



## **ARP EXECUTIVE COMMITTEE AGENDA PACKAGE**

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**APRIL 16, 2026**

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

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

**Meeting ID Number: 262 901 420 759 0#**

### **Committee Members**

Javier Cisneros, Fort Pierce – Chair

Robert Page, Green Cove Springs – Vice Chair

Christina Farmer, Bushnell

Lynne Mila, Clewiston

Steve Doyle, Fort Meade

Kendrah Wilkerson, Havana

Allen Putnam, Jacksonville Beach

Lynne Tejeda, Key West

Brian Horton, Kissimmee

Brad Chase, Leesburg

Rance Green, 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: Thursday, April 09, 2026

RE: FMPA Executive Committee Meeting – **THURSDAY, APRIL 16, 2026**  
**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 262 901 420 759 0#**

LINK: [Join the meeting now](#)

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

**Chairman Javier Cisneros, Presiding**

## AGENDA

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

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

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

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

**Executive Committee  
April 16, 2026**

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

**Executive Committee  
April 16, 2026**

**AGENDA ITEM 3 – RECOGNITION OF  
GUESTS**

**Executive Committee  
April 16, 2026**

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

**Executive Committee  
April 16, 2026**

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

**Executive Committee  
April 16, 2026**

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

**Executive Committee  
April 16, 2026**

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of Meeting Minutes –  
Executive Committee Meeting  
Held March 19, 2026; and ARP  
Telephonic Rate Workshop Held  
March 12, 2026**

**Executive Committee  
April 16, 2026**

**CLERKS DULY NOTIFIED ..... March 12, 2026**  
**AGENDA PACKAGES POSTED ..... March 12, 2026**

**MINUTES**  
**EXECUTIVE COMMITTEE MEETING**  
**THURSDAY, MARCH 19, 2026**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**

**PARTICIPANTS PRESENT:** Lynne Mila, Clewiston (virtual)  
Javier Cisneros, Fort Pierce  
Robert C. Page, Green Cove Springs  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West (virtual)  
Jason Terry, Kissimmee  
Brad Chase, Leesburg (virtual)  
Doug Peebles, Ocala  
Drew Mullins, Starke

**OTHERS PRESENT** Danny Retherford, Fort Pierce  
Justin Buckman, Kissimmee (virtual)  
Brian King, Lake Worth Beach (virtual)  
Ed Liberty, Lake Worth Beach  
Scott Bishop, Lakeland (virtual)  
Marie Brooks, Ocala (virtual)  
Attila Miszti, Orlando (virtual)  
Terry Torrens, Orlando  
Clint Bullock, Orlando  
Troy Rivera, Orlando (virtual)  
Tony Guillen, Tallahassee  
Eric Walters, Tallahassee  
Larry Mattern, Consultant  
Rob Taylor, GDS Associates  
Mike Mace, PFM  
Jonathan Nunes, nFront  
Barry Rothchild, Nixon Peabody (virtual)

**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  
Dan O'Hagan, Deputy General Counsel and Manager of  
Regulatory Compliance  
Sharon Adams, Chief People and Member Services Officer  
Sue Utley, Executive Asst. /Asst. Secy. to the Board  
Lindsay Jack, Executive Assistant Support Coordinator  
Denise Fuentes, Budget and Financial Analyst III  
Susan Schumann, Public Relations and External Affairs Manager

Emily Maag, Senior Public Relations Specialist  
Jason Wolfe, Financial Planning Rates and Budget Director  
Navid Nowakhtar, Member Services Strategic Planning & Analytics Vice  
President  
Mary Kathryn Patterson, Senior Public Relations Specialist  
Andrei Benjamin, Cloud Systems Administrator  
Mike McCleary, Senior Manager of Member Services  
LaKenya VanNorman, Senior Regulatory Compliance Specialist  
John Bradley, Business Development Analyst

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

Chair Javier Cisneros, Fort Pierce, called the FMPA Executive Committee meeting to order at 10:45a.m., Thursday, March 19, 2026. A video and audio connection for public attendance and participation was broadcast in the Frederick M. Bryant Board Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 9 Members present out of a possible 13.

**ITEM 2 – SET AGENDA (BY VOTE)**

**MOTION:** Drew Mullins, Starke, moved approval of the agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 9-0

**ITEM 3 – RECOGNITION OF GUESTS**

None.

**ITEM 4 – PUBLIC COMMENTS**

None.

**ITEM 5 – COMMENTS FROM THE CHAIRMAN**

Chair, Javier Cisneros, Fort Pierce, thanked the compliance team for the hard work they have done and commented on how this is a great tribute to Carl Turner.

**ITEM 6 – REPORT FROM GENERAL MANAGER**

No additional comments.

### **ITEM 7 – CONSENT AGENDA**

- a. Approval of Meeting Minutes – Special Called Executive Committee Meetings Held January 28, 2026, January 29, 2026, January 30, 2026 and February 1, 2026; and Executive Committee Meeting Held February 12, 2026; and ARP Telephonic Rate Workshop Held February 11, 2026
- b. Approval of Treasury Reports – As of January 31, 2026
- c. Approval of the Agency and All-Requirements Project Financials as of January 31, 2026
- d. ARP 12-month Capacity Reserve Margin Report
- e. Approval of Underwriter Selection for ARP 2026 Bond Financing

**MOTION:** Drew Mullins, Starke, moved approval of the Consent Agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 9-0.

### **ITEM 8 – ACTION ITEMS:**

#### **a. Approval of Stanton Unit 1 Retirement\***

Jody Finklea presented the Stanton Unit 1 Retirement.

Jody Finklea added that he spoke with Clint Bullock, Orlando during the break and has verbally agreed to the request that OUC produce required annual certificate showing they have funds on hand like FMPA is required to do.

Drew Mullins, Starke, reiterated previous comments on not being comfortable with how long this took to get to this point, and the possible monetary requirement for April and May after this has taken three years to resolve. He would also like to see a 50-year max to the liability be set in the contract so FMPA has no more liability after that.

**MOTION:** Allen Putnam, Jacksonville Beach, moved approval of (1) Amendment No. 5 to the participation agreement for the joint ownership of Stanton Unit No. 1 for the All-Requirements Power Supply Project, in substantially the form presented, permitting final revisions to be made as determined necessary or appropriate by the General Counsel (provided such revisions impose no additional risk or cost exposure on FMPA that is material), and authorize the General Manager to sign the same, and direct General Manager, General Counsel, and staff to take other actions and sign and deliver documents necessary for a closing to effect the retirement of the All-Requirements Power Supply Project's ownership share, as set forth in, and pursuant to, Amendment No. 5; and (2) fourth amendment to KUA TARP C&E Contract, and authorize the General Manager to sign the same. Doug Peebles, Ocala, seconded the motion. Motion carried 8-1, Drew Mullins, Starke, voting nay.

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

John Bradley presented the Natural Gas Price Stability program quarterly update.

**MOTION:** Jason Terry, Kissimmee, moved to approve new seasonal natural gas prices through October 2029 as presented. Drew Mullins, Starke, seconded the motion. Motion carried 9-0.

**c. Approval of Resolution 2026-EC1 Authorizing FMPA to enter into ISDA Agreements**

John Bradley presented Resolution 2026-EC-1 authorizing FMPA to enter into ISDA agreements.

Resolution 2026-EC1

RESOLUTION OF THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY: (I) APPROVING FORM OF COMMODITY MASTER AGREEMENTS AND ADDITIONAL MASTER AGREEMENTS AND THE ENTERING INTO OF COMMODITY ISDA TRANSACTIONS UNDER SUCH COMMODITY MASTER AGREEMENTS AND ADDITIONAL MASTER AGREEMENTS (II) APPOINTING AUTHORIZED OFFICERS TO ENTER INTO SUCH COMMODITY MASTER AGREEMENTS AND ADDITIONAL MASTER AGREEMENTS AND COMMODITY ISDA TRANSACTIONS GOVERNED BY SUCH COMMODITY MASTER AGREEMENTS AND ADDITIONAL MASTER AGREEMENTS; (III) DELEGATING POWERS TO SUCH AUTHORIZED OFFICERS TO EFFECT THE PURPOSES OF THIS RESOLUTION, INCLUDING: (1) TO DETERMINE THE ADVISABILITY FROM TIME TO TIME OF ENTERING INTO ONE OR MORE COMMODITY ISDA AGREEMENTS (INCLUDING THE COMMODITY MASTER AGREEMENTS AND ANY ADDITIONAL MASTER AGREEMENTS) AND COMMODITY ISDA TRANSACTIONS, (2) TO DETERMINE AND ACCEPT THE TERMS AND PROVISIONS OF SUCH COMMODITY ISDA AGREEMENTS (INCLUDING THE COMMODITY MASTER AGREEMENTS AND ANY ADDITIONAL MASTER AGREEMENTS) AND COMMODITY ISDA TRANSACTIONS, (3) TO DETERMINE SUCH OTHER MATTERS RELATED TO COMMODITY ISDA AGREEMENTS AND COMMODITY ISDA TRANSACTIONS AS IN THE OPINION OF THE AUTHORIZED OFFICERS SHALL BE CONSIDERED NECESSARY OR APPROPRIATE, TO EXECUTE AND DELIVER, WITH SUCH ENTITIES AS MAY BE SELECTED BY SUCH AUTHORIZED OFFICERS AND WHICH MEET THE REQUIREMENTS OF FMPA'S FUEL PORTFOLIO MANAGEMENT POLICY, CONFIRMATIONS OF COMMODITY ISDA TRANSACTIONS AND AN ISDA MASTER AGREEMENT, SCHEDULE, CREDIT SUPPORT ANNEX IN SUBSTANTIALLY THE FORM ATTACHED HERETO (OR SUCH OTHER FORM AS MAY BE APPROVED BY THE EXECUTIVE COMMITTEE OF FMPA FROM TIME TO TIME), (4) TO NEGOTIATE THE TERMS OF SUCH COMMODITY ISDA AGREEMENTS AND COMMODITY ISDA TRANSACTIONS THEREOF WITH ANY PARTIES SELECTED BY SUCH AUTHORIZED OFFICERS IN

CONSULTATION WITH FMPA'S SWAP ADVISOR, WHICH SHALL BE THE PROVIDER OF SUCH COMMODITY ISDA AGREEMENT AND COMMODITY ISDA TRANSACTION OR TRANSACTIONS, OR COMPETITIVELY BID SUCH COMMODITY ISDA AGREEMENT AND COMMODITY ISDA TRANSACTION OR TRANSACTIONS AMONG ANY SUCH PARTIES SELECTED BY SUCH AUTHORIZED OFFICERS IN CONSULTATION WITH FMPA'S SWAP ADVISOR, AND TO MAKE SUCH CHANGES, OMISSIONS, INSERTIONS AND REVISIONS AS SUCH AUTHORIZED OFFICERS AND THE GENERAL COUNSEL OF FMPA SHALL DEEM ADVISABLE, (5) TO FIND AND DETERMINE ON BEHALF OF FMPA THE REASONS FOR ENTERING INTO ANY SUCH COMMODITY ISDA AGREEMENTS AND COMMODITY ISDA TRANSACTIONS AS AUTHORIZED BY THE FUEL PORTFOLIO MANAGEMENT POLICY, (6) TO OPTIONALLY TERMINATE SUCH COMMODITY ISDA AGREEMENTS AND COMMODITY ISDA TRANSACTIONS IN ACCORDANCE WITH THE TERMS OF THIS RESOLUTION; (IV) APPROVING CERTAIN OTHER ACTIONS; (V) MAKING PROVISION FOR FUTURE REPORTS; AND (VI) PROVIDING AN EFFECTIVE DATE.

**MOTION:** Drew Mullins, Starke, moved approval of Resolution 2026-EC1. Jason Terry, Kissimmee, seconded the motion. Motion carried 9-0.

**d. Approval of the FGU Directive for Black Belt Prepaid Gas Transaction**

Rich Popp presented the FGU directive for Black Belt prepaid gas transaction.

**MOTION:** Drew Mullins, Starke, moved approval of the attached FGU Directive for Black Belt Energy prepaid transaction. Doug Peebles, Ocala, seconded the motion. Motion carried 9-0.

**ITEM 9 – INFORMATION ITEMS:**

**a. Quarterly Compliance Update\***

LaKenya VanNorman presented the Quarterly Compliance Update.

**b. HR Policy Update\***

Sharon Adams presented the HR policy update.

**c. February ARP Rate Highlights**

Denise Fuentes presented the February ARP rate highlights.

It was discussed that billing true ups from the Winter Storm Fern are still being processed, and final amounts for some items are not expected until late March or April.

**ITEM 10 – Member Comments**

None.

**ITEM 11 – Adjournment**

There being no further business, the meeting was adjourned at 11:26 a.m.

\_\_\_\_\_  
Javier Cisneros  
Chairman, Executive Committee

\_\_\_\_\_  
Sue Utley  
Assistant Secretary

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

Seal

**PUBLIC NOTICE SENT TO CLERKS..... March 5, 2026**  
**AGENDA PACKAGES SENT TO MEMBERS ..... March 12, 2026**

**MINUTES  
EXECUTIVE COMMITTEE  
ALL-REQUIREMENTS POWER SUPPLY PROJECT  
TELEPHONIC RATES MEETING  
THURSDAY, MARCH 12, 2026  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FLORIDA 32819**

**COMMITTEE MEMBERS PRESENT VIA TELEPHONE**

Christina Farmer, Bushnell  
Lynne Mila, Clewiston  
Javier Cisneros, Fort Pierce  
Robert C. Page, Green Cove Springs  
Marsha Lowry, Green Cove Springs  
Allen Putnam, Jacksonville Beach  
Mike Staffopoulos, Jacksonville Beach  
Lynne Tejeda, Key West  
Jesee Perloff, Key West  
Justin Buckman, Kissimmee  
Kevin Crawford, Kissimmee  
Aaron Haderle, Kissimmee  
Brad Chase, Leesburg  
Mari Brooks, Ocala  
Drew Mullins, Starke

**OTHERS PRESENT**

Larry Mattern, Consultant

**STAFF PRESENT**

Jacob Williams, General Manager and CEO  
Rich Popp, Chief Financial Officer  
Sharon Adams, Chief People and Member Services Officer  
Chris Gowder, Chief System Operations and Technology Officer  
Sue Utle, Executive Assistant to General Manager and CEO / Asst.  
Secy. to the Board  
Lindsay Jack, Executive Assistant Support Coordinator  
Jason Wolfe, Financial Planning, Rates and Budget Director  
Denise Fuentes, Budget and Financial Analyst III

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

Javier Cisneros, Fort Pierce, Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00p.m. on Thursday, March 12, 2026, via telephone. A speaker telephone for public attendance and participation was located in the Executive

**Item 2 – Review of February ARP Rate Calculation**

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

**Item 3 – Member Comments**

None.

**Item 4 - Adjournment**

There being no further business, the meeting was adjourned at 2:10p.m.

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Approved

LT/lj

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- b. Approval of Treasury Reports as  
of February 28, 2026**

**Executive Committee  
April 16, 2026**



## AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee  
FROM: Patrick Grogan  
DATE: April 9, 2026  
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of February 28, 2026

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- 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

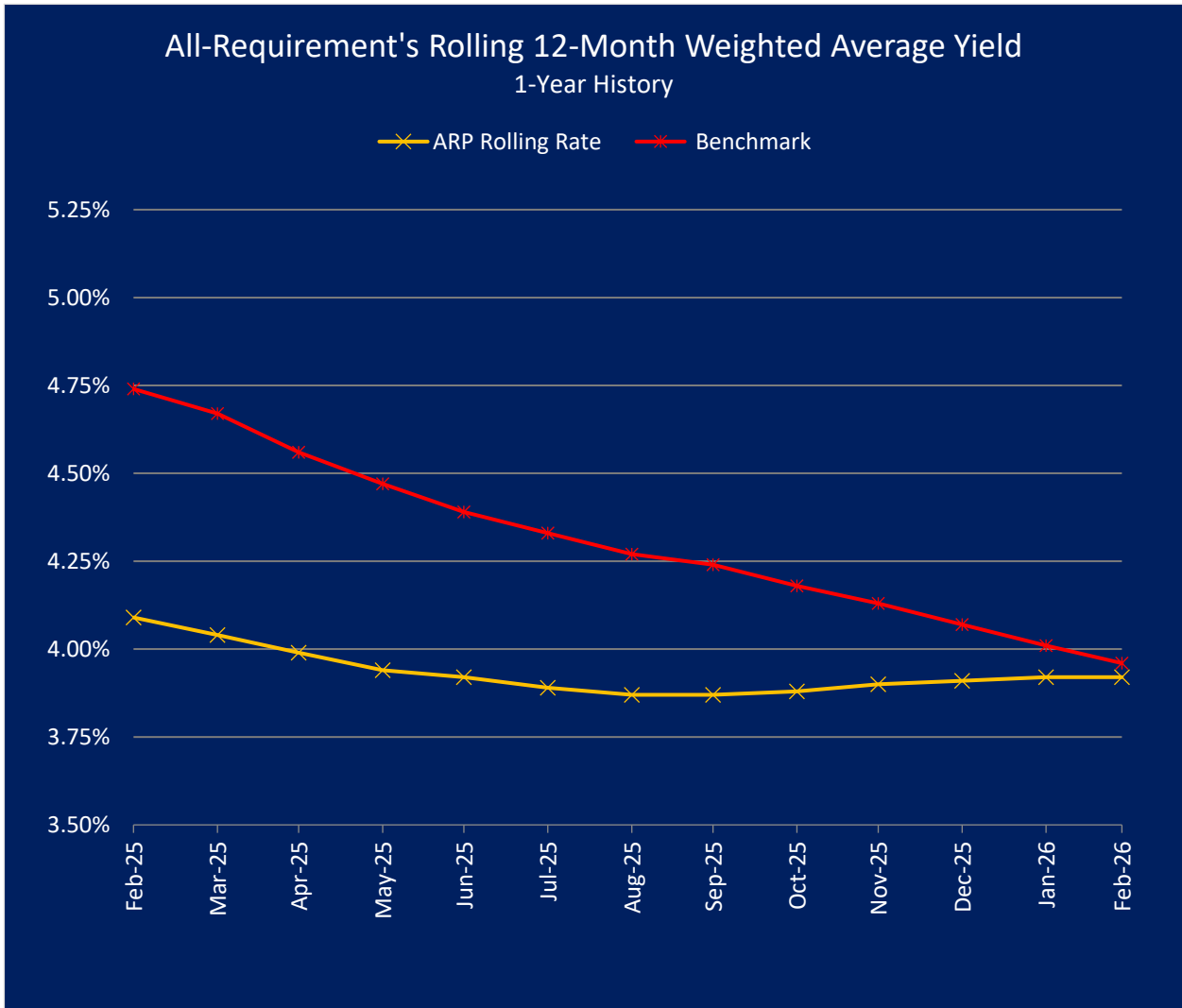
The All-Requirements Project's debt is entirely fixed-rate. The estimated debt interest funding for fiscal year 2026 as of February 28, 2026, is \$25,493,652. The total amount of debt outstanding is \$667,235,000.

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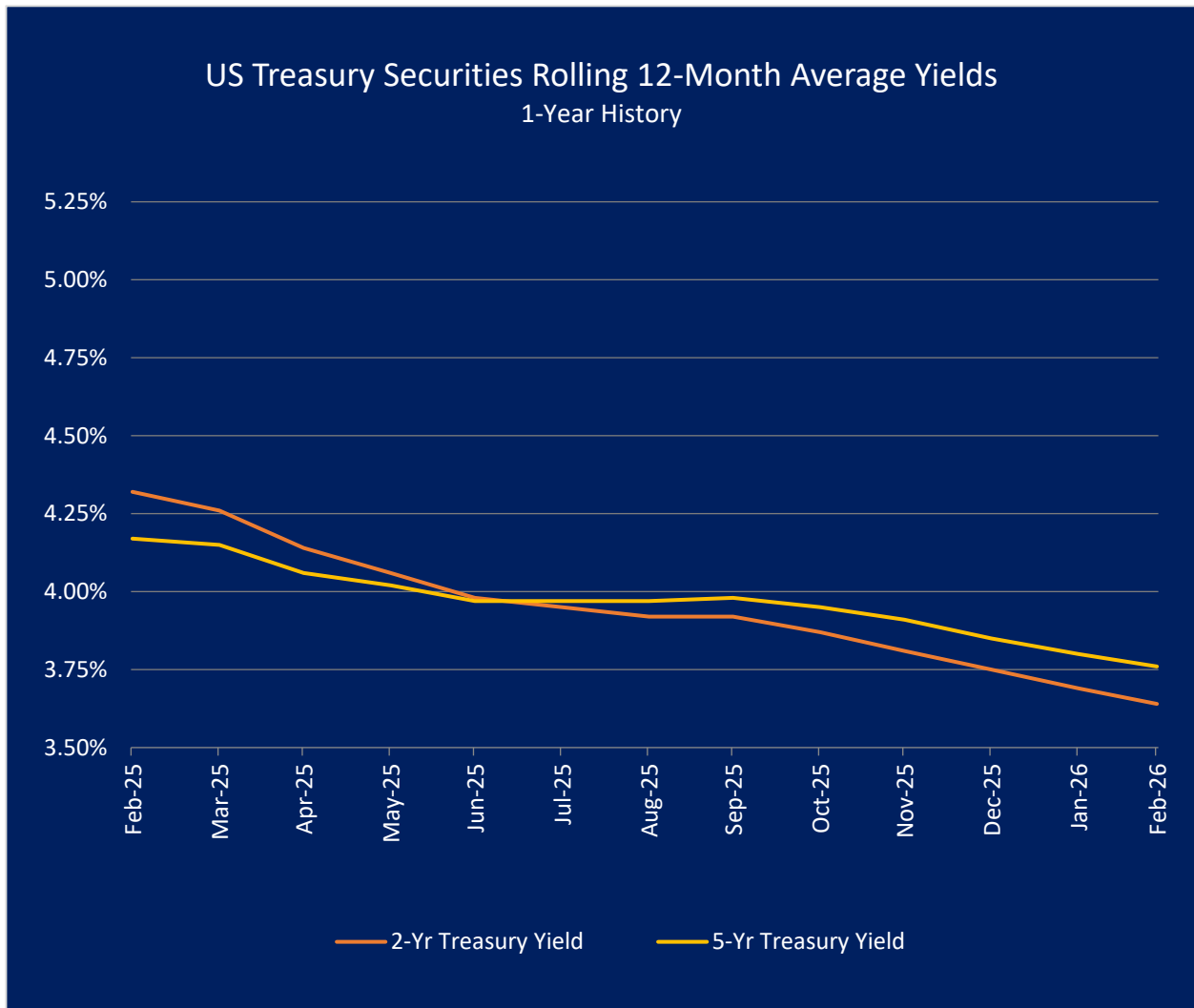
Investment Discussion

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, 2026, the All-Requirements Project investment portfolio had a rolling 12-month weighted average yield of 3.92%. 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, 2026, of 3.64%. The yellow line is the 5-year Treasury rolling 12-month average yield which was 3.76%.



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

Recommended  
Motion

Move for approval of the Treasury Reports for February 28, 2026

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Agency and All-  
Requirements Project Financials  
as of February 28, 2026**

**Executive Committee  
April 16, 2026**



**Rich Popp**  
Chief Financial Officer

## AGENDA PACKAGE MEMORANDUM

**TO:** FMPA Executive Committee  
**FROM:** Rich Popp  
**DATE:** April 9, 2026  
**SUBJECT:** EC 7c– Approval of the Agency and All Requirements Project Financials as of the period ended February 28, 2026

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**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, 2026, are posted on the Document Portal section of FMPA’s website.

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**Recommended:** Move approval of the Agency and All-Requirements Project Financial Reports for the month ended February 28, 2026.

