laws of the Issuer;
- (c) A Certificate of Existence for the Issuer issued by the [____] Secretary of State;

(d) A certified copy of the Resolution adopted by the Board of Directors of the Issuer on [____] as supplemented by [____] (the “Resolution”), authorizing the execution and delivery of the Power Supply Agreement;

(f) An executed counterpart of each of the Power Supply Contract;

In rendering this opinion, we have examined a copy such records and other documents as we have deemed necessary and relevant for purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as copies.

As to factual matters, we have relied solely upon the documents described above, the representations and warranties of the Issuer contained in the Power Supply Contract, other agreements and certificates delivered in connection with the Commodity Project, the certificate of incorporation of the Issuer, as amended, and various certificates and other documents furnished to us by Issuer’s officers and its Board of Directors. In basing the opinions set forth in this letter on “our knowledge,” the words “our knowledge” signify that, in the course of our representation, no facts have come to the attention of the individual signing this opinion that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

We are of the opinion that:

1. The Issuer is a public corporation organized under the Laws of the State of Alabama pursuant to Section 11-99B-1, *et seq.*, *Alabama Code* (the “Act”), and, and has full legal right, power and authority under the Act to (a) adopt the Resolution, (b) enter into, execute and deliver the Power Supply Contract, and (c) carry out and consummate the transactions contemplated by the Power Supply Contract, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Power Supply Contract as they pertain to such transactions.

2. By all necessary official action, the Issuer has duly authorized all necessary action to be taken by it for (a) the adoption of the Resolution, (b) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Power Supply Contract, and (c) the consummation by it of all other transactions contemplated by the Power Supply Contract.

3. The Resolution was duly and validly adopted by the Issuer and all other proceedings pertinent to the validity and enforceability of the Power Supply Contract have been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the Issuer and in compliance with the Constitution and laws of the State, including the Act, and the Resolution is in full force and effect and has not been amended.

4. The Power Supply Contract has been duly authorized, executed and delivered by the Issuer, and constitutes a legal, valid and binding obligation of the Issuer

enforceable against the Issuer in accordance with its terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights.

5. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Power Supply Contract have been obtained.

6. To our knowledge, after due inquiry of representatives of the Issuer, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to our knowledge, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Power Supply Contract or in any way contesting or affecting the validity or enforceability of the Power Supply Contract.

7. The execution and delivery of the Power Supply Contract and compliance by the Issuer with the provisions thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Issuer a material breach of or a default under any agreement or instrument to which the Issuer is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Issuer is subject.

Notwithstanding anything to the contrary contained above, the foregoing opinion is expressly made subject to the following exceptions, qualifications, and assumptions:

(i) We express no opinion with respect to the validity or enforceability of any provisions of the Power Supply Contract or any other documents that may be read to require the Issuer to indemnify any party or waive trial by jury.

(ii) We express no opinion as to the enforceability of provisions waiving, directly or indirectly, expressly or impliedly, defenses to obligations or rights granted by law, where such waivers are prohibited by law or are against public policy.

(iii) We except from our opinion any provisions contained in any document which purport to prevent any party from raising an affirmative defense thereto, such as estoppel, illegality, etc., if such affirmative defense arises or is asserted to have arisen out of any action by any party which has not been brought to our attention, or which purports to prevent any party from raising a claim of fraud.

(iv) We except from our opinion any provisions contained in any of the documents which could be construed as waiving service of process or any applicable statute of limitations defense or which establish any rights to specific performance.

(v) Our opinion as to enforceability is limited by standards of good faith, fair dealing, materiality, and reasonableness that may be applied by a court to the exercise of certain

rights and remedies; limitations based on statutes or on public policy limiting a person's right to waive the benefit of statutory provisions or of a common law right; and limitations releasing a party from or indemnifying a party against liability for its own wrongful or negligent act when such release or indemnification is contrary to public policy.

(vi) Our opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. The opinions expressed in this letter are given solely for your use and benefit in connection with the transactions referred to herein and no other person may use or rely on this opinion letter, nor may it be used or relied upon in any other transaction which is not related to transactions referred to herein, without our prior express written consent. This opinion is provided to you as a legal opinion only and not as a warranty or guarantee with respect to the matter described herein or in the documents referred to herein.

(vii) We bring to your attention the fact that we are admitted to the bar of the State of [____] and the opinions herein are limited to the laws of the State of [____] and the federal laws of the United States of America. We express no opinion as to the enforceability, under the laws of the State of [____] or any other State, of any choice of law provisions contained in the Power Supply Contract, nor, assuming such provisions would be enforceable under the choice of law principles of the State of [____] or any other State, do we state any opinion as to the enforceability of the Power Supply Contract under the internal laws of any other State. Notwithstanding the foregoing, you have requested us to review the Power Supply Contract and provide you with the opinions set forth herein assuming, solely for purposes of these opinions, that the internal laws of the State of [____] would govern the Power Supply Contract. If the Power Supply Contract were to be governed under the internal laws of the State of [____], our opinions would be as set forth herein. We note that if a court of competent jurisdiction determines the Power Supply Contract to be unenforceable under the laws of any other State, then the Power Supply Contract may not be enforced by [____] courts under the applicable [____] conflict of law provisions.

(viii) Our opinion is rendered as of the date hereof and we assume no obligation to advise you of changes in law or fact (or to the effect thereof on the opinions expressed herein) that hereafter may come to our attention.

(ix) The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.

Sincerely,

EXHIBIT G-1

GAS COMMUNICATIONS PROTOCOL

1. OVERVIEW

This Communications Protocol shall apply to the gas deliveries contemplated under the following contracts (each, a “Gas Contract” and collectively, the “Gas Contracts”):

- (a) pursuant to (i) one or more contracts identified pursuant to Section 8 of this Communications Protocol as an Upstream Supply Contract, the Upstream Supplier is obligated to deliver the Contract Quantity to J. Aron at the Delivery Points and (ii) a Limited Assignment Agreement entered into among [Project Participant] (“Participant”), an Upstream Supplier and J. Aron & Company LLC (“J. Aron”);
- (b) pursuant to that certain Commodity Purchase, Sale and Service Agreement, dated as of [____], 2025 (the “Commodity Sale and Service Agreement”), between J. Aron and Aron Energy Prepay 30 LLC (“Prepay LLC”), J. Aron is obligated to deliver the Contract Quantity to Prepay LLC at the Delivery Points;
- (c) pursuant to that certain Prepaid Commodity Sales Agreement, dated as of [____], 2025 (the “Prepaid Agreement”), between Prepay LLC and Energy Southeast, A Cooperative District (“Issuer”), Prepay LLC obligated to deliver the Contract Quantity to Issuer at the Delivery Points; and
- (d) pursuant to that certain Commodity Supply Agreement, dated as of [____] 1, 2025 (the “Gas Supply Contract”), between Issuer and Participant, Issuer is obligated to deliver the Contract Quantity to Participant at the Delivery Points.

2. ADDITIONAL DEFINED TERMS

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Prepaid Agreement as in effect on the date it is first executed or as amended with the consent of each Relevant Party that is affected by such change. References to Sections are to the Sections of this Communications Protocol, unless specifically stated otherwise. The following terms used in this Communications Protocol shall have the following meanings:

- 2.1 “Delivery Points” has the meaning specified in the Gas Supply Contract.
- 2.2 “Delivery Scheduling Entity” means J. Aron or another Person as the Delivery Scheduling Entity designated by J. Aron as set forth in Attachment 3 or in a subsequent written notice to Issuer, provided that during periods when an Upstream Supplier has been designated pursuant to Section 8, the Upstream Supplier will be the Delivery Scheduling Entity.

- 2.3 “Operational Nomination” has the meaning specified in Section 4.1.1.
- 2.4 “Receipt Scheduling Entity” means Participant unless Issuer designates another Person as set forth in Attachment 3 or in a subsequent written notice to Issuer, in which case this Communications Protocol will cease to apply to Participant.
- 2.5 “Relevant Party” means each of the Upstream Supplier, J. Aron, Prepay LLC, Issuer and Participant.
- 2.6 “Relevant Transporter” means any Transporter that will or is intended to transport Gas to be delivered or received under the Gas Contracts.
- 2.7 “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

3. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to a particular Gas Contract to which this Communications Protocol applies acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not party to a particular Gas Contract. In connection therewith:

- 3.1 Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder;
- 3.2 Each Relevant Party will cause its counterparty to each relevant Gas Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty;
- 3.3 No Relevant Party will amend any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party; and
- 3.4 No Relevant Party will waive any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

4. INFORMATION EXCHANGE AND COMMUNICATION

- 4.1 Communication of Operational Nomination Details
 - 4.1.1 Prior to each Month during which Gas is required to be delivered under the Prepaid Agreement, the Receipt Scheduling Entity shall deliver an operational nomination in writing in a form substantially similar to Attachment 2 (the “Operational Nomination”) to each other Relevant Party no later than 8:30 am CPT on the second Business Day prior to the

last day of exchange trading for Henry Hub Natural Gas Futures Contracts on the New York Mercantile Exchange (or any successor thereto) for deliveries in such Month. The Operational Nomination shall be delivered electronically to the notice addresses set forth on Attachment 1.

- 4.1.2 The Delivery Scheduling Entity shall update appropriate nomination details on the relevant Receipt Scheduling Entity's Operational Nomination and forward to all other Relevant Parties by the close of the Business Day prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Points for deliveries in each Month in which Gas is to be delivered.
- 4.1.3 The Delivery Scheduling Entity shall, if necessary due to reduction during any Month, update appropriate nomination details on the relevant Receipt Scheduling Entity's Operational Nomination and forward to all other Relevant Parties by not later than 8:00 am CPT two Business Days prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Points for deliveries on any Day or Days in which Gas is to be delivered.
- 4.1.4 The Scheduling Entities acknowledge and understand that changes to Operational Nomination details may occur after the deadline set forth in Section 4.1.1. The Scheduling Entity initiating the change will forward a revised Operational Nomination to the other Scheduling Entity (with a copy to each other Relevant Party) and the other Scheduling Entity will exercise Commercially Reasonable Efforts to accommodate such change(s). The Relevant Parties will exercise Commercially Reasonable Efforts to limit the amount of changes and accommodate requested changes at all times as allowed in the Transporter's tariff.
- 4.1.5 For any other proposed changes to an Operational Nomination, the Scheduling Entities may initially communicate orally or via other electronic means. However, such changes will be subsequently communicated as a revised Operational Nomination as outlined above as soon as reasonably possible.

4.2 Event-specific Communications

- 4.2.1 The Scheduling Entities shall monitor pipeline notices that are relevant to the Delivery Points and provide Commercially Reasonable notification to the other Relevant Parties of maintenance or other issues that could impact Gas flow. In such event, the Relevant Parties may designate an Alternate Delivery Points by mutual agreement of all of the Relevant Parties, each in its sole discretion. The designation of an Alternate Delivery Points by

mutual agreement may be initiated by means of oral communication between the Relevant Parties, but in such case, such Alternate Delivery Points shall be documented in writing by the Relevant Parties in compliance with the terms of the relevant Gas Contracts.

- 4.2.2 Each Scheduling Entity shall notify the other Relevant Parties as soon as practicable in the event of: (i) any deficiencies in scheduling related to such Scheduling Entity or such Scheduling Entity's Transporter; (ii) any deficiencies in scheduling related to the other such Scheduling Entity or such other Scheduling Entity's Transporter of which the notifying Scheduling Entity becomes aware; and (iii) any action taken by such Scheduling Entity's Transporter that would reasonably be expected to create issues related to Gas flow under the Prepaid Agreement.

5. ACCESS AND INFORMATION

- 5.1 The Relevant Parties agree to provide relevant records from Transporters and any other Relevant Transporters necessary to document and verify Gas flows within and after the Month as needed to facilitate settlement under the Gas Contracts.
- 5.2 Each Relevant Party acknowledges that the Scheduling Entities may not have immediate access to Gas flow information at the Delivery Points. Therefore, the Scheduling Entities will closely monitor the available nomination information at the Delivery Points and promptly notify each other upon obtaining knowledge of any discrepancies in such nomination information and the quantities required to be delivered and taken under the applicable Gas Contracts at the Delivery Points. Each Relevant Party acknowledges and agrees that the inability of a Relevant Party to immediately access Gas flow information at the Delivery Points shall not impact or be construed as a waiver of any of the rights and obligations of the Relevant Parties set forth in the applicable Gas Contract.
- 5.3 Each Scheduling Entity will use Commercially Reasonable Efforts to cooperate with J. Aron to ensure that J. Aron has sufficient agency rights from each such Scheduling Entity with respect to each Transporter to allow J. Aron to view Gas flows at the Delivery Points.

6. NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), email, courier, or personally delivered (including overnight delivery service) to the applicable representative of the other Relevant Party designated in Attachment 1 hereto. A Relevant Party may change its representative identified in Attachment 1 hereto at any time by written notice to each other Relevant Party. Any notice, demand, or request shall be deemed to be given (i)

when sent by facsimile confirmed by telephone and electronic transmittal receipt, (ii) when sent by email or (iii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. Notwithstanding the foregoing, any Relevant Party may at any time notify the others that any notice, demand, request or communication to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

7. NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Gas Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Gas Contracts.

8. UPSTREAM SUPPLY CONTRACT

8.1 J. Aron and Participant may designate a contract as an "Upstream Supply Contract" by entering into an Assignment Agreement (as defined below) and notifying the other Relevant Parties of the execution of such Assignment Agreement, provided that (i) any such Upstream Supply Contract must include this Communications Protocol, (ii) any Upstream Supplier thereunder must be contract-enabled with J. Aron; (iii) any Upstream Supplier thereunder must be able to satisfy J. Aron's internal requirements as they relate to "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, PATRIOT Act and similar rules, regulations, requirements and corresponding policies; (iv) any Upstream Supply Contract must have a delivery period of a minimum of two years; (v) any such Upstream Supplier, Participant and J. Aron must enter into a Limited Assignment Agreement substantially in the form of Attachment 4 (an "Assignment Agreement"); and (vi) an Affiliate of Participant may only act as an Upstream Supplier (a) to the extent that it is acting as a replacement supplier due to the early termination of an Upstream Supply Contract and (b) for the remaining term for deliveries under such terminated Upstream Supply Contract. An "Upstream Supplier" is the seller of Gas to J. Aron under any Upstream Supply Contract.

8.2 Not later than 180 days prior to the expiration of any Upstream Supply Contract or immediately upon the early termination of any Upstream Supply Contract, J. Aron and Participant will begin to cooperate in good faith and exercise commercially reasonable efforts to locate a replacement Upstream Supply Contract. J. Aron agrees that it will not unreasonably delay or withhold its consent to any Upstream Supply Contract proposed by Participant, provided that it shall not be unreasonable for J. Aron to withhold its consent if the proposed Upstream Supply Contract or Upstream Supplier thereunder (i) fails to satisfy the requirements set forth in Section 8.1 above or (ii) poses materially different risks

to J. Aron or the other Relevant Parties (other than Participant) relative to the Upstream Supply Contract and Upstream Supplier that is being replaced (without regard to any adverse changes relating to the Upstream Supplier being replaced that arose after such contract was initially assigned). If Participant does not propose an Upstream Supply Contract meeting the foregoing requirements by the date that is thirty (30) days prior to the expiration of an existing Upstream Supply Contract (or within ten (10) days after early termination thereof), then J. Aron may propose, but is not obligated to propose, an Upstream Supply Contract and Participant agrees that it will not unreasonably delay or withhold its consent to such Upstream Supply Contract, provided that it shall not be unreasonable for Participant to withhold its consent if the Upstream Supply Contract or the Upstream Supplier thereunder poses materially different risks to Participant relative to the Upstream Supply Contract and Upstream Supplier that is being replaced (without regard to any adverse changes to the Upstream Supplier being replaced that arose after such contract was initially assigned). If either Participant or J. Aron does not consent to a replacement Upstream Supply Contract prior to the expiration of an existing Upstream Supply Contract, or if an Upstream Supply Contract terminates early or if otherwise an Upstream Supply Contract is not in place at any time, then, until such time as a new Upstream Supply Contract is consented to, (i) the delivery point will be [_____] and index price will be [_____] for [_____] , provided that J. Aron may in its reasonable discretion designate an Index Premium and modify such Index Premium from time to time while an Upstream Supply Contract is not in effect; and (ii) J. Aron will be the Delivery Scheduling Entity.³

- 8.3 The declaration of “Force Majeure” by an Upstream Supplier under an Upstream Supply Contract shall be deemed Force Majeure for purposes of each of the Gas Contracts.

³ NTD: Please let us know if any further discussion regarding index premiums is needed.

9. ATTACHMENTS

Attachment 1 – Notices and Key Personnel

Attachment 2 – Operational Nomination

Attachment 3 – Designation of Scheduling Entities Form

Attachment 4 – Form of Limited Assignment Agreement

ATTACHMENT 1

Notices and Key Personnel

J. Aron & Company LLC Scheduling Personnel:

J. Aron & Company LLC
200 West Street
New York, NY 10282
Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com; gs-prepay-notices@gs.com
Direct Phone: (212) 902-8148
Fax: (212) 493-9847

And to:

Matt Speltz
ICE Chat: [mspeltz5](#)
Email: gs-prepay-notices@gs.com
Direct Phone: (212) 357-5429
Fax: (212) 493-9847

Prepay LLC Scheduling Personnel:

Aron Energy Prepay 30 LLC
c/o J. Aron & Company LLC
200 West Street
New York, NY 10282
Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com; gs-prepay-notices@gs.com
Direct Phone: (212) 902-8148
Fax: (212) 493-9847

And to:

Matt Speltz
ICE Chat: [mspeltz5](#)
Email: gs-prepay-notices@gs.com
Direct Phone: (212) 357-5429
Fax: (212) 493-9847

Issuer Scheduling:

[]
[]

G-1-8

[]

Participant Scheduling:

[]

[]

[]

Upstream Supplier Scheduling:

As provided by any applicable Upstream Supplier.

ATTACHMENT 2

Form of Operational Nomination (Monthly)

Month: _____, 20__

<u>Pipeline</u>	<u>Delivery Point</u>	<u>Pipeline Meter Number</u>	<u>Pipeline Meter Name</u>	<u>Upstream Info</u>	<u>Upstream Duns</u>	<u>Downstream Info</u>	<u>Downstream Duns</u>	<u>Daily Contract Volume</u>	<u>Daily Remarketed Volume</u>	<u>Daily Nominated Volume</u>	<u>Monthly Contractual Volume</u>	<u>Monthly Remarketed Volume</u>	<u>Monthly Nominated Volume</u>
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[____] [____]

[____] [____]

Totals

ATTACHMENT 3

Designation of Scheduling Entities Form

<p>Receipt Scheduling Entity:</p> <p>Delivery Point: _____</p> <p>Percentage of Contract Quantity for Delivery Point that may be scheduled and nominated by Receipt Scheduling Entity: _____</p> <p>Effective Date(s) of Service of Receipt Scheduling Entity (full Months only): _____, _____ to _____, _____, if applicable</p> <p>Notice Information for Receipt Scheduling Entity:</p> <p>Name: _____</p> <p>Attention: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Fax: _____</p>
<p>Delivery Scheduling Entity:</p> <p>Delivery Point: _____</p> <p>Effective Date(s) of Service of Delivery Scheduling Entity (full Months only): _____, _____ to _____, _____, if applicable</p> <p>Notice Information for Delivery Scheduling Entity:</p> <p>Name: _____</p> <p>Attention: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Fax: _____</p>

Submitted by Issuer:

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

By: _____
Name:
Title:

Submitted by J. Aron:

J. ARON & COMPANY LLC

By: _____
Name:
Title:

G-1-12

ATTACHMENT 4

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____] by and among [____] (“**Upstream Supplier**”), Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project (“**Participant**”), and J. Aron & Company LLC (“**J. Aron**”).

RECITALS

WHEREAS, Participant and Upstream Supplier are parties to that certain Base Contract for Sale and Purchase of Natural Gas, dated [____], 202[____], the Special Provisions dated [____], 202[____] and the Transaction Confirmation thereto dated [____], 202[____] (the “**Upstream Supply Contract**”);

WHEREAS, with effect from and including the Assignment Period Start Date (as defined below), Participant wishes to transfer by partial assignment to J. Aron, and J. Aron wishes to accept the transfer by partial assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below);

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Upstream Supplier, Participant and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

Section 1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Contract Price**” has the meaning specified in Appendix 1.

“**Assigned Daily Quantity**” has the meaning specified in Appendix 1.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Gas**” means any Gas to be delivered to J. Aron hereunder pursuant to the Assigned Rights and Obligations.

“**Assigned Rights and Obligations**” means (i) the rights of Participant under the Upstream Supply Contract to receive the Assigned Daily Quantity of Assigned Gas on each Day during the Assignment Period, and (ii) the Delivered Gas Payment Obligation, which right and obligation are transferred and conveyed to J. Aron hereunder.

“Assignment Early Termination Date” has the meaning specified in Section 5(b).

“Assignment Period” has the meaning specified in Section 5(a).

“Assignment Period End Date” means [_____].

“Assignment Period Start Date” means [_____].

“Business Day” has the meaning specified in the Prepaid Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Delivered Gas Payment Obligation” has the meaning specified in Section 3(a).

“Gas” means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

“Gas Contracts” means the Commodity Sale and Service Agreement, the Prepaid Agreement and the Gas Supply Contract.

“Gas Sale and Service Agreement” means that certain Commodity Purchase, Sale and Service Agreement dated [_____], 2025 by and between J. Aron and Prepay LLC.

“Gas Supply Contract” means that certain Commodity Supply Agreement dated [_____] 1, 2025 by and between Participant and Issuer.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Issuer” means Energy Southeast, A Cooperative District.

“Month” means a calendar month.

“J. Aron” has the meaning specified in the first paragraph of this Agreement.

“Participant” has the meaning specified in the first paragraph of this Agreement.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“Prepaid Agreement” means that certain Prepaid Commodity Sales Agreement dated as of [_____], 2025 by and between Prepay LLC and Issuer.

“**Prepay LLC**” means Aron Energy Prepay 30 LLC, a Delaware limited liability company.

“**Receivables**” has the meaning given to such term in Section 3(d).

“**Retained Rights and Obligations**” has the meaning specified in Section 3.

“**Upstream Supplier**” has the meaning specified in the first paragraph of this Agreement.

“**Upstream Supply Contract**” has the meaning specified in the recitals of this Agreement.

Section 2. Transfer and Undertakings.

- (a) Participant hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the Assigned Rights and Obligations during the Assignment Period.
- (b) Upstream Supplier hereby consents and agrees to Participant’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Rights and Obligations to J. Aron and the exercise by J. Aron of the Assigned Rights and Obligations during the Assignment Period.
- (c) J. Aron hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

Section 3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of Participant’s and Upstream Supplier’s rights and obligations under the Upstream Supply Contract, and that all rights and obligations arising under the Upstream Supply Contract that are not expressly included in the Assigned Rights and Obligations shall be “**Retained Rights and Obligations**”, and (ii) the Retained Rights and Obligations include all rights and obligations of Participant and Upstream Supplier arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Gas Payment Obligation.** J. Aron’s sole obligation to Upstream Supplier will be to pay the Assigned Contract Price to Upstream Supplier for the Assigned Gas delivered on each Day of the Assignment Period on each applicable payment date under the Upstream Supply Contract for a quantity up to, but not exceeding, the Assigned Daily Quantity (the “**Delivered Gas Payment Obligation**”) Participant shall remain obligated to pay Upstream Supplier for all quantities and at the price specified in the Upstream Supply Contract, but Upstream Supplier shall credit the Delivered Gas Payment Obligation against the amounts otherwise due from Participant under the Upstream Supply Contract for each Day of the Assignment Period, and Participant shall remain solely responsible for any payment

obligations under the Upstream Supply Contract other than the Delivered Gas Payment Obligation during the Assignment Period.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Gas Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the Upstream Supply Contract, whether related to performance by the Upstream Supplier, Participant or J. Aron, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Gas Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between the Upstream Supplier and Participant in accordance with the Upstream Supply Contract. For the avoidance of doubt, the Parties acknowledge and agree that (i) Participant shall remain solely responsible for any amounts due under the Upstream Supply Contract as a result of Participant scheduling or otherwise taking less than the Assigned Daily Quantity for any reason on any Day during the Assignment Period, including as a result of exercising any rights it may have under the Gas Supply Contract to reduce its daily deliveries upon notice and (ii) any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved solely between Upstream Supplier and Participant.

(c) **Scheduling.** All scheduling of Gas and other communications related to the Upstream Supply Contract shall take place between Participant and Upstream Supplier pursuant to the terms of the Upstream Supply Contract; provided that (i) Participant and Upstream Supplier will provide copies of all billing statements delivered during the Assignment Period to J. Aron and Issuer contemporaneously upon delivery of such statements to the other party to the Upstream Supply Contract; (ii) title to Assigned Gas will pass to J. Aron upon delivery by Upstream Supplier at the Assigned Delivery Point in accordance with the Upstream Supply Contract; (iii) immediately thereafter, title to such Assigned Gas will pass to Prepay LLC, Issuer and then to Participant upon delivery by J. Aron at the same point where title is passed to J. Aron pursuant to clause (ii) above; and (iv) Participant will be deemed to be acting as J. Aron's agent with regard to scheduling Assigned Gas.

