



## **ARP EXECUTIVE COMMITTEE AGENDA PACKAGE**

---

**April 17, 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: 262 990 032 495#**

### **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: April 10, 2025  
RE: FMPA Executive Committee Meeting  
**Thursday, April 17, 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 262 990 032 495#**  
LINK: [Join the meeting now](#)

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

**Chairperson Howard McKinnon, Presiding**

## AGENDA

1. Call to Order, Roll Call, Declaration of Quorum .....4
2. Set Agenda (by vote) .....5
3. Recognition of Guests .....6
4. Public Comments (Individual public comments limited to 3 minutes).....7
5. Comments from the Chairman (Howard McKinnon) .....8
6. Report from the General Manager (Jacob Williams).....9
7. Consent Agenda
  - a. Approval of Meeting Minutes – Meetings Held March 20, 2025, Strategic Planning Session Meeting Held February 12, 2025 and ARP Telephonic Rate Workshop Held March 12, 2025..... 11
  - b. Approval of Treasury Reports – As of February 28, 2025.....21
  - c. Approval of the Agency and All-Requirements Project Financials as of February 28, 2025.....25

d. ARP 12-month Capacity Reserve Margin Report .....	27
<b>8. Action Items</b>	
a. None .....	28
<b>9. Information Items</b>	
a. Excess Power Sales Update (Chris Gowder) .....	30
b. Balancing Authority Alternative Analysis (Chris Gowder) .....	36
c. OUC Energy Management System Replacement Project (Chris Gowder) .....	44
d. Bartow Energy Center Turbine Acquisition (Ken Rutter).....	49
e. Florida Gas Transmission Western Supply Expansion (Rich Popp) .....	54
f. Debt Underwriting Services RFP Update (Sena Mitchell).....	63
<b>10. Member Comments</b> .....	67
<b>11. Adjournment</b> .....	68

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

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

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

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

**Executive Committee  
April 17, 2025**

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

**Executive Committee  
April 17, 2025**

**AGENDA ITEM 3 – RECOGNITION OF  
GUESTS**

**Executive Committee  
April 17, 2025**

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

**Executive Committee  
April 17, 2025**

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

**Executive Committee  
April 17, 2025**



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

**Executive Committee  
April 17, 2025**

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of Meeting Minutes –  
Meetings Held March 20, 2025,  
Strategic Planning Session  
Meeting Held February 12, 2025  
and ARP Telephonic Rate  
Workshop Held March 12, 2025**

**Executive Committee  
April 17, 2025**

CLERKS DULY NOTIFIED ..... March 13, 2025  
AGENDA PACKAGES POSTED ..... March 20, 2025

**MINUTES**  
**EXECUTIVE COMMITTEE MEETING**  
**THURSDAY, MARCH 20, 2025**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**

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

**OTHERS**  
**PRESENT** Danny Retherford, Fort Pierce (virtual)  
Stefanie Beskovoyne, Fort Pierce (virtual)  
Kendrah Wilkerson, Havana (virtual)  
Brian Horton, Kissimmee (virtual)  
Justin Buckman, Kissimmee (virtual)  
Kevin Crawford, Kissimmee (virtual)  
Ed Liberty, Lake Worth Beach  
Michael Beckham, Lakeland (virtual)  
Jim Williams, Leesburg (virtual)  
Efren Chavez, New Smyrna Beach (virtual)  
Bob Taylor, GDS Associates  
Craig Dunlap, Dunlap & Associates, Inc.

**STAFF**  
**PRESENT** Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and Chief Legal Officer  
Ken Rutter, Chief Operating Officer  
Rich Popp, Chief Financial Officer  
Chris Gowder, Chief System Operations and Technology Officer  
Sue Utley, Executive Asst. /Asst. Secy. to the Board  
Mike McCleary, Member Services Manager  
Sharon Adams, Chief People and Member Services Officer  
Susan Schumann, Manager of External Affairs and Solar Projects  
John Bradley, Business Development Analyst  
Emily Maag, Public Relations Specialist  
Jason Wolfe, Financial Planning Rates, Budget and Fuels Director

Navid Nowakhtar, Member Services Strategic Planning & Analytics  
Director  
Mary Kathryn Patterson, Senior Public Relations Specialist  
Andrei Benjamin, Cloud Systems Administrator  
Lindsay Jack, Member Support & Administrative Supervisor

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

Acting Chairperson Allen Putnam, Jacksonville Beach, called the FMPA Executive Committee meeting to order at 11:40 a.m., Thursday, March 20, 2025, 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 11 members present out of a possible 13.

### **ITEM 2 – SET AGENDA (BY VOTE)**

**MOTION:** Jason Terry, Kissimmee, moved approval of the agenda as presented. Drew Mullins, Starke, seconded the motion. Motion carried 11-0.

### **ITEM 3 – RECOGNITION OF GUESTS**

None.

### **ITEM 4 – PUBLIC COMMENTS**

None.

### **ITEM 5 – COMMENTS FROM THE CHAIRMAN**

Acting Chairperson Allen Putnam reflected on the previous two APPA events, emphasizing the insightful conversations about the impact of AI on business practices and also on your elderly family and friends. He urged more people to join future APPA events.

### **ITEM 6 – REPORT FROM GENERAL MANAGER**

Jacob Williams explained how AI is transforming our business and highlighted ongoing efforts to integrate it into operations while engaging leadership. Later this year, updates will highlight how AI is streamlining processes, like enhancing unloading tools for greater efficiency.

### **ITEM 7 –CONSENT AGENDA**

- a. Approval of Meeting Minutes – Meetings Held February 13, 2025 and ARP Telephonic Rate Workshop Held February 11, 2025
- b. Approval of Treasury Reports – As of January 31, 2025

- c Approval of the Agency and All-Requirements Project Financials as of January 31, 2025
- d ARP 12-month Capacity Reserve Margin Report

**MOTION:** Drew Mullins, Starke, moved approval of the Consent Agenda as presented. Jason Terry, Kissimmee, seconded the motion. Motion carried 11-0.

#### **ITEM 8 – ACTION ITEMS:**

##### **a. Approval of the Natural Gas Price Stability Program Quarterly Update**

John Bradley presented the natural gas price stability program quarterly update.

Discussion ensued with the Executive Committee Members.

**MOTION:** Drew Mullins, Starke, moved approval of the new target pricing for Stability Program as presented. Bob Page, Green Cove Springs, seconded the motion. Motion carried 11-0.

##### **b. Approval of Additional Prepaid Natural Gas Volumes with FGU**

**MOTION:** Javier Cisneros, Fort Pierce, moved approval to enter into additional 2,500 MMBtu “Summer” natural gas pre-pay transactions with FGU matching prior Directives with at least a \$0.60 discount off first-of-the-month prices for a term no longer than 30 years. Bob Page, Green Cove Springs, seconded the motion. Motion carried 11-0.

##### **c. Strategic Plan Priorities Recap and Approval of Mission and Vision Changes**

**MOTION:** Drew Mullins, Starke, moved approval of Mission and Vision Changes as presented. Jason Terry, Kissimmee, seconded the motion. Motion carried 11-0.

#### **ITEM 9 – INFORMATION ITEMS:**

##### **a. Florida Municipal Solar Project Phase III Termination Update\***

Susan Schumann gave an update on the Florida Municipal Solar Project Phase III Termination at the Board of Directors meeting. There was no further discussion.

##### **b. Quarterly HR Update\***

Sharon Adams provided the quarterly HR update at the Board of Directors meeting. There was no further discussion.

**c. Quarterly Compliance Update\***

Jody Finklea and LaKenya VanNorman provided the Quarterly Compliance Update at the Board of Directors meeting. There was no further discussion.

**d. Extension of FPL Network Integration Transmission Service**

Chris Gowder presented the Extension of FPL Network Integration Transmission Service.

**e. Duke Transmission Work for CI Pipeline relocation**

Ken Rutter presented the Duke Transmission Work for the Cane Island Pipeline relocation.

**ITEM 10 – Member Comments**

None.

**ITEM 11 – Adjournment**

There being no further business, the meeting was adjourned at 12:26 p.m.