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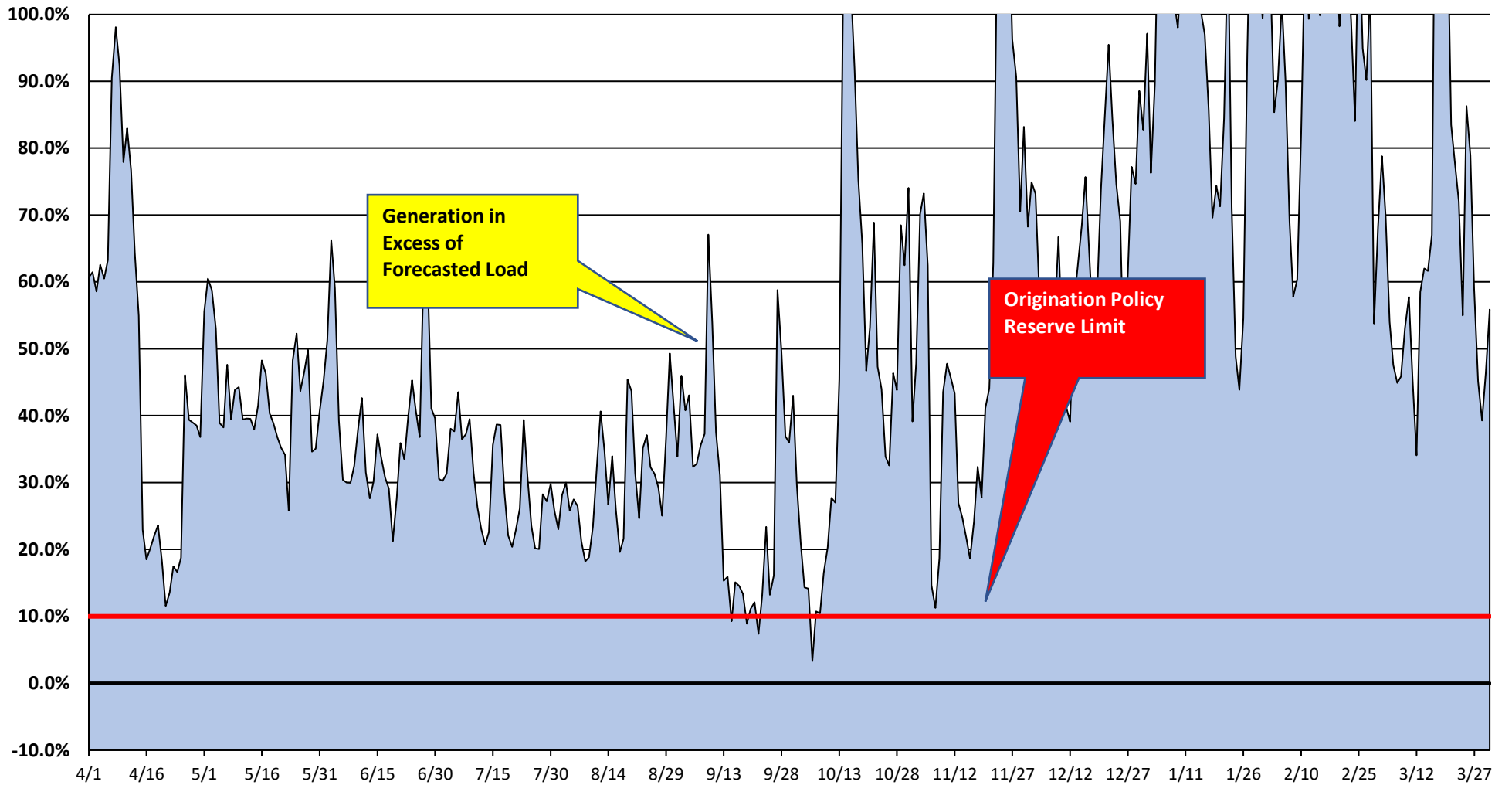
RP/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

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

**Executive Committee  
April 16, 2026**

# ARP Daily Reserve Margins April 2026 through March 2027



**AGENDA ITEM 7 – CONSENT  
AGENDA**

**e. Approval of Debt Policy  
Modifications**

**Executive Committee  
April 16, 2026**



# **7e – Approval of Debt Policy Modification**

Executive Committee

April 16, 2026

# Summary of Policy Updates

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- Purpose:
  - Review and update Sections 1.0 and 2.0 of FMPA's Debt Policy
  - Brings policy language into compliance with current financing process
- What changed:
  - Removing policy requirement of the Financial Advisor ("FA") is to provide a recommendation to the governing body
  - Updating to if any member of the Debt Finance Team ("DFT") has concerns on a financing transaction, they shall provide written recommendation of their concern at that time

# Recommended Motion

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- Move to approve the revised Debt Policy.

**FLORIDA MUNICIPAL POWER AGENCY**  
**RISK MANAGEMENT POLICY - APPENDIX B**  
**DEBT RISK MANAGEMENT POLICY**  
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## **DEBT RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY**

This Debt Risk Management Policy (the “Policy”) and any effective subordinate procedures establish the governance, framework, and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure, and minimize future business risk resulting from the issuance and management of all FMPA debt financing. This Policy is Appendix B of the FMPA Risk Management Policy.

### **1.0 Policy Statement**

The Executive Committee (“EC”) and Board of Directors (“BOD”) of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its governing bodies. FMPA staff is hereby authorized to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert adverse effects on FMPA’s ability to access capital markets at reasonable rates and with reasonable credit terms.

This Policy covers the planning and management of debt financing. The appropriate governing body may approve exceptions to this Policy for specific debt transactions.

The following summarizes the Policy of the EC and BOD:

- ❖ The debt management program shall conform to all applicable federal, state, and local legal requirements regarding the issuance and management of debt (Section 2.0).
- ❖ The EC and BOD must approve all forms of FMPA debt issuance (Section 2.0).
- ❖ Authority is delegated to the Chief Financial Officer (“CFO”) to create procedures to facilitate the management of debt and administer this Policy (Section 3.0).
- ❖ FMPA’s Debt Financing Team (the “DFT” as defined by this Policy) shall be active participants in all contemplated debt transactions (Section 4.1).
- ❖ If any member of the DFT has concerns on a financing transaction, FMPA’s Financial Advisor—~~they~~ shall provide a written recommendation of their concern to the appropriate governing body prior to approval of any debt issuance (Section 2.0).

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

- ❖ FMPA’s DFT shall fully explain the risks associated with any given structure and the financial instruments to be used to the CEO as required in Section 4.3
- ❖ FMPA shall manage its debt portfolios to contribute to the goal of maintaining credit ratings of no less than “A-” or “A3” as required in Section 4.0.
- ❖ Interest rate hedging strategies may only be employed as detailed in Section 5.0 of this Policy. No new interest rate hedging will be considered by the All Requirements Project (“ARP”) after May 2015 unless specifically approved by the EC.
- ❖ The ~~Treasurer-Treasury Manager~~ and CFO shall report on the debt portfolio as required in Section 7.1 of this Policy.
- ❖ The Agency CFO shall report deviations from this Policy to the Finance Committee (“FC”) as required in Section 7.3.

## 2.0 Scope and Authority

FMPA has the authority to undertake and finance projects including, among other things, to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend, or otherwise participate jointly in those projects and issue debt obligations for the purpose of financing or refinancing the costs of such projects. The debt management program shall further conform to all federal, state, and local legal requirements governing the issuance and management of debt.

The EC and BOD, respectively, is responsible for the approval of all forms of FMPA debt issuance and the details associated therewith. The CEO has ultimate responsibility for administration of FMPA’s financial policies. The CFO or designee coordinates the administration and issuance of debt and is responsible for the attestation of financial disclosures and other bond related documents. The CFO or designee, in consultation with the DFT, must also recommend to the CEO and appropriate governing body the following:

1. the selection of any external agents,
2. review proposed annual capital expenditures which require a debt issuance,
3. -identify specific projects for such debt financing or refinancing,
4. ~~a if any member of the DFT has concerns on a financing transaction, they shall provide written recommendation provided by of their concern at that time. the Financial Advisor.~~

**Commented [SM1]:** The FA is part of the DFT; DFT has consensus before moving forward, thus their recommendation is included in the process.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

### **3.0 Types of Debt Issuance Risk**

This Policy is intended to provide guidance for the types of debt issued, given FMPA's risk tolerance and awareness of recent market fluctuations, capital market outlooks, future capital needs, tax implications, rating agency considerations, and industry competition. The CFO will cause Debt Management Procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. The FMPA Risk Management Policy identifies ten risks that compose FMPA's common risk framework. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected risks in the framework are those risks presented by typical debt management and interest rate hedging activity.

#### **3.1 Market Risk**

The risk of potential change in the value of a portfolio caused by adverse changes in market factors. When considering debt management including interest rate hedging, the types of market risk that FMPA is most exposed are interest rate risk and basis risk. An example of interest rate risk occurs when a change in interest rates inversely affects a bond's value, such as when higher interest rates cause bond value to fall. This risk can be reduced by diversifying (issuing fixed rate debt with different durations) or hedging (such as interest rate swaps). An example of basis risk can occur in a floating-to-fixed rate swap when there is a difference between the interest rate paid on variable rate demand obligations and the rate received from the swap counterparty. This mismatch in rates could result in higher-than-expected interest rate costs.

#### **3.2 Credit Risk**

The potential of financial loss due to the failure of a counterparty to fulfill the terms of a contract. When considering debt management including interest rate hedging, the types of credit risk that FMPA is most exposed to are counterparty risk and concentration risk. An example of counterparty risk would be if FMPA depends on the performance of a counterparty to provide interest payments under a swap agreement. The failure of that counterparty to make interest payments as required under the swap agreement might expose FMPA to current market conditions, which may or may not

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

be favorable at the time of non-performance. An example of counterparty concentration risk might occur if a counterparty with several swap agreements fails to make the required payments. This failure might cause FMPA to terminate several swap agreements and expose FMPA to market conditions on a greater scale.

### **3.3 Regulatory Risk**

The potential adverse impact of an action or direction from an administrative body such as, but not limited to, FERC, DOE, or the Treasury Department. An example of regulatory risk might occur if tax laws are changed, and the Agency becomes ineligible to issue tax-exempt debt. This change would expose the Agency to the market rate for taxable debt and increase the cost of debt issuance.

## **4.0 Debt Issuance**

Effective debt management includes an analysis of what level of debt is acceptable given a particular set of circumstances and assumptions. FMPA's debt portfolios shall contribute to the goal of maintaining at least "A-" or "A3" credit ratings, in coordination with strategic plans and member needs. Management of the Agency's credit ratings is addressed in the FMPA Risk Management Policy.

FMPA may consider issuing bonds, short term debt, and other debt instruments as allowed by law, each subject to the approval of the appropriate governing body. Debt may only be issued for capital projects with an asset life of five years or more. Short term capital needs should be provided for in the budget process.

### **4.1 Debt Financing Team**

A team of FMPA staff and advisors shall determine the details of all debt transactions to be proposed to and approved by any governing body. The DFT shall, at a minimum, consist of the personnel listed below. Others may be assigned as needed.

- CFO (Chairperson)
- Treasurer and CFO
- Chief Legal Officer
- FMPA's Financial Advisor(s)

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

- Resource and Strategic Planning Manager (as necessary)
- FMPA’s Swap Advisor (as necessary)
- Bond Counsel (as necessary)
- Bond Disclosure Counsel (as necessary)

The DFT shall ensure that any proposed debt issuance complies with the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all DFT recommendations to the CEO.

**4.2 Selection of Bond Professionals**

The issuance of bonds or debt in any form is a significant event and should be managed in a way to protect FMPA from any number of risks. Engaging competent professionals is a key step in mitigating such risks. Underwriters, bond counsel, financial and swap advisors, trustees, and arbitrage/rebate consultants are key advisors in a successful issuance process. FMPA staff will pursue a competitive selection process to occur for all professionals associated with FMPA’s debt using a Request for Proposal (RFP), a Request for Qualification (RFQ) or some other competitive selection process. The competitive selection process document should describe the scope of services desired, the length of the engagement, evaluation criteria, and the selection process. Best practices recommendations of relevant professional bodies should be considered in the development of the competitive selection document as well as in the selection process.

**4.2.1 Qualifications**

The selected individual(s) or firm(s) shall have a well-established practice at a level of sophistication and standing in their respective field of practice commensurate with FMPA’s needs, the Bond Resolution and any other relevant legal document(s) or requirements imposed by external entities such as the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and the Commodity Futures Trading Commission (CFTC) as examples. Sufficient depth of staff should be present in order to ensure timely and consistent professional service when such services are required.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

**4.2.2 Selection**

Qualified individuals or firms will be invited to submit a proposal for professional services to be considered for selection. The proposal response must document the individual's or firm's qualifications, registrations, applicable experience, knowledge of FMPA and its issues or practices, any sanctions or warnings from any relevant professional bodies, insurances in force, and fee structures. The proposals will be evaluated by the DFT and rank in order of preference, providing the resulting ranking and associated rationale to staff for presentation to the FC. The FC shall either approve or reject the DFT top ranked proposal. If the top ranked proposal is rejected, the FC will consider the next highest ranked proposal for approval. If none are found acceptable by the FC, the DFT will evaluate the FC's feedback and begin the process over. Once the FC has approved a recommended proposal, the selected individual(s) or firm(s) will be presented to the EC/BOD, as appropriate, for final approval.

**4.2.3 Terms of Service**

The selected individual(s) or firm(s) shall provide services for no more than one five-year base term per each single contract period. The selected individual(s) or firm(s) may provide services beyond the base term for no more than two individual one-year extensions. At the end of any contract term (either base or extension), the incumbent individual(s) or firm(s) will not be excluded from submitting a new proposal for the subsequent competitive selection process. The selected individual(s) or firm(s) may perform the services requested on a negotiated fee basis.

**4.3 Types of Debt**

FMPA's capital structure may consist of fixed rate and variable rate debt in traditional as well as synthetic form, along with hedging instruments such as interest rate swaps, caps, collars, and other non-speculative derivative products. The DFT shall fully explain the risks associated with any given structure and the financial instruments used to those who must decide and approve any such structure. No debt will be issued without written evidence of absolute authority, including all required regulatory

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

approvals, for FMPA to proceed with the capital expenditures relating to the proposed debt issuance.

The debt mix for each of FMPA's projects shall be measured at the time of each debt issuance and comply with the limits defined in Appendix B of this Policy. The governing body issuing debt may approve exceeding such limits when a particular type of debt issue would be prudent given market conditions.

**4.4 Structure**

The following structuring guidelines shall govern the issuance of new money financing:

- The maturity of debt shall be less than or equal to the useful economic life of the item financed, not to exceed the remaining length of relevant FMPA Project. The table below shows the assumed useful economic life for different types of financed generation assets to be used at the time of debt issuance:

<b>Financed Generation Assets</b>	<b>Useful Economic Life</b>
Combined-Cycle	30
Combustion Turbine	25
Coal Plant	30
Nuclear	30
Photovoltaic	25

Exceptions may be approved by the appropriate governing body. The Power Resources Division shall determine the useful economic life of financed generation assets not contained in the table above.

- The use of a cash funded debt service reserve shall always be evaluated against the use of a surety or other debt service reserve product.
- The DFT shall evaluate the costs and benefits of call provisions for each debt issue.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

- Non-rated securities may be issued if obtaining a credit rating on the issue does not perform any economic benefit or add any value to capital market participants, for example bank loans.

**4.5 Tax Status**

FMPA may issue either taxable or tax-exempt debt. The DFT shall consider the economic value of tax status and on the advice of legal counsel (bond and/or tax counsel as appropriate) recommend a taxable or tax-exempt debt issuance, unless a taxable debt issuance is required by law.

**4.6 Credit Enhancement**

The use of credit enhancement (including bond insurance, letter of credit, and other securitization products) shall be evaluated on a maturity-by-maturity basis. The DFT shall analyze the benefits and costs of issuing debt without credit enhancements, with consideration of the risks and restrictions of using credit enhancement. Credit enhancement shall only be used when the benefits exceed the costs. Post-issuance, the Treasurer and CFO shall monitor any credit enhancement associated with variable-rate debt for possible effects on credit or basis risk.

**4.7 Methods of Sale**

FMPA's policy is to sell public debt using the method of sale expected to achieve the best result, taking into consideration short-term and long-term implications. Decisions on selecting either a competitive or negotiated sale are the responsibility of the DFT. The DFT shall evaluate whether to seek funding by way of a private placement or bank loan where the size of the borrowing does not justify the incurrence of typical bond issuance expenses or market conditions favor such funding. The CFO and FMPA's Financial Advisor, if used, shall compare the overall costs of a private placement with those of a public offering and recommend the most cost-effective approach.

**4.8 Debt Service Coverage**

Debt service coverage shall conform to any respective bond resolutions and remain at or above those levels to ensure that FMPA's credit rating is not adversely impacted.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

**4.9 Refunding Bonds**

Refunding bonds may be issued to achieve debt service savings on outstanding bonds by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no current similar limitation for taxable bonds.

**4.9.1 Structure**

The life of the refunding bonds shall not exceed the remaining life of the assets financed. Refunding bonds should generally be structured to achieve the desired objectives of the authorizing governing body.

**4.9.2 Present Value**

Refunding bonds issued to achieve debt service savings should have a minimum savings level measured on a present value basis equal to 3% of the par amount of the bonds being refunded. The 3% minimum target savings level for refunding should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of refunding bonds, the 3% target shall not prohibit exercising refunding when the circumstances justify a deviation from the guideline.

**4.10 Defeasance**

Defeasance is a provision that allows the exchange of one type of collateral, such as pledged revenues for another type of collateral (normally US Treasury securities), where the borrower sets aside cash or bonds sufficient to service the borrowers' debt. FMPA may use this tool when financially beneficial and as allowed by bond covenants. Allowable securities would be purchased by FMPA and held by an Escrow Agent, with the principal and interest earned on the securities sufficient to meet all payments of principal and interest on the outstanding bonds when they become due.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

**4.11 Disclosure Policy and Procedures Relating Thereto**

FMPA is committed to ensuring that disclosures made in connection with its municipal finance offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and all other applicable laws. Further, it is the policy of FMPA to satisfy, in a timely manner, its contractual obligations undertaken pursuant to continuing disclosure agreements entered into in connection with municipal finance offerings. In furtherance of these objectives and policies, the CEO and FMPA's Chief Legal Officer shall cause municipal finance disclosure procedures to be drafted and presented to the EC and BOD for review and adoption in order to establish a framework for compliance by FMPA, with its disclosure and/or contractual obligations regarding the securities it issues or that are issued on its behalf, pursuant to the requirements of the disclosure undertakings made by FMPA in accordance with the provisions of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended, and other applicable rules, regulations, and orders ("Disclosure Procedures"), which shall be disseminated to FMPA staff. These Disclosure Procedures are intended to formally confirm and enhance FMPA's existing practices regarding compliance with federal securities laws relating to its disclosure responsibilities in order to:

- a. **Educate:** To ensure that staff sufficiently understands FMPA's disclosure policy and FMPA's obligations under the federal securities laws and other applicable laws, and
- b. **Reduce Borrowing Costs:** To reduce borrowing costs by promoting good investor relations, and
- c. **Protect the Public:** To avoid damage to third parties from misstatements or omissions in, or failure to timely file, its disclosure documents, and
- d. **Comply with Law and Contract:** To facilitate compliance with applicable law and existing contracts when preparing and distributing disclosure documents in connection with municipal finance offerings and continuing disclosure documents, and

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

- e. **Reduce Liability:** To reduce exposure (of FMPA and its officials and employees) to liability for damages and enforcement actions based on misstatements and omissions in, or failure to timely file, its disclosure documents.

## **5.0 Interest Rate Hedging**

As of May 2015, no new interest rate hedging may be employed for the ARP unless specifically approved beforehand by the EC. The remainder of this Section is only applicable to other FMPA Projects or ARP interest rate hedges put in place prior to May 2015. Upon any specific EC approval for the hedging of interest rates in the future, this Section would then apply.

FMPA and its Projects are exposed to volatility in interest rates both during the period between a known capital project and its associated debt issuance and with the issuance of any variable interest rate debt. Management defines interest rate hedging as balancing gains and losses to an asset by taking offsetting positions in a derivative product. FMPA's business purpose for the interest rate hedging program is to balance interest rate volatility risk with obtaining the lowest reasonable cost of capital. FMPA will not enter into interest rate hedging transactions that have no authorized business purpose, as determined by the DFT, and affirmed by the appropriate governing body.

The use of interest rate swaps and any other derivative instruments such as interest rate caps or collars shall only be upon the express approval of the appropriate governing body, and pursuant to the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all interest rate hedging recommendations to the CEO before such recommendations are made to any governing body.

The CFO, in consultation with the DFT, shall ensure active oversight of the interest rate hedging program according to these standards. See Section 7.0 for reporting requirements.

### **5.1 Hedging Objectives**

FMPA's objective for interest rate hedging is to manage interest rate risk for each Project's debt portfolio. The benefits and risks of a specific interest rate hedge should

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

be compared to fixed rate bonds or future interest rate projections, with consideration that an expected lower interest cost should be obtained if the derivative product contains an element of basis risk or if the product is long-dated (greater than 10 years in duration).

## **5.2 Transaction Management**

The DFT shall review any interest rate hedging transaction before it is presented to the appropriate governing body for consideration. The DFT shall specifically review:

- Existence of associated debt
- Existence of all necessary project approvals, including all required regulatory approvals, prior to issuance or interest rate hedging authorization.
- Purpose of proposed interest rate hedge
- Type of interest rate hedge instrument and counterparty(s) to be used
- Duration of interest rate hedge
- Expected results and probabilities of achieving those results
- Risks of the interest rate hedge strategy or transaction

As Chairperson of the DFT, the CFO or designee shall notify rating agencies, applicable insurers, and other interested parties before entering into an interest rate swap agreement.

## **5.3 Counterparty Risk**

Interest rate swap counterparties must have long-term bond ratings of A1/A+ or higher when the interest rate swap transaction is entered into. Where possible, counterparties shall be required to collateralize their obligations if their ratings are downgraded below the counterparty's rating at the time the interest rate swap is entered into, dependent upon the specific terms of the approved ISDA agreement. Interest rate hedging counterparties must be specifically approved by the appropriate governing body.

The Treasurer and CFO shall notify the DFT of any collateral calls and/or collateral returns within 1 business day of such call/return.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

The CFO shall report any default of an interest rate swap transaction by or with a counterparty to the DFT, CEO and FC, EC, and BOD chairs within 1 business day of such default.

**5.4 Hedging Criteria**

Products shall be favored which have well-established and liquid markets to facilitate liquidity of the hedging contract. Interest rate hedging products can be transacted on a negotiated or competitive basis, as determined by the DFT. Interest rate swap agreement documentation shall include a standard ISDA Master Agreement, a Schedule to the Agreement, a Credit Support Agreement or Guarantee (if required) and trade confirmations as the primary documents for terms and conditions.

**5.5 Provider Diversification**

No more than 35% of any single debt provider of a Project's total debt shall be hedged with interest rate swaps, caps or other hedging instruments, in the aggregate to be measured at the time of purchase and annually thereafter. In the event that a single debt provider exceeds the 35% maximum, the CFO shall cause such condition to be reported to the FC and submit for approval a strategy for addressing that condition, including an appropriate timeline for implementation.

**5.6 Termination**

The appropriate governing body must approve the initiation of optional termination by FMPA. In general, FMPA shall not agree to terms that permit a counterparty to terminate a swap at its unconditioned option unless giving the counterparty such right is in the best interest of FMPA, taking into consideration the purposes for and circumstances under which the Agency is entering into the swap. Criteria for termination/default events are found in each respective ISDA Schedule and/or agreement.

**5.7 Collateral at Risk**

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

The CFO shall cause any amounts posted for interest rate hedging collateral to be reported to the FC at each regular meeting along with a strategy for handling the collateral at risk level. Such strategy shall consider liquidity requirements, termination costs, rating downgrade posting thresholds, and the resulting impact on rates. Amounts posted for collateral shall also be included in the monthly swap report detailed in Section 7.1 below.