(d) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC has agreed to purchase the rights to payment of the net amounts owed by Participant under the Gas Supply Contract ("**Receivables**") in the case of non-payment by Participant. To the extent any such Receivables relate to Assigned Gas purchased by J. Aron pursuant to the Assigned Rights and Obligations, Prepay LLC may sell such Receivables to J. Aron and J. Aron may transfer such Receivables to Upstream Supplier and apply the face amount of such Receivables as a reduction to any Delivered Gas Payment Obligations; provided, however, that at no time shall Upstream Supplier be required to pay J. Aron for any amounts by which such Receivables exceed any Delivered Gas Payment Obligations then due and owed to Upstream Supplier.

(e) **Amendments.** Neither Participant nor Upstream Supplier will consent to any amendment, waiver, supplement or other modification to the Upstream Supply Contract that would in any way affect the Assigned Rights and Obligations or J. Aron's rights or obligations under this Assignment Agreement without J. Aron's prior written consent, which consent may be withheld in J. Aron's sole discretion. Participant and Upstream Supplier will provide written notice (including copies thereof) of any other proposed or actual amendment, waiver,

supplement, modification, or other changes to the Upstream Supply Contract to J. Aron prior to the effectiveness thereof.

(f) **Ledger Entries and Remediation.** To the extent that Upstream Supplier delivers less than the Assigned Daily Quantity on any Day during the Assignment Period for any reason other than Force Majeure, Prepay LLC will be deemed under the Prepaid Agreement to remarket such portion of the Assigned Daily Quantity on Issuer's behalf, resulting in a Ledger Entry (as defined in the Prepaid Agreement). Until any such Ledger Entry has been fully remediated, Participant agrees that it will apply any purchases it makes under the Upstream Supply Contract in excess of the Assigned Daily Quantity to remediate such Ledger Entries and deliver a remediation certificate in the form of Appendix 4 to J. Aron and Issuer in the Month following any such remediation purchase.

Section 4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and that the Parties shall constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

Section 5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The "Assignment Period" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An "Assignment Early Termination Date" will occur under the following circumstances and as of the dates specified below:

- i. the assignment of the Gas Supply Contract by any party thereto, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;
- ii. the suspension, expiration, or termination of performance under the Upstream Supply Contract for any reason other than the occurrence of Force Majeure under and as defined in the Upstream Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of Upstream Supplier's last performance under the Upstream Supply Contract following such suspension, expiration, or termination;
- iii. termination or suspension of deliveries for any reason other than force majeure under any of the Gas Contracts, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;
- iv. the election of J. Aron in its sole discretion to declare an Assignment Early Termination Date as a result of (A) any event or circumstance that would give either Participant or Upstream Supplier the right to terminate or suspend performance under the Upstream Supply Contract (regardless of whether

Participant or Upstream Supplier exercises such right) or (B) the execution of an amendment, waiver, supplement, modification or other change to the Upstream Supply Contract that adversely affects the Assigned Rights and Obligations or J. Aron's rights or obligations under this Agreement (provided that J. Aron shall not have a right to terminate under this clause (b) to the extent that J. Aron (I) receives prior notice of such change and (II) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by J. Aron to Participant and Upstream Supplier;

- v. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if J. Aron fails to pay when due any amounts owed to Upstream Supplier in respect of any Delivered Gas Payment Obligation and such failure continues for five Business Days following receipt by J. Aron of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Upstream Supplier to J. Aron and Participant; or
- vi. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against J. Aron seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) J. Aron commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or J. Aron consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of J. Aron or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur immediately on the date of Upstream Supplier's delivery of notice of its election to J. Aron and Participant.

(c) **Reversion of Assigned Rights and Obligations.** The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the

Assigned Rights and Obligations will revert from J. Aron to Participant. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from J. Aron to Participant, provided that (i) J. Aron shall remain responsible for the Delivered Gas Payment Obligation with respect to any Gas delivered to J. Aron prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

Section 6. Representations and Warranties.

(a) **Copy of Upstream Supply Contract.** Upstream Supplier and Participant represent and warrant to J. Aron that a true, complete, and correct copy of the Upstream Supply Contract is attached hereto as Appendix 3.

(b) **No Default.** Upstream Supplier and Participant represent and warrant to J. Aron that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the Upstream Supply Contract or suspend performance thereunder.

(c) **Other.** Each of Participant and Upstream Supplier represents and warrants to each other and to J. Aron that:

- (1) it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and
- (2) all obligations of Participant and Upstream Supplier under the Upstream Supply Contract required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties:

- (1) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
- (2) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.
- (3) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination

or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

- (4) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (5) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
- (6) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed appropriate. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement, it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.
- (7) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of

this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

- (8) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

Section 7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

Section 8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

Section 9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing and executed by each of the Parties.

Section 10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

Section 11. Miscellaneous.

(a) **Governing Law.** THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS PROVISIONS THAT WOULD DIRECT THE APPLICATION OF ANOTHER

JURISDICTION'S LAWS; PROVIDED THAT THE AUTHORITY OF PARTICIPANT TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [____].

(b) Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN ANY OTHER STATE. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*; AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(c) 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 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 AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(C).

(d) U.S. Resolution Stay Provisions.

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a “**U.S. Special Resolution Regime**”) the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12

C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“**Default Right**”)) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(iii) Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

(A) Upstream Supplier and Participant shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “**Insolvency Proceeding**”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(B) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in Participant being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to Upstream Supplier and Participant.

(iv) If Upstream Supplier and Participant each adhere to the ISDA 2018 U.S. Resolution Stay Protocol (“**ISDA U.S. Stay Protocol**”) after the date of this Agreement, the terms of the ISDA U.S. Stay Protocol will supersede and replace the terms of this Section 11(d).

(v) For purposes of this Section 11(d):

(A) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(B) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

J. ARON & COMPANY LLC

By: _____

Name: _____

Title: _____

FLORIDA MUNICIPAL POWER AGENCY,
ON BEHALF OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT

By: _____

Name: _____

Title: _____

[UPSTREAM SUPPLIER]

By: _____

Name: _____

Title: _____

Appendix 1

Assigned Rights and Obligations

Assigned Daily Quantity: [_____]

Assigned Contract Price: [_____]

Assigned Delivery Point: [_____]

G-1-25

Appendix 2

Notice Information

[To be completed before signing.]

G-1-26

Appendix 3
Copy of Upstream Supply Contract
[To be attached.]

EXHIBIT G-2
RESERVED

G-2

EXHIBIT H

PRICING AND OTHER TERMS

Administrative Fee:	\$_[____]/MMBtu
Delivery Period:	The period beginning on and including [____] and ending at the end of the Day before [____]; provided that the Delivery Period shall end immediately upon termination of deliveries of Commodities under the Prepaid Agreement pursuant to Article XVII thereof or early termination of this Agreement pursuant to <u>Article XVII</u> hereof.
Initial Reset Period:	The period beginning at the beginning of the Day on [____] and ending at the end of the last Day of the Month preceding the last Month of the Initial Interest Rate Period (as defined in the Bond Indenture).
Minimum Discount Percentage	An Available Discount Percentage as determined under the Re-Pricing Agreement of [____]%.
Monthly Discount Percentage:	For each Month of the Initial Reset Period, [____]%, and for each Month of any other Reset Period, the percentage determined by the Calculation Agent as defined in and pursuant to the Re-Pricing Agreement, exclusive of any Annual Refund.

EXHIBIT I-1

FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2025

Re: Energy Southeast, A Cooperative District
[Gas Supply Revenue Bonds]

The undersigned _____ of Florida Municipal Power Agency, on behalf of the All-Requirements Power Supply Project (the "*Purchaser*"), hereby certifies as follows in connection with the Gas Supply Contract dated as of _____, 2025 (the "*Agreement*") between the Purchaser and Energy Southeast, A Cooperative District ("*Issuer*") and the issuance and sale by Issuer of the above-referenced bonds (the "*Bonds*") (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is 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, on behalf of the All-Requirements Power Supply Project, duly created and validly existing and in good standing under the laws of the State of Florida (the "*State*"), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, the Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Purchaser of the obligations on its part contained in the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of the Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on the Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default in any material respect under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5 The Purchaser is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Purchaser is a party or to which the Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default in any material respect by the Purchaser under any of the foregoing.

6. Payments to be made by the Purchaser under the Agreement shall constitute operating expenses of the Purchaser's utility system payable solely from the revenues and other available funds of Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of the Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Purchaser in any court or administrative body which would (a) contest the right of the officials of the Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Purchaser, (c) contest the validity, due authorization and execution of the Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of the Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of the Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Purchaser contained in the Official Statement dated _____, 20__, with respect to the Bonds, including Appendix B thereto (the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of the Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

FLORIDA MUNICIPAL POWER AGENCY,
ON BEHALF OF THE ALL-REQUIREMENTS
PROJECT

By _____

Name:

Title:

EXHIBIT I-2

FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF MEMBERS

Members will certify to their five-year historical retail electric sales. No additional certifications are expected.

EXHIBIT J

ARP PARTICIPATING MEMBERS⁴

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

⁴ Certain ARP Participating Members have elected to limit their All-Requirements Service, not continue the automatic extension of the term of their ARP Power Supply Contract or given notice to withdraw from the All-Requirements Power Supply Project.[To be discussed]

EXHIBIT K

ASSIGNMENT OF ASSIGNABLE POWER CONTRACTS

1. General Requirements. Assigned Rights and Obligations under an Assignable Power Contract may only be assigned under this Exhibit K if the following requirements are satisfied or waived by J. Aron and Issuer:
 - 1.1. The seller under such Assignable Power Contract (the “APC Party”) either (i) has a long-term senior unsecured credit rating that is “Baa3” or higher from Moody’s Investor’s Service, Inc. (or any successor to its credit rating service operation), “BBB-” or higher from Standard & Poor’s Global Ratings (or any successor to its credit rating service operation) or “BBB-” or higher from Fitch Ratings, Inc. (or any successor to its credit rating service operation), (ii) provides alternative credit support that is reasonably satisfactory to J. Aron or (iii) otherwise provides evidence of its creditworthiness that is reasonably satisfactory to J. Aron.
 - 1.2. The APC Party can satisfy J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies.
 - 1.3. The APC Party is organized in the United States and in a jurisdiction that does not present adverse tax consequences to J. Aron or Issuer in connection with such proposed assignment.
 - 1.4. J. Aron, Purchaser, and Issuer have agreed on and executed an Assignment Schedule for such assignment.
 - 1.5. J. Aron, Purchaser, Issuer, and the applicable APC Party have agreed on and executed an Assignment Agreement for such assignment.
 - 1.6. The contract price (in \$/MWh) payable by Purchaser under the applicable Assignable Power Contract (the “APC Contract Price”) is a fixed price unless Issuer, Purchaser and J. Aron agree, each in their sole discretion, to appropriate changes to the relevant documents to accommodate a floating APC Contract Price. For purposes of this Exhibit K, a “fixed price” shall be deemed to include any price that is fixed but for a periodic escalation, whether pre-determined or by reference to a price index, provided that the reductions to the DCQ required to reflect any index-based escalation shall be made promptly following the time that such index is available.
 - 1.7. If the Assignable Power Contract is unit-contingent, then:
 - 1.7.1. The Applicable Project (as defined below) is reasonably expected to be able to generate P99 Generation (as defined below), as determined by J. Aron in its reasonable discretion.

- 1.7.2. The Applicable Project (as defined below) has generated the Assigned Prepay Quantity (as defined below) in each Month since commencing commercial operation.
2. Proposed Assignment. Purchaser may propose an assignment of Assigned Rights and Obligations under Article XV of the Commodity Supply Contract by delivering the following items to Issuer and to J. Aron:
 - 2.1. A written notice of the proposed assignment signed by Purchaser.
 - 2.2. A true and complete copy of the Assignable Power Contract under which such Assigned Rights and Obligations would arise.
 - 2.3. Evidence reasonably satisfactory to Issuer and J. Aron that all authorizations, consents, approvals, licenses, rulings, permits, exemptions, variances, orders, judgments, decrees, declarations of or regulations by any Government Agency necessary in connection with the transactions contemplated by the Assignable Power Contract and the assignment of the Assignable Power Contract to J. Aron have been obtained and are in full force and effect.
 - 2.4. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.
 - 2.5. If the Assignable Power Contract is unit-contingent, then:
 - 2.5.1. A description and information of the applicable project to which the Assignable Power Contract applies (the "Applicable Project"), including but not limited to information on the location, interconnection(s), and operating and compliance history of Applicable Project.
 - 2.5.2. A report from a nationally recognized consultant in the energy industry that is reasonably acceptable to Issuer and J. Aron showing the "P99" forecasted generation ("P99 Generation") and "P50" forecasted generation ("P50 Generation") of the Applicable Project for the entire Assignment Period, as the terms P99 and P50 are commonly used in the renewable energy industry, to the extent readily available, and monthly historical generation and meteorological data of the Applicable Project dating back to the commercial operation date.
 - 2.6. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.

Following Issuer's and J. Aron's receipt of such information, Purchaser and Issuer will, and J. Aron has agreed in the Commodity Sale and Service Agreement to, (i) negotiate in good faith with one another regarding a potential Assignment Schedule, with the initial draft of such Assignment Schedule to be developed by J. Aron, and (ii) negotiate in good faith with one another and the APC Party regarding an Assignment Agreement, in each case related to the proposed assignment. If such Assignment Schedule and Assignment Agreement are agreed to by the representative parties thereto, the applicable parties will execute such Assignment Agreement and Assignment Schedule to be effective upon the assignment of the Assigned Rights and

Obligations from Purchaser to J. Aron pursuant to the Assignment Agreement. J. Aron will act in good faith in considering proposed assignments that meet the criteria set forth in this Exhibit K, in accordance with the provisions set forth in the Commodity Sale and Service Agreement. For the avoidance of doubt, Purchaser acknowledges that J. Aron will not be required to execute any Assignment Agreement or Assignment Schedule, or otherwise accept any Assigned Rights and Obligations unless the APC Party (i) satisfies J. Aron's internal requirements as they relate to "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies, (ii) is organized in the United States, and (iii) satisfies all other requirements in Section 1 of this Exhibit K.

3. Assignment Schedule. In connection with each assignment, an "Assignment Schedule" will be prepared in the form attached hereto as Annex I (with such changes as agreed by the Parties in their sole discretion), must be executed by Purchaser, Issuer and J. Aron, and must include each of the following:
 - 3.1. The term of such Assigned Rights and Obligations (the "Assignment Period") shall have the meaning specified in each applicable Assignment Agreement and shall (i) end not later than (a) the end of the delivery period under the Assignable Power Contract and (b) the end of the Delivery Period under this Agreement, (ii) not commence any earlier than sixty (60) days after Purchaser's original notice under Section 2.1 above, and (iii) have a primary term that is not less than 18 Months in duration (provided, for the avoidance of doubt, the primary term references the term of the Assignment Period and not the term of the Assignable Power Contract).
 - 3.2. If the Assignable Power Contract is unit-contingent, then a description of the Applicable Project.
 - 3.3. The "Assigned Prepay Quantity" means, for each Month of an Assignment Period and each Assignment Agreement, a quantity of Energy agreed upon by J. Aron, Issuer and Purchaser, which Assigned Prepay Quantity, if the Assignable Power Contract is unit contingent or for an as-generated Product, shall not exceed an amount that J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate in each Month during the Assignment Period; provided that the Assigned Prepay Quantity for each Month may not exceed the limit expressed in the proviso to Section 3.4 below. For the avoidance of doubt, the Assigned Rights and Obligations will include all of Purchaser's rights to receive Energy under the Assignable Power Contract even if such rights to receive Energy may exceed the Assigned Prepay Quantity.
 - 3.4. An updated Exhibit A-1 to the Commodity Supply Contract reflecting a reduction in Gas Contract Quantity for each Gas Day during an Assignment Period after giving effect to the Assignment Schedule (each, an "Gas Contract Quantity Reduction")⁵, which Gas Contract Quantity Reduction for each Gas Day will equal (i) the Assigned Prepay Quantity for such Gas Day (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Gas Days in such Month), multiplied by (ii) the result of (A) the applicable APC Contract Price, divided by (B) the ***[NOTE: To list the result of the following formula as determined at pricing: Front***

⁵ NTD: Gas Contract Quantity Reduction formula is subject to GS's review and sign off.

End Fixed Price + (Active Swap Fee – Standby Swap Fee).J; provided that if the Gas Contract Quantity Reduction for any Gas Day would result in a Gas Contract Quantity of less than zero, then the Assigned Prepay Quantity for such Gas Day will be reduced to the closest whole MMBtu such that the Gas Contract Quantity is not reduced below zero.

- 3.5. The APC Contract Price, which as set forth in Section 1.6 above must be a fixed price unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a floating APC Contract Price.
- 3.6. The Assigned Delivery Point for all Assigned Energy.
- 3.7. The Assigned Product included in the Assigned Rights and Obligations, which Assigned Product may not include any product other than Assigned Energy and Energy Product, provided that the APC Contract Price must be inclusive of any amounts due in respect of all Assigned Product, provided furthermore that Assigned Product may not in any case include capacity or resource adequacy product.
4. Miscellaneous. Notwithstanding anything herein to the contrary, the requirements in this Exhibit K relating to P99 Generation, P50 Generation and “Applicable Project” shall only apply to Assigned Prepay Quantities that provide for as generated Energy.

**ANNEX I
FORM OF ASSIGNMENT SCHEDULE**

Assigned Product: [____]

Assigned Delivery Point: [____]

Assigned Prepay Quantity: [____]

APC Contract Price: [____]

Assignment Period: [____]

Other Provisions (if unit-contingent):

- Applicable Project:
- P99 Generation:
- P50 Generation:

Attachment: Updated Exhibit A-1 to Commodity Supply Contract

ANNEX II
FORM OF ASSIGNMENT AGREEMENT

NOTE: Purchaser may include the form set forth in this Annex II as an exhibit to any PPA executed by Purchaser and include the following language in the PPA: “[Seller] agrees that [Buyer] may assign a portion of its rights and obligations under this Agreement to J. Aron & Company LLC (“J. Aron”) at any time upon not less than [___] days’ notice by delivering a written request for such assignment, which request must include a proposed assignment agreement in the form attached hereto as [Exhibit ___], with the blanks in such form completed in [Buyer’s] sole discretion. Provided that [Buyer] delivers a proposed assignment agreement complying with the previous sentence, [Seller] agrees to (i) comply with J. Aron’s reasonable requests for know-your-customer and similar account opening information and documentation with respect to [Seller], including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of J. Aron and Company, LLC and [Buyer].”

ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [___], 2025 by and among [___], [___] (“**PPA Seller**”), [___], a [___] (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”), and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA 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, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA 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 PPA Buyer under the PPA are expressly reserved for PPA Buyer.
- (b) PPA Buyer hereby delegates to J. Aron the obligation to pay for all Assigned Products that are actually delivered to J. Aron 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**”); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a

single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 1(d) hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it remains responsible for such payment and that it will be an Event of Default pursuant to Section [] if PPA Buyer does not make such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.

- (c) J. Aron hereby accepts and PPA 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 PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer is hereby authorized by J. Aron and shall act as J. Aron's agent with regard to scheduling Assigned Product; (iii) PPA Buyer will provide copies to J. Aron 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 PPA Seller and promptly after receipt thereof from PPA Seller; (iv) PPA Seller will provide copies to J. Aron of annual forecasts of Metered Energy and monthly forecasts of Available Capacity provided pursuant to Section [] of the PPA; (v) PPA Seller will provide copies to J. Aron of all invoices and supporting data provided to PPA Buyer pursuant to Section [], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (vi) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.
- (e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer, and (ii) J. Aron has the right to purchase receivables due from PPA Buyer for any such Assigned Products. PPA. To the extent J. Aron purchases any such receivables due from PPA Buyer, J. Aron may transfer such receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation.
- (f) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller's rights and obligations under the PPA.

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 J. Aron or PPA Buyer to each of the other Parties hereto;
 - (2) delivery of a written notice of termination by PPA Seller to each of J. Aron and PPA Buyer following J. Aron's failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for one business day following receipt by J. Aron of written notice thereof;
 - (3) delivery of a written notice by PPA Seller if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to J. Aron; or
 - (4) delivery of a written notice by J. Aron if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to PPA Seller.
- (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 J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron 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 J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron 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 PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of 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 [] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@gs.com

5. Miscellaneous. Sections (Buyer's Representations and Warranties), (Confidential Information), Sections (Severability), (Counterparts), (Amendments), (No Agency), (Mobile-Sierra), (Counterparts), (Facsimile or Electronic Delivery), Section (Binding Effect) and (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions.

(a) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "**U.S. Special Resolution Regime**") the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(b) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable ("**Default Right**")) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

(i) Upstream Supplier and Participant shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an "**Insolvency Proceeding**"), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(ii) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in Participant being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to Upstream Supplier and Participant.

(d) If Upstream Supplier and Participant each adhere to the ISDA 2018 U.S. Resolution Stay Protocol ("**ISDA U.S. Stay Protocol**") after the date of this Agreement,

the terms of the ISDA U.S. Stay Protocol will supersede and replace the terms of this Section 6.

(e) For purposes of this Section 6:

(i) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(ii) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

7. Governing Law, Jurisdiction, Waiver of Jury Trial.

(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 New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction’s laws; provided, however, that the authority of PPA Buyer to enter into and perform its obligations under this Assignment Agreement shall be determined in accordance with the laws of the State of Florida.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of (a) the courts of the State of New York located in the Borough of Manhattan, (b) the federal courts of the United States of America for the Southern District of New York or (c) the federal courts of the United States of America in any other state.

(c) **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 assignment agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

[PPA BUYER]

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:

Title:

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

ENERGY SOUTHEAST, A COOPERATIVE DISTRICT

By: _____

Name:

Title:

Appendix 1

Assigned Rights and Obligations

PPA: [The [Power Purchase Agreement] dated [_____] by and between [PPA Buyer] and [PPA Seller].]

Assignment Period Start Date: [_____] ⁶

Assignment Period End Date: [_____] ⁷

Assigned Product: [Describe and define]

Further Information: [Include, if any] ⁸

Projected P99 Generation: The “Projected P99 Generation” is attached hereto on a monthly basis.

⁶ The Assignment Period must not commence any earlier than sixty (60) days after Purchaser’s original notice under Section 2 of Exhibit H to the Commodity Supply Contract.

⁷ The Assignment Period must end no less than 18 months following the Assignment Period Start Date and no later than the end of the delivery period under the PPA.

⁸ To include transfer and settlement mechanics for RECs, as applicable.

Appendix 2

Assigned Prepay Quantity

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

Appendix 3

Copy of PPA

AGENDA ITEM 8 – ACTION ITEMS

**c. Approval of Audited Financial
Statements**

**Executive Committee
January 16, 2025**



8c – Approval of Audited FY2024 Financial Statements

Executive Committee

January 16, 2025

Recommended Motion

- Move approval of the FY2024 external audit report and audited financial statements.



Financial Statements

For The Fiscal Year Ended September 30, 2024



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, 2024, 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, 2024, 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

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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 8, 2025, 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.