---

Allen Putnam, Treasurer, Acting Chair  
Chairman, Executive Committee

---

Sue Utley  
Assistant Secretary

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

Seal

**PUBLIC NOTICE SENT TO CLERKS..... MARCH 5, 2025**  
**AGENDA PACKAGES SENT TO MEMBERS ..... MARCH 12, 2025**

**MINUTES  
EXECUTIVE COMMITTEE  
ALL-REQUIREMENTS POWER SUPPLY PROJECT  
TELEPHONIC RATES MEETING  
WEDNESDAY, MARCH 12, 2025  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FLORIDA 32819**

**COMMITTEE MEMBERS PRESENT VIA TELEPHONE**

Christina Simmons, Bushnell  
Lynne Mila, Clewiston  
Javier Cisneros, Fort Pierce  
Robert C. Page, Green Cove Springs  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West  
Jason Terry, Kissimmee  
Marie Brooks, Ocala

**STAFF PRESENT**

Jacob Williams, General Manager and CEO  
Rich Popp, Chief Financial Officer  
Sue Utey, Executive Assistant to General Manager and CEO / Asst.  
Secy. to the Board  
Jason Wolfe, Financial Planning, Rates and Budget Director  
John Bradley, Business Development Analysis  
Denise Fuentes, Financial Planning, Budget and Financial Analyst II  
MacKayla Cross, Administrative Assistant

**Item 1 – Call to Order and Roll Call**

Lynne Tejeda, Key West, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Wednesday, March 12, 2025 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 February ARP Rate Calculation**

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

**Item 3 – Information Item**

- a. Additional Prepaid Natural Gas Volumes with FGU

John Bradley presented Additional Prepaid Natural Gas Volumes with FGU.

**Item 4 – Member Comments**

None.

**Item 5 - Adjournment**

There being no further business, the meeting was adjourned at 2:16 p.m.

---

Approved

LT/lj



PUBLIC NOTICES SENT TO CLERKS.....FEB. 5, 2025  
STRATEGIC PLANNING PRESENTATION SENT TO MEMBERS .....JAN. 30, 2025

**MINUTES**  
**JOINT BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE**  
**STRATEGIC PLANNING SESSION**  
**WEDNESDAY, FEBRUARY 12, 2025**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FLORIDA 32819**

**MEMBERS** Michael Poucher, Bartow  
**PRESENT** Christina Simmons, Bushnell  
Javier Cisneros, Fort Pierce  
Bob Page, Green Cove Springs  
Barbara Quiñones, Homestead  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West  
Brain Horton, Kissimmee  
Ed Liberty, Lake Worth Beach  
Brad Chase, Leesburg (virtual)  
Efren Chavez, New Smyrna Beach (virtual)  
Ken Zambito, Orlando  
Kolby Urban, St. Cloud  
Drew Mullins, Starke  
Tony Guillen, Tallahassee  
Daniel Retherford, Fort Pierce  
Jamie England, Winter Park

**OTHERS** Mark McCain, Facilitator/Consultant  
**PRESENT** Morgan Wilson, Bushnell  
Karen Nelson, Jacksonville Beach (virtual)  
Larry Mattern, Kissimmee (virtual)  
Justin Buckman, Kissimmee (virtual)  
Brian King, Lake Worth Beach (virtual)  
Attila Miszti, Orlando  
Lisa Vedder, Winter Park (virtual)  
Andy Redding, Starke  
Dan Dalessandro, Horizon Utility Services  
Chris Lover, PFM Financial Advisors  
John Generalli, Wells Fargo (virtual)

**STAFF** Jacob Williams, General Manager and CEO  
**PRESENT** Jody Finklea, General Counsel and Chief Legal Officer  
Ken Rutter, Chief Operating Officer  
Rich Popp, Chief Financial Officer  
Chris Gowder, Chief Systems Operations and Technology Officer  
Sharon Adams, Chief People and Member Services Officer  
Navid Nowakhtar, Member Services Strategic Planning and Analytics Director  
Dan O'Hagan, Deputy General Counsel and Manager of Regulatory Compliance  
Sue Utley, Executive Asst./Asst. Secy. to the Board  
Susan Schumann, Public Relations and External Affairs Manager  
Bob Nelcoski, Principal Strategic and Systems Planner  
Daniela Delpino, Environmental Engineer  
Emily Maag, Public Relations Specialist  
Andrei Benjamin, Cloud Systems Administrator  
Lindsay Jack, Member Support and Administration Supervisor

**1. Call to Order and Roll Call**

Chair Barbara Quiñones, Homestead, called the Board of Directors and Executive Committee Strategic Planning Session, as a joint workshop, to order at 9:02 AM on Wednesday, February 12, 2025, in Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

**2. Overview of Agenda**

Mark McCain presented an update on the strategic planning process, desired outcomes, and web-based voting system.

**3. Informational presentation and discussion of potential strategic priorities**

FMPPA led the discussion of strategic planning items.

Ken Rutter discussed the Integrated Resource Plan.

11:15 PM – RECESS JOINT SESSION FOR LUNCH

12:30 PM – RECONVENE JOINT SESSION

**4. Review, edit and finalize list of potential strategic priorities**

Mark McCain reviewed the finalized list of potential strategic priorities.

**5. Conduct voting to rank top strategic priorities for the Board of Directors and Executive Committee**

Mark McCain led the voting to rank top strategic priorities for the Board of Directors and Executive Committee.

1:30 PM – RECESS JOINT SESSION FOR VOTING

1:50 PM – RECONVENE JOINT SESSION

**6. Discuss voting results, conduct second round of voting if necessary, and discuss next steps for finalizing the strategic plan**

Mark McCain and Jacob Williams discussed the results of voting and next steps for finalizing the strategic plan.

**7. Adjourn Strategic Planning Session**

There being no further business, the workshop was adjourned at 2:08 PM

---

Approved

BQ/su

**AGENDA ITEM 7 – CONSENT  
AGENDA**

**b. Approval of Treasury Reports –  
As of February 28, 2025**

**Executive Committee  
April 17, 2025**



## AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee  
FROM: Melissa Cain  
DATE: April 10, 2025  
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of February 28, 2025

---

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

Debt Discussion

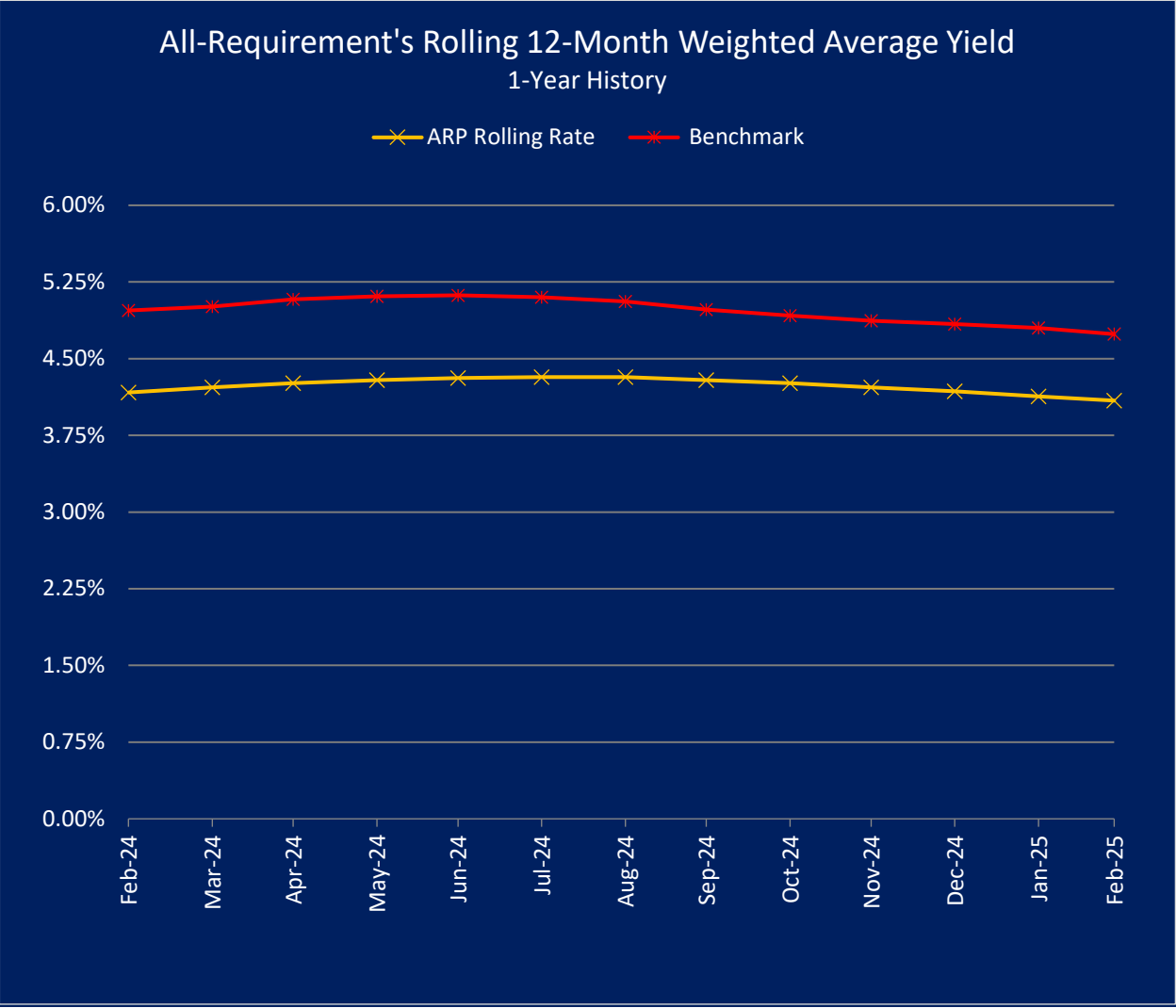
The All-Requirements Project's debt is entirely fixed-rate, accounting for 100% of the total debt. The estimated debt interest funding for fiscal year 2025 as of February 28, 2025, is \$30,255,005.29. The total amount of debt outstanding is \$686,425,000.