**5.8 Dodd-Frank ISDA Compliance**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the implementing U.S. Commodity Futures Trading Commission (CFTC) regulations, including external business conduct standards applicable to FMPA, impose a number of new compliance obligations on FMPA regarding providing information about its swap agreements. This Section 5.8 of the Debt Risk Management Policy is specifically focused on the Dodd-Frank Act compliance responsibilities of FMPA staff.

**5.8.1 Recorded Communication**

Each person at FMPA who has discussions with a swap counterparty regarding an existing swap transaction or a proposed swap transaction or the master agreement (including the related schedule and credit support annex, if applicable) that governs or will govern such swap transaction acknowledges and agrees that the discussions will be recorded by the swap counterparty and consents to the recording and agrees to sign an annual acknowledgement form stating that they acknowledge that they have read and understand the policies and procedures regarding discussions of swap documentation.

**5.8.2 Dodd-Frank Supplement**

FMPA will take the necessary steps to comply with its representations, agreements, and notice requirements in the ISDA August 2012 DF Supplement, published on August 13, 2012 by the International Swaps and Derivatives Association, Inc., and in any other ISDA protocol documentation entered into by FMPA (directly or through incorporation by reference into existing ISDA master agreements) from time to time.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

**5.8.3 Qualified Independent Representative**

FMPA will enter into a contract with a firm or firms that will have the qualifications to act as a qualified independent representative to FMPA in accordance with the requirements of CFTC Regulation §23.450 and its related safe harbor provisions. Each such contract will require the firm(s) to make representations and provide agreements to satisfy the requirements and safe harbor provisions of CFTC Regulation §23.450 in a manner satisfactory to FMPA.

**5.8.3.1** FMPA shall utilize the services of such qualified independent representative when entering, modifying, or terminating (in whole or in part) any swap transaction.

**5.8.3.2** FMPA shall monitor the continued performance of each qualified independent representative by requesting certifications annually, as a minimum, from each qualified independent representative restating that the representations and agreements in the contract described above (in Section 5.8.3) are true and correct and that no breach of the contract has occurred. Such certification shall include reference that any notice of failure of a representation or agreement provided by the qualified independent representative was true and correct and promptly provided.

**6.0 Internal Controls**

The CFO shall cause to be established a system of written internal controls to manage debt issuance and related activities, consistent with this Policy, established Debt Management Procedures and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. FMPA will continue to commit the resources necessary to debt management activities to be viewed by investors in the most favorable light, doing so with highest ethical principles, and consistent with all applicable rules and laws.

The Agency CFO shall be responsible to review all documented internal controls and procedures established to ensure they comply with the FMPA Risk Management Policy and

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

adequately mitigate all applicable risks. If, after review, the Agency CFO identifies areas of concern, the documented internal controls weakness(s) will be communicated to the CFO and FC as appropriate.

The CFO or designee is responsible for issuance of debt. Accounting staff shall maintain accounting records for debt transactions but shall not have any responsibility for the process of financing assets.

**6.1 Policy and Procedure Compliance**

The Agency CFO shall cause compliance with this Policy and associated Procedures to be monitored on an ongoing basis. This shall include a review of policy compliance following *each* debt issuance. Any unresolved compliance issues will be presented to the FC by the Agency CFO.

**6.2 Post Issuance**

Following the issuance of bonds for any project, the Treasurer and CFO shall cause the following requirements to be met:

- Primary Disclosure: As required by the Florida Division of Bond Finance.
- Continuing Disclosure: MSRB/EMMA as required, in compliance with SEC rule 15c2-12 concerning primary and secondary market disclosure.
- Arbitrage Rebate Reports: To be completed annually by a qualified third party. Amounts calculated as liabilities will be reported in the annual audited financial statements. Rebate payments, if required, will be paid for each bond issue as required by regulatory requirements.
- Investor Relations: See Section 7.0 of the Accounting, Internal Controls & Audit Policy; Appendix J of the FMPA Risk Management Policy, for financial reporting requirements.
- Economic Life Evaluation: Treasurer and CFO shall provide outstanding debt information in a timely manner to the Resource and Strategic Planning Manager for any required evaluations of outstanding term to remaining economic life per the Power Supply & Resource Planning Policy, Appendix H of the FMPA Risk Management Policy.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

**7.0 Reporting**

Required reports shall be obtained from information maintained in the Agency's treasury database software (such as Integrity) which is subject to mid-office oversight. Reports not obtained from such software shall be subject to additional oversight as deemed appropriate by the Agency CFO.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

**7.1 Debt Portfolio Reports**

The Treasurer and CFO is responsible for completion of the following reporting requirements:

- A. If Swaps are outstanding, monthly swap report to be posted on FMPA's member website and will include, at a minimum, the following:
  - 1) Description of each interest rate swap agreement, including the effective date, notional amount, pay and receive coupon rates, counterparty, and any other relevant information as appropriate.
  - 2) Market value as of report date from an independent third-party source (such as Bloomberg or FMPA's swap advisor). Value per counterparty may be used when independent market value is not widely obtainable.
  - 3) Collateral posting thresholds per counterparty.
  - 4) Collateral posted with/by counterparties.
  - 5) Interest earned on collateral postings.
  
- B. Annual debt report presented to the EC and BOD at their first regularly scheduled meeting following approval of audited financial statements. Such annual debt report shall include, at a minimum, the following:
  - 1) Percentage of portfolio that is fixed rate, variable rate, and synthetic fixed rate at fiscal year-end.
  - 2) Total cost of debt (effective interest rate) per Project for the previous fiscal year.
  - 3) Interest rate swap counterparty diversification report.
  - 4) Debt outstanding for each Project by respective participants.
  
- C. The Treasurer and CFO shall report on the current risk environment affecting FMPA's debt outstanding to the DFT, as needed. The DFT shall engage in any necessary discussion before recommending action to the appropriate governing body.

**7.2 Post-closing Report**

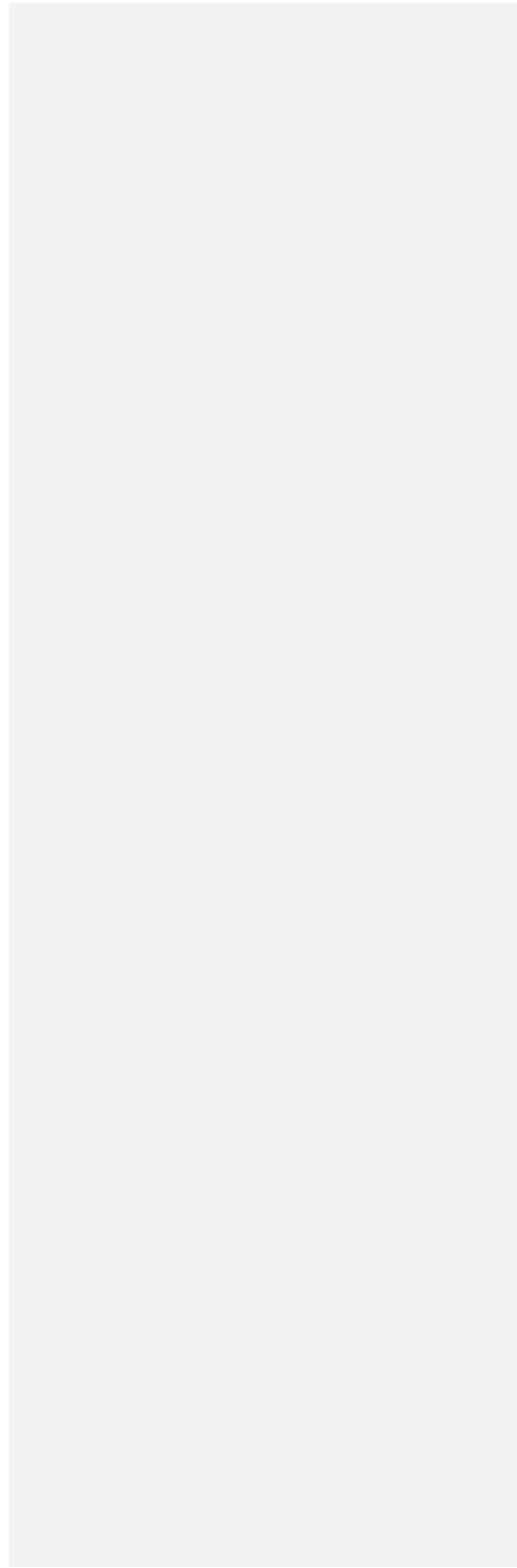
**DEBT RISK MANAGEMENT POLICY**  
(Continued)

The CFO, as chairperson of the DFT, is responsible for completion of a post-closing debt report. Such report shall be made to the appropriate governing body at their next regular meeting following the closing of a debt financing transaction. The report shall include, at a minimum, the total cost of debt financing, type of debt issued and effect on the portfolio mix, any associated interest rate swaps, any credit enhancement, method of sale, and underwriter diversification for the Project.

**7.3 Oversight Structure**

The Agency CFO shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the Internal Audit Manager, as directed by the FC, as described in Section 7.0 of the FMPA Risk Management Policy.

**DEBT RISK MANAGEMENT POLICY**  
**(Continued)**



## Appendix A

<b>Florida Municipal Power Agency                      Risk Management Reporting Calendar                      Debt Management Policy Reporting Requirements</b>				
Reporting Item	Frequency of Report	Responsible Party	Policy Section Reference	Policy Category Reference
Collateral Call or Return	As Needed	Treasurer and CFO	Section 5.2	Transaction Management
Swap Transaction Defaults	As Needed	CFO	Section 5.3	Counterparty Risk
Swap Diversity Exceptions	As Needed	CFO	Section 5.5	Provider Diversification
Collateral Posted	As Needed	CFO	Section 5.7	Collateral at Risk
Policy and Procedure Compliance	As Needed	Treasurer and CFO	Section 6.1	Policy and Procedure Compliance
Primary and Continuing Disclosure	As Needed	Treasurer and CFO	Section 6.2	Post Issuance
Interest Rate Swap Report	Monthly (if applicable)	Treasurer and CFO	Section 7.1	Debt Portfolio Reports
Recorded Communication Consent Form	Annually (As Needed)	Treasurer and CFO	Section 5.8.1	Recorded Communication
QIR qualification attestation	Annually	Treasurer and CFO	Section 5.8.3	Qualified Independent Representative
Annual Debt Report	Annually	Treasurer and CFO	Section 7.1	Debt Portfolio Reports
Post-Closing Report	Upon Debt Issuance	CFO	Section 7.2	Post-closing Report
Deviations from Policy	As Needed	Treasurer and CFO	Section 7.3	Oversight Structure
Policy Operating and Effectiveness	Annually	Internal Audit Manager	Section 7.3	Oversight Structure

## Appendix B

The table below shows the approved debt portfolio mix as described in Section 4.3 of this Debt Risk Management Policy.

<b>LIMITS OF EXECUTIVE COMMITTEE DEBT PORTFOLIO MIX</b>			
	<b>Minimum Fixed Rate</b>	<b>Maximum Fixed Rate</b>	<b>Maximum % of Debt w/ Interest Rate Swaps</b>
All-Requirements Project	60%	100%	25%

<b>LIMITS OF BOARD OF DIRECTORS DEBT PORTFOLIO MIX</b>			
Stanton Project	60%	100%	25%
Stanton II Project	60%	100%	25%
St. Lucie Project	60%	100%	25%
Tri-City Project	60%	100%	25%

**FLORIDA MUNICIPAL POWER AGENCY**  
**RISK MANAGEMENT POLICY - APPENDIX B**

**DEBT RISK MANAGEMENT POLICY**

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# **DEBT RISK MANAGEMENT POLICY FOR FLORIDA MUNICIPAL POWER AGENCY**

This Debt Risk Management Policy (the “Policy”) and any effective subordinate procedures establish the governance, framework, and the controls under which Florida Municipal Power Agency (FMPA) may engage in activities to identify, measure, and minimize future business risk resulting from the issuance and management of all FMPA debt financing. This Policy is Appendix B of the FMPA Risk Management Policy.

## **1.0 Policy Statement**

The Executive Committee (“EC”) and Board of Directors (“BOD”) of FMPA recognize that FMPA is exposed to various risks in the normal course of business activities. There may be times when FMPA will determine that certain risks are above the preferred risk tolerance level of FMPA and its governing bodies. FMPA staff is hereby authorized to put mechanisms into place, such as those more fully described in Section 4.0 of this Policy, which will control, transfer, or mitigate these risks to avert adverse effects on FMPA’s ability to access capital markets at reasonable rates and with reasonable credit terms.

This Policy covers the planning and management of debt financing. The appropriate governing body may approve exceptions to this Policy for specific debt transactions.

The following summarizes the Policy of the EC and BOD:

- ❖ The debt management program shall conform to all applicable federal, state, and local legal requirements regarding the issuance and management of debt (Section 2.0).
- ❖ The EC and BOD must approve all forms of FMPA debt issuance (Section 2.0).
- ❖ Authority is delegated to the Chief Financial Officer (“CFO”) to create procedures to facilitate the management of debt and administer this Policy (Section 3.0).
- ❖ FMPA’s Debt Financing Team (the “DFT” as defined by this Policy) shall be active participants in all contemplated debt transactions (Section 4.1).
- ❖ If any member of the DFT has concerns on a financing transaction, they shall provide a written recommendation of their concern to the appropriate governing body prior to approval of any debt issuance (Section 2.0).

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

- ❖ FMPA’s DFT shall fully explain the risks associated with any given structure and the financial instruments to be used to the CEO as required in Section 4.3
- ❖ FMPA shall manage its debt portfolios to contribute to the goal of maintaining credit ratings of no less than “A-” or “A3” as required in Section 4.0.
- ❖ Interest rate hedging strategies may only be employed as detailed in Section 5.0 of this Policy. No new interest rate hedging will be considered by the All Requirements Project (“ARP”) after May 2015 unless specifically approved by the EC.
- ❖ The Treasury Manager and CFO shall report on the debt portfolio as required in Section 7.1 of this Policy.
- ❖ The Agency CFO shall report deviations from this Policy to the Finance Committee (“FC”) as required in Section 7.3.

## **2.0 Scope and Authority**

FMPA has the authority to undertake and finance projects including, among other things, to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend, or otherwise participate jointly in those projects and issue debt obligations for the purpose of financing or refinancing the costs of such projects. The debt management program shall further conform to all federal, state, and local legal requirements governing the issuance and management of debt.

The EC and BOD, respectively, is responsible for the approval of all forms of FMPA debt issuance and the details associated therewith. The CEO has ultimate responsibility for administration of FMPA’s financial policies. The CFO or designee coordinates the administration and issuance of debt and is responsible for the attestation of financial disclosures and other bond related documents. The CFO or designee, in consultation with the DFT, must also recommend to the CEO and appropriate governing body the following:

1. the selection of any external agents,
2. review proposed annual capital expenditures which require a debt issuance,
3. identify specific projects for such debt financing or refinancing,
4. a if any member of the DFT has concerns on a financing transaction, they shall provide written recommendation of their concern at that time. .

### **3.0 Types of Debt Issuance Risk**

This Policy is intended to provide guidance for the types of debt issued, given FMPA's risk tolerance and awareness of recent market fluctuations, capital market outlooks, future capital needs, tax implications, rating agency considerations, and industry competition. The CFO will cause Debt Management Procedures to be created that identify risks in the areas noted below and provide ways to measure, control and mitigate FMPA's exposure to those risks. The FMPA Risk Management Policy identifies ten risks that compose FMPA's common risk framework. While not intended to be a comprehensive listing of risks encountered by FMPA during the normal course of the business cycle, the framework provides insight into the major areas of risk exposure for FMPA. The following selected risks in the framework are those risks presented by typical debt management and interest rate hedging activity.

#### **3.1 Market Risk**

The risk of potential change in the value of a portfolio caused by adverse changes in market factors. When considering debt management including interest rate hedging, the types of market risk that FMPA is most exposed are interest rate risk and basis risk. An example of interest rate risk occurs when a change in interest rates inversely affects a bond's value, such as when higher interest rates cause bond value to fall. This risk can be reduced by diversifying (issuing fixed rate debt with different durations) or hedging (such as interest rate swaps). An example of basis risk can occur in a floating-to-fixed rate swap when there is a difference between the interest rate paid on variable rate demand obligations and the rate received from the swap counterparty. This mismatch in rates could result in higher-than-expected interest rate costs.

#### **3.2 Credit Risk**

The potential of financial loss due to the failure of a counterparty to fulfill the terms of a contract. When considering debt management including interest rate hedging, the types of credit risk that FMPA is most exposed to are counterparty risk and concentration risk. An example of counterparty risk would be if FMPA depends on the performance of a counterparty to provide interest payments under a swap agreement. The failure of that counterparty to make interest payments as required under the swap agreement might expose FMPA to current market conditions, which may or may not

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

be favorable at the time of non-performance. An example of counterparty concentration risk might occur if a counterparty with several swap agreements fails to make the required payments. This failure might cause FMPA to terminate several swap agreements and expose FMPA to market conditions on a greater scale.

### **3.3 Regulatory Risk**

The potential adverse impact of an action or direction from an administrative body such as, but not limited to, FERC, DOE, or the Treasury Department. An example of regulatory risk might occur if tax laws are changed, and the Agency becomes ineligible to issue tax-exempt debt. This change would expose the Agency to the market rate for taxable debt and increase the cost of debt issuance.

## **4.0 Debt Issuance**

Effective debt management includes an analysis of what level of debt is acceptable given a particular set of circumstances and assumptions. FMPA's debt portfolios shall contribute to the goal of maintaining at least "A-" or "A3" credit ratings, in coordination with strategic plans and member needs. Management of the Agency's credit ratings is addressed in the FMPA Risk Management Policy.

FMPA may consider issuing bonds, short term debt, and other debt instruments as allowed by law, each subject to the approval of the appropriate governing body. Debt may only be issued for capital projects with an asset life of five years or more. Short term capital needs should be provided for in the budget process.

### **4.1 Debt Financing Team**

A team of FMPA staff and advisors shall determine the details of all debt transactions to be proposed to and approved by any governing body. The DFT shall, at a minimum, consist of the personnel listed below. Others may be assigned as needed.

- CFO (Chairperson)
- Treasurer and CFO
- Chief Legal Officer
- FMPA's Financial Advisor(s)

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

- Resource and Strategic Planning Manager (as necessary)
- FMPA's Swap Advisor (as necessary)
- Bond Counsel (as necessary)
- Bond Disclosure Counsel (as necessary)

The DFT shall ensure that any proposed debt issuance complies with the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all DFT recommendations to the CEO.

## **4.2 Selection of Bond Professionals**

The issuance of bonds or debt in any form is a significant event and should be managed in a way to protect FMPA from any number of risks. Engaging competent professionals is a key step in mitigating such risks. Underwriters, bond counsel, financial and swap advisors, trustees, and arbitrage/rebate consultants are key advisors in a successful issuance process. FMPA staff will pursue a competitive selection process to occur for all professionals associated with FMPA's debt using a Request for Proposal (RFP), a Request for Qualification (RFQ) or some other competitive selection process. The competitive selection process document should describe the scope of services desired, the length of the engagement, evaluation criteria, and the selection process. Best practices recommendations of relevant professional bodies should be considered in the development of the competitive selection document as well as in the selection process.

### **4.2.1 Qualifications**

The selected individual(s) or firm(s) shall have a well-established practice at a level of sophistication and standing in their respective field of practice commensurate with FMPA's needs, the Bond Resolution and any other relevant legal document(s) or requirements imposed by external entities such as the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and the Commodity Futures Trading Commission (CFTC) as examples. Sufficient depth of staff should be present in order to ensure timely and consistent professional service when such services are required.

#### **4.2.2 Selection**

Qualified individuals or firms will be invited to submit a proposal for professional services to be considered for selection. The proposal response must document the individual's or firm's qualifications, registrations, applicable experience, knowledge of FMPA and its issues or practices, any sanctions or warnings from any relevant professional bodies, insurances in force, and fee structures. The proposals will be evaluated by the DFT and rank in order of preference, providing the resulting ranking and associated rationale to staff for presentation to the FC. The FC shall either approve or reject the DFT top ranked proposal. If the top ranked proposal is rejected, the FC will consider the next highest ranked proposal for approval. If none are found acceptable by the FC, the DFT will evaluate the FC's feedback and begin the process over. Once the FC has approved a recommended proposal, the selected individual(s) or firm(s) will be presented to the EC/BOD, as appropriate, for final approval.

#### **4.2.3 Terms of Service**

The selected individual(s) or firm(s) shall provide services for no more than one five-year base term per each single contract period. The selected individual(s) or firm(s) may provide services beyond the base term for no more than two individual one-year extensions. At the end of any contract term (either base or extension), the incumbent individual(s) or firm(s) will not be excluded from submitting a new proposal for the subsequent competitive selection process. The selected individual(s) or firm(s) may perform the services requested on a negotiated fee basis.

### **4.3 Types of Debt**

FMPA's capital structure may consist of fixed rate and variable rate debt in traditional as well as synthetic form, along with hedging instruments such as interest rate swaps, caps, collars, and other non-speculative derivative products. The DFT shall fully explain the risks associated with any given structure and the financial instruments used to those who must decide and approve any such structure. No debt will be issued without written evidence of absolute authority, including all required regulatory

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

approvals, for FMPA to proceed with the capital expenditures relating to the proposed debt issuance.

The debt mix for each of FMPA's projects shall be measured at the time of each debt issuance and comply with the limits defined in Appendix B of this Policy. The governing body issuing debt may approve exceeding such limits when a particular type of debt issue would be prudent given market conditions.

#### **4.4 Structure**

The following structuring guidelines shall govern the issuance of new money financing:

- The maturity of debt shall be less than or equal to the useful economic life of the item financed, not to exceed the remaining length of relevant FMPA Project. The table below shows the assumed useful economic life for different types of financed generation assets to be used at the time of debt issuance:

<b>Financed Generation Assets</b>	<b>Useful Economic Life</b>
Combined-Cycle	30
Combustion Turbine	25
Coal Plant	30
Nuclear	30
Photovoltaic	25

Exceptions may be approved by the appropriate governing body. The Power Resources Division shall determine the useful economic life of financed generation assets not contained in the table above.

- The use of a cash funded debt service reserve shall always be evaluated against the use of a surety or other debt service reserve product.
- The DFT shall evaluate the costs and benefits of call provisions for each debt issue.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

- Non-rated securities may be issued if obtaining a credit rating on the issue does not perform any economic benefit or add any value to capital market participants, for example bank loans.

#### **4.5 Tax Status**

FMPA may issue either taxable or tax-exempt debt. The DFT shall consider the economic value of tax status and on the advice of legal counsel (bond and/or tax counsel as appropriate) recommend a taxable or tax-exempt debt issuance, unless a taxable debt issuance is required by law.

#### **4.6 Credit Enhancement**

The use of credit enhancement (including bond insurance, letter of credit, and other securitization products) shall be evaluated on a maturity-by-maturity basis. The DFT shall analyze the benefits and costs of issuing debt without credit enhancements, with consideration of the risks and restrictions of using credit enhancement. Credit enhancement shall only be used when the benefits exceed the costs. Post-issuance, the Treasurer and CFO shall monitor any credit enhancement associated with variable-rate debt for possible effects on credit or basis risk.

#### **4.7 Methods of Sale**

FMPA's policy is to sell public debt using the method of sale expected to achieve the best result, taking into consideration short-term and long-term implications. Decisions on selecting either a competitive or negotiated sale are the responsibility of the DFT. The DFT shall evaluate whether to seek funding by way of a private placement or bank loan where the size of the borrowing does not justify the incurrence of typical bond issuance expenses or market conditions favor such funding. The CFO and FMPA's Financial Advisor, if used, shall compare the overall costs of a private placement with those of a public offering and recommend the most cost-effective approach.

#### **4.8 Debt Service Coverage**

Debt service coverage shall conform to any respective bond resolutions and remain at or above those levels to ensure that FMPA's credit rating is not adversely impacted.

## **4.9 Refunding Bonds**

Refunding bonds may be issued to achieve debt service savings on outstanding bonds by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no current similar limitation for taxable bonds.