PUEVIS GREAY

January 8, 2025
Ocala, Florida

MANAGEMENT'S DISCUSSION & ANALYSIS

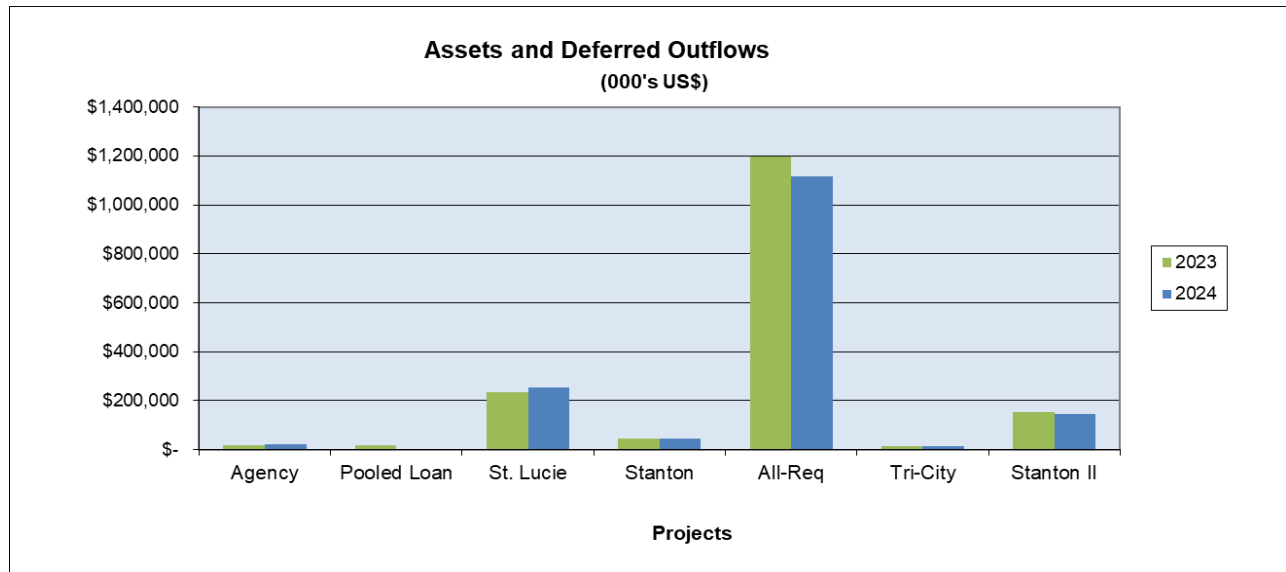
For Fiscal Year Ended September 30, 2024

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, 2024, of FMPA's Agency Fund and other projects decreased \$84.2 million from the prior year



Year	Agency	Pooled Loan	St. Lucie	Stanton	All-Req	Tri-City	Stanton II	Total
2023	\$ 18,418	\$ 17,969	\$ 234,727	\$ 46,727	\$ 1,197,745	\$ 15,630	\$ 151,387	\$ 1,682,603
2024	\$ 20,737	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,598,455
Variance	\$ 2,319	\$ (14,205)	\$ 19,665	\$ (2,922)	\$ (79,757)	\$ (1,891)	\$ (7,357)	\$ (84,148)

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Total Liabilities and Deferred Inflows at September 30, 2024, for FMPA's Agency Fund and other projects decreased by \$85.1 million during the current fiscal year.

Long-Term Liability balance outstanding at September 30, 2024, for FMPA's Agency Fund and Projects was \$1.1 billion, which is about the same as last fiscal year.

Long-Term Bonds balance, less current portion, was \$0.94 billion, including All-Requirements balance of \$842 million.

Total Revenue for Agency and all projects decreased by \$141 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.



MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Statement of Net Position Proprietary funds September 30, 2024 (000's US\$)

2024	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	
Assets:								
Capital Assets, Net	\$ 3,351	\$ -	\$ 53,249	\$ 13,434	\$ 595,254	\$ 5,088	\$ 73,905	\$ 744,281
Current Unrestricted Assets	17,001	718	60,603	22,230	273,313	5,427	57,458	436,750
Non-Current Restricted Assets	-	3,046	140,080	7,139	120,340	2,865	9,379	282,849
Other Non Current Assets	385	-	-	-	103,860	-	-	104,245
Deferred Outflows of Resources	-	-	460	1,002	25,221	359	3,288	30,330
Total Assets & Deferred Outflows	\$ 20,737	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,598,455
Liabilities:								
Long-Term Liabilities	\$ 5,841	\$ 2,274	\$ 171,036	\$ 5,059	\$ 871,987	\$ 1,811	\$ 57,314	\$ 1,115,322
Current Liabilities	2,838	1,490	5,417	1,894	196,970	735	15,554	224,898
Deferred Inflows of Resources	-	-	77,939	36,852	49,031	11,193	71,162	246,177
Total Liabilities & Deferred Inflows	\$ 8,679	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,586,397
Net Position:								
Investment in capital assets	\$ 3,351	\$ -	\$ (3,103)	\$ 13,434	\$ (216,752)	\$ 5,088	\$ 13,992	\$ (183,990)
Restricted	100	-	25,856	7,139	102,963	2,865	21,624	160,547
Unrestricted	8,607	-	(22,753)	(20,573)	113,789	(7,953)	(35,616)	35,501
Total Net Position	\$ 12,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,058

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	
Assets:								
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
Total Assets & Deferred Outflows	\$ 18,418	\$ 17,969	\$ 234,727	\$ 46,727	\$ 1,197,745	\$ 15,630	\$ 151,392	\$ 1,682,608
Liabilities:								
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
Total Liabilities & Deferred Inflows	\$ 7,268	\$ 17,969	\$ 234,727	\$ 46,727	\$ 1,197,745	\$ 15,630	\$ 151,392	\$ 1,671,458
Net Position:								
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
Total Net Position	\$ 11,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,150

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2024

2024	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
Revenues:								
Billings to participants	\$ 17,627	\$ 42	\$ 36,319	\$ 18,608	\$ 464,065	\$ 6,349	\$ 45,518	\$ 588,528
Sales to others	-	-	2,089	449	101,824	161	704	105,227
Amounts to be recovered from (refunded to) participants	-	(1)	(1,230)	(942)	(25,825)	(371)	(1,121)	(29,490)
Investment Income (loss)	732	1,093	11,524	1,416	14,272	392	3,163	32,592
Total Revenue	\$ 18,359	\$ 1,134	\$ 48,702	\$ 19,531	\$ 554,336	\$ 6,531	\$ 48,264	\$ 696,857
Expenses:								
Operation & Maintenance	-	-	10,618	4,968	76,968	1,777	8,091	102,422
Nuclear Fuel Amortization	-	-	4,283	-	-	-	-	4,283
Purchased power, Transmission & Fuel Costs	-	-	3,752	10,551	349,415	3,805	22,790	390,313
Administrative & General	16,453	44	3,968	1,850	28,784	965	2,653	54,717
Depreciation & Decommissioning	968	-	6,737	4,542	43,542	1,723	6,770	64,282
Interest & Amortization	30	1,090	892	-	31,869	-	2,092	35,973
Environmental remediation costs - net of Insurance	-	-	-	-	-	-	-	-
Total Expense	\$ 17,451	\$ 1,134	\$ 30,250	\$ 21,911	\$ 530,578	\$ 8,270	\$ 42,396	\$ 651,990
Change in net position before regulatory asset adjustment	\$ 908	\$ -	\$ 18,452	\$ (2,380)	\$ 23,758	\$ (1,739)	\$ 5,868	\$ 44,867
Net cost recoverable (refundable)/future Participant billings	-	-	(18,452)	2,380	(23,758)	1,739	(5,868)	(43,959)
Change in Net Position After Regulatory Adj	\$ 908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908
Net position at beginning of year	11,150	-	-	-	-	-	-	11,150
Net position at end of year	\$ 12,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,058

Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2023 (000's US\$)

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
Revenues:								
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
Total Revenue	\$ 17,513	\$ 946	\$ 51,368	\$ 26,546	\$ 674,791	\$ 11,282	\$ 55,149	\$ 837,595
Expenses:								
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	-	-	-	-	(1,032)	-	-	(1,032)
Total Expense	\$ 16,876	\$ 946	\$ 31,579	\$ 30,216	\$ 603,433	\$ 11,214	\$ 50,674	\$ 622,907
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	\$ 11,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,150

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

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, 2024. 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 2024 and 2023 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, 2024

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 \$141 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 \$0.4 million from fiscal year 2023 to fiscal year 2024.

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 three loans to FMPA Projects; the Stanton II Project, the All-Requirements Project, and the Agency Fund which are included on the Statement of Net Position. The All-Requirements Project loan was paid off during the current fiscal year.

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 658,607 Megawatt-hours (MWh) in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased 2.0% to \$55.15 in fiscal year 2024.

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 167,002 MWh in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses increased 6% to \$111.42 per MWh in fiscal year 2024 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 17.9% to \$75.83 per MWh in fiscal year 2024, which is all-inclusive of Energy, Demand and Transmission expenses. The billed Megawatt hours for fiscal year 2024 were 6,119,617.

The All-Requirements participant net cost of power decreased to \$71.61 per MWh in fiscal year 2024, a 21.6% decrease from fiscal year 2023. This decrease was primarily due to lower natural gas fuel expenses. The fuel supply mix was 84.8% for natural gas, 8.4% for coal, .1% for oil 3.9% for purchases 1.2% nuclear and 1.7% for renewables.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

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 2024. 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 61,829 MWh in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, increased (20.0)% to \$102.69 per MWh during fiscal year 2024 primarily due to due to higher coal and natural gas prices utilized by the plant and reduced MWhs sold.

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 398,871 MWh in fiscal year 2024. The average all-inclusive billing rate, which includes budgeted Demand, Energy, and Transmission expenses, increased by 5.6% to \$114.12 per MWh in fiscal year 2024 primarily due to higher coal and natural gas prices utilized by the plant and reduced MWhs sold.

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 higher than budgeted sales to others, a budget amendment for the All Requirements project for an increase of \$10 million was approved in September 2024.

CAPITAL ASSETS AND LONG-TERM DEBT

FMPA's investment in Capital Assets, as of September 30, 2024, was \$744 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 2024 decreased by 0.013% or \$2.1 million, primarily due to asset depreciation outpacing capital investments.

At September 30, 2024, FMPA had Long-term debt of \$0.9 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 \$)
Agency	\$ 890
Pooled Loan Fund	2,274
St. Lucie Project	54,022
All-Requirements Project	841,628
Stanton II Project	49,357
Total	\$ 948,171

See **Note VIII** to the Notes to Financial Statements for further information.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Multi-year operational and financial modeling was conducted to arrive at the fiscal year 2024 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.

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, 2024
(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	
ASSETS & DEFERRED OUTFLOWS								
Current Assets:								
Cash and cash equivalents	\$ 4,632	\$ 6	\$ 8,817	\$ 7,851	\$ 58,257	\$ 2,306	\$ 8,104	\$ 89,973
Investments	8,933	-	45,182	9,957	38,926	1,693	28,339	133,030
Participant accounts receivable	1,483	-	2,187	2,056	43,510	591	4,602	54,429
Fuel stock and material inventory	-	-	-	2,329	53,755	833	3,545	60,462
Other current assets	1,853	-	412	37	17,664	4	225	20,195
Restricted assets available for current liabilities	100	712	4,005	-	61,201	-	12,643	78,661
Total Current Assets	17,001	718	60,603	22,230	273,313	5,427	57,458	436,750
Non-Current Assets:								
Restricted Assets:								
Cash and cash equivalents	100	1,093	18,232	1,951	98,941	651	14,981	135,949
Investments	-	-	124,510	5,134	82,186	2,196	6,991	221,017
Accrued interest	-	-	1,343	54	414	18	50	1,879
Loans to Project	-	2,665	-	-	-	-	-	2,665
Less: Portion Classified as Current	(100)	(712)	(4,005)	-	(61,201)	-	(12,643)	(78,661)
Total Restricted Assets	-	3,046	140,080	7,139	120,340	2,865	9,379	282,849
Utility Plant:								
Electric plant	-	-	335,588	98,485	1,463,850	39,010	215,971	2,152,904
General plant	12,762	-	46,547	21	12,005	36	91	71,462
Less accumulated depreciation and amortization	(9,411)	-	(331,585)	(85,072)	(880,612)	(33,958)	(142,157)	(1,482,795)
Net utility plant	3,351	-	50,550	13,434	595,243	5,088	73,905	741,571
Construction work in progress	-	-	2,699	-	11	-	-	2,710
Total Utility Plant, net	3,351	-	53,249	13,434	595,254	5,088	73,905	744,281
Other Assets:								
Net costs recoverable/future participant billings	-	-	-	-	103,313	-	-	103,313
Other	385	-	-	-	547	-	-	932
Total Other Assets	385	-	-	-	103,860	-	-	104,245
Total Assets	20,737	3,764	253,932	42,803	1,092,767	13,380	140,742	1,568,125
Deferred Outflows of Resources								
Deferred Outflows from Asset Retirement Obligations	-	-	-	1,002	1,116	359	1,572	4,049
Deferred Outflows Natural Gas Hedges	-	-	-	-	6,039	-	-	6,039
Unamortized Loss on Advanced Refunding	-	-	460	-	18,066	-	1,716	20,242
Total Deferred Outflows	-	-	460	1,002	25,221	359	3,288	30,330
Total Assets & Deferred Outflows	20,737	3,764	254,392	43,805	1,117,988	13,739	144,030	1,598,455
LIABILITIES, DEFERRED INFLOWS & NET POSITION								
Current Liabilities:								
Payable from unrestricted assets:								
Accounts payable & Accrued Liabilities	2,728	752	182	953	44,281	364	1,790	51,050
Due to Participants	-	26	1,230	941	77,009	371	1,121	80,698
Current Portion of Lease	-	-	-	-	14,479	-	-	14,479
Total Current Liabilities Payable from Unrestricted Assets	2,728	778	1,412	1,894	135,769	735	2,911	146,227
Payable from Restricted Assets:								
Current portion of long-term debt	110	660	2,790	-	45,985	-	12,003	61,548
Accrued interest on long-term debt	-	52	1,215	-	15,216	-	640	17,123
Total Liabilities Payable from Restricted Assets	110	712	4,005	-	61,201	-	12,643	78,671
Total Current Liabilities	2,838	1,490	5,417	1,894	196,970	735	15,554	224,898
Long-Term Liabilities Payable from Restricted Assets:								
Accrued Decommissioning Liability	-	-	117,014	-	-	-	-	117,014
Total Liabilities Payable from Restricted Assets	-	-	117,014	-	-	-	-	117,014
Long-Term Liabilities Less Current Portion:								
Long-term debt	-	-	54,022	-	841,628	-	47,702	943,352
Pooled Loan Fund Non-Conduit Debt	890	2,274	-	-	-	-	1,655	4,819
Other Post-employment Benefits	4,951	-	-	-	-	-	-	4,951
Landfill Closure & Asset Retirement Obligations	-	-	-	5,059	5,632	1,811	7,957	20,459
FMV Derivative Instruments	-	-	-	-	6,039	-	-	6,039
Advances from Participants	-	-	-	-	18,688	-	-	18,688
Total Long-Term Liabilities	5,841	2,274	54,022	5,059	871,987	1,811	57,314	998,308
Deferred Inflows of Resources								
Net cost refundable/future participant billings	-	-	77,939	36,852	-	11,193	71,162	197,146
Acquisition Adjustment - Vero Beach Entitlements	-	-	-	-	49,031	-	-	49,031
Total Deferred Inflows of Resources	-	-	77,939	36,852	49,031	11,193	71,162	246,177
Total Long-Term Liabilities & Deferred Inflows	5,841	2,274	248,975	41,911	921,018	13,004	128,476	1,361,499
Total Liabilities and Deferred Inflows	8,679	3,764	254,392	43,805	1,117,988	13,739	144,030	1,586,397
Net Position:								
Net Investment in Capital Assets	3,351	-	(3,103)	13,434	(216,752)	5,088	13,992	(183,990)
Restricted	100	-	25,856	7,139	102,963	2,865	21,624	160,547
Unrestricted	8,607	-	(22,753)	(20,573)	113,789	(7,953)	(35,616)	35,501
Total Net Position	12,058	-	-	-	-	-	-	12,058
Total Liabilities and Net Position	\$ 20,737	\$ 3,764	\$ 254,392	\$ 43,805	\$ 1,117,988	\$ 13,739	\$ 144,030	\$ 1,598,455

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, 2024
(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	
Operating Revenue:								
Billings to participants	\$ 17,627	\$ 42	\$ 36,319	\$ 18,608	\$ 464,065	\$ 6,349	\$ 45,518	\$ 588,528
Interchange Sales	-	-	-	-	32,423	-	-	32,423
Sales to others	-	-	2,089	449	57,812	161	704	61,215
Amortization of Vero Beach Acquisition Adj. Amounts to be recovered from (refunded to) participants	-	-	-	-	11,589	-	-	11,589
Total Operating Revenue	<u>17,627</u>	<u>41</u>	<u>37,178</u>	<u>18,115</u>	<u>540,064</u>	<u>6,139</u>	<u>45,101</u>	<u>664,265</u>
Operating Expenses:								
Operation and maintenance	-	-	10,618	4,968	76,968	1,777	8,091	102,422
Fuel expense	-	-	-	8,977	272,264	3,241	20,229	304,711
Nuclear fuel amortization	-	-	4,283	-	-	-	-	4,283
Purchased power	-	-	3,261	-	28,796	-	-	32,057
Transmission services	-	-	491	1,574	48,355	564	2,561	53,545
General and administrative	16,453	44	3,968	1,850	28,784	965	2,653	54,717
Depreciation and amortization	968	-	2,040	4,542	43,542	1,723	6,770	59,585
Decommissioning	-	-	4,697	-	-	-	-	4,697
Total Operating Expense	<u>17,421</u>	<u>44</u>	<u>29,358</u>	<u>21,911</u>	<u>498,709</u>	<u>8,270</u>	<u>40,304</u>	<u>616,017</u>
Total Operating Income	<u>206</u>	<u>(3)</u>	<u>7,820</u>	<u>(3,796)</u>	<u>41,355</u>	<u>(2,131)</u>	<u>4,797</u>	<u>48,248</u>
Non-Operating Income (Expense):								
Interest expense	(30)	(1,090)	(736)	-	(27,229)	-	(1,331)	(30,416)
Investment earnings (losses)	732	1,093	11,524	1,416	14,272	392	3,163	32,592
Amortization of Loss on Advanced Refunding	-	-	(156)	-	(4,640)	-	(761)	(5,557)
Total Non-Operating Income (Expenses)	<u>702</u>	<u>3</u>	<u>10,632</u>	<u>1,416</u>	<u>(17,597)</u>	<u>392</u>	<u>1,071</u>	<u>(3,381)</u>
Change in net assets before regulatory asset adjustment	908	-	18,452	(2,380)	23,758	(1,739)	5,868	44,867
Net cost recoverable (refundable)/future participant billings	-	-	(18,452)	2,380	(23,758)	1,739	(5,868)	(43,959)
Change in Net Position After Regulatory Adj	908	-	-	-	-	-	-	908
Net Position at beginning of year	11,150	-	-	-	-	-	-	11,150
Net Position at end of year	<u>\$ 12,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,058</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, 2024
(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	
Cash Flows From Operating Activities:								
Cash Received From Customers	\$ 18,274	\$ 337	\$ 38,981	\$ 17,860	\$ 540,596	\$ 6,383	\$ 43,916	\$ 666,347
Cash Paid to Suppliers	(8,140)	(46)	(18,111)	(18,069)	(438,038)	(6,782)	(34,584)	(523,770)
Cash Paid to Employees	(8,855)	-	-	-	(3,161)	-	-	(12,016)
Net Cash Provided by (Used in) Operating Activities	\$ 1,279	\$ 291	\$ 20,870	\$ (209)	\$ 99,397	\$ (399)	\$ 9,332	\$ 130,561
Cash Flows From Investing Activities:								
Proceeds From Sales and Maturities Of Investments	\$ 8,893	\$ 14,535	\$ 98,435	\$ 33,900	\$ 213,360	\$ 6,615	\$ 41,311	\$ 417,049
Purchases of Investments	(9,307)	-	(108,537)	(37,190)	(184,190)	(6,231)	(43,359)	(388,814)
Income received on Investments - Less Losses	632	1,094	8,103	1,221	10,273	340	2,339	24,002
Net Cash Provided by (Used in) Investment Activities	\$ 218	\$ 15,629	\$ (1,999)	\$ (2,069)	\$ 39,443	\$ 724	\$ 291	\$ 52,237
Cash Flows From Capital & Related Financing Activities:								
Proceeds from Issuance of Bonds, Loans & Leases	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ 4,153	\$ -	\$ -	\$ 6,153
Debt Issuance Costs	-	-	-	-	-	-	-	-
Capital Expenditures - Utility Plant	(1,742)	-	(9,500)	(1,060)	(46,857)	(378)	(2,229)	(61,766)
Long Term Gas Pre Pay - PGP	-	-	-	-	(774)	-	-	(774)
Principal Payments - Long Term Debt	-	(15,530)	(2,686)	-	(72,464)	-	(11,831)	(102,511)
Interest paid on Debt	(30)	(1,060)	(2,480)	-	(39,347)	-	(1,427)	(44,344)
Development Project (Charges) Refunds	(337)	-	-	-	226	-	-	(111)
Net Cash Provided (Used in) Capital & Related Financing Activities	\$ (1,109)	\$ (15,590)	\$ (14,666)	\$ (1,060)	\$ (155,063)	\$ (378)	\$ (15,487)	\$ (203,353)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 388	\$ 330	\$ 4,205	\$ (3,338)	\$ (16,223)	\$ (53)	\$ (5,864)	\$ (20,555)
Cash and Cash Equivalents - Beginning	4,344	769	22,844	13,140	173,421	3,010	28,949	246,477
Cash and Cash Equivalents - Ending	\$ 4,732	\$ 1,099	\$ 27,049	\$ 9,802	\$ 157,198	\$ 2,957	\$ 23,085	\$ 225,922
Consisting of:								
Unrestricted	\$ 4,632	\$ 6	\$ 8,817	\$ 7,851	\$ 58,257	\$ 2,306	\$ 8,104	\$ 89,973
Restricted	100	1,093	18,232	1,951	98,941	651	14,981	135,949
Total	\$ 4,732	\$ 1,099	\$ 27,049	\$ 9,802	\$ 157,198	\$ 2,957	\$ 23,085	\$ 225,922
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	\$ 206	\$ (3)	\$ 7,820	\$ (3,796)	\$ 41,355	\$ (2,131)	\$ 4,797	\$ 48,248
Adjustment to Reconcile Net Operating Income to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	968	-	2,040	4,542	43,542	1,723	6,770	59,585
Decommissioning	-	-	4,697	-	-	-	-	4,697
Amortization of Nuclear Fuel	-	-	4,283	-	-	-	-	4,283
Amortization of Pre Paid Gas - PGP	-	-	-	-	774	-	-	774
Amortization of Vero Exit Payment	-	-	-	-	(11,589)	-	-	(11,589)
Changes in Assets and Liabilities Which Provided (Used) Cash:								
Inventory	-	-	-	(670)	(10,435)	(240)	(1,319)	(12,664)
Receivables From (Payable to) Participants	647	-	1,803	(255)	12,121	244	(1,185)	13,375
Prepays	(953)	-	156	(18)	24,441	10	(57)	23,579
Accounts Payable and Accrued Expense	411	294	71	(12)	(812)	(5)	326	273
Net Cash Provided By (Used In) Operating Activities	\$ 1,279	\$ 291	\$ 20,870	\$ (209)	\$ 99,397	\$ (399)	\$ 9,332	\$ 130,561
Noncash Investing, capital and financing activities:								
Increase (Decrease) in mark to market values Investments	\$ 100	\$ -	\$ 3,363	\$ 186	\$ 3,872	\$ 49	\$ 804	\$ 8,374

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2024
(000's US\$)

	Custodial Funds
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 20,727
Investments	11,622
Accrued Interest	83
Due from participants	44
Total Assets	<u>32,476</u>
LIABILITIES	
Accrued Arbitrage Rebate Liability	\$ 176
Total liabilities	<u>176</u>
Net Position	
Restricted for other governments	<u>\$ 32,300</u>

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2024
(000's US\$)

Additions

Contributions		
Received from other governments - Rate Stabilization	\$	21,980
Investment Income		2,692
Total additions	\$	<u>24,672</u>

Deductions

Paid to other governments - Loan Proceeds	\$	1,567
Paid to other governments - Investment Returned		19,000
Paid to other governments - Rate Stabilization		22,065
Bank Charges		3
Total deductions	\$	<u>42,635</u>

Change in net position	\$	(17,963)
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Net position, beginning of year		<u>50,263</u>
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Net position, end of year	\$	<u><u>32,300</u></u>
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The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, 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, 2024

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. In FY2024, FMPA purchased the Orlando Co-Gen power plant in Orlando, renamed the Sand Lake Energy Center and the Polk Power Partners power plant in Bartow, renamed the Mulberry Energy Center. 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 15 years to 40 years.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, the Agency Fund had a liability for unused vacation of \$1,044,660 and a liability of \$687,602 for unused sick/personal leave. The All-Requirements Project had a liability for unused vacation of \$343,754 and a liability of \$108,802 for sick/personal leave.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, derivative financial instruments, and pollution remediation obligations. Actual results could differ from those estimates.

12. Derivative Financial Instruments

FMPA used commodity futures contracts to hedge the effects of fluctuations in the price of natural gas storage. 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, 2024

I. 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, 2024

I. 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.



NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 (\$119 million) and Accrued Decommissioning Liability (\$117 million) at September 30, 2024. 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.



NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 \$16.41 million as of September 30, 2024, 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 \$7.77 million over the remaining useful life of the landfill. As of September 30, 2023, and 2024, 80.9% and 85.9%, respective of the total landfill capacity has been used. As of 2024, it is estimated that three years remain on the landfill life base on annual usage of the landfill. An update for 2023 was received which recognized more stringent requirements for the landfill, resulting in a significant increase of approximately \$18 million in estimated closure and post closure costs across the FMPA Projects in fiscal year 2023. This increase also encompassed heightened requirements for previously closed landfill cells. The landfill operator has put aside the necessary funds to meet the requirements of the State of Florida

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, 2024 is:

	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	Total
Landfill Closure Costs					
Total Exposure	\$ 4,723	\$ 5,258	\$ 1,690	\$ 7,433	\$ 19,104
Remaining Liability	(666)	(741)	(238)	(1,048)	(2,693)
Total Liability at September 30	<u>\$ 4,057</u>	<u>\$ 4,517</u>	<u>\$ 1,452</u>	<u>\$ 6,385</u>	<u>\$ 16,411</u>
Closure Liability	\$ 1,921	\$ 2,137	\$ 688	\$ 3,023	\$ 7,769
Post Closure Liability	2,136	2,379	764	3,362	8,641
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 Asset Retirement Obligation	<u><u>\$ 5,059</u></u>	<u><u>\$ 5,632</u></u>	<u><u>\$ 1,811</u></u>	<u><u>\$ 7,957</u></u>	<u><u>\$ 20,459</u></u>

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IV. Capital Assets

A description and summary as of September 30, 2024, 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, 2024 was as follows:

	September 30, 2024			Ending Balance
	Beginning Balance	Increases*	Decreases*	
	(000's US\$)			
Land	\$ 653	\$ -	\$ -	\$ 653
General Plant	9,878	1,672	-	11,550
Subscription Based IT Agreements	489	70	-	559
General Plant in Service	<u>\$ 11,020</u>	<u>\$ 1,742</u>	<u>\$ -</u>	<u>\$ 12,762</u>
Less Accumulated Depreciation	(8,106)	(845)	-	(8,951)
Less Accumulated Amortization on SBITA	<u>\$ (337)</u>	<u>\$ (123)</u>	<u>\$ -</u>	<u>(460)</u>
Total Accumulated Deprn and Amort	<u>\$ (8,443)</u>	<u>\$ (968)</u>	<u>\$ -</u>	<u>\$ (9,411)</u>
General Plant in Service, Net	<u>\$ 2,577</u>	<u>\$ (662)</u>	<u>\$ -</u>	<u>\$ 3,351</u>

* Includes Retirements Less Salvage

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 75	\$ -	\$ -	\$ 75
Electric Plant	332,046	3,467	-	335,513
General Plant	1,208	-	-	1,208
Nuclear Fuel	41,622	3,717	-	45,339
Construction work in process	654	2,045	-	2,699
Electric Utility Plant in Service	\$ 375,605	\$ 9,229	\$ -	\$ 384,834
Less Accumulated Depreciation	(325,533)	(6,323)	271	(331,585)
Utility Plant in Service, Net	<u>\$ 50,072</u>	<u>\$ 2,906</u>	<u>\$ 271</u>	<u>\$ 53,249</u>

* 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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 125	\$ -	\$ -	\$ 125
Electric Plant	97,300	1,060	-	98,360
General Plant	21	-	-	21
Electric Utility Plant in Service	\$ 97,446	\$ 1,060	\$ -	\$ 98,506
Less Accumulated Depreciation	(80,530)	(4,542)	-	(85,072)
Utility Plant in Service, Net	<u>\$ 16,916</u>	<u>\$ (3,482)</u>	<u>\$ -</u>	<u>\$ 13,434</u>

* Includes Retirements Less Salvage

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, Mulberry Energy Center, Sand Lake 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 *
• Mulberry Energy Center	15 years
• Sand Lake Energy Center	15 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, 2024, was as follows:

	September 30, 2024			Ending Balance
	Beginning Balance	Increases	Decreases*	
	(000's US\$)			
Land	\$ 13,405	\$ 2,084	\$ -	\$ 15,489
Electric Plant	1,405,335	43,026		1,448,361
General Plant	6,178	5,770		11,948
Subscription Based IT Agreements	57			57
CWIP	4,058	(4,047)		11
Electric Utility Plant in Service	<u>\$ 1,429,033</u>	<u>\$ 46,833</u>	<u>\$ -</u>	<u>\$ 1,475,866</u>
Less Accumulated Depreciation	\$ (837,043)	\$ (43,536)	\$ 24	\$ (880,555)
Less Accumulated Amortization SBITA	\$ (51)	(6)		(57)
Total Accumulated Deprn and Amort	<u>\$ (837,094)</u>	<u>\$ (43,542)</u>	<u>\$ 24</u>	<u>\$ (880,612)</u>
Utility Plant in Service, Net	<u>\$ 591,939</u>	<u>\$ 3,291</u>	<u>\$ 24</u>	<u>\$ 595,254</u>

*Includes Retirements Less Salvage

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IV. Capital Assets (continued)

A. 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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 48	\$ -	\$ -	\$ 48
Electric Plant	38,584	378	-	38,962
General Plant	36		-	36
Electric Utility Plant in Service	\$ 38,668	\$ 378	\$ -	\$ 39,046
Less Accumulated Depreciation	(32,235)	(1,723)	-	(33,958)
Utility Plant in Service, Net	<u>\$ 6,433</u>	<u>\$ (1,345)</u>	<u>\$ -</u>	<u>\$ 5,088</u>

B. 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, 2024, was as follows:

	Beginning Balance	September 30, 2024		Ending Balance
		Increases	Decreases*	
		(000's US\$)		
Land	\$ 217	\$ -	\$ -	\$ 217
Electric Plant	213,525	2,229	-	215,754
General Plant	91		-	91
Electric Utility Plant in Service	\$ 213,833	\$ 2,229	\$ -	\$ 216,062
Less Accumulated Depreciation	(135,387)	(6,770)	-	(142,157)
Utility Plant in Service, Net	<u>\$ 78,446</u>	<u>\$ (4,541)</u>	<u>\$ -</u>	<u>\$ 73,905</u>

* Includes Retirements Less Salvage

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

V. Cash, Cash Equivalents, and Investment

A. Cash and Cash Equivalents

At September 30, 2024, 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 four financial institutions. All of FMPA's demand deposits at September 30, 2024, 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, 2024 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 rated fixed income securities. Corporate notes must have minimum credit rating of A, irrespective of any gradation within that rating. Municipal bonds and commercial paper must be rated within the two highest rating categories, while money market funds are required to be rated in the highest rating category. 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 assess credit and interest rate risks. FMPA's investment policy imposes specific limits on the types and concentrations of investments. Commercial paper and municipal bonds cannot exceed 50% of any project's investments. Investments in corporate notes, money markets and other investment funds are also restricted to 30% of a project's assets. Exposure to any single issuer is limited to 25% for money markets and agencies, 20% for municipal bonds, and 10% for commercial paper, corporate notes, and CDs. As of September 30, 2024, no project exceeded these concentration limits by investment type or issuer.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 100		
Unrestricted			
Cash and Cash Equivalents	\$ 4,632		
US Gov't/Agency Securities*	4,004	315	Aaa/AA+/AA+
Commercial Paper	2,458	195	P-1/A-1+ to A-1/F1
Corporate Notes	2,471	210	Aa3 to A1/AA+ to A-/AA+ to A+
Total Unrestricted	<u>\$ 13,565</u>		
Total	<u>\$ 13,665</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Agency at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
	Agency Obligations	\$ -	\$ 1,505
US Treasury Obligations	2,499		
Corporate Notes		2,471	
Brokered CDs			
Total By Level	<u>\$ 2,499</u>	<u>\$ 3,976</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 4,732		
Commercial Paper	2,458		
Accrued Interest	46		
Total Money Market and Mutual Fund Instruments	<u>\$ 7,236</u>		
Total Market Value of Assets	\$ 13,711		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(46)	
Market value (less) Accrued Interest	<u>\$ 13,665</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	<u>September 30, 2024</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating</u>
	<i>(000's US\$)</i>		
Restricted			
Cash and Cash Equivalents	\$ 1,093		
Total Restricted	<u>\$ 1,093</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 6		
Total Unrestricted	<u>\$ 6</u>		
Total	<u><u>\$ 1,099</u></u>		

Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure

Cash Equivalents	\$ 1,099
Total Money Market and Mutual Fund Instruments	<u>\$ 1,099</u>
Total Market Value of Assets	\$ 1,099
Accrued Interest (including portion within other current assets of Unrestricted Assets)	
Market value (less) Accrued Interest	<u><u>\$ 1,099</u></u>

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 18,232		
US Gov't/Agency Securities	42,120	663	Aaa/AA+/AA+
Municipal Bonds	9,348	1199	Aa2 to Aa3/AA+ to AA/AA+ to AA
Commercial Paper	11,484	17	P-1/A-1+ to A-1/F1
Corporate Notes	61,558	814	Aaa to A3/AA+ to A-/AAA to A
Brokered CD's	-		
Total Restricted	\$ 142,742		
Unrestricted			
Cash and Cash Equivalents	\$ 8,817		
US Gov't/Agency Securities*	21,065	559	Aaa/AA+/AA+
Municipal Bonds	1,995	32	Aa1 to Aa3/AA+ to AA/AA+ to AA
Commercial Paper	2,721	155	P-1/A-1+ to A-1/F1+ to F1
Corporate Notes	19,401	664	Aaa to A3/AA+ to A-/AAA to A-
Total Unrestricted	\$ 53,999		
Total	\$ 196,741		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the St. Lucie Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
	Agency Obligations	\$ -	\$ 48,508
US Treasury Obligations	14,677		
Municipal Bonds		11,343	
Corporate Notes		80,959	
Brokered CDs		-	
Total By Level	\$ 14,677	\$ 140,810	\$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 27,049		
Commercial Paper	14,205		
Accrued Interest	1,694		
Total Money Market and Mutual Fund Instruments	\$ 42,948		
Total Market Value of Assets	\$ 198,435		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(1,694)	
Market value (less) Accrued Interest	\$ 196,741		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 1,951		
US Gov't/Agency Securities	2,643	41	Aaa/AA+/AA+
Corporate Notes	1,507	257	Aa2 to A1/AA- to A+/AA- to A
Commercial Paper	984	1	P1/A-1/F1+ to F1
Total Restricted	\$ 7,085		
Unrestricted			
Cash and Cash Equivalents	\$ 7,851		
US Gov't/Agency Securities*	5,517	145	Aaa/AA+/AA+
Commercial Paper	2,482	86	P-1/A-1
Corporate Notes	1,958	255	A-1/AA-
Total Unrestricted	\$ 17,808		
Total	\$ 24,893		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 4,389	\$ -
US Treasury Obligations	3,771		
Municipal Bonds		-	
Corporate Notes		3,465	
Total By Level	\$ 3,771	\$ 7,854	\$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 9,802		
Commercial Paper	3,466		
Accrued Interest	91		
Total Money Market and Mutual Fund Instruments	\$ 13,359		
Total Market Value of Assets	\$ 24,984		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(91)	
Market value (less) Accrued Interest	\$ 24,893		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 98,941		
US Gov't/Agency Securities	24,341	347	Aaa/AA+/AA+
Municipal Bonds	29,226	373	Aaa to Aa1/AAA to AA+/ AAA to AA+
Commercial Paper	5,122	178	P-1/A-1/F1
Corporate Notes	23,497	285	Aaa to A3/AA+ to A-/AA- to A
Brokered CD's	-		
Total Restricted	\$ 181,127		
Unrestricted			
Cash and Cash Equivalents	\$ 58,257		
US Gov't/Agency Securities*	23,790	171	Aaa/AA+/AA+
Municipal Bonds	992	213	Aa2/AA/AA
Commercial Paper	7,913	170	P-1/A-1+ to A-1/F1+ to F1
Corporate Notes	6,001	182	A1 to A2/A+ to A-/A+ to A
Brokered CD's	\$ 230	1240	
Total Unrestricted	\$ 97,183		
Total	\$ 278,310		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the All-Requirements Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1) <i>(000's US\$)</i>	(Level 2) <i>(000's US\$)</i>	(Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 20,332	\$ -
US Treasury Obligations	27,799		
Municipal Bonds		30,218	
Brokered CD's		230	
Corporate Notes		29,498	
Total By Level	\$ 27,799	\$ 80,278	\$ -
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 157,198		
Commercial Paper	13,035		
Accrued Interest	565		
Total Money Market and Mutual Fund Instruments	\$ 170,798		
Total Market Value of Assets	\$ 278,875		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(565)	
Market value (less) Accrued Interest	\$ 278,310		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024 <i>(000's US\$)</i>	Weighted Average Maturity (Days)	Credit Rating *
Restricted			
Cash and Cash Equivalents	\$ 651		
US Gov't/Agency Securities	1,250	243	Aaa/AA+/AA+
Municipal Bonds	-		
Commercial Paper	295	172	P-1/A-1/F1
Corporate Notes	651	208	A1/A to A-/A+
Brokered CD's	-		
Total Restricted	<u>\$ 2,847</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 2,306		
US Gov't/Agency Securities	902	235	Aaa/AA+/AA+
Commercial Paper	791	137	P-1/A-1+ to A-1/F1+ to F1
Total	<u>\$ 3,999</u>		
Total	<u>\$ 6,846</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Tri-City Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
	Agency Obligations	\$ -	\$ 1,404
US Treasury Obligations	748		
Municipal Bonds		-	
Corporate Notes		651	
Brokered CD's			
Total By Level	<u>\$ 748</u>	<u>\$ 2,055</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 2,957		
Commercial Paper	1,086		
Accrued Interest	22		
Total Money Market and Mutual Fund Instruments	<u>\$ 4,065</u>		
Total Market Value of Assets	\$ 6,868		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(22)	
Market value (less) Accrued Interest	<u>\$ 6,846</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

	September 30, 2024	Weighted Average Maturity (Days)	Credit Rating *
	(000's US\$)		
Restricted			
Cash and Cash Equivalents	\$ 14,981		
US Gov't/Agency Securities	2,991	55	Aaa/AA+/AA+
Commercial Paper	1,970	175	P-1/A-1/F1+ to F1
Corporate Notes	2,030	215	Aa3 to A1/AA- to A-/AA- to A
Total Restricted	<u>\$ 21,972</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 8,104		
US Gov't/Agency Securities	19,147	117	Aaa/AA+/AA+
Municipal Bonds	2,864	62	Aa2/AA/ AA
Commercial Paper	2,466	155	P-A/A-1/F1+ to F1
Corporate Notes	3,862	302	Aa3 to A3/AA- to A-/AA- to A
Total Unrestricted	<u>\$ 36,443</u>		
Total	<u>\$ 58,415</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton II Project at September 30, 2024, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1) (000's US\$)	(Level 2) (000's US\$)	(Level 3) (000's US\$)
Agency Obligations	\$ -	\$ 6,705	\$ -
US Treasury Obligations	15,433		
Municipal Bonds		2,864	
Corporate Notes		5,892	
Total By Level	<u>\$ 15,433</u>	<u>\$ 15,461</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 23,085		
Commercial Paper	4,436		
Accrued Interest	270		
Total Money Market and Mutual Fund Instruments	<u>\$ 27,791</u>		
Total Market Value of Assets	\$ 58,685		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(270)	
Market value (less) Accrued Interest	<u>\$ 58,415</u>		

V.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

V. Cash, Cash Equivalents, and Investments (continued)

B. Investments (continued)

8. Fiduciary Activities

Cash, cash equivalents and investments for Fiduciary Activities at September 30, 2024, are as follows:

	September 30, 2024	Weighted Average Maturity (Days)	Credit Rating *
	(000's US\$)		
Restricted			
Cash and Cash Equivalents	\$ 20,727		
US Gov't/Agency Securities	7,324	91	Aaa/AA+/AA+
Commercial Paper	-		
Corporate Notes	4,298	41	A2/A-/A
Total Restricted	<u>\$ 32,349</u>		

* Moody's/S&P/Fitch

Investments measured at Fair Value for Fiduciary Activities at September 30, 2024, are as follows:

	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1)	(Level 2)	(Level 3)
	(000's US\$)	(000's US\$)	(000's US\$)
Investment Assets by Fair Value Level			
Agency Obligations	\$ -	\$ 2,478	\$ -
US Treasury Obligations	4,846		
Corporate Notes		4,298	
Total By Level	<u>\$ 4,846</u>	<u>\$ 6,776</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 20,727		
Commercial Paper	-		
Accrued Interest	83		
Total Money Market and Mutual Fund Instruments	<u>\$ 20,810</u>		
Total Market Value of Assets	\$ 32,432		
Accrued Interest (including portion within other current assets of Unrestricted Assets)		(83)	
Market value (less) Accrued Interest	<u>\$ 32,349</u>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

VI. Derivative Financial Instruments

Natural Gas Futures Contracts

FMPA's approach to long-term natural gas procurement is to balance the need for price stability with the flexibility to capitalize on market opportunities. Through a structured, tiered strategy that sets out specific hedging ranges for each year, allowing for adjustments based on market conditions and the FMPA's rate expectations.

In FYE 2024 the Executive Committee established pricing thresholds for natural gas, instructing staff to secure future contracts based on market conditions. For the next twelve months, the direction is to secure a substantial portion of the anticipated All Requirements Project natural gas consumption if thresholds are met. In months thirteen through twenty four, the target range decreases to a moderate portion, and in months twenty five through thirty six, contracts may cover only a small fraction of expected usage. This phased strategy ensures a balanced approach.

FMPA also used a single fixed-price firm physical purchases of natural gas as a tool to establish the cost of natural gas at Zone 3 delivered. At September 30, 2024 the Project holds a single fixed price contract 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. The volume for fiscal year 2025 is 3.18 million MMBtu.

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, 2024

VI. Derivative Financial Instruments (continued)

Natural Gas Futures Contracts(continued)

All transactions are entered into as hedges against the volatility of natural gas prices. The All-Requirements Project as of September 30, 2024, had futures contracts outstanding in the following amounts, covering the fiscal years 2025 through 2028. 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, 2024, unrealized losses are approximately \$6.0 million. Realized gains and losses on these transactions are recognized as the instruments are settled.

Fiscal Year Ending	Thousands of MMBtu's	Fair Market Value \$(000's) at 9/30/2024
2025	16,648	\$ (5,680)
2026	8,243	(543)
2027	1,613	144
2028	162	40
Total	26,666	\$ (6,039)

In order to move the futures contracts into an account controlled by FMPA, in FY 2023 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. \$3.7 million remains to be amortized to expense over the next 7 months.



NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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.



NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, all FMPA projects were in compliance with requirements of the bond resolution.

Segregated restricted net position at September 30, 2024, are as follows:

	(000's US\$)							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	Total
Debt Service Funds	\$ 100	\$ -	\$ 4,033	\$ -	\$ 61,901	\$ -	\$ 12,377	\$ 78,411
Reserve & Contingency Funds	-	-	21,100	7,139	45,558	2,865	9,887	86,549
Posted for Margin - Hedging					10,720			10,720
Decommissioning Fund	-	-	118,952	-	-	-	-	118,952
Accrued Interest on								
Long-Term Debt	-		(1,215)	-	(15,216)	-	(640)	(17,071)
Accrued Decommissioning Expenses			(117,014)					(117,014)
Total Restricted Net Assets	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 25,856</u>	<u>\$ 7,139</u>	<u>\$ 102,963</u>	<u>\$ 2,865</u>	<u>\$ 21,624</u>	<u>\$ 160,547</u>

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, 2024

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, 2024, is as follows:

1. Agency Fund

Business-Type Activities	2024 (000's US\$)				Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance		
Direct Placement Debt						
Pooled Loan	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ 110

The Agency Fund borrowed \$1.0 Million from the Pooled Loan Fund to fund Information Technology upgrades in the current year. The loan is at 7.25% for 5 years.

2. Pooled Loan Fund

Business-Type Activities	2024 (000's US\$)				Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance		
Direct Placement Debt						
Total Loan	\$ 39,860	\$ 1,000	\$ (16,608)	\$ 24,252	\$ 24,252	\$ 2,072
Less Conduit Loan - Bushnell	(6,610)		345	(6,265)	(6,265)	(353)
Less Conduit Loan - Homestead	(8,055)	-	355	(7,700)	(7,700)	(361)
Less Conduit Loan - Homestead #2	(6,500)		297	(6,203)	(6,203)	(615)
Less Conduit Loan - Clewiston	(1,231)	-	81	(1,150)	(1,150)	(83)
Non-Conduit Pooled Loans	\$ 17,464	\$ 1,000	\$ (15,530)	\$ 2,934	\$ 2,934	\$ 660

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. This loan was paid off during the current fiscal year. In October 2024 the Agency Fund drew \$1.0 million at 7.25%.

In September 2024, The Board of Directors approved Truist Bank as a new credit provider for the Pooled Loan Program. Truist Bank offers an uncommitted line of credit up to \$50 million, with terms extending up to 20 years, available for FMPA members or projects. As of the date of this report, no pooled loans have been requested from Truist Bank.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

A. Debt (continued)

3. St. Lucie Project

Business-Type Activities	2024 (000's US\$)				Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance		
Revenue Bonds						
Bonds 2021A	\$ 13,575	\$ -	\$ (1,295)	\$ 12,280	\$ 1,360	
Direct Placement Debt						
Bonds 2013A	5,790		(1,390)	4,400	1,430	
Bonds 2021B	33,920			33,920	\$ -	
Total Principal	<u>\$ 53,285</u>	<u>\$ -</u>	<u>\$ (2,685)</u>	<u>\$ 50,600</u>	<u>\$ 2,790</u>	
Deferred Premiums And Discounts	7,906	-	(1,694)	6,212	-	
Total Revenue Bonds	<u>\$ 61,191</u>	<u>\$ -</u>	<u>\$ (4,379)</u>	<u>\$ 56,812</u>	<u>\$ 2,790</u>	
Unamortized loss on advanced refunding	<u>\$ (616)</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ (460)</u>	<u>\$ -</u>	

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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

A. Debt (continued)

5. All-Requirements Project

Business-Type Activities	2024			Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases		
	(000's US\$)				
Revenue Bonds					
Bonds 2015B	\$ 79,155	\$ -	\$ (7,205)	\$ 71,950	\$ 7,565
Bonds 2016A	318,655	-	(27,975)	290,680	29,355
Bonds 2017A	69,625	-	-	69,625	-
Bonds 2017B	37,015	-	(7,085)	29,930	9,065
Bonds 2018A	57,790	-	-	57,790	-
Bonds 2019A	75,220	-	-	75,220	-
Bonds 2019B	1,720	-	(1,720)	-	-
Bonds 2021A	36,720	-	-	36,720	-
Bonds 2021B	100,495	-	-	100,495	-
Direct Placement Debt					
Pooled Loan	15,000	-	(15,000)	-	-
Total Principal	<u>\$ 791,395</u>	<u>\$ -</u>	<u>\$ (58,985)</u>	<u>\$ 732,410</u>	<u>\$ 45,985</u>
Leases and Other Debt					
KUA - TARP	\$ 135,165	\$ -	\$ (13,025)	\$ 122,140	\$ 13,752
Gas Storage Lease	-	4,153	(321)	3,832	656
St. Lucie County	203	-	(132)	71	71
Total Other Liabilities	<u>\$ 135,368</u>	<u>\$ 4,153</u>	<u>\$ (13,478)</u>	<u>\$ 126,043</u>	<u>\$ 14,479</u>
Total Bonds, Leases and Other Debt	<u>\$ 926,763</u>	<u>\$ 4,153</u>	<u>\$ (72,463)</u>	<u>\$ 858,453</u>	<u>\$ 60,464</u>
Deferred Premiums					
And Discounts	\$ 54,764	\$ -	\$ (11,125)	\$ 43,639	\$ -
Total Revenue Bonds & Leases and other debt	<u>\$ 981,527</u>	<u>\$ 4,153</u>	<u>\$ (83,588)</u>	<u>\$ 902,092</u>	<u>\$ 60,464</u>
Unamortized loss on advanced refunding	<u>\$ (22,706)</u>	<u>\$ -</u>	<u>\$ 4,640</u>	<u>\$ (18,066)</u>	<u>\$ -</u>

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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

IX. Long-Term Debt (continued)

A. Debt (continued)

5. All-Requirements Project

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. The loan was paid off during the current fiscal year.

KUA – TARP Financed purchase 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, 2024, amount to \$151.5 million and the present value of these payments is \$122.1 million.

SG Resources Lease Obligation

Effective April 1, 2024, the project entered into a contract with SG Resources Mississippi L.L.C., for 250,000 MMBtu of natural gas storage capacity. Payments remaining under the agreement at September 30, 2024 amount to \$4.1 million and the present value of these payments, discounted at 3.35% is \$3.8 million. The capital asset at September 30, 2024 is a storage asset of \$4.2 million less Accumulated Amortization of \$.35 million resulting in a net book value of \$3.8 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, 2024, one payment remains under this obligation with the final payment to be made September 30, 2025.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 Activities	2024				Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance	
(000's US\$)					
Direct Placement Debt					
Refunding 2017A	\$ 19,953	\$ -	\$ (387)	\$ 19,566	\$ 387
Refunding 2017B	25,537		(5,068)	20,469	5,151
Refunding 2022A	25,510		(5,840)	19,670	5,915
Pooled Loan	2,201		(537)	1,664	550
Total Principal	<u>\$ 73,201</u>	<u>\$ -</u>	<u>\$ (11,832)</u>	<u>\$ 61,369</u>	<u>\$ 12,003</u>
Deferred Premiums And Discounts	<u>(24)</u>	<u>-</u>	<u>15</u>	<u>(9)</u>	<u>-</u>
Total Bonds and Loans	<u>\$ 73,177</u>	<u>\$ -</u>	<u>\$ (11,817)</u>	<u>\$ 61,360</u>	<u>\$ 12,003</u>
Unamortized loss on advanced refunding	<u>\$ (2,476)</u>	<u>\$ -</u>	<u>\$ 760</u>	<u>\$ (1,716)</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, 2024 with final maturity of October 2027.