---

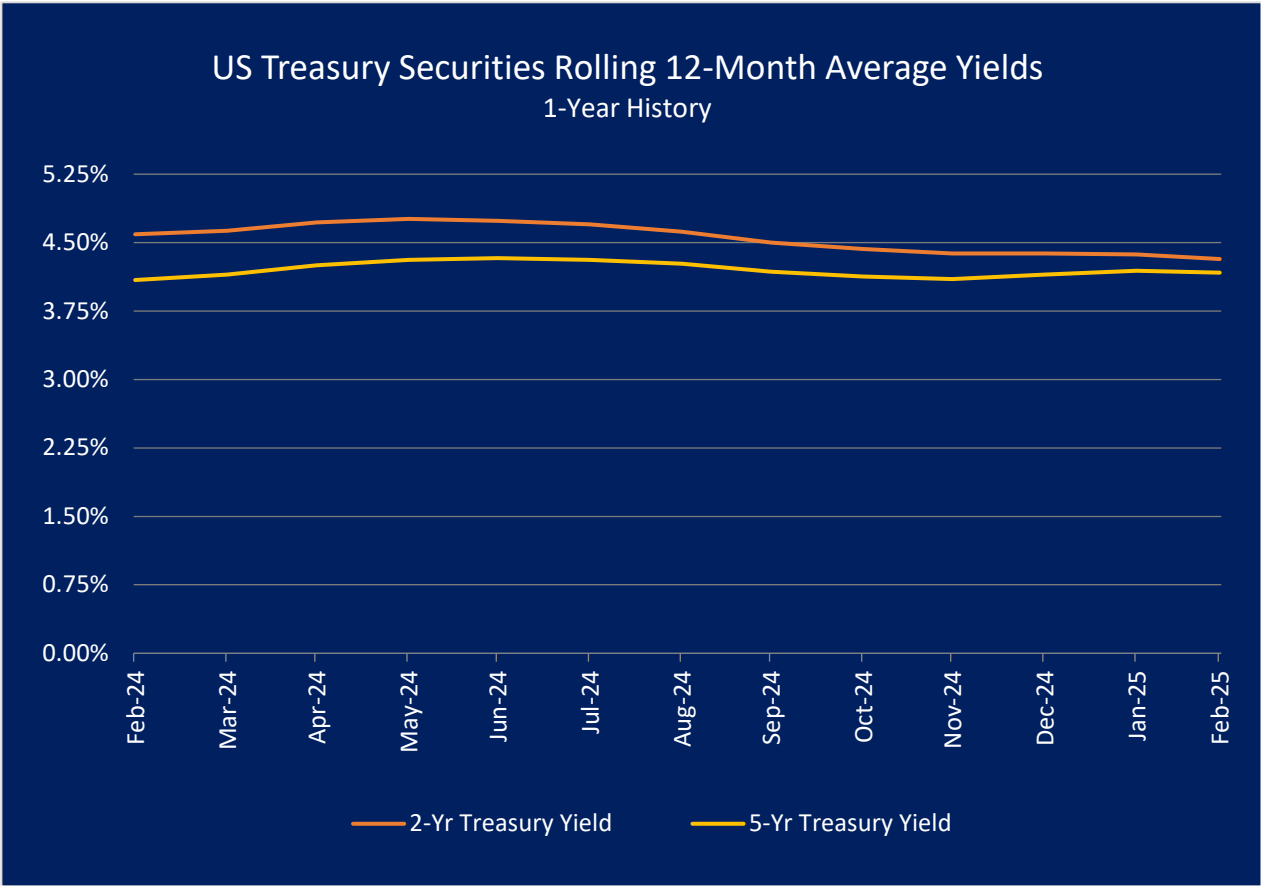
Investment Discussion

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 February 28, 2025, the All-Requirements Project investment portfolio had a rolling 12-month weighted average yield of 4.09%. This reflects slower reinvestment into higher-yielding securities as longer-term bonds mature. The benchmarks (SBA’s Florida Prime Fund and the 2-year US Treasury Note) and the Project’s rolling 12-month weighted average yields are graphed below:



Below is a graph of the rolling 12-month average US Treasury yields for the past year. The orange line is the 2-year Treasury which had a rolling 12-month average yield on February 28, 2025, of 4.32%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 4.17%.



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

Recommended  
Motion

Move for approval of the Treasury Reports for February 28, 2025

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Agency and All-  
Requirements Project Financials  
as of February 28, 2025**

**Executive Committee  
April 17, 2025**





**Rich Popp**  
Chief Financial Officer

## **AGENDA PACKAGE MEMORANDUM**

**TO:** FMPA Executive Committee  
**FROM:** Rich Popp  
**DATE:** April 10, 2025  
**SUBJECT:** EC 7c– Approval of the Agency and All Requirements Project Financials as of the period ended February 28, 2025

---

**Discussion:** The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All Requirements Project for the period ended February 28, 2025, are posted on the Document Portal section of FMPA's website.

---

**Recommended:** Move approval of the Agency and All-Requirements Project Financial Reports for the month ended February 28, 2025.