### **4.9.1 Structure**

The life of the refunding bonds shall not exceed the remaining life of the assets financed. Refunding bonds should generally be structured to achieve the desired objectives of the authorizing governing body.

### **4.9.2 Present Value**

Refunding bonds issued to achieve debt service savings should have a minimum savings level measured on a present value basis equal to 3% of the par amount of the bonds being refunded. The 3% minimum target savings level for refunding should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of refunding bonds, the 3% target shall not prohibit exercising refunding when the circumstances justify a deviation from the guideline.

## **4.10 Defeasance**

Defeasance is a provision that allows the exchange of one type of collateral, such as pledged revenues for another type of collateral (normally US Treasury securities), where the borrower sets aside cash or bonds sufficient to service the borrowers' debt. FMPA may use this tool when financially beneficial and as allowed by bond covenants. Allowable securities would be purchased by FMPA and held by an Escrow Agent, with the principal and interest earned on the securities sufficient to meet all payments of principal and interest on the outstanding bonds when they become due.

#### **4.11 Disclosure Policy and Procedures Relating Thereto**

FMPA is committed to ensuring that disclosures made in connection with its municipal finance offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and all other applicable laws. Further, it is the policy of FMPA to satisfy, in a timely manner, its contractual obligations undertaken pursuant to continuing disclosure agreements entered into in connection with municipal finance offerings. In furtherance of these objectives and policies, the CEO and FMPA's Chief Legal Officer shall cause municipal finance disclosure procedures to be drafted and presented to the EC and BOD for review and adoption in order to establish a framework for compliance by FMPA, with its disclosure and/or contractual obligations regarding the securities it issues or that are issued on its behalf, pursuant to the requirements of the disclosure undertakings made by FMPA in accordance with the provisions of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended, and other applicable rules, regulations, and orders ("Disclosure Procedures"), which shall be disseminated to FMPA staff. These Disclosure Procedures are intended to formally confirm and enhance FMPA's existing practices regarding compliance with federal securities laws relating to its disclosure responsibilities in order to:

- a. Educate:** To ensure that staff sufficiently understands FMPA's disclosure policy and FMPA's obligations under the federal securities laws and other applicable laws, and
- b. Reduce Borrowing Costs:** To reduce borrowing costs by promoting good investor relations, and
- c. Protect the Public:** To avoid damage to third parties from misstatements or omissions in, or failure to timely file, its disclosure documents, and
- d. Comply with Law and Contract:** To facilitate compliance with applicable law and existing contracts when preparing and distributing disclosure documents in connection with municipal finance offerings and continuing disclosure documents, and

- e. **Reduce Liability:** To reduce exposure (of FMPA and its officials and employees) to liability for damages and enforcement actions based on misstatements and omissions in, or failure to timely file, its disclosure documents.

## **5.0 Interest Rate Hedging**

As of May 2015, no new interest rate hedging may be employed for the ARP unless specifically approved beforehand by the EC. The remainder of this Section is only applicable to other FMPA Projects or ARP interest rate hedges put in place prior to May 2015. Upon any specific EC approval for the hedging of interest rates in the future, this Section would then apply.

FMPA and its Projects are exposed to volatility in interest rates both during the period between a known capital project and its associated debt issuance and with the issuance of any variable interest rate debt. Management defines interest rate hedging as balancing gains and losses to an asset by taking offsetting positions in a derivative product. FMPA's business purpose for the interest rate hedging program is to balance interest rate volatility risk with obtaining the lowest reasonable cost of capital. FMPA will not enter into interest rate hedging transactions that have no authorized business purpose, as determined by the DFT, and affirmed by the appropriate governing body.

The use of interest rate swaps and any other derivative instruments such as interest rate caps or collars shall only be upon the express approval of the appropriate governing body, and pursuant to the requirements of this Policy. The CFO, as Chairperson of the DFT, shall present all interest rate hedging recommendations to the CEO before such recommendations are made to any governing body.

The CFO, in consultation with the DFT, shall ensure active oversight of the interest rate hedging program according to these standards. See Section 7.0 for reporting requirements.

### **5.1 Hedging Objectives**

FMPA's objective for interest rate hedging is to manage interest rate risk for each Project's debt portfolio. The benefits and risks of a specific interest rate hedge should

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

be compared to fixed rate bonds or future interest rate projections, with consideration that an expected lower interest cost should be obtained if the derivative product contains an element of basis risk or if the product is long-dated (greater than 10 years in duration).

## **5.2 Transaction Management**

The DFT shall review any interest rate hedging transaction before it is presented to the appropriate governing body for consideration. The DFT shall specifically review:

- Existence of associated debt
- Existence of all necessary project approvals, including all required regulatory approvals, prior to issuance or interest rate hedging authorization.
- Purpose of proposed interest rate hedge
- Type of interest rate hedge instrument and counterparty(s) to be used
- Duration of interest rate hedge
- Expected results and probabilities of achieving those results
- Risks of the interest rate hedge strategy or transaction

As Chairperson of the DFT, the CFO or designee shall notify rating agencies, applicable insurers, and other interested parties before entering into an interest rate swap agreement.

## **5.3 Counterparty Risk**

Interest rate swap counterparties must have long-term bond ratings of A1/A+ or higher when the interest rate swap transaction is entered into. Where possible, counterparties shall be required to collateralize their obligations if their ratings are downgraded below the counterparty's rating at the time the interest rate swap is entered into, dependent upon the specific terms of the approved ISDA agreement. Interest rate hedging counterparties must be specifically approved by the appropriate governing body.

The Treasurer and CFO shall notify the DFT of any collateral calls and/or collateral returns within 1 business day of such call/return.

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

The CFO shall report any default of an interest rate swap transaction by or with a counterparty to the DFT, CEO and FC, EC, and BOD chairs within 1 business day of such default.

**5.4 Hedging Criteria**

Products shall be favored which have well-established and liquid markets to facilitate liquidity of the hedging contract. Interest rate hedging products can be transacted on a negotiated or competitive basis, as determined by the DFT. Interest rate swap agreement documentation shall include a standard ISDA Master Agreement, a Schedule to the Agreement, a Credit Support Agreement or Guarantee (if required) and trade confirmations as the primary documents for terms and conditions.

**5.5 Provider Diversification**

No more than 35% of any single debt provider of a Project's total debt shall be hedged with interest rate swaps, caps or other hedging instruments, in the aggregate to be measured at the time of purchase and annually thereafter. In the event that a single debt provider exceeds the 35% maximum, the CFO shall cause such condition to be reported to the FC and submit for approval a strategy for addressing that condition, including an appropriate timeline for implementation.

**5.6 Termination**

The appropriate governing body must approve the initiation of optional termination by FMPA. In general, FMPA shall not agree to terms that permit a counterparty to terminate a swap at its unconditioned option unless giving the counterparty such right is in the best interest of FMPA, taking into consideration the purposes for and circumstances under which the Agency is entering into the swap. Criteria for termination/default events are found in each respective ISDA Schedule and/or agreement.

**5.7 Collateral at Risk**

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

The CFO shall cause any amounts posted for interest rate hedging collateral to be reported to the FC at each regular meeting along with a strategy for handling the collateral at risk level. Such strategy shall consider liquidity requirements, termination costs, rating downgrade posting thresholds, and the resulting impact on rates. Amounts posted for collateral shall also be included in the monthly swap report detailed in Section 7.1 below.

## **5.8 Dodd-Frank ISDA Compliance**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the implementing U.S. Commodity Futures Trading Commission (CFTC) regulations, including external business conduct standards applicable to FMPA, impose a number of new compliance obligations on FMPA regarding providing information about its swap agreements. This Section 5.8 of the Debt Risk Management Policy is specifically focused on the Dodd-Frank Act compliance responsibilities of FMPA staff.

### **5.8.1 Recorded Communication**

Each person at FMPA who has discussions with a swap counterparty regarding an existing swap transaction or a proposed swap transaction or the master agreement (including the related schedule and credit support annex, if applicable) that governs or will govern such swap transaction acknowledges and agrees that the discussions will be recorded by the swap counterparty and consents to the recording and agrees to sign an annual acknowledgement form stating that they acknowledge that they have read and understand the policies and procedures regarding discussions of swap documentation.

### **5.8.2 Dodd-Frank Supplement**

FMPA will take the necessary steps to comply with its representations, agreements, and notice requirements in the ISDA August 2012 DF Supplement, published on August 13, 2012 by the International Swaps and Derivatives Association, Inc., and in any other ISDA protocol documentation entered into by FMPA (directly or through incorporation by reference into existing ISDA master agreements) from time to time.

### **5.8.3 Qualified Independent Representative**

FMPA will enter into a contract with a firm or firms that will have the qualifications to act as a qualified independent representative to FMPA in accordance with the requirements of CFTC Regulation §23.450 and its related safe harbor provisions. Each such contract will require the firm(s) to make representations and provide agreements to satisfy the requirements and safe harbor provisions of CFTC Regulation §23.450 in a manner satisfactory to FMPA.

**5.8.3.1** FMPA shall utilize the services of such qualified independent representative when entering, modifying, or terminating (in whole or in part) any swap transaction.

**5.8.3.2** FMPA shall monitor the continued performance of each qualified independent representative by requesting certifications annually, as a minimum, from each qualified independent representative restating that the representations and agreements in the contract described above (in Section 5.8.3) are true and correct and that no breach of the contract has occurred. Such certification shall include reference that any notice of failure of a representation or agreement provided by the qualified independent representative was true and correct and promptly provided.

## **6.0 Internal Controls**

The CFO shall cause to be established a system of written internal controls to manage debt issuance and related activities, consistent with this Policy, established Debt Management Procedures and in accordance with all policies and procedural guidelines established in the FMPA Risk Management Policy. FMPA will continue to commit the resources necessary to debt management activities to be viewed by investors in the most favorable light, doing so with highest ethical principles, and consistent with all applicable rules and laws.

The Agency CFO shall be responsible to review all documented internal controls and procedures established to ensure they comply with the FMPA Risk Management Policy and

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

adequately mitigate all applicable risks. If, after review, the Agency CFO identifies areas of concern, the documented internal controls weakness(s) will be communicated to the CFO and FC as appropriate.

The CFO or designee is responsible for issuance of debt. Accounting staff shall maintain accounting records for debt transactions but shall not have any responsibility for the process of financing assets.

### **6.1 Policy and Procedure Compliance**

The Agency CFO shall cause compliance with this Policy and associated Procedures to be monitored on an ongoing basis. This shall include a review of policy compliance following *each* debt issuance. Any unresolved compliance issues will be presented to the FC by the Agency CFO.

### **6.2 Post Issuance**

Following the issuance of bonds for any project, the Treasurer and CFO shall cause the following requirements to be met:

- Primary Disclosure: As required by the Florida Division of Bond Finance.
- Continuing Disclosure: MSRB/EMMA as required, in compliance with SEC rule 15c2-12 concerning primary and secondary market disclosure.
- Arbitrage Rebate Reports: To be completed annually by a qualified third party. Amounts calculated as liabilities will be reported in the annual audited financial statements. Rebate payments, if required, will be paid for each bond issue as required by regulatory requirements.
- Investor Relations: See Section 7.0 of the Accounting, Internal Controls & Audit Policy; Appendix J of the FMPA Risk Management Policy, for financial reporting requirements.
- Economic Life Evaluation: Treasurer and CFO shall provide outstanding debt information in a timely manner to the Resource and Strategic Planning Manager for any required evaluations of outstanding term to remaining economic life per the Power Supply & Resource Planning Policy, Appendix H of the FMPA Risk Management Policy.

## **7.0 Reporting**

Required reports shall be obtained from information maintained in the Agency's treasury database software (such as Integrity) which is subject to mid-office oversight. Reports not obtained from such software shall be subject to additional oversight as deemed appropriate by the Agency CFO.

## **7.1 Debt Portfolio Reports**

The Treasurer and CFO is responsible for completion of the following reporting requirements:

- A. If Swaps are outstanding, monthly swap report to be posted on FMPA's member website and will include, at a minimum, the following:
  - 1) Description of each interest rate swap agreement, including the effective date, notional amount, pay and receive coupon rates, counterparty, and any other relevant information as appropriate.
  - 2) Market value as of report date from an independent third-party source (such as Bloomberg or FMPA's swap advisor). Value per counterparty may be used when independent market value is not widely obtainable.
  - 3) Collateral posting thresholds per counterparty.
  - 4) Collateral posted with/by counterparties.
  - 5) Interest earned on collateral postings.
  
- B. Annual debt report presented to the EC and BOD at their first regularly scheduled meeting following approval of audited financial statements. Such annual debt report shall include, at a minimum, the following:
  - 1) Percentage of portfolio that is fixed rate, variable rate, and synthetic fixed rate at fiscal year-end.
  - 2) Total cost of debt (effective interest rate) per Project for the previous fiscal year.
  - 3) Interest rate swap counterparty diversification report.
  - 4) Debt outstanding for each Project by respective participants.
  
- C. The Treasurer and CFO shall report on the current risk environment affecting FMPA's debt outstanding to the DFT, as needed. The DFT shall engage in any necessary discussion before recommending action to the appropriate governing body.

## **7.2 Post-closing Report**

**DEBT RISK MANAGEMENT POLICY**  
(Continued)

The CFO, as chairperson of the DFT, is responsible for completion of a post-closing debt report. Such report shall be made to the appropriate governing body at their next regular meeting following the closing of a debt financing transaction. The report shall include, at a minimum, the total cost of debt financing, type of debt issued and effect on the portfolio mix, any associated interest rate swaps, any credit enhancement, method of sale, and underwriter diversification for the Project.

**7.3 Oversight Structure**

The Agency CFO shall cause any deviations from this Policy to be reported according to the guidelines set forth in Section 4.1 of the FMPA Risk Management Policy. An annual report on the operation and effectiveness of this Policy shall be completed by the Internal Audit Manager, as directed by the FC, as described in Section 7.0 of the FMPA Risk Management Policy.

**DEBT RISK MANAGEMENT POLICY**  
**(Continued)**

## Appendix A

### Florida Municipal Power Agency Risk Management Reporting Calendar Debt Management Policy Reporting Requirements

Reporting Item	Frequency of Report	Responsible Party	Policy Section Reference	Policy Category Reference
Collateral Call or Return	As Needed	Treasurer and CFO	Section 5.2	Transaction Management
Swap Transaction Defaults	As Needed	CFO	Section 5.3	Counterparty Risk
Swap Diversity Exceptions	As Needed	CFO	Section 5.5	Provider Diversification
Collateral Posted	As Needed	CFO	Section 5.7	Collateral at Risk
Policy and Procedure Compliance	As Needed	Treasurer and CFO	Section 6.1	Policy and Procedure Compliance
Primary and Continuing Disclosure	As Needed	Treasurer and CFO	Section 6.2	Post Issuance
Interest Rate Swap Report	Monthly (if applicable)	Treasurer and CFO	Section 7.1	Debt Portfolio Reports
Recorded Communication Consent Form	Annually (As Needed)	Treasurer and CFO	Section 5.8.1	Recorded Communication
QIR qualification attestation	Annually	Treasurer and CFO	Section 5.8.3	Qualified Independent Representative
Annual Debt Report	Annually	Treasurer and CFO	Section 7.1	Debt Portfolio Reports
Post-Closing Report	Upon Debt Issuance	CFO	Section 7.2	Post-closing Report
Deviations from Policy	As Needed	Treasurer and CFO	Section 7.3	Oversight Structure
Policy Operating and Effectiveness	Annually	Internal Audit Manager	Section 7.3	Oversight Structure

## Appendix B

The table below shows the approved debt portfolio mix as described in Section 4.3 of this Debt Risk Management Policy.

<b>LIMITS OF EXECUTIVE COMMITTEE</b>			
<b>DEBT PORTFOLIO MIX</b>			
	<b>Minimum Fixed Rate</b>	<b>Maximum Fixed Rate</b>	<b>Maximum % of Debt w/ Interest Rate Swaps</b>
All-Requirements Project	60%	100%	25%

<b>LIMITS OF BOARD OF DIRECTORS</b>			
<b>DEBT PORTFOLIO MIX</b>			
Stanton Project	60%	100%	25%
Stanton II Project	60%	100%	25%
St. Lucie Project	60%	100%	25%
Tri-City Project	60%	100%	25%

**AGENDA ITEM 8 – ACTION ITEMS**

**a. None**

**Executive Committee  
April 16, 2026**

# To be presented at the meeting

## **AGENDA ITEM 9 – INFORMATION ITEMS**

### **a. Stanton Unit 1 Update**

**Executive Committee  
April 16, 2026**

**AMENDMENT NO. 5  
TO THE  
PARTICIPATION AGREEMENT BETWEEN  
ORLANDO UTILITIES COMMISSION,  
AND  
FLORIDA MUNICIPAL POWER AGENCY (STANTON PROJECT)  
FOR THE JOINT OWNERSHIP OF  
CURTIS H. STANTON ENERGY CENTER UNIT ONE  
GENERATION PROJECT**

This Amendment No. 5 to the Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated January 16, 1984 (this “**Amendment**”), is dated as of January 1, 2026, and is made by and between the ORLANDO UTILITIES COMMISSION, a statutory utilities commission organized and existing under the laws of the State of Florida (“**OUC**”) and FLORIDA MUNICIPAL POWER AGENCY (STANTON PROJECT), a separate governmental legal entity created and existing pursuant to Florida law (“**FMPA**”).

RECITALS

A. OUC and FMPA previously entered into the Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated January 16, 1984, as previously amended (the “**Participation Agreement**”) in order to jointly develop, own and operate a nominal 415 MW coal fired power plant at the OUC Curtis H. Stanton Energy Center in Orlando, Florida (“**Unit 1**” or “**Project**”).

B. FMPA’s 14.8193% joint ownership interests in the Project and its related rights and obligations set forth in the Participation Agreement are related to FMPA’s Stanton Project, one of FMPA’s six power supply projects. FMPA also has separate joint ownership interests in Unit 1 through its All-Requirements Power Supply Project (a 6.5060% joint ownership interest) and its Tri-City Project (a 5.3012% joint ownership interest), which are each subject to separate participation agreements that are substantially similar to the Participation Agreement (collectively, the “**FMPA Project Interests**”). Additionally, OUC and Kissimmee Utility Authority (“**KUA**,” as successor in interest to the City of Kissimmee, Florida) are parties to the Participation Agreement between Orlando Utilities Commission and the City of Kissimmee for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project dated March 6, 1985, as amended, for KUA’s 4.819% joint ownership interests in the Project (together with the FMPA Project Interests, the “**Joint Owner Interests**”).

C. Pursuant to OUC’s letter to FMPA, dated September 29, 2021, OUC officially gave notice to FMPA of its intent to retire Unit 1, while deferring on the determination of a specific retirement date. In response, on or about September 1, 2023, FMPA provided notice that it wished to terminate its participation as a co-owner in Unit 1 in the event that OUC did not

proceed with such retirement by the end of 2025. Subsequently, OUC has communicated to FMPA its intent not to retire, decommission, and dismantle Unit 1 in the manner contemplated in the Participation Agreement, but instead, to place it in Extended Cold Shutdown (as defined herein).

D. The Participation Agreement does not address either the voluntary termination by FMPA of its ownership interest nor the approach by OUC of placing Unit 1 in Extended Cold Shutdown, and both are addressed in this Amendment No. 5. As such, OUC and FMPA desire to agree on the terms needed to address operational considerations for Unit 1 during Extended Cold Shutdown as well as defining the obligations of both OUC and FMPA after any such transition of Unit 1 to Extended Cold Shutdown.

E. OUC and FMPA have herein agreed on terms and conditions which will address the Extended Cold Shutdown scenario and wish to amend the Participation Agreement as set forth in this Amendment No. 5, to memorialize such agreed terms of Extended Cold Shutdown of Unit 1 and effect a termination of FMPA's joint ownership interest in the Project.

F. Prior to entering into this Amendment, the Parties have agreed to an Interim Operating Agreement Under Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency (Stanton Project) for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, entered into as of December 11, 2025 (the "**Interim Operating Agreement**"), which provided for certain agreements of the Parties regarding operation of the Project from January 1, 2026 until the effectiveness of this Amendment or until the Interim Operating Agreement expires (whichever first occurs), and which is desired by the Parties to provide for the continuous and consistent contractual relationship of the Parties during that period, without contractual gaps. It is the intent of the Parties that this Amendment supersede and replace the Interim Operating Agreement from the date of the Termination Closing (as defined in Paragraph 1.44, as set forth in this Amendment), and afterwards.

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

1. **Recitals; Defined Terms**

The recitals set forth above are true and correct as of the date of this Amendment and are incorporated into this Amendment as a material part hereof by this reference. Capitalized terms used in this Amendment, unless another definition is expressly provided herein, has the meaning ascribed to them in the Participation Agreement.

2. **Amendment to Section 1 (Definitions)**

Section 1 (Definitions) of the Participation Agreement is hereby amended by adding the following paragraphs:

1.44 Sections 23 and 24 Defined Terms. In addition to the preceding terms in this Section, the following terms, when used in Sections 23 and 24 hereof, and the Exhibits referenced therein shall have the following meanings, unless the context otherwise indicates:

- (a) ARP shall have the meaning set forth in Paragraph 23.03(a).
- (b) Baseline Landfill Conditions shall have the meaning set forth in Paragraph 24.10(a).
- (c) City shall have the meaning set forth in Paragraph 24.03(a).
- (d) Extended Cold Shutdown means the status of the Project whereby OUC at its own expense renders the plant inoperable, characterized by a nitrogen cap on the boiler to preserve the boiler tubes (or other similar preservative measures which must be reversed or eliminated for the Project to be placed into commercial operation). References in Section 23 to “**active operations**” of the Project refer to all times where the Project is not in Extended Cold Shutdown, unless permanently retired, decommissioned, and disposed of by OUC.
- (e) FMPA Project Interests means FMPA’s 14.8193% joint ownership interests in the Project and its related rights and obligations as set forth and provided for in this Agreement related to FMPA’s Stanton Project (one of FMPA’s six power supply projects), together with FMPA’s separate joint ownership interests in the Project through its All-Requirements Power Supply Project (a 6.5060% joint ownership interest) and FMPA’s Tri-City Project (a 5.3012% joint ownership interest), which are each subject to separate participation agreements that are substantially similar to this Agreement.
- (f) Joint Owner Interests means the FMPA Project Interests together with Kissimmee Utility Authority’s 4.819% ownership share in the Project and its related rights and obligations as set forth in that certain Participation Agreement between Orlando Utilities Commission and the City of Kissimmee for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project dated March 6, 1985, as amended.
- (g) FMPA Termination Date means January 1, 2026.
- (h) Interim Operating Agreement means that certain Interim Operating Agreement Under Participation Agreement between OUC and FMPA (Stanton

Project) for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated December 11, 2025.

- (i) LTL Funds shall have the meaning set forth in Paragraph 24.08.
- (j) O&M shall have the meaning set forth in Paragraph 23.03.
- (k) Ongoing Landfill Conditions shall have the meaning set forth in Paragraph 24.10(b).

~~(l)~~ OUC LTL Funds shall have the meaning set forth in Paragraph 24.08.

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~~(lm)~~ Regulatory Costs shall have the meaning set forth in Paragraph 23.08.

~~(mn)~~ Retained Retirement Obligations shall have the meaning set forth in Paragraph 24.09(c).

~~(no)~~ Retirement Disputes shall have the meaning set forth in Paragraph 23.14.

~~(op)~~ Return Fuel shall have the meaning set forth in Paragraph 23.11(a)(1)(B).

~~(pq)~~ SECU2 shall have the meaning set forth in Paragraph 23.07.

~~(qr)~~ SECU2 Owners shall have the meaning set forth in Paragraph 23.03(a).

~~(rs)~~ Shutdown Committee shall have the meaning set forth in Paragraph 23.13.

~~(st)~~ Termination Closing means the closing of the sale and reconveyance to OUC of FMPA's Ownership Share of the Project which will take place as soon as practicable, as mutually agreed between OUC and FMPA.