IX.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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.



IX.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, are as follows:

Fiscal Year Ending September	Agency Fund		St. Lucie Project		All-Req Project		Stanton II Project		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
Revenue Bonds									
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			7,035	1,340	83,495	15,766			107,636
2030 - 2034			23,300	1,785	309,830	23,561			358,476
Total Revenue Bonds	\$ -	\$ -	\$ 46,200	\$ 11,302	\$ 732,410	\$ 138,671	\$ -	\$ -	\$ 928,583
Direct Placement Debt									
2025	\$ 110	\$ 73	\$ 1,430	\$ 101			\$ 11,993	\$ 1,201	\$ 14,908
2026	232	60	1,465	61			12,133	968	14,919
2027	249	42	1,505	20			12,349	730	14,895
2028	268	25					24,894	304	25,491
2029	141	5							-
Total Direct Placement Debt	\$ 1,000	\$ 205	\$ 4,400	\$ 182	\$ -	\$ -	\$ 61,369	\$ 3,203	\$ 70,213
Total Principal & Interest	\$ 1,000	\$ 205	\$ 50,600	\$ 11,484	\$ 732,410	\$ 138,671	\$ 61,369	\$ 3,203	\$ 998,796
Less:									
Interest		(205)		(11,484)		(138,671)		(3,203)	(153,358)
Unamortized loss on refunding			(460)		(18,066)		(1,716)		(20,242)
Add:									
Unamortized Premium (Discount), net			6,212		43,639		(9)		49,842
Total Net Debt Service Requirement at September 30, 2024	\$ 1,000	\$ -	\$ 56,352	\$ -	\$ 757,983	\$ -	\$ 59,644	\$ -	\$ 875,038

The annual cash flow debt service requirements to amortize **all** long-term debt and leases outstanding as of September 30, 2024, are as follows:

Fiscal Year Ending September	Agency Fund		St. Lucie Project		All-Req Project		Stanton II Project		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 110	\$ 73	\$ 2,790	\$ 2,377	\$ 60,463	\$ 35,614	\$ 11,993	\$ 1,201	\$ 114,621
2026	232	60	2,890	2,267	75,367	32,500	12,133	968	126,417
2027	249	43	7,890	2,031	179,597	28,133	12,349	730	231,022
2028	268	25	6,695	1,684	82,496	23,393	24,894	304	139,759
2029	141	5	7,035	1,341	96,085	19,005			123,612
2030 - 2034			23,300	1,785	364,445	29,638			419,168
Total Principal & Interest	\$ 1,000	\$ 206	\$ 50,600	\$ 11,485	\$ 858,453	\$ 168,283	\$ 61,369	\$ 3,203	\$ 1,154,599

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 B - July 1989
All-Requirements	OUC	21% of Indian River Units C & D combustion turbines	C - August 1992 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>				
	2025	2026	2027	2028	2029
Stanton Project	\$ 9,900	\$ 6,132	\$ 5,039	\$ 1,260	0
All-Requirements Project	7,566	4,687	3,851	963	0
Tri-City Project	3,541	2,194	1,802	451	0
Stanton II Project	7,762	4,808	3,950	1,728	0

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 \$105 million for PGP Pool #1, and \$29 million for PGP Pool #2 as of September 30, 2024. 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, 2024

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 Coast	Cane Island Unit 2	Cane Island Unit 3	Cane Island 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	131,329	115,753	155,678	101,997
Estimated Hours at Performance End Date	207,000		236,000	175,000
Current Termination Amount (000's USD)	\$ 2,610		\$ 2,806	\$ 2,546
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, 2024

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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 (000's US\$)
Oleander Power Project LP, LLC - Unit 5 PPA	12/16/2027	\$ 27,999
Power Holding LLC - Oleander Unit 1 PPA 1/1/2024	12/31/2029	10,851
Total Minimum Liability		<u>\$ 38,850</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 (mmBtu/day)	Annual Cost (000's US\$)	Expiration	Primary Delivery Receiving Point
FI Gas Transmission FTS-1	21,984	\$ 4,304	Various	Cane Island Treasure Coast
FI Gas Transmission FTS-2	61,488	15,104	Various	Cane Island Treasure Coast
FI Gas Transmission FTS-2 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>		

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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.
- FMPP 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 2024, 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 parameters for the plants.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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.
- 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 Supplemental Agreement is set to expire on September 30, 2027 with automatic five-year renewals until the termination of their All-Requirements contract in 2041.
- 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, 2024

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, effective January 1, 2020, 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. The city's contract ended December 31, 2003.
 - 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 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.

X.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

X. Commitments and Contingencies (continued)

E. Solar Projects

The ARP has authorized the creation of three ARP Solar Project Advisory Committees, which include one representative from each participating member. These committees serve in an advisory capacity to the Executive Committee and address matters involving ARP participants who have committed to pay for the costs of the ARP solar power purchases in each of the three project phases:

- ARP Solar Project Advisory Committee (Project authorized March 2019)
- ARP Solar II Project Advisory Committee (Project authorized December 2019)
- ARP Solar III Project Advisory Committee (Project authorized May 2023)

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. Solar II was originally contracted as a 20-year power purchase agreement for a total of 53.55 MW-AC of solar energy divided equally between two larger 74.9 MW-AC facilities. These sites, Rice Creek and Whistling Duck, were previously expected to be operational by the end of 2023, however the projects are experiencing interconnection delays. Currently, Rice Creek is expected to be operational in December of 2024 and Whistling Duck in December of 2025.

In September of 2024, the FMPA Board of Directors approved Amendment Number Two to the Solar II Power Purchase Agreement for the Whistling Duck facility. This amendment increased the Solar II Project's Whistling Duck allocation from 26.78 MW-AC to 47.9 MW-AC. The Solar II Project, as amended, is contracted as a 20-year power purchase agreement for a total of 74.675, MW-AC, distributed between Rice Creek (26.78 MW-AC) and Whistling Duck (47.9 MW-AC).

In May of 2023, the FMPA Board of Directors approved the Solar III Project, which originally consisted 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. In September 2024, due to cost pressures and delays, the FMPA Board of Directors approved several amendments which resulted in the Solar III Project ultimately decreasing from 203.15 MW-AC at four sites to 181.025 MW-AC at three sites. The Project is distributed among the following facilities: Leyland (31.225 MW-AC), Hampton (74.9 MW-AC) and New River (74.9 MW-AC).

F. 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, FMPA entered into purchase agreements for three resources connected to the Duke Energy Florida transmission system. FMPA acquired two sites in fiscal year 2024 and the remaining site is anticipated to be acquired in fiscal year 2026. The natural gas units are located in Orlando and Bartow, Florida, with estimated total capacity of 340 net MWs.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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 FMPPA (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.



NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024, was \$12 million, which approximates covered payroll. The 401(a) defined contribution plan has 106 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 2024 of \$1.2 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, 2024, the plan membership consisted of the following participants:

	9/30/2024
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	10
	<u>29</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, 2024. The measurement period for the OPEB expense was October 1, 2023 to September 30, 2024. The reporting period is October 1, 2023 through September 30, 2024. The Sponsor's Total OPEB Liability was measured as of September 30, 2024 using a discount rate of 4.06%.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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, 2024 using a discount rate of 4.06%.

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2024 (measurement date) using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.06%
Initial Trend Rate	6.75%
Ultimate Trend Rate	4.00%
Years to Ultimate	50

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 4.06%. 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, 2024, the Agency will recognize OPEB Expense of \$388,486.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

XII. Employment Benefits

B. Post-Employment Benefits other than Retirement (continued)

Total OPEB Liability as of the Measurement Date is:

Description	(000's US\$) Amount
Reporting Period Ending September 30, 2023	\$ 4,833
Service Cost	22
Interest	230
Differences between Expected and Actual Experience	(285)
Changes in Assumptions	418
Benefits Payments	(267)
Reporting Period Ending September 30, 2024	<u>\$ 4,951</u>

Changes of assumptions reflect a change in the discount rate from 4.87% for the reporting period ended September 30, 2023 to 4.06% for the reporting period ended September 30, 2024. 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 Discount Rate	1% Increase
Total OPEB Liability (000's US\$)	\$ 5,582	\$ 4,951	\$ 4,424

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 Trend Rates	1% Increase
Total OPEB Liability (000's US\$)	\$ 4,595	\$ 4,951	\$ 5,371

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, 2024, the most recent valuation date, the Total OPEB Plan Liability was \$4.95 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 \$1.8 million, and the ratio of the Total OPEB Plan Liability to the covered payroll was 279 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) composed of representatives from FMPA's Board of Directors and Executive Committee. Corporate risk management is assigned to the Chief Financial Officer (CFO), who oversees the Risk Management area and reports directly to the Chief Executive Officer (CEO). The primary objective of the Agency's Enterprise Risk Management (ERM) program is to identify, measure, monitor, and report risks to mitigate 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.



NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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. Total membership of the Agency is 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 FMPA Board of Directors, except for the All-Requirements Project, in which all decisions are made by the Executive Committee.

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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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	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability							
Service Cost	\$ 23	\$ 22	\$ 59	\$ 63	\$ 56	\$ 47	\$ 53
Interest	230	228	145	133	201	215	201
Differences Between Expected and Actual Experience	(285)		221	-	-	-	-
Changes in Assumptions	418	(56)	(1,305)	(235)	674	410	(374)
Benefit Payments	(268)	(249)	(241)	(225)	(326)	(233)	(214)
Net Change in Total OPEB Liability	\$ 118	\$ (55)	\$ (1,121)	\$ (264)	\$ 605	\$ 439	\$ (334)
Total OPEB Liability - Beginning of Year	4,833	4,888	6,009	6,273	5,668	5,229	5,563
Total OPEB Liability - End of Year	\$ 4,951	\$ 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%	0%
Covered Employee Payroll	1,772	1,665	1,734	2,190	2,126	2,321	2,167
Agency's Net OPEB Liability as a % of Covered Employee Payroll	279%	290%	282%	274%	295%	244%	241%

* GASB Statement 75 was implemented as of September 30, 2018. Information from 2015 - 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, 2024:	4.06%
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.

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Other Information (unaudited)

**SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2024
(000's US\$)**

	Amended Budget	Actual	Variance Over / (Under) Budget
Agency Fund			
Received from projects	\$ 18,012	\$ 17,570	\$ (442)
Received from member assessments	65	72	7
Interest income	508	633	125
Other income	-	(15)	(15)
	<u>\$ 18,585</u>	<u>\$ 18,260</u>	<u>\$ (325)</u>
General and administrative	\$ 17,659	\$ 16,576	\$ (1,083)
Invested in Capital Assets	546	1,630	1,084
Pooled Loan Principal (Advance) Payment	-	(1,000)	(1,000)
Pooled Loan Interest	-	30	30
Other Adjustments	380	380	-
	<u>\$ 18,585</u>	<u>\$ 17,616</u>	<u>\$ (969)</u>
Net Revenue	\$ -	\$ 644	\$ 644
St. Lucie Project			
Participant billing	\$ 34,137	\$ 34,137	-
Reliability exchange contract sales	4,239	4,271	32
Interest income	454	685	231
	<u>\$ 38,830</u>	<u>\$ 39,093</u>	<u>\$ 263</u>
Operation and maintenance	\$ 11,862	\$ 10,881	\$ (981)
Purchased power	3,533	3,261	(272)
Transmission service	538	492	(46)
General and administrative	3,224	3,705	481
Deposit to renewal and replacement fund	10,000	10,000	-
Deposit to general reserve fund & FSA	3,500	3,500	-
Deposit to Nuclear Fuel Fund	5,000	5,000	-
Deposit to debt service fund	5,220	5,071	(149)
	<u>\$ 42,877</u>	<u>\$ 41,910</u>	<u>\$ (967)</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (4,047)</u>	<u>\$ (2,817)</u>	<u>\$ 1,230</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, 2024
(000's US\$)**

	Amended Budget	Actual	Variance Over/ (Under) Budget
Stanton Project			
Participant billing & sales to others	\$ 23,878	\$ 19,057	\$ (4,821)
Interest income	17	698	681
Other income	-	-	-
	\$ 23,895	\$ 19,755	\$ (4,140)
Operation and maintenance, fuel	\$ 18,493	\$ 13,708	\$ (4,785)
Transmission service	1,629	1,574	(55)
General and administrative	2,076	1,824	(252)
Deposits to debt service and other funds	1,017	1,027	10
	\$ 23,215	\$ 18,133	\$ (5,082)
Net Due to (from) Participants Resulting from Budget/Actual Variances	\$ 680	\$ 1,622	\$ 942
All-Requirements Project			
Participant billing & sales to others	\$ 530,228	\$ 554,300	\$ 24,072
Transfer from Rate Protection	-	-	-
Interest Income	889	10,400	9,511
	\$ 531,117	\$ 564,700	\$ 33,583
Member Capacity	\$ 35,799	\$ 29,275	\$ (6,524)
Contract Capacity	16,820	18,946	2,126
ARP Owned Capacity	49,141	51,641	2,500
Debt & Leases	112,163	112,561	398
Direct Charges & Other	27,176	26,466	(710)
Gas Transportation	26,275	26,720	445
Fuels	208,539	215,576	7,037
Purchased Power	10,977	9,078	(1,899)
Transmission	44,227	48,612	4,385
	\$ 531,117	\$ 538,875	\$ 7,758
Net Due to (from) Participants Resulting from Budget/Actual Variances	\$ -	\$ 25,825	\$ 25,825

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, 2024
(000's US\$)**

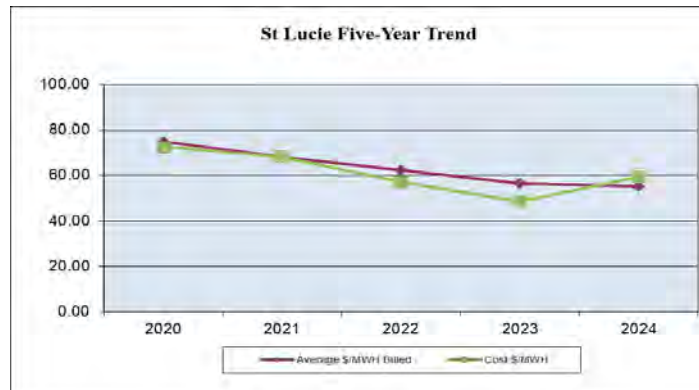
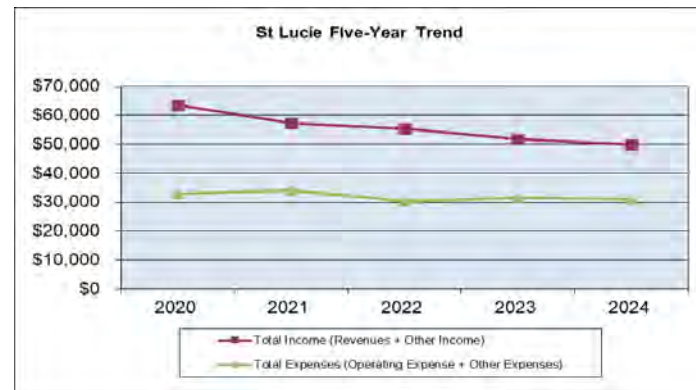
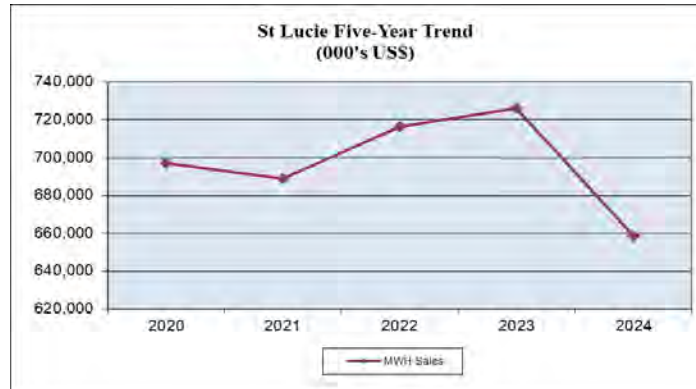
	Amended Budget	Actual	Variance Over/ (Under) Budget
Tri-City Project			
Participant billing & sales to others	\$ 8,204	\$ 6,509	\$ (1,695)
Interest income	12	281	269
	<u>\$ 8,216</u>	<u>\$ 6,790</u>	<u>\$ (1,426)</u>
Operation and maintenance, fuel	\$ 6,615	\$ 4,933	\$ (1,682)
Transmission service	584	564	(20)
General and administrative	1,041	951	(90)
Deposits to debt service and other funds	919	914	(5)
	<u>\$ 9,159</u>	<u>\$ 7,362</u>	<u>\$ (1,797)</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (943)</u>	<u>\$ (572)</u>	<u>\$ 371</u>
Stanton II Project			
Participant billing & sales to others	\$ 52,096	\$ 46,222	\$ (5,874)
Interest Income	46	1,143	1,097
Other Income	-	-	-
	<u>\$ 52,142</u>	<u>\$ 47,365</u>	<u>\$ (4,777)</u>
Operation and maintenance, fuel	\$ 33,045	\$ 27,949	\$ (5,096)
Transmission service	2,651	2,561	(90)
General and administrative	3,000	2,605	(395)
Deposits to debt service and other funds	16,391	16,074	(317)
	<u>\$ 55,087</u>	<u>\$ 49,189</u>	<u>\$ (5,898)</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (2,945)</u>	<u>\$ (1,824)</u>	<u>\$ 1,121</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

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
St. Lucie Project					
Capital Assets	\$ 26,455	\$ 34,977	\$ 41,172	\$ 50,072	\$ 53,249
Total Assets & Deferred Outflows	\$ 220,606	\$ 216,817	\$ 215,870	\$ 234,727	\$ 254,392
Long-Term Liabilities	\$ 98,029	\$ 87,714	\$ 58,941	\$ 58,506	\$ 54,022
Total Liabilities & Deferred Inflows	\$ 220,606	\$ 216,817	\$ 177,611	\$ 234,727	\$ 254,392
Billings to Participants	\$ 52,151	\$ 46,920	\$ 44,663	\$ 39,270	\$ 36,319
Sales to Others	3,820	3,860	2,077	3,806	2,089
Total Operating Revenues	\$ 55,971	\$ 50,780	\$ 46,740	\$ 43,076	\$ 38,408
Purchased Power	\$ 2,894	\$ 3,435	\$ 3,242	\$ 3,267	\$ 3,261
Production-Nuclear O&M	10,026	11,131	8,523	11,249	10,618
Nuclear Fuel Amortization	3,209	4,046	4,225	4,391	4,283
Transmission	408	429	490	466	491
General & Administrative	2,700	3,501	2,872	3,351	3,968
Depreciation & Decommissioning	8,216	6,839	7,937	7,909	6,737
Total Operating Expenses	\$ 27,453	\$ 29,381	\$ 27,289	\$ 30,633	\$ 29,358
Net Operating Revenues	\$ 28,518	\$ 21,399	\$ 19,451	\$ 12,443	\$ 9,050
Investment Income	\$ 7,662	\$ 6,463	\$ 4,472	\$ 8,648	\$ 11,524
Total Other Income	\$ 7,662	\$ 6,463	\$ 4,472	\$ 8,648	\$ 11,524
Interest Expense	\$ 4,259	\$ 3,507	\$ 2,091	\$ 791	\$ 736
Amortization & Other Expense	1,300	1,150	885	155	156
Total Other Expenses	\$ 5,559	\$ 4,657	\$ 2,976	\$ 946	\$ 892
Net Income (Loss)	\$ 30,621	\$ 23,205	\$ 20,947	\$ 20,145	\$ 19,682
Net Cost Recovered (Credited) in the Future	(27,505)	(23,277)	(17,212)	(19,789)	(18,452)
Due from (to) Participants	(3,116)	72	(3,735)	(356)	(1,230)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	697,116	688,960	716,436	726,227	658,607
Average \$/MWH Billed	\$ 74.81	\$ 68.10	\$ 62.34	\$ 54.07	\$ 55.15
Cost \$/MWH	\$ 72.54	\$ 68.21	\$ 57.13	\$ 53.58	\$ 53.28

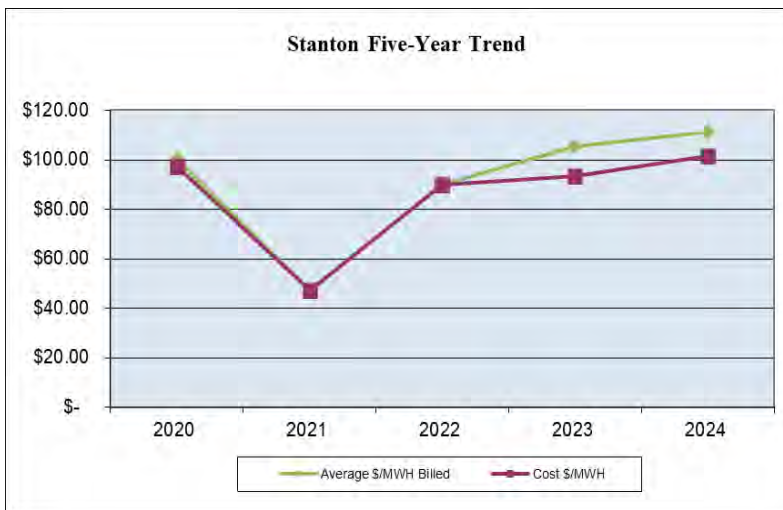
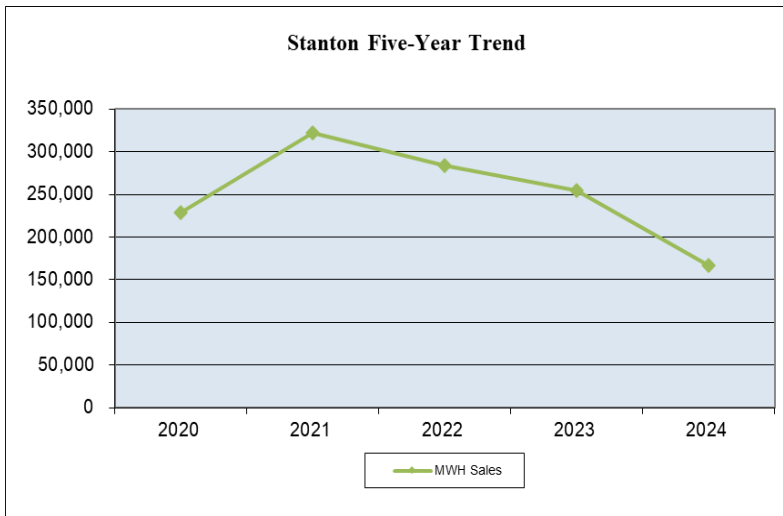
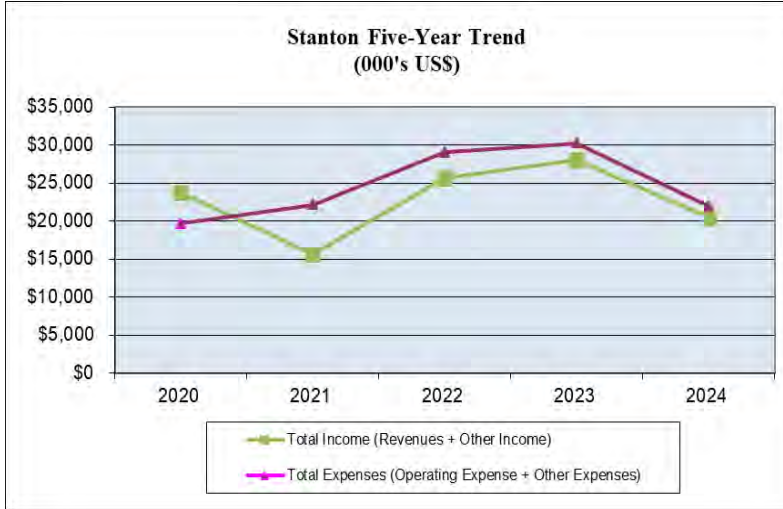
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
Stanton Project					
Capital Assets	\$ 27,044	\$ 24,138	\$ 20,855	\$ 16,916	\$ 13,434
Total Assets & Deferred Outflows	\$ 55,644	\$ 49,790	\$ 47,139	\$ 46,727	\$ 43,805
Long-Term Debt	\$ 1,159	\$ 1,203	\$ 1,371	\$ 4,823	\$ 5,059
Total Liabilities & Deferred Inflows	\$ 55,644	\$ 49,790	\$ 47,139	\$ 46,727	\$ 43,805
Billings to Participants	\$ 22,955	\$ 15,237	\$ 25,577	\$ 26,819	\$ 18,608
Sales to Others	378	384	369	432	449
Total Operating Revenues	\$ 23,333	\$ 15,621	\$ 25,946	\$ 27,251	\$ 19,057
Production-Steam O&M	\$ 5,384	\$ 3,933	\$ 4,800	\$ 8,383	\$ 4,968
Fuel Expense	7,934	11,366	16,534	14,450	8,977
Transmission	1,289	1,417	1,518	1,574	1,574
General & Administrative	1,342	1,344	1,945	1,460	1,850
Depreciation & Decommissioning	3,685	4,052	4,234	4,349	4,542
Total Operating Expenses	\$ 19,634	\$ 22,112	\$ 29,031	\$ 30,216	\$ 21,911
Net Operating Revenues	\$ 3,699	\$ (6,491)	\$ (3,085)	\$ (2,965)	\$ (2,854)
Investment Income	\$ 401	\$ 70	\$ (309)	\$ 766	\$ 1,416
Total Other Income	\$ 401	\$ 70	\$ (309)	\$ 766	\$ 1,416
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization & Other Expense	-	-	-	-	-
Total Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 4,100	\$ (6,421)	\$ (3,394)	\$ (2,199)	\$ (1,438)
Net Cost Recovered (Credited) in the Future	(3,392)	6,504	3,424	3,670	2,380
Due from (to) Participants	(708)	(83)	(30)	(1,471)	(942)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	228,947	321,529	284,082	254,654	167,002
Average \$/MWH Billed	\$ 100.26	\$ 47.39	\$ 90.03	\$ 105.32	\$ 111.42
Cost \$/MWH	\$ 97.17	\$ 47.13	\$ 89.93	\$ 99.54	\$ 105.78