---

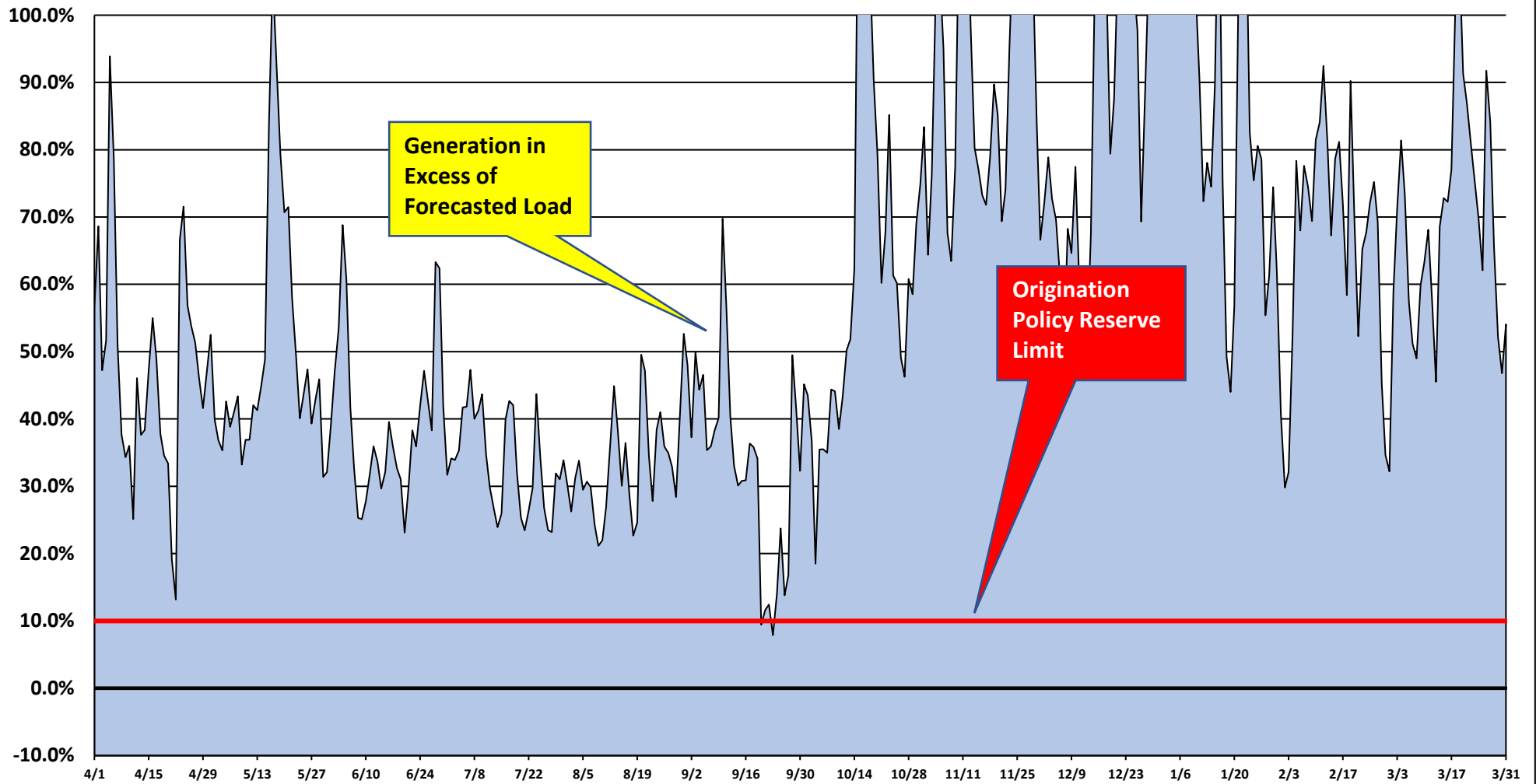
RP/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

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

**Executive Committee  
April 17, 2025**

# ARP Daily Reserve Margins April 2025 through March 2026



## **AGENDA ITEM 8 – ACTION ITEMS**

**a. None**

**Executive Committee  
April 17, 2025**

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**a. Excess Power Sales Update**

**Executive Committee  
April 17, 2025**



## **9a - Excess Power Sales Update**

Executive Committee

April 17, 2025

# Excess Capacity & Energy Sales Reduce ARP Costs

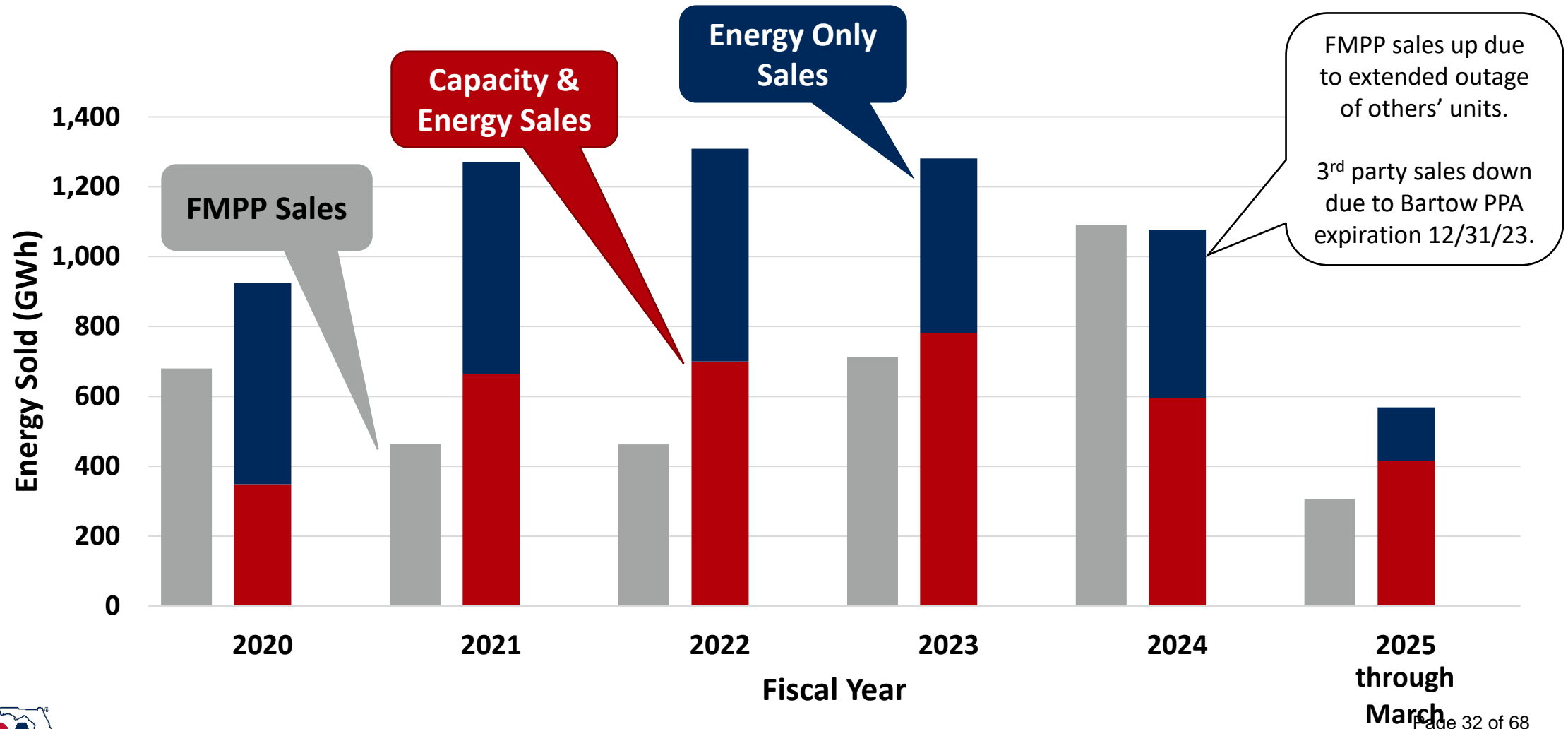
## *Majority of Margins Come from Non-FMPP Sales*

---

- FMPP 3rd party sales have grown via increasing non-FMPP sales
- Margin growth from non-FMPP sales led to \$12 – 16M annual ARP cost reductions
- FMPP has minimal reward for sales within FMPP, real advantage for buyers
- Changes in FMPP generation mix - FMPP larger seller in 2026 and beyond
- Value of ARP participation in FMPP continues to decrease in coming years
- Opportunity for higher margins from non-FMPP capacity sales at escalated prices over next 5 years