~~(tu)~~ Station Service means the electric energy consumed by the Project and that is used within the Project to power the lights, motors, control systems, auxiliary, and other electrical loads that are necessary for operation of the Project, including all periods of Extended Cold Shutdown and active operations.

~~(uv)~~ Verified Funds shall have the meaning set forth in Paragraph 24.08.

### 3. **Addition of New Section 23 (Extended Cold Shutdown)**

The following new Section 23 (Extended Cold Shutdown) is hereby inserted into the Participation Agreement following the existing Section 22:

#### SECTION 23. EXTENDED COLD SHUTDOWN

23.01 OUC Discretion. OUC may in its sole discretion, elect to place the Project into Extended Cold Shutdown. Any such election shall be made in writing to FMPA. Upon any such election, the following shall apply relative to the rights of each Party to the Agreement:

(a) OUC will be responsible for all costs to prepare for, place the Project in such Extended Cold Shutdown state, remove or take the Project out of Extended Cold Shutdown, and prepare for active operations of the Project after being put into or taken out of Extended Cold Shutdown, regardless of how many times the Project is put into, or taken out of, Extended Cold Shutdown (including taking the Project out of Extended Cold Shutdown for the retirement, decommissioning, and final disposition of the Project) by OUC.

(b) FMPA will waive any rights to receive a proportionate share of any future benefit OUC may derive from Extended Cold Shutdown, if any, including value of future generation output from the Project, nor will FMPA be required to take or pay for Project Output after FMPA Termination Date.

(c) Regardless of the actual date the Project begins initial Extended Cold Shutdown, FMPA and OUC, for purposes of FMPA's obligations under this Agreement, except as set forth in Section 24 and this Section 23, will treat the Project as permanently retired, decommissioned, and finally disposed of, as of FMPA Termination Date.

(d) FMPA will have no responsibility under this Agreement for any recurring costs and expenses, including Project Costs, that may be incurred by OUC during Extended Cold Shutdown, except for the Retained Retirement Obligations.

(e) FMPA will have no responsibility under this Agreement for costs to prepare for, begin, perpetuate (i.e., continue), end, or discontinue the status of the Project in Extended Cold Shutdown, except for the Retained Retirement Obligations.

(f) The parties recognize that OUC may in its discretion choose to partially or fully modify the operational configuration or operating parameters of the Project at any time on and after FMPA Termination Date. To the extent OUC exercises such option, the Parties agree that the cost allocation methodologies set forth in this Section 23 may require modification and, therefore, either OUC or FMPA may give notice to the other party of its desire to negotiate a re-evaluation of the cost sharing approach under this Section 23. Upon such notice as set forth in the previous sentence, the other Party shall use good faith, reasonable efforts to engage in such negotiations. If a new operational configuration or parameters of the Project by OUC are shown by either OUC or FMPA to impact the calculations

and assumptions underlying the cost allocation under this Section 23, then the Parties shall use good faith, reasonable efforts to negotiate and reach agreement on a re-allocation of costs, with the intent of the Parties that each be placed in the same risk and cost allocation position, or as nearly as is reasonably achievable, that the Parties had prior to the Project's re-configuration by OUC.

(g) All changes in law, policy, regulations, or interpretations after the Termination Closing date, including judicial rulings and executive action by the federal or state government, and any of the agencies or instrumentalities of the same, that have an impact of any kind on the Project generally, and specifically as to OUC's preparation for and placement of the Project into Extended Cold Shutdown, are the sole liability and responsibility of OUC unless applicable to FMPA's Retained Retirement Obligations, and shall have no impact whatsoever on the obligations and rights of the Parties pursuant to Sections 23 and 24 hereof.

23.02 Ongoing Fuel, Landfill, and Operation and Maintenance Costs. On and after FMPA Termination Date, FMPA will not incur any ongoing Project related costs for operation and maintenance or fuel expenses, including Fuel Costs and Variable Operating Costs, which would not be an obligation of FMPA if the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date, including those costs specifically related to maintaining equipment, maintaining and operating the landfill or providing or obtaining services to retain the option to return the Project to operational service.

23.03 Operating and Maintenance Costs for SEC Unit One-related Common Facilities. To the extent that FMPA is liable or otherwise responsible for ongoing operation and maintenance ("O&M") costs for Common Facilities, the Parties agree to allocate those costs as follows:

(a) During periods of Extended Cold Shutdown for the Project, all O&M costs for the Common Facilities will be the responsibility of "SECU2 Owners" (currently OUC, FMPA's Stanton II Project, and All-Requirements Power Supply Project (the "ARP")).

(b) During periods when the Project is in active operations, all O&M costs for Common Facilities will be split equally with 50% of such costs allocated to the Joint Owner Interests and 50% allocated among SECU2 Owners.

For the avoidance of doubt, the Common Facilities referred to in this Paragraph 23.03 shall be deemed to only include such Common Facilities as attributed or allocated to the Project immediately prior to FMPA Termination Date, and for which, on and after such FMPA Termination Date, FMPA would have continued to incur a portion of such O&M costs if and to the extent that the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date.

23.04 Labor, Contracting, and Consulting. On and after FMPA Termination Date, FMPA will not incur any labor, contractor, or consulting services expenses specifically related to sustaining or otherwise providing for the Project's operability and which would not be an obligation of FMPA if the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date.

23.05 Ongoing Capital. On and after FMPA Termination Date, any required capital or cash investment in equipment, new parts, spare parts, and parts inventory required solely to sustain the Project's operability will be the sole obligation and responsibility of OUC. As used in this Paragraph 23.05, "solely" includes the situation where equipment, or parts/spares inventory is acquired by OUC primarily for the continued operation of the Project but could incidentally be used to support Project operability or operations, and operations of other facilities at Stanton Energy Center where FMPA is not a co-owner.

23.06 Insurance. On and after FMPA Termination Date, FMPA shall not be responsible under this Agreement for both (i) insurance costs that would be unique from, or incremental to, costs for insurance that would have been incurred related to the permanent retirement, decommissioning, and disposition of the Project as of the FMPA Termination Date, and (ii) all insurance costs related to continued capability to operate the Project on and after FMPA Termination Date.

23.07 Station Service. FMPA shall not be responsible under this Agreement for any Station Service costs, as a part of the Variable Operating Costs or Fixed Operating Costs, for Station Service that is required solely for maintaining the Project in Extended Cold Shutdown or active operation on and after FMPA Termination Date, including Station Service used to operate pumps, motors, any equipment to preserve equipment associated for the Project's use or operation by OUC. To effect this Paragraph 23.07, a MWh/day determination of ongoing Station Service for the Project has been derived and agreed upon by the Parties. This Station Service determination, provided herein, is set forth for the sole purpose of providing for the daily consumption of MWh that the Project would be required to supply for all infrastructure on the Project, but which is required to support Stanton Energy Center Unit 2 ("SECU2") operations. This includes water treatment, coal delivery, coal reclamation, and other associated equipment needed for operation of SECU2 systems. Any Station Service for the Project that is over and above the amount set forth in this Paragraph 23.07 is hereby deemed to be the sole responsibility of OUC on and after FMPA Termination Date .

Station Service for the Project, which is required to support SECU2 operations is 205 MWh/day.

*23.08 Permits, Licenses, and Legal Costs. On and after FMPA Termination Date, FMPA shall not be responsible under this Agreement for any cost, nor bear any responsibility, related to permits, licenses or legal costs (collectively, “Regulatory Costs”) which would not be an obligation of FMPA if the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date. Likewise, FMPA shall not be responsible under this Agreement for any Regulatory Costs, that are solely associated with the continued operability of the Project or the Project’s Extended Cold Shutdown, or both, on and after FMPA Termination Date.*

*If, on or after FMPA Termination Date, the situation arises where Regulatory Costs are required for both the Project in Extended Cold Shutdown, or active operations, and operations of SECU2 facilities at Stanton Energy Center, there will be an allocation of 50% of such Regulatory Costs to OUC and 50% to SECU2 Owners.*

*23.09 Damage and Replacement of Project-Related Common Facilities. On and after FMPA Termination Date, FMPA shall not be responsible under this Agreement for any O&M, replacement or other costs or expenses associated with, arising out of, or related to damage or ordinary wear and tear to Project-related Common Facilities or SECU2-related Common Facilities which would not have been incurred but for the Project being placed in Extended Cold Shutdown by OUC or active operations of the Project by OUC on and after such FMPA Termination Date.*

*23.10 Common Facilities Capital Improvement Costs. On and after the FMPA Termination Date, the Project and SECU2 share certain assets that have been designated contractually as Common Facilities. FMPA and OUC have agreed that all Common Facilities, or the portion thereof, currently attributed or otherwise allocated to the Project, and that are required and useful to support future SECU2 operations, will be transferred at no additional cost from the Joint Owner Interests to OUC as of the FMPA Termination Date, as a part of the Termination Closing. FMPA’s only subsequent obligation to provide for a share of the cost or expense of such transferred Common Facilities, if any, is to pay only those costs which FMPA would have otherwise been obligated to pay if the Project had been permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date, or as otherwise provided in Paragraph 23.03.*

*The parties recognize that there may be a need for future investment in Common Facilities shared by the Project and SECU2 after FMPA Termination Date. To the extent that FMPA is liable or otherwise responsible for costs for future capital investment in Common Facilities on and after FMPA Termination Date, as set forth otherwise in this Paragraph 23.10, the Parties hereby agree to economically allocate such costs as follows:*

(a) Any project capital costs for a Common Facility that is less than two hundred fifty thousand dollars (\$250,000) at the time of project completion or commissioning (as applicable) will be the responsibility of SECU2 Owners.

(b) Any project capital costs for a Common Facility that is two hundred fifty thousand dollars (\$250,000) or greater at the time of project completion or commissioning (as applicable) will be assigned a mutually agreed useful life (based on industry best practices) and the total costs will have a linear annual cost allocation based on that useful life. For example: a \$500,000 project with a 5-year useful life, for purposes of cost responsibility only, will have costs allocated at \$100k per year.

Once the annual cost allocation has been derived, costs will be assigned annually to OUC for the Project and SECU2 Owners in arrears based on proration of the relative annual operating capacity factors of each unit. For example: If there was shown to be an annual capacity factor of 30% for the Project and an annual capacity factor 50% for SECU2, the cost responsibility split for the applicable Common Facility project cost would equal 37% for the Project (37% of total MWhs generated) and 63% for SECU2 (63% of total MWhs generated).

23.11 Allocation of Fuel and Parts Inventory. Prior to the FMPA Termination Date, the Project and SECU2 shared a common parts and Fuel (coal) inventory, the cost of which is allocated to the Project and SECU2 owners based on the ownership/utilization by each unit. However, the Parties have herein agreed to the following allocation of such resources on and after FMPA Termination Date:

(a) Coal Inventory. The parties agree that the existing shared coal inventory shall be allocated as of FMPA Termination Date based on the following methodology:

(1) On or before October 1, 2025, OUC will work with FMPA to develop a forecasted coal burn for the Project for the months of October 2025 through May 2026. The forecast will be based on best estimate of economic dispatch within Pool dispatch parameters, regardless of FMPA scheduling volumes.

(2) Beginning in October 2025, OUC will take the following steps to allocate responsibility for coal costs as follows:

(A) Prior to calendar year-end 2025, OUC will rebalance existing coal volumes and allocate to the Project the above-mentioned forecasted volume, rather than the usual 50-50 split between the Project and SECU2 prior to FMPA Termination Date.

(B) OUC will assign a mutually agreed tonnage of coal inventory specifically to OUC for future use by the Project when OUC transitions it to active operations from Extended Cold Shutdown (“Return Fuel”). Each time such Return Fuel is utilized by OUC, it will be replenished by OUC as soon as practical.

(C) Any coal deliveries and CSX charges that take place from October 2025 forward will all be billed and allocated to SECU2 unless and to the extent delivery is specifically designated by OUC for the Project, including replenishment by OUC of Return Fuel, in which case the cost will be allocated accordingly. As FMPA’s agent for SECU2, OUC shall ensure that accurate records are made and kept and orders for coal are properly designated pursuant hereto for the Project and SECU2.

To the extent that OUC is obligated by this Paragraph 23.11 to act prior to January 1, 2026, OUC hereby covenants and warrants to FMPA that to its knowledge, all such items have been completed, but to the extent that they have not, OUC will use or will have used good faith efforts to meet all such obligations.

(3) On the Termination Closing date, SECU2 Owners will take ownership of all remaining coal inventory of the Project, minus the Return Fuel. The inventory of coal that is transferred and sold pursuant to the previous sentence will be priced at the 10/1/2025 weighted average cost. The Joint Owner Interests will be compensated for their pro-rata share of this inventory via participant billing credit or other mutually agreeable approach between the Parties.

(4) If the Project needs additional coal for the specific period of time prior to Extended Cold Shutdown, for operation on and after FMPA Termination Date, OUC will buy such needed amount from SECU2 Owners, as mutually agreed, and priced at the weighted average cost at that time of purchase.

(5) OUC hereby agrees and covenants to the SECU2 Owners that if the Project is returned to active operations, and each time this occurs, after FMPA Termination Date, the following steps will be followed by OUC to ensure sufficient coal inventory for active operations of the Project and unrestricted operations of SECU2:

(A) If the Project consumes more coal than the inventory that has been purchase by OUC as provided for in Paragraph 23.11(a)(4), OUC shall be entitled to utilize SECU2

inventory; provided, however, that OUC will compensate SECU2 Owners at weighted average cost of coal at time of purchase/transfer; and

(B) OUC shall not to use SECU2 Owners' coal inventory in such a manner as to require coal conservation operation of SECU2. OUC will promptly replenish all SECU2 coal inventory so utilized to levels present prior to use by the Project, regardless of market pricing or other costs, within 120 days of the date first utilized for the Project.

(6) OUC hereby acknowledges and agrees that if the Ownership Share of FMPA's ARP and Stanton II Project for SECU2 is dispatched, but not all of the related Output is delivered and taken by FMPA due to its scheduling of output pursuant to section 12 of the applicable participation agreement, OUC must compensate FMPA's ARP and Stanton II Project for the coal utilized based on weighted average price of coal.

(b) Parts Inventory. If there is any remaining FMPA ownership interest in parts and other inventory allocated to the Project on the FMPA Termination Date, these assets will be transferred by FMPA to OUC at no cost at Termination Closing. OUC will pay all ongoing holding charges for such inventory on and after Termination Closing. If, on and after Termination Closing, a part is removed from the Project's inventory for use in SECU2, SECU2 Owners will be charged for the relevant part at cost.

23.12 Limited Audit Rights for SEC Unit One. FMPA retains all audit rights otherwise provided for in this Agreement for the Project after FMPA Termination Date, including while unit is in Extended Cold Shutdown, active operations, or transitioning from one state to the other, to the extent necessary to verify all costs billed to FMPA after the FMPA Termination Date.

23.13 Shutdown Committee. Pursuant to Paragraph 10.10 hereof, the Project Committee is tasked with reviewing and identifying the details of the ultimate disposition of the Project, which the Parties hereby agree has, in part, been accomplished in this Section 23 and Section 24. Additionally, the Parties hereby agree to provide for the work of the Project Committee, howsoever named as further provided in this Paragraph 23.13, as follows: (i) prior to FMPA Termination Date, FMPA and OUC will elect two members each to participate in a standing "**Shutdown Committee**," which for purposes of actions and decisions made pursuant to this Section 23 and Section 24, shall be and constitute the Project Committee provided for in Section 10. Any conflict between Section 10 and this Paragraph 23.13 shall be resolved in favor of the terms of this Paragraph 23.13 and Sections 23 and 24, while giving effect to the

last sentence of this Paragraph 23.13. (ii) The Shutdown Committee will hold and participate in regular meetings, not less than every calendar quarter, after the Termination Closing, to jointly develop the process for assigning and transferring retained ownership of the Common Equipment and Facilities between the Project and SECUC2; determining all retirement costs for the Project, and determining the allocation of cost responsibilities to all Joint Owner Interests (to the extent not set out herein); and all other matters assigned to the Shutdown Committee by Sections 23 and 24 hereof for the retirement of the Project. Nothing in this Paragraph 23.13 abrogates or diminishes rights that FMPPA has as to the Project Committee as otherwise set forth in this Agreement.

23.14 Dispute Resolution. The Parties hereby acknowledge there may be any number of costs and expenses related to the Project on and after FMPPA Termination Date that “could” or “may” relate to the continued operation of the Project in the future, or its status of being in Extended Cold Shutdown or active operations, while, arguably, also appropriately incurred by OUC for the Project as if OUC had permanently retired, decommissioned, and ultimately disposed of the Project as of FMPPA Termination Date (collectively, or individually, “Retirement Disputes”). For purposes of example only: fencing repair, replacement, and other passive security costs on and after FMPPA Termination Date. OUC and FMPPA desire to hereby agree to an approach to address any disagreement they may face in the future over how to allocate such costs.

Utilizing the dispute resolution process provided for in Section 17, including the role of the Shutdown Committee, the following principle will be adhered to by the Parties, and the Parties hereby desire to bind any third-party decision maker on Retirement Disputes to also so adhere:

(a) for Retirement Disputes over any costs, the incremental costs over and above those which FMPPA would be required to pay had OUC permanently retired, decommissioned, and disposed of the Project as of FMPPA Termination Date; and

(b) where such incremental costs are attributable to the continued availability of the Project to OUC on and after FMPPA Termination Date, or the Project’s status in Extended Cold Shutdown, active operations, or transitioning from or to Extended Cold Shutdown;

then such incremental costs will be presumptively costs for which FMPPA is no longer responsible or liable, unless OUC can overcome such presumption with evidence of a definitive need to have incurred such costs related to its permanent retirement, decommissioning, and disposition of the Project as of FMPPA Termination Date; provided, however, that costs that result in a de minimis benefit (for purposes of this

Paragraph 23.14, 5% or less of such total costs) to the ongoing operation of the Project after FMPA Termination Date will not meet such presumption.

23.15 Accounting Treatment. The Parties recognize that the accounting for cost allocation among the Joint Owner Interests and OUC on and after FMPA Termination Date will need to properly account for all costs that are or are to be allocated under Sections 23 and 24 hereof. Such accounting approach and OUC bookkeeping will be based on industry practices that will both properly allocate costs for periods when the Project is in Extended Cold Shutdown and when in active operations on and after the FMPA Termination Date.

4. **Addition of New Section 24 (Termination Closing)**

The following new Section 24 (Termination Closing) is hereby inserted into the Participation Agreement following the new Section 23 (Extended Cold Shutdown):

*SECTION 24 TERMINATION CLOSING*

24.01 FMPA Termination. As the FMPA Termination Date, FMPA's undivided Ownership Share of the Project is reduced to 0% so that FMPA shall no longer be responsible nor liable for paying Project Costs incurred on or after such date, except as set forth in Section 23, and FMPA shall no longer take and receive the Project Output. On and after the FMPA Termination Date, OUC shall no longer have an obligation to provide any of the Output of the Project to FMPA, and FMPA shall no longer have the responsibility or liability for its Ownership Share of the Output of the Project; provided, however, that FMPA shall remain liable to OUC for those costs and expenses of the Project as expressly set forth in Section 23 and Section 24, hereof, and, provided, further, that OUC's designation and authorization to act as FMPA's agent pursuant to Paragraph 4.07 is limited to only those actions of OUC required of it to comply with Section 23 and Section 24, and it otherwise terminated and no longer of any legal effect or consequence on the FMPA Termination Date. It is the intent of the Parties that the Termination Closing shall be effective as of the FMPA Termination Date.

23.02 Interim Arrangements. The Parties hereby agree that the Termination Closing will occur after the FMPA Termination Date, but it will, nevertheless, be effective as of January 1, 2026, the operational and other details of which are set forth in the Interim Operating Agreement.

24.03 Reconveyance of Property and Easement Interests. The Parties shall proceed to Termination Closing before the termination of the Interim Operating Agreement if possible. The following shall take place on the Termination Closing date:

(a) At and as of the Termination Closing, FMPA will sell and reconvey to OUC, and OUC will purchase and reacquire from FMPA, the 14.8193% undivided

Ownership Share in the Project originally conveyed to FMPA in 1984. As used in this Paragraph 24.03, "OUC" refers both to OUC and to the City of Orlando, Florida (the "City"), and to the extent that the original conveyance to FMPA of its Project interests came from OUC or the City, or both, the reconveyance by FMPA will be to the interests of OUC or the City, or both, as directed by OUC. This sale and reconveyance from FMPA to OUC includes all improvements acquired, constructed, installed or stored in connection with the Project, and all property acquired, constructed, installed or stored in connection with the construction and operation of the Project.

(b) The sale and reconveyance of FMPA's interests in the SEC Unit One Site and other real property related to the Project and the conveyances of tangible personal property at the Termination Closing will be by General Warranty Deed and Bill of Sale in substantially the form attached hereto as Exhibit AA. The assignment of contract rights and permits, if any, will be in substantially the form attached hereto as Exhibit BB. ~~[NOTE: NEED TO DETERMINE IF THERE ARE ANY CONTRACT INTERESTS TO ASSIGN.]~~ FMPA shall also furnish to OUC evidence satisfactory to OUC that FMPA has done nothing to permit or tolerate any lien, charge, or other encumbrance to all real property to be sold and reconveyed to OUC, except as permitted, tolerated, or otherwise known to OUC. The evidence of title to real property shall be furnished in accordance with the further provisions of this Agreement. OUC shall rely on the warranties of title in the General Warranty Deed and Bill of Sale as evidence of title to all personal property.

(c) Simultaneously with the Termination Closing, FMPA shall reconvey or convey and transfer to OUC all easements over the Stanton Energy Center Site for ingress and egress to the Project and ingress and egress to the Common Facilities and the External Facilities for the purposes of the Project only. ~~[NOTE: ADD FORMS FOR TRANSFER OF EASEMENTS -- Exhibit DD?]~~

24.04 Inventory Determination and Purchase Price for Reconveyance. At the Termination Closing, and notwithstanding Paragraph 20.03, OUC shall pay to FMPA for the property purchased and re-acquired by OUC pursuant to Paragraph 24.02, the sum of \$1,000 plus \$100 for the price of all separate easements also reconveyed or conveyed and transferred to OUC pursuant thereto.

24.05 "AS IS" and "WHERE IS" Condition for Termination Closing. FMPA's undivided ownership interest in the Project is to be transferred or reconveyed at the Termination Closing by FMPA to OUC "AS IS" and "WHERE IS." FMPA makes no representation or warranty whatsoever, expressed, implied or statutory, as to the value, quantity, quality, condition, saleability, obsolescence, merchantability, design, engineering, construction, fitness or suitability for use or working order of all or any part of the Project, wherever situated and in whatever state of development, design, engineering, manufacture or construction, except those representations and warranties included expressly in this Section 24, if any, and in the Warranty Deed and Bill of Sale set forth in Exhibit AA hereto, nor does FMPA represent or warrant that the use or operation of the

Project will not violate patent, trademark or servicemark rights of any third parties. OUC is willing to purchase and reacquire FMPA's interest in the Project in accordance with the terms and conditions of this paragraph.

24.06 Deliveries at Termination Closing. Subject to the terms and conditions of this Section 24 and Section 23, the consummation of the sale and reconveyance by FMPA, and the purchase and reacquisition by OUC, of the interests of FMPA in the Project provided for in this Section 24 shall take place remotely by exchange of documents and signatures via overnight courier or electronic transmission. At or prior to the Termination Closing, FMPA shall deliver, or cause to be delivered, the following items to OUC:

(a) with respect to all real property interests to be conveyed pursuant hereto, a ~~Special~~General Warranty Deed, in substantially the form attached hereto as Exhibit AA, duly executed and notarized by FMPA, for recording in the official records of Orange County, Florida;

(b) the Bill of Sale, in substantially the form attached hereto as Exhibit AA, duly executed by FMPA;

(bc) assignments of permits and contract rights in substantially the form attached hereto as Exhibit BB; ~~and {CONFIRM NEED FOR THIS.}~~

(ed) such other or different records, documents, instruments, or things, including modification of clauses (a) through (c) of this Paragraph 24.06, as determined necessary or appropriate by mutual agreement of the Parties~~{LIST OTHER FMPA CLOSING DELIVERABLES}~~.