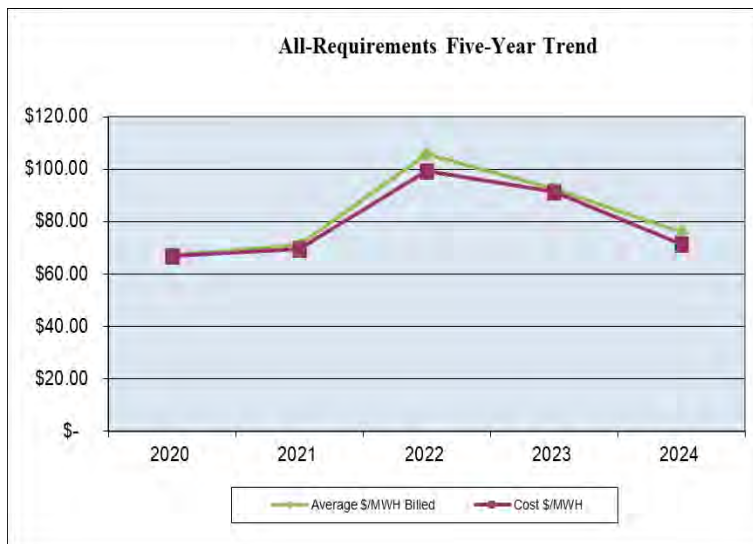
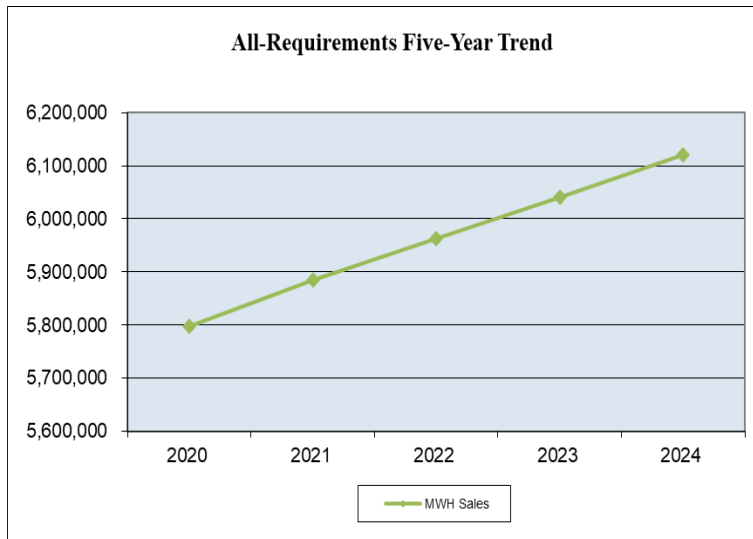
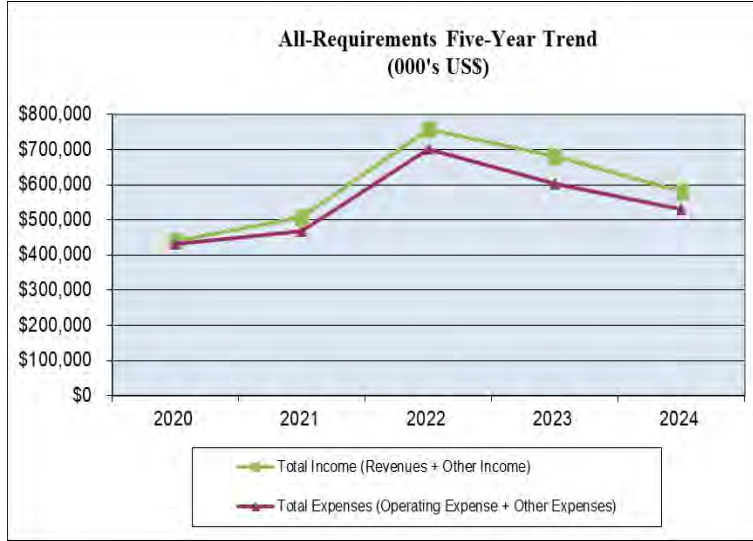
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
All-Requirements Project					
Capital Assets	\$ 588,537	\$ 558,414	\$ 532,828	\$ 591,939	\$ 595,254
Total Assets & Deferred Outflows	\$ 1,163,954	\$ 1,242,104	\$ 1,242,647	\$ 1,197,745	\$ 1,117,988
Long-Term Liabilities	\$ 933,813	\$ 993,268	\$ 960,361	\$ 951,823	\$ 871,987
Total Liabilities & Deferred Inflows	\$ 1,163,954	\$ 1,242,104	\$ 1,242,647	\$ 1,197,745	\$ 1,117,988
Billings to Participants **	\$ 390,242	\$ 419,512	\$ 629,759	\$ 558,208	\$ 464,065
Sales to Others	46,427	85,989	137,442	113,787	101,824
Total Operating Revenues	\$ 436,669	\$ 505,501	\$ 767,201	\$ 671,995	\$ 565,889
Purchased Power	\$ 29,509	\$ 37,314	\$ 49,849	\$ 37,987	\$ 28,796
O&M Production-Steam	82,078	64,733	75,310	87,715	76,968
Fuel Expense	159,716	229,393	426,331	337,413	272,264
Transmission	35,492	35,394	43,434	45,301	48,355
General & Administrative	23,510	23,837	26,019	26,133	28,784
Depreciation & Decommissioning	58,395	38,808	46,867	39,723	43,542
Total Operating Expenses	\$ 388,700	\$ 429,479	\$ 667,810	\$ 574,272	\$ 498,709
Net Operating Revenues	\$ 47,969	\$ 76,022	\$ 99,391	\$ 97,723	\$ 67,180
Investment Income	\$ 3,364	\$ 2,671	\$ (9,781)	\$ 9,333	\$ 14,272
Total Other Income	\$ 3,364	\$ 2,671	\$ (9,781)	\$ 9,333	\$ 14,272
Interest Expense	\$ 29,070	\$ 27,425	\$ 26,362	\$ 25,162	\$ 27,229
Amortization & Other Expense	12,780	10,258	7,570	3,999	4,640
Total Other Expenses	\$ 41,850	\$ 37,683	\$ 33,932	\$ 29,161	\$ 31,869
Net Income (Loss)	\$ 9,483	\$ 41,010	\$ 55,678	\$ 77,895	\$ 49,583
Net Cost Recovered (Credited) in the Future	(6,708)	(31,320)	(19,125)	(71,358)	(23,758)
Due from (to) Participants	(2,775)	(9,690)	(36,553)	(6,537)	(25,825)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	5,797,666	5,885,763	5,963,224	6,040,569	6,119,617
Average \$/MWH Billed	\$ 67.31	\$ 71.28	\$ 105.61	\$ 92.41	\$ 75.83
Cost \$/MWH	\$ 66.83	\$ 69.63	\$ 99.48	\$ 91.33	\$ 71.61

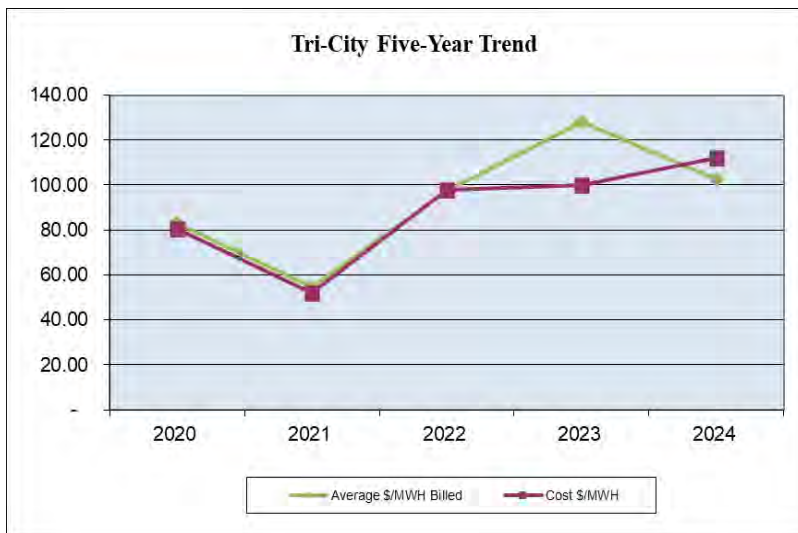
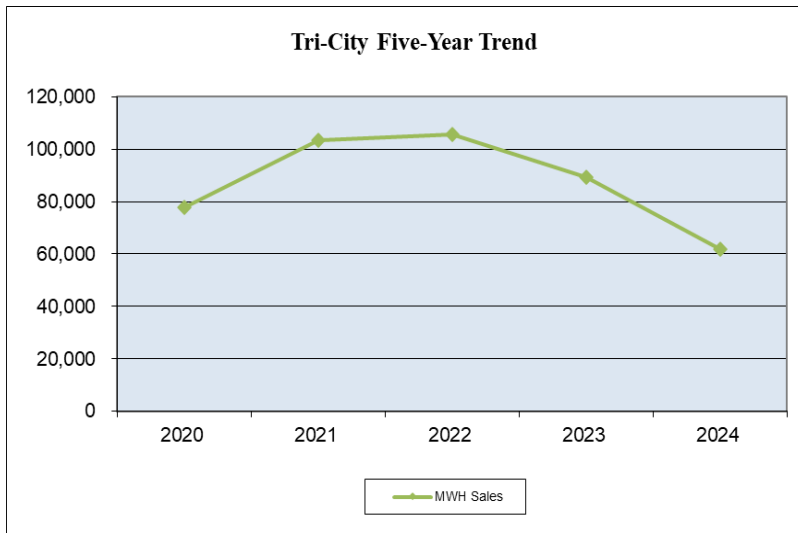
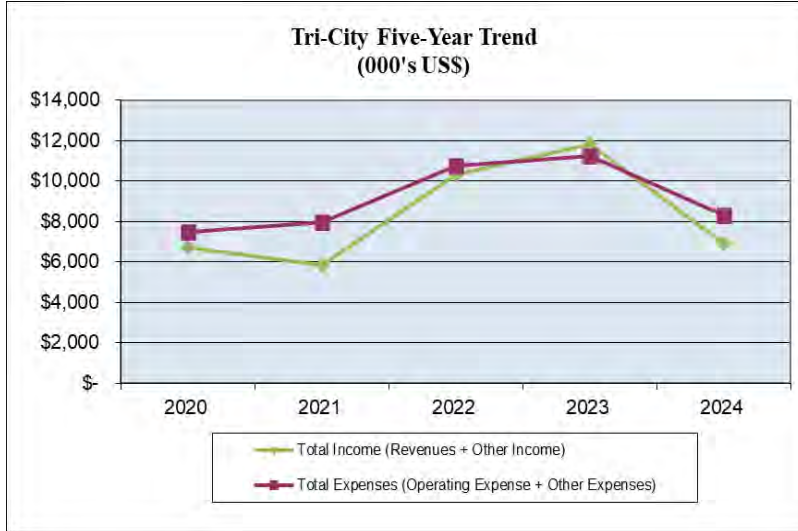
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
Tri-City Project					
Capital Assets	\$ 10,350	\$ 9,212	\$ 7,939	\$ 6,433	\$ 5,088
Total Assets & Deferred Outflows	\$ 16,635	\$ 14,767	\$ 14,392	\$ 15,630	\$ 13,739
Long-Term Debt	\$ 415	\$ 432	\$ 492	\$ 1,727	\$ 1,811
Total Liabilities & Deferred Inflows	\$ 16,635	\$ 14,767	\$ 14,392	\$ 15,630	\$ 13,739
Billings to Participants	\$ 6,480	\$ 5,657	\$ 10,255	\$ 11,442	\$ 6,349
Sales to Others	135	137	131	155	161
Total Operating Revenues	\$ 6,615	\$ 5,794	\$ 10,386	\$ 11,597	\$ 6,510
Production-Steam O&M	\$ 1,938	\$ 1,396	\$ 1,717	\$ 2,999	\$ 1,777
Fuel Expense	2,875	3,751	5,904	5,189	3,241
Transmission	456	505	544	564	564
General & Administrative	766	738	976	808	965
Depreciation & Decommissioning	1,416	1,548	1,613	1,654	1,723
Total Operating Expenses	\$ 7,451	\$ 7,938	\$ 10,754	\$ 11,214	\$ 8,270
Net Operating Revenues	\$ (836)	\$ (2,144)	\$ (368)	\$ 383	\$ (1,760)
Investment Income	\$ 97	\$ 28	\$ (53)	\$ 204	\$ 392
Total Other Income	\$ 97	\$ 28	\$ (53)	\$ 204	\$ 392
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization & Other Expense	-	-	-	-	-
Total Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ (739)	\$ (2,116)	\$ (421)	\$ 587	\$ (1,368)
Net Cost Recovered (Credited) in the Future	946	2,410	378	(68)	1,739
Due from (to) Participants	(207)	(294)	43	(519)	(371)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	77,805	103,371	105,451	89,186	61,829
Average \$/MWH Billed	\$ 83.29	\$ 54.73	\$ 97.25	\$ 128.29	\$ 102.69
Cost \$/MWH	\$ 80.62	\$ 51.88	\$ 97.66	\$ 122.47	\$ 96.69

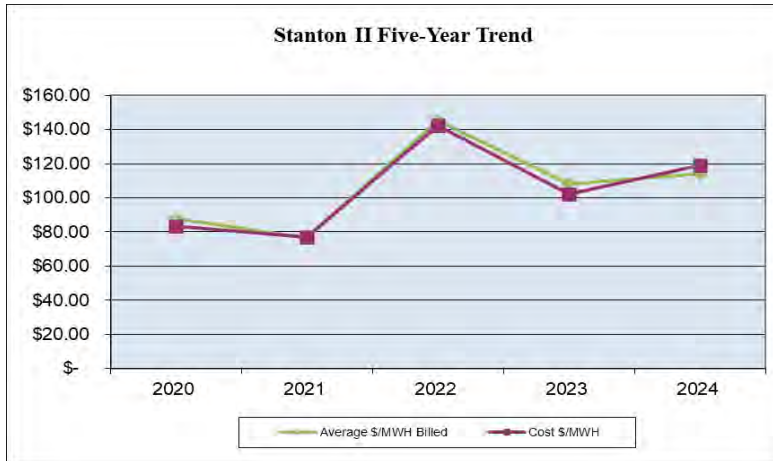
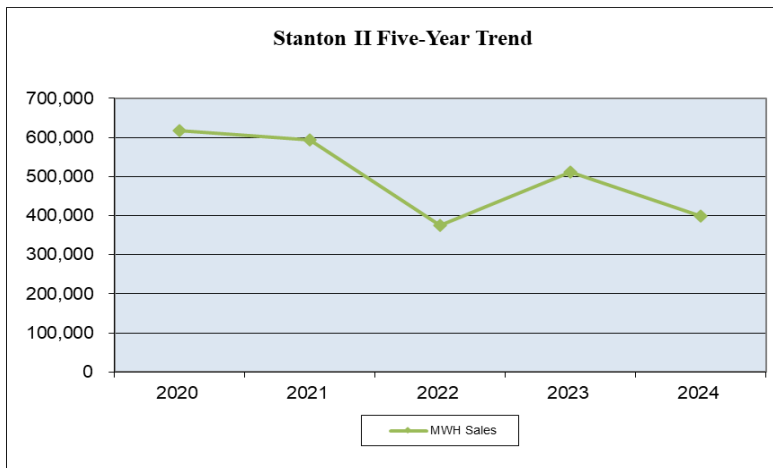
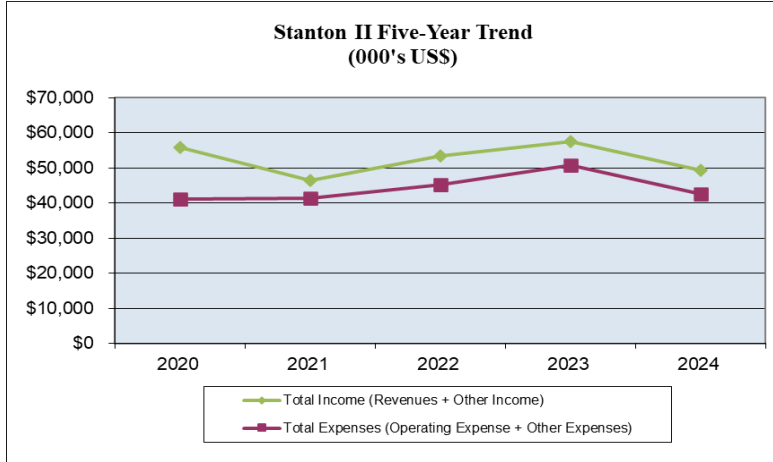
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2020	2021	2022	2023	2024
(000's US\$ except for MWH Sales and Average \$/MWH)					
Stanton II Project					
Capital Assets	\$ 91,952	\$ 88,917	\$ 84,226	\$ 78,446	\$ 73,905
Total Assets & Deferred Outflows	\$ 171,548	\$ 163,836	\$ 149,239	\$ 151,392	\$ 144,030
Long-Term Debt	\$ 105,633	\$ 91,564	\$ 73,422	\$ 59,151	\$ 57,314
Total Liabilities & Deferred Inflows	\$ 171,548	\$ 163,836	\$ 149,239	\$ 151,392	\$ 144,030
Billings to Participants	\$ 54,223	\$ 45,316	\$ 54,597	\$ 55,198	\$ 45,518
Sales to Others	592	602	580	678	704
Total Operating Revenues	\$ 54,815	\$ 45,918	\$ 55,177	\$ 55,876	\$ 46,222
Production-Steam O&M	\$ 7,834	\$ 6,671	\$ 7,000	\$ 11,685	\$ 8,091
Fuel Expense	18,317	19,524	22,660	25,342	20,229
Transmission	2,082	2,297	2,469	2,561	2,561
General & Administrative	1,885	2,057	3,012	2,075	2,653
Depreciation & Decommissioning	5,738	6,369	6,507	6,628	6,770
Total Operating Expenses	\$ 35,856	\$ 36,918	\$ 41,648	\$ 48,291	\$ 40,304
Net Operating Revenues	\$ 18,959	\$ 9,000	\$ 13,529	\$ 7,585	\$ 5,918
Investment Income	\$ 1,050	\$ 379	\$ (1,841)	\$ 1,718	\$ 3,163
Total Other Income	\$ 1,050	\$ 379	\$ (1,841)	\$ 1,718	\$ 3,163
Interest Expense	\$ 3,469	\$ 2,600	\$ 2,143	\$ 1,566	\$ 1,331
Amortization & Other Expense	1,816	1,737	1,341	817	761
Total Other Expenses	\$ 5,285	\$ 4,337	\$ 3,566	\$ 2,383	\$ 2,092
Net Income (Loss)	\$ 14,724	\$ 5,042	\$ 8,122	\$ 6,920	\$ 6,989
Net Cost Recovered (Credited) in the Future	(11,932)	(5,321)	(6,938)	(4,475)	(5,868)
Due from (to) Participants	(2,792)	279	(1,184)	(2,445)	(1,121)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	616,808	593,865	375,451	510,563	398,871
Average \$/MWH Billed	\$ 87.91	\$ 76.31	\$ 145.42	\$ 108.11	\$ 114.12
Cost \$/MWH	\$ 83.38	\$ 76.78	\$ 142.26	\$ 103.32	\$ 111.31

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, 2024, 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 8, 2025.

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 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.

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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.



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, 2024, and have issued our report thereon dated January 8, 2025.

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 8, 2025, 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, 2024, financial statements. There are no component units related to the Agency.

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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 fraud, waste or abuse, that has occurred or is 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 8, 2025
Ocala, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTES, 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, 2024. 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, 2024.