# Volume of 3<sup>rd</sup> Party Sales Typically Outpace Pool Sales

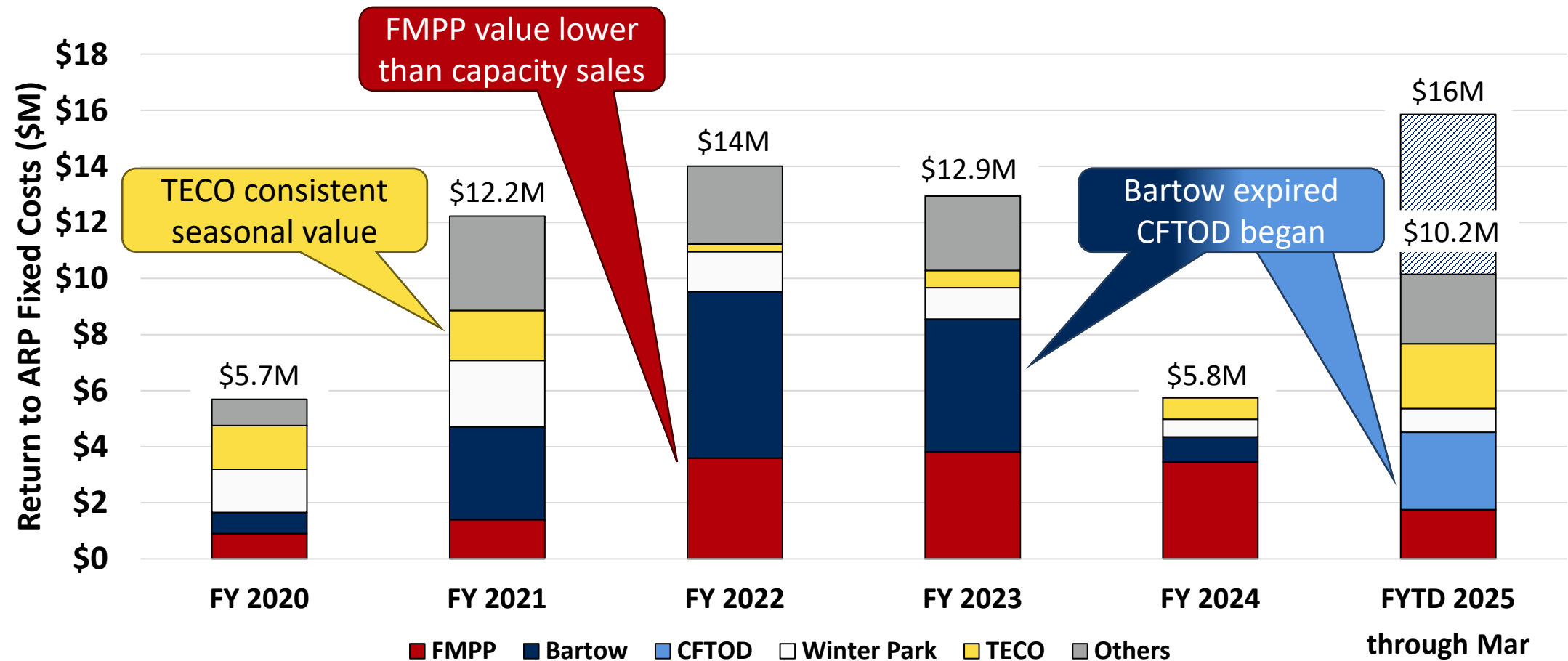
## *Pool Optimizes Day-Ahead Dispatch, Not Long-Term Value*





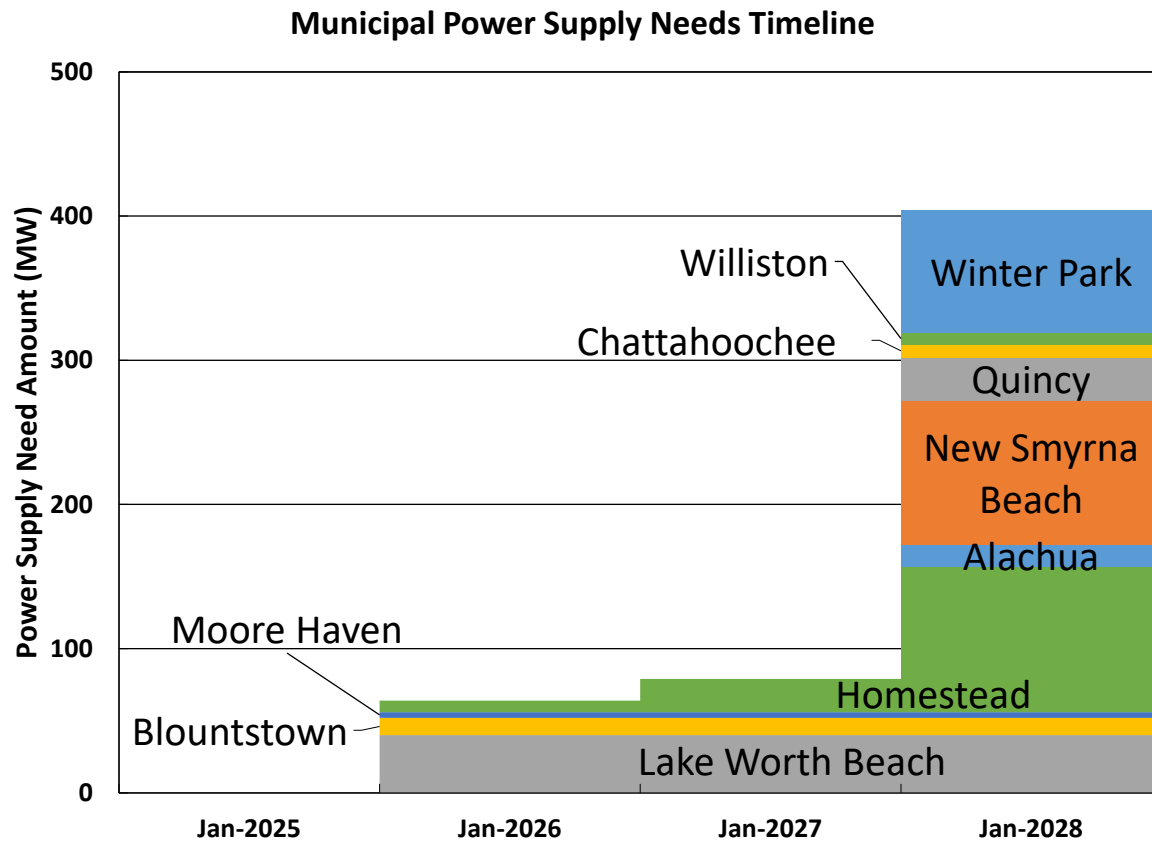
# Third-Party Sales Benefiting ARP Rate by \$3.76/MWh

## *\$10.2M Benefit So Far in FY25, Expecting of \$16M+ for Year*



# Municipals Will Seek Around 400 MW by 2028

## *Could Influence Resource Decisions in Mid-Term*



- Municipals' existing arrangements with ARP/others begin to expire by mid-decade
- Other generators looking for reliable capacity – TECO, Seminole, JEA, GRU<sup>1</sup>
- Opportunistic purchases limited as existing capacity becoming scarce
- Growth in demand raising cost & extending timeline for new resources
- Opportunity to sell excess capacity at higher values as market tightens
- Open to resources several years before need if cost offsets are available

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. Balancing Authority Analysis  
Update**

**Executive Committee  
April 17, 2025**



# **9b - Balancing Authority Alternative Analysis**

Executive Committee

April 17, 2025

# FMPA and BA Alternative Have Strong Goal Alignment

## *Agreement on Philosophical Principles of an Arrangement*

---

- Several meetings per month for collaboration and brainstorming sessions
- Both parties keeping their Board updated
- Legal teams meeting to support the effort and the business teams
- 3<sup>rd</sup> party study to identify incremental dispatch savings
- Additional savings that benefit both parties expected from:
  - Transmission utilization and avoidance of point-to-point charges
  - Sales of available excess energy and reserves
  - Lower overall operating costs of the combined systems
  - Generator maintenance optimization of larger combined fleet
- Total expected annual incremental savings of \$8M, with a range of \$5M - \$11M

# New Balancing Authority Solves Common Challenges

## *Better Aligns With Needs, Increases Scale & Lowers Cost*

---

- ARP evolved from “paper contract” resource taker to owner & operator of almost entire generation fleet
  - ARP’s ownership in OUC-tied resources diminishing over next few years
- Both parties have load & gen in both FPL and Duke systems
  - BA Alternative has area that can move gen to either transmission system
- FMPPA likely seller of excess low-cost natural gas energy for next 10-15 years
  - Excess *capacity* sold outside of FMPP, now excess *energy* must be managed
- ARP generation extremely complimentary to BA Alternative’s fleet