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At or prior to the Termination Closing, OUC shall deliver, or cause to be delivered, the following items to FMPA:

(aa) the sum provided in Paragraph 24.04;

(bb) the coal payment pursuant to Paragraph 23.11(a)(3);

(cc) the Bill of Sale, in substantially the form attached hereto as Exhibit AA, duly executed by OUC; and

(dd) such other or different records, documents, instruments, or things, including modification of clauses (aa) through (cc) of this Paragraph 24.06, as determined necessary or appropriate by mutual agreement of the Parties~~{LIST OTHER OUC CLOSING DELIVERABLES}~~.

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For those items listed in this Paragraph 24.06 that are delivered by a Party prior to the Termination Closing, legal counsel for the other Party shall hold such deliverable in escrow, until all deliverables set forth herein are received and acknowledged by legal counsel for both Parties, and the Parties direct their mutual agreement to consummate the Termination Closing.

24.07 Future Conveyances. From time to time after the Termination Closing, OUC and FMPA shall each duly approve, execute, and deliver such other instruments of conveyance and transfer as may be necessary or appropriate, or as either Party may reasonably request, to fully vest in OUC the reconveyance of FMPA's prior undivided Ownership Interest in and to the Project and the other interests required to be sold and conveyed to OUC pursuant to this Section.

24.08 Long-Term Liability Funds. FMPA's Stanton Project that holds the Ownership Share interest in the Project has, over time, collected funds through its rates charged to FMPA Participating Members that are now held in a combination of (a) dedicated Project reserves, (b) general reserves, (c) renewal and replacement funds, and (d) other similar accounts, which are in excess of the amounts required by FMPA to pay OUC for all Project Costs properly due to OUC from FMPA for the Project prior to January 1, 2026 (collectively, the "**Stanton LTL Funds**"). Additionally, FMPA holds additional funds, in excess of its obligations owed to OUC for the Tri-City Project's ownership share in SECU2 prior to January 1, 2026 (the "**Tri-City LTL Funds**"), and additional funds, in excess of its obligations owed to OUC for the All-Requirements Power Supply Project's ownership share in SECU2 prior to January 1, 2026 (the "**ARP LTL Funds**," together with the Stanton LTL Funds and the Tri-City LTL Funds, collectively, the "**LTL Funds**"). ~~The Stanton LTL Funds as of the date of this Amendment No. 5 total approximately [\$20.1] million of Project dedicated funds and [\$112.4] million in the total LTL Funds.~~ Given the current estimates and timing for ultimate decommissioning efforts and the FMPA Retained Retirement Obligations (as defined below) for the Project, FMPA will be solely responsible to determine that FMPA's projects are holding reasonably sufficient funds to meet all of FMPA's Retained Retirement Obligations as set forth in this Section 24, based upon municipal electric utility or other independent electric industry-standard practices and information available. FMPA hereby covenants that between the Stanton Project, Tri-City Project, and All-Requirements Power Supply Project it will have access to no less than \$19 million in LTL Funds, for all FMPA and Kissimmee Utility Authority Retained Retirement Obligations under this Agreement and the other participation agreements governing the Joint Ownership Interests, at the beginning of each FMPA fiscal year to pay and otherwise meet FMPA's obligations hereunder for the Retained Retirement Obligations. Beginning on December 31, 2027, and by each December 31 thereafter for so long as FMPA's Retained Retirement Obligations remain outstanding, FMPA will certify by letter from its CFO to OUC's CFO that it has on hand LTL Funds of a total amount of at least \$19 million to address its Retained Retirement Obligations described in Paragraph 24.09(a) as of the previous October 1 Beginning on October 1, 2027, and each October 1 thereafter for so long as

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FMPA's Retained Retirement Obligations remain outstanding, FMPA will certify to OUC in writing that it has on hand LTL Funds of a total amount of at least \$19 million to address its Retained Retirement Obligations described in Paragraph 24.09(a) as of the same October 1; provided, however, that FMPA may within its discretion determine which of its power supply projects hold such LTL Funds and in what proportion. If upon any October 1, FMPA does not have LTL Funds that are at least equal to \$19 million, FMPA shall certify the total amount of LTL Funds that FMPA has on hand, provide a written explanation for the shortfall between that amount and the heretofore required \$19 million amount, and use reasonable efforts to increase its total LTL Funds to the required amount of \$19 million by the following October 1. During this period of FMPA using reasonable efforts to increase its total LTL Funds, OUC may require inquire from FMPA and FMPA shall provide requested information to OUC of the progress that FMPA is making in achieving the required amount of \$19 million, and FMPA shall notify OUC when FMPA reaches the required amount of \$19 million. Regardless of the actual balance of such LTL Funds on hand at any time, and from time to time, FMPA is obligated to meet its obligations under this Agreement, including without limitation FMPA's obligations with regard to Retained Retirement Obligations as described in Paragraph 24.09(a) from those LTL Funds and revenues received from invoices to FMPA Participating Members who have an obligation to pay all Stanton Project invoices from FMPA, including certain step-up obligations and a rate covenant in support thereof, for all costs related to the Project. The LTL Funds that FMPA has on hand under the terms of this Agreement shall not act as a limitation or cap nor shall it otherwise define FMPA's share of any costs for Retained Liability under this Agreement.

Beginning on December 31, 2027, and by each December 31 thereafter for so long as OUC's obligations pursuant to this Agreement remain outstanding, OUC will certify by letter from OUC's CFO to FMPA's CFO in writing that it has on hand unrestricted funds, including reserves (collectively, "OUC LTL Funds") of a total amount of at least \$41.4 million to address its obligations hereunder as of the previous October 1. If upon any October 1, OUC does not have OUC LTL Funds that are at least equal to \$41.4 million, OUC shall certify the total amount of OUC LTL Funds that OUC has on hand, provide a written explanation for the shortfall between that amount and the heretofore required \$41.4 million amount, and use reasonable efforts to increase its total OUC LTL Funds to the required amount of \$41.4 million by the following October 1. During this period of OUC using reasonable efforts to increase its total OUC LTL Funds, FMPA may require inquire from OUC and OUC shall provide requested information to FMPA of the progress that OUC is making in achieving the required amount of \$41.4 million, and OUC shall notify FMPA when OUC reaches the required amount of \$41.4 million. Regardless of the actual balance of such OUC LTL Funds on hand at any time, and from time to time, OUC is obligated to meet its obligations under this Agreement. The OUC LTL Funds that OUC has on hand under the terms of this Agreement shall not act as a limitation or cap nor shall it otherwise define OUC's share of any costs for ongoing liability under this Agreement.

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At any time after Termination Closing, OUC may request a review of the LTL Funds held by FMPA to meet the FMPA Retained Retirement Obligations in subparagraphs (a)-(d) above. The Parties hereby agree and acknowledge that such LTL Funds are for payment of FMPA's Retained Retirement Obligations only and do not constitute rents, rate, or other charges charged to, and collected from, the FMPA Participating Members for electric power and energy from the Project. Upon any such request by OUC to review the LTL Funds, the Parties may mutually agree that the Stanton LTL funds are reasonably sufficient for a permanent retirement decommissioning and coverage of the FMPA Retained Retirement Obligations ("**Verified Funds**"); provided, however, that the Parties hereby agree and acknowledge that the amount of the Verified Funds may be less than all LTL Funds held by FMPA. If such a determination is made and the amount of the Verified Funds are agreed to by the Parties, FMPA will transfer the amount of such Verified Funds to OUC, as mutually agreed, and FMPA will not, thereafter, be obligated or liable to OUC for any FMPA Retained Retirement Obligations, regardless of OUC's actual costs for the Project (including third party claims related to the FMPA Retained Retirement Obligations); the actual costs of permanent retirement and decommissioning of the Project; and OUC's ultimate operating, decommissioning, or retirement decisions and all related costs for the Project.

24.09 FMPA Retained Retirement Obligations and Liabilities. The Parties hereby agree that after the FMPA Termination Date, FMPA's obligations hereunder to contribute to, or reimburse OUC for, the cost of retirement, decommissioning, and final disposition of the Project is deemed by both Parties to be equal to FMPA's rights hereunder to be credited or paid for its due share of the net salvage value of the Project. Therefore, FMPA hereby waives and discharges all claims against OUC in the future for any net salvage value credits or payment for the Project, and hereby releases to the account and benefit of OUC any and all net salvage value credits or payment that FMPA would have otherwise been entitled to pursuant to Paragraph 20.02. In return, and except as set forth below, OUC hereby waives and discharges all claims against FMPA in the future for all retirement, all decommissioning, and all final disposition costs of the Project and releases FMPA from all retirement, all decommissioning, and all final disposition costs related to the Project that would have otherwise been the obligation of FMPA pursuant to Paragraph 20.02.

Notwithstanding the foregoing in this Paragraph 24.09, FMPA retains its retirement, decommissioning, and final disposition cost obligations related to the Project only for the following FMPA Retained Retirement Costs, which shall constitute Capital Additions Costs, payable in accordance with Paragraph 6.04:

- (a) Costs associated with ongoing landfill requirements, but only as such landfill requirements relate to the Project prior to the Termination Closing, which otherwise would have been incurred by FMPA if the Project had been

permanently retired, decommissioned, and disposed of as of the FMPA Termination Date.

(b) Environmental compliance costs associated with the Project after the FMPA Termination Date, which otherwise would have been incurred by FMPA if the Project had been permanently retired, decommissioned, and disposed of as of the FMPA Termination Date; and

(c) Safety and security related costs for the SEC Unit One Site after the FMPA Termination Date, which otherwise would have been incurred by FMPA if the Project had been permanently retired, decommissioned, and disposed of as of the FMPA Termination Date (collectively, Paragraph 24.09(a), (b), and (c), being the “**Retained Retirement Obligations**”).

24.10 Determination of Allocated Pre- and Post-Termination Closing Liabilities.

The Shutdown Committee shall perform the following activities in order to facilitate and determine the allocation of liabilities between the parties pre- and post- Termination Closing, for costs described in Paragraph 24.09(a). **NOTE THAT THIS PARAGRAPH 24.10 MAY STILL NEED DISCUSSION.**

(a) The Shutdown Committee shall initiate a general assessment of the baseline condition of the Project landfills as of (or as near as possible) to the FMPA Termination Date and shall cause a report on the same to be prepared and approved by the Shutdown Committee, which shall be deemed to be Schedule 1 hereto, and a material part of this Agreement (“**Baseline Landfill Conditions**”). The Baseline Landfill Condition shall be established and determined by the Shutdown Committee on the basis of: (1) topographical surveys of both landfills to ascertain the remaining capacity; (2) the approximate location of existing monitoring wells and any additional monitoring wells as required by permit; and (3) the projected operational and maintenance costs assuming the Baseline Landfill Condition over time without changes associated with OUC’s continued operation of the Unit. The Shutdown Committee shall initiate a general assessment of the condition, percentage of capacity, and operational costs of the Project landfills as of the FMPA Termination Date and shall cause a report on the same to be prepared and approved by the Shutdown Committee, which shall be deemed to be Schedule 1 hereto, and a material part of this Agreement (“**Baseline Landfill Conditions**”).

(b) The Shutdown Committee will agree on a cost allocation methodology for the Baseline Landfill Conditions as well as future costs associated with the Project landfills as a result of the Project’s status of being in Extended Cold Shutdown or active operations (“**Ongoing Landfill Conditions**”) based on the principles set forth in (c) below.

(c) OUC and FMPA agree that allocation of Project landfill costs and liabilities shall be determined based on whether any such costs and liabilities were a part of the Baseline Landfill Conditions or whether they arose after the FMPA Termination Date.

(1) FMPA and OUC will share, based on their Ownership Shares of the Project prior to the FMPA Termination Date, all Baseline Landfill Conditions. The parties may agree on a payment methodology whereby FMPA is billed on an ongoing basis for such costs.

(2) OUC will bear any costs and liability to the extent attributable or related to all Ongoing Landfill Conditions.

5. **Amendment to Section 20, Retirement or Abandonment of Project**

A new Section 20.4 shall be added which reads as follows:

20.4 **Post-FMPA Termination Date Indemnity and Waiver**

*OUC does hereby covenant and agree to indemnify, defend, and hold harmless FMPA, its officers, directors, agents and employees, harmless from and against any and all claims, suits, judgment, damages, losses and expenses (including reasonable attorneys' fees and costs) or demands, including demands arising from injuries or death of third parties, to the extent attributed to or arising out of any negligent acts, errors, omissions or misconduct of OUC and OUC's employees relating to operation of the Project after the FMPA Termination Date, including all Ongoing Landfill Conditions.*

*OUC hereby waives all claims and rights to assert a claim against FMPA for any costs of the Project arising after the FMPA Termination Date, unless expressly provided for in Sections 23 and 24.*

6. **Renumbering of Section 23 (Execution of Agreement)**

Current Section 23 (Execution of Agreement) of the Participation Agreement is hereby amended by renumbering it to be Section 25.

7. **Remaining Terms Unchanged**

Except as modified in this Amendment, all other terms and conditions of the Participation Agreement remain unchanged.

8. **Counterparts**

This Amendment may be executed in any number of counterparts, and signature pages exchanged by facsimile, and each counterpart shall be regarded for all purposes as an original, and such counterparts shall constitute, but one and the same instrument, it being understood that both Parties need not sign the same counterpart. The signature page of any counterpart, and facsimiles and photocopies thereof, may be appended to any other counterpart and when so appended shall constitute an original. In the event that any signature is delivered by facsimile transmission or by facsimile signature, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the Amendment with the same force and effect as if such facsimile signature page were an original thereof.

*[Signature Page Follows]*

The Parties are signing this Amendment as of the date stated in the introductory clause.

Approved as to form and legality  
OUC Legal Department

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

ORLANDO UTILITIES COMMISSION

By: \_\_\_\_\_  
Clint Bullock  
General Manager and CEO

FLORIDA MUNICIPAL POWER AGENCY  
(STANTON PROJECT)

By: \_\_\_\_\_  
Jacob A. Williams  
General Manager and CEO

*[Signature Page to Amendment No. 5 to the Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency (Stanton Project) for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated as of January 1, 2026]*

Exhibit AA

SPECIAL WARRANTY DEED AND BILL OF SALE

[To Come]

Exhibit BB

ASSIGNMENT OF PERMITS AND CONTRACTS

[To Come]

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**AMENDMENT NO. 5  
TO THE  
PARTICIPATION AGREEMENT BETWEEN  
ORLANDO UTILITIES COMMISSION,  
AND  
FLORIDA MUNICIPAL POWER AGENCY (STANTON PROJECT)  
FOR THE JOINT OWNERSHIP OF  
CURTIS H. STANTON ENERGY CENTER UNIT ONE  
GENERATION PROJECT**

This Amendment No. 5 to the Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated January 16, 1984 (this “**Amendment**”), is dated as of January 1, 2026, and is made by and between the ORLANDO UTILITIES COMMISSION, a statutory utilities commission organized and existing under the laws of the State of Florida (“**OUC**”) and FLORIDA MUNICIPAL POWER AGENCY (STANTON PROJECT), a separate governmental legal entity created and existing pursuant to Florida law (“**FMPA**”).

RECITALS

A. OUC and FMPA previously entered into the Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated January 16, 1984, as previously amended (the “**Participation Agreement**”) in order to jointly develop, own and operate a nominal 415 MW coal fired power plant at the OUC Curtis H. Stanton Energy Center in Orlando, Florida (“**Unit 1**” or “**Project**”).

B. FMPA’s 14.8193% joint ownership interests in the Project and its related rights and obligations set forth in the Participation Agreement are related to FMPA’s Stanton Project, one of FMPA’s six power supply projects. FMPA also has separate joint ownership interests in Unit 1 through its All-Requirements Power Supply Project (a 6.5060% joint ownership interest) and its Tri-City Project (a 5.3012% joint ownership interest), which are each subject to separate participation agreements that are substantially similar to the Participation Agreement (collectively, the “**FMPA Project Interests**”). Additionally, OUC and Kissimmee Utility Authority (“**KUA**,” as successor in interest to the City of Kissimmee, Florida) are parties to the Participation Agreement between Orlando Utilities Commission and the City of Kissimmee for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project dated March 6, 1985, as amended, for KUA’s 4.819% joint ownership interests in the Project (together with the FMPA Project Interests, the “**Joint Owner Interests**”).

C. Pursuant to OUC’s letter to FMPA, dated September 29, 2021, OUC officially gave notice to FMPA of its intent to retire Unit 1, while deferring on the determination of a specific retirement date. In response, on or about September 1, 2023, FMPA provided notice that it wished to terminate its participation as a co-owner in Unit 1 in the event that OUC did not

proceed with such retirement by the end of 2025. Subsequently, OUC has communicated to FMPA its intent not to retire, decommission, and dismantle Unit 1 in the manner contemplated in the Participation Agreement, but instead, to place it in Extended Cold Shutdown (as defined herein).

D. The Participation Agreement does not address either the voluntary termination by FMPA of its ownership interest nor the approach by OUC of placing Unit 1 in Extended Cold Shutdown, and both are addressed in this Amendment No. 5. As such, OUC and FMPA desire to agree on the terms needed to address operational considerations for Unit 1 during Extended Cold Shutdown as well as defining the obligations of both OUC and FMPA after any such transition of Unit 1 to Extended Cold Shutdown.

E. OUC and FMPA have herein agreed on terms and conditions which will address the Extended Cold Shutdown scenario and wish to amend the Participation Agreement as set forth in this Amendment No. 5, to memorialize such agreed terms of Extended Cold Shutdown of Unit 1 and effect a termination of FMPA's joint ownership interest in the Project.

F. Prior to entering into this Amendment, the Parties have agreed to an Interim Operating Agreement Under Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency (Stanton Project) for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, entered into as of December 11, 2025 (the "**Interim Operating Agreement**"), which provided for certain agreements of the Parties regarding operation of the Project from January 1, 2026 until the effectiveness of this Amendment or until the Interim Operating Agreement expires (whichever first occurs), and which is desired by the Parties to provide for the continuous and consistent contractual relationship of the Parties during that period, without contractual gaps. It is the intent of the Parties that this Amendment supersede and replace the Interim Operating Agreement from the date of the Termination Closing (as defined in Paragraph 1.44, as set forth in this Amendment), and afterwards.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein, and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledges, OUC and FMPA intend to be legally bound hereby, and agree as follows:

1. **Recitals; Defined Terms**

The recitals set forth above are true and correct as of the date of this Amendment and are incorporated into this Amendment as a material part hereof by this reference. Capitalized terms used in this Amendment, unless another definition is expressly provided herein, has the meaning ascribed to them in the Participation Agreement.

2. **Amendment to Section 1 (Definitions)**

Section 1 (Definitions) of the Participation Agreement is hereby amended by adding the following paragraphs:

1.44 Sections 23 and 24 Defined Terms. *In addition to the preceding terms in this Section, the following terms, when used in Sections 23 and 24 hereof, and the Exhibits referenced therein shall have the following meanings, unless the context otherwise indicates:*

- (a) ARP shall have the meaning set forth in Paragraph 23.03(a).
- (b) Baseline Landfill Conditions shall have the meaning set forth in Paragraph 24.10(a).
- (c) City shall have the meaning set forth in Paragraph 24.03(a).
- (d) Extended Cold Shutdown means the status of the Project whereby OUC at its own expense renders the plant inoperable, characterized by a nitrogen cap on the boiler to preserve the boiler tubes (or other similar preservative measures which must be reversed or eliminated for the Project to be placed into commercial operation). References in Section 23 to “**active operations**” of the Project refer to all times where the Project is not in Extended Cold Shutdown, unless permanently retired, decommissioned, and disposed of by OUC.
- (e) FMPA Project Interests means FMPA’s 14.8193% joint ownership interests in the Project and its related rights and obligations as set forth and provided for in this Agreement related to FMPA’s Stanton Project (one of FMPA’s six power supply projects), together with FMPA’s separate joint ownership interests in the Project through its All-Requirements Power Supply Project (a 6.5060% joint ownership interest) and FMPA’s Tri-City Project (a 5.3012% joint ownership interest), which are each subject to separate participation agreements that are substantially similar to this Agreement.
- (f) Joint Owner Interests means the FMPA Project Interests together with Kissimmee Utility Authority’s 4.819% ownership share in the Project and its related rights and obligations as set forth in that certain Participation Agreement between Orlando Utilities Commission and the City of Kissimmee for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project dated March 6, 1985, as amended.
- (g) FMPA Termination Date means January 1, 2026.

- (h) Interim Operating Agreement means that certain Interim Operating Agreement Under Participation Agreement between OUC and FMPA (Stanton Project) for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated December 11, 2025.
- (i) LTL Funds shall have the meaning set forth in Paragraph 24.08.
- (j) O&M shall have the meaning set forth in Paragraph 23.03.
- (k) Ongoing Landfill Conditions shall have the meaning set forth in Paragraph 24.10(b).
- (l) OUC LTL Funds shall have the meaning set forth in Paragraph 24.08.
- (m) Regulatory Costs shall have the meaning set forth in Paragraph 23.08.
- (n) Retained Retirement Obligations shall have the meaning set forth in Paragraph 24.09(c).
- (o) Retirement Disputes shall have the meaning set forth in Paragraph 23.14.
- (p) Return Fuel shall have the meaning set forth in Paragraph 23.11(a)(1)(B).
- (q) SECU2 shall have the meaning set forth in Paragraph 23.07.
- (r) SECU2 Owners shall have the meaning set forth in Paragraph 23.03(a).
- (s) Shutdown Committee shall have the meaning set forth in Paragraph 23.13.
- (t) Termination Closing means the closing of the sale and reconveyance to OUC of FMPA's Ownership Share of the Project which will take place as soon as practicable, as mutually agreed between OUC and FMPA.
- (u) Station Service means the electric energy consumed by the Project and that is used within the Project to power the lights, motors, control systems, auxiliary, and other electrical loads that are necessary for operation of the Project, including all periods of Extended Cold Shutdown and active operations.
- (v) Verified Funds shall have the meaning set forth in Paragraph 24.08.

3. **Addition of New Section 23 (Extended Cold Shutdown)**

The following new Section 23 (Extended Cold Shutdown) is hereby inserted into the Participation Agreement following the existing Section 22:

## SECTION 23. EXTENDED COLD SHUTDOWN

23.01 OUC Discretion. OUC may in its sole discretion, elect to place the Project into Extended Cold Shutdown. Any such election shall be made in writing to FMPA. Upon any such election, the following shall apply relative to the rights of each Party to the Agreement:

(a) OUC will be responsible for all costs to prepare for, place the Project in such Extended Cold Shutdown state, remove or take the Project out of Extended Cold Shutdown, and prepare for active operations of the Project after being put into or taken out of Extended Cold Shutdown, regardless of how many times the Project is put into, or taken out of, Extended Cold Shutdown (including taking the Project out of Extended Cold Shutdown for the retirement, decommissioning, and final disposition of the Project) by OUC.

(b) FMPA will waive any rights to receive a proportionate share of any future benefit OUC may derive from Extended Cold Shutdown, if any, including value of future generation output from the Project, nor will FMPA be required to take or pay for Project Output after FMPA Termination Date.

(c) Regardless of the actual date the Project begins initial Extended Cold Shutdown, FMPA and OUC, for purposes of FMPA's obligations under this Agreement, except as set forth in Section 24 and this Section 23, will treat the Project as permanently retired, decommissioned, and finally disposed of, as of FMPA Termination Date.

(d) FMPA will have no responsibility under this Agreement for any recurring costs and expenses, including Project Costs, that may be incurred by OUC during Extended Cold Shutdown, except for the Retained Retirement Obligations.

(e) FMPA will have no responsibility under this Agreement for costs to prepare for, begin, perpetuate (i.e., continue), end, or discontinue the status of the Project in Extended Cold Shutdown, except for the Retained Retirement Obligations.