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 8, 2025
Ocala, Florida

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**AGENDA ITEM 9 – INFORMATION
ITEMS**

**a. Update on Balancing Authority
Analysis**

**Executive Committee
January 16, 2025**



9a – Update on Balancing Authority Analysis

Executive Committee

January 16, 2025

Analysis & Discussions with Potential BA Partner Proceeding

Both Parties Committed to Concept & Review of Potential Value

- FMPA has evolved since initial formation of FMPP pool
 - FMPA unique from partners with loads and resources in both FPL & Duke systems
- Prudent to perform due diligence on potential alternatives
- Potential for ~\$3-\$10M value for FMPA
- Discussions with potential new BA partner began late summer '24
- Analysis in parallel with pool expansion studies
- Potential Partner Sr. Leadership has briefed governance & Board
 - Positive reaction to the cost reduction potential
- Partner has committed Senior and multiple staff resources to evaluation
- Independent consultant engaged to evaluate financial benefits

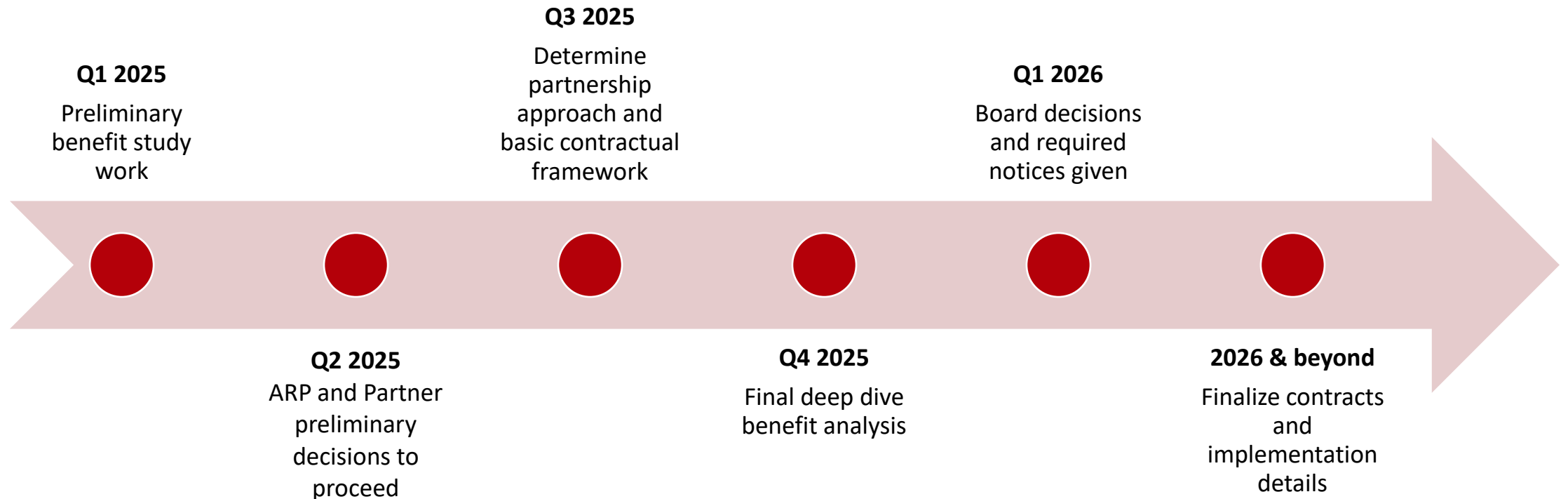
Potential Partner Has Strong Alignment with FMPA Goals

Initial Decision Will Be Driven Based on Economics vs. FMPP

- Partner has proven BA structure for gen & loads within FPL & Duke
- Goal to use existing systems & resources w/o significant new costs
- Concept is to integrate combined generation & loads into single BA
 - Real-time operations, forecasting, operations planning, joint dispatch
- First round analysis examining maximum potential financial benefit
 - High level assessment of primary drivers of cost to serve loads
- Conceptual dialogue on many design items essential to final decision
- Both parties mix of resources may create opportunities to share value

Preliminary Go/No-Go Anticipated Early Q2 2025

Additional Details on Partnership Structure Required for Final Decision



**AGENDA ITEM 9 – INFORMATION
ITEMS**

**b. Bartow Energy Center Spare
Turbines**

**Executive Committee
January 16, 2025**



9b – Bartow Energy Center Spare Turbines

Executive Committee

January 16, 2025

Capacity Value & Life Extension Justify Spare Turbines

Critical Spares Allow Site to Operate At Higher Capacity Factor

- Orange Cogen (Bartow Energy Center) Acquisition January 2026
- Acquisition price <\$5M due to remaining hours on turbines
 - Acquisition inclusive of 3 combustion turbines
- Capacity value has increased since contracting for acquisition
 - Initial acquisition anticipated <5% capacity factor “emergency” operation
 - Optimal value for site to operate up to ~15% capacity factor
- Significant savings to extend life beyond initial 10-year horizon
- Investment in spare turbines enhances reliability and long-term value
 - Site is combined cycle plant utilizing two LM6000 combustion turbines
 - Current ownership operated with two spares; one owned, one GE leased

Increased Operation Requires \$5-7M Incremental Investment

FY25 10-year Capex Budget Developed Based on Initial Business Case

- Analysis ongoing to determine potential return from investment in critical spares
 - Capability for increased operating capacity factor
 - Life extension of assets
- Two of existing turbines at GE shop due to condition, GE lease engine in service
 - Contractually, Northern Star must have 3 operational engines with specified remaining life, or contractual purchase price reduction
 - Northern Star may need to acquire the leased engine to satisfy contractual requirements
- Authorization of incremental investment will allow staff flexibility to negotiate best outcome
 - Potential acquisition of GE leased engine
 - Spare turbine parts from TransCanada
 - Potential life extension repairs beyond contractual requirement for units currently out-of-service

**AGENDA ITEM 9 – INFORMATION
ITEMS**

**c. Review of OUC’s Project Billings
for A&G Allocation**

**Executive Committee
January 16, 2025**



9c – Review of OUC’s Project Billings for A&G Allocation

Executive Committee

January 16, 2025

OUC's Project Billings for A&G Allocation

Introducing Terry Myers – the Consultant from GDS

- FMPA Audit Team conducted the 2022-2023 OUC Audit.
- Audit Findings identified issues related to A&G (Administrative & General) allocation.
- Based on direction from Board of Directors (BOD) and Executive Committee (EC), a third-party expert was hired to assess the reasonableness of A&G FERC billing.
- GDS has experts who specialize in FERC accounts and GDS is an approved FMPA consultant.

PRESENTED BY GDS ASSOCIATES, INC.

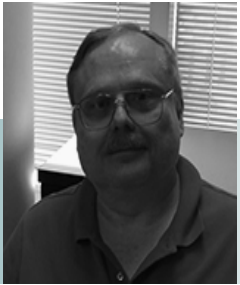
OVERVIEW OF FINDINGS AND RECOMMENDATIONS RELATED TO A&G CHARGES UNDER STANTON AGREEMENTS

Florida Municipal Power Agency

January 16, 2025

INTRODUCTION

REVIEW PERFORMED BY GDS STAFF:



Terry Myers, Director

(404) 291-7798 or terry.myers@gdsassociates.com



Patick Brin, Vice President

(407) 563-4463 or patrick.brin@gdsassociates.com



PRESENTER BIO TERRY MYERS

Over 39 years in electric utility ratemaking, financial analyses, proper use of FERC USoA Accounts, and income taxes. This experience includes numerous preparations of revenue requirements, cost of service studies, rate design analyses, cash working capital analyses, the analysis of wholesale and retail rate filings, the preparation of retail and wholesale rate filings, review of OATT Formula Rate filings, and the presentation of expert testimony before FERC and various state commissions. Mr. Myers has also presented testimony before several local jurisdictions and utility boards. Mr. Myers is a CPA licensed in the State of Indiana.

PRESENTER BIO PATRICK BRIN

Over 30 years of experience in providing management consulting services to clients in the electric utility industry. Mr. Brin has in-depth experience in wholesale cost-of-service and rate design, OATT Formula Rate filings, contract negotiations, and litigation support services. Mr. Brin has been involved in the areas of production, transmission and distribution cost-of-service and rates, including rate design, ancillary service charges and the proposed methodologies for computing such charges.

Presentation Overview

01



OUC'S USAGE OF FERC ACCOUNTING

Orlando Utilities Commission's (OUC) 2023 Audited Financial Statements state: "OUC's financial statements are presented in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). **The accounting records are maintained in accordance with the accounting principles and methods prescribed by the Federal Energy Regulatory Commission (FERC) with the exception of contributions in aid of construction which are recorded in accordance with the standards prescribed by GASB.**" [emphasis added]

OUC & FMPA (ARP) 6-26-91 SEC II, EXHIBIT S

ALLOCABLE GENERAL AND ADMINISTRATIVE EXPENSES

- ❑ Administrative and General Salaries (Account 920)
- ❑ Office Supplies and Expenses (Account 921)
- ❑ Administrative Expenses Transferred (Credit) (Account 922)
- ❑ Outside Services [Employed] (Account 923)
- ❑ Employee Pensions and Benefits (Account 926)
- ❑ Miscellaneous General Expense (Account 930.2)

REPORT FINDINGS

- Presentation of findings and recommendations from review of A&G Account 923, Outside Services Employed charges allocated from OUC to Florida Municipal Power Agency (FMMPA) under the applicable Stanton Agreement(s).
- Conducted a high-level analysis of each of the years 2019 – 2023 (FMMPA Internal Audit Staff samplings).

REPORT FINDINGS CONT.

- This presentation includes the annualization of estimates for any amounts that were determined to be improperly recorded to OUC A&G Account 923 based on the FMIPA Internal Audit Staff samplings provided.

— FERC GUIDANCE AND USoA

- This presentation is based on relevant FERC guidance and 18 C.F.R. pt. 101 - Uniform System of Accounts (“USoA”) related to the proper recording of expenses to A&G Account 923 or any other A&G accounts.

SUMMARY & RECOMMENDATIONS

- Complete Summary Analysis with Recommendations.



Summary &
Recommendation

02



SUMMARY ANALYSIS YEARS 2019-2023

Acct 923 & A&G Allocation to FMPA for Stanton
Extrapolated Amounts Improperly Allocated to FMPA Based on Sample (a)
For the Years 2019 - 2023

Description	2019	2020	2021	2022	2023	Total
	\$	\$	\$	\$	\$	\$
Amounts at Issue	314,940	173,898	200,407	296,363	181,912	1,167,520
Allocation Percentage (b)	6.55%	6.30%	6.06%	5.84%	5.64%	6.11%
Net Impacts to FMPA	20,635	10,958	12,140	17,301	10,263	71,297
Annualize (c)	6	6	6	6	6	6
Estimated Annual Impacts	<u>123,809</u>	<u>65,750</u>	<u>72,841</u>	<u>103,803</u>	<u>61,579</u>	<u>427,781</u>

(a) Sample size for each year was two months information.

(b) Calculated A&G Allocation Percentage to FMPA for each year for Stanton per FMPA Audit Staff.

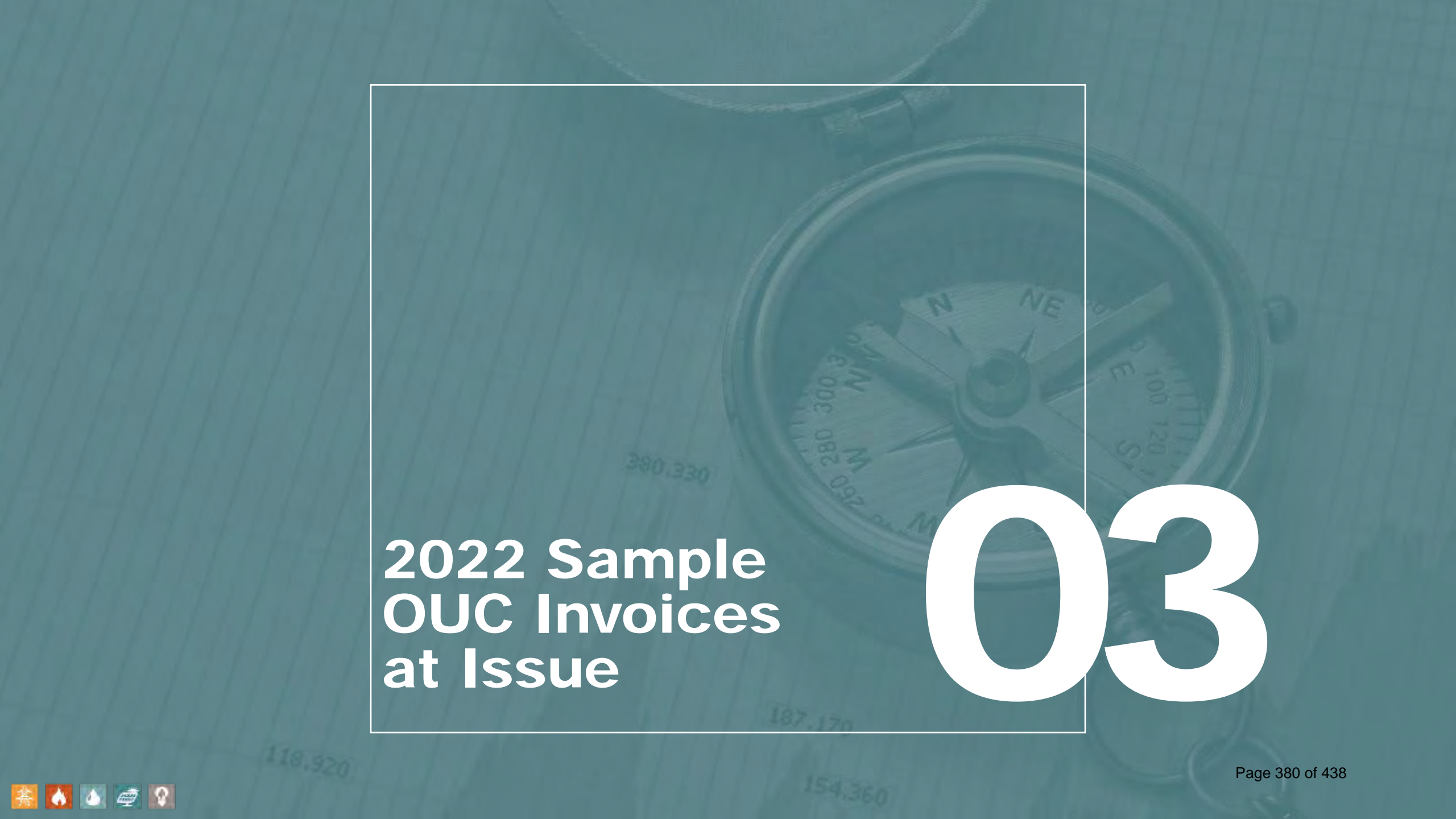
(c) Line 3 times Line 4 to extrapolate/estimate twelve months from two months information per year.



RECOMMENDATION

GDS' recommendation, based on the limited review and analysis of FMPA's Internal Audit Staff Sampling of the years 2019 through 2023 of OUC's Accounting, is there is sufficient evidence of OUC improperly recording expenses to Account 923, which are charged to FMPA.

Therefore, FMPA should consider performing a more detailed review of OUC's A&G charges for the years 2019 through 2023. Depending on the outcome of the more detailed review, FMPA should also consider whether it should pursue refunds for the improperly charged A&G expenses under the existing Stanton agreements.



2022 Sample
OUC Invoices
at Issue

03



2022 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount \$	Reference	Proper FERC Acct. Number	Est. Annual Expense \$
WP 3.020.04b13	Bill2Pay, LLC	Bill2Pay Retail Remittance Processing - Clw Cash, (Bill2Pay provides Payment Processing Solutions - it offers bill presentment, payment processing, (a) customer engagement & notification solutions.)		Based on the Invoice #INV216965, PO #226627- OS for the month of 10/31/2021 in the amount of \$5,723.63, it can be extrapolated as being applicable to 2022	903	68,684 (d)
WP 3.020.04b73	Florida Citrus Sports Events, Inc.	(b) Lake Lorna Doone Park Solar Pavilion - 4th Installment	100,000	Invoice No. IVC014330, December 13, 2022	426.1 or 426.5	200,000 (d)
WP 3.020.04b61a	Wordwise, Inc.	OUC 2022 Advertising: Spring Energy Efficiency Campaign	15,000	Invoice No: 22192, March 29, 2022 - Advertising for the Energy Efficiency Campaign	913 or 930.1	15,000 (d)
WP 3.020.04b61b	Wordwise, Inc.	Marketing Plan/Messaging for Spring 2022 Campaign	11,500	Invoice No: 22193, March 29, 2022 - Mktg Communications Svcs: Strategy, Messaging & Graphic Design Support for the Spring 2022 Energy Efficiency Campaign	913 or 930.1	11,500 (d)

(a) Based on review of FMPA Staff Workpaper WP 3.020.04b13, Bill2Pay LLC, Invoice #INV216965, PO #226627-OS for the month of 10/31/2021 in the amount of \$5,723.63, extrapolated to 2022.

(b) Based on review of FMPA Staff Workpaper WP 3.020.04b73, Florida Citrus Sports Events, Inc., Invoice No. IVC014330, December 13, 2022 (4th Installment) (Extrapolated a 2nd Installment in 2022).

(d) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2022 FOOTNOTE (d)

Account 903, Customer records and collection expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

Account 426.1, Donations.

This account shall include all payments or donations for charitable, social or community welfare purposes.

Account 426.5, Other Deductions.

This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

USoA CITES – 2022 FOOTNOTE (d) (CONT.)

Account 913, Advertising Expenses (Major Only).

This account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

Account 930.1, General Advertising Expenses.

This account shall include the cost of labor, materials used, and expenses incurred in advertising and related activities, the cost of which by their content and purpose are not provided for elsewhere.

2022 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount \$	Reference	Proper FERC Acct. Number	Est. Annual Expense \$
WP 3.020.04b77	Gray Robinson	Osceola County v. Orlando Utilities Commission, et al. (c) / Case No. 2022-CA-001507 ED	-	Invoice No. 11109812, Prior Balance, Professional Services Condemnation matters prior to 8/25/22	183 or 101, Land & Land Rights subaccout	497 (d)
WP 3.020.04b77	Gray Robinson	Osceola County v. Orlando Utilities Commission, et al. / Case No. 2022-CA-001507 ED	683	Invoice No. 11109812, Professional Services Condemnation matters 8/25/22 - 10/31/22	183 or 101, Land & Land Rights subaccout	683 (d)
Total			127,183			296,363

(c) Based on review of FMPA Staff Workpaper WP 3.020.04b77, Gray Robinson, Invoice No. IVC014330, December 13, 2022 (4th Installment) (Extrapolated a 2nd Installment in 2022).

(d) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2022 FOOTNOTE (d)

Account 183 Preliminary survey and investigation charges (Major only).

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation.

USoA CITES – 2022 FOOTNOTE (d) (CONT.)

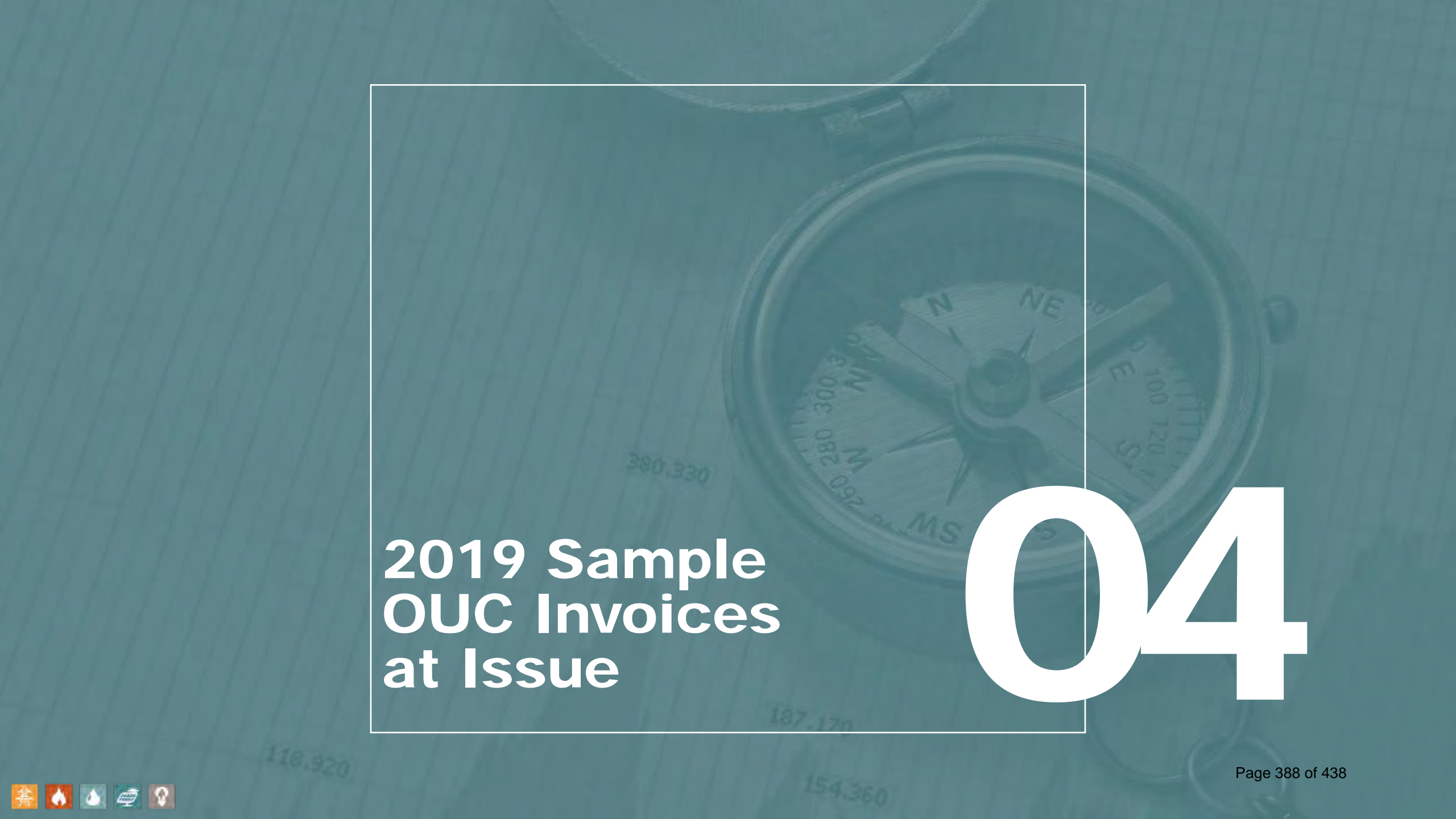
Electric Plant Instructions - #7. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights.

USoA CITES – 2022 FOOTNOTE (d), ELECTRIC PLANT INSTRUCTION - #7. LAND AND LAND RIGHTS. (CONT.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

- 4. Condemnation proceedings, including court and counsel costs.
- 13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
- 14. Taxes assumed, accrued to date of transfer of title.
- 15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
- 16. Appraisals prior to closing title.



2019 Sample
OUC Invoices
at Issue

04



2019 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount	Reference	Proper FERC Acct. Number	Est. Annual Expense
			\$			\$
WP 3.020.04b3a	Gardner, Bist, Bowden, Bush, Dee, Lavia & Wright, P.A.	(a) Energy Conservation Goals related to FPSC Staff's Prior interrogatories related to FEECA case filing. Prof Svc prior to 7/1/2019	129,048	Invoices Previous Balance prior to September 17, 2019, paid 9/3/2019 Check #5014449 (PSC Docket 20190019-EG)	928	129,048
WP 3.020.04b3a	Gardner, Bist, Bowden, Bush, Dee, Lavia & Wright, P.A.	Energy Conservation Goals related to FPSC Staff's 6th set of interrogatories related to FEECA case filing . Prof Svc 7/1/2019 to 7/31/2019	57,984	Invoice #21298, September 17, 2019 (PSC Docket 20190019-EG)	928	57,984
WP 3.020.04b3b	Gardner, Bist, Bowden, Bush, Dee, Lavia & Wright, P.A.	Energy Conservation Goals related to Preparing for and Representing OUC at the FPSC FEECA case Goals hearing & post-hearing issues. Prof Svc 8/1/2019 to 8/31/2019	44,225	Invoice #21301, September 25, 2019 (PSC Docket 20190019-EG)	928	44,225

(a) Based on review of FMPA Staff Workpaper WP 3.020.04b3a, Gardner, Bist, Bowden, Bush, Dee, Lavia & Wright, P.A. Invoice #21298, September 17, 2019 (PSC Docket 20190019-EG).

(d) FERC Cites

(e) 18 C.F.R. pt. 101, Uniform System of Accounts



FERC AND USoA CITES – 2019 FOOTNOTES (d) & (e)

169 FERC ¶ 61,042, Ameren Illinois Company, Docket No. ER17-1198-002, P30. However, expenses associated with responding to and defense against formal challenges and expenses incurred in connection with other formal cases before a regulatory body would fall within the instructions of Account 928,⁴¹ and those expenses should therefore be booked to Account 928, whether performed by external or internal employees.

⁴¹ See 18 C.F.R. pt. 101, Account 928, Regulatory Expenses (2019) (“This account shall include all expenses . . . in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party”).

2019 SAMPLE OUC INVOICES AT ISSUE (CONT.)

WP Reference	Vendor	Description	Amount \$	Reference	Proper FERC Acct. Number	Est. Annual Expense \$
WP 3.020.04b7	Shutts & Bowen LLP	Purchase of Property: 14805 Narcoossee Rd	9,631	Invoice No: 1348096, March 21, 2019	183 or 101, Land & Land Rights subaccout	10,646 (e)
WP 3.020.04b10	Gray Robinson Attorneys At Law	(b) Baywoods Orlando, LLC, condemnation, environmental costs, etc., Services Rendered prior to August 16, 2019	844	Invoice #10894012, October 7, 2019	183 or 101, Land & Land Rights subaccout	844 (e)
WP 3.020.04b10	Gray Robinson Attorneys At Law	Baywoods Orlando, LLC, condemnation, environmental costs, etc., Services Rendered August 16 - September 30, 2019	3,510	Invoice #10894012, October 7, 2019	183 or 101, Land & Land Rights subaccout	3,510 (e)

(b) Based on review of FMPA Staff Workpaper WP 3.020.04b10, Gray Robinson Attorneys At Law, Invoice #10894012, October 7, 2019.

(e) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2019 FOOTNOTE (e)

Account 183, Preliminary survey and investigation charges (Major only).

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation.

USoA CITES – 2019 FOOTNOTE (e) (CONT.)

Electric Plant Instruction - #7. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights.

USoA CITES – 2019 FOOTNOTE (e), ELECTRIC PLANT INSTRUCTIONS - #7. LAND AND LAND RIGHTS. (CONT.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

- 4. Condemnation proceedings, including court and counsel costs.
- 13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
- 14. Taxes assumed, accrued to date of transfer of title.
- 15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
- 16. Appraisals prior to closing title.

2019 SAMPLE OUC INVOICES AT ISSUE (CONT.)

WP Reference	Vendor	Description	Amount	Reference	Proper FERC Acct. Number	Est. Annual Expense
			\$			\$
WP 3.020.04b13	Bill2Pay LLC	Bill2Pay Retail Remittance Processing - Clw Cash, (Bill2Pay provides Payment Processing Solutions - it offers bill presentment, payment processing, (c) customer engagement & notification solutions.)		Based on the Invoice #INV216965, PO #226627-OS for the month of 10/31/2021 in the amount of \$5,723.63, it can be extrapolated as being applicable to 2019	903	68,684 (e)
Total 2019			245,241			314,940

(C) Based on review of FMPA Staff Workpaper WP 3.020.04b13, Bill2Pay LLC, Invoice #INV216965, PO #226627-OS for the month of 10/31/2021 in the amount of \$5,723.63, extrapolated to 2019.