# 3<sup>rd</sup> Party Dispatch Study Shows Incremental Savings

## *~\$3.5M Annually Derived From Numerous Areas of Synergy*

---

- ARP's relatively small units provide great unit commitment optimization mixed with BA Alternative's larger units
- BA Alternative's efficient gas generation provides excess energy, particularly at night
- ARP has significant length of combined cycle power most days
- BA Alternative is winter peaking, balances ARP's summer peaks
- Agreement on determining allocation approach where both buyer & seller share benefits

# FMPA/BA Alternative Provide Other Tangible Benefits

## *Generation Dispatch Only Part of Total Potential Savings*

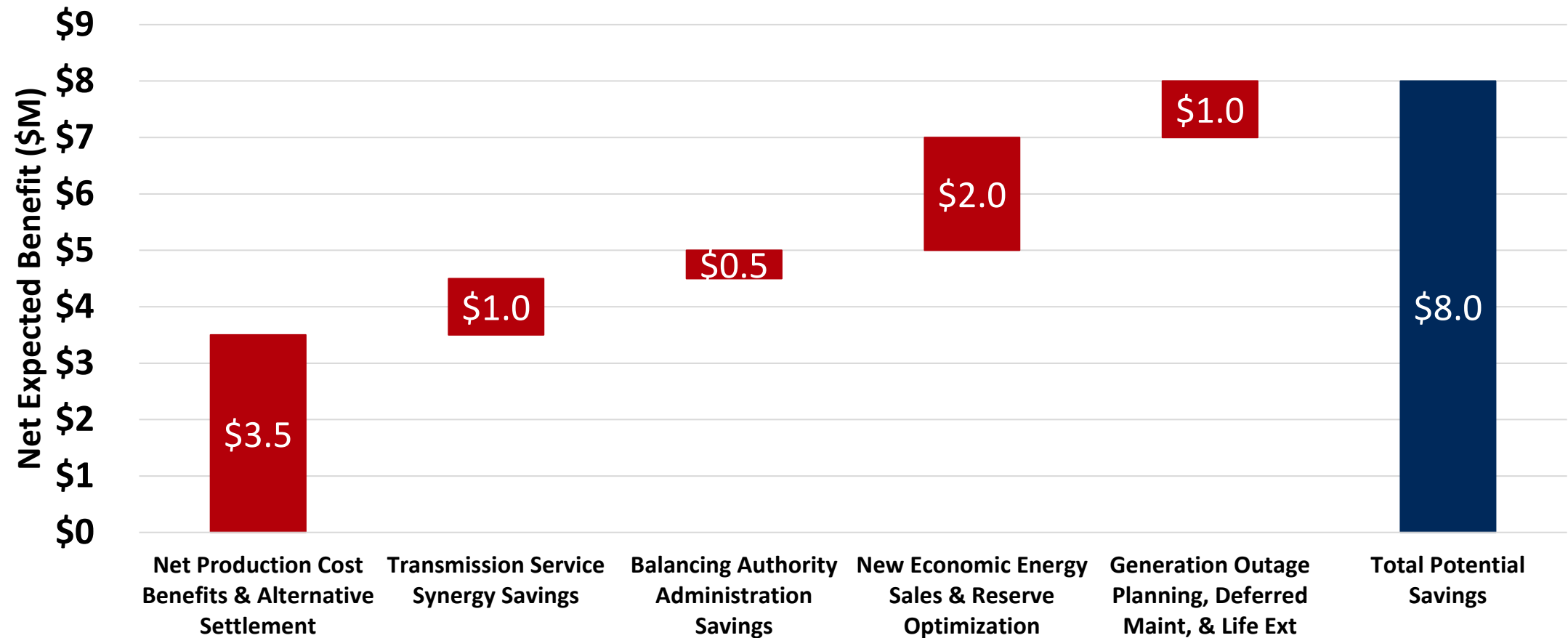
---

- **Transmission cost savings** – avoids point-to-point needed to move generation between load areas by leveraging network service instead
- **Excess energy sales opportunities** – optimized dispatch leaves economic energy available to sell, plus 24x7 market participation
- **Standby & spinning reserves revenue** – covering loss of largest unit becomes shared effort with internal transactions vs buying external
- **Lower BA operating costs** – limited incremental budget needed to add FMPA to BA Alternative operation, economies of scale for both
- **Fleet optimization of larger combined system** – generation outage schedule timing, deferred maintenance from lower utilization, & extended life



# Potential New Balancing Authority Value \$5-11M/Yr

*Range Driven by Possible Net Savings vs Current Cost for Each Area*



# Proposed Steps Through End of Calendar Year

## *Further Analysis & Discussion of Implementation Details Needed*

---

- Finalize benefit study with consultant with formal report – April
  - Discuss first gate decision with both Boards – Apr-May
  - Approval to begin MOU development and confirm cost/benefit – Jun
  - Detailed MOU agreed to, assuming favorable cost/benefit – Dec
  - Decision to proceed with new joint BA and notice to FMPP – Jan 2026
- 
- Continue to participate in FMPP processes and expanded collaboration efforts with other utilities in parallel

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. OUC Energy Management System  
Replacement Project**

**Executive Committee  
April 17, 2025**



# **9c - OUC Energy Management System Replacement Project**

Executive Committee

April 17, 2025

# Backbone of FMPP/CTOP Operations Needs Replacing

## *OUC EMS Nearing 20-Years Old, Losing Vendor Support Next Year*

---

- Energy Management System (EMS) – suite of computer-aided tools allowing operators to monitor, control, and optimize performance of generation and transmission in real-time by:
  - Balancing load and generation, keeping frequency within bounds
  - Changing generation output directly via automatic generation control (AGC)
  - Managing cost by dispatching most economic fuels and resources
  - Monitoring transmission line loading and remotely controlling breakers
- Modern systems have improved capabilities to meet evolving needs
  - e.g. – variable resources, reserves, cyber security, simulation, training, etc.

# OUC Selected AspenTech (OSI) Via RFP Process

## *Seeking Approval to Proceed From Various Stakeholder Groups*

---

- Total project cost estimate including contingency: **\$9.2 million**
- Recommended cost allocation approach:
  - CTOP and FMPP split evenly: 50% each
  - FMPP share split evenly: 1/3 each
  - Total expected ARP cost: **\$1,533,333**
- Requesting spending authority for **\$2 million** in case of overruns
- Flows through Pool bills as costs incurred over FY25 – FY27

# Information Only

*Approval to be Requested at May 15 EC Meeting*

---

- OUC staff seeking approval from:
  - FMPP Executive Committee on May 8<sup>th</sup>
  - OUC Board on May 13<sup>th</sup>
- Timeline ~2 years:
  - Project kick-off in May 2025
  - NERC certification process start in September 2026
  - Rollout to production/operation in April 2027

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**d. Bartow Energy Center Turbine  
Acquisition**

**Executive Committee  
April 17, 2025**





# **9d - Bartow Energy Center Turbine Acquisition**

Executive Committee

April 17, 2025

# Opportunity to Extend Life and Value of Bartow Plant

## *\$10.5M Net Value for Life Extension with High-Capacity Values*

---

- Bartow Energy Center (BEC) estimated at ~6,000 hours of life of included turbines
- Matched used turbine available has 8-10,000 hours of useful life
- All in cost for Spare turbine, shipping, insurance, etc <\$3.5M
- Capacity value has increased since agreement signed from \$2/kW-mo. To \$6 –10/kW-mo.
  - Initial acquisition anticipated 10-year life, purchase will increase to 15-year life
  - Purchase will allow higher capacity factor of 10-15% vs initial plan of 5%
- Highly competitive environment globally for new and used generation – AI/Data Center load
- Currently owned by Engie – Electrabel located in Zeebrugge, Belgium
  - Multi-national firm with over 80GW of fossil generation
- Unit operated at one site with well documented maintenance records
- FMPP contracted entity to perform borescope to validate remaining life