(f) The parties recognize that OUC may in its discretion choose to partially or fully modify the operational configuration or operating parameters of the Project at any time on and after FMPA Termination Date. To the extent OUC exercises such option, the Parties agree that the cost allocation methodologies set forth in this Section 23 may require modification and, therefore, either OUC or FMPA may give notice to the other party of its desire to negotiate a re-evaluation of the cost sharing approach under this Section 23. Upon such notice as set forth in the previous sentence, the other Party shall use good faith, reasonable efforts to engage in such negotiations. If a new operational configuration or parameters of

the Project by OUC are shown by either OUC or FMPA to impact the calculations and assumptions underlying the cost allocation under this Section 23, then the Parties shall use good faith, reasonable efforts to negotiate and reach agreement on a re-allocation of costs, with the intent of the Parties that each be placed in the same risk and cost allocation position, or as nearly as is reasonably achievable, that the Parties had prior to the Project's re-configuration by OUC.

(g) All changes in law, policy, regulations, or interpretations after the Termination Closing date, including judicial rulings and executive action by the federal or state government, and any of the agencies or instrumentalities of the same, that have an impact of any kind on the Project generally, and specifically as to OUC's preparation for and placement of the Project into Extended Cold Shutdown, are the sole liability and responsibility of OUC unless applicable to FMPA's Retained Retirement Obligations, and shall have no impact whatsoever on the obligations and rights of the Parties pursuant to Sections 23 and 24 hereof.

23.02 Ongoing Fuel, Landfill, and Operation and Maintenance Costs. On and after FMPA Termination Date, FMPA will not incur any ongoing Project related costs for operation and maintenance or fuel expenses, including Fuel Costs and Variable Operating Costs, which would not be an obligation of FMPA if the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date, including those costs specifically related to maintaining equipment, maintaining and operating the landfill or providing or obtaining services to retain the option to return the Project to operational service.

23.03 Operating and Maintenance Costs for SEC Unit One-related Common Facilities. To the extent that FMPA is liable or otherwise responsible for ongoing operation and maintenance ("**O&M**") costs for Common Facilities, the Parties agree to allocate those costs as follows:

(a) During periods of Extended Cold Shutdown for the Project, all O&M costs for the Common Facilities will be the responsibility of "**SECU2 Owners**" (currently OUC, FMPA's Stanton II Project, and All-Requirements Power Supply Project (the "**ARP**")).

(b) During periods when the Project is in active operations, all O&M costs for Common Facilities will be split equally with 50% of such costs allocated to the Joint Owner Interests and 50% allocated among SECU2 Owners.

For the avoidance of doubt, the Common Facilities referred to in this Paragraph 23.03 shall be deemed to only include such Common Facilities as attributed or allocated to the Project immediately prior to FMPA Termination Date, and for which, on and after such FMPA Termination Date, FMPA would have continued to incur a

portion of such O&M costs if and to the extent that the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date.

23.04 Labor, Contracting, and Consulting. On and after FMPA Termination Date, FMPA will not incur any labor, contractor, or consulting services expenses specifically related to sustaining or otherwise providing for the Project's operability and which would not be an obligation of FMPA if the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date.

23.05 Ongoing Capital. On and after FMPA Termination Date, any required capital or cash investment in equipment, new parts, spare parts, and parts inventory required solely to sustain the Project's operability will be the sole obligation and responsibility of OUC. As used in this Paragraph 23.05, "solely" includes the situation where equipment, or parts/spares inventory is acquired by OUC primarily for the continued operation of the Project but could incidentally be used to support Project operability or operations, and operations of other facilities at Stanton Energy Center where FMPA is not a co-owner.

23.06 Insurance. On and after FMPA Termination Date, FMPA shall not be responsible under this Agreement for both (i) insurance costs that would be unique from, or incremental to, costs for insurance that would have been incurred related to the permanent retirement, decommissioning, and disposition of the Project as of the FMPA Termination Date, and (ii) all insurance costs related to continued capability to operate the Project on and after FMPA Termination Date.

23.07 Station Service. FMPA shall not be responsible under this Agreement for any Station Service costs, as a part of the Variable Operating Costs or Fixed Operating Costs, for Station Service that is required solely for maintaining the Project in Extended Cold Shutdown or active operation on and after FMPA Termination Date, including Station Service used to operate pumps, motors, any equipment to preserve equipment associated for the Project's use or operation by OUC. To effect this Paragraph 23.07, a MWh/day determination of ongoing Station Service for the Project has been derived and agreed upon by the Parties. This Station Service determination, provided herein, is set forth for the sole purpose of providing for the daily consumption of MWH that the Project would be required to supply for all infrastructure on the Project, but which is required to support Stanton Energy Center Unit 2 ("SECU2") operations. This includes water treatment, coal delivery, coal reclamation, and other associated equipment needed for operation of SECU2 systems. Any Station Service for the Project that is over and above the amount set forth in this Paragraph 23.07 is hereby deemed to be the sole responsibility of OUC on and after FMPA Termination Date .

Station Service for the Project, which is required to support SECU2 operations is 205 MWH/day.

23.08 Permits, Licenses, and Legal Costs. On and after FMPA Termination Date, FMPA shall not be responsible under this Agreement for any cost, nor bear any responsibility, related to permits, licenses or legal costs (collectively, “**Regulatory Costs**”) which would not be an obligation of FMPA if the Project were permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date. Likewise, FMPA shall not be responsible under this Agreement for any Regulatory Costs, that are solely associated with the continued operability of the Project or the Project’s Extended Cold Shutdown, or both, on and after FMPA Termination Date.

If, on or after FMPA Termination Date, the situation arises where Regulatory Costs are required for both the Project in Extended Cold Shutdown, or active operations, and operations of SECU2 facilities at Stanton Energy Center, there will be an allocation of 50% of such Regulatory Costs to OUC and 50% to SECU2 Owners.

23.09 Damage and Replacement of Project-Related Common Facilities. On and after FMPA Termination Date, FMPA shall not be responsible under this Agreement for any O&M, replacement or other costs or expenses associated with, arising out of, or related to damage or ordinary wear and tear to Project-related Common Facilities or SECU2-related Common Facilities which would not have been incurred but for the Project being placed in Extended Cold Shutdown by OUC or active operations of the Project by OUC on and after such FMPA Termination Date.

23.10 Common Facilities Capital Improvement Costs. On and after the FMPA Termination Date, the Project and SECU2 share certain assets that have been designated contractually as Common Facilities. FMPA and OUC have agreed that all Common Facilities, or the portion thereof, currently attributed or otherwise allocated to the Project, and that are required and useful to support future SECU2 operations, will be transferred at no additional cost from the Joint Owner Interests to OUC as of the FMPA Termination Date, as a part of the Termination Closing. FMPA’s only subsequent obligation to provide for a share of the cost or expense of such transferred Common Facilities, if any, is to pay only those costs which FMPA would have otherwise been obligated to pay if the Project had been permanently retired, decommissioned, and finally disposed of as of FMPA Termination Date, or as otherwise provided in Paragraph 23.03.

The parties recognize that there may be a need for future investment in Common Facilities shared by the Project and SECU2 after FMPA Termination Date. To the extent that FMPA is liable or otherwise responsible for costs for future capital investment in Common Facilities on and after FMPA Termination Date, as set forth otherwise in this Paragraph 23.10, the Parties hereby agree to economically allocate such costs as follows:

(a) Any project capital costs for a Common Facility that is less than two hundred fifty thousand dollars (\$250,000) at the time of project completion or commissioning (as applicable) will be the responsibility of SECU2 Owners.

(b) Any project capital costs for a Common Facility that is two hundred fifty thousand dollars (\$250,000) or greater at the time of project completion or commissioning (as applicable) will be assigned a mutually agreed useful life (based on industry best practices) and the total costs will have a linear annual cost allocation based on that useful life. For example: a \$500,000 project with a 5-year useful life, for purposes of cost responsibility only, will have costs allocated at \$100k per year.

Once the annual cost allocation has been derived, costs will be assigned annually to OUC for the Project and SECU2 Owners in arrears based on proration of the relative annual operating capacity factors of each unit. For example: If there was shown to be an annual capacity factor of 30% for the Project and an annual capacity factor 50% for SECU2, the cost responsibility split for the applicable Common Facility project cost would equal 37% for the Project (37% of total MWhs generated) and 63% for SECU2 (63% of total MWhs generated).

23.11 Allocation of Fuel and Parts Inventory. Prior to the FMPA Termination Date, the Project and SECU2 shared a common parts and Fuel (coal) inventory, the cost of which is allocated to the Project and SECU2 owners based on the ownership/utilization by each unit. However, the Parties have herein agreed to the following allocation of such resources on and after FMPA Termination Date:

(a) Coal Inventory. The parties agree that the existing shared coal inventory shall be allocated as of FMPA Termination Date based on the following methodology:

(1) On or before October 1, 2025, OUC will work with FMPA to develop a forecasted coal burn for the Project for the months of October 2025 through May 2026. The forecast will be based on best estimate of economic dispatch within Pool dispatch parameters, regardless of FMPA scheduling volumes.

(2) Beginning in October 2025, OUC will take the following steps to allocate responsibility for coal costs as follows:

(A) Prior to calendar year-end 2025, OUC will rebalance existing coal volumes and allocate to the Project the above-mentioned forecasted volume, rather than the usual 50-50 split between the Project and SECU2 prior to FMPA Termination Date.

(B) OUC will assign a mutually agreed tonnage of coal inventory specifically to OUC for future use by the Project when OUC transitions it to active operations from Extended Cold Shutdown (“Return Fuel”). Each time such Return Fuel is utilized by OUC, it will be replenished by OUC as soon as practical.

(C) Any coal deliveries and CSX charges that take place from October 2025 forward will all be billed and allocated to SECU2 unless and to the extent delivery is specifically designated by OUC for the Project, including replenishment by OUC of Return Fuel, in which case the cost will be allocated accordingly. As FMPA’s agent for SECU2, OUC shall ensure that accurate records are made and kept and orders for coal are properly designated pursuant hereto for the Project and SECU2.

To the extent that OUC is obligated by this Paragraph 23.11 to act prior to January 1, 2026, OUC hereby covenants and warrants to FMPA that to its knowledge, all such items have been completed, but to the extent that they have not, OUC will use or will have used good faith efforts to meet all such obligations.

(3) On the Termination Closing date, SECU2 Owners will take ownership of all remaining coal inventory of the Project, minus the Return Fuel. The inventory of coal that is transferred and sold pursuant to the previous sentence will be priced at the 10/1/2025 weighted average cost. The Joint Owner Interests will be compensated for their pro-rata share of this inventory via participant billing credit or other mutually agreeable approach between the Parties.

(4) If the Project needs additional coal for the specific period of time prior to Extended Cold Shutdown, for operation on and after FMPA Termination Date, OUC will buy such needed amount from SECU2 Owners, as mutually agreed, and priced at the weighted average cost at that time of purchase.

(5) OUC hereby agrees and covenants to the SECU2 Owners that if the Project is returned to active operations, and each time this occurs, after FMPA Termination Date, the following steps will be followed by OUC to ensure sufficient coal inventory for active operations of the Project and unrestricted operations of SECU2:

(A) If the Project consumes more coal than the inventory that has been purchase by OUC as provided for in

Paragraph 23.11(a)(4), OUC shall be entitled to utilize SECU2 inventory; provided, however, that OUC will compensate SECU2 Owners at weighted average cost of coal at time of purchase/transfer; and

(B) OUC shall not to use SECU2 Owners' coal inventory in such a manner as to require coal conservation operation of SECU2. OUC will promptly replenish all SECU2 coal inventory so utilized to levels present prior to use by the Project, regardless of market pricing or other costs, within 120 days of the date first utilized for the Project.

(6) OUC hereby acknowledges and agrees that if the Ownership Share of FMPA's ARP and Stanton II Project for SECU2 is dispatched, but not all of the related Output is delivered and taken by FMPA due to its scheduling of output pursuant to section 12 of the applicable participation agreement, OUC must compensate FMPA's ARP and Stanton II Project for the coal utilized based on weighted average price of coal.

(b) Parts Inventory. If there is any remaining FMPA ownership interest in parts and other inventory allocated to the Project on the FMPA Termination Date, these assets will be transferred by FMPA to OUC at no cost at Termination Closing. OUC will pay all ongoing holding charges for such inventory on and after Termination Closing. If, on and after Termination Closing, a part is removed from the Project's inventory for use in SECU2, SECU2 Owners will be charged for the relevant part at cost.

23.12 Limited Audit Rights for SEC Unit One. FMPA retains all audit rights otherwise provided for in this Agreement for the Project after FMPA Termination Date, including while unit is in Extended Cold Shutdown, active operations, or transitioning from one state to the other, to the extent necessary to verify all costs billed to FMPA after the FMPA Termination Date.

23.13 Shutdown Committee. Pursuant to Paragraph 10.10 hereof, the Project Committee is tasked with reviewing and identifying the details of the ultimate disposition of the Project, which the Parties hereby agree has, in part, been accomplished in this Section 23 and Section 24. Additionally, the Parties hereby agree to provide for the work of the Project Committee, howsoever named as further provided in this Paragraph 23.13, as follows: (i) prior to FMPA Termination Date, FMPA and OUC will elect two members each to participate in a standing "**Shutdown Committee,**" which for purposes of actions and decisions made pursuant to this Section 23 and Section 24, shall be and constitute the Project Committee provided for in Section 10. Any conflict between Section 10 and this Paragraph 23.13 shall be resolved in favor

of the terms of this Paragraph 23.13 and Sections 23 and 24, while giving effect to the last sentence of this Paragraph 23.13. (ii) The Shutdown Committee will hold and participate in regular meetings, not less than every calendar quarter, after the Termination Closing, to jointly develop the process for assigning and transferring retained ownership of the Common Equipment and Facilities between the Project and SECU2; determining all retirement costs for the Project, and determining the allocation of cost responsibilities to all Joint Owner Interests (to the extent not set out herein); and all other matters assigned to the Shutdown Committee by Sections 23 and 24 hereof for the retirement of the Project. Nothing in this Paragraph 23.13 abrogates or diminishes rights that FMPA has as to the Project Committee as otherwise set forth in this Agreement.

23.14 Dispute Resolution. The Parties hereby acknowledge there may be any number of costs and expenses related to the Project on and after FMPA Termination Date that “could” or “may” relate to the continued operation of the Project in the future, or its status of being in Extended Cold Shutdown or active operations, while, arguably, also appropriately incurred by OUC for the Project as if OUC had permanently retired, decommissioned, and ultimately disposed of the Project as of FMPA Termination Date (collectively, or individually, “**Retirement Disputes**”). For purposes of example only: fencing repair, replacement, and other passive security costs on and after FMPA Termination Date. OUC and FMPA desire to hereby agree to an approach to address any disagreement they may face in the future over how to allocate such costs.

Utilizing the dispute resolution process provided for in Section 17, including the role of the Shutdown Committee, the following principle will be adhered to by the Parties, and the Parties hereby desire to bind any third-party decision maker on Retirement Disputes to also so adhere:

(a) for Retirement Disputes over any costs, the incremental costs over and above those which FMPA would be required to pay had OUC permanently retired, decommissioned, and disposed of the Project as of FMPA Termination Date; and

(b) where such incremental costs are attributable to the continued availability of the Project to OUC on and after FMPA Termination Date, or the Project’s status in Extended Cold Shutdown, active operations, or transitioning from or to Extended Cold Shutdown;

then such incremental costs will be presumptively costs for which FMPA is no longer responsible or liable, unless OUC can overcome such presumption with evidence of a definitive need to have incurred such costs related to its permanent retirement, decommissioning, and disposition of the Project as of FMPA Termination Date; provided, however, that costs that result in a de minimis benefit (for purposes of this

Paragraph 23.14, 5% or less of such total costs) to the ongoing operation of the Project after FMPA Termination Date will not meet such presumption.

23.15 Accounting Treatment. The Parties recognize that the accounting for cost allocation among the Joint Owner Interests and OUC on and after FMPA Termination Date will need to properly account for all costs that are or are to be allocated under Sections 23 and 24 hereof. Such accounting approach and OUC bookkeeping will be based on industry practices that will both properly allocate costs for periods when the Project is in Extended Cold Shutdown and when in active operations on and after the FMPA Termination Date.

4. **Addition of New Section 24 (Termination Closing)**

The following new Section 24 (Termination Closing) is hereby inserted into the Participation Agreement following the new Section 23 (Extended Cold Shutdown):

**SECTION 24 TERMINATION CLOSING**

24.01 FMPA Termination. As the FMPA Termination Date, FMPA's undivided Ownership Share of the Project is reduced to 0% so that FMPA shall no longer be responsible nor liable for paying Project Costs incurred on or after such date, except as set forth in Section 23, and FMPA shall no longer take and receive the Project Output. On and after the FMPA Termination Date, OUC shall no longer have an obligation to provide any of the Output of the Project to FMPA, and FMPA shall no longer have the responsibility or liability for its Ownership Share of the Output of the Project; provided, however, that FMPA shall remain liable to OUC for those costs and expenses of the Project as expressly set forth in Section 23 and Section 24, hereof, and, provided, further, that OUC's designation and authorization to act as FMPA's agent pursuant to Paragraph 4.07 is limited to only those actions of OUC required of it to comply with Section 23 and Section 24, and it otherwise terminated and no longer of any legal effect or consequence on the FMPA Termination Date. It is the intent of the Parties that the Termination Closing shall be effective as of the FMPA Termination Date.

23.02 Interim Arrangements. The Parties hereby agree that the Termination Closing will occur after the FMPA Termination Date, but it will, nevertheless, be effective as of January 1, 2026, the operational and other details of which are set forth in the Interim Operating Agreement.

24.03 Reconveyance of Property and Easement Interests. The Parties shall proceed to Termination Closing before the termination of the Interim Operating Agreement if possible. The following shall take place on the Termination Closing date:

(a) At and as of the Termination Closing, FMPA will sell and reconvey to OUC, and OUC will purchase and reacquire from FMPA, the 14.8193% undivided

Ownership Share in the Project originally conveyed to FMPA in 1984. As used in this Paragraph 24.03, "OUC" refers both to OUC and to the City of Orlando, Florida (the "City"), and to the extent that the original conveyance to FMPA of its Project interests came from OUC or the City, or both, the reconveyance by FMPA will be to the interests of OUC or the City, or both, as directed by OUC. This sale and reconveyance from FMPA to OUC includes all improvements acquired, constructed, installed or stored in connection with the Project, and all property acquired, constructed, installed or stored in connection with the construction and operation of the Project.

(b) The sale and reconveyance of FMPA's interests in the SEC Unit One Site and other real property related to the Project and the conveyances of tangible personal property at the Termination Closing will be by General Warranty Deed and Bill of Sale in substantially the form attached hereto as Exhibit AA. The assignment of contract rights and permits, if any, will be in substantially the form attached hereto as Exhibit BB. FMPA shall also furnish to OUC evidence satisfactory to OUC that FMPA has done nothing to permit or tolerate any lien, charge, or other encumbrance to all real property to be sold and reconveyed to OUC, except as permitted, tolerated, or otherwise known to OUC. The evidence of title to real property shall be furnished in accordance with the further provisions of this Agreement. OUC shall rely on the warranties of title in the General Warranty Deed and Bill of Sale as evidence of title to all personal property.

(c) Simultaneously with the Termination Closing, FMPA shall reconvey or convey and transfer to OUC all easements over the Stanton Energy Center Site for ingress and egress to the Project and ingress and egress to the Common Facilities and the External Facilities for the purposes of the Project only.

24.04 Inventory Determination and Purchase Price for Reconveyance. At the Termination Closing, and notwithstanding Paragraph 20.03, OUC shall pay to FMPA for the property purchased and re-acquired by OUC pursuant to Paragraph 24.02, the sum of \$1,000 plus \$100 for the price of all separate easements also reconveyed or conveyed and transferred to OUC pursuant thereto.

24.05 "AS IS" and "WHERE IS" Condition for Termination Closing. FMPA's undivided ownership interest in the Project is to be transferred or reconveyed at the Termination Closing by FMPA to OUC "AS IS" and "WHERE IS." FMPA makes no representation or warranty whatsoever, expressed, implied or statutory, as to the value, quantity, quality, condition, saleability, obsolescence, merchantability, design, engineering, construction, fitness or suitability for use or working order of all or any part of the Project, wherever situated and in whatever state of development, design, engineering, manufacture or construction, except those representations and warranties included expressly in this Section 24, if any, and in the Warranty Deed and Bill of Sale set forth in Exhibit AA hereto, nor does FMPA represent or warrant that the use or operation of the Project will not violate patent, trademark or servicemark rights of any third parties. OUC is

willing to purchase and reacquire FMPA's interest in the Project in accordance with the terms and conditions of this paragraph.

24.06 Deliveries at Termination Closing. Subject to the terms and conditions of this Section 24 and Section 23, the consummation of the sale and reconveyance by FMPA, and the purchase and reacquisition by OUC, of the interests of FMPA in the Project provided for in this Section 24 shall take place remotely by exchange of documents and signatures via overnight courier or electronic transmission. At or prior to the Termination Closing, FMPA shall deliver, or cause to be delivered, the following items to OUC:

(a) with respect to all real property interests to be conveyed pursuant hereto, a Special Warranty Deed, in substantially the form attached hereto as Exhibit AA, duly executed and notarized by FMPA, for recording in the official records of Orange County, Florida;

(b) the Bill of Sale, in substantially the form attached hereto as Exhibit AA, duly executed by FMPA;

(c) assignments of permits and contract rights in substantially the form attached hereto as Exhibit BB; and

(d) such other or different records, documents, instruments, or things, including modification of clauses (a) through (c) of this Paragraph 24.06, as determined necessary or appropriate by mutual agreement of the Parties.

At or prior to the Termination Closing, OUC shall deliver, or cause to be delivered, the following items to FMPA:

(aa) the sum provided in Paragraph 24.04;

(bb) the coal payment pursuant to Paragraph 23.11(a)(3);

(cc) the Bill of Sale, in substantially the form attached hereto as Exhibit AA, duly executed by OUC; and

(dd) such other or different records, documents, instruments, or things, including modification of clauses (aa) through (cc) of this Paragraph 24.06, as determined necessary or appropriate by mutual agreement of the Parties .

For those items listed in this Paragraph 24.06 that are delivered by a Party prior to the Termination Closing, legal counsel for the other Party shall hold such deliverable in escrow, until all deliverables set forth herein are received and

acknowledged by legal counsel for both Parties, and the Parties direct their mutual agreement to consummate the Termination Closing.

24.07 Future Conveyances. From time to time after the Termination Closing, OUC and FMPA shall each duly approve, execute, and deliver such other instruments of conveyance and transfer as may be necessary or appropriate, or as either Party may reasonably request, to fully vest in OUC the reconveyance of FMPA's prior undivided Ownership Interest in and to the Project and the other interests required to be sold and conveyed to OUC pursuant to this Section.