(e) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2019 FOOTNOTE (e)

Account 903, Customer records and collection expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.



ADDITIONAL
SUPPORTING
FERC CITES

05



FERC CITES – ADDITIONAL ORDER AND AUDIT CITES

- *Tucson Electric Power Company*, Docket No. FA21-3-000, November 4, 2022, Pages 41-45, Administrative and General Expense Misclassifications (Account No. 903, Customer Records and Collection Expenses; Account No. 909, Informational and Instructional Advertising Expenses (Major Only); Account No. 923, Outside Services Employed; and Account No. 930.1, General Advertising Expenses.)

FERC CITES – ADDITIONAL ORDER AND AUDIT CITES (CONT.)

- *NorthWestern Corporation*, Docket No. FA20-7-000, May 20, 2022, Pages 35-39, Miscellaneous Accounting Classification Errors (Account No. 923, Outside Services Employed; and Account No. 930.1, General Advertising Expenses.)

FERC CITES – ADDITIONAL ORDER AND AUDIT CITES (CONT.)

- *Dominion Energy Inc.*, Docket No. FA22-4-000, August 12, 2024, Pages 73-78, Accounting for Customer Accounts Expenses; Pages 80-82, Administrative and General Expense Misclassifications (Account No. 426.1., Donations; Account No. 903, Customer Records and Collection Expenses; and Account No. 923, Outside Services Employed.)

Questions





2020 Sample
OUC Invoices
at Issue

06



2020 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount	Reference	Proper FERC Acct. Number	Est. Annual Expense
			\$			\$
WP 3.020.04b13	Bill2Pay LLC	Bill2Pay Retail Remittance Processing - Clw Cash, (Bill2Pay provides Payment Processing Solutions - it offers bill presentment, payment processing, (a) customer engagement & notification solutions.)		Based on the Invoice #INV216965, PO #226627-OS for the month of 10/31/2021 in the amount of \$5,723.63, it can be extrapolated as being applicable to 2020	903	68,684 (d)
WP 3.020.04a	Shutts & Bowen LLP	Sale to TDC Acquisitions, LLC (Purchase Order (b) #248618-000-OS)		Prior Amount \$5,214.50 of Invoice No: 1524151, February 18, 2021 for services through January 31, 2021 (total \$12,032.50)	183 or 101, Land & Land Rights subaccout	5,215 (d)
WP 3.020.04b73	Florida Citrus Sports Events, Inc.	(c) Lake Lorna Doone Park Solar Pavilion		Invoice No. IVC014330, December 13, 2022 (4th Installment) (Extrapolated to 2020)	426.1 or 426.5	100,000 (d)
Total						173,898

- (a) Based on review of FMPA Staff Workpaper WP 3.020.04b13, Bill2Pay LLC, Invoice #INV216965, PO #226627-OS for the month of 10/31/2021 in the amount of \$5,723.63, extrapolated to 2020.
- (b) Based on review of FMPA Staff Workpaper WP 3.020.04b26, Shutts & Bowen LLP Prior balance for December 2020, Invoice No: 1524151, February 18, 2021.
- (c) Based on review of FMPA Staff Workpaper WP 3.020.04b73, Florida Citrus Sports Events, Inc., Invoice No. IVC014330, December 13, 2022 (4th Installment) (Extrapolated to 2020).
- (d) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2020 FOOTNOTE (e)

Account 903, Customer records and collection expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

USoA CITES – 2020 FOOTNOTE (e) (CONT.)

Account 183, Preliminary survey and investigation charges (Major only).

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation.

USoA CITES – 2020 FOOTNOTE (e) (CONT.)

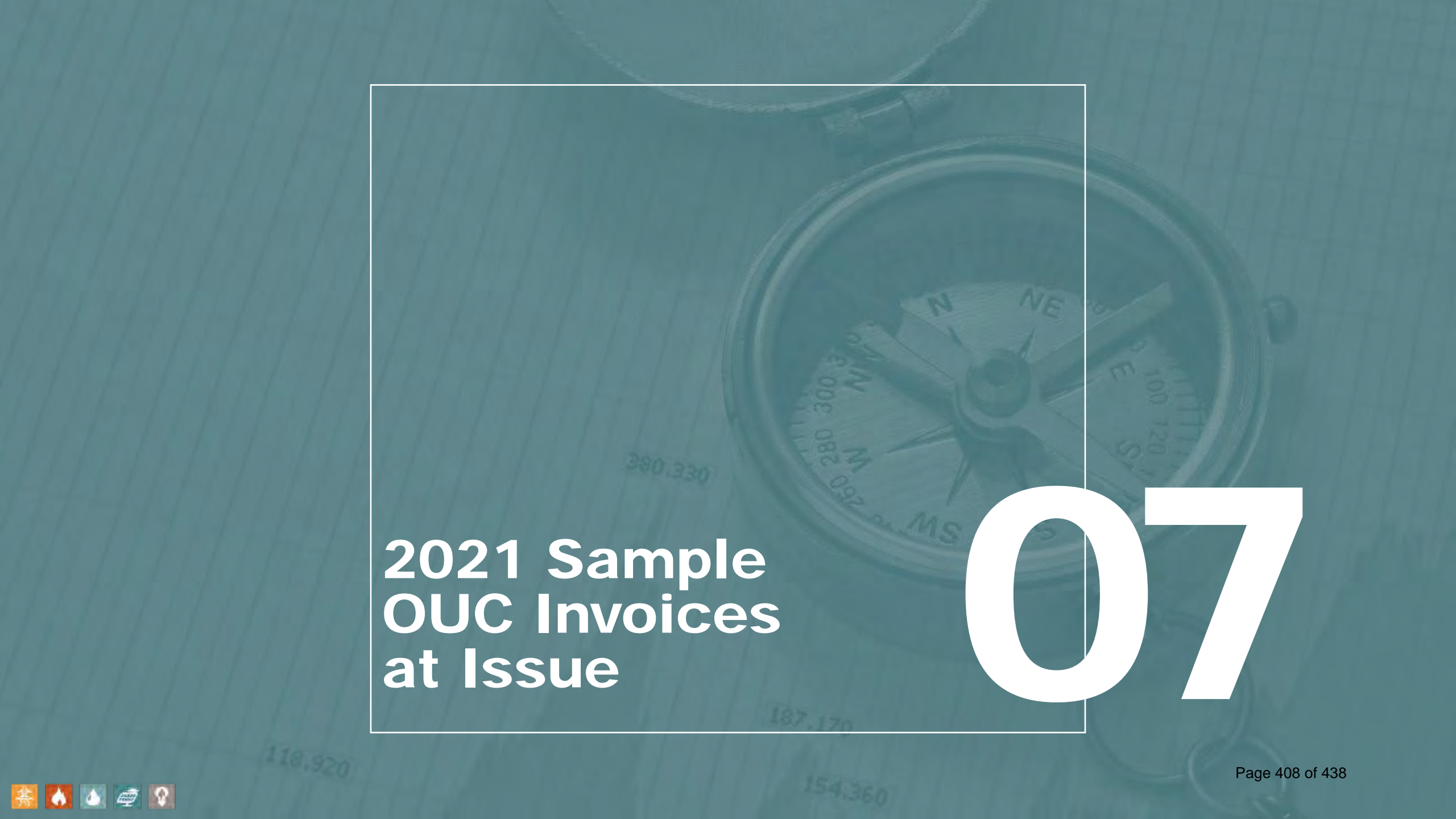
Electric Plant Instructions - #7. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights.

USoA CITES – 2020 FOOTNOTE (e), ELECTRIC PLANT INSTRUCTION - #7. LAND AND LAND RIGHTS. (CONT.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

- 4. Condemnation proceedings, including court and counsel costs.
- 13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
- 14. Taxes assumed, accrued to date of transfer of title.
- 15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
- 16. Appraisals prior to closing title.



2021 Sample
OUC Invoices
at Issue

07



2021 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount	Reference	Proper FERC Acct. Number	Est. Annual Expense
			\$			\$
WP 3.020.04b13	Bill2Pay, LLC	Bill2Pay Retail Remittance Processing - Clw Cash	5,724	Invoice #INV216965, PO #226627-OS 10/31/2021	903	68,684 (d)
WP 3.020.04b35	Gardner, Bist, Bowden, Bush, Dee, Lavia & Wright, P.A.	(a) East St. Cloud-Magnolia Ranch Transmission Line	-	Invoice # 21440, November 12, 2021, FDEP certification & hearing - Prior to Oct 1, 2021.	928	10,415 (c) and (d)
WP 3.020.04b35	Gardner, Bist, Bowden, Bush, Dee, Lavia & Wright, P.A.	East St. Cloud-Magnolia Ranch Transmission Line	13,016	Invoice # 21440, November 12, 2021, FDEP certification & hearing (Oct 1 - Oct 25)	928	13,016 (c) and (d)

(a) Based on review of FMPA Staff Workpaper WP 3.020.04b35, Gardner, Bist, Bowden, Bush, Dee, Lavia & Wright, P.A., Invoice November 12, 2021, FDEP certification & hearing prior to Oct 1, 2021.

(c) FERC Cites

(d) 18 C.F.R. pt. 101, Uniform System of Accounts



— FERC CITE – 2021 FOOTNOTES (c)

169 FERC ¶ 61,042, Ameren Illinois Company, Docket No. ER17-1198-002, P30. However, expenses associated with responding to and defense against formal challenges and expenses incurred in connection with other formal cases before a regulatory body would fall within the instructions of Account 928,⁴¹ and those expenses should therefore be booked to Account 928, whether performed by external or internal employees.

USoA CITES – 2021 FOOTNOTE (c)

Account 903, Customer records and collection expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

⁴¹ See 18 C.F.R. pt. 101, Account 928, Regulatory Expenses (2019) (“This account shall include all expenses . . . in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party”).

2021 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount	Reference	Proper FERC Acct. Number	Est. Annual Expense
WP 3.020.04b73	Florida Citrus Sports Events, Inc.	(b) Lake Lorna Doone Park Solar Pavilion		Invoice No. IVC014330, December 13, 2022 (4th Installment) (Extrapolated to 2021)	426.1 or 426.5	100,000 (d)
WP 3.020.04b33	EVOK Advertising, Inc.	January 2021 SharpSpring Consulting	1,475	Invoice No: Inv-28202, Feb 22, 2021 for the March 2021 SharpSpring Consulting, creating 1 campaign per month	913 or 930.1	1,475 (d)
WP 3.020.04b26	Shutts & Bowen LLP	Sale to TDC Acquisitions, LLC (Purchase Order #248618-000-OS)	6,818	Invoice No: 1524151, February 18, 2021 for services through January 31, 2021 (total \$12,032.50)	183 or 101, Land & Land Rights subaccout	6,818 (d)
Total			27,032			200,407

(b) Based on review of FMPA Staff Workpaper WP 3.020.04b73, Florida Citrus Sports Events, Inc., Invoice No. IVC014330, December 13, 2022 (4th Installment) (Extrapolated to 2021).

(d) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2021 FOOTNOTES (d)

Account 426.1, Donations.

This account shall include all payments or donations for charitable, social or community welfare purposes.

Account 426.5, Other Deductions.

This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

USoA CITES – 2021 FOOTNOTES (d)

Account 913, Advertising Expenses (Major Only).

This account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

Account 930.1, General Advertising Expenses.

This account shall include the cost of labor, materials used, and expenses incurred in advertising and related activities, the cost of which by their content and purpose are not provided for elsewhere.

USoA CITES – 2021 FOOTNOTE (d)

Account 183 Preliminary survey and investigation charges (Major only).

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation.

USoA CITES – 2021 FOOTNOTE (d) (CONT.)

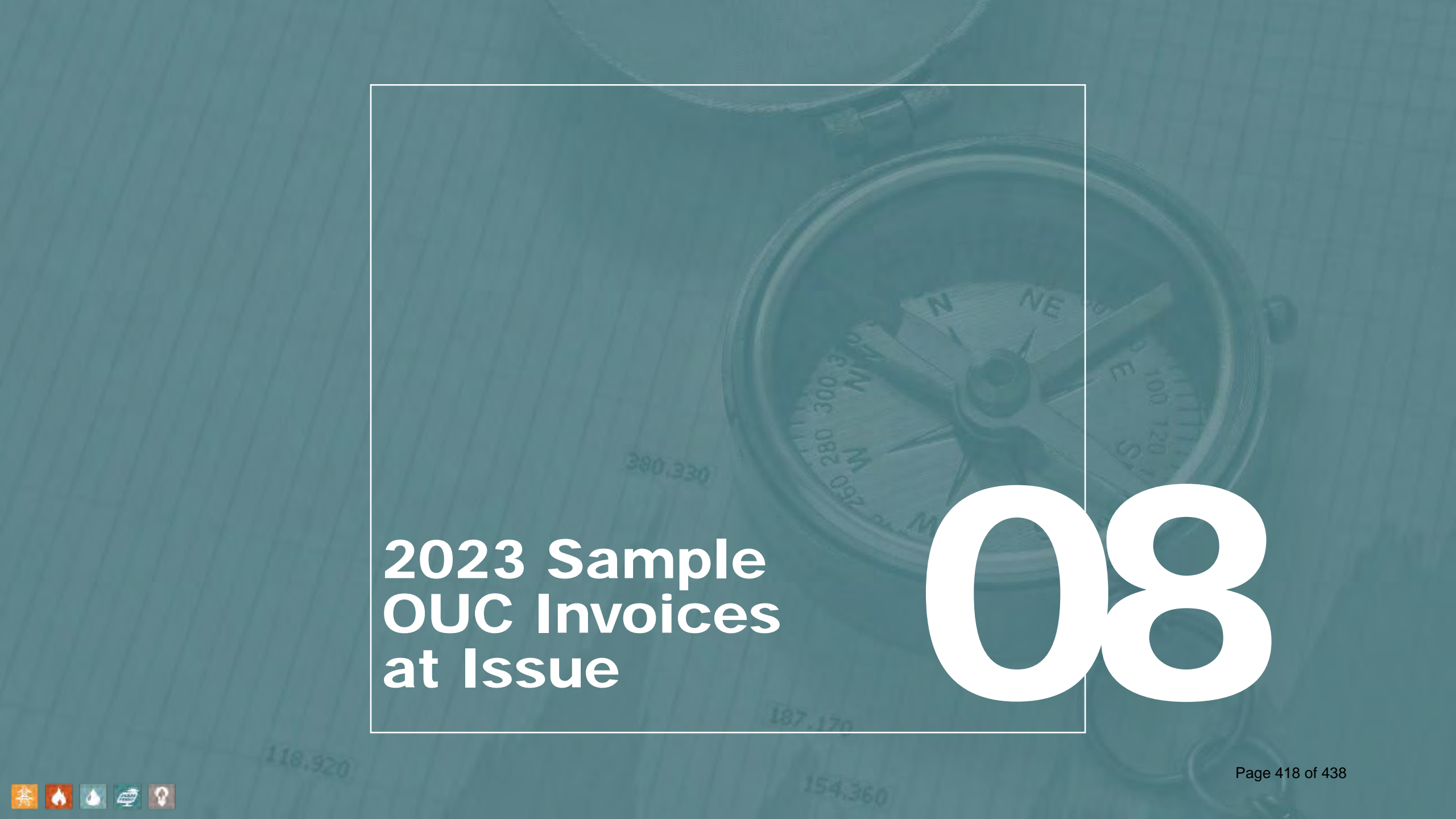
Electric Plant Instructions - #7. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights.

USoA CITES – 2021 FOOTNOTE (d), ELECTRIC PLANT INSTRUCTION - #7. LAND AND LAND RIGHTS. (CONT.)

Subpart I. The items of cost to be included in the accounts for land and land rights are as follows:

- 4. Condemnation proceedings, including court and counsel costs.
- 13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
- 14. Taxes assumed, accrued to date of transfer of title.
- 15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
- 16. Appraisals prior to closing title.



2023 Sample
OUC Invoices
at Issue

08



2023 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount \$	Reference	Proper FERC Acct. Number	Est. Annual Expense \$
WP 3.020.04b65	Shutts & Bowen LLP	(a) Purchase from 4840 Irlo, LLC, Phase I/II report, environmental work, escrow and Survey Fee.	5,014	Invoice No: 1749873, March 17, 2023. Professional Services balance prior to February 1, 2023.	183 or 101, Land & Land Rights subaccout	5,014 (e)
WP 3.020.04b65	Shutts & Bowen LLP	Purchase from 4840 Irlo, LLC, Phase I/II report, environmental work, escrow and Johnston's boundary Survey Fee of \$6,200.00.	10,509	Invoice No: 1749873, March 17, 2023. Professional Services through February 28, 2023.	183 or 101, Land & Land Rights subaccout	10,509 (e)
WP 3.020.04b96	Shutts & Bowen LLP	(b) Boulevard Associates, strategy and analysis of potential lot split, environmental reports, title work, mineral rights, royalty interest net acreage, solar farm, billboard leases, and review legal description and sketch of 14-acre Exclusion Parcel.	35,449	Invoice No: 1784236, July 13, 2023. Professional Services Prior to June 1, 2023	183 or 101, Land & Land Rights subaccout	35,449 (e)
WP 3.020.04b96	Shutts & Bowen LLP	Boulevard Associates, strategy and analysis of potential lot split, environmental reports, title work, mineral rights, royalty interest net acreage, solar farm, billboard leases, and review legal description and sketch of 14-acre Exclusion Parcel.	37,763	Invoice No: 1784236, July 13, 2023. Professional Services June 1, 2023 - June 30, 2023	183 or 101, Land & Land Rights subaccout	37,763 (e)

(a) Based on review of FMPA Staff Workpaper WP 3.020.04b65, Shutts & Bowen LLP, Invoice No: 1749873, March 17, 2023. Professional Services balance prior to February 1, 2023.

(b) Based on review of FMPA Staff Workpaper WP 3.020.04b96, Shutts & Bowen LLP, Invoice No: 1784236, July 13, 2023. Professional Services Prior to June 1, 2023

(e) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2023 FOOTNOTE (e)

Account 183 Preliminary survey and investigation charges (Major only).

A. This account shall be charged with all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation.

USoA CITES – 2023 FOOTNOTE (e) (CONT.)

Electric Plant Instructions - #7. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights.

USoA CITES – 2023 FOOTNOTE (e), ELECTRIC PLANT INSTRUCTION - #7. LAND AND LAND RIGHTS. (CONT.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

- 4. Condemnation proceedings, including court and counsel costs.
- 13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
- 14. Taxes assumed, accrued to date of transfer of title.
- 15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
- 16. Appraisals prior to closing title.

2023 SAMPLE OUC INVOICES AT ISSUE

WP Reference	Vendor	Description	Amount \$	Reference	Proper FERC Acct. Number	Est. Annual Expense \$
WP 3.020.04b13	Bill2Pay, LLC	Bill2Pay Retail Remittance Processing - Clw Cash, (Bill2Pay provides Payment Processing Solutions - it offers bill presentment, payment processing, customer (c) engagement & notification solutions.)		Based on the Invoice #INV216965, PO #226627-OS for the month of 10/31/2021 in the amount of \$5,723.63, it can be extrapolated as being applicable to 2023	903	68,684 (e)
WP 3.020.04b70	Research America	2022 Efficiency Delivered Study	23,070	Invoice # 223053-2, March 31, 2023, Study Design and Programming	928	23,070 (e)
WP 3.020.04b98	City of Orlando	Sewer Charges and Wastewater Pretreatment Violations for Tetra Tech NUS & OUC	1,424	Invoice No: CI-0005419 for January, February, April and June	426.5	1,424 (e)
Total			113,229			181,912

(c) Based on review of FMPA Staff Workpaper WP 3.020.04b13, Bill2Pay LLC, Invoice #INV216965, PO #226627-OS for the month of 10/31/2021 in the amount of \$5,723.63, extrapolated to 2023.

(d) FERC Cites

(e) 18 C.F.R. pt. 101, Uniform System of Accounts



USoA CITES – 2023 FOOTNOTE (e)

Account 903, Customer records and collection expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

⁴¹ See 18 C.F.R. pt. 101, Account 928, Regulatory Expenses (2019) (“This account shall include all expenses . . . in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party”).

USoA CITES – 2023 FOOTNOTE (e)

Account 426.1, Donations.

This account shall include all payments or donations for charitable, social or community welfare purposes.

Account 426.5, Other Deductions.

This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

FERC CITE – 2023 FOOTNOTES (d)

169 FERC ¶ 61,042, Ameren Illinois Company, Docket No. ER17-1198-002, P30. However, expenses associated with responding to and defense against formal challenges and expenses incurred in connection with other formal cases before a regulatory body would fall within the instructions of Account 928,⁴¹ and those expenses should therefore be booked to Account 928, whether performed by external or internal employees.

Invoices Needing
Further
Information

09



INVOICES WHICH REQUIRE FURTHER INFORMATION

WP Reference	Vendor	Description	Amount	Reference
			\$	
WP 3.020.04b17	ICF Incorporated, LLC	Tree and electrical costs analyses	7,476	Invoice No: 2019-088120, November 11, 2019.
WP 3.020.04b05	Tim Webber Events	Planning Event for October 19, 2021, per OUC Marketing and Communications Coordinator	5,643	October 19, 2021
WP 3.020.04b24	L.E. Peabody & Associates, Inc.	Report to OUC concerning the value to Brightline of permanent easement on OUC's Stanton Spur rail corridor, including avoided cost of Crouch Engineering's proposed track configuration.	13,971	PO# - 252897-000-OS, November 2, 2021
WP 3.020.04b66	Gunster, Yoakley, & Stewart, PA	Environmental Regulatory Compliance, various FDEP issues and approvals.	5,684	Invoice No: 743148, March 17, 2023.
Total			32,773	



Invoices Which
are Properly
Recorded

10



INVOICES WHICH ARE PROPERLY RECORDED

WP Reference	Vendor	Description	Amount
			\$
WP 3.020.04b48	Presidio Networked Solutions	Con-Smartnet Renewal - ASA5525 AMP & URL Licensing Renewal 3 year, Invoice No: 6011722001, Feb 23, 2022	14,091
WP 3.020.04b80	Checkpoint Technologies	Invoice No: OUC-MR-11, June 11, 2020 HP/MF ALM and HP/MF UFT Site Licenses, 3-Yr Support & Maintenance Contract - 37 Month Amortization Exp	8,527
WP 3.020.04b82	CDW-Government	SPLUNK Enterprise License Contract, 3rd Yr - Monthly Amortization, Invoice No: X939155, May 31, 2022	992
Total			23,610



**AGENDA ITEM 9 – INFORMATION
ITEMS**

**d. Florida Municipal Solar Project
Update**

**Executive Committee
January 16, 2025**



9d – FMSP Update

Executive Committee

January 16, 2025

FMPA SOLAR COASTER TEAM



Participant Allocations by Facility

Florida Municipal Solar Project – All Phases - ~525 total MW

Participant	Phase I		Phase II		Phase III			Total
	Taylor Creek (OUC) June 2020	Harmony (OUC) June 2020	Rice Creek (FPL) Dec 2024	Whistling Duck (DEF) Dec 2025	Leyland (DEF) Dec 2025	Hampton (FPL) Dec 2026	New River (FPL) Dec 2026	
ARP					31.175			31.175
JEA						74.9	74.9	149.8
FPUA		2.1	7.5					9.6
Havana			0.125					0.125
Homestead			2.5	9	3.5			15
Jacksonville Beach		7	7.5					14.5
Key West		3.5	12.5	27	9.5			52.5
Kissimmee		20.9	10					30.9
Lake Worth Beach			13.25	20.900	20.725			54.9
Mount Dora			1					1
New Smyrna Beach			5					5
Newberry			0.5					0.5
Ocala		7	10		3			20
OUC	74.5	34						108.5
Winter Park			5	18	7			30
Total	74.5	74.5	74.9	74.9	74.9	74.9	74.9	523.5

Phase II Facility Status

Rice Creek and Whistling Duck reach significant milestones

- Rice Creek Commercial Operation
 - December 30, 2024
 - [Rice Creek Announcement](#) - News Release
 - FMPA PR Team available to support communications
- Whistling Duck Construction Commencement
 - Initial clearing for roads and fences underway
 - Duke to begin mobilization for substation in January
 - Target COD December 31, 2025



Phase III Facility Status

Leyland, New River, Hampton – anticipated delays

- E-mail sent to Board, EC, Solar III participants Dec. 30:
- Leyland (DEF-interconnected)
 - DEF Final Facilities Study and Draft LGIA received by Origis
 - Target COD December 31, 2025; Potential schedule impacts TBD
- New River and Hampton (FPL-interconnected)
 - JEA only offtaker
 - Target COD December 31, 2026; FPL Draft LGIA indicates significant delay
 - Origis requested PPA Amendment to address delays and resulting (undetermined) pricing impact
- Discussion and Next Steps
 - Call with Origis scheduled for Friday, January 10

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Executive Committee
January 16, 2025**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
January 16, 2025**