# **Bartow Needs Two Turbines To Operate Full Capacity**

## *Plant Acquisition Includes Turbines With Low Remaining Hours*

---

- Plant Acquisition price <\$5M due to remaining hours on turbines
  - Acquisition intended to be inclusive of 3 combustion turbines
- Investment in spare turbine enhances reliability and long-term value
  - Site is combined cycle plant utilizing two LM6000Pb combustion turbines
- 2 existing turbines at GE shop due to condition, GE lease engine in service
  - Northern Star must have 3 operational engines with specified remaining life, or contractual purchase price reduction of \$0.2 - \$1.25M depending on remaining life
  - Northern Star may need to acquire leased engine to satisfy contractual requirements

# **“Returned U.S. Goods” Mitigates Tariff Risk**

## *Turbine Was Originally Manufactured by GE in U.S.*

---

- Title transfers in Belgium upon loading of shipping container to trailer
- To avoid import tariffs under the U.S. Customs regulations certain conditions and documentation requirements must be met:
  - U.S. Origin of the Goods
  - No Advancement in Value or Improvement in Condition
  - Proof of Export and Return
- Staff working to obtain multiple shipping quotations
  - Plan to ship from Antwerp, Belgium to Savannah or Miami
- Finance working to obtain insurance coverage for shipping
- Current plans would be to ship unit June or July to Mulberry

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**e. Florida Gas Transmission  
Western Supply Expansion**

**Executive Committee  
April 17, 2025**



# **9e - Florida Gas Transmission Western Supply Expansion**

Executive Committee

April 17, 2025

# Permian Basin Growth Is Attracting Pipeline Expansions

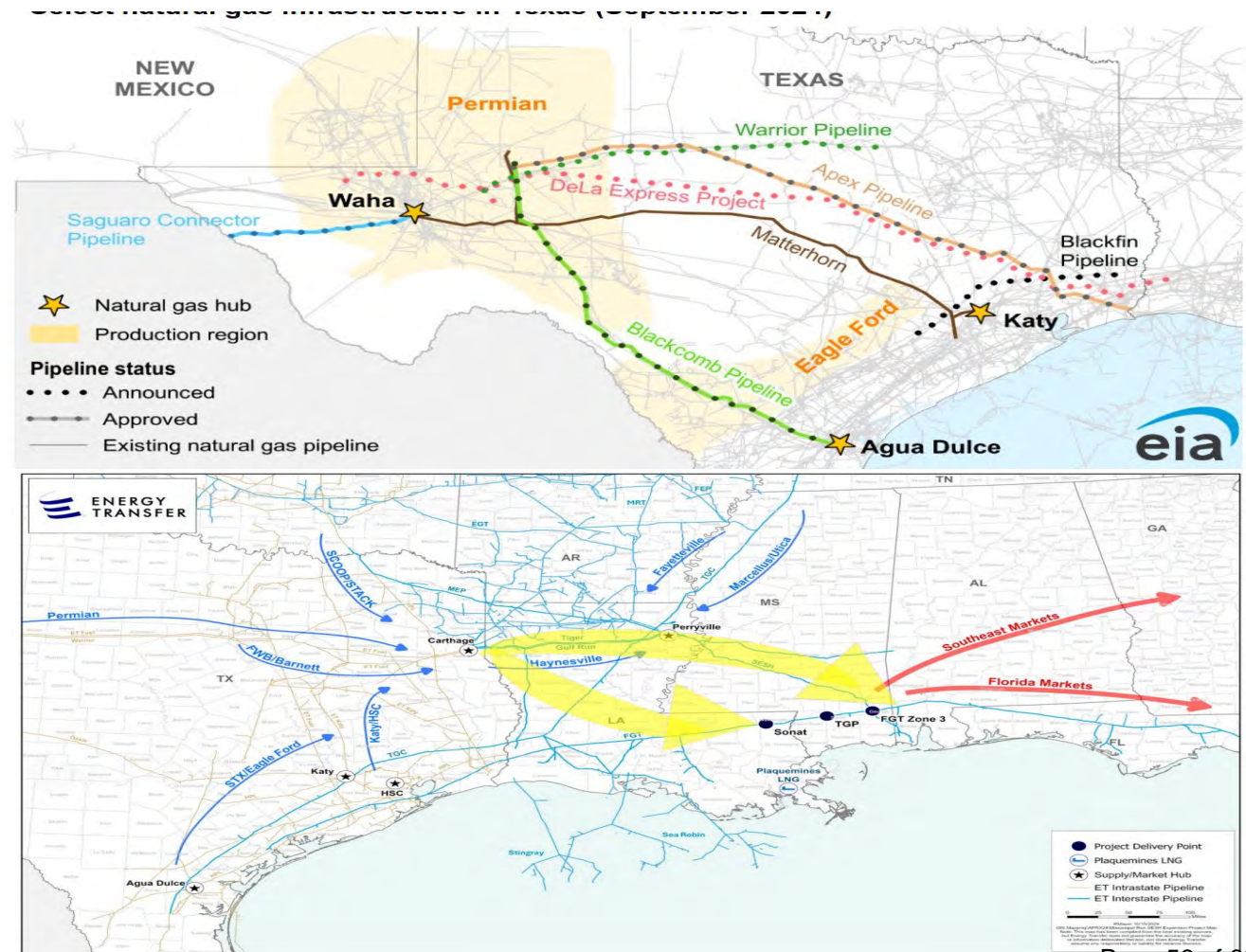
---

- Permian Basin is primarily an oil production location
  - Permian output was 6.3 million barrels per day last year, approximately half U.S. total output
    - Delivers abundant natural gas production
    - Takeaway capacity of natural gas remains highly constrained in the basin, pushing regional Waha Hub spot prices below zero
    - Significant investment by major players with long-term growth plans

# Five New Permian Pipelines Combined Capacity 11 BCF

## *Projected Permian Production in 2025 25 Bcf/d*

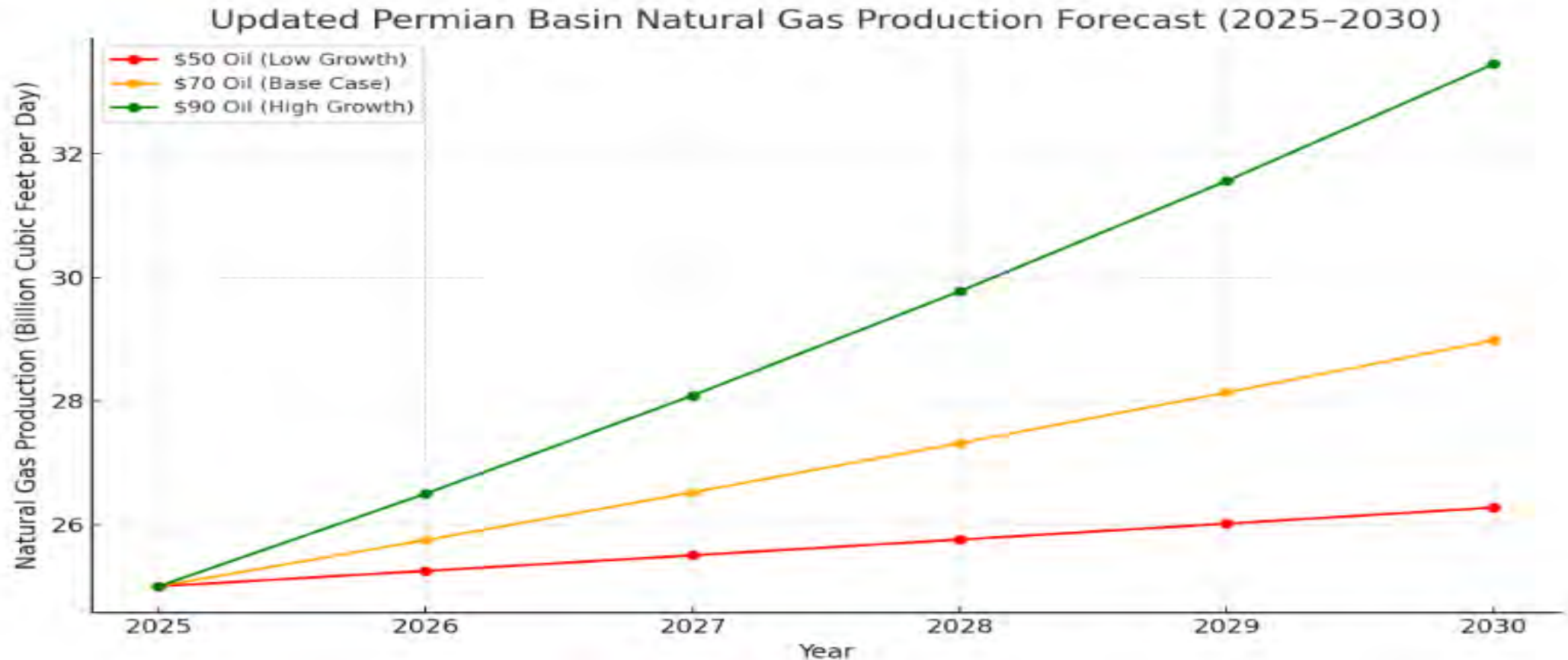
- Matterhorn 2.5 (Bcf/d)
  - Online 2024
- Blackcomb 2.5
- Apex 2.0
- Saguaro 2.8
- Warrior Project 1.5