24.08 Long-Term Liability Funds. FMPA's Stanton Project that holds the Ownership Share interest in the Project has, over time, collected funds through its rates charged to FMPA Participating Members that are now held in a combination of (a) dedicated Project reserves, (b) general reserves, (c) renewal and replacement funds, and (d) other similar accounts, which are in excess of the amounts required by FMPA to pay OUC for all Project Costs properly due to OUC from FMPA for the Project prior to January 1, 2026 (collectively, the "**Stanton LTL Funds**"). Additionally, FMPA holds additional funds, in excess of its obligations owed to OUC for the Tri-City Project's ownership share in SECU2 prior to January 1, 2026 (the "**Tri-City LTL Funds**"), and additional funds, in excess of its obligations owed to OUC for the All-Requirements Power Supply Project's ownership share in SECU2 prior to January 1, 2026 (the "**ARP LTL Funds**," together with the Stanton LTL Funds and the Tri-City LTL Funds, collectively, the "**LTL Funds**"). Given the current estimates and timing for ultimate decommissioning efforts and the FMPA Retained Retirement Obligations (as defined below) for the Project, FMPA will be solely responsible to determine that FMPA's projects are holding reasonably sufficient funds to meet all of FMPA's Retained Retirement Obligations as set forth in this Section 24, based upon municipal electric utility or other independent electric industry-standard practices and information available. FMPA hereby covenants that between the Stanton Project, Tri-City Project, and All-Requirements Power Supply Project it will have access to no less than \$19 million in LTL Funds, for all FMPA and Kissimmee Utility Authority Retained Retirement Obligations under this Agreement and the other participation agreements governing the Joint Ownership Interests, at the beginning of each FMPA fiscal year to pay and otherwise meet FMPA's obligations hereunder for the Retained Retirement Obligations. Beginning on December 31, 2027, and by each December 31 thereafter for so long as FMPA's Retained Retirement Obligations remain outstanding, FMPA will certify by letter from its CFO to OUC's CFO that it has on hand LTL Funds of a total amount of at least \$19 million to address its Retained Retirement Obligations described in Paragraph 24.09(a) as of the previous October 1; provided, however, that FMPA may within its discretion determine which of its power supply projects hold such LTL Funds and in what proportion. If upon any October 1, FMPA does not have LTL Funds that are at least equal to \$19 million, FMPA shall certify the total amount of LTL Funds that FMPA has on hand, provide a written explanation for the shortfall between that amount and the heretofore required \$19 million amount, and use reasonable efforts to increase its total LTL Funds to the

required amount of \$19 million by the following October 1. During this period of FMPA using reasonable efforts to increase its total LTL Funds, OUC may require inquire from FMPA and FMPA shall provide requested information to OUC of the progress that FMPA is making in achieving the required amount of \$19 million, and FMPA shall notify OUC when FMPA reaches the required amount of \$19 million. Regardless of the actual balance of such LTL Funds on hand at any time, and from time to time, FMPA is obligated to meet its obligations under this Agreement, including without limitation FMPA's obligations with regard to Retained Retirement Obligations as described in Paragraph 24.09(a) from those LTL Funds and revenues received from invoices to FMPA Participating Members who have an obligation to pay all Stanton Project invoices from FMPA, including certain step-up obligations and a rate covenant in support thereof, for all costs related to the Project. The LTL Funds that FMPA has on hand under the terms of this Agreement shall not act as a limitation or cap nor shall it otherwise define FMPA's share of any costs for Retained Liability under this Agreement.

Beginning on December 31, 2027, and by each December 31 thereafter for so long as OUC's obligations pursuant to this Agreement remain outstanding, OUC will certify by letter from OUC's CFO to FMPA's CFO in writing that it has on hand unrestricted funds, including reserves (collectively, "**OUC LTL Funds**") of a total amount of at least \$41.4 million to address its obligations hereunder as of the previous October 1. If upon any October 1, OUC does not have OUC LTL Funds that are at least equal to \$41.4 million, OUC shall certify the total amount of OUC LTL Funds that OUC has on hand, provide a written explanation for the shortfall between that amount and the heretofore required \$41.4 million amount, and use reasonable efforts to increase its total OUC LTL Funds to the required amount of \$41.4 million by the following October 1. During this period of OUC using reasonable efforts to increase its total OUC LTL Funds, FMPA may require inquire from OUC and OUC shall provide requested information to FMPA of the progress that OUC is making in achieving the required amount of \$41.4 million, and OUC shall notify FMPA when OUC reaches the required amount of \$41.4 million. Regardless of the actual balance of such OUC LTL Funds on hand at any time, and from time to time, OUC is obligated to meet its obligations under this Agreement. The OUC LTL Funds that OUC has on hand under the terms of this Agreement shall not act as a limitation or cap nor shall it otherwise define OUC's share of any costs for ongoing liability under this Agreement.

At any time after Termination Closing, OUC may request a review of the LTL Funds held by FMPA to meet the FMPA Retained Retirement Obligations in subparagraphs (a)-(d) above. The Parties hereby agree and acknowledge that such LTL Funds are for payment of FMPA's Retained Retirement Obligations only and do not constitute rents, rate, or other charges charged to, and collected from, the FMPA Participating Members for electric power and energy from the Project. Upon any such request by OUC to review the LTL Funds, the Parties may mutually agree that the Stanton LTL funds are reasonably sufficient for a permanent retirement decommissioning and coverage of the FMPA Retained Retirement Obligations

*(“Verified Funds”); provided, however, that the Parties hereby agree and acknowledge that the amount of the Verified Funds may be less than all LTL Funds held by FMPA. If such a determination is made and the amount of the Verified Funds are agreed to by the Parties, FMPA will transfer the amount of such Verified Funds to OUC, as mutually agreed, and FMPA will not, thereafter, be obligated or liable to OUC for any FMPA Retained Retirement Obligations, regardless of OUC’s actual costs for the Project (including third party claims related to the FMPA Retained Retirement Obligations); the actual costs of permanent retirement and decommissioning of the Project; and OUC’s ultimate operating, decommissioning, or retirement decisions and all related costs for the Project.*

*24.09 FMPA Retained Retirement Obligations and Liabilities. The Parties hereby agree that after the FMPA Termination Date, FMPA’s obligations hereunder to contribute to, or reimburse OUC for, the cost of retirement, decommissioning, and final disposition of the Project is deemed by both Parties to be equal to FMPA’s rights hereunder to be credited or paid for its due share of the net salvage value of the Project. Therefore, FMPA hereby waives and discharges all claims against OUC in the future for any net salvage value credits or payment for the Project, and hereby releases to the account and benefit of OUC any and all net salvage value credits or payment that FMPA would have otherwise been entitled to pursuant to Paragraph 20.02. In return, and except as set forth below, OUC hereby waives and discharges all claims against FMPA in the future for all retirement, all decommissioning, and all final disposition costs of the Project and releases FMPA from all retirement, all decommissioning, and all final disposition costs related to the Project that would have otherwise been the obligation of FMPA pursuant to Paragraph 20.02.*

*Notwithstanding the foregoing in this Paragraph 24.09, FMPA retains its retirement, decommissioning, and final disposition cost obligations related to the Project only for the following FMPA Retained Retirement Costs, which shall constitute Capital Additions Costs, payable in accordance with Paragraph 6.04:*

*(a) Costs associated with ongoing landfill requirements, but only as such landfill requirements relate to the Project prior to the Termination Closing, which otherwise would have been incurred by FMPA if the Project had been permanently retired, decommissioned, and disposed of as of the FMPA Termination Date.*

*(b) Environmental compliance costs associated with the Project after the FMPA Termination Date, which otherwise would have been incurred by FMPA if the Project had been permanently retired, decommissioned, and disposed of as of the FMPA Termination Date; and*

*(c) Safety and security related costs for the SEC Unit One Site after the FMPA Termination Date, which otherwise would have been incurred by FMPA if*

the Project had been permanently retired, decommissioned, and disposed of as of the FMPA Termination Date (collectively, Paragraph 24.09(a), (b), and (c), being the “**Retained Retirement Obligations**”).

24.10 Determination of Allocated Pre- and Post-Termination Closing Liabilities. The Shutdown Committee shall perform the following activities in order to facilitate and determine the allocation of liabilities between the parties pre- and post- Termination Closing, for costs described in Paragraph 24.09(a).

(a) The Shutdown Committee shall initiate a general assessment of the baseline condition of the Project landfills as of (or as near as possible) to the FMPA Termination Date and shall cause a report on the same to be prepared and approved by the Shutdown Committee, which shall be deemed to be Schedule 1 hereto, and a material part of this Agreement (“**Baseline Landfill Conditions**”). The Baseline Landfill Condition shall be established and determined by the Shutdown Committee on the basis of: (1) topographical surveys of both landfills to ascertain the remaining capacity; (2) the approximate location of existing monitoring wells and any additional monitoring wells as required by permit; and (3) the projected operational and maintenance costs assuming the Baseline Landfill Condition over time without changes associated with OUC’s continued operation of the Unit.

(b) The Shutdown Committee will agree on a cost allocation methodology for the Baseline Landfill Conditions as well as future costs associated with the Project landfills as a result of the Project’s status of being in Extended Cold Shutdown or active operations (“**Ongoing Landfill Conditions**”) based on the principles set forth in (c) below.

(c) OUC and FMPA agree that allocation of Project landfill costs and liabilities shall be determined based on whether any such costs and liabilities were a part of the Baseline Landfill Conditions or whether they arose after the FMPA Termination Date.

(1) FMPA and OUC will share, based on their Ownership Shares of the Project prior to the FMPA Termination Date, all Baseline Landfill Conditions. The parties may agree on a payment methodology whereby FMPA is billed on an ongoing basis for such costs.

(2) OUC will bear any costs and liability to the extent attributable or related to all Ongoing Landfill Conditions.

## 5. Amendment to Section 20, Retirement or Abandonment of Project

A new Section 20.4 shall be added which reads as follows:

20.4 Post-FMPA Termination Date Indemnity and Waiver

*OUC does hereby covenant and agree to indemnify, defend, and hold harmless FMPA, its officers, directors, agents and employees, harmless from and against any and all claims, suits, judgment, damages, losses and expenses (including reasonable attorneys' fees and costs) or demands, including demands arising from injuries or death of third parties, to the extent attributed to or arising out of any negligent acts, errors, omissions or misconduct of OUC and OUC's employees relating to operation of the Project after the FMPA Termination Date, including all Ongoing Landfill Conditions.*

*OUC hereby waives all claims and rights to assert a claim against FMPA for any costs of the Project arising after the FMPA Termination Date, unless expressly provided for in Sections 23 and 24.*

6. **Renumbering of Section 23 (Execution of Agreement)**

Current Section 23 (Execution of Agreement) of the Participation Agreement is hereby amended by renumbering it to be Section 25.

7. **Remaining Terms Unchanged**

Except as modified in this Amendment, all other terms and conditions of the Participation Agreement remain unchanged.

8. **Counterparts**

This Amendment may be executed in any number of counterparts, and signature pages exchanged by facsimile, and each counterpart shall be regarded for all purposes as an original, and such counterparts shall constitute, but one and the same instrument, it being understood that both Parties need not sign the same counterpart. The signature page of any counterpart, and facsimiles and photocopies thereof, may be appended to any other counterpart and when so appended shall constitute an original. In the event that any signature is delivered by facsimile transmission or by facsimile signature, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the Amendment with the same force and effect as if such facsimile signature page were an original thereof.

*[Signature Page Follows]*

The Parties are signing this Amendment as of the date stated in the introductory clause.

ORLANDO UTILITIES COMMISSION

Approved as to form and legality  
OUC Legal Department

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

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

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

Clint Bullock  
General Manager and CEO

FLORIDA MUNICIPAL POWER AGENCY  
(STANTON PROJECT)

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

Jacob A. Williams  
General Manager and CEO

*[Signature Page to Amendment No. 5 to the Participation Agreement between Orlando Utilities Commission, and Florida Municipal Power Agency (Stanton Project) for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, dated as of January 1, 2026]*

Exhibit AA

SPECIAL WARRANTY DEED AND BILL OF SALE

*[To Come]*

Exhibit BB

ASSIGNMENT OF PERMITS AND CONTRACTS

*[To Come]*

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. HR Policy Updates**

**Executive Committee  
April 16, 2026**



## **9b – HR Policy Updates**

Executive Committee

April 16, 2026

# Agency's Mission Drives HR Policies

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Human Resources (HR) policies and procedures need to be updated regularly to ensure retention and recruitment of top talent so FMPA can fulfill its mission of providing low-cost and reliable power plus value-added services for FMPA's owner-customers that benefit their communities and customers.

# Board Approved HR Policy 2020-2025

*Last Updated 2025-Updated verbiage from Days to Hours PTO*

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## Board-Level Policies

Personnel Management (EEO)

Safety

Compensation Plan

Health and Wellness

Paid Time Off

Deferred Compensation

Retiree Benefits (employees hired prior to 10/01/04)

Training and Development

Work-Life Integration

Public Purpose

Per Diem and Travel Expense Policy

# Current UNUM Long-Term Care (LTC) Update

*LTC plan has been discontinued*

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- Currently, FMPA provides long-term care insurance full-time and part-time employees. FMPA will pay 100% of the policy premiums for eligible employees.
- UNUM will no longer cover employees as of February 1, 2026.
- Team members who were hired prior to February 1, 2026, will retain access to the UNUM LTC plan.

# Updated Language for LTC Policy

*Provides substitution for previous company paid benefit*

---

FMPA will pay 100% of the employee only vision coverage premium for new hires after February 1 ,2026 in place of Long-term Care Insurance. This will have no impact on the budget.

# One-Time Enrollment Change Opportunity

*Available for Grandfathered LTC Participants*

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- Employees may elect to cancel their current LTC and elect vision-only coverage
- LTC is portable, and the employee can continue to make payments
- One-time option only

# Board Approved Dental Coverage changes

*Need approval to include in HR Policy*

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In 2023 Board approved to pay a portion or all of employee only Dental coverage based on years of service



In 2026 Board approved to pay premiums for employee only Dental coverage for all employees

# Proposed Dental Language

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FMPA provides eligible full-time and part-time employees with dental insurance. The Agency contributes 100% toward the employee-only premium.

# Information Only

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- Approved to amend the HR Policy Handbook to include 100% company-paid Vision and Dental employee-only coverage

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. Keys Battery Storage RFP Results**

**Executive Committee  
April 16, 2026**



# 9c – Keys Battery Storage RFP Results

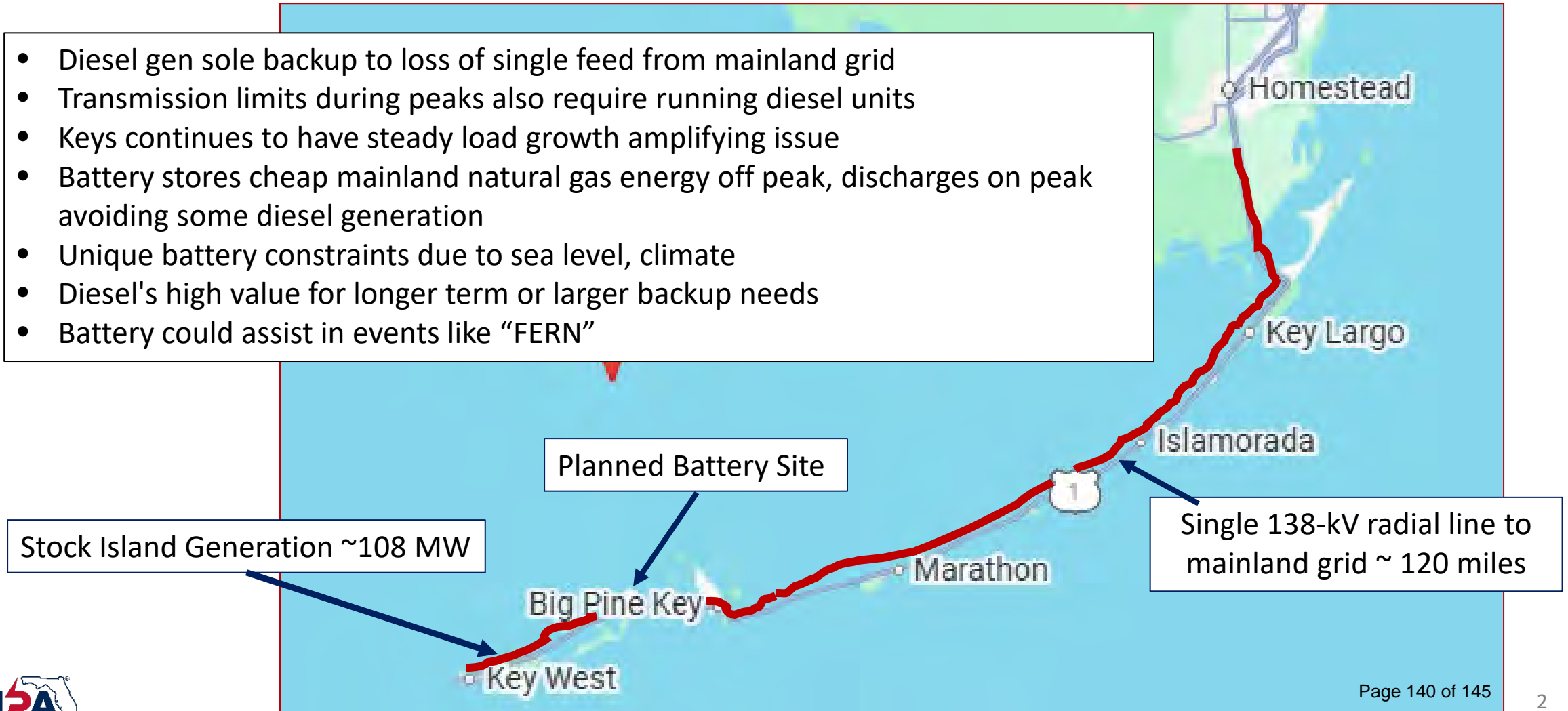
Executive Committee

April 16, 2026

# FMPA Exploring BESS To Solve KEYS Congestion

## *Battery Helps Avoid Diesel Starts/MWh Via Energy Arbitrage*

- Diesel gen sole backup to loss of single feed from mainland grid
- Transmission limits during peaks also require running diesel units
- Keys continues to have steady load growth amplifying issue
- Battery stores cheap mainland natural gas energy off peak, discharges on peak avoiding some diesel generation
- Unique battery constraints due to sea level, climate
- Diesel's high value for longer term or larger backup needs
- Battery could assist in events like "FERN"



# Battery RFP Results Favorable to Continue Negotiations

## *Battery Least-Cost, Least-Risk Alternative for Keys Needs*

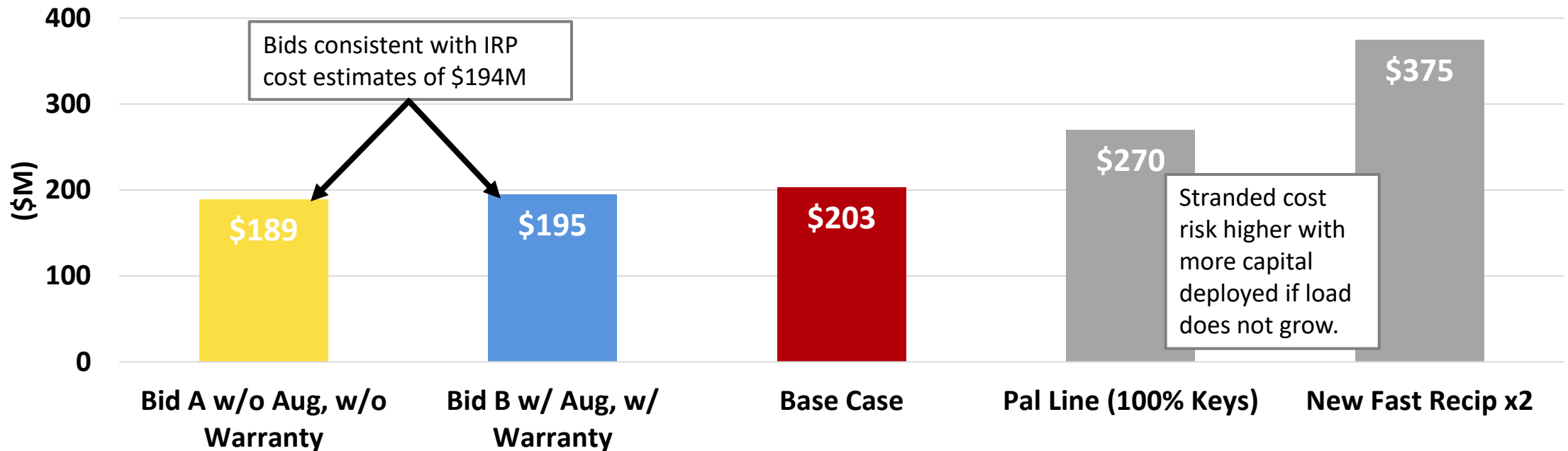
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- Economic analysis of bids suggest up to ~\$14M NPV benefit
- 15MW, 4-hour discharge project received 7 bids
  - Potential EPC project cost <\$25M commercial in 2029
- Two bidders' proposals warrant next steps
  - Further refinement of project requirements and specifications
  - Negotiation of critical terms and conditions of EPC project
- Project could be eligible for up to 30% ITC federal funding
  - ITC domestic supply requirements potentially result in higher cost project
- Keys Energy would provide battery site on Big Pine Key at no cost
- Project too small for large scale providers such as NextEra and Tesla

# BESS Potential Low-Cost W/Load Growth and Price

## *Parallel Line Expensive Without Significant Cost Share w/ FKEC*

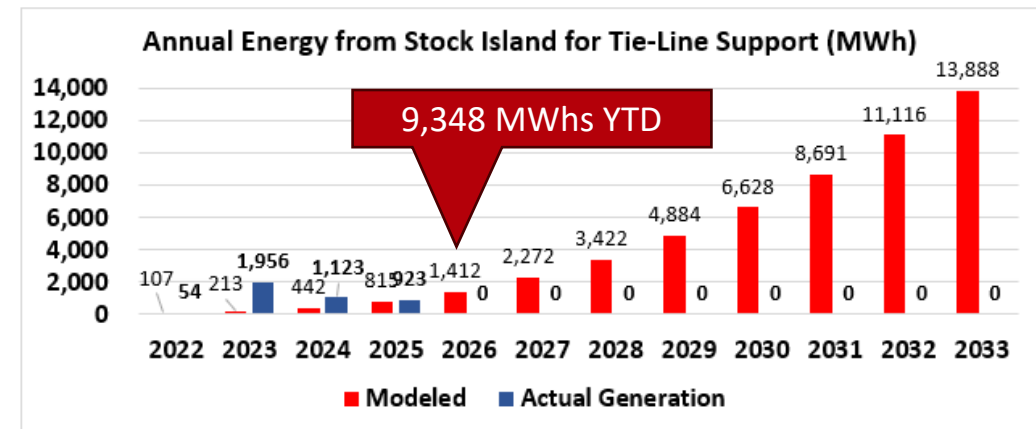
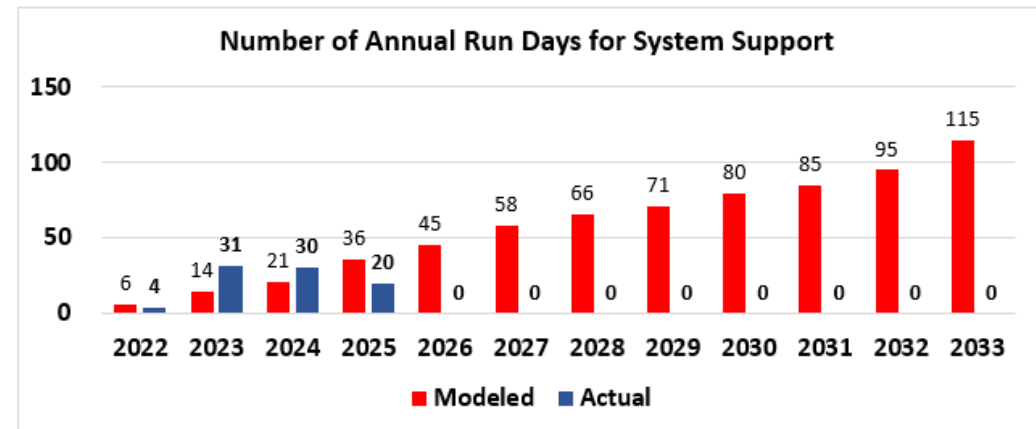
NPV Total Cost Base Case – 20 Yr (2026-2045) (\$M)



# Overall Unit Operations Outpacing Expectations

## *Staff Recommends Proceeding to Next Steps with Two Bidders*

- Proceeding with negotiations allows potential commercial operation in 2029
- The Stock Island assets generated 9,348 MWh so far this year over 32 event days (no tie line support runs typically in winter & spring for transmission congestion)
- Units called for operation a total of 48 days in FY25, in support of all operation requirements
- FY25 highest level of service hours in 14 years
- Continued warmer, earlier summer patterns likely to outpace base projections (as with last 3 years final outcomes)



**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Executive Committee  
April 16, 2026**

**AGENDA ITEM 11 – ADJOURNMENT**

**Executive Committee  
April 16, 2026**