# Permian Natural Gas Production Tied to Oil Prices

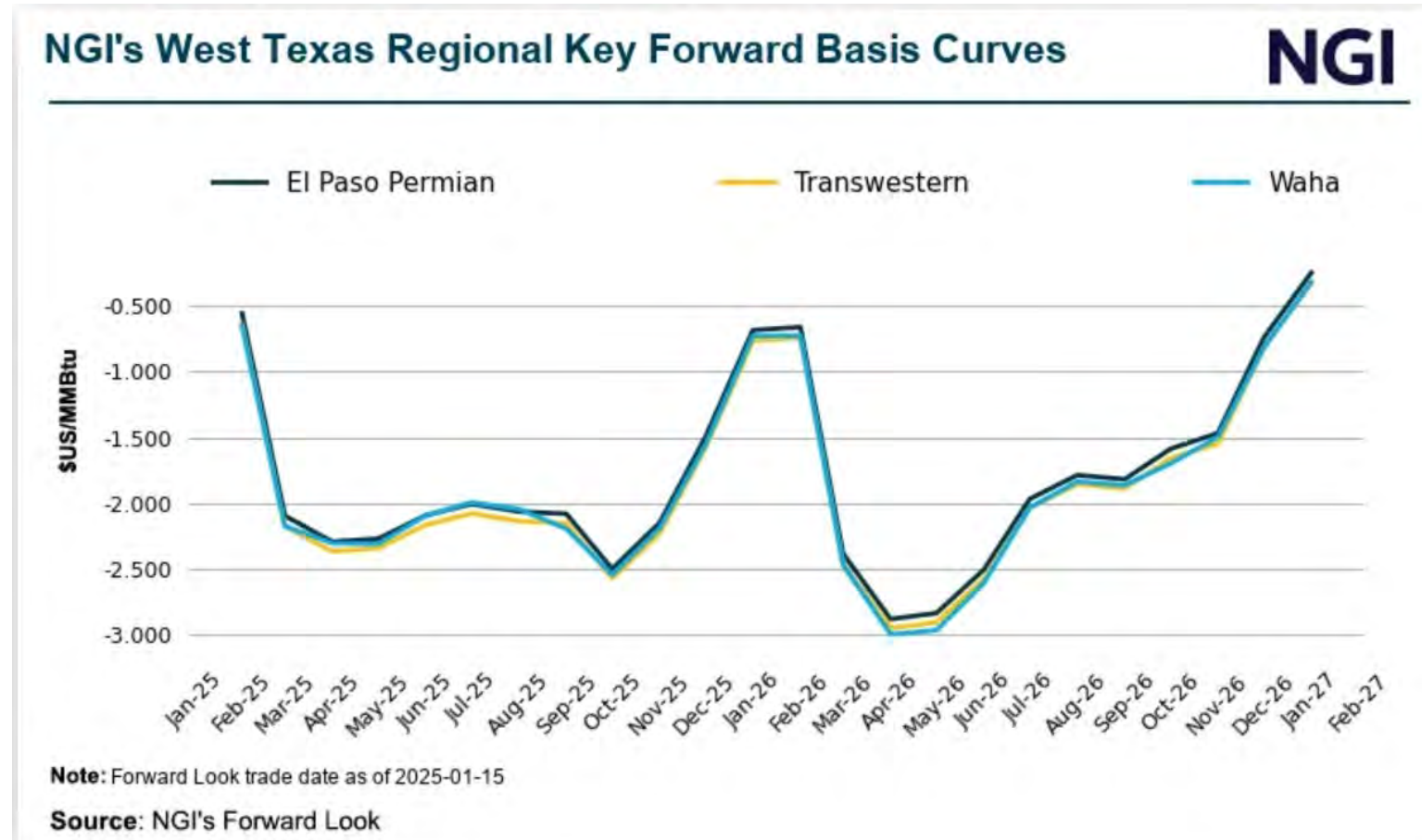
*Low Breakeven Prices \$40-\$50 Barrel Supports Continued NG Growth*



Free version of CHTgpt

# Energy Transfer Western Supply Expansion

## *Waha Projected Negative Pricing to Henry Hub*



# LNG and Data Centers' Impact on FGT Zone 3 Pricing

---

- Increased demand could constrain existing infrastructure
- Increased volatility at Zone 3 Price point
- Limit Availability of supply
  - Highest bidders take supply
- Reduced reliability due to single-point dependency
- Disconnect between Zone 3 and other market hubs (e.g., Henry Hub) will widen during stress events
- Competition from LNG exports

# Benefits of Expanding Purchases Beyond FGT Zone 3

## *Reduces Risk and Expands Market Opportunities*

---

- Adding supply purchase point for diversification and security
  - Supply additions beyond Waha
    - Midland, Fayetteville, Marcellus, Utica
  - Can offer lower natural gas pricing
    - Gas price not 100% correlated to FGT Zone 3 pricing
  - Can offer alternative natural gas storage locations
    - Take advantage of excess supply at Waha
  - Market opportunities connected to pipeline expansion

# Additional Delivery Points Costs

*Indicative Costs Determined By Volume and Term*

---

- Multiple options priced based on supply point
  - Waha premium to Perryville (110%-135%)
  - Carthage premium to Perryville (15%-40%)
  - Perryville (base price point)
- Assumes allocation between points estimated cost ~\$5M
- Expected online date: Second Quarter of 2028

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**f. Debt Underwriting Services RFP  
Update**

**Executive Committee  
April 17, 2025**



# **9f - Debt Underwriting Services RFP Update**

Executive Committee

April 17, 2025

# Underwriter RFP Overview

## *Timeline and Purpose*

---

- RFP Timeline:
  - Issued: March 17, 2025
  - Proposals Due: April 23, 2025
  - Evaluation and Selection of Pool & Summer 2025 Underwriters: Early May
- Purpose:
  - Establish a pool of 4 to 6 qualified underwriters to support FMPA's financing activities through 2029
  - Select underwriters from the pool for individual financings as needed
  - Ensure competitive pricing, expertise, and alignment with FMPA's financing goals



# Estimated Details for Summer 2025 Financing

## *Underwriter RFP to support upcoming ARP debt issuance*

---

- Approximately \$100 million in tax-exempt financing to include:
  - \$60 million Refinancing for the Series 2015B Bonds
  - \$40 million Capital New Money
  - Potential Tender Offer to refinance a portion of the Series 2016A Bonds
    - The tender offer, if executed, will be in addition to the estimated \$100 million financing
- Amortization & Structure:
  - Refinancing portion will retain existing final maturities
  - Principal payments for new money bonds will be placed in 2032–2035
- Target market execution in August

# Next Steps

## *Team Review and Approval Process*

---

- Evaluation team to complete review of proposals and evaluate qualifications after April 23 deadline.
- Select underwriting pool for future financings.
  - Identify underwriter for **Summer 2025 financing** from the selected pool.
- Present recommended underwriter selections for approval during May's Finance and Executive Committee Meetings.

**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Executive Committee  
April 17, 2025**

## **AGENDA ITEM 11 – ADJOURNMENT**

**Executive Committee  
April 17, 2025**